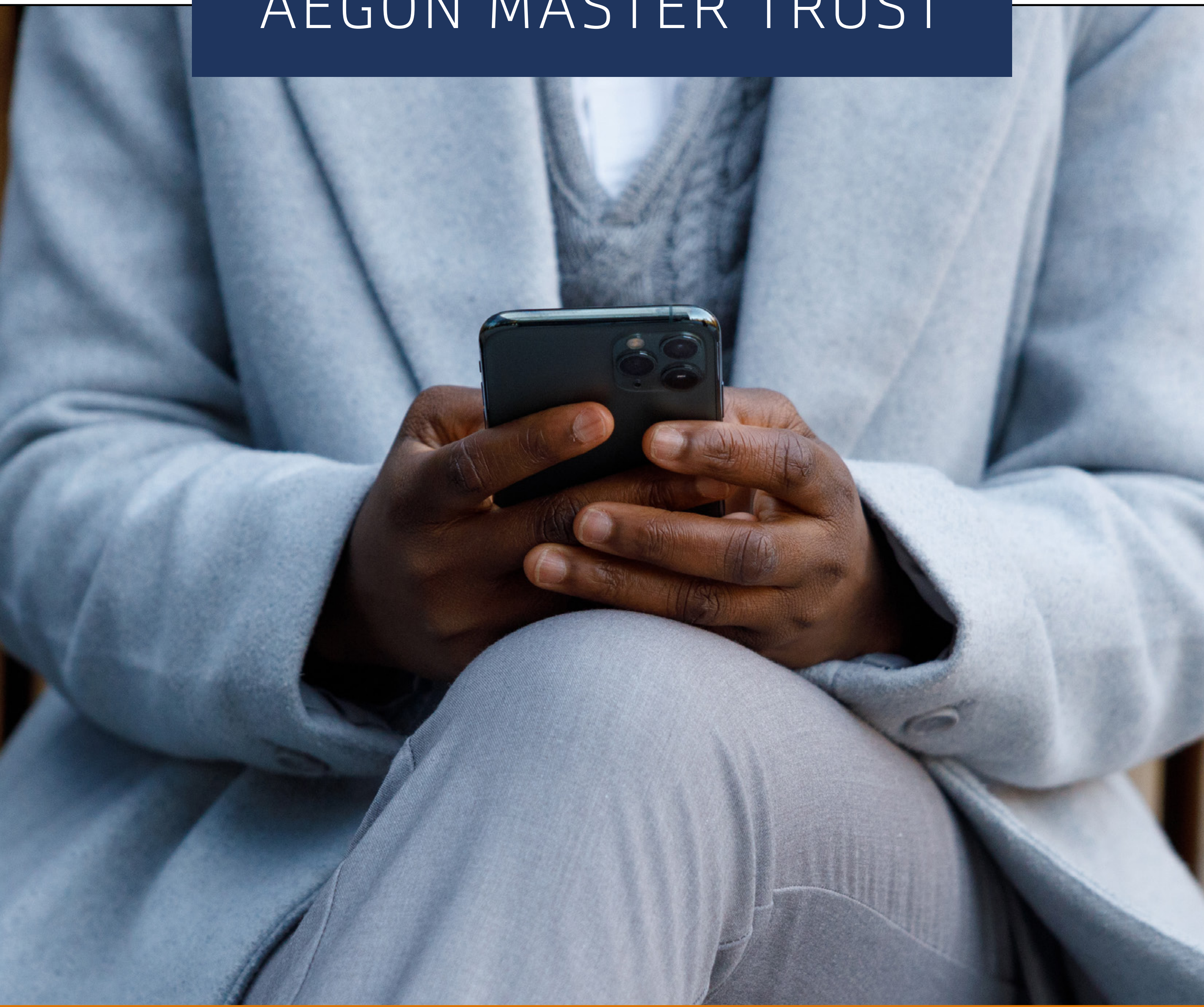
AEGON MASTER TRUST



Report and Financial Statements

For the year ended 31 March 2025

Registered Number: 12006781

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Introduction from Ian Pittaway, Nominated Representative of Independent Trustee Limited, Chair of the Trustees

As your Chairman of Trustees, I'm delighted to be able to provide you with this annual update on the Aegon Master Trust (the 'Scheme' or the 'Master Trust') and tell you more about the role that the Trustees carried out for you during the period from 1 April 2024 to 31 March 2025 (the 'Scheme year').

We, the Trustees of the Scheme (referred to as 'Trustees', the 'Trustee Board', 'we' or 'us' within this statement) are required by law to make this statement and we welcome the opportunity to tell members (referred to as 'Members' or 'you' within this statement) about the governance of the Scheme.

As at 31 March 2025 the Trustees had responsibility for approximately £5.21bn of investment assets and 190,484 Members.

In this update, we're giving you information about the Trustee Board, an update on key milestones and developments, our investment strategy for the Scheme, service performance, details of costs and charges, and how we work to ensure the Scheme provides good value for Members. Under the section looking at costs and charges, we've included illustrative examples of the cumulative effect of costs and charges over time.

We've also included further details about the Trustees in Appendix 1, setting out how the Trustees are selected, their knowledge and understanding, what they bring to the Scheme and the importance of ongoing training.

Improvements to the Scheme

We are pleased to report that Aegon and the Trustees continue to invest in improving the services offered to you. Some of the key developments included: enhancements to Member Insights; improvements to the Aegon app; updates to automation and verification; and continued work on Member retirement journeys. Details of these improvements and others introduced during the Scheme year can be found in Section 2 of the report.

Service

We regularly focus on the service that our members receive. Overall, it's been a positive year with the customer care teams achieving our key metrics with a quarter-on-quarter improvement. We have been able to see first-hand the service Aegon's team give with visits to the office in Peterborough in both May and December 2024. Taking the time out to speak to colleagues who speak and communicate directly with our Members gave us confidence in what they are doing and an opportunity to understand from their experience things that could be improved which as Trustees we can take forward.

A concern which the Trustees are aware of and keeping abreast of is an increase in complaints. We continue to challenge the Aegon team to ensure that they have solutions in place to bring these numbers down, and we closely monitor the effectiveness of these solutions.

Aegon has continued to focus on staff recruitment and retention to improve the service provided to Members. Following the investment and changes Aegon has made in this area, to enable a return to a good level of service, we have seen continued signs of improvement and believe service has stabilised to the point that members will consistently receive the level of service they need.

Further details on service performance on core financial transactions can be found in Section 5 of the statement.

Investment Performance

During the Scheme year Aegon BlackRock LifePath Flexi, the investment option that the majority of members are invested in, experienced positive returns across every portfolio. You can find further details on investment performance and how the Trustees oversee the investment performance of the Scheme in Section 3 of the statement. Although ongoing healthy growth in the US economy underpinned positive returns from global equities over the year, the asset class saw significant volatility compared to the previous year. Bonds showed only modest returns given persistent inflation concerns that were exacerbated by President Trump's election.

Cost of Living Crisis

High inflation and the cost-of-living crisis continued during the Scheme year which will have put many people's finances under more pressure. This may have impacted your ability to save, as well as your existing savings/pension investments. It can be worrying to see short-term fluctuations in value. Aegon have lots of support available to help you, including a dedicated Cost of Living Hub which can be accessed via this link **Cost of Living**.

We were encouraged to see how many members and employers used the wide range of resources on offer. Members accessed webinars presented as part of a series on financial wellbeing, on topics such as financial wellbeing in the workplace, and financial security and living longer. A number of members also accessed online resources relating to the market response of US tariff plans and cost of living. 586 members accessed the information available in the Master Trust's toolkit between April 2024 and March 2025.

Trustee Connect

In June, we introduced a new initiative called Trustee Connect. The Trustees take away the governance burden for employers, but not their voice. Dedicated and direct engagement with employers is key to ensuring we as Trustees are well informed and able to make the best possible decisions on behalf of all of our members. In addition to our regular Master Trust Summits for all employers, each of our participating employers has a Trustee aligned to them. This allows a more personalised interaction and builds long term relationships between the Master Trust and its members.

With this initiative, Trustees have been invited along to employer Governance meetings to discuss the plans for the Master Trust but also to understand the challenges of our employers. In addition, twice a year Trustees invite individual employers to join the Trustees' board meeting to carry out a "deep dive" two-way feedback session.

Being able to support our schemes is important to us. We want to know that what we are doing for our members is continuously improving their experience. To allow all Trustees to do this, we are invited to member insight focus groups to hear the feedback members are giving directly. This allows us to robustly challenge Aegon, and feed into our own development strategy.

The Trustees have fully embraced these interactions and experiences, and we believe they are making a positive impact on our members and employers.

Inclusion, Equality and Diversity

The Trustees are aware they need to consider inclusion diversity and equality (IED) to help achieve the best outcomes for all Aegon Master Trust members. To make sure all Trustees have the same focus on inclusion, equality and diversity, it was agreed that a set of principles would be introduced. With the principles now in place, it makes sure Trustees, strategists and the wider team remain aware and accountable when it comes to topics of IED.

Head of Master Trust

In December 2024, Antonia Balaam was appointed as Head of Master Trust. This change was intended to see the AMT Board, Workplace team and employers working more closely together in order to drive better member outcomes, and to provide a main spokesperson for the Aegon Master Trust in the market.

Our Advisers and Service Providers

The Trustees are fully committed to high governance standards, and we make sure that the Scheme is managed in accordance with the Scheme's governing documentation (i.e. the Trust Deed and Rules) and relevant legislation. We appoint professional advisers and service providers to assist us in running the Scheme and take advice from our investment adviser whenever we review the appropriateness of the Scheme's investment funds and strategy.

Our current advisers are:

Accountants:	Aegon (as defined below)
Auditor:	Ernst & Young LLP
Investment:	Isio Group Limited
Legal:	Eversheds Sutherland (International) LLP and Stephenson Harwood LLP, as standby Legal Advisor
Assurance Auditor:	S&W Partners Audit Limited

Scottish Equitable plc (SE plc) is the Sponsoring Employer of the Scheme and Scheme funder. It is also our administration service provider. SE plc is an indirect subsidiary of Aegon UK plc ("Aegon UK") and its brand name is "Aegon". Where I refer to "Aegon" in this statement, I mean SE plc.

We hope you find this update useful. We're always keen to hear your views on the Scheme, so please contact us at **yourMT@aegon.co.uk** if you have anything you'd like to let us know about the Scheme and your membership of it. In addition, Section 7 of this Statement explains other arrangements we have in place for you to contact the Scheme and share your views and provide feedback.

Aegon issues a quarterly member newsletter, on behalf of the Trustees, so please make sure your email address is up to date and accurate. You can do this easily by activating or signing into your secure TargetPlan account.

Section 1:
Your Trustee Board

The Trustees provide governance and investment oversight to the Scheme, independently of Aegon. They are responsible for the proper running of the Scheme in accordance with the Scheme documentation, legislation and regulations. It is the Trustees' duty to act in the Members' best interests.

During the Scheme year the Trustee Board was made up of four trustees, all of whom are non-affiliated (independent) Trustees, including the Chairman. Broadly, "non-affiliated" means that the Trustee must not have been affiliated with any company which provides (or has in the last five years provided) services to the Scheme.

The independent/non-affiliated Trustees during the Scheme year were:

- Independent Trustee Limited, represented by Ian Pittaway;
- Zedra Governance Limited, represented by Alison Bostock;
- Helen Parker; and
- Graeme Griffiths

More information about the Trustees can be found in Appendix 1.

Section 2:
Key milestones and developments

Authorisation of master trust schemes

All master trusts must be authorised by the Pensions Regulator in accordance with the Pension Schemes Act 2017. The Pensions Regulator (TPR) is also responsible for ongoing supervision and oversight of each master trust to ensure the authorisation criteria continue to be met.

The Scheme was authorised by TPR on 6 September 2019. All authorised master trusts are listed on regulator's website **https://www.thepensionsregulator.gov.uk/en/master-trust-pension-schemes/list-of-authorised-master-trusts.**

Improvements to the Scheme

The Trustees, along with Aegon, are committed to providing extra value and benefits to employers and Members of the Scheme. During the Scheme year the Trustees and Aegon made the following improvements:

Proposition delivery

- **Member Insights** – to maintain its competitive edge in the market supporting scheme governance and good member outcomes, Member Insights has had a number of enhancements, bringing in more data and offering new campaigns in regular instalments from September 2024. These included industry comparisons, a new 'gender pension gap' section and enhanced 'deferred members' reporting.
- **Retirement Journey and More Ways to Save** – Aegon have continued their work in relation to Members' retirement journeys, as well as broadening out more savings options. This has included further work on warm-up emails and the introduction of improved consolidation and retirement journeys as well as the introduction of Family Price Match where family members can take out an Individual Savings Account (ISA) at the Member's scheme price. Work has also continued in relation to the 'Second 50' initiative, with a focus on providing support to Members through the complex decisions required, both in the lead-up to retirement as well as post-retirement.

- **Aegon Mobile App** – several enhancements were made to the mobile app throughout the scheme year, focusing on improving usability for members as well as introducing new capabilities and features. Enhancements have included the creation of a knowledge hub where Members can access helpful videos across a range of topics as well as the addition of Financial Wellbeing and Responsible Investing content. Members can also now access Family Price Match through the app.

- **Automation and Operational Transformation** – extensive work has been undertaken to improve end-to-end customer experience and to streamline customer processes. These improvements include providing proactive communications to customers for inflight transactions and introduced an improved bank verification system (LexisNexis) for AML and biometric checks to reduce end-to-end customer days. These changes have been implemented during the early stages of a 3-year programme to improve what we do for our members.

- **Illiquid Assets** – the Statement of Investment Principles was updated in April 2024 to reflect the Trustees' position on making illiquid investments available to the Master Trust membership. The Trustees have worked with Aegon to assess the value illiquid assets could offer in a diversified portfolio. It was concluded that these assets could offer higher expected returns and further diversification to a portfolio, anticipated to improve resilience to market shocks over the long term. The Trustees will continue to review this position, in line with the drive to improve outcomes for members.

Education and Thought leadership

- **Pension Geeks TV** – these live and interactive online studio events are another part of Aegon's wider financial education programme to help members understand what they have and actions they should consider taking to achieve good outcomes. Taking place across 2024, sessions were open to all Members. These informative programmes deliver key educational content in a way that forges closer connections with Members (who may not otherwise choose to actively engage with their workplace pension) improving overall understanding of money and workplace pensions. Sessions included varied content, from basic pension education through to more detailed sessions on responsible investments. The live events are supported by an information hub and follow-up 'Understand your Aegon pension' webinars – live targeted 'how-to' workshops that help members to apply what they have learned to their own circumstances and retirement plans, showing them what actions and steps can be taken to achieve better retirement outcomes.

- **Financial wellbeing week** – Aegon ran a financial wellbeing week in November 2024, aimed at employers. This involved live virtual webinars on many topics associated with financial wellbeing plus the opportunity to ask questions. It also included the promotion of online tools for Members to measure their own financial wellbeing as well as visualise their future self and what their retirement could look like. During that week, Aegon launched the Second 50 research, providing information on aspects for Members to consider in relation to health, wealth, family, wellbeing and work based on 12 years of research.

Please bear in mind that the value of investments may go down as well as up and the final value of a member's pension pot may be less than has been paid in. There's no guarantee funds will meet their objectives. Funds investing in a single asset class, for example UK equities, should only be used as part of a diversified portfolio. Any charts are for illustrative purposes only, and we reserve the right to change funds' asset allocations and charges. You should get financial advice if you're not sure whether an investment or product is right for you.

Section 3: Investment arrangements

The Trustees have appointed an Investment Sub-Committee (ISC) to ensure the key topic of investments within the Scheme receives regular and focused oversight. The ISC reports to the main Trustee Board and its remit and responsibilities are set out in its Terms of Reference. Throughout the Scheme year the ISC has met regularly, reporting to the full Trustee Board each quarter. The Trustees have appointed an Independent Investment Adviser, Isio, to assist in the oversight of investments. To ensure the input of the Scheme's Independent Investment Advisers is regular and timely the Trustees have invited Isio to attend all the ISC meetings which are held at least quarterly, and more often as required. Isio is also invited to attend the main Trustees' quarterly meetings. Isio and Aegon's investment team also maintain regular engagement meeting at least monthly.

The Trustees have set strategic objectives for Isio, and review performance against these objectives on an annual basis, as required by The Pensions Regulator (TPR). The objectives were reviewed in the Scheme Year and the Trustees expanded an objective on Environmental, Social and Governance (ESG) considerations to be more explicit in the support and advice required from the Scheme Advisers. This includes, but is not limited to, embedding ESG considerations into decisions and processes, and supporting the Trustees in meeting their climate objectives. The Trustees concluded that Isio have performed well against the strategic objectives.

The Scheme works only with Isio as Independent Investment Advisers. The Trustees deem neither SE Plc, nor the Asset Managers used for the Scheme investments, as Independent Investment Advisers under the current regulations set out by TPR.

The Trustees receive regular, detailed fund reporting from Aegon via the ISC. The fund reporting includes quarterly performance shown against the fund's benchmark and similar funds in the market, the fund's latest Value for Money status, and ESG scores for each fund where available. During the Scheme Year, Aegon worked with Isio to further enhance reporting and support the Trustees in their assessments. This has included providing an overall executive summary of performance and further enhancing the ESG score methodology. Following discussions in the previous Scheme Year, the ESG score methodology has been refined to combine two separate reporting metrics that will aid the Trustees in making a fairer assessment by managing any data gaps and mitigating any potentially misleading data. This bespoke rating incorporates MSCI ESG fund rating scores (which rate companies on how well they manage sustainability risks and opportunities relative to industry-specific peers) with Climate Value-at-Risk (CVaR) scores (which give a percentage of expected change in returns due to combined physical and transition risks and opportunities from climate change).

This gives a more holistic and reliable fund rating which aligns with Trustees' prioritisation of climate change as a key engagement theme as outlined in the AMT Responsible Investment Policy.

The Trustees support these updates to reporting and expect the packs will continue to be refined for detail. In terms of further developments, the Trustees hope to see the performance reporting expanded to include more holistic data and take a more qualitative approach to cover any potential data gaps, similar to the approach taken with the ESG score methodology.

The Trustees have met with BlackRock several times over the Scheme year to receive updates on the LifePath funds directly from the asset manager. This has included updates on performance, the development of sustainability reporting, and progress made on research, engagement and voting. The Trustees' also received updates on how BlackRock have improved ESG reporting for Lifepath over the Scheme Year, including bespoke reporting for AMT, which will be an area of continued development.

The discussions over this Scheme Year have also included updates on BlackRock's collaboration with Aegon to evolve the investment strategy of the LifePath funds.

Value For Money: A framework on metrics, standards & disclosures

The Value for Money regulation is a tri-partite initiative driven by the Financial Conduct Authority (FCA), Department for Work and Pensions (DWP) and TPR. It aims to establish a single, cross-market approach to Value for Money Assessments. It is expected to be implemented in December 2027. This proposed regulation would overhaul the costs and charges, investment performance and quality of service disclosures the Trustees will be required to publish. Work continues to ensure the Trustees are well prepared for this reporting change.

Statement of Investment Principles (SIP)

The SIP provides details of the investment offering including default arrangements and other investment options, together with the investment policies which guide the way in which Members' pension savings are invested and managed. These policies apply across all the Scheme's investments (unless otherwise stated) and are intended to ensure that the assets are invested in the best interests of Members and beneficiaries.

The SIP has been updated once in the Scheme year, in April 2024. All comments on the suitability of investments, and the Implementation Statement are made with reference to the applicable SIP adopted by the Trustees in April 2024.

The April 2024 update removed reference to the Old Core Range of funds that were closed and are no longer available to Members following the full implementation of the refreshed AMT Fund Range in October 2023. Appendix 2 was also updated to reflect the Bespoke Notional Sections that were moved to the new standard AMT Fund Range. This revision of the SIP also added the Trustees' policy on investment in illiquid assets, which was adopted by the Trustees in April 2024. The SIP was updated beyond the Scheme Year in April 2025 to reflect the addition of a Bespoke Notional Section, and in August 2025 to reflect changes to the Trustee's Investment Beliefs and changes to the default funds, outlined later in this report.

The most up-to-date SIP is attached in Appendix 3. Here, you can find more information about the Scheme default arrangements and all other funds available under the Scheme. The SIP is also available online at **https://www.aegon.co.uk/workplace/master-trust.html**.

The Implementation Statement can be found in Appendix 4. The Implementation Statement details how, and the extent to which the Trustees followed the policies outlined in the Statement of Investment Principles (SIP), as well as any changes made to the SIP during the Scheme Year. The Implementation Statement also examines voting behaviour and reflects DWP Stewardship Guidance.

The Trustees' investment beliefs

The investment beliefs held by the Trustees during the Scheme year are detailed below:

i. Default arrangements should reduce Members' exposure to investment risk throughout their lifetime, as well as reflect their likely pension benefit choices.

ii. The fund range should meet the needs of the target market, and it should be presented in a simple way that helps to combat common behavioural biases.

iii. Other self-select investment options should be offered to meet the differing risk and goal preferences of Members.

iv. As long-term investors, the Trustees believe the fund range should, where possible, align with the Trustees' responsible investment beliefs.

The Trustees' Investment Beliefs were since updated in August 2025, in the following Scheme Year. You can view the updated Investment Beliefs in the SIP on page 80 in Appendix 3 of this report.

Default funds:

Standard default investment arrangements

In line with the SIP, and the Trustees' investment beliefs, the Trustees provide default investment funds for Members who do not choose where to invest their pension savings.

Aegon BlackRock LifePath Flexi is the Scheme's chosen default fund. This fund adjusts its allocation based on the number of years to a Member's Target Retirement Age (TRA). The fund targets an asset allocation at retirement, which is appropriate for Members who are planning to leave their pension savings invested and draw regular income or make ad-hoc withdrawals from their pension savings.

The Scheme also offers two alternative default funds to Aegon BlackRock LifePath Flexi:

- Aegon BlackRock LifePath Retirement – designed for Members who plan to turn their pension savings into a guaranteed income through the purchase of an annuity.
- Aegon BlackRock LifePath Capital – designed for Members who plan to withdraw their pension as cash.

The asset allocation of Aegon BlackRock LifePath funds gradually alters the investment mix as Members approach their TRA. Earlier on in a Members working life, the fund's strategy is weighted towards riskier assets that target growth such as equities (stocks and shares), then leading up to a Member's TRA, the fund's strategy gradually moves to a more cautious asset mix such as government bonds and other fixed income assets. This changing asset allocation, based on a Members chosen TRA, is referred to as the glidepath.

All the Aegon BlackRock LifePath strategies (Flexi, Retirement and Capital) are invested in the same assets up until 10 years before the Member's target TRA. At this stage, the three funds begin to differ to suit the different retirement outcome of each fund. The asset allocation for each is shown in Appendix 1 of the Scheme's Statement of Investment Principles (SIP).

During this Scheme Year, the Trustees have approved plans to evolve the Aegon BlackRock LifePath funds to better suit Member dynamics and improve Member outcomes. The planned changes will be carried out in the next Scheme Year and are supported by research from Aegon, BlackRock and Isio. Aegon and BlackRock have collaborated on the updates, which will also mean Aegon will have more control within the new fund structure and will be better able to futureproof the strategy.

The changes are outlined in further detail on page 16 but will seek to address concerns previously raised by the Trustees' about the length of the current glidepath and also plan to make use of new underlying funds, which will improve the level of ESG integration for the Lifepath strategies and overall alignment to the climate commitments of the Trustees.

Trustees view on suitability of the standard default funds.

The Trustees must commission a review of the suitability of the Scheme default funds by the Independent Investment Advisers at least every three years and without delay after any significant change in investment policy or the demographic profile of the Members. The review provides the Trustees with advice for the purpose of Section 36 of the Pensions Act 1995, in respect of the appropriateness and suitability of the default strategies for Scheme Members. It provides the Trustees with analysis of the default funds during the various stages, how the funds were managed, charges for the funds, and their performance.

In October 2024, Isio completed a Triennial review of the Scheme's default investment strategy, LifePath. The review assessed the membership profile within LifePath, and focused on the current investment strategy, while also considering the planned updates to the strategy against a wider peer group and in line with Isio's key investment criteria for a best-in-class default strategy aimed at maximising Member outcomes in retirement.

The review gave a positive assessment of the default investment strategy for both the Growth stage and the At Retirement stage. Isio highlighted the potential to include an allocation to illiquid assets (private market investments) in the Growth stage, which is already being explored by the Trustees and Aegon, in line with the illiquid policy published within the SIP in April 2024. Private market investments could also allow more sustainable investment opportunities in the future, which would further enhance the ESG credentials for the scheme default.

Isio recognised that Lifepath has historically been limited by BlackRock's ESG capabilities, but that the forthcoming updates to evolve the LifePath funds will go some way towards addressing this through the use of BlackRock's ESG Insights funds. Isio remain comfortable with BlackRock as the underlying fund manager and believe the default investment strategy will benefit from changes to operational structure which would give Aegon more influence.

The main area for development was the glidepath length of 35 years. Isio found that the de-risking period from the Growth to Retirement phase (once a Member reaches their TRA) was not in line with peers and market best practice. The Trustees have previously challenged the length of the glidepath and have supported plans to refine this to better align with Member behaviour and retirement needs, and due to its potential to increase Member wealth at their TRA relative to the existing glidepath. Isio view the planned move to a 15-year glidepath as a significant improvement. Further details of the planned changes to LifePath are detailed on page 23.

In summary, although only a provisional assessment, Isio consider that the upcoming changes will address prior concerns and improve the default investment strategy in several key areas. The Trustees have weighed Isio's Triennial review against other external feedback and peer comparison and are pleased to see the proposed changes will significantly strengthen the LifePath funds, improving Member outcomes while maintaining focus on future evolution and the increasing pace of innovation in workplace pensions. The Trustees agree that focus should be on ways to improve the default fund offering, but there must be careful consideration of how the changes are progressed and communicated to avoid any risk of poor Member outcomes.

There was also a follow up review from Isio in February 2025, looking more specifically at the Capital and Retirement LifePath funds which are selected by a smaller proportion of Members.

Isio found that the pension pot sizes were relatively small for the Capital fund (cash target) which is in line with expectations. Comparatively, the pension pot sizes for the Retirement fund (annuity target) were almost double the size of the Flexi fund, potentially driven by the older age profile of Members selecting the Retirement fund and more active Members. In line with Isio's Triennial review, the forthcoming changes to the LifePath fund strategy were viewed as positive.

Changes made to Aegon BlackRock LifePath funds

Over the Scheme Year, performance for the Growth stage was boosted by the high allocation to global equities, which have been the main driver of market returns over 2024. The longer-term performance remained impacted by historic market volatility in 2022, resulting in disappointing performance of the default over the 3-year period relative to peers, especially for the Retirement stage. However, shorter term performance has improved following the changes introduced to the Retirement stage asset allocation in the previous Scheme Year. BlackRock have continued to report regularly to the Trustees, including updates following the changes made in the previous Scheme Year. The impact of the changes on performance is still being monitored but has initially shown some improvement.

The changes made in the previous Scheme Year were largely focused on the asset allocations of a member closer to or at their nominated retirement date however, all stages of the Aegon BlackRock LifePath funds were in scope of the changes made. The overall aim of the changes was to reduce the range of outcomes that a member should expect to experience, which is most important for Members who are closer to accessing their pension savings. This included increasing precision within fixed income, positioning the funds for a higher inflation environment and evolving the foreign currency hedging.

Planned changes to the LifePath investment strategy

In the last Scheme Year, the Trustees had challenged BlackRock on the length of the glidepath used in the Aegon BlackRock LifePath funds. The Trustees asked BlackRock to conduct further analysis of the glidepath and reflect on the view presented by Isio in their Triennial review. Over the 2024 Scheme Year, BlackRock and Aegon proposed changes to the LifePath investment strategy to significantly shorten the length of the glidepath, which Isio commented on in their review, as explained on page 22.

Aegon and BlackRock have provided modelling, data and research on the glidepath, and the Trustees agreed to reduce the glidepath length from 35 years to 15 years. The change aims to improve Member outcomes and is supported by Isio's guidance. The Trustees stressed that it would be very important to get the glidepath length right and improve Member outcomes. The adjustments are seen to better suit Member dynamics and are supported by Isio, Aegon and BlackRock, as well as the Trustees.

Following the Trustees approval of the proposed changes, they have received regular updates on the plans and preparations for changes to the default fund strategy that will take place in the next Scheme Year. The changes seek to evolve the LifePath funds altering the fund structure so that Aegon will have more direct control over the strategy, which will enable an increased pace of evolution, in line with Member needs whilst addressing the glidepath length and improving the ESG integration though a change in underlying investments.

The planned changes will result in the use of new, bespoke 'building block' funds for the LifePath investment strategy, which only AMT Members will be invested in. They will remain invested in fully passive strategies, managed by BlackRock, replicating the existing asset allocation of the current growth and retirement stage.

For Members who have already entered the glidepath in the existing strategy, the change to glidepath length will result in material changes to their asset allocation. The Trustees highlighted the importance of strong communication to Members to make them aware of the potential risks and actions they could take. It was agreed that the Trustees would review the proposed communications of the changes as well as the ongoing Member communication strategy.

The evolved LifePath funds will have improved alignment to the Trustee's net-zero commitments by investing in BlackRock's range of ESG Insights funds where available, which are in line with the risk/return profile of the existing underlying funds but also have a clear decarbonisation objective.

The Trustees have also closely examined the transition plan to ensure that Scheme Members experience the best possible journey when changes are made to the LifePath funds in the next Scheme Year. Isio has also reviewed the transition plan and were comfortable with Aegon's proposed approach and BlackRock's capabilities in managing the transfer of assets. The plan aims to reduce any negative impacts of the trade on Members as much as possible.

These changes were approved by the Trustees during the Scheme Year and will be put into place using a phased approach in the upcoming Scheme Year. There will be no changes to ongoing Member investment charges as a result of these changes.

Asset allocation of all available default funds

At the end of the Scheme year, the percentage asset allocation of the scheme's main default, **Aegon BlackRock LifePath Flexi** at various stages of a Member's investment journey is shown below:

Years from retirement	Cash	Bonds						Listed Equities			Commodities	Infrastructure	Property	Private Equities	Private Debt
		UK Government	Index Linked UK Government	Overseas Government	UK Corporate	Overseas Corporate	Emerging Markets Debts	UK*	Developed Market	Emerging Markets					
30	0.0%	0.2%	0.0%	0.3%	1.3%	1.6%	0.0%	2.9%	82.1%	6.9%	0.0%	0.0%	4.7%	0.0%	0.0%
20	0.0%	5.6%	0.6%	7.0%	3.2%	3.9%	0.6%	2.4%	67.2%	5.8%	0.0%	0.0%	3.6%	0.0%	0.0%
10	0.0%	11.3%	5.2%	13.7%	4.5%	5.5%	0.9%	1.8%	50.6%	4.1%	0.3%	0.0%	2.2%	0.0%	0.0%
At retirement	0.0%	18.0%	13.8%	21.9%	2.8%	3.4%	0.0%	1.2%	34.1%	2.4%	1.2%	0.0%	1.0%	0.0%	0.0%

Source: BlackRock, as at 31 March 2025

At the end of the Scheme year, the percentage asset allocation of **Aegon BlackRock LifePath Retirement** at various stages of a Member's investment journey is shown below:

Years from retirement	Cash	Bonds			Listed Equities							Commodities	Infrastructure	Property	Private Equities	Private Debt
		UK Government	Index Linked UK Government	Overseas Government	UK Corporate	Overseas Corporate	Emerging Markets Debts	UK Pre-Retirement Fund	UK*	Developed Market	Emerging Markets					
30	0.0%	0.2%	0.0%	0.3%	1.3%	1.6%	0.0%	0.0%	3.2%	81.8%	6.9%	0.0%	0.0%	4.7%	0.0%	0.0%
20	0.0%	5.6%	0.6%	7.0%	3.2%	3.9%	0.6%	0.0%	2.6%	67.0%	5.8%	0.0%	0.0%	3.6%	0.0%	0.0%
10	0.0%	9.9%	4.6%	12.1%	4.0%	4.8%	0.8%	11.8%	1.7%	44.5%	3.6%	0.2%	0.0%	2.0%	0.0%	0.0%
At retirement	25.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	75.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

Source: BlackRock, as at 31 March 2025

At the end of the Scheme year, the percentage asset allocation of **Aegon BlackRock LifePath Capital** at various stages of a Member's investment journey is shown below:

Years from retirement	Cash	Bonds						Listed Equities			Commodities	Infrastructure	Property	Private Equities	Private Debt
		UK Government	Index Linked UK Government	Overseas Government	UK Corporate	Overseas Corporate	Emerging Markets Debts	UK*	Developed Market	Emerging Markets					
30	0.0%	0.2%	0.0%	0.3%	1.3%	1.6%	0.0%	3.2%	81.8%	6.9%	0.0%	0.0%	4.7%	0.0%	0.0%
20	0.0%	5.6%	0.6%	7.0%	3.2%	3.9%	0.6%	2.6%	67.0%	5.8%	0.0%	0.0%	3.6%	0.0%	0.0%
10	11.8%	9.9%	4.6%	12.1%	4.0%	4.8%	0.8%	1.7%	44.5%	3.6%	0.2%	0.0%	2.0%	0.0%	0.0%
At retirement	11.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

Source: BlackRock, as at 31 March 2025

** UK equity exposure is estimated based on a regional market capitalisation assumption of 3.79%. Within this context, market capitalisation is a term used to define a region's share of the global equity market.*

At the end of the Scheme year, the percentage asset allocation of **SG Dynamic Property** blend, used as default within a bespoke default arrangement is shown below, this is not a lifestyle fund and therefore the asset allocation does not change based on a Member's years to retirement:

Years from retirement	Cash	Fixed Income						Listed Equities			Property	Infrastructure	Commodities	Private Equities	Private Debt	Other
		UK Government	Index Linked UK Government	Global ex-UK Government	UK Corporate Bonds	Global ex-UK Corporate Bonds	Emerging Market Debt	UK*	Developed Market (ex-UK)	Emerging Markets						
NA	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100%	0.0%	0.0%	0.0%	0.0%	0.0%

Aegon BlackRock LifePath funds performance to 31 March 2025

Aegon BlackRock LifePath Flexi Fund (Early Days stage) performance:

The table below shows the annualised performance of the Aegon BlackRock LifePath Early Days stage fund as at the end of the Scheme year (31 March 2025). Annualised performance is a measure of how much an investment has increased on average each year during a specific period. A Composite benchmark is one that uses a combination of standard benchmarks, based on asset allocation.

	1 year %	3 years % pa	5 years % pa
Aegon BlackRock LifePath (Flexi) Early Days stage	3.24	5.53	13.75
Composite benchmark*	N/A	N/A	N/A

Source: Aegon, as at 31 March 2025. Returns are gross of costs; hence actual returns will be slightly lower and reflect scheme-agreed costs.

* Reporting issues were identified with LifePath fund benchmark data at the end of 2024, which means that the benchmark information is temporarily unavailable while corrections to the data are being confirmed.

The Early Days stage (also referred to as the Growth stage) is used for all Members early in their working lifetime and is made up of 100% equity (stocks and shares) and equity-like funds. Gradual diversification into bonds commences 35 years before the Member's target retirement date.

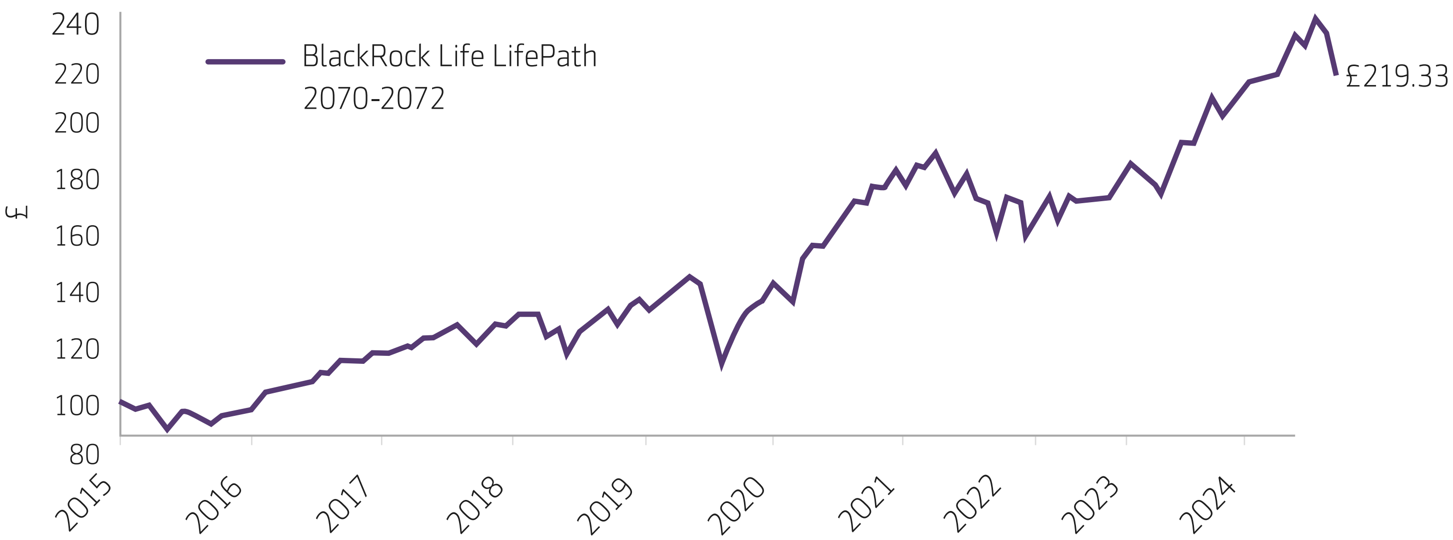
Over the Scheme year, this stage of the LifePath fund saw strong returns driven by the fund's allocation to global equities and particularly its allocation to emerging markets equities. Performance was in line with or above benchmark and remained positive over the medium and longer term.

The Trustees also look at the performance of similar competitor funds. Fund performance for this group is then ranked and split into four quartiles. Quartiles 1 and 2 represent the funds that have performed better than average, while quartiles 3 and 4 are below average. Over the longer-term the Trustees expect to see Aegon BlackRock LifePath is in quartile 1 or 2.

Through the Scheme year, the Early Days stage of the Aegon BlackRock LifePath fund continued to improve against peers and was consistently ranked in quartiles 1 or 2 for 1 and 3-year performance.

The graph below shows the growth of £100 invested in the Aegon BlackRock LifePath Flexi Early Days stage (2070-2072 vintage) from the fund's inception on 8 April 2015 to 31 March 2025.

Growth of £100 over ten years based on growth stage asset allocation



Source: BlackRock as at 31 March 2025. For illustrative purposes only. Past performance isn't a reliable indicator of future performance. Performance gross of the annual management charge, net of additional expenses (if any), calculated on a Net asset value (Nav) to Nav basis in £s, on a total return basis. Results don't include management/advisory/product fees and other expenses which will reduce the return.

Aegon BlackRock LifePath Flexi Fund (At Retirement) performance:

The table below shows the annualised performance of the Aegon BlackRock LifePath Flexi Fund (At Retirement) as at the end of the Scheme year (31 March 2025). Annualised performance is a measure of how much an investment has increased on average each year during a specific period. A Composite benchmark is one that uses a combination of standard benchmarks, based on asset allocation.

	1 year %	3 years % pa	5 years % pa
Aegon BlackRock LifePath (Flexi) At Retirement	2.90	-0.28	3.57
Composite benchmark*	N/A	N/A	N/A

Source: Aegon, as at 31 March 2025. Returns are gross of costs, hence actual returns will be slightly lower and reflect scheme-agreed costs

*Reporting issues were identified for LifePath fund benchmark data at the end of 2024, which means that the benchmark information is temporarily unavailable while corrections to the data are being confirmed.

As noted above the asset allocation of Aegon BlackRock LifePath funds alters the investment mix as Members near their TRA to a more cautious asset mix, which in turn means a higher allocation to fixed income assets and a lower allocation to riskier asset classes such as equities.

Although the performance for the Aegon BlackRock LifePath Flexi Fund (At Retirement) improved over the Scheme Year following changes in 2023, it remained disappointing in comparison to peers. The fund's allocation to equities contributed positively to performance, however bond performance remained flat over the year and the allocation to UK Gilt's continued to drag on performance, in particular the fund continues to be impacted by 2022 market turbulence over the longer-term performance periods.

Further details of the investment performance (after charges) of each vintage of the Aegon BlackRock LifePath funds are found in Appendix 6 to the Statement.

ESG screened/optimised assets in the standard default funds

The Trustees believe that the consideration of material environment, social and governance (ESG) factors, including climate change is likely to improve the management of risk within the overall strategy which the Trustees believe will ultimately result in improved member outcomes.

Over the Scheme Year, BlackRock have worked with Aegon to develop bespoke ESG reporting for the LifePath funds. BlackRock provide a quarterly ESG report specifically designed to meet data requirements which align with Aegon's Climate Roadmap decarbonisation target. BlackRock published their own Climate and Decarbonisation Stewardship Guidelines in July 2024 which was welcomed by Aegon and the Trustees as it should have a positive impact on BlackRock's overall stewardship and create further alignment with the Trustees voting preference.

In 2022, a specific climate objective was added to the Aegon BlackRock LifePath fund objective, turning a prior ambition to reduce fund emissions into a formal mandate. BlackRock have reported that they are on track to achieve the carbon emissions reduction target. Aegon have transitioned from reporting to the ISC on the percentage of ESG assets under management (AUM) to reporting against their decarbonisation target. While the Trustees acknowledge carbon emissions are an important factor to consider they noted that this is only one component of ESG.

Much of the focus during the Scheme Year was on the planned updates to the LifePath funds which will further enhance the ESG credentials of the default fund offering. Aegon and BlackRock intend to replace existing underlying funds in LifePath with a range of BlackRock ESG Insights funds where possible. This improvement will allow for further ESG focus within the default funds, providing uniform exclusionary ESG screens and greater alignment to the AMT net-zero commitment. The update will give Members with access to passive equity funds which integrate decarbonisation targets and target an improved ESG score which will create a more a consistent approach to ESG integration within the LifePath strategies. While the ESG Insights funds are a positive step, work will continue with BlackRock to further enhance ESG integration and stewardship. The Trustees were provided with an overview of the varied ESG exclusionary screens currently in place for LifePath with a comparison of the much clearer and more consistent screening under the BlackRock ESG Insights funds. The Trustees feel that the ESG Insights funds will be better aligned to the AMT Responsible Investment Beliefs.

Aegon Cash (AMT) Fund

For Members who select their own funds, there are circumstances in which the Aegon Cash (AMT) Fund (Cash Fund) temporarily becomes a Member's default fund. Such circumstances are infrequent and typically triggered by a fund being closed/suspended to new monies and withdrawals.

In this situation, Members' future contributions are re-directed to Aegon Cash (AMT). The Trustees and Aegon write to affected Members informing them of the fund closure/suspension and that contributions have been re-directed, inviting them to make an alternative fund selection.

While the Trustees do not believe Aegon Cash (AMT) is suitable as a long-term pension investment given limited growth potential and exposure to inflation risk, the Trustees believe that the Cash Fund is a suitable default solution for investors in the short-term. This belief is based on, amongst other things, the following factors:

- It is a temporary solution offering a low-risk investment to give Members time to make an alternative fund selection; and
- The Trustees and Aegon communicate with impacted Members who can make an alternative fund selection.

Bespoke Notional Sections using different default funds from Aegon BlackRock LifePath

The Société Générale (SG) Retirement Savings Plan has one fund, the SG Dynamic Property blend, created to facilitate staged redemptions from an underlying property fund. This fund was launched on 29 June 2021 and is considered to be an 'additional' default within The SG Retirement Savings Plan's Bespoke Notional Section. This fund will close once all redemptions from the underlying property fund have been received.
Full details of this fund can be found in the SIP.

Self-select funds:

AMT Fund Range

The Trustees have designed their investment strategy to provide a suitable range of funds to Members so they can save for retirement. The fund range includes investments suitable to Members of different ages, with different retirement benefit plans and different attitudes to risk. In designing the fund range, the Trustees have taken advice from their investment advisers and, where appropriate, input from specialists employed by Aegon.

Some Members want to exercise differing levels of control over the way their savings are invested, and the Trustees designed the AMT Fund Range with the intention to best meet that requirement. The AMT Fund Range provides Members with investment options across all major asset classes and allows Members to select funds based on their own sustainability preferences—as set out further below—either by excluding some more controversial companies or sectors from their investments or by seeking greater exposure to companies or sectors that rate more highly on certain ESG-related criteria. To help in that choice the Range has been designed with clear signposting and naming of risk, asset class, and level of sustainability.

In designing the range, the Trustees sought to balance simplicity of choice with ensuring a broad range of options. The AMT Fund Range now consists of 25 self-select funds in addition to the 3 standard default options. Funds have only been included where the Trustees believe there are clear benefits, and where the Trustees can identify Member demand. The Trustees maintain their preference for passive funds, only including active funds where there is clear opportunity for Members that is not available through passive funds, and where that opportunity justifies the higher costs and potential risks.

Labelling of these funds groups them into four areas of focus:

- Sustainability focused - funds with a specific focus on sustainability built into their objective.
- Exclusions - funds which integrate exclusionary criteria. This means that based on certain thresholds, they will not invest in certain companies, based on ESG concerns. These funds integrate exclusions including, but not limited to, controversial weapons, nuclear weapons, civilian firearms, and UN Global Compact violators.
- ESG considerations - funds which integrate environmental, social and governance considerations within their overall investment process.
- Traditional - funds that fall into asset classes in which few solutions integrate ESG considerations within their investment process.

In November, the Trustees were presented with a mini review of the AMT Fund Range around a year since its introduction in 2023. The review highlighted a significant increase in value (relative to performance) of regional equities, such as UK or US equities. The Aegon US Equity Tracker fund was one of the most selected and highest value funds within the range and the Aegon Global Islamic Equity Tracker fund also remained popular. The sustainable fund options remain relatively small in scale, however the Aegon Global Sustainable Government Bond fund increased by 88% over the period and the Aegon Global Climate Focus Equity fund increased by 50%.

Following the review, it was agreed that Aegon will produce a proposal to increase the Sharia compliant fund offering across more asset classes in the next Scheme Year. In light of the upcoming changes to the LifePath funds, Aegon will also review if the passive funds within the AMT Fund Range should be aligned with the new funds that will be introduced to the LifePath investment strategy.

The review also looked at a gender and age breakdown of fund selection with key trends outlined to the Trustees. The analysis found that women tend to self-select funds less often, and when they do they seem more risk aware. This is a general market trend and Aegon intend to examine gender splits in investment preference in greater detail. There was no evidence that any particular group of members (e.g. age or gender) had a stronger preference towards sustainable funds.

Bespoke Notional Sections self-select fund ranges

The Trustees monitor the performance of any self-select funds offered in the Bespoke Notional Sections in the same way and to the same depth as the standard self-select fund range. This includes a cycle of full fund reviews, and ad hoc reviews as required. All Bespoke Notional Sections are subject to a review by independent investment advisers, at least every three years and without delay after any significant change in investment policy.

The SG Retirement Savings Plan was reviewed in the previous Scheme Year by Isio, who act as their adviser and Independent Investment Adviser separately. Isio advised the scheme to evolve their self-select range to cater for wider membership. During the current Scheme Year, it was approved that all SG scheme members were moved from the existing self-select range and mapped to the closest matching fund where appropriate. The changes will be implemented in the next Scheme Year.

The SG scheme also has an additional default fund, the SG Dynamic Property Blend, created to facilitate staged redemptions from an underlying property fund. The fund was launched on 29 June 2021 and will close once all redemptions from the underlying property fund have been received. The fund held £4.9m of assets at the time of the review, with 463 members invested in the fund. The fund is not open to new contributions.

An additional Bespoke Notional Section was approved towards the end of the Scheme Year and updated in the SIP outside of the Scheme Year. Russell Investments requested a bespoke default and self-select fund range which uses their own range of Russell funds. This was reviewed by Russell's investment adviser, Aegon and the Trustees and seen to meet due diligence criteria and align with the Trustee's investment beliefs and the AMT Responsible Investment Policy. Russell Investments consider ESG issues, have a net-zero commitment and are signatories to the United Nations Principles for Responsible Investment and the UK Stewardship Code.

At the start of the Scheme Year, the Trustees were presented with a review of the Bespoke Notional Sections and the processes that support running them. There were no changes that fundamentally altered how the Bespoke Notional Sections are governed but minor updates were made to terminology to be consistent with the latest SIP and to adjust the qualifying criteria. The update also reflects the previous removal of 7 Bespoke Notional Sections and reflected the outcomes of any recent reviews of the remaining Bespoke Notional Sections.

Responsible investment

The Trustees have created a Responsible Investment policy document for the Scheme.

The Responsible Investment Policy covers:

- The Trustees' responsible investment beliefs
- The Trustees' process for asset managers' selection, appointment, monitoring and responsible investment minimum requirements
- The Trustees' engagement themes and expectations of asset managers, including 'expression of wish' (EOW) and voting guidelines
- The Scheme's net-zero targets and associated progress.

In the previous Scheme Year, the policy was amended to include updated minimum responsible investment expectations for asset managers, the addition of 'nature, including biodiversity and deforestation' as an engagement theme, updated engagement principles and new voting guidelines. The full Responsible Investment Policy is available online, and in the SIP.

The Trustees also received updates on BlackRock's ESG focus, including improvements to reporting and the new Climate and Decarbonisation Stewardship Guidelines. The Trustees recognised the strength of Aegon's Responsible Investment team and particularly their work on Stewardship and Taskforce for Climate-related Financial Disclosure (TCFD) reporting. There were frequent discussions on the forthcoming updates to the LifePath investment strategy which will further enhance the level of ESG integration, the Trustees reviewed details of current LifePath ESG exclusions and the updated screening for the enhanced ESG funds in the following the updates.

At the beginning of the Scheme Year, the Trustees also received a Teach In on the Taskforce for Social Factors (TSF) led by Aegon's Responsible Investment team. The TSF is a Department of Work and Pensions (DWP) initiative aimed at providing pension trustees with tools to help identify and monitor 'social' risk and opportunities in investment decision-making and stewardship. The Trustees were given an initial review of AMT current practices compared with TSF recommendations.

Given social factors are considered as part of the AMT's stewardship themes, the AMT already met 50% of the TSF recommendation, including all but one of the baseline recommendations. Isio provided further detail on how social factors are considered as part of their advice, which enabled AMT to meet all baseline recommendations. Furthermore, Aegon have commenced further analysis to better guide the prioritisation of social factors, however the availability of data has been a challenge. Aegon's assessment showed that some of the TSF recommendations are unlikely to suit the AMT's stewardship approach, which is to work with the asset managers rather than directly engage with companies.

During the Scheme Year the Trustees have also received updates on TCFD reporting for the AMT.

The Trustees' Responsible Investment Beliefs

Investment beliefs are guiding principles which inform the investment strategy and design of the AMT default arrangements, and the number and type of other investment options made available to Members. The Trustees re-evaluate the Responsible Investment Beliefs as part of a review of the Statement of Investment Principles (SIP), which takes place at least every three years and following any significant change in (a) investment policy or (b) the demographic profile of relevant Members in our most popular Scheme default fund, Aegon BlackRock LifePath Flexi. The Trustees' Responsible Investment Beliefs are referenced within the Implementation Statement on page 115.

At the start of the current Scheme Year, the Responsible Investment Beliefs were refreshed and a policy on illiquid assets was added and published in the SIP in April.

The detail of the Trustees' activities in relation to climate-related risks and opportunities and the measurement of the Scheme's progress is in the Trustees' TCFD report. The Trustees' Responsible Investment Beliefs can also be found in the SIP which is available online.

Taskforce on Climate-related Financial Disclosures (TCFD) Report

The Trustees are required to produce a TCFD report under the Occupational Pension Schemes (Climate Change Governance and Reporting) Regulations 2021.

The report for the Scheme Year marks the fourth year in which the Trustees are disclosing the actions and approach to assessing and managing the risks and opportunities associated with climate change. The report covers governance, strategy, risk management and metrics and targets.

The 2024-25 TCFD report has been published as part of this document and can be found in Appendix 5 on page 173. The report reflects further work on improving scope 3 emissions data, which is still a work in progress but provides a more complete picture. The report also covers updates to the Responsible Investment Policy and Responsible Investment Beliefs, progress against net-zero emissions targets, and the review of the LifePath default funds and planned updates to the investment strategy to better integrate ESG.

Non-financial considerations

The Trustees' primary focus is on financial factors and their impact on Members. However, from a non-financial perspective, the Trustees welcome feedback about the fund range and specific investment concerns. In the event of significant Member interest in a particular theme or investment matter, the Trustees may decide it is appropriate to seek investment advice as to any changes that could be made. The Trustees do not have an explicit policy for non-financial considerations, but they can take account of such considerations and will also consider any views expressed to them by Members. In the Scheme Year, the enhancements to the methodology on ESG scores has improved the reporting on non-financial factors.

Aegon's milestones in the reporting period:

The Trustees receive regular updates on Aegon's own progress in their approach to responsible investment.

During the Scheme Year, Aegon implemented their new Voting Guidelines for the first time and were able to focus their voting preferences using the 'Expression of Wish' (EoW) process on 100 priority companies based on the top company holdings of LifePath as well as other key Aegon default funds. This was increased from less than 10 in 2023. The sample of 100 companies covered 11% of LifePath and 10% of AMT assets under management respectively. In addition, Aegon performed a deep five on 10 top companies including Citi, Barclays, JP Morgan, Glencore, Shell, TotalEnergies, Toyota, United Parcel Service, Target and Amazon.

The Trustees received an update on the EoW process and responsible investment manager monitoring carried out by Aegon. This showed that most asset managers had improved their practices, most noticeably BlackRock which had previously been flagged for non-compliance. BlackRock are still less aligned to the AMT and Aegon EoW process than other key asset managers and whilst the ISC was pleased to see positive progress it was noted that Aegon will continue to work with BlackRock on stewardship requirements and also expect to see further improvement following the implementation of BlackRock's Climate and Decarbonisation Stewardship Guidelines.

Aegon achieved UK Stewardship Code status for the second time, following a successful first application in the previous Scheme Year. Being accepted to join the UK Stewardship Code is a significant achievement and shows our commitment to being a responsible business. Aegon published their TCFD report in June 2024.

Aegon review their Responsible investment policy annually and share the outcome and any updates with the Trustees.

Statement of Investment Principles (SIP)

The full SIP document is attached in Appendix 3 to the Statement where you can find more information about the default and other funds available under the Scheme.

The SIP is available online at **aegon.co.uk/employer/what-we-offer/targetplan/aegon-master-trust**

Section 4: Member borne charges and transaction costs

Fund Charges

Members pay three types of fund charge:

- Annual Management Charge (AMC),
- Annual Additional Expenses (AAE), and
- Transaction Costs.

Annual Management Charge (AMC)

Annual Management Charge (AMC) covers both Aegon's administration fee for servicing a Member's pension, and the asset manager's fee for managing the funds which the Member is invested in. The actual AMC paid depends on the investment fund selected, commercial terms Aegon has agreed with the Member's employer, and the terms agreed with the asset manager.

Additional Annual Expenses (AAE)

The additional expenses are paid from the fund and cover professional services that are necessary to run the fund. These include services like custody services (holding assets for safe keeping, collecting income, recordkeeping, and reporting), audit fees paid to accounting firms and auditors for the statutory annual financial statements, operational costs incurred by Aegon UK (AUK) for the running of the insured fund and depositary services that oversee how funds are managed to keep assets safe.

Transaction costs

Transaction costs are incurred by funds when their underlying securities, e.g. bonds and shares, are bought and sold. Transaction costs include:

- Explicit costs, such as trading, stamp duty and dealing fees, and
- Implicit costs such as the difference in price of a stock from the time an order is placed to the time it is executed, known as 'slippage'.

A fund can show negative transaction costs, for instance when the market price of stocks being purchased fall more frequently than rise between the order being placed and executed.

The Trustees reviewed the annual analysis of transaction costs in August 2024, using the framework agreed by the Trustees in 2021. The approved framework assesses an individual fund's transaction costs against an agreed peer group of selected funds. Three funds were flagged as red, all of which were actively managed, two multi-asset and one fixed income. Aegon had engaged with the managers of all Red rated funds to understand the rationale behind the elevated transaction costs compared to peers. Responses were analysed and managers challenged where appropriate. This was tracked through the Aegon Fund Governance Group.

A Member can find details of their fund charges in the Scheme documentation and in fund factsheets. The tables within Appendix 2 list the fund transaction costs along with details of the AMC and AAE charges.

The fund charges are reflected in the price of the fund, as they are automatically deducted and performance reporting in respect of a Member's investment is after these costs have been paid.

A fund's transaction costs are not directly within Aegon's control. However, Aegon uses a number of processes and controls to minimise transaction costs, such as by grouping the daily Member requests to buy or sell a particular fund into a single transaction, to avoid multiple transaction costs. Aegon also monitors the costs and performance of asset managers used in the Scheme.

Each fund has a pre-determined asset allocation that is designed to meet the fund's objectives. Over time the actual performance of a fund will begin to change that pre-determined asset allocation as the assets held in the fund change their value. To address this, funds are periodically rebalanced back to their intended asset allocation.

Rebalancing can generate transaction costs, though these are expected to be marginal. Aegon is unable to show the transaction costs from their rebalancing activity.

SE Plc are unable to determine transactions costs incurred for rebalancing transactions. Aegon has confirmed that there are no funds in the AMT Fund range where Aegon conducts rebalancing. The Trustees are satisfied that there is no detriment to Members.

Illustrations of the cumulative effect of costs and charges

The Trustees have provided illustrative examples showing the growing effect of costs and charges over time on pension savings for an example Member based on assumptions below. There have been two illustrations produced. The purpose of first illustration is to give the broadest possible overview of AMT membership from the earliest point a Member can be enrolled. The purpose of the second illustration is to reflect current AMT membership based on average Member age, contribution rates and fund value.

The illustrative examples of the cumulative effect of costs and charges on Member savings are calculated on the FCA Conduct of Business Sourcebook (COBS) basis as permitted by the DWP Statutory Guidance.

Illustration 1

Assumptions

- The current age is 16 and retirement age is 65. This assumption has been chosen as it is the youngest possible age for a Member and provides the most complete overview across the investment journey with the longest time horizon shown for the effect of costs and charges.
- The current salary is £42,000 and will increase each year by 3.5%. This assumption has been chosen as it is the median salary of the full AMT membership.
- Future contributions paid will be 10.5% of the salary (£367.50 each month increasing by 3.5% each year in line with assumed salary increases). This is the median contribution of the full AMT membership.
- The existing fund value is £7,000 which is based on the median value of the total holdings within the scheme.
- This illustrative example uses the default Aegon BlackRock Lifepath Flexi investment option that the majority of Members invest in.
- This illustrative example also shows the Aegon UK Equity Index fund and the Aegon Property fund to show the funds with the lowest and highest charges across the Master Trust.
- In addition, the illustrative example includes the Aegon Cash fund as this fund was used as the default replacement fund for new investments in the Aegon Property fund whilst the fund was suspended. For more information on the use of the Aegon Cash Fund as a default in some circumstances, please see the Statement of Investment Principles (SIP).

Inflation and investment growth assumptions

This illustrative example takes into account the DWP's Statutory Guidance *(Reporting of costs, charges and other information: guidance for Trustees and managers of occupational schemes).*

In line with the DWP Statutory Guidance and in line with the FCA COBS 13 Annex 2, inflation is assumed to be 2.0% every year.

The investment fund growth rate assumptions for FCA illustrations are set at an asset class level (rather than an individual fund level) and the growth rate for each fund calculated based on the proportionate holdings in each asset type. The illustrative examples use the same growth rates and calculations used for the FCA illustrations provided to Members. The future values shown before and after charges are in line with the COBS effects of charges table with the addition that the costs and charges also include transaction costs as required for these illustrative examples.

The assumptions are the value of the investments will grow at a rate appropriate to the funds invested in and inflation will be 2.0% every year. This is an illustrative growth rate only. The investment growth achieved may be more or less than this and may vary depending on the fund(s) invested in.

The assumed growth rate used for each fund is shown above. This rate is based on our view of potential long-term returns of the main asset classes (equities, property, corporate bonds, government bonds and cash) and will vary depending on the fund(s). The growth rates for mixed asset funds are derived from the asset class growth rates based on the investment objectives and long-term asset allocation of the funds.

If the growth rate we've used is:

- The same as the rate of inflation this reduces the growth rate, after making an allowance for inflation, to 0%.
- Less than the rate of inflation, this produces a negative growth rate after making an allowance for inflation.

Purpose of this example illustration

This is not a personal illustration, it is based on the assumptions detailed earlier in this document. The purpose of the illustration is to show how fund related costs and charges can affect the overall value of the funds chosen over a period of time.

Fund transactional charges and costs total (%)

	Aegon BlackRock Lifepath Flexi (Default)	Aegon UK Equity Tracker (AMT)	Aegon UK Property (AMT)	Aegon Cash (AMT)
Growth	1.00% to 2.00%*	2.99%	2.86%	2.00%
AMC	0.26%	0.10%	0.66%	0.23%
AAE	0.00%	0.01%	0.68%	0.01%
TC	0.06%	0.07%	0.00%	0.01%

* The growth rate used for the Lifepath fund varies through time based on the underlying asset mix

Growth is the assumed growth rate for the fund after taking into account assumed price inflation of 2% per annum.

AMC is the Annual Management Charge, which is a yearly management charge expressed as an annual percentage but calculated and deducted on a daily basis from the fund.

AAE are the Additional Annual Expenses, which are an estimate of any additional fees and expenses that may apply, such as fees for custody, administration and trustee services that may be incurred in addition.

TC are the Transaction Costs, which are an estimate of explicit and implicit costs incurred as a result of buying, selling, lending or borrowing of investments in the fund, based on the average of the actual annual transaction costs for the period 01/04/20 to 31/03/25.

The impact of transaction costs and charges on fund values (£)

The 'Before Charges' column shows each fund value without any transaction costs, charges or expenses being applied to the fund's holdings.

The 'After all charges' column shows the fund's holdings after transaction costs, charges and expenses have been deducted.

	Aegon BlackRock Lifepath Flexi (Default)	
Years	**Before charges**	**After all charges**
1	11630	11599
3	21468	21326
5	32116	31792
10	62641	61480
15	99483	96812
20	143692	138636
25	196480	187920
30	259241	245763
35	333582	313412
40	421355	392287
45	524690	483997
49	620196	567825

	Aegon UK Equity Tracker (AMT)	
Years	**Before charges**	**After all charges**
1	11642	11624
3	21532	21452
5	32276	32092
10	63269	62605
15	100996	99453
20	146640	143693
25	201579	196544
30	267414	259413
35	346004	333919
40	439510	421930
45	550439	525596
49	653666	621450

	Aegon UK Property (AMT)	
Years	Before charges	After all charges
1	11632	11504
3	21489	20903
5	32177	30842
10	62909	58207
15	100159	89487
20	145039	125114
25	198839	165564
30	263053	211358
35	339408	263069
40	429901	321325
45	536840	386815
49	636009	444922

	Aegon Cash (AMT)	
Years	Before charges	After all charges
1	11548	11524
3	21103	20994
5	31293	31048
10	59771	58916
15	92982	91065
20	131537	128002
25	176123	170290
30	227501	218553
35	286524	273477
40	354141	335824
45	431409	406432
49	500960	469487

Please bear in mind that the value of investments may go down as well as up and the final value of a member's pension pot may be less than has been paid in. There's no guarantee funds will meet their objectives. Funds investing in a single asset class, for example UK equities, should only be used as part of a diversified portfolio. Any charts are for illustrative purposes only, and we reserve the right to change funds' asset allocations and charges. You should get financial advice if you're not sure whether an investment or product is right for you.

Illustration 2

Assumptions

- The current age is 45 and retirement age is 65. This assumption has been chosen as it is the average Member age within the AMT.
- The current salary is £42,000 and will increase each year by 3.5%. This assumption is based on the average salary for a 40- to 49-year-old according to the Office for National Statistics (ONS) and rounded to the nearest £500.
- Future contributions paid will be 9% of the salary (£315 each month increasing by 3.5% each year in line with assumed salary increases). This is the average contribution rate for Members at age 45 within the AMT.
- The existing fund value is £35,000. This assumption has been chosen as it is the average fund value for Members at age 45 within the AMT.
- This illustrative example uses the default Aegon BlackRock Lifepath Flexi investment option that the majority of Members invest in.
- This illustrative example also shows the Aegon UK Equity Index fund and the Aegon Property fund to show the funds with the lowest and highest charges across the Master Trust.
- In addition, the illustrative example includes the Aegon Cash fund as this fund was used as the default replacement fund for new investments in the Aegon Property fund whilst the fund was suspended. For more information on the use of the Aegon Cash Fund as a default in some circumstances, please see the Statement of Investment Principles (SIP).

Inflation and investment growth assumptions

This illustrative example takes into account the DWP's Statutory Guidance (*Reporting of costs, charges and other information: guidance for Trustees and managers of occupational schemes*).

In line with the DWP Statutory Guidance and in line with the FCA COBS 13 Annex 2, inflation is assumed to be 2.0% every year.

The investment fund growth rate assumptions for FCA illustrations are set at an asset class level (rather than an individual fund level) and the growth rate for each fund calculated based on the proportionate holdings in each asset type. The illustrative examples use the same growth rates and calculations used for the FCA illustrations provided to Members. The future values shown before and after charges are in line with the COBS effects of charges table with the addition that the costs and charges also include transaction costs as required for these illustrative examples.

The assumptions are the value of the investments will grow at a rate appropriate to the funds invested in and inflation will be 2.0% every year. This is an illustrative growth rate only. The investment growth achieved may be more or less than this and may vary depending on the fund(s) invested in.

The assumed growth rate used for each fund is shown above. This rate is based on our view of potential long-term returns of the main asset classes (equities, property, corporate bonds, government bonds and cash) and will vary depending on the fund(s). The growth rates for mixed asset funds are derived from the asset class growth rates based on the investment objectives and long-term asset allocation of the funds.

If the growth rate we've used is:

- The same as the rate of inflation this reduces the growth rate, after making an allowance for inflation, to 0%.

- Less than the rate of inflation, this produces a negative growth rate after making an allowance for inflation.

Purpose of this example illustration

This is not a personal illustration, it is based on the assumptions detailed earlier in this document. The purpose of the illustration is to show how fund related costs and charges can affect the overall value of the funds chosen over a period of time.

Fund transactional charges and costs total (%)

	Aegon BlackRock Lifepath Flexi (Default)	Aegon UK Equity Tracker (AMT)	Aegon UK Property (AMT)	Aegon Cash (AMT)
Growth	1.00% to 2.00%*	2.99%	2.86%	2.00%
AMC	0.26%	0.10%	0.66%	0.23%
AAE	0.00%	0.01%	0.68%	0.01%
TC	0.06%	0.07%	0.00%	0.01%

* The growth rate used for the Lifepath fund varies through time based on the underlying asset mix

Growth is the assumed growth rate for the fund after taking into account assumed price inflation of 2% per annum.

AMC is the Annual Management Charge, which is a yearly management charge expressed as an annual percentage but calculated and deducted on a daily basis from the fund.

AAE are the Additional Annual Expenses, which are an estimate of any additional fees and expenses that may apply, such as fees for custody, administration and trustee services that may be incurred in addition.

TC are the Transaction Costs, which are an estimate of explicit and implicit costs incurred as a result of buying, selling, lending or borrowing of investments in the fund, based on the average of the actual annual transaction costs for the period 01/04/20 to 31/03/25.

The impact of transaction costs and charges on fund values (£)

The 'Before Charges' column shows each fund value without any transaction costs, charges or expenses being applied to the fund's holdings.

The 'After all charges' column shows the fund's holdings after transaction costs, charges and expenses have been deducted.

	Aegon BlackRock Lifepath Flexi (Default)	
Years	Before charges	After all charges
1	39709	39595
3	49666	49272
5	60381	59631
10	90797	88765
15	127055	123060
20	170083	163261

	Aegon UK Equity Tracker (AMT)	
Years	Before charges	After all charges
1	39820	39751
3	50053	49814
5	61122	60664
10	92828	91570
15	131095	128587
20	177061	172718

	Aegon UK Property (AMT)	
Years	Before charges	After all charges
1	39783	39276
3	49924	48180
5	60874	57572
10	92146	83320
15	129733	112593
20	174699	145774

	Aegon Cash (AMT)	
Years	Before charges	After all charges
1	39449	39355
3	48772	49850
5	58684	58078
10	86238	84641
15	118159	115100
20	155002	149910

Additional illustrations

In addition, the Trustees have provided a number of additional illustrative examples which could be more relevant to Members. These additional illustrations include details of the default fund that applies if a Member is in an Employer's Bespoke section. You can access these here **Master Trust Chair's statement**.

Net investment returns for Default funds using lifestyle strategy.

The tables below show the net investment returns for Members aged 25, 45 and 55 at the start of the Scheme year, for the Default funds that utilise a lifestyling strategy – these are Aegon BlackRock Lifepath Flexi, Aegon BlackRock Lifepath Retirement and Aegon BlackRock Lifepath Capital.

The net investment return data for default funds was produced in accordance with the DWP statutory guidance, *Reporting of costs, charges, and other information: guidance for trustees and managers of occupational schemes.*

The net performance for the different share classes, based on the charges applied for each plan within the scheme, for all funds are provided in Appendix 6.

Standard default – net investment returns for members aged 25, 45 and 55

Period		Share class net investment returns % pa for Members aged 25											
	Gross return % pa	Class W	Class J	Class I5	Class D	Class P	Class I1	Class E	Class H	Class Q	Class Y	Class G	Class I7
Flexi													
1 year	3.25	3.02	3.08	3.04	3.01	3.05	3.05	2.74	2.95	3.00	2.84	2.90	2.97
3 years	5.54	5.31	5.37	5.33	5.30	5.34	5.34	5.02	5.23	5.29	5.13	5.18	5.26
5 years	13.76	13.51	13.58	13.54	0.00	13.54	13.59.	13.20	13.43	13.49	13.32	13.38	13.45
Retirement													
1 year	3.24	3.01	3.12	2.98	2.99	3.02	3.03	2.76	2.95	3.01	2.78	2.88	2.96
3 years	5.53	5.28	5.33	5.33	5.26	5.32	5.37	5.00	5.23	5.22	5.12	5.17	5.24
5 years	13.73	13.45	13.53	13.49	0.00	13.51	13.58	13.17	13.41	13.42	13.31	13.34	13.42
Capital													
1 year	3.25	3.02	3.09	3.05	3.00	3.05	3.12	2.77	2.95	3.00	2.84	2.89	2.95
3 years	5.54	5.29	5.33	5.31	5.28	5.33	5.46	5.01	5.23	5.27	5.13	5.19	5.25
5 years	13.76	13.48	13.54	13.50	0.00	13.53	13.66	13.19	13.43	13.48	13.32	13.38	13.44

Source: Aegon, 31 March 2025.

Period	Gross return % pa	Share class net investment returns % pa for Members aged 45											
		Class W	Class J	Class I5	Class D	Class P	Class I1	Class E	Class H	Class Q	Class Y	Class G	Class I7
Flexi													
1 year	3.20	2.97	3.03	2.99	2.96	3.00	3.05	2.69	2.90	2.95	2.79	2.84	2.92
3 years	3.85	3.62	3.69	3.64	3.61	3.66	3.71	3.34	3.55	3.60	3.45	3.50	3.57
5 years	11.62	11.37	11.44	11.40	0.00	11.41	11.46	11.07	11.29	11.35	11.18	11.24	11.32
Retirement													
1 year	13.19	2.96	3.03	2.99	2.95	2.99	3.06	2.68	2.89	2.94	2.79	2.84	2.91
3 years	3.85	3.62	3.68	3.62	3.59	3.65	3.76	3.34	3.55	3.60	3.44	3.50	3.57
5 years	11.61	11.37	11.44	11.35	0.00	11.40	11.51	11.07	11.29	11.35	11.18	11.24	11.31
Capital													
1 year	3.20	2.95	3.03	2.99	2.96	3.00	3.05	2.69	2.90	2.95	2.79	2.84	2.92
3 years	3.85	3.60	3.69	3.62	3.60	3.65	3.70	3.34	3.55	3.60	3.45	3.50	3.57
5 years	11.61	11.33	11.44	11.35	0.00	11.40	11.46	11.07	11.29	11.35	11.18	11.24	11.31

Source: Aegon, 31 March 2025.

Period	Gross return % pa	Share class net investment returns % pa for Members aged 55											
		Class W	Class J	Class I5	Class D	Class P	Class I1	Class E	Class H	Class Q	Class Y	Class G	Class I7
Flexi													
1 year	3.16	2.93	2.99	2.95	2.92	2.96	3.01	2.65	2.85	2.91	2.75	2.80	2.87
3 years	2.05	1.83	1.89	1.85	1.81	1.86	1.91	1.55	1.76	1.81	1.65	1.70	1.77
5 years	8.42	8.19	8.25	8.21	0.00	8.22	8.27	7.89	8.11	8.16	8.00	8.06	8.13
Retirement													
1 year	3.15	2.89	2.99	2.94	2.91	2.95	3.10	2.64	2.85	2.90	2.77	2.80	2.87
3 years	2.05	1.79	1.89	1.85	1.81	1.86	2.00	1.55	1.75	1.80	1.68	1.70	1.77
5 years	8.42	8.14	8.26	8.18	0.00	8.22	8.35	7.89	8.11	8.16	8.02	8.05	8.13
Capital													
1 year	3.15	2.87	2.99	2.95	2.92	2.96	3.10	2.59	2.85	2.91	2.75	2.80	2.87
3 years	2.05	1.79	1.89	1.82	1.80	1.86	2.06	1.58	1.76	1.81	1.65	1.70	1.77
5 years	8.42	8.14	8.26	8.16	0.00	8.22	8.37	7.93	8.11	8.16	8.00	8.06	8.13

Source: Aegon, 31 March 2025.

Section 5:
Core financial transactions

During the Scheme year, the Trustees must make sure that core financial transactions within the Scheme are processed promptly and accurately by Aegon, as our administration service provider.

In last year's statement we highlighted the investment Aegon had made into its staff recruitment and retention to improve the service provided to Members. Following the investment and changes Aegon has made in this area; to enable a return to a good level of service, we have seen continued signs of improvement and believe service has returned to the levels you require.

Complaints

During the Scheme year, Aegon experienced a continued increase in complaints across its business, including a 40% rise within the Aegon Master Trust. This growth primarily reflects a higher volume of expressions of dissatisfaction, which were resolved on call, rather than formal escalated complaints.

The volume of complaints handled under the Internal Dispute Resolution Procedure (IDRP) remained consistent with the previous Scheme year.

Through the implementation of a six-point plan – focusing on capacity, timeliness, demand, root cause analysis, forecasting and sustainability – Aegon successfully resolved its complaint backlog and has maintained material complaint volumes within acceptable levels. The Trustees continue to monitor complaint trends through quarterly reviews.

It is acknowledged that a significant proportion of complaints related to members accessing their retirement savings, which can be a frustrating experience. Both the Trustees and Aegon remain committed to identifying and implementing improvements to enhance the member experience.

Service standards for core financial transactions were met, in line with Trustees' expectations, during the Scheme year, which was also reflected in the net promoter score results, further details of which can be found at the end of this section of the statement.

The Trustees note that while the overall number of complaints increased in 2024, there was a significant improvement in resolution times, with the majority having been resolved at first point of contact and a notable rise in cases closed within four days.

Core financial transactions under the Scheme

These include:

a. The investment of contributions;

b. Transfers of assets relating to Members into and out of the Scheme;

c. Switching between investment funds within the Scheme; and

d. Payments out of the Scheme to, or in respect of, Members and beneficiaries.

Performance compared to service level targets

The Trustees have a service level agreement in place with Aegon. This covers the accuracy and timing of core financial transactions. Examples of how well Aegon has performed against service level targets, for processing core transactions during the Scheme year, are set out in the table below.

Transaction Type	Service Level Agreement (SLA) Target	Actual SLA achieved during the Scheme Year
Investment of contributions	100% in 2 days	99.3%
Transfers into the Scheme	95% in 5 days	97.4%
Transfers from the Scheme	95% in 5 days	91.8%
Switching between investment funds within the Scheme	100% in 1 day	98.7%
Payments out of the Scheme to Members / beneficiaries (Retirements, Bereavements, Refunds)	95% in 5 days	93.6%
Total SLA	95%	95.4%

Table: 2024 / 2025 Scheme year, Aegon's performance against service level targets

*These figures include non-financially critical parts of the process, such as gathering required forms and Member identification and verification. In the case of a transfer into the Scheme this means the purchase of units and allocation to the Member's account. In the case of a payment out this means the sale of units and payment of funds out of the Scheme.

How the core financial transactions are monitored

- The Aegon workplace customer services (operations) team review service and capacity daily to ensure they deliver the best service for Members.

- A quality assurance team, which is functionally independent from the Aegon workplace business, reviews 100% of financial transactions including contribution processing, fund investment movements and money out transactions. This is to ensure no Member harm, error, or delays.

- Within Aegon UK, there is a control framework in place that includes various daily, weekly, or monthly controls which overlay the documented procedures that the teams follow. The controls are designed to ensure that all procedures / processes are carried out in a timely and accurate way and remain compliant with legislation and regulations. The controls are monitored by a control assurance team, which provide independent oversight from outside the workplace operations teams. Process owners within control assurance must confirm that the various control actions have been completed according to the controls protocol.

- The Trustees review the extensive information provided by Aegon about its performance, against the service level targets, on a quarterly basis. This includes a detailed explanation of areas where Aegon has been unable to meet service level targets. Representatives from Aegon's operational teams attend Trustee Board meetings to explain the most recent quarter's results and answer any questions the Trustees have about the services. This includes reviewing complaints, incidents and breaches.

- Any delays in servicing a member's request are remediated via a price comparison calculation and reported to the Trustees on a monthly basis. The delays specific to Switches and Investment Contributions were not systemic and were isolated instances which Aegon have corrected and communicated with the impacted members to inform of the corrective actions taken on their accounts. Aegon reports these to the Trustees on a regular basis through the Process breach control reporting.

- The Trustees undertake site visits to Aegon offices where the Trustees see transactions being processed. The Trustees talk to the Aegon employees who carry out the Scheme administration services, get their feedback, listen in to calls from members, and discuss any resourcing issues. Site visits took place in May and December 2024. A subsequent site visit was carried out in June 2025.

- Where necessary, the Trustees discuss and agree service improvement plans with Aegon and monitor progress in meeting those plans.

- The Trustees use an external firm to carry out an independent assurance report (in line with the Assurance Audit Framework (AAF) 05/20 standard) This looks at the Scheme's governance activities, arrangements, relevant systems and processes. The latest assurance report was carried out for the period 1 January 2024 up to 31 December 2024. The Trustees carefully review the findings, which include scrutiny of core financial transactions. Improvement plans are made and implemented if necessary.

- In addition, the Trustees review the independently audited assurance report on the controls Aegon has in place over its activities as a provider of workplace pension administration services (in line with the AAF 01/20 standard). This is carried out by an independent practitioner on behalf of Aegon. The most recent audit covered the period 1 October 2023 to 30 September 2024.

Aegon continues to use Net Promoter Score (NPS) to measure Member satisfaction with the scheme. The overall net promoter score for the period has improved during the Scheme year, with an average monthly score of +57.6 compared to +39.2 in the same period last year. The Trustees note while the overall number of complaints increased in 2024, there was a significant improvement in resolution times, with majority being resolved at first point of contact and a notable rise in cases closed within four days. The most common complaint relates to Members looking to withdraw from their pension and the concern that the process takes too long or that the requirements are too arduous. Aegon have introduced automated expectation management communications during 2024 and focused on training their personnel to contact a member by telephone to support quicker resolution of enquiries. Aegon have introduced significant funding for 2025 in a programme focused on automation to make things easier for Members whilst meeting robust regulatory requirements.

Section 6:
Good Value for Member Assessment

When assessing the charges and transaction costs Members pay, the Trustees need to consider whether the investment options and benefits offered by the Scheme represent good value when compared to other options available in the market.

It's very important to the Trustees that Members receive good value for the charges and transactions costs they incur. Good value means different things to different people, so the Trustees consider a number of different aspects when the Trustees undertake regular reviews, including levels of charges, the available investment funds and how they're performing, the support available to Members to help them plan for retirement, how the Scheme is managed and administered, and the information and tools that are available to Members.

The Trustees receive regular reporting from Aegon on the investment returns from the default and Self-Select Fund Range, further information regarding the return on investments can be found in Appendix 6 of this Statement. In addition, the Trustees also review and assess the charges borne by members and further information on these charges can be found in Appendix 2 of this Statement.

The Trustees are provided with comprehensive reports from Aegon, as our administration service provider, to inform our thinking. The Trustees have robust discussions with Aegon about the services Members receive, and the improvements that can be introduced. Aegon is keen to work with the Trustees to provide a continuous improvement programme.

During the Scheme year, the Trustees received regular updates from the administration team at Aegon to discuss the service provided. The Trustees spoke to the administration team to develop a greater understanding of their systems and processes and discussed any resourcing issues. These updates continued to give us an improving picture on the service being delivered, training and staffing levels, which have all improved in 2024. The Trustees also carried out on-site visits to Aegon offices see firsthand the service being delivered.

The Trustees commissioned Lane Clark and Peacock (LCP) to help them carry out an independent assessment, for the Scheme year ended 31 March 2025 of whether the Scheme offers good value for Members. The assessment covers eight areas the Trustees believe are of great importance to Members and the Trustees asked LCP to assess the offering the Scheme provides against its peers. The assessment rated each area as either: excellent, good in line with the market or acceptable in line with minimum expected (e.g. by legislation).

LCP presented their report at the meeting of the Trustee Board on 1 July 2025 and reported that the Value for Members assessment for the Scheme was excellent in 2 out of 8 areas whilst being good or acceptable and in line with the market in the other areas.

Here is a brief summary of their findings:

Areas where the Aegon Master Trust is rated 'excellent':

Governance

The Aegon Master Trust (AMT) Trustees demonstrate strong governance, meeting regularly with two dedicated sub-committees supported by Aegon representatives. The AMT's gender diversity is strong at 50%, exceeding the Master Trust (MT) average of 43%. The Trustees use tools such as skills matrices and peer reviews to assess Trustee competence, with annual Chair-led review to maintain standard.

An area to consider for the AMT is the ethnic diversity of the Trustees and potential to find a representative from a younger age group. Addressing these gaps would enhance inclusivity and broaden perspectives at board level.

Self-select fund range

The AMT self-select fund range covers all of the major asset classes, has passive and active fund options, a good range of ESG funds for different asset classes and one Shariah compliant fund. The range is a similar size to other MTs and giving members a wide enough choice to select from.

In particular, AMT has a strong ESG offering with the majority of funds having some degree of ESG integration. This is a positive differential against other MTs, but we note that MTs are generally developing in this area, as member demand for this asset class increases. Some of these funds could also be named more appropriately to highlight the ESG integration to members.

Most, but not all, of the passive funds tracked their respective benchmarks within a reasonable tolerance over the year to 31 March 2025. A few active funds underperformed their benchmark over the year to 31 March 2025, but almost all active funds saw positive absolute returns.

To further improve the range of options available to members and keep pace with the market, the Shariah compliant range should be expanded, and the Trustees could consider improved signposting for some of the ESG integrated active funds.

Areas where the Aegon Master Trust is 'good' and in line with the market:

ESG integration

Overall, when compared to the other MTs, AMT has a similar level of ESG integration. However, the ESG tilted property fund is a positive differentiator. While Aegon is active in communicating to members through the responsible investment (RI) webpage, and has created Pension Geeks TV, AMT does not have specific tools for tracking engagement of ESG campaigns. Aegon does use feedback from both the customer-panel RI survey and financial wellbeing survey to inform its RI policy/approach and engagement themes within its stewardship activities.

To further improve ESG integration, consider increasing RI integration in the default beyond equities, corporate bonds and the property allocation, including taking a step further than ESG tilting. The use of green bonds is expanding and could provide opportunity to improve RI integration in LifePath, particularly given the large allocation to bonds at retirement. Consider developing methods for tracking engagement metrics of ESG campaigns, assessing member feedback to such campaigns and encouraging member voting.

Scheme charges

In general, the range of fees charged for the AMT default growth phase compares well to other providers. However, AMT's minimum fee is the highest of the other MTs (albeit only by a few basis points). The AMT's self-select fund charges are generally in line with the market average across most asset classes.

Member engagement and communication

The AMT provides a range of engagement services which is of high quality, including its online member community where it seeks feedback from which is a differential feature amongst the providers compared.

Use the roll out of the new App and its improved functionality to help drive engagement and increase usage statistics.

Member service and administration

We have assessed service quality by reviewing SLA performance, NPS scores and average call answer times across providers. Aegon sits in the middle of this peer group, with improvements over the year in call response time, NPS, and service level performance. Taken together, these indicators suggest Aegon is delivering a good quality service.

Continue with efforts to improve consistency in helpline answer times to ensure that members can access the help they need in a timely manner.

Accessing your pension

Access to free, unlimited guidance from Aegon Assist is market leading, however we would encourage the trustees to consider developing a more packaged solution, although we note that very few providers have guided retirement products, and no provider offers the whole package (tools, product, integrated guidance and integrated advice).

Continue with the roll out of the online journey for all retirements to smooth the member experience when taking benefits. Consider developing a packaged solution that guides members to and through retirement.

Areas where the Aegon Master Trust is ‘acceptable’ and slightly below the market:

Default investment design and performance

AMT’s target date fund (TDF) structure and drawdown target is broadly in line with the market. The de-risking period is above the median at 35 years. The planned reduction to 15 years will bring it more in line with other MTs. LifePath has 100% growth allocation in the accumulation phase which provides strong opportunities for returns. LifePath Flexi, which was the main default over the period, has one of the lowest allocations to growth assets and highest allocation to bonds in the At retirement phase compared to the other MTs, which limits growth potential. LifePath has a slightly higher allocation (64%) to North America than the average (62%) and a slightly lower allocation to the MAG7 stocks (17.2%) when compared to other defaults. Overall performance of LifePath Flexi has been weaker than other MTs. In particular, the At retirement allocation has performed poorly over all time periods, and with higher volatility. Expected member outcomes are not as strong as peers, mostly due to the longer de-risking period.

Implement the planned changes to the de-risking period and integration of private markets. The At retirement allocation should be reviewed, taking into consideration the drawdown target of the strategy. Taken together, these changes would justify an improved rating.

Trustees’ assessment of value for members

Based on the Trustees assessment of the key areas throughout the Scheme year we consider the Scheme is offering good value for members and matching much of the market, and this view is supported by LCP independent assessment.

Section 7:
Member representation and views

The Trustees are always very keen to hear Members' thoughts on the Scheme. The Trustees would like to hear Members' views directly by email via **yourMT@aegon.co.uk***. Members can also contact Aegon via our helpline (01733 353460 – Monday to Friday 9am to 5pm**) or by writing directly to the Trustees at Aegon UK plc, Edinburgh Park, 1-3 Lochside Crescent, Edinburgh, EH12 9SE.

We actively encourage our Members to contact the Trustees with any feedback they have. Aegon have created a number of different routes for Members to provide feedback.

- **Feedback to Individual Trustees:** In the Master Trust area of the Aegon website the Trustees share the profiles of each of the Trustees. There is access to an email link for Members to send feedback to the Trustees directly.

- **Net Promoter Score:** When Aegon interact with Scheme members they actively ask Members for feedback through the Net Promoter Score (NPS) programme. This is shared with the Trustees as part of regular scheme monitoring. It gives the Trustees valuable information on how the Member has found their experience with Aegon.

- **Ongoing survey programme:** Aegon carries out ongoing surveys to ask Members a range of questions on key areas such as investment choice and returns, costs and charges. This enables the Trustees to understand how Members view the performance of the Scheme.

- **Member panel:** Aegon have a dedicated Scheme member panel and encourage Members to sign up to it. The aim is to carry out quick polls to understand how often Members want to hear from Aegon and the Trustees, topics of interest and webinars they would find interesting. This is to help align Aegon and the Trustees future communication strategy.

The Trustees would like to thank Members who have engaged through each of these routes – the feedback is invaluable.

Scheme Employer Forum

Aegon hosted employer clients and Trustees on 2 October 2024 at 'Engage 2024 – Shape The Future'. This face-to-face event not only enabled Aegon to deepen relationships, they also took the opportunity to share:

- Latest innovations, explaining how each proposition will benefit both employers and scheme members;
- Strategy and progress on default funds and private markets;
- An update of the 'The Second 50' Aegon's thought-leadership research report, now including the gender pensions gap;
- Launching of "Mylo", Aegon's new digital engagement engine, supporting people through their entire journey to and through retirement.

This collaborative approach provided an opportunity for Aegon to answer employer questions and gather invaluable feedback to help inform the future strategic delivery.

The Trustees and Aegon held their most recent exclusive Master Trust forum for participating employers on 19 November 2024. The forum is an opportunity for the attendees to share their feedback and thoughts with the Trustees directly on a number of topics.

The forum focused on:

- Evolving the default fund – proposed changes to LifePath;
- The latest thinking on the ever-changing retirement landscape with a focus on the pensions review and Value for Money framework;
- The Trustees' approach to communications and engagement with a focus on deferred members;
- Employers were also invited to meet the customer care teams and get a first-hand view of the call handlers' role.

The AMT Trustees attended the event to meet and hear from employers directly and reviewed the feedback received from attendees after the event. The Employer Forum is important to Aegon and the Trustees. They appreciate having a platform to share developments relating to both employers and members, and to demonstrate how Aegon are continually adding extra value and benefits to the Scheme which will, in turn, help improve the financial outcomes for members.

During the Scheme year, the Trustees took part in call listening sessions, where they listened to AMT member calls to Aegon's Contact Centre. These sessions allow us to observe the service Aegon provides to you and understand the wide variety of enquiries received. The Trustees attend ad-hoc Aegon customer panel focus groups, as observers, during the Scheme year. Attendance at these sessions allows the Trustees to build a deeper understanding of their customers views and needs.

There are other forums planned for 2025. Again, Aegon will be inviting participating employers to join the Trustees and Aegon experts in topical discussion, sharing new insights and how we can help support Members.

Scheme Quarterly Newsletter

Employers receive a dedicated Aegon Master Trust quarterly newsletter which is used by the Trustees to make announcements. Along with other engaging, insightful and helpful articles about topics such as long-term savings, retirement and investments. This is for employers to read and share with members. **Please make sure your email address is up to date and accurate to receive this quarterly newsletter.**

If you have any comments or feedback on this statement or the operation of your pension arrangement, please email the Trustees at **yourMT@aegon.co.uk.**

This statement has been prepared in accordance with Regulation 23 to Regulation 26 of the Occupational Pension Schemes (Scheme Administration) Regulations 1996.

The Chairman's statement can be accessed online at

https://www.aegon.co.uk/workplace/employers/targetplan/master-trust.html

You will be notified of the Chairman's statement and where you can find a copy in your annual benefit statement.

Signed on behalf of the Trustees of the Aegon Master Trust:

Position: Chair of the Aegon Master Trust Board

Name: Ian Pittaway for and on behalf of Independent Trustee Limited

Date: 24th September 2025

*Emailing sensitive information

If contacting us by email, please don't include any personal, financial, or banking information as email isn't a secure method of communication. If you decide to send information in this way, you're doing so at your own risk as there's no guarantee that any email sent by you to us will be received or remain private during transmission.

**Call charges will vary.

Appendix 1
Trustees' Profiles

The Trustees have set out more details about the Trustee Board, including:

- What it means to be an affiliated and non-affiliated trustee,
- How the trustees of the Scheme are selected and
- Trustees' knowledge and understanding, including training plans.

The Trustees

Independent Trustee Limited, represented by Ian Pittaway
Chair of Scheme Trustee Board
Non-affiliated Trustee
Ian Pittaway, as representative of Independent Trustee Limited, has been a trustee of the Aegon Master Trust and Chair of the trustees since 1 July 2018. He is a former senior partner of Sacker & Partners, a law firm in the City of London specialising in pensions. He previously acted as legal adviser for several pension schemes and has gained extensive pensions law experience on a wide range of issues. This includes acting as an arbitrator and as an expert witness in court proceedings.

As an independent Chair of trustees of several pension funds, Ian has extensive experience of the issues faced by trustee boards. He's a former Chair of the Association of Professional Pension Trustees (APPT), and a former Chair and secretary of the Association of Pensions Lawyers. He writes extensively for the pensions and national press, and lectures widely.

Ian is also member of the Scheme Communications and Engagement Sub-Committee.

Zedra Governance Limited, represented by Alison Bostock
Non-affiliated Trustee
Alison Bostock has worked in pensions since 1990, advising trustees and sponsors of defined benefit and DC pension schemes. Since 2015, she has been working full time as a professional trustee, with a range of appointments to DB and DC schemes. She is an accredited professional pension trustee and currently serves on the council of the APPT.

Alison possesses a strong working knowledge of pensions and trust law and the regulatory requirements for DC schemes. Along with an understanding of the principles of investing to provide a retirement income taking account of risk appetites and the expected methods of withdrawing benefits. She has carried out value for members assessments and prepared and signed off Chair's annual statements for DC schemes. She's also served on the Zedra Governance Advisory Arrangement which involved making value for money assessments for workplace pension schemes.

Alison's trustee experience includes setting and implementing investment strategies for DC schemes through both active and passive investment approaches. As well as monitoring and reviewing strategies and managers. She is a Fellow of the Institute and Faculty of Actuaries and holds the Pensions Management Institute Certificate in DC Governance.

Alison is a member of the Scheme Investment Sub-Committee and is Chair of the Aegon UK Independent Governance Committee.

Helen Parker
Non-affiliated Trustee

Helen Parker has 30 years' experience working on consumer issues, first in executive roles and now as a non-executive. She was a member of the senior leadership team of Which?, Europe's largest independent consumer organisation, for more than a decade. This included serving as editorial director, responsible for the organisation's independent information and advice services. And later as Policy Director, responsible for the evidence that underpinned its campaigning on behalf of all UK consumers.

Helen has served in a wide range of non-executive roles with a focus on consumer engagement and protection. This includes having served as Deputy Chair of the Financial Services Compensation Scheme, a committee member of Healthwatch England and a member of the Consumer Expert Panel for the Office of Rail and Road. She also has roles with Pay.UK and is a non-executive director of the Infected Blood Compensation Authority.

Helen is Chair of the Scheme Communications and Engagement Sub-Committee and a member of Aegon's Independent Governance Committee.

Graeme Griffiths
Non-affiliated Trustee

Graeme Griffiths has 40 years' experience in corporate finance, asset management and responsible investment. He began his career in corporate finance and worked for two decades with J.P. Morgan and KPMG—latterly as head of European M&A — advising clients on a wide variety of corporate finance issues. In 2005, he moved into asset management, serving as a senior member of the global equity teams at AB Bernstein and Vontobel Asset Management. In 2016, he joined the Principles for Responsible Investment (PRI), a responsible investment initiative supported by the UN. In his most recent role with the PRI, he was Chief Operating Officer and a member of its leadership team.

Graeme now focuses solely on non-executive work with an emphasis on finance, investment and sustainability issues. In this capacity he serves as an independent director of the Chartered Alternative Investment Analyst (CAIA) Association, an investment credential provider. He also serves on the finance and investment committees of the Royal College of Surgeons, the Royal Historical Society and Natasha's Foundation, a food allergy research charity. He is a CAIA charter holder and an accredited member of the Association of Professional Pension Trustees (APPT).

Graeme is Chair of the Scheme Investment Sub-Committee.

Non-affiliated trustees

All members of the Trustee Board were non-affiliated trustees, throughout the Scheme Year. Non-affiliated trustees are broadly defined as being independent of any undertaking (business) which provides advisory, administration, investment or other services to the Scheme. It's a legal requirement that the majority of trustees of an authorised master trust, such as the Scheme, are non-affiliated trustees. Non-affiliated trustees are also restricted in the period of time they can be a trustee of an authorised master trust.

Trustees can be treated as non-affiliated for a single period of up to five years and up to ten years in total. If there is a gap of more than five years between appointments, the previous appointment is ignored when working out the total. Different rules apply to professional trustee bodies. They can be treated as non-affiliated for a single period of up to five years, but they are not restricted to any cumulative term. However, their individual representative cannot retain this role for more than ten years in total, regardless of any gap between appointments.

During the Scheme year, Independent Trustees Limited (represented by Ian Pittaway, Chair of the Trustees), Zedra Governance Limited (represented by Alison Bostock); Helen Parker; and Graeme Griffiths were independent of any undertaking which provides advisory, administration, investment or other services to the Scheme. They are classified as non-affiliated for the purposes of legislation.

Zedra Governance Limited, represented by Alison Bostock; and Helen Parker, also sit on Aegon's Independent Governance Committee (IGC). Other master trusts have the same dual appointments. Based on the Financial Conduct Authority's Conduct of Business Sourcebook, the non-affiliated status of these trustees is not affected by their appointment to the IGC. The requirement to have a majority of non-affiliated trustees has therefore been met. No changes were made to the non-affiliated trustees during the Scheme year.

Affiliated trustees

There were no affiliated trustees on the Trustee Board, during the Scheme year.

Conflict of Interest

The Trustees have a Conflicts of Interest Policy in place to ensure any conflicts are identified, considered and managed appropriately.

Selection

Members of the Trustee Board have been carefully selected for their broad level of experience and expertise across legal, actuarial, communications, customer engagement, asset management, responsible investment and customer service. They have a deep understanding of pension management and governance. A strong collective skill set and connectivity into the Aegon business, brings additional strength by providing the Trustee Board greater insight and understanding of the wider business. This enhances the Trustee's ability to drive change and deliver good outcomes and value for Members.

Recruitment

The recruitment of trustees is carried out in accordance with:

- The Scheme Fit and Proper Framework and
- Master Trust Trustee: Recruitment and Appointment Process.

These were both adopted during the Scheme year, on 9 May 2024.

No recruitment of trustees was carried out during the Scheme year.

Recruiting non-affiliated trustees

The Pensions Regulator and legislation requires that non-affiliated trustees must be recruited through an open and transparent recruitment process. Aegon carries out a robust, open and transparent recruitment process, with the engagement of a recruitment agency, for non-affiliated trustee searches. This includes, in accordance with applicable law and regulation the role being advertised publicly in an appropriate national publication and a long and then short list of candidates being identified and interviewed. To ensure a robust and effective selection procedure, competency-based interviews are carried out. A scoring matrix is used to objectively identify the strongest candidate.

Recruiting affiliated trustees

Recruitment of affiliated trustees involves a combination of:

- Aegon identifying individuals within the business with the relevant skill set and attributes to become trustees of the Scheme and,
- Ian Pittaway, as Chair of the Trustee Board and a non-affiliated trustee, being satisfied that the proposed affiliated trustees meet the requirements of the post of trustee.

Trustees' knowledge and understanding

The Scheme is run by the Trustees. The Trustees operate a Fit and Proper Framework, and they have provided evidence to TPR that they are Fit and Proper to be trustees.

The Trustees undertook a review of the balance of skills and experience in November 2024, using a questionnaire based on TPR's Sample Board Skills Matrix (amongst other questionnaires). This review showed that, individually and collectively,

- The Trustees have a balance of skills and experience appropriate for the Scheme and
- The knowledge and skills are spread throughout the Trustee Board and not concentrated in one or two trustees.

The individual trustees' broad and diverse range of skills and experience include those relating to DC Pensions, trusteeship, pensions law, investment, governance and administration. The results of this review are recorded in accordance with the Fit and Proper Framework.

As part of any recruitment process undertaken for the appointment of a new non-affiliated trustee, the current Trustee Board skills and experience are assessed for areas of enhancement.

Competence of the Trustee Board and individual trustees

Most trustee training was undertaken at Trustee Board level, in the form of detailed presentations and updates ("deep dives") at Board meetings. This is to ensure the Trustees have the required knowledge and understanding of the Scheme across a broad range of areas.

Induction of new trustees - process

Under the Fit and Proper Framework, once a preferred trustee candidate has been identified, agreed with the Chair of the Trustees and the steps completed in relation to the candidate's appointment, the new trustee must follow an induction process. This process requires a new trustee to:

- Complete the TPR Trustee toolkit within six months of appointment,
- Complete the TPR and personal skills assessment questionnaires relating to that trustee's knowledge and understanding; and
- Establish a customised induction training programme and personal development plan.

Each member of the Trustee Board has completed TPR's Trustee toolkit, completed the skills questionnaires, has an individual personal development plan in place and attended Trustee Board training sessions.

Training

Under the Fit and Proper Framework, the Trustee Board undertakes a regular review of the trustees' skills, knowledge and understanding. The results are used to identify any skills gaps and develop Trustee Board training plans, individual personal development plans and for Trustee Board succession planning. The Chair of the Trustees has one-to-one meetings subsequent to the Scheme year end, with each trustee. This is to evaluate and discuss that Trustee's performance, aspirations and succession planning. Evaluation of the Trustee Board's and individual Trustee's knowledge and understanding is carried out by peer review (via the Chair) and questionnaires.

The Trustee Board undertook training, during the Scheme Year, in the following areas:

- Teach in on taskforce for social factors (16 April 2024)
- Deep dive on root cause of complaints (9 May 2024)
- Key member communication deep dive – Bereavements (6 August 2024)
- Market training session with Gallaghers (September 2024)
- Key member communication deep dive – wake up pack research (31 October 2024)
- Illiquid Teach in (21 February 2025)

In addition to their extensive experience and professional qualifications, the Trustees individually self-assess their own areas of knowledge. They will then meet and consider the findings, to determine training requirements and identify any individual knowledge gaps.

Any knowledge gaps are added to the training log which is kept by the secretary to the Trustees. Training in these areas will be organised.

Trust Deed and Rules, Statement of Investment Principles and pensions law

The Trustees have a working knowledge of the Scheme Trust Deed and Rules, and the Statement of Investment Principles. They have the appropriate degree of knowledge and understanding in relation to assessment and management of climate-related risks and opportunities. More information can be found in the Governance section of the TCFD Report **(Appendix 5).**

All Trustees have completed TPR's Trustee Toolkit and Skills Matrix to demonstrate they have a working knowledge of pension and trust law. The profile of the Trustee Board itself also ensures that there is a high level of knowledge of and competence in relation to pension and trust law. This is particularly demonstrated by Ian Pittaway's appointment as Chair, given his in-depth legal expertise in pension law. This knowledge is bolstered by the individual training undertaken by the Trustees.

The Trustee Board has two Board sub-committees:

- Communication and Engagement; and
- Investment.

The Trustee Board believe the sub-committee structure allows additional time and focus to be spent on these key areas outside of the quarterly Trustee Board meetings.

Each sub-committee provides focus and expert oversight on each of the areas that are essential to the successful management of the Scheme. The Chair of each sub-committee formally reports back to the Trustee Board on matters discussed, recommendations and key actions agreed. This ensures the Trustee Board is kept fully informed with each sub-committee's activities. Each sub-committee meets at least quarterly.

The sub-committee memberships and high-level responsibilities are set out below for information:

Communication and Engagement Sub-Committee
Membership: Helen Parker (Chair), Ian Pittaway and Andy Manson (as Scheme strategist, representing Aegon)

Responsibilities include:

- Ensuring all Scheme communications meet legal and regulatory requirements; and
- Working with Aegon to shape the strategic direction of member communications.

Investment Sub-Committee

Membership: Graeme Griffiths (Chair), Alison Bostock and David Houston (as Scheme strategist, representing Aegon).

Responsibilities include:

- Reviewing the fund range in accordance with the Statement of Investment Principles; and
- Reviewing the default and self-select ranges available to participating employers.

Delegations

Where the Trustee Board frequently makes decisions in relation to certain matters, they have formal delegations in place to allow specific trustees to sign on behalf of the Trustee Board.

There are delegations in place for the following matters:

- Determining beneficiaries for death benefits (including ill health claims);
- Admitting new employees to the Scheme (including the associated investment choices); and
- Individual member pension transfer cases.

Internal dispute resolution procedure

The Trustees also review and determine the outcome of complaints made to them under the Scheme's internal dispute resolution procedure. In doing this, the Trustees maintain and demonstrate their knowledge and understanding of the Scheme's Trust Deed and Rules, the Statement of Investment Principles and legislation relating to Scheme matters such as investment of Scheme assets.

Scheme policies and processes

During the Scheme year, the Trustee Board updated and reviewed existing policies and processes for the governance and administration of the Scheme. These policies have been discussed amongst the Trustee Board as a whole and approved by them. The Trustee Board demonstrated that they understand and have knowledge of the Scheme policies and processes, and how these are applied in practice. The following were reviewed and approved by the Trustees in the scheme year:

- Risk Event Process;
- Data Protection Policy;
- Conflicts of Interest Policy;
- Internal Dispute Resolution Procedure;
- AMT Inclusion, Equality and Diversity (IED) Policy;
- Responsible Investment (RI) policy

Professional advisers, appointed by the Trustee Board provide the Trustees with support and expert advice when reviewing the performance of the Scheme and ensuring it is governed in line with the Master Trust Deed and Rules. The advice received by the Trustees along with their own experience, training, knowledge and understanding allows them to properly exercise their functions as a Trustee Board.

Appendix 2
Costs and charges during the Scheme Year

The following tables show the costs and charges of the default and other funds available to Members. The costs and charges set out in the tables below have been calculated in accordance with the statutory guidance and it refers to the following:

- The Annual Management Charge (AMC) is the charge deducted by Aegon and the fund manager for the administration and investment services. The AMC included in tables 1 and 2 is based on the average AMC for each fund. The actual AMC Members pay will vary. The variation in AMCs across the Scheme reflects the variation in assets under management and contribution levels for each employer. These factors are considered when AMCs are set on an employer-by-employer basis. All of the different AMCs charged for each fund are noted below Tables 1 and 2 within this Appendix. Tables 3 focuses on the additional investment options used by Bespoke Notional Sections, and in those cases the AMC values listed in the tables are the actual AMCs paid.
- The Additional Annual Expenses (AAE) cover the costs of professional services required to run a fund. These include services like custody services (holding assets for safe keeping, collecting income, record keeping and reporting), audit fees paid to accounting firms and auditors for the statutory annual financial statements, and depositary services that oversee how funds are managed to keep assets safe. The costs shown are paid by all Members.
- Transaction costs arise when a manager buys and sells the underlying assets of a fund. Some funds show negative transaction costs. This typically occurs when the market price of stocks being purchased fall more frequently than rise between the order being placed and executed. This can be prevalent in more stressed market conditions when asset prices may generally be declining.
- The total is the sum of the Annual Management Charge (AMC), Additional Annual Expenses (AAE) and transaction costs. Negative transaction costs are subtracted to give the total costs.
- None of the default funds available to the AMT membership incur performance-based fees.

Additional Expenses Approach

The operational and running costs incurred by asset managers are typically charged to a fund as additional expenses which act as a minor offset to fund performance. Aegon UK (AUK) runs an annual process to collect additional expenses information from underlying fund managers whose funds are used as components of Aegon's insured funds and these costs are disclosed through annual customer disclosures.

Historically Aegon does not currently pass on any of its own operational costs through additional expenses. The operational costs incurred have been increasing over recent years, as there is increased complexity of disclosure requirements, data provision and additional reporting.

In addition to the additional expenses charged by asset managers, Aegon are adding a maximum of 1bp (100th of one percent) to the additional expenses charged. The 1bps cap is designed to make sure the impact on Members is not material in the context of their overall investment and the ongoing net returns.

Aegon BlackRock Lifepath funds are excluded from this 1bp charge. All other funds within the AMT Fund range are included.

The Trustees are satisfied this is a fair and reasonable distribution of necessary costs and is a commonplace practice for other providers.

Table 1 – Standard default investment arrangements

Fund	Fund Ticker	AMC	Additional Annual Expenses	Transaction Costs	Total
Aegon BlackRock LifePath Capital (BLK)	DCCFGP	0.22	0.00	0.01	0.24
Aegon BlackRock LifePath Capital 2025-2027 (BLK)	DCLPCP26	0.22	0.00	0.02	0.25
Aegon BlackRock LifePath Capital 2028-2030 (BLK)	DCLPCP29	0.22	0.00	0.03	0.26
Aegon BlackRock LifePath Capital 2031-2033 (BLK)	DCLPCP32	0.22	0.00	0.04	0.26
Aegon BlackRock LifePath Capital 2034-2036 (BLK)	DCLPCP35	0.22	0.00	0.04	0.26
Aegon BlackRock LifePath Capital 2037-2039 (BLK)	DCLPCP38	0.22	0.00	0.04	0.27
Aegon BlackRock LifePath Capital 2040-2042 (BLK)	DCLPCP41	0.22	0.00	0.05	0.27
Aegon BlackRock LifePath Capital 2043-2045 (BLK)	DCLPCP44	0.22	0.00	0.05	0.27
Aegon BlackRock LifePath Capital 2046-2048 (BLK)	DCLPCP47	0.22	0.00	0.05	0.27
Aegon BlackRock LifePath Capital 2049-2051 (BLK)	DCLPCP50	0.22	0.00	0.05	0.27
Aegon BlackRock LifePath Capital 2052-2054 (BLK)	DCLPCP53	0.22	0.00	0.05	0.28
Aegon BlackRock LifePath Capital 2055-2057 (BLK)	DCLPCP56	0.22	0.00	0.06	0.28
Aegon BlackRock LifePath Capital 2058-2060 (BLK)	DCLPCP59	0.22	0.00	0.06	0.28
Aegon BlackRock LifePath Capital 2061-2063 (BLK)	DCLPCP62	0.22	0.00	0.06	0.28

Fund	Fund Ticker	AMC	Additional Annual Expenses	Transaction Costs	Total
Aegon BlackRock LifePath Capital 2064-2066 (BLK)	DCLPCP65	0.22	0.00	0.06	0.28
Aegon BlackRock LifePath Capital 2067-2069 (BLK)	DCLPCP68	0.22	0.00	0.06	0.28
Aegon BlackRock LifePath Capital 2070-2072 (BLK)	DCLPCP71	0.22	0.00	0.05	0.28
Aegon BlackRock LifePath Capital 2073-2075 (BLK)	DCLPCP74	0.22	0.00	0.05	0.28
Aegon BlackRock LifePath Capital 2076-2078 (BLK)	DCLPCP77	0.22	0.00	0.05	0.28
Aegon BlackRock LifePath Flexi (BLK)	DCLPFL	0.22	0.00	0.05	0.27
Aegon BlackRock LifePath Flexi 2025-2027 (BLK)	DCLPFL26	0.22	0.00	0.04	0.27
Aegon BlackRock LifePath Flexi 2028-2030 (BLK)	DCLPFL29	0.22	0.00	0.04	0.27
Aegon BlackRock LifePath Flexi 2031-2033 (BLK)	DCLPFL32	0.22	0.00	0.04	0.27
Aegon BlackRock LifePath Flexi 2034-2036 (BLK)	DCLPFL35	0.22	0.00	0.04	0.26
Aegon BlackRock LifePath Flexi 2037-2039 (BLK)	DCLPFL38	0.22	0.00	0.04	0.27
Aegon BlackRock LifePath Flexi 2040-2042 (BLK)	DCLPFL41	0.22	0.00	0.05	0.27
Aegon BlackRock LifePath Flexi 2043-2045 (BLK)	DCLPFL44	0.22	0.00	0.05	0.27
Aegon BlackRock LifePath Flexi 2046-2048 (BLK)	DCLPFL47	0.22	0.00	0.05	0.27
Aegon BlackRock LifePath Flexi 2049-2051 (BLK)	DCLPFL50	0.22	0.00	0.05	0.27
Aegon BlackRock LifePath Flexi 2052-2054 (BLK)	DCLPFL53	0.22	0.00	0.05	0.28
Aegon BlackRock LifePath Flexi 2055-2057 (BLK)	DCLPFL56	0.22	0.00	0.06	0.28
Aegon BlackRock LifePath Flexi 2058-2060 (BLK)	DCLPFL59	0.22	0.00	0.06	0.28
Aegon BlackRock LifePath Flexi 2061-2063 (BLK)	DCLPFL62	0.22	0.00	0.06	0.28

Fund	Fund Ticker	AMC	Additional Annual Expenses	Transaction Costs	Total
Aegon BlackRock LifePath Flexi 2064-2066 (BLK)	DCLPFL65	0.22	0.00	0.06	0.28
Aegon BlackRock LifePath Flexi 2067-2069 (BLK)	DCLPFL68	0.22	0.00	0.06	0.28
Aegon BlackRock LifePath Flexi 2070-2072 (BLK)	DCLPFL71	0.22	0.00	0.05	0.28
Aegon BlackRock LifePath Flexi 2073-2075 (BLK)	DCLPFL74	0.22	0.00	0.05	0.28
Aegon BlackRock LifePath Flexi 2076-2078 (BLK)	DCLPFL77	0.22	0.00	0.05	0.28
Aegon BlackRock LifePath Retirement 2025-2027 (BLK)	DCLPRT26	0.22	0.00	0.04	0.26
Aegon BlackRock LifePath Retirement 2028-2030 (BLK)	DCLPRT29	0.22	0.00	0.04	0.26
Aegon BlackRock LifePath Retirement 2031-2033 (BLK)	DCLPRT32	0.22	0.00	0.04	0.27
Aegon BlackRock LifePath Retirement 2034-2036 (BLK)	DCLPRT35	0.22	0.00	0.04	0.26
Aegon BlackRock LifePath Retirement 2037-2039 (BLK)	DCLPRT38	0.22	0.00	0.04	0.27
Aegon BlackRock LifePath Retirement 2040-2042 (BLK)	DCLPRT41	0.22	0.00	0.05	0.27
Aegon BlackRock LifePath Retirement 2043-2045 (BLK)	DCLPRT44	0.22	0.00	0.05	0.27
Aegon BlackRock LifePath Retirement 2046-2048 (BLK)	DCLPRT47	0.22	0.00	0.05	0.27
Aegon BlackRock LifePath Retirement 2049-2051 (BLK)	DCLPRT50	0.22	0.00	0.05	0.27
Aegon BlackRock LifePath Retirement 2052-2054 (BLK)	DCLPRT53	0.22	0.00	0.05	0.28
Aegon BlackRock LifePath Retirement 2055-2057 (BLK)	DCLPRT56	0.22	0.00	0.06	0.28
Aegon BlackRock LifePath Retirement 2058-2060 (BLK)	DCLPRT59	0.22	0.00	0.06	0.28
Aegon BlackRock LifePath Retirement 2061-2063 (BLK)	DCLPRT62	0.22	0.00	0.06	0.28
Aegon BlackRock LifePath Retirement 2064-2066 (BLK)	DCLPRT65	0.22	0.00	0.06	0.28

Fund	Fund Ticker	AMC	Additional Annual Expenses	Transaction Costs	Total
Aegon BlackRock LifePath Retirement 2067-2069 (BLK)	DCLPRT68	0.22	0.00	0.06	0.28
Aegon BlackRock LifePath Retirement 2070-2072 (BLK)	DCLPRT71	0.22	0.00	0.05	0.28
Aegon BlackRock LifePath Retirement 2073-2075 (BLK)	DCLPRT74	0.22	0.00	0.05	0.28
Aegon BlackRock LifePath Retirement 2076-2078 (BLK)	DCLPRT77	0.22	0.00	0.05	0.28
Aegon BlackRock LifePath Retirement (BLK)	DCLPRT	0.22	0.00	0.03	0.25
Aegon BlackRock Cash (BLK)	DCCFGP	0.22	0.00	0.01	0.24

Source: Aegon, 31 March 2025

Figures shown have been rounded to two decimal points. Due to rounding, numbers presented throughout this table may not add up precisely to the totals provided and percentages may not precisely reflect the absolute figures.

As outlined in the Statement of Investment Principles, during any period where a fund is suspended, Members' contributions will be directed to the Aegon BlackRock Cash Fund.

Actual AMCs

A Member can find out the specific AMC which applies to the fund(s) they are invested in by referring to the fund information on the TargetPlan member website or their Investment Options booklet.

The actual AMC rates that apply to LifePath funds (all versions and year vintages) are: 0.16%, 0.18%, 0.19%, 0.20%, 0.21%, 0.22%, 0.23%, 0.24%, 0.25%, 0.26%, 0.27%, 0.28%, 0.29%, 0.31%, 0.36%, 0.41%, 0.51%.

The actual AMC rates that apply to Aegon BlackRock Cash and the undated LifePath Capital fund are: 0.13%, 0.14%, 0.16%, 0.17%, 0.18%, 0.21%, 0.23%, 0.25%, 0.28%, 0.33%, 0.38% ,0.43%.

Table 2 – AMT Fund Range

Fund	Fund Ticker	AMC	Additional Annual Expenses	Transaction Costs	Total
Passive equity					
Aegon Global Islamic Equity Tracker (AMT)	DCIGET	0.52	0.00	0.00	0.52
Aegon Global Small Cap Equity Tracker (AMT)	DCGSCET	0.32	0.02	0.09	0.43
Aegon Developed Markets Equity Tracker (AMT)	DCDMET	0.27	0.02	0.00	0.29
Aegon Developed Markets ex-UK Equity Tracker (AMT)	DCGET	0.22	0.01	0.03	0.26
Aegon Europe ex-UK Equity Tracker (AMT)	DCEET	0.22	0.01	0.04	0.27
Aegon US Equity Tracker (AMT)	DCUSET	0.22	0.01	0.00	0.23
Aegon UK Equity Tracker (AMT)	DCUKET	0.22	0.01	0.08	0.30
Aegon Emerging Markets Equity Tracker (AMT)	DCAEMEQT	0.26	0.08	0.21	0.55
Aegon Japan Equity Tracker (AMT)	DCJET	0.22	0.01	0.03	0.26
Aegon Pacific ex-Japan Equity Tracker (AMT)	DCAPEQT	0.25	0.03	0.09	0.37
Active equity					
Aegon Global Climate Focus Equity (AMT)	DCAGCFE	0.77	0.16	0.06	0.99
Aegon Global Sustainable Equity (AMT)	DCGSE	0.67	0.03	0.12	0.82
Passive multi-asset					
Aegon Retirement Income Multi-Asset (AMT)	DCRIMA	0.27	0.02	0.05	0.34
Active multi-asset					
Aegon Global Sustainable Multi-Asset Growth (AMT)	DCGSMAG	0.52	0.00	0.26	0.78
Aegon Global Sustainable Multi-Asset Balanced (AMT)	DCGSMAB	0.45	0.01	0.23	0.69

Fund	Fund Ticker	AMC	Additional Annual Expenses	Transaction Costs	Total
Passive fixed income					
Aegon UK Corporate Bond Tracker (AMT)	DCUKCBT	0.25	0.02	0.03	0.29
Aegon UK Government Bond Tracker (AMT)	DCAUKFIGT	0.22	0.01	0.04	0.27
Aegon UK Index-Linked Government Bond Tracker (AMT)	DCAUKILGT	0.22	0.01	-0.03	0.20
Active fixed income					
Aegon Global Short Term Sustainable Bond (AMT)	DCGSTSB	0.37	0.04	0.10	0.51
Aegon Global Sustainable Government Bond (AMT)	DCGSGB	0.39	0.07	0.00	0.46
Aegon Global Absolute Return Bond (AMT)	DCGARB	0.52	0.08	0.16	0.76
Aegon Global Strategic Bond (AMT)	DCGSB	0.67	0.14	0.21	1.02
Alternatives					
Aegon Global Listed Infrastructure (AMT)	DCAGIE	0.82	0.01	0.11	0.94
Aegon UK Property (AMT)	DCAUKP	0.43	0.52	0.00	0.95
Cash					
Aegon Cash (AMT)	DCACASH	0.24	0.01	0.01	0.26

Source: Aegon, 31 March 2025.

A fund can show negative transaction costs, for instance when the market price of stocks being purchased fall more frequently than rise between the order being placed and executed. This can be prevalent in more stressed market conditions when asset prices may generally be declining.

Figures shown have been rounded to two decimal points. Due to rounding, numbers presented throughout this table may not add up precisely to the totals provided and percentages may not precisely reflect the absolute figures.

Actual AMCs

The AMCs above are based on an average across share classes. As mentioned above, a Member can find out the specific AMC which applies to the fund(s) they are invested in by referring to the fund information on the TargetPlan member website or their Investment Options booklet.

The actual AMCs that apply to the above funds are set out below:

- Aegon Global Islamic Equity Tracker (AMT): 0.33%, 0.40%, 0.42%, 0.43%, 0.45%, 0.46%, 0.48%, 0.50%, 0.52%, 0.54%, 0.55%, 0.58%, 0.60%, 0.65%, 0.75%.
- Aegon Global Small Cap Equity Tracker (AMT): 0.13%, 0.20%, 0.22%, 0.23%, 0.25%, 0.28%, 0.30%, 0.32%, 0.34%, 0.35%, 0.38%, 0.40%, 0.45%, 0.50%, 0.55%.
- Aegon Developed Markets Equity Tracker (AMT): 0.08%, 0.15%, 0.17%, 0.18%, 0.20%, 0.21%, 0.23%, 0.25%, 0.27%, 0.30%, 0.33%, 0.35%, 0.40%, 0.45%, 0.50%.
- Aegon Developed Markets ex-UK Equity Tracker (AMT): 0.03%, 0.10%, 0.12%, 0.13%, 0.15%, 0.18%, 0.20%, 0.22%, 0.24%, 0.25%, 0.28%, 0.30%, 0.35%, 0.40%, 0.45%.
- Aegon Europe ex-UK Equity Tracker (AMT): 0.03%, 0.10%, 0.12%, 0.13%, 0.15%, 0.18%, 0.20%, 0.22%, 0.24%, 0.25%, 0.28%, 0.30%, 0.35%, 0.40%, 0.45%.
- Aegon US Equity Tracker (AMT): 0.03%, 0.10%, 0.12%, 0.13%, 0.15%, 0.18%, 0.20%, 0.22%, 0.24%, 0.25%, 0.28%, 0.30%, 0.35%, 0.40%, 0.45%.
- Aegon UK Equity Tracker (AMT): 0.03%, 0.10%, 0.12%, 0.13%, 0.15%, 0.18%, 0.20%, 0.22%.
- Aegon Emerging Markets Equity Tracker (AMT): 0.15%, 0.17%, 0.20%, 0.23%, 0.25%, 0.27%, 0.29%, 0.30%, 0.33%, 0.35%, 0.40%, 0.45%, 0.50%.
- Aegon Japan Equity Tracker (AMT): 0.03%, 0.10%, 0.12%, 0.13%, 0.15%, 0.18%, 0.20%, 0.22%, 0.24%, 0.25%, 0.28%, 0.30%, 0.35%, 0.40%, 0.45%.
- Aegon Pacific ex-Japan Equity Tracker (AMT): 0.06%, 0.13%, 0.15%, 0.16%, 0.18%, 0.21%, 0.23%, 0.25%, 0.27%, 0.28%, 0.31%, 0.33%, 0.38%, 0.43%, 0.48%.
- Aegon Global Climate Focus Equity (AMT): 0.58%, 0.65%, 0.67%, 0.68%, 0.70%, 0.73%, 0.75%, 0.77%, 0.79%, 0.80%, 0.83%, 0.85%, 0.90%, 0.95%, 1.00%.
- Aegon Global Sustainable Equity (AMT): 0.48%, 0.55%, 0.57%, 0.58%, 0.60%, 0.61%, 0.63%, 0.65%, 0.67%, 0.70%, 0.73%, 0.75%, 0.80%, 0.85%, 0.90%.
- Aegon Retirement Income Multi-Asset (AMT): 0.06%, 0.16%, 0.18%, 0.19%, 0.20%, 0.21%, 0.22%, 0.23%, 0.24%, 0.25%, 0.26%, 0.27%, 0.29%, 0.31%, 0.36%, 0.41%, 0.51%.
- Aegon Global Sustainable Multi-Asset Growth (AMT): 0.33%, 0.40%, 0.42%, 0.43%, 0.45%, 0.46%, 0.48%, 0.50%, 0.52%, 0.55%, 0.58%, 0.60%, 0.65%, 0.70%, 0.75%.
- Aegon Global Sustainable Multi-Asset Balanced (AMT): 0.25%, 0.27%, 0.30%, 0.31%, 0.32%, 0.35%, 0.36%, 0.37%, 0.38%, 0.40%, 0.41%, 0.43%, 0.45%, 0.46%, 0.48%, 0.50%, 0.53%, 0.56%, 0.63%, 0.68%.
- Aegon UK Corporate Bond Tracker (AMT): 0.06%, 0.13%, 0.15%, 0.16%, 0.18%, 0.21%, 0.23%, 0.25%, 0.27%, 0.28%, 0.31%, 0.33%, 0.38%, 0.43%, 0.48%.
- Aegon UK Government Bond Tracker (AMT): 0.03%, 0.10%, 0.12%, 0.13%, 0.15%, 0.18%, 0.20%, 0.22%, 0.24%, 0.25%, 0.28%, 0.30%, 0.35%, 0.45%.

- Aegon UK Index-Linked Government Bond Tracker (AMT): 0.03%, 0.10%, 0.12%, 0.13%, 0.15%, 0.18%, 0.20%, 0.22%, 0.24%, 0.25%, 0.28%, 0.30%, 0.35%, 0.45%.
- Aegon Global Short Term Sustainable Bond (AMT): 0.18%, 0.25%, 0.27%, 0.28%, 0.30%, 0.33%, 0.35%, 0.37%, 0.39%, 0.40%, 0.43%, 0.45%, 0.50%, 0.55%, 0.60%.
- Aegon Global Sustainable Government Bond (AMT): 0.20%, 0.27%, 0.29%, 0.30%, 0.32%, 0.35%, 0.37%, 0.39%, 0.41%, 0.42%, 0.45%, 0.47%, 0.52%, 0.57%, 0.62%.
- Aegon Global Absolute Return Bond (AMT): 0.33%, 0.40%, 0.42%, 0.43%, 0.45%, 0.48%, 0.50%, 0.52%, 0.54%, 0.55%, 0.58%, 0.60%, 0.65%, 0.70%, 0.75%.
- Aegon Global Strategic Bond (AMT): 0.48%, 0.55%, 0.57%, 0.58%, 0.60%, 0.63%, 0.65%, 0.67%, 0.69%, 0.70%, 0.73%, 0.75%, 0.80%, 0.85%, 0.90%.
- Aegon Global Listed Infrastructure (AMT): 0.63%, 0.70%, 0.72%, 0.73%, 0.75%, 0.78%, 0.80%, 0.82%, 0.84%, 0.85%, 0.88%, 0.90%, 0.95%, 1.00%, 1.05%.
- Aegon UK Property (AMT): 0.24%, 0.31%, 0.33%, 0.34%, 0.36%, 0.39%, 0.41%, 0.43%, 0.45%, 0.46%, 0.49%, 0.51%, 0.56%, 0.61%, 0.66%.
- Aegon Cash (AMT): 0.06%, 0.13%, 0.16%, 0.17%, 0.18%, 0.21%, 0.22%, 0.23%, 0.25%, 0.28%, 0.33%, 0.38%, 0.43%.

Table 3 – Funds used within Bespoke Notional Sections:

As outlined in this report, the Trustees introduced a new AMT Fund Range which was made available to Members within the Scheme year. This introduction was carried out through a phased implementation from June to October 2023. As part of this implementation many of the Bespoke Notional Sections opted to move into the standard AMT investment offering and therefore, as at the end of the Scheme year were no longer Bespoke Notional Sections.

Sun Life of Canada 2015 Employee Pension Plan

Self-select range

The transition to the AMT Fund Range was completed in June 2023. One fund, The Sun Life of Canada Fund, was retained in addition to the standard AMT Fund Range therefore, Sun Life of Canada 2015 Employee Pension Plan remains a Bespoke Notional Section.

One fund is offered in addition to the ATM Fund Range:

Fund	Fund Ticker	AMC	Additional Annual Expenses	Transaction Costs	Total
The Sun Life of Canada Fund	DCS3CF	0	0.01	0	0.01

Source: Aegon, 31 March 2025.

SG Retirement Savings Plan

No changes were made to the funds offered within the SG Retirement Savings Plan during the Scheme year.

Default strategies

Fund	Fund Ticker	AMC	Additional Annual Expenses	Transaction Costs	Total
SG Property Dynamic Blend	DCMGPPPSG	0.00	0.01	0.20	0.21

Source: Aegon, 31 March 2025.

Self-select range:

Fund	Fund Ticker	AMC	Additional Annual Expenses	Transaction Costs	Total
Aegon BlackRock US Equity Index (BLK)	DCAUE	0.14	0.01	0.00	0.15
Aegon BlackRock European Equity Index (BLK)	DCAEE	0.14	0.01	0.04	0.19
Aegon BlackRock Japanese Equity Index (BLK)	DCAJE	0.14	0.01	0.03	0.18
Aegon BlackRock Pacific Rim Equity Index (BLK)	DCAPE	0.14	0.01	-0.03	0.12
Aegon BlackRock MSCI Currency Hedged World Index (BLK)	DCCHMSCI	0.20	0.01	-0.02	0.19
Aegon BlackRock UK Special Situations (BLK)	DCUKSS	0.65	0.01	0.63	1.29
SG Passive Global Equity Fund	DCSGPGE	0.17	0.01	0.03	0.21
SG Active Global Equity Fund	DCMFSG	0.65	0.07	0.00	0.72
SG Diversified Growth Fund	DCSGDG	0.58	0.04	0.26	0.88
Aegon BlackRock Absolute Return Bond (BLK)	DCARBF	0.60	0.02	0.81	1.43
Aegon BlackRock Corporate Bond All-Stocks Index (BLK)	DCCBAS	0.14	0.01	0.00	0.15
Aegon BlackRock All Stocks UK Gilt Index (BLK)	DCBPLASG	0.14	0.00	0.03	0.17
Aegon BlackRock Index-Linked Gilt (BLK)	DC1	0.14	0.00	-0.05	0.09
Aegon Baillie Gifford Positive Change	DCABGPCH	0.59	0.03	0.12	0.74
Aegon HSBC Developed World Sustainable Equity Index	DCHSDWS	0.19	0.02	0.00	0.21

Source: Aegon, 31 March 2025.

Appendix 3
Statement of Investment Principles

Please bear in mind that the value of investments may go down as well as up and that investors may get back less than they invest. Past performance is not a guide to future performance. To find out more about the funds mentioned in this document, including fund-specific risks, please read the fund factsheets, which can be found on the website at **www.aegon.co.uk/funds.**

Any charts are for illustrative purposes only.

Please see glossary of terms at the start of this document if you're unsure of any of the terms used. You should seek financial advice if you're not sure whether an investment or product is right for you.

Adopted by the Trustees on 4 August 2025

Document history

- **September 2019 / September 2020** The Trustees updated their Statement of Investment Principles (the SIP) in September 2019 and again in September 2020 to incorporate new default fund detail, the Trustee's further thinking on sustainability and some policy changes and new legal requirements which took effect from 1 October 2020.

- **September 2021** A further update in September 2021 added additional detail on Employer Bespoke Notional Sections, detailing how the Trustees consider and monitor individual employer requests to make available funds outside the standard fund range. That revision also reflected the move by one Bespoke Notional Section to use the Aegon BlackRock LifePath standard default. Importantly the revision added information about the Trustees' environmental, social and governance (ESG) beliefs.

- **September 2022** The SIP was updated following the addition of three funds to the standard self-select fund range, together with an update on the Sun Life of Canada 2015 Employee Pension Plan default arrangements; and to clarify the Trustees would review annually how asset managers align with, and reflect, the Trustees stewardship policies.

- **May 2023** A further revision, adopted in May 2023, reflected the introduction of the New Core Range. At the time of this update, the New Core Range was available only to new employers joining the Scheme. It was noted that members within existing notional sections (including where applicable, Bespoke Notional Sections) would gain access to the New Core Range later.

- **September 2023** This update to the SIP, adopted in 14 September 2023, reflects the availability of the AMT Fund Range (previously referred to as the New Core Range) to members within existing notional sections of the Scheme, replacing the previous self-select fund range (the Old Core Range).

  Where a fund from the Old Core Range is being withdrawn the Trustees are in the process of moving Members with holdings in that fund, to either a new fund in the AMT Fund Range selected by the member or to the relevant Aegon BlackRock LifePath fund. The Trustees plan to complete the transfer of members to the AMT Fund Range by the end of 2023. Once the transfer is complete any references to the Old Core Range in the SIP can be disregarded.

  This revision to the SIP also updates the Bespoke Notional Section information to detail those that have moved to the standard Scheme fund options (and so are no longer Bespoke Notional Sections) and those Bespoke Notional Sections that have made changes to the funds available to their Members.

- **April 2024** This update removes reference to the Old Core Range that is no longer available to members following the full implementation of the AMT Fund Range, which finalised in October 2023. Appendix 2 has also been updated to reflect the Bespoke Notional Sections that have moved to the standard AMT Fund Range.

This revision of the SIP also includes the addition of a policy on the investment in illiquid assets, adopted by the Trustees in April 2024.

- **March 2025** Appendix 2 has been updated to reflect the addition of a Bespoke Notional Section.

- **August 2025** Appendix 2 has been updated to reflect fund range changes for a Bespoke Notional Section.

Glossary

Throughout this document we have sought to explain any technical terms in the context they are used. This glossary is provided as a reference to explain many of these terms in everyday language. Please note the descriptions used in this glossary are not to be read as defined terms within the Scheme Rules. Where the definitions differ, the definition contained in the Scheme Rules will apply.

Actively managed funds

A fund which has an asset manager or team making decisions on the underlying asset allocation. Actively managed funds aim to produce returns which exceed a specific benchmark / index, although there's no guarantee that they will do so. Actively managed funds require a greater level of manual intervention, so costs are usually higher than for passively managed funds.

Asset allocation

Asset allocation is the process of dividing investments among different asset classes, such as equities, bonds and cash, to balance risk and reward.

Asset classes

Types of investment, includes equities, often split by global region, bonds, commercial property and cash.

Bonds

Loans or securities which can be issued by governments, companies or local authorities to raise money. They entitle the holder to regular interest and repayment when the loan matures.

Annuity

This is an option at retirement, the client can choose to purchase an annuity to the value of their pension pot which then pays a guaranteed regular income payment for life, or for a defined period.

Cash

Cash held in a fund can include a mix of sterling cash, securities of deposit, short-term bonds, and money market instruments. These investments are generally considered to be less risky than other types of investment, but also have lower growth potential, and returns may be outstripped by rising inflation. In a low interest rate environment cash funds may generate a negative return after charges.

Commercial property (real estate)

Such as offices, retail and industrial property, or shares in property companies. Returns come from a mix of rental income and, hopefully, rising property values. Managers of commercial property investments may at times delay payment to investors if market conditions make it hard to sell properties at a fair price.

ESG

ESG stands for environmental, social, and governance and is an evaluation of those factors for investment purposes. Investors use these factors to identify material risks and growth opportunities.

- Environmental – climate change, energy efficiency, water use and conservation, deforestation, waste and pollution, and use of natural resources.
- Social – human rights and labour standards, product safety and reliability, diversity and inclusion policies, nutrition and health, workplace safety, workplace benefits, supply chain and sourcing.
- Governance – Board independence and diversity, shareholders' rights, executive pay, ownership and control, accounting integrity and tax transparency.

Equities

Also known as company shares, which mean you're buying part ownership of that company. Returns come from a mixture of dividends and capital growth if the company is successful. Equities have traditionally offered better long-term growth potential than other asset classes, but they are also more likely to fall significantly in value.

Illiquid Assets

Illiquid assets are those that cannot easily or quickly be sold or exchanged for cash and include any such assets held in a collective investment scheme.

Some of the most prominent investments in this category include property, infrastructure, unlisted equity and credit and hedge funds.

Income drawdown

This is a retirement strategy option where the member withdraws some of their money from a pension savings account to support their retirement whilst leaving other pension savings invested.

Notional section

As the Scheme is not formally segregated, different employer and member groupings are referred to as notional sections.

Passively managed funds

Passively managed funds aim to produce returns broadly in line with the index they track (before charges) by investing in the same investments, in the same proportions, as that index. This means less manual intervention, so charges are usually lower than for actively managed funds.

Please bear in mind that the value of investments may go down as well as up and the final value of a member's pension pot may be less than has been paid in. There's no guarantee funds will meet their objectives. Funds investing in a single asset class, for example UK equities, should only be used as part of a diversified portfolio. Any charts are for illustrative purposes only, and we reserve the right to change funds' asset allocations and charges. You should get financial advice if you're not sure whether an investment or product is right for you.

1. Introduction to this document

This document is the SIP of the Aegon Master Trust (the 'Scheme') prepared by the Trustees of the Scheme (the 'Trustees'). It enables the Trustees to meet the requirements of:

- the Pensions Act 1995 as amended by the Pensions Act 2004; and
- the Occupational Pension Schemes (Investment) Regulations 2005 and subsequent amendments.

Prior to updating this SIP, the Trustees have obtained and considered independent written advice from Isio, the Trustees' investment advisers. Isio is authorised and regulated by the Financial Conduct Authority (FCA) for a range of investment business activities. The Trustees have also consulted with Aegon as Sponsoring Employer and service provider in the preparation of this SIP.

The SIP provides details of the fund range including default arrangements, for Members who haven't chosen where to invest their pension savings, and other investment options and the investment policies which guide the way in which Members' investments are made and managed. These policies apply across all of the Scheme's investments (unless otherwise stated) and are intended to ensure that the assets are invested in the best interests of Members (and beneficiaries).

The Scheme is a 'wholly insured bundled' arrangement which means that all the relevant administration, other services and investment funds are provided by Aegon. The Scheme is looked after by Trustees who are ultimately responsible for the governance, administration, and investment functions of the Scheme, which includes arranging for the Scheme assets to be invested in the best interests of its Members (and beneficiaries). The Scheme invests in 'pooled' funds and, therefore, the Trustees do not have a direct relationship with the underlying asset manager(s) but they have a contractual relationship with Aegon and use this relationship to influence the stewardship and investment activities of the underlying asset manager(s). This is usual for these types of arrangement. The Scheme Trustees have produced this SIP, which formally sets out the Trustees' investment policies, beliefs, and objectives and how they review and monitor the Scheme's investment strategy and performance. This is a legal requirement.

The SIP is reviewed at least every three years or when a significant change to the Scheme's investment strategy or fund range design has been made or when the Trustees consider that a review is needed for other reasons. The default arrangement strategies will also be reviewed after any significant change in the demographic profile of relevant Members.

Members can obtain a copy of this document either at **www.aegon.co.uk/workplace/employers/targetplan/master-trust.html** or on request.

2. Choosing investments

The Trustees believe that good investment governance can deliver better outcomes for Members. Having a set of clearly defined investment beliefs is part of this. Investment beliefs are guiding principles which inform the investment strategy, design of the default arrangements and the number and type of other investment options the Trustees make available to Members.

The Trustees' investment beliefs

v. Default arrangements should reduce Members' exposure to investment risk throughout their lifetime, as well as reflect their likely pension benefit choices.

vi. The fund range should meet the needs of the target market and it should be presented in a simple way that helps to combat common behavioural biases.

vii. Other self-select investment options should be offered to meet the differing risk and goal preferences of Members.

viii. As long-term investors, the Trustees believe the fund range should, where possible, align with the Trustees' responsible investment beliefs (set out in section 8).

Investment objectives

In keeping with the investment beliefs (set out above), the Trustees have designed their investment strategy to provide a suitable range of funds to Members so they can save for retirement. The fund range includes investments suitable to Members of different ages, with different retirement benefit plans and different attitudes to risk. In designing the fund range, the Trustees have taken advice from their investment advisers and, where appropriate, input from specialists employed by the Scheme's insurer (Aegon). The Trustees are aware some Members will not want to make decisions about where to save their contributions, whilst others will want to exercise differing amounts of control. The Trustees have designed the fund range with the intention to best meet these diverse needs, as well as to cater for Members wanting to take income drawdown in retirement.

Details of the fund range (default arrangements and other investment options made available) are included in the Appendices to this document. The Trustees are also aware that some participating employers wish to agree a different range of investment fund options and/or a different default fund for their employees. Where that is the case, the Trustees and the participating employer in question take appropriate investment advice to create a bespoke arrangement for such employees. Further details of bespoke arrangements are outlined in Appendix 2, and full details of these arrangements are given to the employees directly.

3. Balance of different kinds of investments

The Trustees recognise that risks are inherent in retirement savings. The Trustees have to strike a balance between taking sufficient investment risk to achieve good investment returns while ensuring that default arrangements (in particular) are not exposed to excessive risk when Members are about to retire.

The Trustees have created the fund range to enable Members to gain access to a range of asset classes and markets taking account of a number of different risks. The fund range includes choices suitable for Members of different ages and with different retirement benefit plans. The fund range is closely aligned to the Trustees' responsible investment beliefs and so integrates ESG considerations. In deciding the types of assets to include the Trustees consider investment returns net of charges.

The Trustees consider the merits of both active and passive management strategies and may select different approaches for different asset classes. The Scheme is permitted to invest in a wide range of asset classes including equities (both in the UK and overseas), bonds (both in the UK and overseas), cash, commercial property, alternatives, and specialist funds (including ethical and Sharia).

Members' retirement savings are held by the Trustees within two investment-linked insurance policies provided by Scottish Equitable plc (trading as Aegon). This provides Members with access to a range of investment funds.

4. Policy on the investment in illiquid assets

The Trustees recognise that adding exposure to certain specialist asset classes (for example, illiquid assets) within a default fund has potential to improve member outcomes and enhance risk adjusted returns over the medium to long term. However, this potential must be considered within the context of other factors (such as cost and complexity) to protect Member outcomes.

The Trustees are committed to working alongside Aegon and fund manager partners, to understand how we can improve long term value through new asset classes. Further analysis is now being undertaken before committing to investment in illiquid assets. The Trustees hope to update this position within the next 12 months.

5. Investment risks

The Scheme is a 'defined contribution' pension scheme – also known as a 'money purchase' scheme. Broadly, the value of a Member's retirement benefits in this type of scheme is based on the amount of money that the Member has in the Scheme at the point of taking their benefits.

The Member bears the investment risk and the risk of not accumulating sufficient savings to meet their retirement needs. The amount of money saved will depend primarily on:

- how much they and/or their employer has contributed into the Scheme;
- the performance of the funds in which the Member's savings are invested;
- how long the Member has contributed to the Scheme; and
- fees deducted from a Member's investments.

In designing the range of funds for the Scheme, the Trustees carefully consider the period during which Members are contributing to and growing their pension savings (known as accumulation), the period when Members are taking money out of their pension savings (known as decumulation) and financially material risks.

A financially material risk is one which could have a significant effect (positive or negative) on Members' retirement savings over the period a particular investment fund is used by Members and can include ESG risks such as (but not limited to) climate change factors. The Trustees characterise and consider such factors in terms of the sustainability of the Scheme's investments.

The key investment risks are (in alphabetical order):

Asset manager – selecting a fund from an asset manager who could make poor investment decisions which then impacts Members is a considerable risk. For the Scheme's main investment choices, the Trustees have decided to include funds which significantly reduce this risk by limiting the way in which the asset manager invests Members' savings. These are typically referred to as 'index-tracking funds' or 'passive' investments.

An index-tracking fund will generally aim to replicate the performance of the applicable market index by having the same proportion of shares, bonds, or other assets as the index it is aiming to track. Such a strategy relies less on asset manager skill to achieve the return benchmark and so is less dependent on asset manager discretion.

There is no guarantee that any fund within the Scheme fund range (standard and/or bespoke) will achieve its long-term objective. The Trustees monitor the funds and asset managers to seek to minimise this risk.

Credit – in accordance with the Scheme insurance policies, Aegon may invest and reinvest each investment fund into external insurance funds and other collective investment schemes, subject to regulations and the fund's investment objectives. Many of the funds are protected by Aegon in the event of default, but for some funds the Member bears the risk of default (failure to perform a contractual obligation) by a third-party insurer, external fund manager, depositary or trustee of an underlying fund or collective investment scheme. Members can find a list of funds protected by Aegon on the TargetPlan Member website. In the event of default by Aegon, the Scheme is protected by the Financial Services Compensation Scheme.

Currency – Funds held by Members may invest in assets denominated in a foreign currency and so are exposed to exchange rate fluctuations that could adversely impact the value of those assets. Where appropriate, the underlying asset manager may choose to reduce this risk by hedging back a proportion of the exposure to UK Pounds (Sterling). Hedging is a financial strategy seeking to protect investment portfolios from the risk of adverse currency movements that could lead to the loss of value. Hedging can create either an obligation or option to exchange one currency for another at a set rate at a future date – this reduces the potential for a change in exchange rates to affect the return on the investment.

Diversification – keeping all your eggs in one basket or holding a limited number of different investments increases the risk of losing money if one particular investment underperforms. Funds holding a greater number of different assets or types of investments help to increase diversification and therefore reduce risk. The Trustees have designed the fund range to provide appropriate levels of diversification in each of the fund options.

Inflation – the value of a basket of goods will increase in the future because of inflation, therefore the performance of Member funds must generally keep pace with this increase, to protect what is known as the real value of Member savings. The Trustees have defined their investment choices to provide options for Members looking to grow the value of their savings in real terms. Rising inflation affects purchasing power by decreasing the number of goods or services you can purchase with your money.

Interest rate changes

- Fall in interest rates - there is a risk that a decline in interest rates could materially reduce the amount of income which can be generated from a given level of capital. Such a risk can occur suddenly and potentially near the point of retirement. It can be partially mitigated through the Lifepath Retirement Fund which changes its asset allocation in the 10 years prior to retirement by investing in government bonds and other fixed interest securities designed to match annuity rates.

- Rise in interest rates - there is a risk that an increase in interest rates can in turn trigger a fall in bond prices, particularly in bonds that have a longer duration to maturity. This can reduce the money available in the Scheme to fund a Member's retirement. Members closer to retirement are generally invested in a higher proportion of corporate and government bonds. This risk is partially mitigated through fixed income allocation being diversified across a mix of corporate and government bonds, some with lower durations to reduce the impact of rising interest rates.

Liquidity – some investments such as property or shares in private companies cannot easily or quickly be sold or exchanged for cash, and therefore it can take some time to get money returned or transferred to another fund. The Trustees have limited this risk by offering funds which are generally more liquid rather than illiquid.

Pension conversion – for Members nearing their retirement, the potential impact of poor performance is significantly increased as they have less time to make up for losses. The Aegon BlackRock LifePath target date funds automatically manage Members' savings to limit this potential risk as they near retirement, based on the Members' target retirement date.

Performance volatility – the performance of the funds will at different points go up and will also go down; referred to as volatility. Those funds, which have a chance of earning more money for Members over the longer term, are likely to see greater volatility over short periods.

The Trustees have provided a range of carefully considered choices which balance the needs of investment growth and risk. The Aegon BlackRock LifePath target date funds available in the Scheme and a number of other funds are designed to mitigate this risk through diversification across a wide range of asset classes. The Aegon BlackRock LifePath target date funds automatically manage Members' savings to limit this potential risk as they near retirement, based on the Members' target retirement date.

Responsible investment

- Environment - Environmental risk includes the consideration of how investments impact the physical environment, such as utilisation of natural resources and the effect of business operations on the environment. Neglecting to consider the effects of investment policies and practices on the environment as well as changes in regulation or the low-carbon transition may expose Members to higher levels of financial risk.

- Social - Social risk describes an organisation's ability to fulfil its obligation and commitments towards its internal and external stakeholders. These groups include employees, customers, vendors and suppliers, the nearby community, and possibly the global community. Failing to address the changing social needs of society in and out of the workplace can result in organisational failure and increasing costs of doing business, or potential declining sales and eventually, negative returns for Members. Today there's a heightened expectation of businesses being required to step-up and meet the ever-expanding social needs of customers, employees, investors, and stakeholders.

- Governance - Numerous academic studies have shown that companies with weak or declining governance typically underperform better governed business in financial terms. Governance risk includes the risks related to an organisation's ethical and legal management, the transparency and accuracy of company performance, and involvement in other initiatives important to stakeholders. Governance risk is owned by the board of directors and senior management, and cuts across many layers of an organization. At the top, the board of directors and senior management set the tone and policies that permeate the organisation. Corporate shareholders have the right to hold the company accountable for governance issues.

Transaction costs – Managers of funds could trade too frequently and so increase the transaction costs paid by Members. The Trustees monitor the overall level of costs (including transaction costs which measure the cost of portfolio turnover) to ensure Members are receiving good value and assess the relative return on investments from each fund net of all costs.

6. Expected return on investments

The Trustees take into consideration the expected risk and return (net of charges and inflation) of the Scheme investment options. The Trustees are advised by their investment adviser, Isio, on these matters. However, the day-to-day selection of investments in each fund is delegated to the relevant asset manager.

Within the fund objective, each fund offered has a benchmark for performance. There is no guarantee that any fund will achieve its long-term objective or meet/exceed its benchmark.

7. Realisation of investments

The asset managers have responsibility for buying and selling investments. The Trustees are aware of the risks of illiquidity and how these risks may be mitigated. The Trustees note that asset managers may have an ability to suspend redemptions and new investments in certain circumstances, for example in commercial property funds, and these suspensions can go on for a period of time.

A fund is suspended to protect investors. When investors sell their holdings in a fund, the asset manager sells assets in the fund to raise cash. If the asset managers can't sell assets quickly enough to raise money for all the investors selling their units, trading in the fund is suspended. With property (real estate) funds, selling the underlying assets (typically commercial property) can take time – this is described as liquidity risk. If many investors wish to withdraw their investments at the same time, this can lead to a property funds being suspended. This is to give the asset manager time to sell underlying assets and return money to investors.

If a fund is suspended, the Trustees will communicate with Members and outline alternative fund options for Members to continue making contributions and taking withdrawals.

8. Financially material considerations

The Trustees have considered how financially material considerations, including ESG factors, are taken into account in the selection, retention, realisation, and monitoring of the investment options, considered over the time horizon applicable to Members invested in those funds.

As the Scheme invests via pooled funds, the Trustees have delegated responsibility for the selection, retention and realisation of investments to Aegon, within the parameters set by these Investment Principles. The Trustees' approach to managing financially material considerations is reflected in the range of pooled funds available in the Scheme.

The Trustees do not have an explicit policy for non-financial considerations; however they can take account of such considerations and will also consider any views expressed to them by Members. The Trustees welcome feedback about the fund range and specific investment concerns, although they are not bound to implement those views.

9. Responsible investment

Responsible investment is an umbrella term and includes how an asset manager considers ESG risks and opportunities and the approach taken to stewardship including voting and engagement.

Responsible investment is often referred to as the consideration of ESG factors.

Responsible investment beliefs

The Trustees have agreed their responsible investment beliefs. These are:

Risk Management	The Trustees believe that active consideration of ESG issues will lead to improved outcomes for members and better management of risk. The Trustees believe that a broad approach to ESG integration is important, considering all three components of ESG investing. Climate change, in particular, presents significant risks, as well as opportunities to invest in the transition to a low-carbon and climate-resilient future.
Investment Approach	ESG issues which are considered to be financially material should be integrated into the overall management of the standard default options. The standard self-select fund range should include specialist funds which invest in line with sustainable and / or responsible investment themes, taking into account member preferences where relevant. The Trustees will only select asset managers that integrate ESG issues within their overall decision making. A key aspect is to ensure that each asset manager supports our climate ambition and net zero commitment.
Reporting & monitoring	The Trustees will regularly monitor key ESG metrics within the Scheme's investment portfolio, to understand the impact of their investments and to assess progress over time.
Voting & engagement	The Trustees recognise that active engagement with investee companies, including thoughtful voting, is key to driving change. They will therefore monitor the asset managers' voting and stewardship engagement activity to assess improvements over time.
Collaboration	The Trustees expect asset managers to engage actively with other market participants to raise ESG investment standards and facilitate best practices. They also expect their chosen asset managers to be signatories to the United Nations Principles for Responsible Investment (UNPRI) and the UK Stewardship Code as minimum, and that they are be able to demonstrate ongoing progress in raising ESG standards.

Engagement and stewardship

The Trustees bear the ultimate responsibility for ensuring effective governance and management of responsible investment-related risks and opportunities. This is particularly important given that the Scheme assets are managed by third-party asset managers with their own proprietary approaches and strategies, including responsible investment. Effective oversight, dialogue, and monitoring of those asset managers is therefore a key tool for the Trustees' responsible investment approach.

Views on ESG issues are constantly evolving, and the Trustees will work to understand the areas that are most material to Members. The Trustees expect asset managers to regularly review and assess the effectiveness of their own stewardship policy. Where improvements have been made, the Trustees require that these are disclosed.

The Trustees expect asset managers to be fully transparent with their stewardship responsibilities and report on these at least annually, which supports the Trustees in determining the extent to which asset managers' stewardship policies have been followed throughout the year.

All asset managers are expected to respond to an annual responsible investment due diligence questionnaire. This helps the Trustees ensure minimum responsible investment requirements are met. This insight, and insight gathered through various member surveys, help inform topics for engagement with asset managers throughout the year.

The Trustees will not appoint asset managers who fail to integrate responsible investment principles into their overall decision-making processes. Those that the Trustees do appoint are required to report on their voting and engagement activities. The Trustees have a voting and engagement approach with asset managers. This highlights the Trustees' priority engagement themes, sets engagement principles for asset managers and outlines an 'expressions of wish' approach to voting. Through expressions of wish, the Trustees are able to set non-binding requests for key asset managers in pooled funds to vote a certain way on "most significant" votes. Factors informing the Trustee's definition of most significant votes include, but are not limited to: votes in the Scheme's largest holdings, votes aligned to the Trustee's priority engagement themes and votes which have the potential to substantially impact financial or stewardship outcomes.

10. Monitoring

There is no set duration for arrangements with asset managers, they can be replaced at any time. To ensure the Scheme's asset managers comply with the Trustees' policies, the Trustees closely monitor and assess the asset managers. The Trustees believe that they have appropriate governing documentation setting clear expectations to the asset managers and regular monitoring of performance and processes sufficient to incentivise asset managers to make decisions that align with the Trustees' policies. The Trustees take action where a fund does not meet expectations – initially placing them on a watch list and agreeing a remedial plan with the asset manager. Ultimately the Trustees may replace the asset manager. When assessing an asset managers' performance, the focus is on longer-term outcomes, and the Trustees would not expect to terminate an asset managers' appointment based purely on short-term performance. However, an asset manager's appointment could be terminated within a shorter timeframe due to other factors such as a significant change to its business structure or investment team.

The Trustees review the performance of each fund in the range offered against the stated performance objective for that fund. The Trustees receive quarterly reports to facilitate this. Quarterly three-year rolling performance and investment risk is typically assessed against each fund's objectives and relevant benchmark. The choice of three-year rolling performance as a measure is to ensure asset managers are encouraged to focus on the medium to long-term financial and non-financial performance of the funds they manage.

Additionally, there is a fuller review annually to ensure asset managers have implemented their mandate correctly and comply with the policies set by the Trustees. This annual review includes a review of all fund costs, including transaction costs by individual fund, to ensure that each fund delivers value for money after all costs. As part of the review, the Trustees monitor the fee income of asset managers to ensure these are in line with good industry practice and are set at levels that allow the investments to offer value for money. The review covers asset allocation, to understand diversification and includes assessment of each fund against its index where applicable. The annual review includes an assessment of the fund's value for Members.

11. Bespoke Notional Sections

A Bespoke Notional Section is where an employer makes funds available to their Members that differ from the standard Scheme offering. This can include if the employer opts for an alternative default strategy to the standard Scheme default strategy and/or provides their Members with a self-select range that differs from the standard self-select fund range.

New Bespoke Notional Sections

The Trustees recognise that some participating employers, working with their own advisers, wish to access a wider range of investment funds than are available in the AMT Fund Range or who wish to use a different default arrangement. For those employers, the Trustees will consider a Bespoke Notional Section to achieve the best outcome for Members taking account of the employer's proposals.

When a new Bespoke Notional Section is proposed, the Trustees will take written independent investment advice on the appropriateness of any proposed new funds, be they default or self-select. That advice will include an assessment of value for money to Members. The assessment will further consider whether there are existing funds in the AMT Fund Range that are comparative to those being proposed.

The Trustees will consider the investment risks and objectives identified in this SIP for each new Bespoke Notional Section.

All Bespoke Notional Sections

Investments within Bespoke Notional Sections must align with the Trustees' responsible investment beliefs and any underlying Investment Manager must comply with both the UNPRI and the Financial Reporting Council Stewardship Code.

All Bespoke Notional Section arrangements will be subject to ongoing performance review and the same standards of fund governance monitoring as the standard Scheme fund range. The Trustees require quarterly reports on how funds performed.

Bespoke Notional Sections will be reviewed formally by the Trustees every three years (or more regularly as provided for elsewhere in this SIP), supported by independent investment advisers and Aegon's Investment Governance Team, to ensure the funds which have been made available to members of any Bespoke Notional Sections remain appropriate.

More information on the Bespoke Notional Sections can be found in **Appendix 2** to this SIP.

Signed on behalf of the Trustees of the Aegon Master Trust:

Position: Chair of the Aegon Master Trust Board

Name: Ian Pittaway for and on behalf of Independent Trustee Limited

Date: 4 August 2025

Appendix 1 to SIP – Standard default designs and self-select fund range

The Trustees have designed a fund range for the Scheme which they believe is appropriate and, when doing so, have taken advice from their investment adviser (Isio) and, where appropriate, input from specialists employed by the Scheme's insurer (Aegon).

The Trustees are aware that some Members may not want to make decisions about where to invest their pension savings, whilst others will want to exercise differing amounts of control. The Trustees have selected the default fund options to best meet these differing needs, as well as to cater for Members wanting to take income drawdown in retirement.

Where the Trustees have agreed to a Bespoke Notional Section, details of these arrangements are outlined in Appendix 2, and full details of these arrangements are given to the relevant Members. Appendix 2 also shows former Bespoke Notional Sections that have moved to use the standard default and AMT Fund Range, since the last update to the SIP.

Default Investment Option

The Trustees have selected Aegon BlackRock LifePath Flexi as the standard default investment option for Members, which is used as the default option by participating employers not wishing to implement an alternative default. The standard default option is compliant with the charge cap.

Aegon BlackRock LifePath target date series

The Scheme's LifePath funds are pre-designed investment strategies that have an asset allocation based on the year that the Member expects to retire.

The Aegon BlackRock LifePath funds are designed to offer the potential for growth with a focus on managing investment risk at each stage of the journey towards retirement. This is achieved by utilising an investment strategy that gradually alters the asset allocation as Members near their target retirement date.

When the Member is younger, they are likely to have lower savings but a higher remaining earning potential, so the fund invests in riskier, growth focused asset classes. As the Member gets closer to the point at which savings are accessed, they are likely to have higher savings but a lower remaining earning potential, so the LifePath fund gradually switches into investments that aim to grow savings on a lower-risk basis. In the final 10 years prior to the Member's target retirement date, the aim is to invest in assets that are suited to the target outcome of the fund and reduce uncertainty as Members approach their retirement date. Although the actual value of the Member's pot cannot be guaranteed at any time, the asset allocation is designed to take age-appropriate risk throughout their investment journey. As the asset allocation changes, so does the risk profile of the relevant Aegon BlackRock LifePath fund (with risk, in this context, referring to the potential for a fall in value of a fund).

Aegon BlackRock LifePath fund choices

There are three LifePath versions:

- **Aegon BlackRock LifePath Flexi fund:**
  for Members planning to leave their savings invested and draw income, and/or withdraw ad-hoc amounts from their savings.
- **Aegon BlackRock LifePath Retirement fund:**
  for those planning to buy an annuity at their target retirement date.
- **Aegon BlackRock LifePath Capital fund**
  for those planning to take their savings as a one-off cash sum.

Up until 10 years prior to the member's target retirement date, monies will be invested in the same assets regardless of which of the three Aegon BlackRock LifePath strategies they are invested in. From 10 years prior to the Member's target retirement date, the asset allocation of the three funds begins to differ as they target different retirement outcomes.

This is illustrated by the charts below where the horizontal axis represents the number of years until the Member's target retirement date. The percentage allocation to each type of asset is shown on the left-hand scale and Members can follow how this changes as they get closer to their target retirement date.

If a Member (or their employer on their behalf) does not make an investment choice, their pension savings will be automatically invested (defaulted) into the Aegon BlackRock LifePath Flexi fund, with a target date which most closely matches their own target retirement date

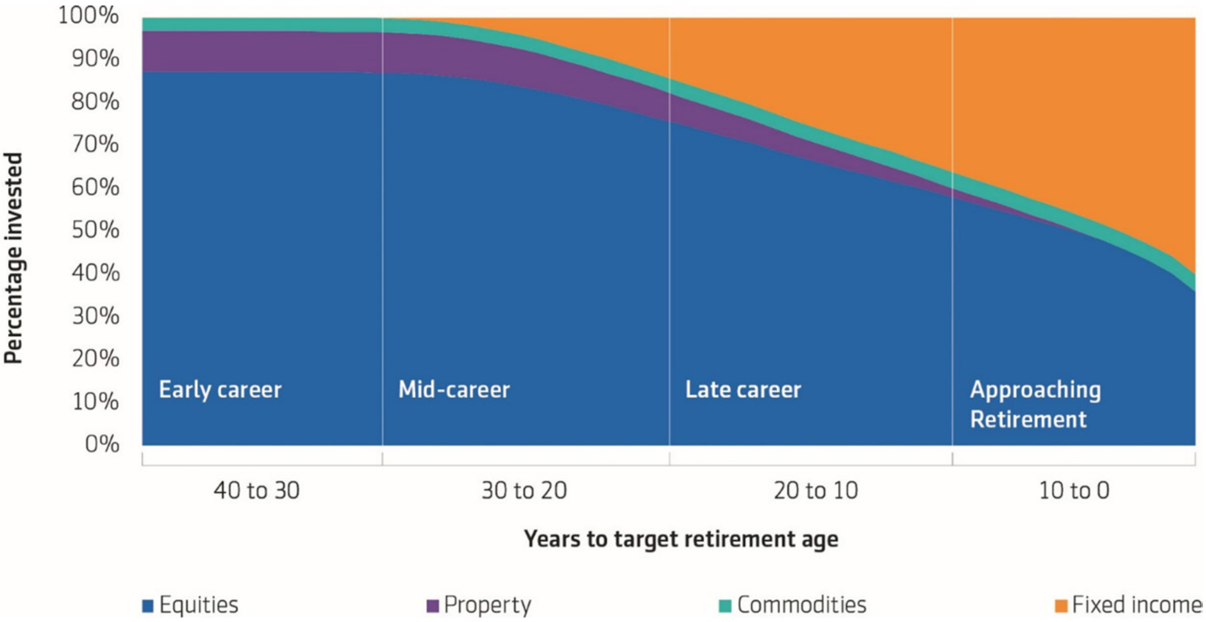
Aegon BlackRock LifePath Flexi

The Aegon BlackRock LifePath Flexi fund utilises an age-appropriate investment strategy that gradually alters the asset allocation as Members near their target retirement to approximately 40% global equities and 60% fixed income by the Member's target retirement date.

When the fund reaches its target date, Members will be invested directly in an undated Aegon BlackRock LifePath Flexi fund which maintains the same 40%/60% asset allocation mix into retirement to support the flexibility for members to leave their savings invested and draw income, and/or withdraw ad-hoc one-off amounts from their savings.

At the point of retirement (far right in the chart below) Aegon BlackRock LifePath Flexi is designed for Members who wish to stay invested post-retirement and draw down an income from the fund. Exchange rate movements can affect the value of investments in foreign currencies; hence the fund hedges the majority of foreign currency exposure as the fund diversifies towards its asset allocation at retirement.

Aegon BlackRock LifePath Flexi Fund



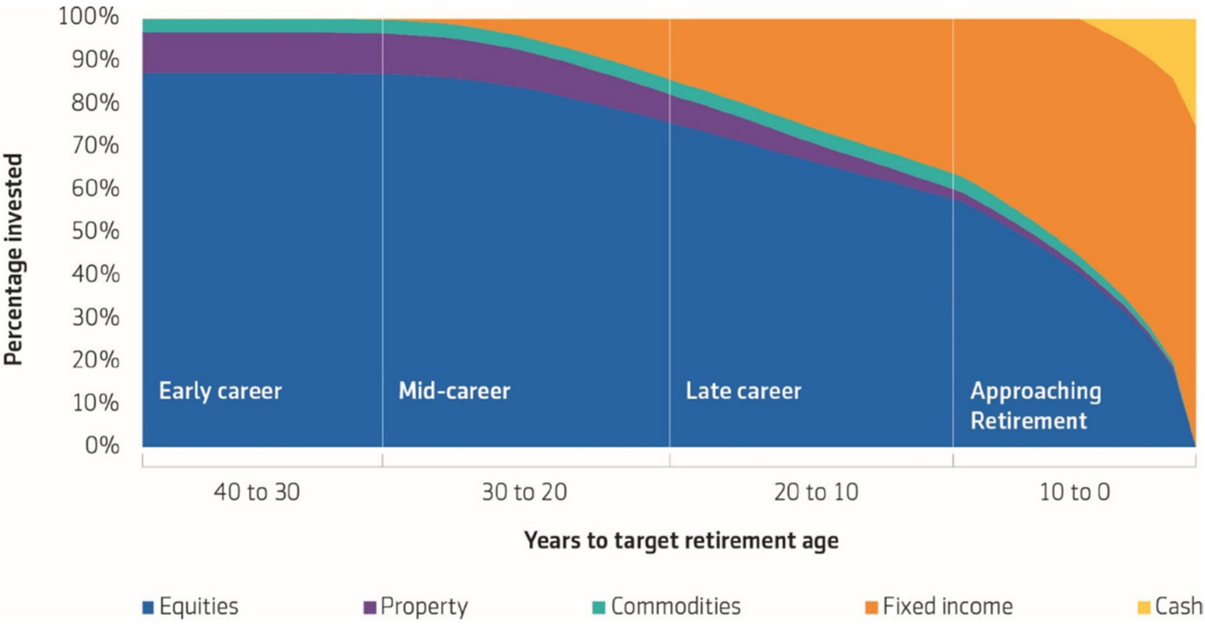
Please bear in mind that the value of investments may go down as well as up and the final value of a member's pension pot may be less than has been paid in. There's no guarantee funds will meet their objectives. Funds investing in a single asset class, for example UK equities, should only be used as part of a diversified portfolio. Any charts are for illustrative purposes only, and we reserve the right to change funds' asset allocations and charges. You should get financial advice if you're not sure whether an investment or product is right for you.

Aegon BlackRock LifePath Retirement

The Aegon BlackRock LifePath Retirement fund aims to track immediate annuity rates and is 75% invested in the BlackRock Pre-Retirement fund at the Member's target retirement date. That fund invests mainly in UK government bonds (gilts), UK corporate bonds, and other fixed income securities and aims to produce a return in excess of a benchmark designed to reflect long-term changes in annuity prices.

When each Aegon BlackRock LifePath Retirement fund reaches its target date, it will also have a 25% allocation to cash-like investments as it is anticipated that many Members selecting this option will want to take advantage of current regulations allowing individuals to withdraw up to 25% of their savings tax free.

Aegon BlackRock LifePath Retirement Fund

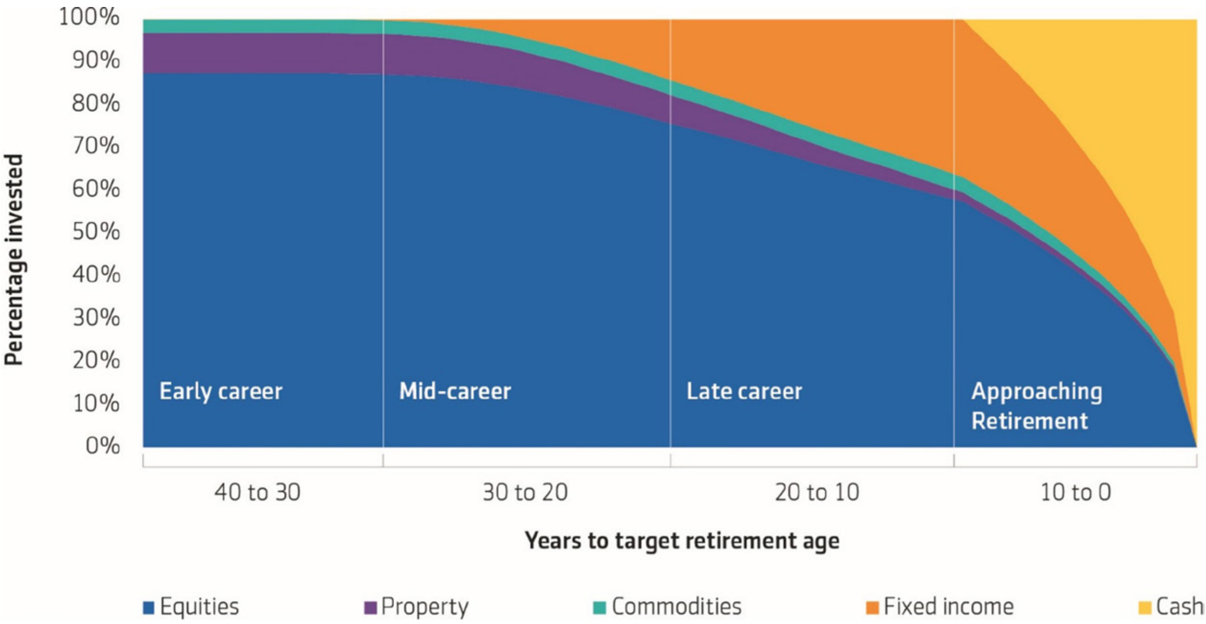


Please bear in mind that the value of investments may go down as well as up and the final value of a member's pension pot may be less than has been paid in. There's no guarantee funds will meet their objectives. Funds investing in a single asset class, for example UK equities, should only be used as part of a diversified portfolio. Any charts are for illustrative purposes only, and we reserve the right to change funds' asset allocations and charges. You should get financial advice if you're not sure whether an investment or product is right for you.

Aegon BlackRock LifePath Capital

The LifePath Capital fund is designed to move towards cash-like investments that aim to produce a return in excess of its benchmark, principally from a portfolio of sterling-denominated cash, deposits and money-market instruments. When each LifePath Capital fund reaches its target date, Members remain invested in 100% cash-like investments.

Aegon BlackRock LifePath Capital Fund



Aegon Cash (AMT) Fund

For Members who select their own funds, there are circumstances in which the Aegon Cash (AMT) Fund (Cash Fund) temporarily becomes a Member's default fund. Such circumstances are infrequent and typically triggered by a fund being closed/suspended to new monies and withdrawals.

In this situation, Members' future contributions are re-directed to the Cash Fund. The Trustees and Aegon write to affected Members informing them of the fund closure/suspension and that contributions have been re-directed, inviting them to make an alternative fund selection.

While the Trustees do not believe the Cash Fund is suitable as a long-term pension investment given limited growth potential and exposure to inflation risk, the Trustees believe that the Cash Fund is a suitable default solution for investors in the short-term. This belief is based on, amongst other things, the following factors:

- it is a temporary solution offering a low-risk investment to give Members time to make an alternative fund selection; and
- the Trustees and Aegon communicate with impacted Members who can make an alternative fund selection.

The AMT Fund Range

The Trustees have designed the AMT Fund Range to include passively managed and actively managed funds across the risk spectrum, covering all major asset classes. This aims to provide Members with the flexibility to construct their own investment strategies and is likely to cater for a variety of individual needs.

The fund range has been designed in line with the Trustees' responsible investment beliefs, to allow Members to select funds based on their own sustainable investing preferences and to address the risks and opportunities arising from climate change and other ESG factors. The AMT Fund Range includes funds that use exclusions to screen out investments that are particularly harmful to the environment and/or society. Typically, these screens cover the more obvious areas such as revenue from fossil fuels, but also exclude the likes of controversial weapons manufacturers, human rights violators and tobacco companies. The AMT Fund Range also includes several specialised funds, which focus more directly on sustainable investing and addressing climate issues.

Following market research conducted by Aegon, the Trustees have also considered Members' understanding of investment terminology to create a simplified and consistent naming structure across the range.

Each fund in the AMT Fund Range has fund objectives that define the manner in which they invest. The funds each utilise third party asset managers selected by the Trustees to deliver the fund objectives. If the Trustees believe there is a more appropriate underlying fund/s available to deliver to these objectives, they may replace the underlying fund/s and/or third-party asset manager.

Fund selection

The Trustees have selected the standard Aegon BlackRock LifePath strategy, the alternative Aegon BlackRock LifePath strategies, and the AMT Fund Range based on their suitability to satisfy the needs of Members within the Scheme.

Most investments used in the Aegon BlackRock LifePath strategies are passively managed, with the exception of the final 10 years of Aegon BlackRock Capital funds and Aegon BlackRock Retirement funds, which are managed actively by the relevant asset manager.

The Trustees recognise that there are additional risks and costs entailed in using actively managed funds.

As a result, where a specific design objective can be met by a passively managed fund, it will be preferred to an actively managed fund. An actively managed fund would be selected in the following circumstances:

- where the relevant strategy isn't available through a passively managed fund;
- where the benefits of using the actively managed fund outweigh the cost considerations; or
- where the actively managed fund is being used to diversify asset manager risk in actively managed blended portfolios.

In regard to monitoring the funds, the Trustees receive a quarterly performance report which details information on underlying investment performance, strategy and overall risks which is considered at a relevant Trustee meeting. To aid with monitoring, the asset managers may also be invited to present in person to the Trustees on their performance, strategy and risk exposures.

Income drawdown

The Trustees have chosen to offer Aegon BlackRock LifePath Flexi funds for Members who would like to target income drawdown in their retirement. Within the AMT Fund Range there are other options available for Members to select the investments most suitable for their retirement needs, this also includes the alternative LifePath default options (LifePath Capital and LifePath Retirement).

Please bear in mind that the value of investments may go down as well as up and the final value of a member's pension pot may be less than has been paid in. There's no guarantee funds will meet their objectives. Funds investing in a single asset class, for example UK equities, should only be used as part of a diversified portfolio. Any charts are for illustrative purposes only, and we reserve the right to change funds' asset allocations and charges. You should get financial advice if you're not sure whether an investment or product is right for you.

Appendix 2 to SIP – Bespoke Notional Sections

Employer – **Sun Life of Canada 2015 Employee Pension Plan**

Investment objectives – see Section 2

Default objectives – see Appendix 1

Default arrangement(s) – After receiving advice from their investment adviser, the Sun Life of Canada 2015 Employee Pension Plan moved to using the following Aegon BlackRock LifePath strategies as default funds on 22 June 2022:

- active members transferred to Aegon BlackRock LifePath Flexi;
- two members very close to retirement moved to Aegon BlackRock LifePath Retirement; and
- deferred members transferred to Aegon BlackRock LifePath Capital.

Self-select fund range – **Standard AMT Fund Range**

- The Sun Life of Canada Fund

Employer – **SG Retirement Savings Plan**

Investment objectives – see Section 2

Default objectives – see Appendix 1

Default arrangement(s) – Aegon BlackRock LifePath Flexi
In addition to the default fund, it has been necessary for a blended fund – SG Property Dynamic Blend – to be created to facilitate staged redemptions from an underlying property fund. This fund was launched on 29th June 2021 and is considered to be an 'additional' default within SG Retirement Savings Plan Bespoke Notional Section.

SG Property Dynamic Blend is a blend of direct property and listed property securities.

The Fund is a temporary arrangement designed to facilitate disinvestment from the underlying Direct Property exposure, whereby the cashflows from each disinvestment will be automatically invested in Property Securities until such a time as 100% of the Fund is invested in Property Securities. At this point members will be contacted, and their money transferred to Aegon BlackRock LifePath Flexi (the Scheme default) or an alternative self-select fund if instructed by the member.

The default option complies with the charge cap.

The Trustees review the default arrangement at least every 3-years and without delay following any significant change in investment policy or demographic profile of Members from the SG Retirement Savings Plan.

The Trustees received independent advice on the suitability of this solution. The review was comfortable with the construction of the fund, and in particular the use of property securities as a short-term home for Members' assets pending the redemption of all assets in the Fund.

Self-select fund range – **Bespoke Fund Range**

- SGRSP World (ex UK) Equity Index
- SGRSP World Sustainable Equity
- SGRSP Currency Hedged All-World Equity Index
- SGRSP Islamic Global Equity Index
- SGRSP UK Equity Index
- SGRSP US Equity Index
- SGRSP European Equity Index
- SGRSP Japanese Equity Index
- SGRSP Pacific Rim (ex Japan) Equity Index
- SGRSP Emerging Markets Equity Index
- SGRSP Passive Small Cap ESG screened Equity
- SGRSP Active Small Cap UK Equity
- SGRSP Active Global Equity
- SGRSP Positive Change
- SGRSP Corporate Bond Index
- SGRSP UK Gilt Index
- SGRSP Index Linked Gilt Index
- SGRSP Absolute Return Bonds
- SGRSP Dynamic Total Credit
- SGRSP Short Dated Sustainable Bond
- SGRSP Environmentally Aware Cash
- SGRSP Balanced Diversified Growth
- SGRSP Market Advantage Multi-Asset
- SGRSP Dynamic Diversified Growth
- SGRSP ESG Strategic Growth Multi-Asset
- SGRSP Active Property
- SGRSP Property Dynamic Blend
- SGRSP Global Infrastructure

Employer – **Russell Investments Ltd**

Investment objectives – see Section 2

Default objectives – see Appendix 1

Default arrangement(s) – After receiving advice from their investment advisor, LCP, Russell Investments Ltd selected a bespoke default fund arrangement. The default strategy is made up of a combination of Russell funds:

- Russell World Equity Fund II (Sterling Hedged)
- Russell MAGS
- Russell Global Bonds (Sterling Hedged) Fund
- Russell Sterling Liquidity

The Russell World Equity Fund II (Sterling Hedged) will make up 80% of a member's investments, with the remaining 20% invested in Russell MAGS during the growth stage. 20 years from a member's TRA, investment will gradually increase in the Russell MAGs fund before introducing investment to the Russell Global Bonds (Sterling Hedged) Fund and the Russell Sterling Liquidity as a member draws closer to their TRA.

Self-select fund range – **Standard AMT Fund Range**

- Russell Mutli Asset Growth Strategy
- Russell World Equity Fund II (Sterling Hedged)
- Russell UK Equity
- Russell US Equity
- Russell World Equity
- Russell Emerging Markets Equity
- Russell Continental European Equity
- Russell Japan Equity
- Russell Sterling Liquidity
- Russell Global Credit (Sterling Hedged)
- Russell Global Bonds (Sterling Hedged) Fund

Former Bespoke Notional Sections

After receiving investment advice from Isio, the following participating employers now have access to the standard Scheme fund range (Aegon BlackRock LifePath and the AMT Fund Range) only.

These notional sections are no longer considered to be Bespoke Notional Sections.

Employer	Transition completed	Summary of changes
The MacIntyre Group Pension Scheme	31st July 2023	Removal of 3 funds Retention of 3 funds Addition of 22 funds
The Anglo American UK Pension Plan	30th June 2023	Removal of 12 funds Retention of 9 funds Addition of 16 funds
Turner & Townsend Pension Plan	31st July 2023	Removal of 10 funds Retention of 2 funds Addition of 23 funds
Skanska DC2018 Plan	30th June 2023	Removal of 9 funds Retention of 6 funds Addition of 19 funds
Beales Deferred Section of the Aegon Master Trust	30th June 2023	Removal of 7 funds Retention of 6 funds Addition of 19 funds
Archant Pension Plan	30th June 2023	Removal of 34 funds Retention of 6 funds Addition of 19 funds
The Mars Pet Nutrition 2019 Pension Plan	30th June 2023	Removal of 3 funds Retention of 4 funds Addition of 21 funds
KPMG Deferred Plan	30th April 2024	Removal of 10 funds Retention of 9 funds Addition of 16 funds

Appendix 3 to SIP – standard fund range investment / performance objectives

The following tables provide information on the Aegon BlackRock LifePath strategies and the AMT Fund Range. As some funds in the AMT Fund Range are renamed versions of existing funds in the Old Core Range, these appear together in the tables below.

Default strategies	Investment objectives	Performance objective (before fees)
Aegon BlackRock LifePath Flexi fund (default)	The Aegon BlackRock LifePath Flexi fund will initially invest Members in higher growth target investments. The funds will then glide towards an asset allocation split of approximately 40% global equities and 60% fixed income by its target retirement date.	The fund aims to track the markets in which it invests. The benchmark is a composite index reflecting these markets and Aegon BlackRock LifePath Flexi's exposure to them. Like Aegon BlackRock LifePath Flexi the composite benchmark changes its asset allocation over time and will differ from the growth phase to the retirement phase.
Aegon BlackRock LifePath Retirement fund	The Aegon BlackRock LifePath Retirement Fund will initially invest Members in higher growth target investments. The Fund will glide towards a lower risk asset allocation designed to track annuity rates. It is 75% invested in the Aegon BlackRock Pre-Retirement Fund at its target retirement date, which invests mainly in UK government bonds (gilts), UK corporate bonds and other fixed income securities, aiming to produce a return in excess of a benchmark designed to reflect long-term changes in immediate annuity prices. At this point, the fund also has a 25% allocation to cash-like investments for Members taking 25% of their savings tax free.	The fund aims to initially track the markets in which it invests. The benchmark is a composite index reflecting these markets and Aegon BlackRock LifePath Retirement's exposure to them. At retirement the performance objective of the fund is to track immediate annuity rates with 75% of the fund's allocation.

Default strategies	Investment objectives	Performance objective (before fees)
Aegon BlackRock LifePath Capital fund	The LifePath Capital fund will initially invest Members in higher growth target investments. The fund is designed to glide towards cash-like investments and will invest in the Aegon BlackRock Cash Fund on reaching its target retirement date, which aims to produce a return in excess of its benchmark principally from a portfolio of sterling denominated cash, deposits and money-market instruments.	The fund aims to initially track the markets in which it invests. The benchmark is a composite index reflecting these markets and Aegon BlackRock LifePath Capital's exposure to them. At retirement the performance objective is to maintain capital value.
Aegon Cash (AMT)	The fund aims to produce a return in line with its benchmark by investing in money market instruments which may include cash, bank deposits and short-term fixed interest investments. This fund uses a set of exclusionary criteria which removes exposure to certain companies based on ESG concerns. The exclusionary thresholds and definitions are owned by a third party and subject to change.	The fund aims to produce a return in line with the SONIA Sterling Over Night Index Average.

Funds with a specific focus on sustainability built into their objective or investment process

AMT Fund Range	Investment objectives	Performance objective (before fees)
Aegon Global Climate Focus Equity (AMT)	This fund aims to achieve capital growth by investing at least 80% of the fund's assets in the shares of companies across the globe with exposure to the theme of climate change solutions. Derivatives may also be used for investment and efficient portfolio management purposes. The fund is actively managed, so returns may not replicate those of the benchmark.	The fund aims to outperform the MSCI All Country World Net Index GBP Index.
Aegon Global Short Term Sustainable Bond (AMT)	This fund invests in a range of global short-dated investment grade bonds primarily with 4 years or less to maturity. The fund can also invest in high yield, callable and non-rated bonds. It uses proprietary climate transition research to identify companies that have robust, credible plans to transition towards a low carbon economy. Derivatives may also be used for investment and efficient portfolio management purposes. The fund is actively managed, so returns may not replicate those of the benchmark.	The fund aims to outperform the Sterling Over Night Index Average.

AMT Fund Range	Investment objectives	Performance objective (before fees)
Aegon Global Sustainable Government Bond (AMT)	This fund will seek to achieve its investment objective by investing at least 67% of its net assets directly or indirectly in government bonds issued across the globe. The remainder will be invested in liquid assets such as cash and cash equivalents. The asset manager aims to add value by investing in financially strong countries that contribute to the improvements in sustainability targets as defined by the United Nations (UN) Sustainable Development Goals (SDGs). Derivatives may also be used for investment and efficient portfolio management purposes. The fund is actively managed, so returns may not replicate those of the benchmark.	The fund aims to outperform the FTSE Non-GBP World Government Bond Index.
Aegon Global Sustainable Equity (AMT)	This fund aims to outperform its benchmark by at least 2% per year over rolling five-year periods. It does so by investing in the shares of between 25-50 companies across the globe the asset manager believes can deliver positive change in one of four current areas: Social Inclusion and Education, Environment and Resource Needs, Healthcare and Quality of Life; and addressing the needs of the world's poorest populations. The fund is actively managed, so returns may not replicate those of the benchmark.	The fund aims to outperform the MSCI ACWI Index by at least 2% per year over rolling five-year periods.

AMT Fund Range	Investment objectives	Performance objective (before fees)
Aegon Global Sustainable Multi-Asset Growth (AMT)	This fund aims to aims to provide **capital growth (to grow the value of your investment) and income** over rolling 5-year periods by investing in assets across the globe such as the shares of companies, bonds, and alternative assets. Derivatives may also be used for investment purposes. The fund focuses on investing in companies and countries the asset manager believes to have policies, operations and/or business models that aim to minimise their harmful effects on society and the environment, or whose products and/or services seek to benefit society and the environment. The fund is actively managed, so returns may not replicate those of the benchmark.	Composite Index of 60% MSCI ACWI NR GBP Hedged + 40% JPM Government Bond Index (GBI) GBP Hedged.
Aegon Global Sustainable Multi-Asset Balanced (AMT)	This fund aims to deliver returns over the long term (5 consecutive years) which exceed 3 Month SONIA Compounded in Arrears + 3.5% (before charges) by investing in assets across the globe such as the shares of companies, bonds, and alternative assets. Derivatives may also be used for investment purposes. The consideration of Environmental, Social and Governance (ESG) issues are integrated into the investment process of this fund. The fund is actively managed, so returns may not replicate those of the benchmark.	The fund targets 3.5% above 3-month LIBOR over the long term (5 consecutive years).

funds will meet their objectives. Funds investing in a single asset class, for example UK equities, should only be used as part of a diversified portfolio. Any charts are for illustrative purposes only, and we reserve the right to change funds' asset allocations and charges. You should get financial advice if you're not sure whether an investment or product is right for you.

Funds which integrate exclusionary criteria

This means that based on certain thresholds, they will not invest in certain companies, based on ESG concerns. The following funds integrate exclusions including but not limited to controversial weapons, nuclear weapons, civilian firearms, and UN Compact violators:

AMT Fund Range	Investment objectives	Performance objective (before fees)
Aegon Global Small Cap Equity Tracker (AMT)	This fund aims to produce a return in line with its benchmark by investing in the shares of smaller companies from across the globe. Derivatives may also be used for investment and efficient portfolio management purposes. The use of derivatives is expected to be limited. This fund uses a set of exclusionary criteria which removes exposure to certain companies based on ESG concerns. The exclusionary thresholds and definitions are owned by a third party and subject to change.	The fund aims to track the MSCI World Small Cap ESG Index
Aegon Emerging Markets Equity Tracker (AMT)	This fund aims to produce a return in line with its benchmark by investing in the shares of companies domiciled in Emerging Markets and through other transferable securities that give exposure to such companies. Derivatives may also be used for investment and efficient portfolio management purposes. This fund uses a set of exclusionary criteria which removes exposure to certain companies based on ESG concerns. The exclusionary thresholds and definitions are owned by a third party and subject to change.	The fund aims to track the Morningstar Dev Markets Asia Pacific ex-Jap ESG Enhanced UK12PM Net Index.

AMT Fund Range	Investment objectives	Performance objective (before fees)
Aegon Europe ex-UK Equity Tracker (AMT)	This fund aims to produce a return in line with its benchmark by investing in the shares of European companies excluding UK companies. Derivatives may also be used for investment and efficient portfolio management purposes. The use of derivatives is expected to be limited. This fund uses a set of exclusionary criteria which removes exposure to certain companies based on ESG concerns. The exclusionary thresholds and definitions are owned by a third party and subject to change.	The fund aims to track the FTSE All World Developed Europe ex UK Net of Tax GBP Index.
Aegon Japan Equity Tracker (AMT)	This fund aims to produce a return in line with its benchmark by investing in the shares of Japanese companies. Derivatives may also be used for investment and efficient portfolio management purposes. The use of derivatives is expected to be limited. This fund uses a set of exclusionary criteria which removes exposure to certain companies based on ESG concerns. The exclusionary thresholds and definitions are owned by a third party and subject to change.	The fund aims to track the FTSE All World Japan Net of Tax GBP

AMT Fund Range	Investment objectives	Performance objective (before fees)
Aegon Pacific ex-Japan Equity Tracker (AMT)	This fund aims to produce a return in line with its benchmark by investing in the shares of Asian (excluding Japan) companies. Derivatives may also be used for investment and efficient portfolio management purposes. The use of derivatives is expected to be limited. This fund uses a set of exclusionary criteria which removes exposure to certain companies based on ESG concerns. The exclusionary thresholds and definitions are owned by a third party and subject to change.	The fund aims to track the Morningstar Emerging Markets ESG Enhanced Index (Net) Index.
Aegon US Equity Tracker (AMT)	The fund aims to produce a return in line with its benchmark by investing in the shares of a range of US companies. Derivatives may also be used for investment and efficient portfolio management purposes. This fund uses a set of exclusionary criteria which removes exposure to certain companies based on ESG concerns. The exclusionary thresholds and definitions are owned by a third party and subject to change.	The fund aims to track the FTSE United States GBP Index.

AMT Fund Range	Investment objectives	Performance objective (before fees)
Aegon UK Corporate Bond Tracker (AMT)	This fund aims to produce a return in line with its benchmark by investing in a range fixed income securities (such as bonds) that comply with the index credit rating requirements. Derivatives may also be used for investment and efficient portfolio management purposes. This fund uses a set of exclusionary criteria which removes exposure to certain companies based on ESG concerns. The exclusionary thresholds and definitions are owned by a third party and subject to change.	The fund aims to track the iBoxx Sterling Non-Gilts Index.
Aegon Retirement Income Multi-Asset (AMT)	This fund is designed for members who wish to stay invested post-retirement and draw down an income from their Defined Contribution pot. This fund aims to produce a return in line with its benchmark by investing in predominantly fixed income assets and some equities. Exchange rate movements can affect the value of investments that are in foreign currencies and therefore the fund will use specific instruments with the aim of hedging out the majority of the foreign currency exposures. This fund uses a set of exclusionary criteria which removes exposure to certain companies based on ESG concerns. The exclusionary thresholds and definitions are owned by a third party and subject to change.	The fund aims to track 75% DC Pre-Retirement Fund Benchmark / 25% SONIA Sterling Over Night Index Average.

AMT Fund Range	Investment objectives	Performance objective (before fees)
Aegon Global Listed Infrastructure (AMT)	This fund aims to deliver a combination of capital growth and income higher than that of its benchmark over any five-year period (after charges) by investing at least 80% in shares issued by global infrastructure companies, investment trusts and real estate investment trusts. It will typically hold shares in fewer than 50 companies. Derivatives may also be used for investment and efficient portfolio management purposes. The use of derivatives is expected to be limited. The Aegon fund has higher charges than the underlying fund and will therefore be less likely to meet this target. This fund uses a set of exclusionary criteria which removes exposure to certain companies based on ESG concerns. The exclusionary thresholds and definitions are owned by a third party and subject to change.	The fund aims to outperform the MSCI All Country World Index.
Aegon Cash (AMT)	The fund aims to produce a return in line with its benchmark by investing in money market instruments which may include cash, bank deposits and short-term fixed interest investments. This fund uses a set of exclusionary criteria which removes exposure to certain companies based on ESG concerns. The exclusionary thresholds and definitions are owned by a third party and subject to change.	The fund aims to produce a return in line with the SONIA Sterling Over Night Index Average.

AMT Fund Range	Investment objectives	Performance objective (before fees)
Aegon Global Islamic Equity Tracker (AMT)	This fund aims to deliver a return in line with its benchmark by investing in the shares of companies engaged in Sharia-compliant activities across the globe. Derivatives may also be used for investment purposes. The use of derivatives is expected to be limited. This fund uses a set of exclusionary criteria which removes exposure to certain companies based on ESG concerns. The exclusionary thresholds and definitions are owned by a third party and subject to change. Please note: Although this fund invests in companies engaged in Sharia compliant activities, the Aegon Master Trust product may not meet all the requirements for Sharia compliance. For more information please view the Scheme documentation.	The fund aims to track the Dow Jones Islamic Market Titans 100 Net Total Return Index.
Aegon Developed Markets ex-UK Equity Tracker (AMT)	This fund aims to produce a return in line with its benchmark by investing in the shares of overseas companies excluding the UK. Derivatives may also be used for investment purposes. The use of derivatives is expected to be limited. This fund uses a set of exclusionary criteria which removes exposure to certain companies based on ESG concerns. The exclusionary thresholds and definitions are owned by a third party and subject to change.	The fund aims to track the FTSE All-World Developed ex-UK Index.

AMT Fund Range	Investment objectives	Performance objective (before fees)
Aegon Developed Markets Equity Tracker (AMT)	This fund aims to deliver a return in line with its benchmark by investing in the shares of companies in Developed Markets (in UK, Europe, Asia, North America). Derivatives may also be used for investment purposes. The use of derivatives is expected to be limited. This fund uses a set of exclusionary criteria which removes exposure to certain companies based on ESG concerns. The exclusionary thresholds and definitions are owned by a third party and subject to change.	The fund aims to track the performance of the FTSE Developed ESG Low Carbon Select Index.
Aegon UK Equity Tracker (AMT)	This fund aims to produce a return in line with its benchmark by investing in the shares of UK companies. Derivatives may also be used for investment purposes. The use of derivatives is expected to be limited. This fund uses a set of exclusionary criteria which removes exposure to certain companies based on ESG concerns. The exclusionary thresholds and definitions are owned by a third party and subject to change.	The fund aims to track the FTSE All Share Index.

Funds which integrate ESG considerations within their overall investment process

AMT Fund Range	Investment objectives	Performance objective (before fees)
Aegon Global Absolute Return Bond (AMT)	This fund invests in global debt instruments, ranging from AAA rated government bonds through to high yield and emerging market bonds and aims to generate positive absolute returns over a rolling three-year period. Derivatives may also be used for investment and efficient portfolio management purposes. The consideration of ESG issues is integrated into the investment process of this fund.	The fund aims to outperform the Sterling Over Night Index Average.
Aegon Global Strategic Bond (AMT)	This fund aims to deliver a positive return of 4% above the Overnight SONIA rate before charges over a 5-year rolling period by investing in bonds issued by companies with credit ratings typically BBB or lower. The consideration of ESG issues is integrated into the investment process of this fund.	The fund aims to outperform the Sterling Over Night Index Average +4% over a 5-year rolling period.
Aegon UK Property (AMT)	The fund aims to provide a return in-line with its benchmark by investing in a portfolio of balanced open-ended UK property funds. The fund is actively managed, so returns may not replicate those of the benchmark. The consideration of ESG issues is integrated into the investment process of this fund.	The fund aims to outperform the IPD All Balanced Property Funds Index.

AMT Fund Range	Investment objectives	Performance objective (before fees)
Aegon UK Index-Linked Government Bond Tracker (AMT)	This fund aims to produce a return in line with its benchmark by investing in UK index-linked government bonds that have a maturity period of 5 years or longer.	The fund aims to track the FTSE Actuaries UK Index-Linked Gilts over 5 Years Index.
Aegon UK Government Bond Tracker (AMT)	This fund aims to produce a return in line with its benchmark by investing in UK government bonds that have a maturity period of 15 years or longer.	The fund aims to track the FTSE Actuaries UK Conventional Gilts over 15 Years Index.

Appendix 4
Aegon Master Trust Implementation Statement

Summary of key purpose of Implementation Statement

In accordance with the Occupational and Personal Pension Schemes (Disclosure of Information) Regulations 2013 (the "**Disclosure Regulations**"), this Implementation Statement:

- Sets out how, and the extent to which the Statement of Investment Principles ("SIP") has been followed during the Scheme Year;
- Describes any review of the SIP undertaken in accordance with the Occupational Pension Schemes (Investment) Regulations 2005 (the "**Investment Regulations**") during the Scheme Year, and any other review of how the SIP has been met.
- Explains any change made to the SIP during the Scheme Year and the reason for the change;
- Describes the voting behaviour by, or on behalf of, the Trustees (including the 'most significant votes' cast by the Trustees or on their behalf) during the year and any use of proxy voter services.

It also reflects the Department for Work and Pensions (DWP) Statutory Guidance on Reporting and Stewardship and Other Topics through the Statement of Investment Principles and the Implementation Statement (the "**DWP Stewardship Guidance**"), which came into effect from 1 October 2022. This includes the requirement to state how, and the extent to which the policy covered in the SIP regarding the exercise of the rights (including voting rights) attached to the Scheme's investments; and the undertaking of engagement activities in respect of the Scheme's investments, has been followed during the Scheme Year.

This Implementation Statement covers the period 1 April 2024 to 31 March 2025 (the "**Scheme Year**").

Updates to the Statement of Investment Principles during the Scheme Year

In accordance with the Investment Regulations, the SIP must be reviewed at least every three years and without delay after any significant change in investment policy. The default strategy must also be reviewed after any significant change in the demographic profile of relevant Members.

The SIP has been updated once in the Scheme Year, in April 2024. All comments on the suitability of investments, and the Implementation Statement are made with reference to the applicable SIP adopted by the Trustees in April 2024.

The April 2024 update removed reference to the Old Core Range of funds that are now closed and no longer available to Members following the full implementation of the refreshed AMT Fund Range in October 2023. Appendix 2 was also updated to reflect the Bespoke Notional Sections that were moved to the new standard AMT Fund Range. This revision of the SIP also added the Trustees' policy on investment in illiquid assets, which was adopted by the Trustees in April 2024.

The SIP was updated beyond the Scheme Year in April 2025 to reflect the addition of a Bespoke Notional Section and in August 2025 to reflect changes to the Trustee's Investment Beliefs and changes to the default funds.

The most up-to-date SIP is attached in Appendix 3. Here, you can find more information about the Scheme default arrangements and all other funds available under the Scheme.

The latest SIP can also be found online at the web address **https://www.aegon.co.uk/employer/what-we-offer/targetplan/aegon-master-trust** or is available to Members on request.

Executive Summary

In summary, this Implementation Statement details the following:

How the Trustees followed the key policies outlined in the applicable SIP during the Scheme Year. This includes the Scheme's investment strategy, financially material and non-financial factors, and arrangements with asset managers.

Key policies in the Statement of Investment Principles, page 119

- The AMT Responsible Investment Policy
- What the Trustees have done in relation to stewardship (the exercise of rights attached to investments) and engagement activities with asset managers. This includes monitoring asset managers' engagement with underlying investee companies in the funds they manage on behalf of the Trustees.

  - Sustainability, engagement and stewardship, page 146
  - Responsible investment asset manager monitoring, page 148
  - Trustee assessment of BlackRock as principal asset manager, page 150
  - Summary of engagement activity by asset managers, page 154
  - Broader considerations related to stewardship, page 170

- Whether voting by asset managers on the Trustees' behalf, during the Scheme Year, reflected the Trustees' investment beliefs and policies.
- This includes alignment to the Trustees' 'expression of wish' (EOW) approach, which enables the Trustees to articulate their voting preferences clearly while continuing to benefit from asset managers' engagement and voting processes. The Trustees form voting preferences on the most significant votes and share their preferences with key managers before the company AGMs to input into managers' votes. Trustees' vote preferences are informed by the AMT Responsible Investment Policy, understanding of engagement progress with the relevant companies via key asset managers, as well as independent analysis of the merit of relevant resolutions. Trustees monitor alignment between the key managers' votes and their preferences closely – engaging or escalating with managers if there are discrepancies, to maximise influence over the way in which votes have been cast.
- The Trustees have also reviewed voting records for all funds offered by the Scheme, where the asset manager was eligible to vote, to assess general voting behaviours.

- Monitoring of asset manager voting behaviour, page 149
- Summary of voting behaviour and most significant votes through Expression of Wish, page 164
- Appendix – Voting record for all funds, where asset manager eligible to vote, page 171

Implementation Statement

This statement confirms that, in the opinion of the Trustees, the Scheme has followed the investment policies set out in the applicable SIPs during the Scheme Year. The Trustees consider that implementation of these policies during the Scheme Year has driven long-term value for the Scheme's beneficiaries and that the responsible investment activities undertaken on the Trustees' behalf are broadly in line with SIP. This will be a continuing key focus of engagement by the Trustees.

Signed

Ian Pittaway for and on behalf of

Independent Trustee Limited, Chair of Trustees

Date: 24 September 2025

Key policies in the Statement of Investment Principles

The Trustees have established an AMT Investment Sub-Committee (ISC) to ensure the key topic of investments within the Scheme receives regular, focused oversight. The ISC reviews the Scheme investment offering in accordance with the Statement of Investment Principles (SIP) and takes actions as are necessary to ensure the SIP is followed. Any full review of the SIP required under the Investment Regulations will be carried out by the ISC and the ISC will recommend any changes to the SIP to the full Trustee Board.

The following table lists key policies set out in the April 2024 SIP and a description of the Trustees' actions in relation to each policy. It is this link from policy to monitoring and reporting that provides the confirmation that in the opinion of the Trustees, the Scheme has followed the investment policies set out in the SIP during the Scheme Year.

Policy	Commentary
Choosing investments The Trustees believe that good investment governance can deliver better outcomes for Members. Having a set of clearly defined investment beliefs is part of this. Investment beliefs are guiding principles which inform the investment strategy, design of the default arrangements and the number and type of other investment options the Trustees make available to Members. The Trustees' investment beliefs: **i.** Default arrangements should reduce Members' exposure to investment risk throughout their lifetime, as well as reflect their likely pension benefit choices. **ii.** The fund range should meet the needs of the target market and it should be presented in a simple way that helps to combat common behavioral biases. **iii.** Other self-select investment options should be offered to meet the differing risk and goal preferences of Members. **iv.** As long-term investors, the Trustees believe the fund range should, where possible, align with the Trustees' responsible investment beliefs. Investment objectives In keeping with the investment beliefs (set out above), the Trustees have designed their investment strategy to provide a suitable range of funds to Members so they can save for retirement. The fund range includes investments suitable to Members of different ages, with different retirement benefit plans and different attitudes to risk. In designing the fund range, the Trustees have taken advice from their investment advisers and, where appropriate, input from specialists employed by the Scheme's insurer (Aegon).	The Trustees have overall accountability for ensuring the funds available to Members are appropriately selected and governed. As Independent Investment Advisers to the Trustees, Isio assess the suitability of any funds made available to Members through the Aegon Master Trust (AMT). Aegon has an obligation to undertake fund governance and oversight on behalf of the Trustees, to ensure all fund options available operate in line with their objectives. The Trustees receive regular, detailed fund reporting from Aegon via the ISC. The fund reporting includes quarterly performance shown against the fund's benchmark and similar funds in the market, the fund's latest Value for Money status, and Environmental, Social and Governance (ESG) scores for each fund where available. During the Scheme Year, Aegon worked with Isio to further enhance reporting and support the Trustees in their assessments. The ISC met regularly throughout Scheme Year to consider, oversee and where required, approve on behalf of the Trustee Board, matters relating to the management of investment performance of the Scheme's investments. The ISC's role includes considering any requests for new funds, including defaults, by existing or potential Participating Employers, and overseeing the Scheme's Bespoke Notional Sections. The ISC reports at each of the full Trustee Board meetings.

Policy	Commentary
Choosing investments (continued) Investment objectives (continued) The Trustees are aware some Members will not want to make decisions about where to save their contributions, whilst others will want to exercise differing amounts of control. The Trustees have designed the fund range with the intention to best meet these diverse needs, as well as to cater for Members wanting to take income drawdown in retirement. The Trustees are also aware that some participating employers wish to agree a different range of investment fund options and/or a different default fund for their employees. Where that is the case, the Trustees and the participating employer in question take appropriate investment advice to create a bespoke arrangement for such employees.	The ISC receives an annual assessment of transaction costs including a review of competitor funds. This includes a comparison between passive and active fund transaction costs and provides monitoring of the impact of any agreed changes. The MI allows the ISC to follow up with any asset managers identified as outliers, in relation to transaction costs, to ensure there is explanation or action to address transaction costs. Management Information (MI) on ESG integration in default funds is discussed at each ISC meeting. Following discussions in the previous Scheme Year, the ESG score methodology has been refined to combine two separate reporting metrics that will aid the Trustees in making a fairer assessment by managing any data gaps and mitigating any potentially misleading data. This bespoke rating incorporates MSCI ESG fund rating scores (which rate companies on how well they manage sustainability risks and opportunities relative to industry-specific peers) with Climate Value-at-Risk (CVaR) scores (which give a percentage of expected change in returns due to combined physical and transition risks and opportunities from climate change). This gives a more holistic and reliable fund rating which aligns with Trustees' prioritisation of climate change as a key engagement theme as outlined in the AMT Responsible Investment Policy. During the Scheme Year the SIP has been updated once in April 2024. The update removed reference to the Old Core Range of funds that are no longer available to members following the full implementation of the AMT Fund Range, which was finalised in October 2023. Appendix 2 was also updated to reflect the Bespoke Notional Sections that were moved to the new standard AMT Fund Range. This revision of the SIP also added a policy on investment in illiquid assets, which was adopted by the Trustees in April 2024.

Policy	Commentary
	The AMT Fund Range was reviewed a year since its implementation, providing the Trustees with an overview of fund selection, and AUM as well as an analysis of the gender and age splits amongst Members using the AMT Fund Range. In October 2024, Isio completed a Triennial review of the Scheme's default investment strategy, LifePath. The review assessed the membership profile within LifePath, and focused on the current investment strategy, while also considering updates to the LifePath funds which were agreed by the Trustees during the Scheme Year. Isio believe the changes will enhance the strategy and improve Member outcomes. There was a follow up review from Isio in February 2025, looking more specifically at the Capital and Retirement LifePath funds which are selected by a smaller proportion of Members. In line with Isio's Triennial review, the forthcoming changes to the LifePath fund strategy were viewed as positive. The Trustees have set strategic objectives for Isio, the Scheme's investment adviser, and review performance against these objectives on an annual basis, as required by The Pensions Regulator (TPR). The objectives were reviewed by the ISC in the Scheme Year and the ESG objective has been expanded for future reviews. The Bespoke Notional Sections have been reviewed as per the required schedule. An additional Bespoke Notional Section was approved towards the end of the Scheme Year and reflected in the SIP in April 2025.

Policy	Commentary
Balance of different kinds of investments The Trustees recognise that risks are inherent in retirement savings. The Trustees have to strike a balance between taking sufficient investment risk to achieve good investment returns while ensuring that default arrangements (in particular) are not exposed to excessive risk when Members are about to retire. The Trustees have created the fund range to enable Members to gain access to a range of asset classes and markets taking account of a number of different risks. The fund range includes choices suitable for Members of different ages and with different retirement benefit plans. The fund range is closely aligned to the Trustees' responsible investment beliefs and integrates ESG considerations. The Trustees consider investment returns net of charges when deciding the types of assets to include. The Trustees consider the merits of both active and passive management strategies and may select different approaches for different asset classes. The Scheme is permitted to invest in a wide range of asset classes including equities (both in the UK and overseas), bonds (both in the UK and overseas), cash, commercial property, alternatives, and specialist funds (including ethical and Sharia). Members' retirement savings are held by the Trustees within two investment-linked insurance policies provided by Scottish Equitable plc (trading as Aegon). This provides Members with access to a range of investment funds.	As mentioned, during the Scheme Year the SIP was updated once in April 2024 to reflect full implementation of the AMT Fund Range, changes to the Bespoke Notional Sections and the Trustee's statement on illiquid assets. Throughout Scheme Year, the Trustees engaged with Aegon and BlackRock on proposals to evolve the default fund investment strategy. The proposals were agreed by the Trustees in December 2024 and seek to evolve the LifePath funds by addressing the long glidepath, increasing levels of ESG integration and altering the ownership structure so that Aegon will have more direct control and influence over the strategy. The changes will happen in the following Scheme Year using a phased approach, which was also assessed by the Trustees. The Trustees have received quarterly fund performance reporting and had the opportunity to discuss these with the Aegon Investment team and Isio at ISC and Trustee meetings. Additional ad hoc reviews were provided as required and especially relating to the planned updates to the LifePath investment strategy.

Policy	Commentary
Policy on the investment in illiquid assets The Trustees recognise that adding exposure to certain specialist asset classes (for example, illiquid assets) within a default fund has potential to improve member outcomes and enhance risk adjusted returns over the medium to long term. However, this potential must be considered within the context of other factors (such as cost and complexity) to protect Member outcomes. The Trustees are committed to working alongside Aegon and fund manager partners, to understand how they can improve long term value through new asset classes. Further analysis is now being undertaken before committing to investment in illiquid assets. The Trustees hope to update this position within the next 12 months.	This policy was added to the SIP in the April 2024 update. The focus during the Scheme Year has been on working with Aegon and BlackRock to create a default fund structure that will allow Aegon more control to evolve the strategy in line with the needs of the AMT membership, including the potential to broaden the range of asset classes the fund invests in. As per the policy, the Trustees have worked with Aegon to evaluate the value that illiquids could bring. In February 2025, the Trustees received a teach in on illiquid assets. In the next Scheme Year, the Trustees will update their position on illiquid assets and continue to explore the investment opportunity these assets could bring to Members.

Policy	Commentary
Investment risks The Scheme is a defined contribution (DC) pension scheme – also known as a 'money purchase' scheme. Broadly, the value of a Member's retirement benefits in this type of scheme is based on the amount of money that the Member has in the Scheme at the point of taking their benefits. The Member bears the investment risk and the risk of not accumulating sufficient savings to meet their retirement needs. The amount of money saved will depend primarily on: • How much they and/or their employer have contributed into the Scheme; • The performance of the funds in which the Member's savings are invested; • How long the Member has contributed to the Scheme; and • Fees deducted from a Member's investments. In designing the range of funds for the Scheme, the Trustees carefully consider the period during which Members are contributing to and growing their pension savings (known as accumulation), the period when Members are taking money out of their pension savings (known as decumulation) and financially material risks. A financially material risk is one which could have a significant effect (positive or negative) on Members' retirement savings over the period a particular investment fund is used by Members and can include ESG risks such as (but not limited to) climate change factors. The Trustees characterise and consider such factors in terms of the sustainability of the Scheme's investments	Investment risks are broken down further below with actions over the Scheme Year provided, where relevant.

Policy	Commentary
The key investment risks are (in alphabetical order):	
Asset manager – selecting a fund from an asset manager who could make poor investment decisions which then impacts Members is a considerable risk. For the Scheme's main investment choices, the Trustees have decided to include funds which significantly reduce this risk by limiting the way in which the asset manager invests Members' savings. These are typically referred to as 'index-tracking funds' or 'passive' investments. An index-tracking fund will generally aim to replicate the performance of the applicable market index by having the same proportion of shares, bonds, or other assets as the index it is aiming to track. Such a strategy relies less on asset manager skill to achieve the return benchmark and so is less dependent on asset manager discretion. There is no guarantee that any fund within the Scheme fund range (standard and/or bespoke) will achieve its long-term objective. The Trustees monitor the funds and asset managers to seek to minimise this risk.	All funds available to AMT Members are managed by asset managers that meet due diligence criteria and the minimum expectations of the Trustees in relation to responsible investment. The Trustees select default funds which use passive vehicles, an approach that the Trustees believe reduces risk in the fund overall. Isio assessed the ongoing suitability of BlackRock as the fund manager for the default investment strategy in the Triennial Review undertaken during the Scheme Year. All funds available to Members through the default fund arrangements, the AMT Fund Range or Bespoke Notional Section arrangements are robustly governed, with investment returns and risk assessed at least quarterly. Aegon presented its governance process to the ISC who considered the resources, process and reporting. The performance of all fund managers is monitored on a quarterly basis by the ISC, and managers are 'flagged' where additional investigation is required, and discussions would be held With the fund managers on performance, investment policies or process. The ISC would then report findings to the Trustees. Actions (including the potential closure of a fund) are taken where funds persistently under-perform its benchmark.

Policy	Commentary
Credit – in accordance with the Scheme insurance policies, Aegon may invest and reinvest each investment fund into external insurance funds and other collective investment schemes, subject to regulations and the fund's investment objectives. Many of the funds are protected by Aegon in the event of default, but for some funds the Member bears the risk of default (failure to perform a contractual obligation) by a third-party insurer, external fund manager, depositary or trustee of an underlying fund or collective investment scheme. Members can find a list of funds protected by Aegon on the TargetPlan Member website. In the event of default by Aegon, the Scheme is protected by the Financial Services Compensation Scheme (FSCS).	The Trustees ensure that Members have visibility of the protections in place so that informed decisions can be taken if selecting alternative funds.
Currency – funds held by Members may invest in assets denominated in a foreign currency and so are exposed to exchange rate fluctuations that could adversely impact the value of those assets. Where appropriate, the underlying asset manager may choose to reduce this risk by hedging back a proportion of the exposure to UK Pounds (Sterling). Hedging is a financial strategy seeking to protect investment portfolios from the risk of adverse currency movements that could lead to the loss of value. Hedging can create either an obligation or option to exchange one currency for another at a set rate at a future date – this reduces the potential for a change in exchange rates to affect the return on the investment.	BlackRock manages currency risk in the default funds. BlackRock made changes to their currency hedging targets in the previous Scheme Year. Currency hedging is not a requirement for the AMT Fund range, unless the specific fund hedges its currency exposure. Where this is the case, this is made clear to Members in the fund literature.

Policy	Commentary
Diversification – keeping all your eggs in one basket or holding a limited number of different investments increases the risk of losing money if one particular investment underperforms. Funds holding a greater number of different assets or types of investments help to increase diversification and therefore reduce risk. The Trustees have designed the fund range to provide appropriate levels of diversification in each of the fund options.	All default fund options are well diversified across asset classes, geographies, and industry sectors. Diversification across asset classes increases as Members approach their Target Retirement Date. This was assessed by Isio at their Triennial review in October 2024. Isio maintained a positive view on the level of diversification within the LifePath investment strategy at the Growth stage of investment. Their review of the Retirement stage remains positive but with areas highlighted for improvement that the Trustees will consider. The AMT Fund Range offers options across every major asset class, with a mix of active and passive management options and varying levels of sustainability integration. The Trustees also took the decision to offer regional equity funds, to allow Members who are making their own investment decisions to build their own geographical split. The AMT Fund Range was reviewed a year after its introduction, and it was agreed that Aegon will produce a proposal to increase the Sharia compliant fund offering across more asset classes in the next Scheme Year.
Inflation – the value of a basket of goods will increase in the future because of inflation, therefore the performance of Member funds must generally keep pace with this increase, to protect what is known as the real value of Member savings. The Trustees have defined their investment choices to provide options for Members looking to grow the value of their savings in real terms. Rising inflation affects purchasing power by decreasing the number of goods or services you can purchase with your money.	The Aegon BlackRock LifePath fund in its Early Days stage is designed to use 100% equity, or equity-like asset classes, taking more risk when a Member is further from their Target Retirement Date. When a Member reaches their NRD, the fund maintains around 40% exposure to Equities to continue growing their savings through retirement. The view is that with this approach, Members should achieve returns over the long-term which are above inflation.

Policy	Commentary
Interest rate changes • **Fall in interest rates** - there is a risk that a decline in interest rates could materially reduce the amount of income which can be generated from a given level of capital. Such a risk can occur suddenly and potentially near the point of retirement. It can be partially mitigated through the Lifepath Retirement Fund which changes its asset allocation in the 10 years prior to retirement by investing in government bonds and other fixed interest securities designed to match annuity rates. • **Rise in interest rates** - there is a risk that an increase in interest rates can in turn trigger a fall in bond prices, particularly in bonds that have a longer duration to maturity. This can reduce the money available in the Scheme to fund a Member's retirement. Members closer to retirement are generally invested in a higher proportion of corporate and government bonds. This risk is partially mitigated through fixed income allocation being diversified across a mix of corporate and government bonds, some with lower durations to reduce the impact of rising interest rates.	Changes were made to LifePath's exposure to inflation-linked assets in the previous Scheme Year, following the market turmoil seen in 2022 which was attributed to the uncertainty in interest rate changes. This has helped to improve performance over the current Scheme Year. Bond performance has improved as the main central banks have begun cutting interest rates in line with decreasing inflation. Overall levels of duration are monitored and reviewed by BlackRock, Aegon and the Trustees on an ongoing basis.

Policy	Commentary
Liquidity – some investments such as property or shares in private companies (equities) cannot easily or quickly be sold or exchanged for cash, and therefore it can take some time to get money returned or transferred to another fund. The Trustees have limited this risk by offering funds which are generally more liquid rather than illiquid.	The Trustees make funds available which invest in generally liquid underlying investments which means they can be sold quickly. The default funds primarily invest in passive funds tracking their respective index, with weighting bias in large liquid stocks. The Trustees receive MI on the liquidity of funds as part of the quarterly data pack to allow for close monitoring of this risk. The Trustees policy on illiquid was added to the SIP in April 2024 as liquidity risk is a primary consideration in making less liquid investments available.
Pension conversion – for Members nearing their retirement, the potential impact of poor performance is significantly increased as they have less time to make up for losses. The Aegon BlackRock LifePath target date funds automatically manage Members' savings to limit this potential risk as they near retirement, based on the Members' target retirement date.	Members approaching or at their Target Retirement Date (TRD) need more stability in their investment returns. At this stage, investments in fixed income asset classes are increased because they typically have a negative correlation in returns usually experienced with equities, which should add diversification and balance to the investment portfolio. The Trustees had previously challenged the length of the current glidepath (a term used to describe the period of de-risking the fund's allocation through reducing exposure to risker asset classes) and this has been examined as part of the project to update the LifePath investment strategy. The Trustees have agreed to reduce the length of the glidepath from 35 to 15 years which will better suit Member dynamics and improve Member outcomes. The Trustees considered that a change in glidepath length could increase the volatility of pension savings for Members, highlighting the need for strong communications that highlight the potential risks, and actions that Members can take, such as ensuring their Target Retirement Age remains reflective of their plans to access their savings.

Policy	Commentary
Performance volatility – the performance of the funds will at different points go up and will also go down; referred to as volatility. Those funds, which have a chance of earning more money for Members over the longer term, are likely to see greater volatility over short periods. The Trustees have provided a range of carefully considered choices which balance the needs of investment growth and risk. The Aegon BlackRock LifePath target date funds available in the Scheme and a number of other funds are designed to mitigate this risk through diversification across a wide range of asset classes. The Aegon BlackRock LifePath target date funds automatically manage Members' savings to limit this potential risk as they near retirement, based on the Members' NRD.	As outlined above, Members approaching or at their TRD need more stability in their investment returns. Due to this need, they will be invested in more fixed income asset classes which due to the negative correlation in returns usually experienced with equities and increases the diversification in their portfolio.

Policy	Commentary
Responsible investment • **Environment** - Environmental risk includes the consideration of how investments impact the physical environment, such as the use of natural resources and the effect of business operations on the environment. Neglecting to consider the effects of investment policies and practices on the environment as well as changes in regulation or the low-carbon transition may expose Members to higher levels of financial risk. • **Social** - Social risk describes an organisation's ability to fulfil its obligation and commitments towards its internal and external stakeholders. These groups include employees, customers, vendors and suppliers, the nearby community, and possibly the global community. Failing to address the changing social needs of society in and out of the workplace can result in organisational failure and increasing costs of doing business, or potential declining sales and eventually, negative returns for Members. Today there's a heightened expectation of businesses being required to step-up and meet the ever-expanding social needs of customers, employees, investors, and all stakeholders. • **Governance** - Numerous academic studies have shown that companies with weak or declining governance typically underperform better governed businesses in financial terms. Governance risk includes the risks related to an organisation's ethical and legal management, the transparency and accuracy of company performance, and involvement in other initiatives important to stakeholders. Governance risk is owned by the board of directors and senior management, and cuts across many layers of an organization. At the top, the board of directors and senior management set the tone and policies that permeate the organisation. Corporate shareholders have the right to hold the company accountable for governance issues.	The Trustees have documented their responsible investment beliefs which are publicly available within the SIP. ESG considerations are believed to be financially material in their nature, therefore a breakdown of how they are considered is included in the financially material considerations section of this table. ESG considerations and integration also formed a significant part of Isio's Triennial Review undertaken of the default strategy in 2024, with acknowledgement of the fund level enhancements due to be implemented throughout 2025.

Policy	Commentary
Transaction costs – managers of funds could trade too frequently and so increase the transaction costs paid by Members. The Trustees monitor the overall level of costs (including transaction costs which measure the cost of portfolio turnover) to ensure Members are receiving good value and assess the relative return on investments from each fund net of all costs.	The annual review of transaction costs to ensure that each fund delivers value for money after all costs was presented to the AMT Investment Sub Committee in August. The Trustees noted that four out of the 43 funds examined had been flagged for high transaction costs. Two of the funds are actively managed and two are passive, three of the funds are equity funds and one is fixed income. The Trustees requested an investigation to understand any reasons for these relatively high charges, Aegon have engaged with the fund managers and this will be tracked via the Fund Governance process.

Policy	Commentary
Expected return on investments The Trustees take into consideration the expected risk and return (net of charges and inflation) of the Scheme investment options. The Trustees are advised by their investment adviser, Isio, on these matters. However, the day-to-day selection of investments in each fund is delegated to the relevant asset manager. Within the fund objective, each fund offered has a benchmark for performance. There is no guarantee that any fund will achieve its long-term objective or meet/exceed its benchmark.	As mentioned above, risk and return are reported on in the Quarterly MI packs, and the ISC discuss the performance against the benchmark and similar funds in the market alongside the risk level of the fund. Whilst the reporting covers short-term performance, the Trustees focus on the fund's ability to deliver returns over the longer term. The Trustees were pleased to note strong performance of the Aegon BlackRock LifePath funds, in particular for Members invested in the Early Days Stage driven by the allocation to global equities. Although the performance for the Aegon BlackRock LifePath Flexi Fund (At Retirement) improved over the Scheme Year following changes in 2023, the longer-term performance over 3- and 5-year periods remained impacted by the market volatility in 2022 and was disappointing in comparison to peers. The fund's allocation to equities contributed positively to performance, however bond performance remained flat over the year and the allocation to UK Gilt's continued to drag on performance, in particular the fund continues to be impacted by 2022 market turbulence over longer-term performance periods. During the Scheme Year, there have been funds within the AMT Fund Range that have delivered performance under the benchmark. Where this has been the case, the Trustees have requested further analysis to understand whether the underperformance is due to market cycles or can be attributed to a more systemic issue.

Policy	Commentary
Expected return on investments (continued)	Out of the funds under review, the Aegon Global Sustainable Equity fund and the Aegon Global Sustainable Multi-Asset Balanced fund have been escalated with Aegon engaging with the underlying fund managers to understand any issues affecting performance and how these can be addressed. Investigation of the Aegon UK Equity Tracker fund found that the benchmark was not a good reflection of the underlying assessments and this has been refined. The underlying fund for the Aegon Global Multi-Asset Sustainable Growth fund has been escalated for consistent underperformance and was then closed by the underlying fund manager so a new underlying fund was selected.

Policy	Commentary
Realisation of investments The asset managers have responsibility for buying and selling investments. The Trustees are aware of the risks of illiquidity and how these risks may be mitigated. The Trustees note that asset managers may have an ability to suspend redemptions and new investments in certain circumstances, for example in commercial property funds, and these suspensions can go on for a period of time. A fund is suspended to protect investors. When investors sell their holdings in a fund, the asset manager sells assets in the fund to raise cash. If the asset managers can't sell assets quickly enough to raise money for all the investors selling their units, trading in the fund is suspended. With property (real estate) funds, selling the underlying assets (typically commercial property) can take time – this is described as liquidity risk. If many investors wish to withdraw their investments at the same time, this can lead to a property funds being suspended. This is to give the asset manager time to sell underlying assets and return money to investors. If a fund is suspended, the Trustees will communicate with Members and outline alternative fund options for Members to continue making contributions and taking withdrawals.	The SG Retirement Savings Plan has one fund, the SG dynamic property blend, created to facilitate staged redemptions from an underlying property fund. This fund was launched on 29th June 2021 and is considered to be an 'additional' default within The SG Retirement Savings Plan's Bespoke Notional Section. This fund will close once all redemptions from the underlying property fund have been received following its suspension. Full details of this fund can be found in the SIP.

Policy	Commentary
Financially material considerations The Trustees have considered how financially material considerations, including ESG factors, are taken into account in the selection, retention, realisation, and monitoring of the investment options, considered over the time horizon applicable to Members invested in those funds. As the Scheme invests via pooled funds, the Trustees have delegated responsibility for the selection, retention and realisation of investments to Aegon, within the parameters set by these Investment Principles. The Trustees' approach to managing financially material considerations is reflected in the range of pooled funds available in the Scheme.	Financially material considerations are reported on in the Quarterly MI packs, and the ISC discuss the implications and underlying trends each quarter. As mentioned previously, Aegon and Isio have enhanced reporting over the Scheme Year to provide a more holistic and reliable fund rating which aligns with Trustees' prioritisation of climate change as a key engagement theme as outlined in the AMT Responsible Investment Policy. BlackRock integrate ESG considerations into the investment approach for LifePath and are now providing bespoke ESG reporting. The evolution of LifePath will also improve the level of ESG investment in the default funds by using BlackRock's best-in-class ESG Insights funds where available, which are in line with the risk/return profile of the existing funds but also have a clear decarbonisation objective. The Trustees feel that the ESG Insights funds will be better aligned to the AMT Responsible Investment Beliefs. The AMT fund range was designed to create a wider selection of funds available to members that consider ESG factors in their investment process to varying levels across a low, medium, and high-risk spectrum. 23 of the 25 funds in the range integrate ESG to some extent through having a sustainable focus, using exclusions or having ESG integration within the investment process. Members are therefore able to select investments based on their risk and sustainability preferences. The activities and other elements described in the Responsible Investment Beliefs are the minimum level of ESG integration and engagement the Trustees expect from Aegon and the underlying fund managers. The Trustees' policy is to only select new funds that align with these beliefs (unless there is a stated reason why achievement of the criteria is not possible).

Policy	Commentary
Financially material considerations (continued)	The Trustees have a Responsible Investment Policy in place outlining expectations of managers on key areas of responsible investment practices, including engagement and voting in line with Trustees' priorities of climate change, nature, diversity and inclusion, and human rights. The Responsible Investment Policy also outlines Trustees' approach to influence voting on significant votes, through the 'expression of wish' (EoW) approach. Other areas covered by the Responsible Investment Policy include reporting on engagement outcomes and collaborative engagement activities. The Trustees monitor alignment of managers against the Responsible Investment Policy on a periodic basis with a view to engaging with, and via, Aegon in the event that any instances are identified where minimum expected levels of stewardship are not being met. This also includes instances where managers are not aligned with the Trustees' voting preferences through the EoW approach. More information on the Trustees' stewardship activities and dialogue can be found in the 'Sustainability, engagement and stewardship' section. Last Scheme Year, the Trustees also received a Teach In on the Taskforce for Social Factors (TSF) led by Aegon's Responsible Investment team. The TSF is a Department of Work and Pensions (DWP) initiative aimed at providing pension trustees with tools to help identify and monitor 'social' risk and opportunities in investment decision-making and stewardship. The Trustees were given an initial review of AMT current practices compared with TSF recommendations, some of the recommendations did not align with the Trustee's stewardship approach however improvements were made where applicable.

Policy	Commentary
Non-financial The Trustees do not have an explicit policy for non-financial considerations, but they can take account of such considerations and will also consider any views expressed to them by Members. The Trustees welcome feedback about the fund range although they are not bound to implement those views.	In the event of significant Member interest in a particular theme or investment matter, the Trustees may decide it is appropriate to seek investment advice as to any changes that could be made. The Trustees have considered member views related to ESG and considerations on investments through surveys conducted by Aegon. For example, ongoing research by Aegon suggested that at least 70% of a selected customer panel would take account of at least one 'social factor' when purchasing from or interacting with a business.

Policy	Commentary
Responsible investment Responsible investment is an umbrella term and includes how an asset manager considers ESG risks and opportunities and the approach taken to stewardship including voting and engagement. Responsible investment is often referred to as the consideration of ESG factors. **Responsible Investment Beliefs** The Trustees have agreed their responsible investment beliefs. **Voting and engagement** The Trustees bear the ultimate responsibility for ensuring effective governance and management of responsible investment-related risks and opportunities. This is particularly important given that the Scheme assets are managed by third-party asset managers with their own proprietary approaches and strategies, including responsible investment. Effective oversight, dialogue, and monitoring of those asset managers is therefore a key tool for the Trustees' responsible investment approach. Views on ESG issues are constantly evolving, and the Trustees will work to understand the areas that are most material to Members. The Trustees expect asset managers to regularly review and assess the effectiveness of their own stewardship policies. Where improvements have been made, the Trustees require that these are disclosed. The Trustees expect asset managers to be fully transparent with their voting and engagement responsibilities and report on these at least annually, which supports the Trustees in determining the extent to which asset managers' stewardship policies have been followed throughout the year.	See section below on page 148

Policy	Commentary
Responsible investment (continued) All asset managers are expected to respond to an annual responsible investment due diligence questionnaire. This helps the Trustees ensure minimum responsible investment requirements are met. This insight, and insight gathered through various Member surveys, helps inform topics for engagement with asset managers throughout the year. The Trustees will not appoint asset managers who fail to integrate responsible investment principles into their overall decision-making processes. Those that the Trustees do appoint are required to report on their voting and engagement activities. The Trustees have a voting and engagement approach with asset managers. This highlights the Trustees' priority engagement themes, sets engagement principles for asset managers and outlines an EOW approach to voting. Through EOW, the Trustees are able to set non-binding requests for key asset managers in pooled funds to vote a certain way on "most significant" votes. Factors informing the Trustee's definition of most significant votes include but are not limited to: votes in the Scheme's largest holdings, votes aligned to the Trustee's priority engagement themes and votes which have the potential to substantially impact financial or voting and engagement outcomes.	

Policy	Commentary
Monitoring There is no set duration for arrangements with asset managers, they can be replaced at any time. To ensure the Scheme's asset managers comply with the Trustees' policies, the Trustees closely monitor and assess the asset managers. The Trustees believe that they have appropriate governing documentation setting clear expectations to the asset managers and regular monitoring of performance and processes sufficient to incentivise asset managers to make decisions that align with the Trustees' policies. The Trustees take action where a fund does not meet expectations – initially placing them on a watch list and agreeing a remedial plan with the asset manager. Ultimately the Trustees may replace the asset manager. When assessing an asset managers' performance, the focus is on longer-term outcomes, and the Trustees would not expect to terminate an asset managers' appointment based purely on short-term performance. However, an asset manager's appointment could be terminated within a shorter timeframe due to other factors such as a significant change to its business structure or investment team. The Trustees review the performance of each fund in the range offered against the stated performance objective for that fund. The Trustees receive quarterly reports to facilitate this. Quarterly three-year rolling performance and investment risk is typically assessed against each fund's objectives and relevant benchmark. The choice of three-year rolling performance as a measure is to ensure asset managers are encouraged to focus on the medium to long-term financial and non-financial performance of the funds they manage.	Quarterly MI packs, detailing information on underlying investment performance, strategy and overall risks, were considered at relevant ISC and Trustee meetings, with attendance by senior members of the Aegon Investment Proposition team. The independent investment adviser, Isio, also attended these meetings to provide advice and guidance. These reports are continually evolved to meet the Trustees' brief for clear and consistent MI and to incorporate new regulatory requirements. Management Information on ESG integration in default funds is discussed at each ISC meeting. During the Scheme Year, Aegon worked with Isio to further enhance reporting and support the Trustees in their assessments. This has included providing an overall executive summary of performance and further enhancing the ESG score methodology. Funds requiring further discussion or investigation are clearly flagged. The ISC receives an annual assessment of transaction costs including review of competitor funds. This includes a comparison between passive and active fund transaction costs and provides monitoring of the impact of any agreed changes. The MI allows the ISC to follow up with any asset managers identified as outliers, in relation to transaction costs, to ensure there is explanation or action to address transaction costs. Aegon has an obligation to undertake fund governance oversight on behalf of the Trustees, to ensure that the fund options available to Members operate in line with expectations and deliver good customer outcomes. This activity is undertaken on all funds offered to Members in accordance with the regulatory requirements.

Policy	Commentary
Monitoring (continued) Additionally, there is a fuller review annually to ensure asset managers have implemented their mandate correctly and comply with the policies set by the Trustees. This annual review includes a review of all fund costs, including transaction costs by individual fund, to ensure that each fund delivers value for money after all costs. As part of the review, the Trustees monitor the fee income of asset managers to ensure these are in line with good industry practice and are set at levels that allow the investments to offer value for money. The review covers asset allocation, to understand diversification and includes assessment of each fund against its index where applicable. The annual review includes an assessment of the fund's value for Members.	As mentioned, Isio completed the Triennial Review of the default investment strategy in October 2024. Isio reviewed the LifePath funds in their current form, as well as the changes to the investment strategy that were approved by the Trustees. Isio believe the LifePath funds remain suitable and expect the changes planned for the next Scheme Year will enhance the strategy and further improve Member outcomes.
Bespoke Notional Sections A Bespoke Notional Section is where an employer makes funds available to their Members that differ from the standard Scheme offering. This can include if the employer opts for an alternative default strategy to the standard Scheme default strategy and/or provides their Members with a self-select range that differs from the standard self-select fund range. **New Bespoke Notional Sections** The Trustees recognise that some participating employers, working with their own advisers, wish to access a wider range of investment funds than are available in the AMT Fund Range or who wish to use a different default arrangement. For those employers, the Trustees will consider a Bespoke Notional Section to achieve the best outcome for Members taking account of the employer's proposals.	All reviews for the Bespoke Notional Sections in the Scheme are in date. The funds used in the Bespoke Notional Sections are subject to the same level of reporting and scrutiny as the funds in the AMT Fund range and are included in the quarterly fund reporting. The Trustees receive advice from the Independent Investment Adviser, Isio, on the need for additional funds outside the AMT Fund range. Information about the Bespoke Notional Sections can be referenced in the appendix of this report alongside an indication as to whether they were rationalised into the standard AMT offering within the Scheme Year.

Policy	Commentary
Bespoke Notional Sections (continued) When a new Bespoke Notional Section is proposed, the Trustees will take written independent investment advice on the appropriateness of any proposed new funds, be they default or self-select. That advice will include an assessment of value for money to Members. The assessment will further consider whether there are existing funds in the AMT Fund Range that are comparative to those being proposed. The Trustees will consider the investment risks and objectives identified in this SIP for each new Bespoke Notional Section.	

Policy	Commentary
All Bespoke Notional Sections Investments within Bespoke Notional Sections must align with the Trustees' responsible investment beliefs and any underlying Investment Manager must comply with both the United Nations Principles for Responsible Investment (UNPRI) and the Financial Reporting Council (FRC) Stewardship Code. All Bespoke Notional Section arrangements will be subject to ongoing performance review and the same standards of fund governance monitoring as the standard Scheme fund range. The Trustees require quarterly reports on how funds performed. Bespoke Notional Sections will be reviewed formally by the Trustees every three years (or more regularly as provided for elsewhere in this SIP), supported by independent investment advisers and Aegon's Investment Governance Team, to ensure the funds which have been made available to members of any Bespoke Notional Sections remain appropriate.	

Sustainability, engagement and stewardship

Statement of Investment Principles

As at April 2024 the SIP sets out the following Responsible Business beliefs and investment policies..

Risk Management	The Trustees believe that active consideration of ESG issues will lead to improved outcomes for members and better management of risk. The Trustees believe that a broad approach to ESG integration is important, considering all three components of ESG investing. Climate change, in particular, presents significant risks, as well as opportunities to invest in the transition to a low-carbon and climate-resilient future.
Investment Approach	ESG issues which are considered to be financially material should be integrated into the overall management of the standard default options. The standard self-select fund range should include specialist funds which invest in line with sustainable and/or responsible investment themes, taking into account member preferences where relevant. The Trustees will only select asset managers that integrate ESG issues within their overall decision making. A key aspect is to ensure that each asset manager has committed to net zero by 2050 or has a definitive plan for setting a net-zero target.
Reporting & monitoring	The Trustees will regularly monitor key ESG metrics within the Scheme's investment portfolio to understand the impact of their investments, and to assess progress over time.
Voting & engagement	The Trustees recognise that active engagement with investee companies, including thoughtful voting, is key to driving change. They will therefore monitor the asset managers' voting and stewardship engagement activity to assess improvements over time.
Collaboration	The Trustees expect asset managers to engage actively with other market participants to raise ESG investment standards and facilitate best practices. They also expect their chosen asset managers to be signatories to the United Nations Principles for Responsible Investment (UNPRI) and the UK Stewardship Code as minimum, and that they are be able to demonstrate ongoing progress in raising ESG standards.

The activities and other elements described in the Responsible Business beliefs are the minimum level of active ESG integration and engagement the Trustees expect from the underlying asset managers. The Trustees' policy is to only select new funds that align with these beliefs (unless there is a stated reason why achievement of the criteria is not possible). The Trustees monitor such activities on a periodic basis with a view to engaging with, and via, Aegon in the event any instances are identified where such minimum expected levels of stewardship are not being met.

Views on ESG issues are constantly evolving, and the Trustees will work to understand the areas that are most material to Members. The Trustees expect asset managers to regularly review and assess the effectiveness of their own stewardship policies. Where improvements have been made, the Trustees require that these are disclosed.

The Trustees expect asset managers to be fully transparent with their voting and engagement responsibilities and report on these at least annually, which supports the Trustees in determining the extent to which their policies have been followed throughout the year. The Trustees require asset managers to have a robust policy in place for managing and disclosing conflicts of interest in relation to stewardship. For any new appointments, the Trustees will take into account any actual or potential conflicts of interest prior to the appointment.

As outlined in the Scheme's own Responsible Investment Policy, the Trustees expect managers to adhere to minimum as well as broader responsible investment expectations relevant to the Trustees' key engagement themes and focus areas. Within the scheme year, the Trustees' key engagement themes were climate change, nature, diversity and inclusion, and human rights.

The Trustees assess asset managers' alignment in responsible investment practices, including engagement and voting, through an annual due diligence exercise. The level of manager alignment informs the Trustees' engagement with managers and investment decision-making.

The Trustees also utilise their 'expression of wish' (EOW) voting approach as part of their annual monitoring to express their voting views and preferences on the most significant votes. As asset managers' typically have the most financially material and direct relationship with companies, the Trustees believe they can have a bigger impact on member outcomes through influencing asset managers' voting, rather than undertaking voting themselves. The Trustees share their voting preferences with the manager of the default funds (BlackRock) and other key managers before company AGMs and monitor for any areas of divergence. Further information on how the Trustees have implemented their EOW within the scheme year can be found in the Summary of voting behaviour and most significant votes through EOW section below.

The Trustees also meet annually with the asset manager responsible for the default funds (BlackRock) to understand more on their voting practices and engagement activities, and to review how they align with, and reflect, the Trustees' own investment and stewardship engagement themes and Responsible Investment Policy.

Responsible investment asset manager monitoring

The Trustees have implemented their stewardship approach through asset manager selection, monitoring, and engagement. This includes the asset managers' voting and engagement with underlying investee companies, both directly and through their investment service provider, Aegon.

The Trustees have carried out their annual manager monitoring on responsible investment within the Scheme Year, to assess adherence of asset managers against minimum responsible investment requirements, and to ensure assets have been managed in alignment with the long-term interests and time horizon of the Scheme. The Trustees consider a long-term investment time horizon, aligned with the long-term nature of Members' pension savings. The annual manager monitoring process is a key part of how the Trustees monitor and assess asset manager's responsible investing credentials, including how they are managing climate and other sustainability risks. Regular discussions with managers ensure the Trustees stay up-to-date and aligned with the asset managers' approach to sustainability related risks. For further details on how the Trustees have managed climate related risks, please see the AMT Taskforce on Climate-related Financial Disclosures (TCFD) report.

The manager monitoring process involves scoring and ranking asset managers across key responsible investment categories, with scores assigned between 0-3 for each category with 3 indicating best practices. A heatmap of the scores was reviewed by the Trustees to assess the extent of asset managers aligning to their policies, to identify areas of progress and opportunity for improvement by the asset manager of the default fund, BlackRock, and to support review and calibration of the Trustees' minimum expectations on responsible investment.

The Trustees found an improvement in overall average scores on responsible investment amongst asset managers (77%, up from 66% in the previous Scheme Year). The Trustees noted a slight increase in manager performance across categories in Responsible Investment (RI) governance, driven by a notable uplift in the climate score by most asset managers. The Trustees welcomed the accrued transparency of most asset managers' Net Zero policies and the development of their climate voting practices, as more asset managers stated they now consider using routine votes to escalate climate concerns. Climate remains an area for improvement by all managers, including an increased understanding of considerations beyond net zero, namely biodiversity and the Just Transition. The Trustees also found that some asset managers were not able to provide reporting on engagement and voting outcomes (beyond simply reporting on their engagement activities), with overall assessment of asset managers deteriorating year on year. Weaker scores reflected a lack of visibility on how managers can influence real world outcomes within Fixed Income investments, and a lack of transparency on how climate engagement outcomes are tracked compared to evolving best practice.

The Trustees paid particular attention to the responsible investment performance of Blackrock as the asset manager of the default funds. BlackRock performed in line with other Scheme asset managers on certain areas such as RI governance, human rights, and diversity and inclusion. The Trustees noted improvement on the climate score, attributable to meeting minimum climate expectations following the expansion of their climate requirements. The Trustees welcomed BlackRock's confirmation of continued participation in Climate Action 100+ via their international arm.

Alignment of voting and engagement activity is now the main area identified for improvement. Aegon subsequently engaged BlackRock to discuss their plans for development in these areas, to further align the Scheme's main default strategy with the Trustees' views on climate voting and engagement. Following this collaboration, Blackrock developed a new decarbonisation stewardship policy, which is anticipated to better align Blackrock's voting and engagement with the Trustees views. The effect of this policy on improved stewardship alignment will be measured from next year's voting season. The Trustees also met with BlackRock to further assess how they have acted in line with the Trustees' responsible investment beliefs and policies, and to progress on the key areas of improvement noted from the annual monitoring exercise. More detail can be found in the section "Trustee assessment of Blackrock as principal asset manager".

Monitoring of asset manager voting behaviour

As the Scheme invests in pooled funds managed by external asset managers, the Trustees do not vote or engage directly with companies the Scheme invests in. Instead, the Scheme's asset managers engage with companies and exercise their voting rights on the Trustees' behalf, in accordance with their own policies. The Trustees assess the degree to which the voting behaviour of the Scheme's managers align with the Scheme's responsible investment beliefs and Policy. The Trustees did not use any proxy voting services in the Scheme Year however the Scheme's asset managers do use proxy advisers (in most cases Institutional Shareholder Services, or ISS) and in line with their own voting policies. The Trustee's monitor the extent to which managers rely on proxy adviser recommendations within their voting decisions as part of their manager monitoring exercise. Encouragingly, managers confirmed they do not wholly rely on proxy adviser recommendations alone, rather leverage their research and recommendations to inform final voting decisions.

The Trustees have monitored voting behaviour with a broad approach to ESG integration. The Trustees have reviewed the asset managers' voting records and statistics considering all three factors of ESG and monitored voting behaviour against their stewardship engagement priorities, with particular focus on BlackRock as the Scheme's principal asset manager (detailed further below and within the appendix to this Implementation Statement).

Overall, the Trustees note that managers are exercising their votes across multiple spectrums of ESG. Climate remains the biggest area of focus by managers. Social factor consideration is an area of emerging focus in managers' voting activities. Trustees have social factors as part of their stewardship priority themes, also reflecting the recommendations released in March 2024 by the DWP Taskforce on Social Factors that Aegon helped co-chair.

The Trustees found BlackRock have voted on multiple topics of ESG with a focus on climate, as demonstrated by the increased alignment for climate votes on the votes deemed most significant by the Trustees (see summary of most significant votes subject to EOW below).

Trustee assessment of BlackRock as principal asset manager

The Trustees receive updates on BlackRock's plans and developments each quarter from Aegon, which is informed by Aegon's own regular conversations with BlackRock. The BlackRock team attended several Investment Sub-Committee (ISC) meetings and worked with Aegon on the review of LifePath which resulted in the approved changes outlined on page 23.

The Trustees have assessed BlackRock's scoring from the annual manager monitoring exercise and as noted earlier, the view of BlackRock has improved as they can now meet the climate minimum expectation. Alignment with the Trustees EOW has improved but still remains lower than desired. The Trustees anticipate that BlackRock's new stewardship policy will help BlackRock's performance and focus on responsible investment areas in line with the AMT Responsible Investment Policy.

The Trustees, along with Aegon, have engaged with Blackrock throughout the Scheme year and have assessed BlackRock as demonstrating positive progress in supporting the Trustees' stewardship priorities, including:

- BlackRock are now providing bespoke ESG LifePath reporting specifically for AMT.
- BlackRock have developed Climate and Decarbonisation Stewardship Guidelines which will apply engagement and voting for companies that play a key role in low carbon transition. Aegon were one of 5 clients in the UK and 50 globally to feed into the guidelines and are pleased with BlackRock's progress but it remains to see how well the policy is implemented. The Trustees hope the policy will support the Scheme's stewardship strategy and climate targets as it will impact the LifePath funds as well as other BlackRock ESG funds including ESG Insights.
- BlackRock also responded positively to requests for more transparent engagement outcome reporting that covers specific climate related topics, such as scope 3 disclosures and policy lobbying. They've confirmed their engagement reporting is in the process of being improved.

Further improvement is still required in relation to BlackRock's alignment with the Trustees' expectations on voting, including in relation to most significant votes and the Scheme's stewardship priorities. Further information on the Trustees' engagement with BlackRock to discuss their voting preferences, an assessment of BlackRock's alignment and actions taken by the Trustees can be found below.

Stewardship update from BlackRock

During the Scheme Year, the Trustees were presented with the annual conclusions from the asset manager monitoring exercise and Aegon's engagement programme with Blackrock, as well as an assessment of Blackrock voting alignment to the Scheme's voting guidelines.

Within these updates, the Trustees noted that BlackRock had undertaken positive steps to improve perceptions of their RI approach based on the previous Scheme Year's performance. Aegon's monitoring showed that BlackRock had taken steps to support Scheme's Responsible Investment strategy and climate targets, including the evolution in engagement outcome reporting across ESG topics, and demonstrating clearer policies in fixed income stewardship. The Trustees noted that it was positive to see the progress which had been made by BlackRock. However, the Trustees regretted that BlackRock's voting alignment against EOW continues to lag significantly behind other managers. While all managers continued to improve their practices, the Trustees noted that BlackRock had made significant progress; and that the new Climate and Decarbonisation Stewardship Guidelines is expected to shift BlackRock's focus in a positive way.

Indeed, in the previous Scheme Year, the Trustees worked closely with BlackRock to further align the LifePath strategy with the Trustees' views on climate voting and engagement. Following this collaboration, Blackrock has adopted this new decarbonisation stewardship policy, which was presented during the Scheme Year to the Trustees. It is anticipated this will better align Blackrock's voting and engagement with the Trustees views. It will see them engage with companies to align on the transition to a low-carbon economy that would aim to limit average global temperature rise to 1.5°C above pre-industrial levels. The creation of these guidelines is a direct result of the Trustees' EOW engagement with BlackRock, where they were among a select few invited to contribute to their formulation.

The Trustees recognise voting as a method of highlighting inconsistent policies and the importance of maintaining points of engagement with Fund Managers. The Trustees will focus on measuring the effect of this policy on improved stewardship alignment from next year's voting season.

Compliance with the Trustees' Responsible Business beliefs	
Risk Management	
The Trustees believe that active consideration of ESG factors will lead to improved outcomes for Members and better management of risk.	The Trustees' discussions with BlackRock, and Isio's analysis of BlackRock in their Triennial review indicates that BlackRock sufficiently consider ESG factors in their investment management. The Trustees see BlackRock as compliant with this belief.
The Trustees believe that a broad approach to ESG integration is important, considering all three components of ESG investing. Climate change, in particular, presents significant risks, as well as opportunities to invest in the transition to a low-carbon and climate-resilient future.	BlackRock has provided the Trustees with the themes and areas of focus for its ESG integration, demonstrating broad cover across ESG factors. BlackRock has set a formal emissions reduction target across BlackRock LifePath and has reported on progress against this target. The Trustees see BlackRock as compliant with this belief.
Investment approach	
ESG issues which are considered to be financially material should be integrated into the overall management of the default option, with the aspiration for these to be across all asset classes.	LifePath has embedded responsible investment, with almost all corporate issuers now being screened on a baseline set of ESG principles and criteria. Exclusions cover tobacco, controversial weapons, UN Global Compact Violators, thermal coal, and civilian firearms. The Trustees see BlackRock as compliant with this belief.
The standard fund range should include specialist funds which invest in line with sustainable and/or responsible investment themes.	The BlackRock funds that form part of the AMT Fund Range were selected based on alignment to the Trustee's Responsible Investment Beliefs which focus on the risks and opportunities arising from climate change and other ESG factors.
The Trustees will only select managers that integrate ESG factors within their overall decision making – this applies for the default fund and the AMT Fund Range.	There was extensive analysis of the BlackRock funds for the AMT Fund Range review in the previous Scheme Year and BlackRock were selected as they are proven to integrate ESG factors within their overall decision making across all the BlackRock funds used in the revised fund range.

Reporting and monitoring	
The Trustees will monitor key ESG metrics within their investment portfolio to understand the impact of their investments.	BlackRock have further improved their ESG reporting and are now able to provide bespoke reporting for LifePath. The Trustees see BlackRock as compliant with this belief.
Voting and engagement	
The Trustees expect asset managers to vote in accordance with the Trustees' beliefs and will monitor the outcomes of managers' voting engagement actions and activity.	BlackRock have improved their responsible investment manager monitoring score as they can now meet the climate minimum expectation, however alignment to the Trustee's Expression of Wish voting policy remains low. The Trustees expect this alignment to improve following the development of BlackRock's Climate and Decarbonisation Stewardship Guidelines. The Trustees see BlackRock as compliant with this belief.
Collaboration	
The Trustees expect asset managers to engage actively with other market participants to raise ESG investment standards and facilitate best practices. They also expect managers to participate in common codes such as UNPRI and UK Stewardship code as a minimum and be able to demonstrate their ongoing progress in raising responsible investment standards.	BlackRock are signatories to UNPRI and UK Stewardship code and have demonstrated the progress they are making in adopting continually higher responsible investment standards. The Trustees confirm, in their opinion, BlackRock meet the requirements of this belief.

More information on BlackRock's stewardship and voting policies can be found on their **website.**

Overall, the Trustees believe that BlackRock comply with the Responsible Investment Beliefs in all areas, but the Trustees look forward to further progress and improvements after the changes are made to the LifePath investment strategy in the next Scheme Year.

Summary of engagement activity by asset managers

The Trustees monitor the engagement and voting performance across all asset managers against the Trustees' Responsible Investment Beliefs and expectations within the Responsible Investment Policy. The Trustees' expectations for effective engagement by asset managers apply across funds, asset types and geographies, whilst recognising the need for strategies to be adapted for circumstances such as local market considerations. The Trustees expect engagement to impact all investment strategies, across both long and short time-horizons, and whether a fund is actively or passively managed.

As listed equity is the major asset class Members invest in, the Trustees focus more extensively on this when reviewing asset manager engagement progress and associated reporting. The Trustees recognise, however, that stewardship practices are fast evolving beyond equities. In February 2024, the Trustees enhanced the engagement-related expectations for asset managers within the Responsible Investment Policy to include specific Fixed Income considerations, and also included Fixed Income engagement-related considerations as part of their asset manager monitoring assessments.

The information below is a summary of engagement activities undertaken within the Scheme Year by the asset managers of the Scheme fund range.

Fund	Engagement meetings by topic within the Scheme year	Company engagement example
Asset Manager: BlackRock		
Aegon LifePath	Environmental - Climate risk Management: 859 Social: 918	**Issue**: A Japanese multinational automotive manufacturer was identified as exhibiting poor performance on climate lobbying disclosures as identified by Lobbymap. This included the lack of transparency on how it evaluates alignment of these against Paris Agreement goals and on the actions taken on any misalignment. **Manager Response/approach:** The asset manager disclosed that it continues to engage with the company to improve the assessment and reporting alignment of lobbying activities with the goals of the Paris Agreement. In 2024, the asset manager supported a shareholder proposal requesting greater disclosure of the company's climate-related lobbying activities. We found that the asset manager supported a similar shareholder proposal in 2023. **Trustee position and actions:** The Trustees voting guidelines are transparent about climate policy lobbying expectations for corporates. Companies should disclose the membership of trade associations and address instances where there are significant inconsistencies between a company's publicly stated policy positions and commitments including sustainability and net zero targets, and potentially conflicting views of trade associations of which the company may be a member. The Trustees encourage companies to publicly commit to aligning lobbying with the goals of the Paris Agreement in line with the Global Standard on Responsible Corporate Climate Lobbying. Through our EoW, the Trustees requested that our key managers supported a shareholder resolution at the company to request issuance of an annual report on its alignment with climate-related lobbying activities and the goals of the Paris Agreement.
Aegon Global Sustainable Multi-Asset Balanced	Environmental - Climate risk Management: 276 Social: 282	
Aegon Global Small Cap Equity Tracker	Environmental - Climate risk Management: 196 Social: 276	
Aegon Developed Markets ex-UK Equity Tracker	Environmental - Climate risk Management: 419 Social: 493	
Aegon Emerging Markets Equity Tracker	Environmental - Climate risk Management: 114 Social: 70	
Aegon Europe ex-UK Equity Tracker	Environmental - Climate risk Management: 90 Social: 81	
Aegon Japan Equity Tracker	Environmental - Climate risk Management: 50 Social: 80	
Aegon Pacific ex-Japan Equity Tracker	Environmental - Climate risk Management: 39 Social: 50	
Aegon US Equity Tracker	Environmental - Climate risk Management: 198 Social: 224	
Aegon UK Equity Tracker	Environmental - Climate risk Management: 136 Social: 125	

Fund	Engagement meetings by topic within the Scheme year	Company engagement example
Asset Manager: BlackRock		
Aegon LifePath	Environmental - Climate risk Management: 859 Social: 918	**Outcome and next steps:** The company had improved disclosure of climate-related lobbying activity although the company has not yet fully assessed alignment of its lobbying activities with goals of the Paris Agreement. In 2025 and through our annual manager monitoring due diligence questionnaire, we'll continue to engage and influence our key managers' activities to understand how they seek to improve corporate practices on climate policy lobbying alignment.
Aegon Global Sustainable Multi-Asset Balanced	Environmental - Climate risk Management: 276 Social: 282	
Aegon Global Small Cap Equity Tracker	Environmental - Climate risk Management: 196 Social: 276	
Aegon Developed Markets ex-UK Equity Tracker	Environmental - Climate risk Management: 419 Social: 493	
Aegon Emerging Markets Equity Tracker	Environmental - Climate risk Management: 114 Social: 70	
Aegon Europe ex-UK Equity Tracker	Environmental - Climate risk Management: 90 Social: 81	
Aegon Japan Equity Tracker	Environmental - Climate risk Management: 50 Social: 80	
Aegon Pacific ex-Japan Equity Tracker	Environmental - Climate risk Management: 39 Social: 50	
Aegon US Equity Tracker	Environmental - Climate risk Management: 198 Social: 224	
Aegon UK Equity Tracker	Environmental - Climate risk Management: 136 Social: 125	

Fund	Engagement meetings by topic within the Scheme year	Company engagement example
Asset Manager: BlackRock		
Aegon LifePath	Environmental - Climate risk Management: 859 Social: 918	**Outcome and next steps:** The company had improved disclosure of climate-related lobbying activity although the company has not yet fully assessed alignment of its lobbying activities with goals of the Paris Agreement. In 2025 and through our annual manager monitoring due diligence questionnaire, we'll continue to engage and influence our key managers' activities to understand how they seek to improve corporate practices on climate policy lobbying alignment.
Aegon Global Sustainable Multi-Asset Balanced	Environmental - Climate risk Management: 276 Social: 282	
Aegon Global Small Cap Equity Tracker	Environmental - Climate risk Management: 196 Social: 276	
Aegon Developed Markets ex-UK Equity Tracker	Environmental - Climate risk Management: 419 Social: 493	
Aegon Emerging Markets Equity Tracker	Environmental - Climate risk Management: 114 Social: 70	
Aegon Europe ex-UK Equity Tracker	Environmental - Climate risk Management: 90 Social: 81	
Aegon Japan Equity Tracker	Environmental - Climate risk Management: 50 Social: 80	
Aegon Pacific ex-Japan Equity Tracker	Environmental - Climate risk Management: 39 Social: 50	
Aegon US Equity Tracker	Environmental - Climate risk Management: 198 Social: 224	
Aegon UK Equity Tracker	Environmental - Climate risk Management: 136 Social: 125	

Fund	Engagement meetings by topic within the Scheme year	Company engagement example
Asset Manager: HSBC		
Aegon Global Islamic Equity Tracker	Environment: Climate change 26 Environment - Natural resource use/impact (e.g. water, biodiversity) 20 Social - Human and labour rights - 14 Social - Human capital management (e.g. diversity, employee safety) 22	**A leading European Pharmaceutical** **Issue:** The company has proven highly innovative and successful in developing a number of leading drugs across its therapeutic focus areas. HSBC noted the growing scope 3 emissions of the company and believed it should and could aim to reduce these emissions both as part of maintaining a strong license to operate and ESG rating, as well as demonstrating it takes a long-term and engaged approach to ensuring a sustainable supply chain, upon which its success is partly based. **Manager Response/approach:** In Q3 2024 HSBC met investor relations (IR) and ESG IR for a private meeting and shared their perspectives about the rise in scope 3 emissions despite the reduction target. HSBC praised the company's approach to health access in less wealthy countries, and their commitment to living wages across its production facilities and supply chain. In Q4 2024, HSBC attended a company event for investors on health equity and access, where they were able to share their perspectives with the head of sustainability, and the wider IR team. **Trustee position and actions:** The Trustees encourage companies to adopt Science-based emission reductions and get these targets' reviewed and assessed by independent initiative such as SBTi. Whilst scope 3 emissions may be out of immediate reach for management, the Trustees welcome consideration put by the company's head of sustainability in factoring in suppliers' emissions when assessing them. **Outcome and next steps:** Whilst the engagement is still in the early stages, the Trustees are pleased to see that the company has revealed more explicit targets to engage its supply chain on becoming science-based target aligned for emissions reductions (Q4 2024). Aegon's RI team learned from the head of sustainability that some suppliers may have to be changed if they cannot reduce emissions, following a clear improvement process that is not completed. HSBC will continue to monitor the company and engage in 2025.
Aegon Developed Markets Equity Tracker	Environment - Climate change 110 Environment - Natural resource use/impact (e.g. water, biodiversity) 55 Social - Human and labour rights: 29 Social - Human capital management: 58	

Fund	Engagement meetings by topic within the Scheme year	Company engagement example
Asset Manager: Baillie Gifford		
Aegon Global Sustainable Equity	Environmental: 11 Social: 13	**Background:** Baillie Gifford set a specific engagement objective with a Canadian e-commerce company, to discuss their approach to sustainability and communicate a desire to see its sustainability reporting develop. **Manager Approach:** Baillie Gifford found it useful to meet the new head of sustainability and to understand his focus areas. He expects to continue the company's strategy of funding quality carbon removal and allowing businesses and their customers to participate in these initiatives. The company's team was clear that while the initiatives remain voluntary, the company will not set any absolute emissions reduction targets but will maintain its commitment to being carbon neutral through offsetting and removal. Baillie Gifford emphasised the Trustee's belief that a company should focus on its most material Environmental, Social and Governance (ESG) matters but also that emissions reduction targets are increasingly expected for such large companies. Baillie Gifford also asked whether the company would consider restarting its social impact assessments and reporting among its merchants which it had stopped in recent years. **Trustee position and actions:** The Trustees are aligned with Baillie Gifford's emphasis on focusing on the most material ESG matters, and that emissions reduction targets are expected for such large companies. **Outcome and next steps:** Baillie Gifford will continue to discuss emissions targets and impact reporting with the company when meeting with the relevant teams.

Fund	Engagement meetings by topic within the Scheme year	Company engagement example
Asset Manager: Schroder		
Aegon Global Sustainable Multi-Asset Growth	Environmental - Climate risk Management: 974 Social: 343	**Issue:** This Energy company was chosen for engagement due to its position as a leader in renewable energy and the ongoing dialogue since 2009 on climate-related issues. This engagement aligns with the manager's commitment to investing in companies with robust sustainability practices and clear pathways to net zero, supporting the transition to a low-carbon economy. These objectives include enhancing their climate governance, promoting the alignment of executive remuneration with climate performance, and requesting the implementation of a formal Just Transition strategy, linked to the United Nations Sustainable Development Goals, specifically Goal 7 (Affordable and Clean Energy) and Goal 13 (Climate Action). **Manager Approach:** The manager's engagement with this company began in 2009 and has evolved through strategic collaborations, including our recent partnership with the Climate Action 100+ (CA100+) coalition. Key activities over the past year include initiating a new engagement agenda in January 2024, focusing on climate governance, decarbonisation, and capital allocation. Multiple meetings were held, including a call in April 2024 to address ESG-linked compensation and board structure. The manager's engagement has generally involved discussions with C-suite executives and board members. As co-leads in the CA100+ coalition, the manager plays an active role in driving the engagement, ensuring a shared commitment to climate goals. **Trustee position and actions:** The Trustees are satisfied the manager is acting in line with the Trustee's expectations that managers engage with companies on the transparency of their climate disclosures, their net zero commitments and associated transition plans. The Trustee's will continue to monitor managers' climate engagement as part of their annual monitoring exercise.

Fund	Engagement meetings by topic within the Scheme year	Company engagement example
Asset Manager: Schroder		
Aegon Global Sustainable Multi-Asset Growth	Environmental - Climate risk Management: 974 Social: 343	**Outcome and next steps:** The engagement with this company has made notable progress, evidenced by the company's ambitious climate action plan and its commitment to align executive remuneration with climate performance. The manager's call for a formal Just Transition strategy is being considered, and their internal initiatives indicate a positive response to stakeholder impact. While the indicated Key Performance Indicators are still pending finalisation, the manager is encouraged by the company's proactive stance in climate governance. Moving forward, the manager will continue to collaborate within the CA100+ coalition, monitoring advancements in the company's climate transition strategy and assessing any impact on the manager's investment decisions based on the company's progress.

Fund	Engagement meetings by topic within the Scheme year	Company engagement example
Asset Manager: JPM AM		
Aegon Global Climate Focus Equity	Environmental: 28 Social: 27	**Issue:** In July, it came to light that a large dual-listed UK and Australian mining company, had signed a letter to the Australian prime minister requesting changes to the Government's Nature Positive plan and proposed reforms to the 1999 Environment Protection and Biodiversity Conservation Act (EPBC Act). The letter notably requested the removal of climate change requirements of the reform. The letter also included criticisms of the reform consultation process and other requests related to critical protection areas, offsets and approvals. This lobbying activity was seemingly at odds with the company's public position on climate-related policy advocacy, exposing the company to potential reputational risk. **Manager Approach:** JPM engaged with the company to better understand the company's position on this topic, and joined a group investor call with the company's Chief Executive, Australia and General Manager of State Agreements and Approvals, Iron Ore. JPM AM subsequently organised a one-to-one meeting with the company's Chief Advisor on Climate Change and asked the company to publish a statement clarifying the company position on the Australian government's nature positive plan and explain how this position is consistent with the company's publicly stated climate commitments. The asset manager noted the company's letter was at odds with the high level of transparency from the company on policy advocacy to date, as the company usually publishes its policy positions and engagements on its website. The letter itself had expressed that the inclusion of climate considerations within this reform would be duplicative with existing policy, but the company did not provide more detail on how these reforms were duplicative or problematic.

Fund	Engagement meetings by topic within the Scheme year	Company engagement example
Asset Manager: JPM AM		
Aegon Global Climate Focus Equity	Environmental: 28 Social: 27	**Outcome:** The company's Chief Adviser on Climate Change confirmed the company was drafting a public statement addressing JPM's concerns and those of other investors. In October, the company released a public statement on the EPBC Act clarifying the company's position. JPM appreciate this transparency which is more consistent with previous public statements on climate advocacy. **Trustee position and actions:** The Trustees are attentive to company's policy lobbying, in particular when these practices are not transparent or in opposition with public statements, commitment or policies. The Trustees welcome the clarification of the company's position towards the EPBC Act.

Fund	Engagement meetings by topic within the Scheme year	Company engagement example
Asset Manager: M&G		
Aegon Global Listed Infrastructure	Environment - Climate change 3 Environment - Natural resource use/impact (e.g. water, biodiversity) 1 Social - Human and labour rights: 1 Social - Human capital management: 2	**Issue:** The company, a global digital payment business, needed to clarify its climate strategy to: • confirm it was on track for SBTi validation of its net zero target (since the company had not yet submitted targets) • as well as providing more disclosure around its scope 3 reduction efforts **Manager approach:** M&G met with the company's chief counsel, people, corporate responsibility & communications, alongside investor relations. **Trustee position and actions:** The Trustees are satisfied the manager is acting in line with the Trustee's expectations that managers engage with companies on the transparency of their climate disclosures, their net zero commitments and associated transition plans. The Trustee's will continue to monitor managers' climate engagement as part of their annual monitoring exercise. **Outcome and next steps:** The company confirmed that it had submitted its net zero target to SBTi for validation, and was awaiting approval. In terms of scope 3, the company has implemented a programme to address those emissions, including drilling down into climate in its supplier code of conduct, and working with suppliers, particularly smaller and medium sized suppliers, to help educate them on paths to decarbonisation. It has also provided customer education, and has provided solutions to financial institutions, including partnering with Ecolytiq. This offers banks and financial institutions an all-in-one sustainability solution to empower their customers to take climate action. The asset manager suggested reporting on the success of its scope 3 efforts, including the pathway to achieving its targeted reductions, which the company acknowledged for consideration.

Summary of voting behaviour and most significant votes through Expression of Wish

In reviewing the exercising of voting rights delegated to asset managers, the Trustees have collected evidence of the voting records undertaken on the Trustees' behalf within the Scheme's fund range, to illustrate stewardship in action. Details of these voting records are outlined in the appendix.

The Trustees expressed their voting preferences on most significant votes through their 'expression of wish' (EOW) approach and engaged with key managers ahead of the votes to share their views and encourage manager support for the Trustees' voting preferences. The Trustees monitored managers' alignment with their preferences after the company AGMs and engaged or escalated with managers where they noted divergence.

The table below provides details of the Trustees' significant votes within the Scheme year, which are broadly across the whole Lifepath solution and some other funds within the fund range. The Trustees have selected their most significant votes taking into account significant holdings within the Scheme and alignment with Trustees' engagement priorities. Most significant votes selected by the Trustees focussed on climate, reflective of the Scheme's climate ambition and net-zero commitment.

Company	Vote type	Resolution	Trustee priority engagement theme	Approx size of company within the Scheme	Trustees EOW	Outcome of vote (shareholder proposals)
American multinational investment bank	Shareholder proposal	Policies and practices respecting indigenous people's rights	Human Rights	0.12%	For	26% support
	Shareholder proposal	Reporting risks from voluntary carbon-reduction commitments (Anti-ESG)	DEI		Against	1% support
	Shareholder proposal	Disclosing material risks associated with animal welfare	Nature		Against	8% support
	Director re-elections	Voting on director elections due to climate concerns	Climate		For	N/A

Company	Vote type	Resolution	Trustee priority engagement theme	Approx size of company within the Scheme	Trustees EOW	Outcome of vote (shareholder proposals)
Global shipping and logistics company	Shareholder proposal	Effectiveness of diversity equity and inclusion efforts	DEI	0.07%	For	22% support
	Shareholder proposal	Reporting risks from voluntary carbon-reduction commitments (Anti-ESG)	Climate		Against	8% support
British multinational bank	Director re-elections	Voting on director elections due to climate concerns	Climate	0.07%	For	N/A

Company	Vote type	Resolution	Trustee priority engagement theme	Approx size of company within the Scheme	Trustees EOW	Outcome of vote (shareholder proposals)
American multinational Bank	Director re-elections	Voting on director elections due to climate concerns	Human Rights	0.54%	For	N/A
	Shareholder proposal	Report on due diligence in conflict high risk areas	Climate		For	7% support
	Shareholder proposal	Reporting humanitarian risks due to climate change policies (Anti-ESG			Against	1% support
British multinational oil & gas company	Director re-elections	Voting on director elections due to climate concerns	Climate	0.16%	Against	N/A
	Say on climate	Approve the Energy Transition Strategy	Climate		Against	78% support
	Shareholder proposal	Scope 3 GHG emissions reduction targets	Climate		For	18% support

Company	Vote type	Resolution	Trustee priority engagement theme	Approx size of company within the Scheme	Trustees EOW	Outcome of vote (shareholder proposals)
French multinational energy company	Say on climate	Approve the Sustainability & Climate Progress Report 2024	Climate	0.13%	Against	75% support
American multinational technology company	Shareholder proposal	Report on packaging materials and plastic	Nature	1.76%	For	28% support
	Shareholder proposal	Additional reporting on stakeholder social impacts	Climate		For	23% support
	Shareholder proposal	Alternative emissions reporting (Anti-ESG)	Climate		Against	4% support
	Shareholder proposal	Reporting on freedom of associations of workers	Human Rights		For	32% support
	Shareholder proposal	Reporting on warehouse working conditions	Human Rights		For	31% support
	Shareholder proposal	Reporting on Racial and Gender Pay Gaps	DEI		For	29% support

Company	Vote type	Resolution	Trustee priority engagement theme	Approx size of company within the Scheme	Trustees EOW	Outcome of vote (shareholder proposals)
Swiss multinational commodity trading & mining company	Say on climate	Approve the climate action transition plan	Climate	0.002%	Against	83% support
	Director re-elections	Voting on director elections due to climate concerns	Climate		Against	N/A
American retail corporation	Shareholder proposal	Establish minimum wage policies	Human Rights	0.07%	For	13% support
Japanese multinational automotive manufacturer	Shareholder proposal	Reporting on climate-related lobbying	Climate	0.14%	For	10% support
	Director re-elections	Voting on director elections due to climate concerns	Climate		For	N/A

BlackRock, as the Scheme's default asset manager, and two other Scheme managers were assessed by the Trustees to consider their level of voting alignment. The Trustees found that HSBC and Aegon Asset Management voted in line with the Trustees' EOW voting preferences (respectively 90% and 100%) in all instances where the manager held the relevant company. BlackRock's voting behaviour improved from last Scheme Year, reaching 30%. The Trustees noted that the improvement in BlackRock's alignment with our EOW is due to the inclusion of anti-ESG shareholder proposals in the sample this year, rather than more assertive voting escalation undertaken on material sustainability issues from BlackRock's stewardship.

The Trustees concluded overall, there is further scope for asset managers to support clearer disclosures and accountability by companies to ensure the long-term financial interests of Scheme Members.

The Trustees are pleased by the development of BlackRock's new decarbonisation policy which will apply to engagement with companies that play a key role in the low carbon transition, and which they fed into as part of a dedicated client consultation. The Trustees will continue engaging with and challenging BlackRock on the areas of divergence, particularly on our engagement themes beyond climate which would not be covered under BlackRock's new decarbonisation policy.

Broader considerations related to stewardship

Member engagement

The Trustees recognise the importance of taking into account employer and beneficiary needs in informing their stewardship of Members' pension savings. During the Scheme Year, the Trustees considered the results from one research surveys undertaken by Aegon, where customers shared their views on responsible investment factors.

The latest Member survey confirmed the previous results. 78% are concerned about climate change, with 41% being 'very concerned'. For about a third of customers (29%), sustainable investment has become more important over the last 3 years, especially among those very concerned about climate change. When considering impacts to nature, customers are most concerned (74%) about natural habitat loss, (e.g. deforestation) and pollution (73%). The Trustees are already actioning Member's views within existing work. This year's insights reinforces that our current RI approach is the correct one to deliver outcomes that our customers are interested in our current themes continue to be the key themes our customers are most concerned about.

Industry advocacy

The Trustees recognise the importance of industry advocacy, including collaborative engagement and policy lobbying, in helping to address systemic risks and promoting a well-functioning financial system. Through Aegon, the Trustees are supporting progress on sustainability and stewardship using industry initiatives like the Institutional Investors Group on Climate Change (IIGCC) and their Policy advisory group focused on climate policy regulation, the Net Zero Asset Owner Alliance manager engagement track and deforestation working group.

Appendix to Implementation Statement

Voting record for all funds, where asset manager was eligible to vote.

The table below provides voting records on equity and multi-asset funds only. There is no voting data produced for cash, fixed income or property funds as these funds are not eligible to vote.

Fund	Voteable	Proposals Voted %	With Mgmt %	Against Mgmt %	Abstain %
Core default fund					
LifePath (All versions and vintages)	94,258	96% | 91,134 proposals	92% | 84,432 proposals*	7% | 6,704 proposals*	1% | 1,014 proposals*
Aegon Global Climate Focus Equity	943	97% | 918 proposals	95% | 875 proposals*	4% | 43 proposals*	0% | 0 proposals*
Aegon Global Sustainable Equity	322	100% | 322 proposals	94.7% | 305 proposals	4.7% | 15 proposals	0.6% | 2 proposals
Aegon Global Sustainable Multi-Asset Growth	8,959	96% | 8,594 proposals	89% | 7,626 proposals*	11% | 968 proposals*	0% | 23 proposals*
Aegon Global Sustainable Multi-Asset Balanced	22,130	98% | 21,905 proposals	94% | 20,667 proposals*	5% | 1,238 proposals*	1% | 273 proposals*
Aegon Global Small Cap Equity Tracker	44,157	96% | 42,443 proposals	92% | 39,385 proposals*	7% | 3,060 proposals*	0% | 108 proposals*
Aegon Global Listed Infrastructure	623	96% | 604 proposals	91% | 555 proposals*	8% | 49 proposals*	0% | 1 proposals*
Aegon Global Islamic Equity Tracker	1,720	97% | 1,677 proposals	78% | 1,313 proposals*	21% | 364 proposals*	0% | 2 proposals*
Aegon Developed Markets ex-UK Equity Tracker	24,298	94% | 22,844 proposals	94% | 21,630 proposals*	5% | 1,214 proposals*	0% | 71 proposals*
Aegon Developed Markets Equity Tracker	12,795	91% | 11,726 proposals	82% | 9,707 proposals*	17% | 2,019 proposals*	0% | 18 proposals*
Aegon Emerging Markets Equity Tracker	17,745	99% | 17,573 proposals	88% | 15,567 proposals*	11% | 2,006 proposals*	0% | 106 proposals*
Aegon Europe ex-UK Equity Tracker	8,192	84% | 6,898 proposals	90% | 6,276 proposals*	9% | 622 proposals*	0% | 55 proposals*
Aegon Japan Equity Tracker	5,679	100% | 5,679 proposals	97% | 5,509 proposals*	2% | 170 proposals*	0% | 0 proposals*
Aegon Pacific ex-Japan Equity Tracker	4,903	100% | 4,903 proposals	90% | 4,426 proposals*	9% | 477 proposals*	0% | 5 proposals*
Aegon US Equity Tracker	7,061	97% | 6,874 proposals	97% | 6,734 proposals*	2% | 140 proposals*	0% | 0 proposals*

Fund	Voteable	Proposals Voted %	With Mgmt %	Against Mgmt %	Abstain %
Core default fund					
Aegon UK Equity Tracker	9,642	99% | 9,588 proposals	97% | 9,348 proposals*	2% | 240 proposals*	0% | 9 proposals*
Aegon Global Short Term Sustainable Bond	#N/A	#N/A	#N/A	#N/A	#N/A
Aegon Global Sustainable Government Bond	#N/A	#N/A	#N/A	#N/A	#N/A
Aegon Global Absolute Return Bond	#N/A	#N/A	#N/A	#N/A	#N/A
Aegon Global Strategic Bond	#N/A	#N/A	#N/A	#N/A	#N/A
Aegon UK Property	#N/A	#N/A	#N/A	#N/A	#N/A
Aegon UK Government Bond Tracker	#N/A	#N/A	#N/A	#N/A	#N/A
Aegon UK Index-Linked Government Bond Tracker	#N/A	#N/A	#N/A	#N/A	#N/A
Aegon UK Corporate Bond Tracker	#N/A	#N/A	#N/A	#N/A	#N/A
Aegon Retirement Income Multi-Asset	#N/A	#N/A	#N/A	#N/A	#N/A
Aegon Cash	#N/A	#N/A	#N/A	#N/A	#N/A

Appendix 5
Aegon Master Trust's Climate-Related Financial Disclosure 2024-25

Glossary

Biodiversity: Diversity within species, between species and of ecosystems.

Carbon footprint: The amount of carbon dioxide (and greenhouse gas equivalent) released into the atmosphere as a result of the activities of a particular individual, organisation, or community. In the case of your pension, it is the level of collective greenhouse gas emissions generated by the companies in which the Scheme invests and measures how many tonnes of emissions are being financed per £1 million invested.

Carbon sequestration: A natural or artificial process by which carbon dioxide is removed from the atmosphere.

Climate solutions: We define climate solutions as investments with core activities directly and substantially contributing to climate change mitigation and/or adaptation. The climate solutions should be intentional and measurable.

Climate Value-at-Risk (CVaR): CVaR is a forward-looking assessment of the potential financial effects of climate risks and opportunities on our investment funds under different transition scenarios.

Default fund: A default fund (or default investment strategy) is a type of lifestyle fund that Members of a workplace pension scheme are automatically invested in if they don't select a fund when joining the scheme. Lifestyle funds are designed for savers who don't make active fund choices throughout their working life.

Divesting: The process of removing an investment usually for ethical, financial or political reasons. This is often seen as a last resort when other options such as engagement or stewardship have failed.

Double materiality: When we consider the effect of climate change on our investments, we follow the concept of double materiality. This considers both the biggest impacts climate change has on our investments, as well as the significant impact our investments have on nature, climate and society.

Engagement: Purposeful, targeted communication with an entity (for example, fund manager, company, government, industry body, regulator) on particular matters of concern, aiming to encourage change, or address a market-wide or systemic risk such as climate change.

Environmental, social, and governance (ESG): ESG stands for environmental, social and governance factors. How companies choose to respond to ESG issues (such as climate change, diversity and inclusion, and human rights) could influence investment returns and the ability of your pension to provide a reliable income for you in retirement.

- Environmental – looks at how companies manage environmental risks (such as climate change, and waste and pollution) or take opportunities (such as the move to renewable energy).
- Social – relates to a company's effect on individuals and society and covers factors such as human rights and labour standards, diversity, equity and inclusion or workplace safety.
- Governance – good governance ensures a company's management team, and its board look beyond short-term financial interests alone to make decisions which ensures long-term success. This covers factors such as risk management, board structure and remuneration.

ESG screens: These exclude investments based on set criteria such as exposure to weapons, tobacco, UN Global Compact violators, thermal coal, oil sands or gambling.

ESG tilts: These favour investments in companies with high ESG scores and reduce exposure to companies with low ESG scores. ESG tilts may reduce the carbon footprint of a portfolio by decreasing exposure to carbon-intensive companies and favouring carbon-efficient or low-carbon assets.

Expression of wish (EoW): This is how we tell our key fund managers about our voting preferences for resolutions, including climate-related ones. The aim is for our fund managers to align with our voting positions, and we expect them to use their voting rights and responsibilities in line with our expressions of wish.

Fiduciary duty: How we take care of our Members' money by considering all long-term investment value drivers in the investment decision-making process, including ESG factors.

Greenhouse gases (GHG): Greenhouse gases, such as carbon dioxide (CO2) and methane (CH4), cause the greenhouse effect which is contributing to global warming and climate change. Greenhouse gases emissions are measured in terms of emissions of CO2 equivalent (CO2e).

Gross domestic product (GDP): GDP is a key economic indicator that measures the total value of all goods and services produced within a country and is used to measure the country's economic performance. It is often used for comparison between different countries.

Gross Domestic Product at Purchasing Power Parity (GDP-PPP): This is an economic metric that adjusts the GDP of a country to reflect the relative cost of living and inflation rates of different countries. This adjustment allows for a more accurate comparison of economic productivity and living standards between countries. This metric is used to help calculate the sovereign carbon intensity of a country (see sovereign debt).

Just transition: 'Greening' the economy in a way that's as fair and inclusive as possible to everyone, creating decent work opportunities and leaving no one behind.

Liability risks: The risk that individuals or businesses seek compensation for losses suffered from the effects of physical or transition risks for which they hold organisations responsible. Liability risk is considered a subset of both transition risk and physical risk.

Low-carbon economy: An economy where GHG emissions are low.

Net zero: Net zero is the point where we balance the amount of GHG emissions being produced with the amount that can be used and stored by nature. One of the main ways to do this will be to reduce the amount of GHG emissions produced.

Net-zero portfolio: A portfolio with investments with aggregated net-zero GHG emissions, aligned with the goals of the Paris Agreement of keeping global temperatures to well below 2°C and preferably 1.5°C.

Paris Agreement/Paris-aligned: The Paris Agreement is an international treaty on climate change agreed at the UN Climate Change Conference (COP21) in 2015. The Agreement set long-term goals to reduce GHG emissions and the limit global temperature rise to 2°C above pre-industrial levels by the end of the century and to pursue efforts to limit the temperature rise to 1.5°C above pre-industrial levels.

Pathways: A set of emissions trajectories used to evaluate progress and the transition to the goal of global net-zero emissions.

Physical risks: The risks arising from changes in the weather system caused by climate-change, for example temperature and rainfall changes, or the frequency and severity of extreme weather events, which can lead to financial losses and damage to physical assets. Physical risks can be both acute (event driven) and chronic (long-term) in nature.

Popular arrangement: A popular arrangement means one in which £100 million or more of a scheme's assets are invested, or which accounts for 10% or more of the assets used to provide money purchase benefits. Our main popular arrangement is Aegon BlackRock LifePath Flexi. We have two additional popular arrangements, Aegon BlackRock LifePath Capital and Aegon Developed Markets ex-UK equity.

Private market investments: These are investments that aren't publicly listed or traded. They can be highly 'illiquid' which means they may take a long time to buy and sell. Lack of liquidity may also reduce the value of private market investments.

Responsible investment: Responsible investment is the consideration of ESG factors when making investment decisions. This helps minimise associated investment risks, while also identifying opportunities to help grow your savings over the long-term.

Scope 1 and 2 GHG emissions: Scope 1 emissions are direct GHG emissions that come from sources owned or controlled by a reporting company. Scope 2 emissions are indirect GHG emissions from the generation of purchased or acquired electricity, steam, heating, or cooling consumed by a reporting company.

Scope 3 GHG emissions: All other indirect GHG emissions, not included in scope 1 or 2, that are caused by the activities of the reporting company. Scope 3 emissions are typically more material than scope 1 and 2.

Sovereign debt: The amount of money that a country's government has borrowed to fund government spending. Governments borrow by issuing bonds, bills, debt securities, or loans. Pension schemes buy and hold such investments.

Stranded assets: Investments in companies that become economically or operationally unviable as economies transition to net zero and lose value resulting in lower returns to investors. This could include companies extracting coal, gas and oil.

Stewardship: A powerful tool that fund managers can use to influence corporate behaviour, engaging with the companies they invest in to make your money talk on your behalf. They can vote on the re-election of board directors, and challenge companies on weak employment practices or poor environmental records.

Taskforce on Climate-related Financial Disclosure (TCFD): The Task Force on Climate-related Financial Disclosures was established to develop recommended climate-related disclosures for companies and financial institutions. These guidelines help inform investors, shareholders, and the public about climate-related financial risks.

Transition risks: The risk arising from the changes required to support the transition to a sustainable, low-carbon economy, including those driven by policy and technology changes.

Voting season: Voting season refers to the period when companies hold their Annual General Meetings (AGMs), typically once a year. During this time, shareholders exercise their voting rights on critical matters, shaping the company's future.

Foreward from Ian Pittaway, Chairman of the Aegon Master Trust Board

It is a pleasure to introduce the third Aegon Master Trust (the 'Scheme') climate-related financial disclosure, our Task Force on Climate-Related Financial Disclosures (TCFD) report, covering the period 1 April 2024 – 31 March 2025 (the 'Scheme Year'). This TCFD report outlines the progress the Trustees of the Scheme (referred to as the 'Trustees', 'Trustee Board', 'we' or 'us' within this report), are making towards better climate management and our net-zero targets. The Scheme continues to align with international scientific consensus by aiming to reduce greenhouse gas (GHG) emissions for our main default arrangement, Aegon BlackRock LifePath Flexi, by 50% by 2030 against our 2020 baseline, and to reach net-zero emissions by 2050. We, the Trustees, want to help Members make informed decisions about their pension investments and ensure that the Scheme default arrangement which most Members are invested in, is aligning to net zero.

This TCFD report gives our Members more information on how we manage their investments in the context of climate change. Whilst we place a major emphasis on managing climate-related risks, we are also seeking out opportunities for our Members to benefit from the transition to a low-carbon economy. For us, it is a time of reflection on what we have achieved in the Scheme Year, from reducing the Scheme's main default arrangement scope 1 and 2 carbon footprint by 50% compared with a 2020 baseline to extending our 'expression of wish' process for the 2024 voting season. In addition, I am proud that we have contributed to BlackRock adopting its Climate and Decarbonisation Stewardship Guidelines which will further align our stewardship objectives with our main fund managers.

We have made encouraging progress against our interim decarbonisation target. However, the Scheme meeting its target remains ultimately dependent on national and global policies. As an asset owner managing a highly diversified and long-term portfolio, we believe it is in our Members' interests that the wider economy, and not only our portfolio, decarbonises. Consequently, we work collaboratively with the industry to ensure progress is made in that direction and we recognise that even though developed countries are decarbonising their economy year on year, this is not sufficient to reach their net-zero commitments. Following the 2024 United Nations Climate Change Conference (COP28) commitments[1] to transition away from fossil fuels, phase-down unabated coal power and triple renewable energy capacity by 2030, expectations were high for the last conference (COP29). The conference brought an alignment of parties on voluntary carbon markets, but fell short of expectations. While welcome, this alignment will not be enough to keep global temperature rise below 1.5°C. This year's COP30 in Belem may be our last chance to stay on track with the 2015 Paris Agreement.

I hope this report gives a good sense of our decarbonisation progress so far and related emerging topics we are considering, such as biodiversity.

Ian Pittaway,
Chairman of the Aegon Master Trust Board

1. COP28: Global Renewables and Energy Efficiency Pledge (Nov 2023), accessed June 2024

Executive summary

This TCFD report explains how we addressed climate-related risks and opportunities during the Scheme Year. It is based on the requirements in the Occupational Pension Schemes (Climate Change Governance and Reporting) Regulations 2021 and the related DWP Guidance on Governance and Reporting of Climate Change Risk ('Statutory Guidance')[2].

Climate change represents an existential threat[3] and has already been disrupting financial markets[4] and traditional systems of governance, with real-life impacts for our Member[5] 2024 was the warmest year on record globally and the first year that was 'likely' more than 1.5°C above pre-industrial levels[6], highlighting that the headroom to stay within the Paris Agreement 1.5°C guard rail is now wafer thin and should serve as a call to action.

The Scheme offers a range of funds to help Members save for retirement, which are suitable for those of different ages, different risk attitudes and different retirement benefit plans. As the Trustees, we consider it our fiduciary duty to embed climate stewardship in the investments we make available to our Members. In doing so, we aim to be able to proactively address climate-related financial risks, as well as contribute to the transition to a low-carbon economy and net-zero world.

To limit global warming to 1.5°C by the end of the century, as outlined in the Paris Agreement, economies must reach net-zero CO2 emissions by 2050[7]. For a pension scheme, this will require the decarbonisation of investment portfolios over this time horizon or sooner, which has previously informed our decision to set a 2050 net-zero target for our main default arrangement. Looking after the future financial wellbeing of our Members also means protecting the world they will live in when they access their pension savings. Pension asset owners are uniquely placed to support a systemic climate transition in the economy, by addressing climate issues with fund managers and prioritising net-zero goals. The existing integration of ESG factors into the Scheme's investments provides a foundation for structuring additional climate resilience into our portfolio. We are continuing the process of integrating climate risk and opportunities into our Scheme's governance, investment strategy and management systems.

We monitor attentively how the scenario analysis projects our portfolio to behave under various climate scenarios. Scenarios projecting higher temperatures have the worst impact on the portfolio's expected return. We can identify the most at-risk sectors (Energy, Utilities, Materials and Industrials) and regions (Asia-Pacific, Emerging Markets) to help prioritise our stewardship approach. By drilling into the drivers of physical risks, we can identify how the Scheme is exposed and understand the necessary investment in adaptation and resilience strategies to mitigate financial impacts. Although these scenarios offer a wealth of learning opportunities for us, they are still in their infancy and will benefit from future geo-localisation capabilities and the development of future climate models.

2. Department for Work and Pensions (October 2022), **Statutory guidance: Governance and reporting of climate change risk: guidance for trustees of occupational schemes**
3. António Guterres, Secretary-General of the United Nations speaking at the Austrian World Summit (May 2018), **Climate change: An 'existential threat' to humanity, UN chief warns global summit | | UN News**
4. European Central Bank, Occasional Paper Series: Climate change and monetary policy in the euro arena (September 2021) pp 29-31, **Climate change and monetary policy in the euro area**
5. Department for Environment, Food and Rural Affairs (January 2022), **UK Climate Change Risk Assessment**
6. Met Office (January 2025), **2024: record-breaking watershed year for global climate**
7. Intergovernmental Panel on Climate Change (2023), **Synthesis Report of the Sixth Assessment Report**

Executive summary

We have begun our journey to net zero by committing our main Scheme default arrangement, Aegon BlackRock LifePath Flexi, to net-zero greenhouse gas emissions by 2050 and to halve its carbon footprint by 2030, against its baseline. Our climate-related disclosure report provides an overview of the governance, strategy, risk management, metrics and targets employed to inform and continue to develop the Scheme's response to climate change. We are encouraged by the progress we have made during the Scheme Year, publishing our first Responsible Investment Policy, setting the Scheme's main default arrangement on a good track to reach its interim 2030 carbon footprint reduction target and implementing our 'expression of wish' process for a second year. The main climate-related achievements for the Scheme Year are listed below.

Governance

- We reviewed the Lifepath default arrangement, including its climate objectives, as part of the investment advisor's triennial review

Strategy

- We played a key role in influencing BlackRock's Climate and Decarbonisation Stewardship Guidelines and expanded our 'expression of wish' process to cover 100 companies for the 2024 voting season
- We agreed on a new strategy proposal to move our main default arrangement to stronger ESG indices, where possible
- We refined our climate scenario analysis by splitting out drivers of physical risks
- We formalised and published our responsible investment policy

Risk management

- We assessed all our fund managers' climate credentials and their year-on-year progress, which helped us prioritise our engagement with key fund managers
- We have initiated reporting on a new forward-looking metric, the Scheme's Net Zero Alignment following the development work done in the Scheme Year with MSCI

Metrics and targets

- We reported a 50% decrease in carbon footprint for scope 1 and 2 of our default arrangement between 2020 and 2024 for listed equity and corporate fixed income, demonstrating significant progress towards our medium-term target of halving its footprint by 2030
- We also report an increase in investments with approved Science Based Target Initiative (SBTi) targets and in investments aligned with climate opportunities

This TCFD report highlights the Trustees commitment to managing climate risks and opportunities for Members, acknowledging the fast-evolving nature of climate management and disclosures. Looking ahead, the Trustees will attentively review the effects of BlackRock's new decarbonisation stewardship policy on its alignment with the Trustees stewardship net-zero objectives, as well as the evolution of Aegon BlackRock Lifepath Flexi planned throughout the coming Scheme Year.

Introduction

The Scheme and climate change

The Scheme is an open defined contribution pension scheme with more than 190,000 Members and £5.25bn in assets under management as of 31 March 2025. This TCFD report marks the third year in which the Scheme has been disclosing its action and approach to assessing and managing the risks and opportunities associated with climate change. As a pension scheme, the Scheme invests over the long-term for its Members and is thus exposed to systemic risks such as climate change.

We believe the full scale of financial risks from climate change will manifest in the long-term, but the repercussions on how climate investments are assessed and managed are already underway. We, the Trustees, and the wider financial services industry have a critical role to play in helping deliver the targets set out under the Paris Agreement. We can do so by:

- identifying and mitigating climate risks within the Scheme's investment portfolio,
- capitalising on financial opportunities that the transition to a lower carbon economy brings, and
- giving more choice to Members who wish to be invested in climate-thematic funds.

This is essential to support an 'orderly' and 'just transition' to a low-carbon economy, with the least negative financial impacts for Members. We seek to drive proactive engagement on key climate topics, directly with our fund managers. We do this through fund manager oversight and via their active engagement with the companies in which they invest and through collaborative industry and policy engagement, with Aegon UK representing us, the Trustees. The data analysis we provide in this report gives Members an overview of how we assess climate risks. This guides our climate strategy, which is focused on the achievement of our net-zero target for our Members' benefit.

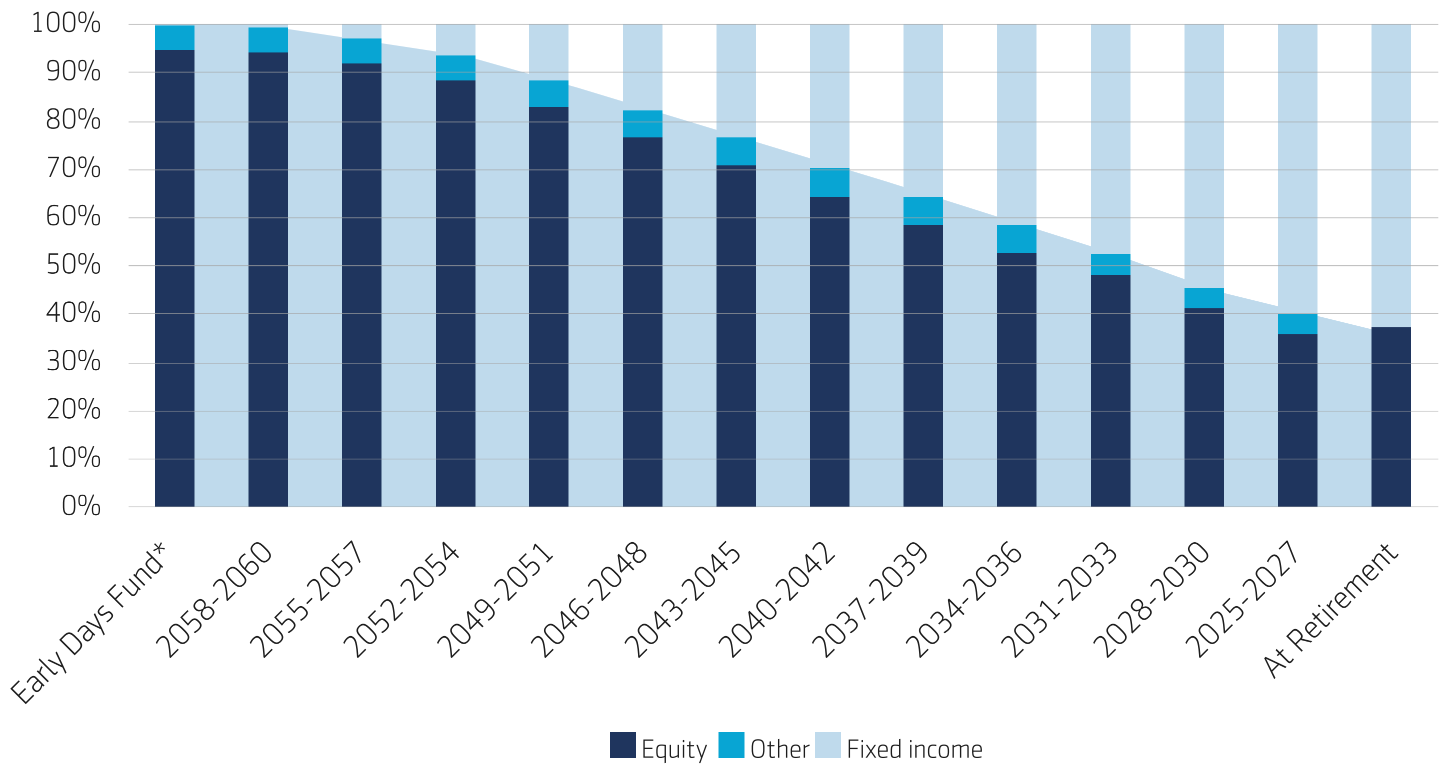
Description of the Scheme's investment arrangements

The Scheme's investment portfolio comprises standard default arrangements and bespoke options (known as Bespoke Notional Sections), as well as a range of 'self-select' funds (the 'AMT Fund Range'). We provide default investment funds for Members who do not wish to select where to invest their pension savings. The self-select fund range is available to Members who wish to make an investment choice. In line with the DWP Statutory Guidance, we have provided scenario analysis and metrics for each 'popular arrangement' offered by the Scheme. The Scheme has one main popular arrangement, Aegon BlackRock LifePath Flexi and two additional popular arrangements, Aegon BlackRock LifePath Capital and Aegon Developed Markets ex-UK equity.

The main Scheme default arrangement: Aegon BlackRock LifePath Flexi

Approximately 81.9% of all Members within the Scheme are invested in this default arrangement, representing 85.7% of the Scheme's assets as of 31 March 2025. The asset allocation of our main default arrangement varies depending on how many years a Member is from retirement. Members in the early years of their working life will invest in the Early days fund, which is weighted towards riskier assets with higher growth potential, such as equities (stocks and shares). Leading up to the target retirement date, the fund's strategy moves to a more cautious asset mix, which is expected to be more stable for generating income from the Member's pension when they retire. This process is termed 'lifestyling' and is demonstrated in Figure 1.

Figure 1: Aegon BlackRock LifePath Flexi asset allocation of funds over a Member's working life. Fund years represent the fund a Member will currently be invested in, reflective of the year in which a Member is expected to retire.



*Early Days fund asset allocation remains the same for all Members retiring after 2058

Source: Aegon UK.

Alternative Scheme default arrangements

10.1% of Members in the Scheme are invested in alternative Scheme default arrangements, representing 5.3% of the Scheme's assets[8]:

- **Aegon BlackRock LifePath Retirement:** Designed for Members planning to buy an annuity at their target retirement date
- **Aegon BlackRock LifePath Capital:** Designed for Members planning to take their savings as a one-off cash lump sum
- **Aegon BlackRock Cash:** In which Members may be temporarily invested should another fund be closed / suspended due to new monies and withdrawals.

With underlying fund structures, the Scheme's alternative default arrangements have different climate risk factors. The underlying fund manager, BlackRock, has an extensive stewardship team and adopts a consistent and robust approach to engagement across their investments.

The AMT Fund Range

Around 7.0% of Scheme Members are invested in the AMT Fund Range, our range of self-select funds, representing 7.8% of the Scheme's assets[9]. The Scheme offers twenty-five self-select funds, outlined below, in addition to the three Aegon BlackRock LifePath default arrangements (and any bespoke self-select and default funds):

Funds with a specific focus on sustainability: This means that a sustainability objective is built into the fund's investment objective or investment process:

- Aegon Global Climate Focus Equity
- Aegon Global Sustainable Equity
- Aegon Global Sustainable Multi-Asset Growth
- Aegon Global Sustainable Multi-Asset Balanced
- Aegon Global Sustainable Government Bond
- Aegon Global Short Term Sustainable Bond

8. Figure based on Aegon UK asset allocation data as of 31 March 2025
9. Figure based on Aegon UK asset allocation data as of 31 March 2025.

Funds which integrate ESG exclusions: This means that, based on certain thresholds, the funds will not invest in certain companies, based on ESG concerns. For example, some funds listed below exclude investment in companies that generate a proportion of their revenue from thermal coal and oil sands::

- Aegon Cash
- Aegon Developed Markets Equity Tracker
- Aegon Developed Markets ex-UK Equity Tracker
- Aegon Emerging Markets Equity Tracker
- Aegon Europe ex-UK Equity Tracker
- Aegon Global Islamic Equity Tracker
- Aegon Global Listed Infrastructure
- Aegon Global Small Cap Equity Tracker
- Aegon Japan Equity Tracker
- Aegon Pacific ex-Japan Equity Tracker
- Aegon Retirement Income Multi-Asset
- Aegon UK Corporate Bond Tracker
- Aegon UK Equity Tracker
- Aegon US Equity Tracker

Funds which integrate ESG considerations within their overall investment process:

- Aegon Global Absolute Return Bond
- Aegon Global Strategic Bond
- Aegon UK Property

Funds that fall into asset classes in which few solutions integrate ESG considerations within their investment process:

- Aegon UK Government Bond Tracker
- Aegon UK Index-Linked Government Bond Tracker

Bespoke Notional Sections

Around 1.0% of Scheme Members are invested in bespoke funds, known as Bespoke Notional Sections, representing 1.2% of the Scheme's assets[10].
We offer 'bespoke' fund ranges in cases where employers wish to make a different range of self-select investment funds and/or a different default arrangement available to their employees. In these cases, the employers seek appropriate investment advice to create a 'bespoke' fund range. As of March 2025, three employers had opted to offer bespoke funds to their Members.

10. Figure based on Aegon UK asset allocation data as of 31 March 2025. The Financial Markets Law Committee (FMLC) is an independent body that works to identify and provide clarity on areas of legal uncertainty in financial markets. Its paper on fiduciary duty is available on **Paper-Pension-Fund-Trustees-and-Fiduciary-Duties-Decision-making-in-the-context-of-Sustainability-and-the-subject-of-Climate-Change-6-February-2024.pd**f

Governance

In this section, we set out:

- how we maintain ongoing oversight of climate-related risks and opportunities which are relevant to the Scheme, as per our governance structure
- our responsible investment beliefs and how they were reviewed during the Scheme Year
- responsibilities for the management of climate change in day-to-day activities, including the role of service providers advising and/or assisting us.

Trustee Board oversight and efforts to improve our climate understanding and knowledge

As the Trustees of the Scheme, we understand that we have ultimate responsibility for ensuring effective governance and management of climate-related risks and opportunities. This is particularly important given that the Scheme assets are managed by third-party fund managers with their own proprietary approaches and strategies, including climate-risk management. Effective oversight, dialogue, and monitoring of those fund managers is therefore a key tool for our climate-risk management approach.

The Scheme Investment Sub-Committee, including two out of four Trustees, provides expert oversight of investment topics that are essential to the successful management of the Scheme. This includes the Scheme's approach to responsible investment. We believe the sub-committee structure maximises the effectiveness of the Trustee Board's time, whilst ensuring the level of governance and oversight necessary to manage climate-related risks. The Investment Sub-Committee meets at least quarterly. The investment adviser, Isio, attends all meetings. Since its establishment, the Investment Sub-Committee has regularly considered responsible investment and climate-related agenda items. Table 1 below lists key topics that were discussed by the Investment Sub-Committee during the Scheme Year. Significant time was spent on responsible investment topics, in particular climate-related issues, and we expect they will require growing time and resources in the future. We aim to keep up to date with the latest developments in climate analysis. This Scheme Year in particular, we have embraced more sophisticated oversight tools to improve our assessment of the Scheme's climate performance at fund level. The time spent by the Trustees learning about the latest climate tools and how these apply to the Scheme helps the Trustees steer the Scheme towards its climate commitment, challenge the Schemes' service providers and ultimately protect the Scheme's Members.

Following a meeting of the Investment Sub-Committee, its Chair updates the Trustee Board (at the next Board meeting) on the matters that were considered. This update may be verbal or in writing, on matters discussed, recommendations and key actions agreed, including those relating to climate change.

Table 1: Notable responsible investment agenda items discussed at Scheme Investment Sub-Committee meetings during the Scheme Year

Date	Agenda topic(s) related to climate change risks and opportunities
April 2024	AMT TCFD Report – TCFD update (Aegon UK) AMT TCFD Report – Emissions attribution analysis (Aegon UK) AMT Stewardship – Update on Expressions of Wish approach for 2024 (Aegon UK) Presentation of FMLC[11]'s paper on fiduciary duty and sustainability risks (Aegon UK) ESG in Investment Performance Dashboard (Aegon UK) LifePath ESG performance update (BlackRock)
August 2024	AMT TCFD Report – TCFD update (Aegon UK) AMT Stewardship – Conclusions on 2024 Expressions of Wish approach (Aegon UK) AMT Stewardship – Conclusions on 2024 Manager Monitoring (Aegon UK) AMT Stewardship – Presentation of BlackRock De-Carbonisation Policy Draft (Aegon UK)
October 2024	LifePath evolution proposal - changes to the ESG strategy (Aegon UK) AMT Triennial Review (Isio)
November 2024	LifePath evolution proposal - changes to the ESG strategy (Aegon UK) AMT ESG Funds dashboard - RAG ratings
February 2025	LifePath ESG reporting (BlackRock) Annual review of investment consultant ESG objectives (Isio)

Source: Aegon UK

In addition to the Investment Sub-Committee items above, the Trustee Board regularly allocates time for responsible investment teach-in sessions. These help us maintain appropriate climate oversight, following fast-paced regulatory and market developments.

During the Scheme Year, the Trustees, supported by Aegon UK, discussed the evolution of the Scheme's main default arrangement, Aegon BlackRock LifePath Flexi, and agreed to transform the fund by.[12]

- Evolving the structure. This will result in a change in the funds' names and objectives,
- Shortening the glidepath, to ensure that we are delivering the best possible outcomes for Members over the long-term. This will result in a change to asset allocation by proximity to retirement and glidepath length
- Replacing the underlying funds by BlackRock's ESG Insights funds: Where available, the evolved strategy will invest in BlackRock's ESG Insight funds. Following an extensive review of passive strategies with integrated ESG processes, we are confident that BlackRock's ESG Insights funds are the most suitable strategies for enhanced passive funds within our default estate. Furthermore, their embedded decarbonisation targets better align to Aegon and Aegon Master Trust climate objectives.

11. The Financial Markets Law Committee (FMLC) is an independent body that works to identify and provide clarity on areas of legal uncertainty in financial markets. Its paper on fiduciary duty is available on **Paper-Pension-Fund-Trustees-and-Fiduciary-Duties-Decision-making-in-the-context-of-Sustainability-and-the-subject-of-Climate-Change-6-February-2024.pdf**
12. For more detail on the planned change, please refer to the Scheme's annual Implementation Statement

In October 2024, Isio shared the conclusion of the Scheme's Triennial Review, including its views on the existing state of the Scheme as well as Aegon UK proposed changes. Isio ranked positively the existing state of the Scheme and welcomed the introduction of further ESG features in the underlying funds. Isio's review also highlighted the benefits of illiquid assets on ESG investment. It welcomed the planned change in underlying funds but highlighted the need for consistency in approach to ESG between components of the funds. The review emphasised the ESG credentials of the Scheme's main fund manager, which the Trustees hope to address, at least partially, in the next Scheme Year when BlackRock new decarbonisation stewardship policy takes effect. Finally, the Trustees noted the year-on-year improvement of the Scheme's main fund manager in Aegon UK's annual responsible investment assessment of fund managers.

In February 2025, the Trustees received one session focused on Illiquids (such as Private market investments). Aegon UK provided an overview of the technical aspects of these alternative asset classes including structuring, liquidity and Member benefits. The Trustees also discussed investment in infrastructure overall and how private market investments can sustain the energy transition.

Investment beliefs and responsible investment beliefs

Investment beliefs are guiding principles which inform the investment strategy, the design of the Scheme's default arrangements and the number and type of other investment options we make available to Members. We have re-evaluated our investment beliefs in the Scheme Year, as part of a review of our Statement of Investment Principles, and introduced our Illiquids policy. For our full investment beliefs, please refer to **Section 3 of the Scheme's annual Chair Statement**.

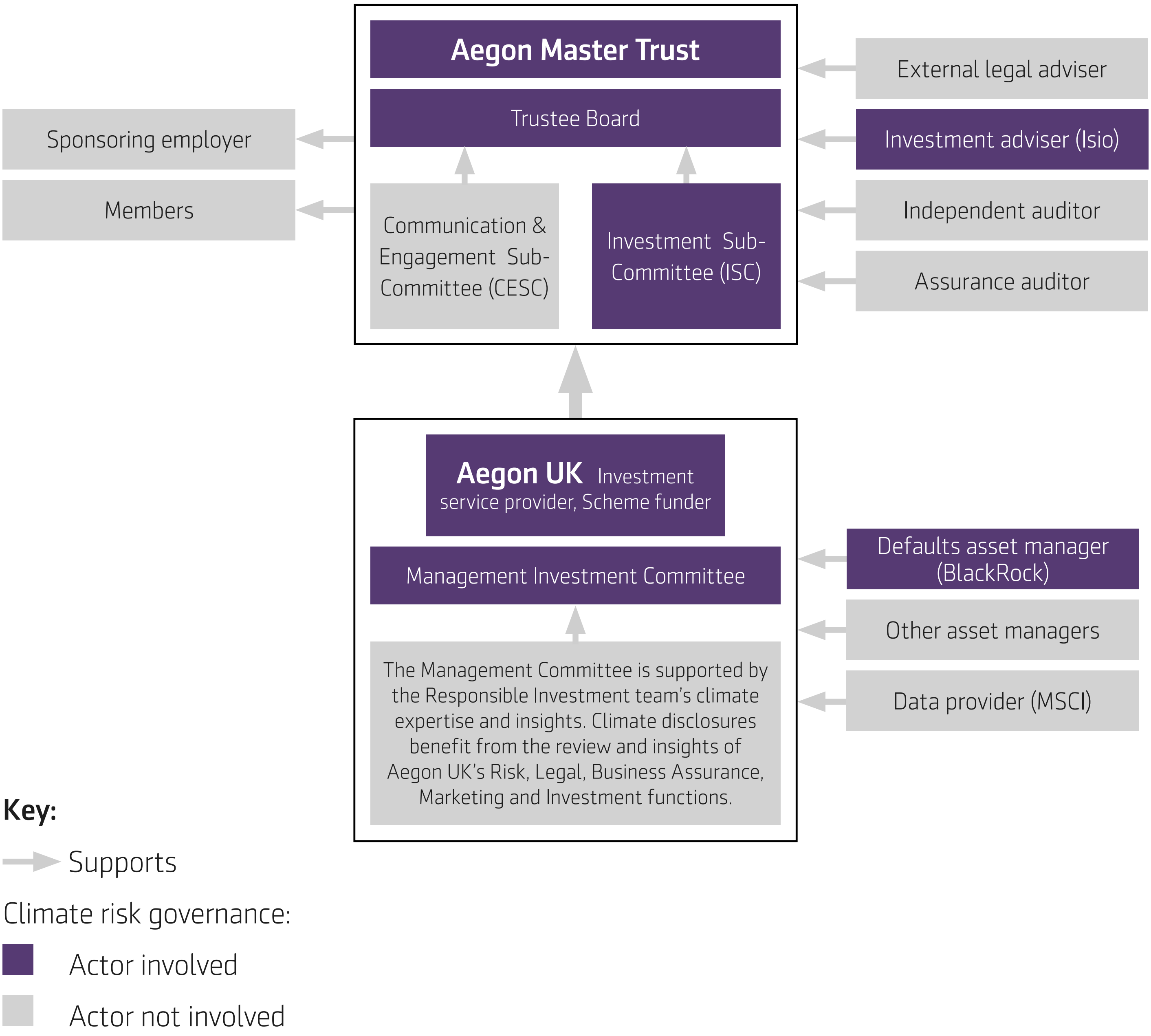
Our responsible investment beliefs provide further details on the minimum level of active ESG integration and engagement we expect from Aegon UK and our fund managers. They have guided the climate expectations we have set for our fund managers. Please refer to the Scheme's **governance section of our website** for more details on our responsible investment beliefs.

Please bear in mind that the value of investments may go down as well as up and the final value of a member's pension pot may be less than has been paid in. There's no guarantee funds will meet their objectives. Funds investing in a single asset class, for example UK equities, should only be used as part of a diversified portfolio. Any charts are for illustrative purposes only, and we reserve the right to change funds' asset allocations and charges. You should get financial advice if you're not sure whether an investment or product is right for you.

Roles and responsibilities of service providers

Our service providers highlighted in this section assist us with undertaking governance activities with regard to managing climate-related risks and opportunities. Other service providers, including legal advisers, auditors, and the Scheme secretary, also undertake Scheme governance activities. However, these persons do not undertake activities relevant to assessing and managing climate-related risks and opportunities at the present time.

Figure 2: Governance structure for the Scheme, with Trustee oversight of climate change considerations



The investment service provider (Aegon UK), investment adviser (Isio), main fund manager (BlackRock) and climate data provider (MSCI) undertake, advise and assist with, respectively, governance activities in respect of identifying, managing and assessing climate-related risks and opportunities. Their roles and responsibilities are detailed in table 2.

Table 2: Roles and responsibilities of service providers assisting and advising us. Items below should not be viewed as exhaustive but as an illustration of various roles and responsibilities we expect of their service providers, and how we ensure appropriate oversight of these.

Category	Investment service provider, also sometimes called Scheme funder, Aegon UK
Description	Aegon UK uses its intellectual property and market insights to make relevant suggestions in relation to our climate strategy, where appropriate. Aegon UK uses its dedicated responsible investment and oversight expertise to provide us with regulatory horizon scanning and dedicated training on climate-related risks and opportunities.
Overall responsibilities	Aegon UK helps us set and implement an investment strategy which is aligned with the Scheme's goals, objectives, and beliefs, such as climate management, net-zero targets and related fund developments. Responsibilities include: • monitoring the climate credentials of the Scheme's fund managers; • engaging with and challenging the Scheme's fund managers and data provider, where appropriate, throughout the Scheme Year; • undertaking industry advocacy efforts to support wider market decarbonisation, including on our behalf; • providing data and insights to ensure climate-related disclosures are appropriate and aligned with any legislative changes; • identifying, contributing to, and sharing net-zero industry best practice with the Trustees. We are supported by an executive team, in particular the Investment Proposition Managing Director who receives regular insights and thought leadership from the responsible investment function. Insights from the responsible investment team ensure that the executive team assisting us has a good understanding of climate change and its impacts.
Trustee oversight and governance	The implementation of the Scheme's net-zero targets is overseen by Aegon UK's Management Investment Committee. The Committee typically reviews items before they go to the Investment Sub-Committee. We leverage our investment adviser Isio to assess the credibility and progress of Aegon UK in helping us implement our climate strategy and day-to-day climate management. Indirectly, Aegon UK maintaining its Stewardship Code signatory status in 2024 confirms Aegon's robust oversight and the Trustees' confidence in their responsible investment practices.

Category	Investment adviser, Isio
Description	Isio provides ideas and an independent review of suggested approaches and developments from the investment service provider, where required.
Overall responsibilities	Isio advises us on the Scheme's overall investment strategy, including our responsible investment strategy. Responsibilities include: • supporting the Trustees to embed material climate considerations in investment decisions and processes, in the interest of Members and aligned with the Scheme's Responsible Investment Policy. • reviewing the appropriateness of the Scheme's investment strategy in relation to climate change, for example being involved in fund reviews and commenting on the Scheme's progress towards net-zero targets; • providing us with advice and benchmarking our responsible investment strategy, including beliefs and climate-related disclosures; • assessing the credibility and progress of Aegon UK in helping us implement our climate strategy and day-to-day climate management; • supporting our independent oversight of the Scheme's fund managers; and • informing us of regulatory and market developments which could impact the investment strategy and wider fund range, and how they could be addressed.
Trustee oversight and governance	In accordance with DWP regulations and Pension Regulator guidance, we have set strategic objectives for investment advisers; and review the provider's performance against those objectives at least every twelve months. The objectives must be reviewed and (if appropriate) revised at least every three years, and without delay following a significant change in investment policy. The Trustees assessed Isio's performance against its strategic objectives, including their objective to assist the Trustees in aligning the Scheme with its ESG objectives. Overall Isio scored well, and the assessment, which included Isio's self-assessment in February 2025, helped identify areas for additional focus. We have agreed strategic objectives with Isio for the year 2025. Isio's climate objective formalises the Trustees' oversight: Isio's climate competency is considered in relation to the positive and best practice indicators for investment consultants developed by the Investment Consultants Sustainability Working Group (ICSWG)[13] , including Isio's contribution to: • helping the Trustees implement their 2050 net-zero target and associated interim targets; • assisting the Trustees by sharing best practice and thought leadership on climate topics; • supporting the Trustees with effective investment provider and default fund manager engagement and collaboration, to ensure climate-related risks and opportunities are appropriately managed

13. **ICSWG consultant climate competency framework**

Category	Various fund managers, with BlackRock being the fund manager for the Scheme's main default arrangement, Aegon BlackRock LifePath Flexi
Description	Fund managers are responsible for the day-to-day management of the Scheme's investments, including identification and management of climate risks and opportunities.
Overall responsibilities	Taking BlackRock as an example, the BlackRock team regularly reviews its climate policies, processes, resources, and expertise to support climate integration and the ESG objectives of the Scheme. Responsibilities include: • contributing to the Scheme's climate strategy for investments and supporting the transition of assets to low carbon strategies where needed; • sharing risks and opportunities which relate to the Aegon BlackRock LifePath Flexi net-zero target; • exercising voting rights and engaging with companies on climate risks and opportunities; and • supporting climate data and information requests made under the regulatory regime.
Trustee oversight and governance	All fund managers must respond to an annual responsible investment due diligence questionnaire. This helps us ensure minimum climate requirements are met and helps inform topics for engagement throughout the Scheme Year. We pay particular attention to BlackRock as the fund manager of our main default arrangement. They are invited to join Investment Sub-Committee meetings to present on specific climate topics and their decarbonisation progress. This forum provides the opportunity for the Trustees to assess gaps in fund manager's investment process against the Scheme's Responsible Investment Policy, and identify opportunities to align further with the Trustees climate goals and public targets. Aegon UK also has regular meetings with and oversight of BlackRock, which supports the Scheme's strategy. In Q4 2024, Isio carried out the triennial review of both the current and envisioned Scheme default investment strategy, in which they assessed the performance of BlackRock on ESG and climate criteria. Isio identified scope to improve the ESG position further. We will not appoint fund managers who fail to integrate responsible investment principles into their overall decision-making processes. Those that we do appoint are required to report on their voting and engagement activities. For more information on how we monitor fund managers please see the strategy section of this report.

Category	Climate data provider, MSCI
Description	MSCI is a provider of climate data and analytics. They support the Scheme's data and information requests related to climate risks and opportunities, which informs our strategy development.
Overall responsibilities	MSCI provides the climate data and associated platform and customer service to enable Aegon UK to collect climate metrics which inform Scheme analysis, including for TCFD reports. This includes providing scenario analysis capabilities, estimating greenhouse gas emissions where reported data is not available, and developing methodologies for proprietary climate metrics, in line with market developments and regulatory guidance.
Trustee oversight and governance	Aegon UK exercises day-to-day oversight of MSCI through ad-hoc issue-specific meetings, monthly technical meetings and quarterly oversight and relationship meetings. These are used to discuss availability of climate data, insights from climate reports and raise any issues. The performance of MSCI is continually evaluated, specifically the level of service provided, appropriateness of data and relationship as a key service provider. In addition, Aegon UK sets and tracks progress against specific annual engagement objectives for MSCI. Aegon UK's responsible investment team aggregates, complements, reviews, and analyses the information provided by MSCI before sharing it with us. Data published through TCFD reports is independently reviewed by Isio. MSCI communicates improvements in data coverage and updates to methodologies via Aegon UK through Investment Sub-Committee updates or board teach-ins. Aegon UK also contributes to the development and testing of new metrics when the opportunity arises (see the details on engagement with MSCI in the strategy section of this report on p.19).

Strategy

In this section we set out:

- our approach to climate-related risks under different time horizons, in relation to our investment strategy;
- our chosen climate scenarios and associated analysis;
- our climate strategy and how we are using our influence to decarbonise our main default arrangement, Aegon BlackRock LifePath Flexi.

Description and assessment of climate-related risks and opportunities

How we define climate-related risks

Material climate-related financial risks can affect the value of our Members' investments, directly impacting their financial wellbeing. To manage climate risks and opportunities carefully, we need to understand the range of climate impacts, how and when they may occur, and the likely consequences for our investment strategy. In assessing the potential impacts of climate risks on our Members' investments, we consider physical, transition and liability risks, which we define as follows:

- **Physical risks** – the risks coming from changes in the weather system linked to climate-change. For example, temperature and rainfall changes. Also, the frequency and severity of extreme weather events, which can lead to financial losses and damage to physical assets. Physical risks can be both acute (event driven) and chronic (long-term) in nature.
- **Transition risks** – the risks arising from the changes required to support the transition to a sustainable, low-carbon economy, including those driven by policy and technology changes.
- **Liability risks** – the risks that individuals or businesses seek compensation for losses suffered from the effects of physical or transition risks for which they hold organisations responsible. Liability risk is considered a subset of both transition risk and physical risk.

The Scheme invests indirectly using funds from third-party fund managers and delegates the management of climate-related risks to them. Climate is one of the key responsible investment topics we assess when we select, monitor, and engage with our fund managers. This is set out in the Scheme's Responsible investment policy, which is reviewed every year.

14 Intergovernmental Panel on Climate Change (2022), Impacts, Adaptation and Vulnerability

How we define time horizons

We consider relevant short, medium, and long-term time horizons. We also consider the useful life of our assets/infrastructure and that climate-related issues often appear over the medium and longer-term. Climate risks will impact both our Members' investments and the world they will live and retire in. While exact outcomes are uncertain, there is a high degree of certainty that some combination of physical and transition risk factors will happen and are already happening, as made clear in the Sixth Assessment Report of the Intergovernmental Panel on Climate Change[14]. Our Members have their own pathway to retirement: some will retire in the Scheme Year while others are expecting to retire beyond 2070. We thus recognise the need to consider both immediate and long-term investment horizons. Our three distinct time horizons reflect the long-term nature of our Members' investments. We currently consider these time horizons to be sufficiently long-term.

- **Short-term horizon (less than 10 years)**: Within that period, most transition risk will be considered by financial markets while physical risks will increase.
- **Medium-term horizon (between 10 and 25 years):** We expect remaining transition risks, and emerging risks resulting from the increasing physical impacts under extreme warming scenarios, to manifest in 10 years or more.
- **Long-term horizon (over 25 years):** During this period there may be accrued risks resulting from the increasing physical impacts emerging under extreme warming scenarios risks.

We assess all these time horizons in our evaluation of climate risks and opportunities, and consider:

- the type of assets our Members are invested in;
- how long assets will be invested for until our Members retire;
- the time horizon over which climate change considerations will be relevant;
- our long-term investment strategy, including our 2050 climate targets.
- the time horizon over which climate change considerations will be relevant
- our long-term investment strategy, including our climate targets until 2050

Mapping of climate-related risks and opportunities

We have outlined in table 3 some of the specific climate-related risks and opportunities we believe could arise in each time horizon (short, medium, and long-term) that could have a material financial impact on the Scheme and our Members.

Table 3: Our revised short, medium and long-term time horizons and associated potential impacts, both risks and opportunities

Risks	Potential impacts	Short term <10 years	Mid term 10- 25 years	Long term >25 years
Transition risks				
Wide-ranging transition risks (policy and legal risks)	Transition to a net-zero world will require significant policy intervention as governments seek to drive the necessary actions from companies and citizens.	x	x	
Wide-ranging transition risks (technology risks)	Transition risks also encompass technological risk as the world shifts away from fossil fuels and carbon-intensive methods towards sustainable alternatives such as renewables and electric vehicles, potentially leading to high-carbon assets becoming stranded ('stranded assets').		x	x
Market risks	Risk that broader macro-economic impacts from climate change drive lower asset valuations, higher corporate and sovereign debt defaults, and increased volatility. Potential impacts on interest rates and inflation are unclear. Impacts vary under different climate scenarios, with transition effects stronger under 'orderly' and 'disorderly' scenarios, and physical effects stronger under a 'failed transition' scenario.	x	x	x
Reputational risks	Failure to act decisively on climate issues could harm the Scheme's reputation and relationships with our key stakeholders, impacting the Scheme viability.	x	x	x
Physical risks				
Wide-ranging physical risks	Physical risks are the many different and interconnected impacts that come with a warmer world. These include extreme weather and rising sea levels, which can damage assets and cause disruption to supply chains and company operations.	x	x	x

Risks	Potential impact(s)	Time horizons Short term <10 years	 Mid term 10- 25 years	 Long term >25 years
Direct risks to our members				
Quality of life and morbidity	Risk of deterioration in quality of life that prevents our customers from living their best lives. For example, from the impacts resulting from drought or wildfires affecting crops, food and water security. Risk of higher levels of morbidity, for example, through deterioration in air quality in failed transition scenarios, or chronic changes in weather patterns such as prolonged heatwaves, or severe winters. This is primarily driven by physical risk.	x	x	x
Mortality	Risk of higher levels of mortality as a direct consequence of climate change/ extreme weather events, or the indirect impact on individual wellbeing levels, driven by worsening economic conditions. This is primarily driven by physical risk.		x	x
Opportunities				
Climate opportunities: Investee companies' transition	To thrive in the low-carbon world, companies will need to adapt and rethink their business models. Significant capital will be needed to fund corporate net-zero transition plans, with better expected long-term outcomes for companies that manage to change.	x	x	
Climate opportunities: new investment opportunities	We expect more capital will be allocated towards climate change mitigation and adaptation over the coming years. In addition, climate solutions' investments may help expand investments to non-traditional asset classes, such as real assets or private market investments.	x	x	x
Climate opportunities: new products and services opportunities	Our Members will increasingly be concerned about climate change and if their investments contribute to climate change. This is an opportunity to support companies developing new products and services tailored to their customers concerns and helping to address the challenges of climate change.	x	x	
Resource efficiency opportunities	Opportunities arising from reduced operating costs of companies through efficiency gains and increased production capacity, as well as from transforming a linear economy to a circular economy.		x	

Impact of climate-related risks and opportunities for our strategy

Short-term, less than 10 years

The risk from transitional factors is arguably more material in the short to medium-term, with climate reporting and disclosure requirements expected to increase over the coming decade, regardless of short-term political turnarounds and hesitations. We're addressing this by investing in climate data and modelling (such as the inclusion of additional asset classes in CVaR models), as well as building our responsible investment expertise. As climate events unfold worldwide, we are expecting to see increasing interests in precisely assessing physical impacts of climate change and expect their financial impacts to continually be re-evaluated.

In the next few years, the implementation of Aegon UK's net-zero transition plan, its **climate roadmap**, will help support the Scheme in moving towards its net-zero commitment by increasing the alignment of Aegon BlackRock LifePath funds[15] with the Trustees objectives. We see future evolutions of the investment strategy of the Scheme's main default arrangement, as discussed during the Scheme Year, as a natural step in that direction.

Our updated **responsible investment policy** details our minimum responsible investment requirements and stewardship approaches, which support our 2030 decarbonisation target and frame our engagement with our fund managers and the wider market. Climate is already one of our key engagement themes. It drives how we approach fund manager selection, appointment and monitoring, and our fund manager's voting and engagement activities, to ultimately manage short-term risks.

In the Scheme Year, the Trustees have worked closely with BlackRock to further align the LifePath strategy with the Trustees' views on climate voting and engagement. Following this collaboration Blackrock have developed a new decarbonisation stewardship policy, which is anticipated to better align Blackrock's voting and engagement with the Trustees views. We will measure the effect of this policy on improved stewardship alignment from next Scheme Year's voting season. Over the next few years, we want to see more evidence of outcomes from their climate engagement. We expect fund managers to follow and contribute to industry best practice so we can continue to work together to minimise climate risks. Effective engagement with our fund managers will be necessary to achieve our 2030 decarbonisation targets. The Trustees will continue to voice our concern on climate to the Scheme's fund managers and to develop our 'expression of wish' approach.

Finally, different sustainability disclosures, as required by regulations, may influence how climate risks are managed at Scheme level. We expect that data coverage will improve over this period, driven by increased regulatory scrutiny and market transparency. We anticipate a shift in focus to the verification of companies' emissions reporting and the development of more precise models to estimate emissions, in particular scope 3 emissions where reporting is currently inconsistent. We also expect that the Financial Conduct Authority (FCA) Sustainability Disclosure Regulations (SDR) investment labels will provide more consistency on fund labelling across the market in the short-term. The labels will also support customers in understanding the climate credentials of products they are invested in. We understand that the regulations may be extended to pension products over time. In addition, we see a trend towards voluntary nature disclosures, in line with the Taskforce on Nature-related Financial Disclosures (TNFD) framework, which supports existing climate disclosures. We're developing our own approach to nature, directly supporting our net-zero targets

Medium-term, 10 to 25 years

We expect our Members and external stakeholders will ask for more detail on how we are aligning the Scheme to net zero. For example, they may ask for emissions performance attribution analysis or information on sectoral decarbonisation pathways.

To help us answer those questions we will continue to develop our climate data analysis, informed by

15 Aegon UK's net-zero commitment covers all of its default funds, which includes Aegon BlackRock LifePath.

the latest science. We will continue to monitor and hold our fund managers accountable on climate risks, as we assess their medium-term progress against our net-zero target. We expect increasing climate risks will drive our fund managers to develop more sophisticated qualitative (research based) and quantitative (numbers based) analysis, including robust decarbonisation pathway analysis to support funds transition to net zero and our approach to stewardship. We expect to see this analysis flow through into their investment strategies and to be reflected in their company engagements and wider contribution to collective industry advocacy. Better climate disclosures will help us refine our investment strategy and net-zero targets.

As the market becomes better at pricing in climate risks, we also anticipate more assets will be invested with better consideration to climate factors, moving beyond ESG screens (e.g. exclusions) and tilts to other ways of integrating climate risks and opportunities into decision-making. Linked to this, we expect more investments in green labelled bonds or climate solutions. Climate solutions are goods, services or activities that enable or contribute to a reduction in emissions or help mitigate or adapt to climate change.

Finally, over that period, illiquid assets may provide more significant sustainability outcomes, as well as long-term growth potential. We believe investing in private markets has the potential to help deliver improved returns, including through climate solutions which can also support climate goals, although in the short to medium-term investing in climate solutions may increase portfolio emissions. We believe that an investment in a well-diversified private markets portfolio has the potential to improve customer outcomes, through better risk-adjusted returns and increased investment diversification.

Long-term, over 25 years

Members may be increasingly affected by climate impacts in their daily life and their investments. As long-term investors with long-term liabilities, our focus is delivering sustainable long-term value for our Members. This means managing investment risks and returns effectively, which includes considered and active integration of ESG factors across the Scheme. This will help to address climate change and to transition our default fund portfolio to net zero by 2050.

Our fund managers act as the primary safeguard in managing all investment related risks and opportunities, including those related to climate change. As such, fund manager selection and monitoring are an integral part of our stewardship toolkit. We expect fund managers will increasingly focus on how they adapt to climate change and how they mitigate any risks.

In the long-term, we expect markets will have fully priced in transition risks if the world is to meet the goals of the Paris Agreement to stay well below 2°C above pre-industrial levels. However, under a ‘failed transition’ scenario, we expect markets will price in the more severe physical impacts that could come from inaction.

We are conscious of the size and scale of the challenges that we are all collectively dealing with, and the complexity of understanding different climate change scenarios. We know that a great deal of additional insight, learning and integration lies ahead. We expect significant changes in our funds’ asset allocation in future, as well as significant new opportunities to invest in the low-carbon transition.

The impact of climate-related issues on the financial performance of our investment estate is considered in the next section. We use Climate Value-at-Risk (CVaR) to measure the potential impacts of different climate scenarios on our investments.

Climate scenario analysis

We use climate scenario analysis to understand potential financial consequences of climate risks on our Members' investments under a set of possible scenarios.

The output of this analysis is called Climate Value-at-Risk (CVaR). The climate scenarios selected apply to the most common asset classes that we invest in, namely equity (company shares), corporate fixed income (loans issued to companies) and sovereign debts. For sovereign debt, the focus is primarily on transition risks resulting from government policy changes. Some impacts of chronic (long-term) physical risks are also considered, but acute (event driven) physical risks are not included.

Climate scenarios are hypothetical, as opposed to forecasts or predictions. They capture a range of possible outcomes related to climate policy, technological developments, and speed of the transition to a low-carbon economy. We use a climate scenario analysis tool developed by MSCI to understand the potential financial consequences of climate risks on our main default arrangement.

Choice and description of our climate scenarios

We selected three scenarios to assess our exposure to climate risks.

- A '1.5°C orderly transition to net zero by 2050' scenario
- A '2°C disorderly transition to net zero by 2050' scenario
- And a '4°C failed transition' scenario

Climate scenario analysis combines data on climate risks and opportunities categorised as physical or transition (policy and technological risks). These risks and opportunities are then translated into a CVaR measurement for each of the three transition scenarios we have selected, as summarised in table 4 below. We expect to develop CvaR analysis in the future.

Table 4: Three transition scenarios from MSCI to capture possible temperature paths

Scenario	1.5°C orderly transition	2°C disorderly transition	4°C failed transition scenario
Integrated Assessment Model (see model descriptions on next page.)	REMIND[16] NGFS[17] 1.5°C.	REMIND NGFS 2°C.	4°C IPCC SSP3-7.0 aggressive physical scenario and 3°C REMIND NGFS transition scenario.
Key impact/risks	Transition impact due to policy measures and technology drivers.	Transition impact of policy measures and technology drivers.	Severe physical impacts with limited transition impact.
Summary of assumptions	Transition is assumed to occur as smoothly as possible. Carbon capture and storage are developed. There is increasing energy efficiency. Steep increase in carbon price by 2030.	Transition to low carbon technologies results in sentiment shock and stranded assets. No increase in carbon price until 2030, steep increase between 2030 and 2050.	Severe physical impacts– both gradual physical changes, as well as more frequent and severe extreme weather events. Policy measures failing to materialise into an effective transition Limited increase in carbon price by 2050.
Outcomes	Locked-in physical impacts of 1.5°C. (i.e. already in motion)	Locked-in physical impacts of 2°C. (i.e. already in motion)	Assumes temperature rise of 4°C by 2100. Physical impacts difficult to avoid with continued high emissions.

Source: Aegon UK using data from MSCI.

16. REMIND (Regional Model of Investment and Development) was developed by the Potsdam Institute for Climate Impact Research to analyse the future implications of interactions between energy, land-use, economy and climate systems. REMIND uses a general equilibrium model with perfect foresight, meaning the model can anticipate changes happening over the modelling time horizon, to simulate the interactions between the various systems inside a closed economy.

17 NGFS: Network of Central Banks and Supervisors for Greening the Financial System

Climate scientists currently predict that climate change is likely to lead to a world temperature rise of 2.7°C by 2100[18] . Such projections are significantly higher than the ambition set by the Paris Agreement, which aims to limit a global surface temperature rise to well below 2°C above pre-industrial levels by the end of the century and to pursue efforts to limit the temperature rise to 1.5°C. Consequently, we believe our selection of scenarios reflects a realistic range of projections for our Members.

Below we summarise the types of risks associated with climate change that are considered in scenario analysis.

Physical risk

One part of climate scenario analysis is physical risk. Physical risk hazards include and consider different global warming-induced weather patterns like flooding, wildfires, droughts, and their effects on the facilities that a company directly owns, like offices or factories. Companies with facilities in climate sensitive regions or that depend on infrastructure connections in their supply chains (for example, bridges, tunnels, road and rail links) are those that are most at risk under this measure. This is because these facilities or infrastructure links may experience more physical damage from extreme weather patterns linked to climate change, which may increase in frequency or severity over time. Our data provider, MSCI, uses a measure of physical risk to assess the possible effect of different physical risk 'hazards' on companies

Transition risk

Another component of climate scenario analysis is transition risk. Transition risks will be influenced by existing and future climate policies as well as if and how countries implement their decarbonisation plans. Transition risks can be measured in terms of when and how policy changes are delivered. An orderly transition assumes that policy makers introduce changes gradually, giving companies time to adapt their business models. A disorderly transition assumes a sudden change in legislation dictated by an urgent need to change business practices and social behaviour. Our data provider, MSCI, has also developed a measure of transition risk, which tries to estimate the likely path of human economic activity over a 50-year time horizon and measure how our investments are likely to be affected.

Technology opportunity

The last component of climate scenario analysis, the technology opportunity, considers the opportunities arising from the changes required to meet the transition to a low carbon economy.

Methodology to aggregate CVaR risk

Our data provider, MSCI, has calculated the financial implications of physical risk, transition risk and technology opportunity over a horizon of 15 years on a large universe of companies under a set of different scenarios. Since the cost and opportunity associated with climate change extend way beyond that time horizon, MSCI has modelled how these financial implications would evolve over a 50-year horizon. CVaR allows us to quantify today how a Member's portfolio is likely to be impacted under the different scenarios' physical risk, transition risk and technology opportunity. The climate scenarios selected are applicable to the most frequent asset classes that the Scheme invests in, namely equity, corporate fixed income and sovereign bonds.

18. **The CAT Thermometer, climateactiontracker.org**, published November 2024, accessed February 2025

Assumptions made in relation to climate scenarios

We based our orderly and disorderly transition scenarios on Network of Central Banks and Supervisors for Greening the Financial System (NGFS) REMIND scenarios. NGFS partnered with an expert group of scientists and economists to design these scenarios, and they are commonly used to help understand how climate change could affect investment returns. The most recent scenarios are available to us through our data provider, MSCI. We note that there are other scenarios available. Limitations of climate scenarios are discussed later in this section.

We assumed an average physical risk for the 1.5°C REMIND NGFS orderly transition scenario, and an aggressive physical risk under the 2°C partially disorderly transition scenario. Our failed transition scenario is based on 3°C REMIND NGFS transition scenario (because there is no 4°C scenario for REMIND NGFS), combined with a 4°C Intergovernmental Panel on Climate Change (IPCC) SSP3-7.0 aggressive physical scenario. Transition risks are likely to be less relevant compared to the significance of physical risks in a 4°C world.

The data inputs into the 1.5°C and 2°C scenarios are similar in terms of population, Gross Domestic Product (GDP) growth and electricity generation fuel mix in 2050. Where they differ is in how fast the transition happens, how quickly carbon sequestration is implemented, and the year emissions peak and reach net zero. We also assumed physical risk would be in line with average scenarios under a 1.5°C orderly transition scenario and in line with aggressive scenarios under a 2°C disorderly scenario[19]. The 4°C failed transition scenario is like the other two scenarios only in terms of population and GDP growth. This scenario is characterised by a slow and limited decarbonisation of its electricity generation mix in 2030 with progress further limited. Carbon sequestration uptake is low and late, and emissions never reach net zero. More details on the key assumptions used in relation to our chosen scenarios can be found in Appendix 3.

Our climate scenario analysis relies on large sets of assumptions at the core of the economic and climate models used. While these offer an indication of the potential financial impacts on the Scheme's assets, the Trustees are conscious that the financial impacts may be far worse under all scenarios. No investment decision is made solely based on climate scenario analysis.

We combine the impacts of the transition and physical climate risks, plus opportunities, to produce a combined Climate Value-at-Risk (CVaR) measure, based on the three transition scenarios discussed above.

19. To reflect the variety of these different possible outcomes our climate data provider gives us two values out of the full distribution: the 50th quantile representing the mean outcome (average outcome) and the 95th quantile representing the high-end risk. These are respectively defined as average and aggressive scenario options.

Climate Value-at-Risk results and resilience of the Scheme's investment strategy

Our investment service provider, Aegon UK, ran and analysed our scenarios, assisted by MSCI.

The characteristics of investments made in the Scheme's main default arrangement reported in the Metrics section have a substantial impact on the outcome of our climate scenario analysis. Due to the large difference in output between different type of assets, we have broken down CVaR per asset class.

Table 5: Scenario analysis output for Aegon BlackRock LifePath Flexi, as of December 2024

Aggregated Climate VaR	Orderly transition (1.5°C)	Disorderly transition (2.0°C)	Failed transition (4°C)	Data coverage
Aegon BlackRock LifePath Flexi	**-7.1%**	**-9.2%**	**-13.6%**	**92.5%**
Equity and corporate fixed income	-8.8%	-10.0%	-17.5%	94.7%
Sovereign bonds	-1.5%	-1.3%	-0.0%	96.4%

Source: Aegon UK using data from MSCI as of 31 December 2024

Under the three scenarios discussed, expected returns are lower than the 'climate-uninformed' baseline[20] because of the negative climate risk effects over time. In short, scenarios projecting higher temperature have the worst impact on the portfolio's expected return. For equity anad corporate fixed income:

- In an orderly transition scenario, the transition risks translate into medium impact on expected returns, while physical risks are less impactful.
- Under a disorderly transition scenario, the negative effects of regulations on expected returns are lifted and partially offset by high physical risks.
- Under a failed transition scenario, the transition risks are minimal but physical risks drive expected returns much lower.

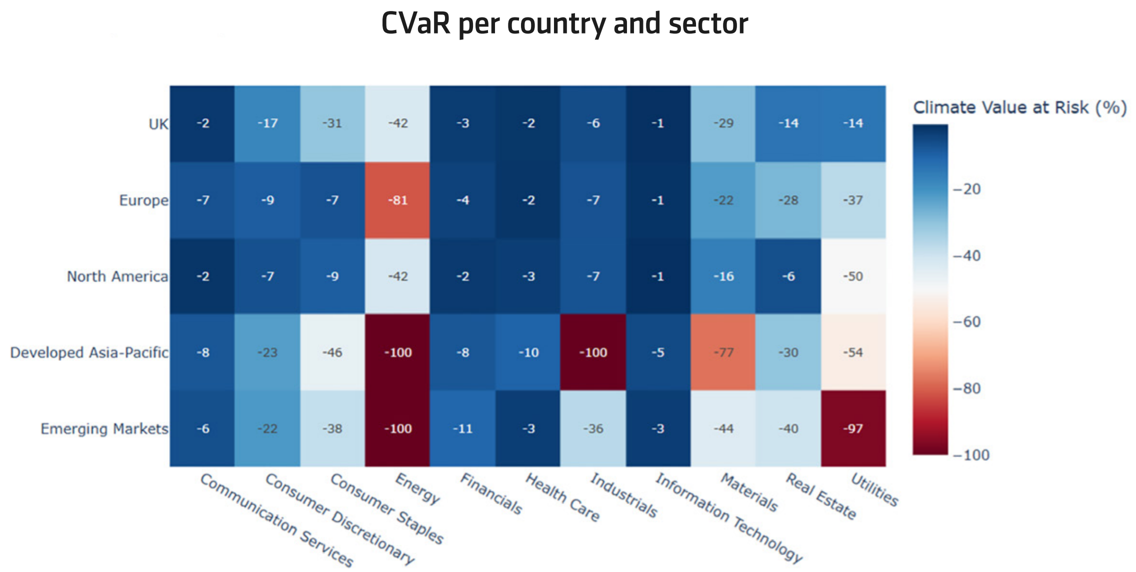
For sovereign bonds, we observe marginally lower expected returns, which are driven by transition risks. Under a failed transition scenario, we observe practically no impact on expected returns from transition risks. We note physical risks are mostly ignored from this model, which is a limitation.

Overall, the data suggests that significant changes in policy, investment and behaviour will be necessary to change global warming trajectory to a Paris-aligned outcome. However, if the transition materialises, significant changes in financial markets over the coming decades are likely, which in turn could have a material impact on the Scheme's investments.

From table 5, we note a reduction in the aggregated CVaR values compared with last year, which we attribute to the March 2024 model upgrade that resulted in a reduction of climate risks estimations for some companies[21]. By grouping Aegon Blackrock LifePath Flexi investments by economic sector (using MSCI GICS sector classification) and regions, we are able to identify more specifically which regions, and which economic sectors are driving the funds' CVaR. Figure 3 summarises these impacts under the disorderly transition (2.0°C) scenario:

20. The Climate VaR measure is relative to a baseline scenario which is 'climate-uninformed', i.e. one where existing policies and past physical impacts are assumed to have been priced in by markets, but no future transition policies or physical risks are accounted for.
21 MSCI **model note** details the update from NGFS Phase 3 to Phase 4, available on MSCI website

Figure 3: Climate VaR per GICS sector and region for Aegon Blackrock Lifepath Flexi under a disorderly transition (2.0°C) scenario

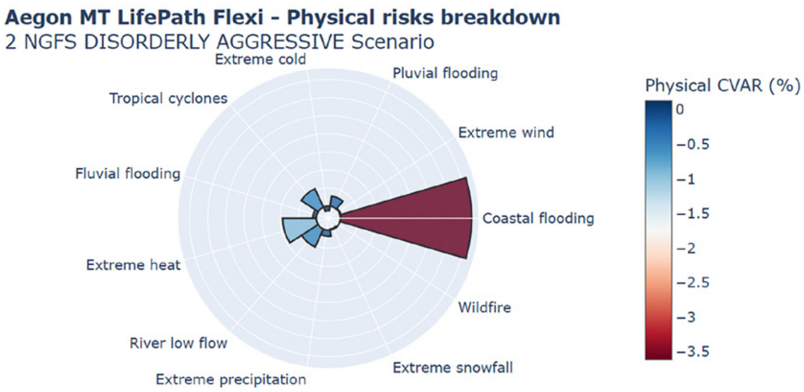


Source: Aegon UK using data from MSCI as of 31 December 2024

Regardless of the region, the Energy, Utilities and Materials sectors offer the higher risks, while the Emerging Markets and developed Asia-Pacific zone seems more exposed than other zones.

We explored the breakdown of physical risks to understand which were more relevant to the Scheme main default arrangement. We observe that under a 2.0°C NGFS aggressive scenario, coastal flooding is by far the strongest contribution to physical risks, followed by extreme heat.

Figure 4: Breakdown of physical risks for Aegon Blackrock Lifepath Flexi under a disorderly transition (2.0°C) scenario



Members at different stages of their journey will naturally be exposed differently to climate risks. Table 6 details the output of our three scenarios for three Members are different stages in their journey.

Table 6: Scenario analysis output for Aegon BlackRock LifePath Flexi sample vintage, as of December 2024

Aggregated Climate VaR	Orderly transition (1.5°C)	Disorderly transition (2.0°C)	Failed transition (4°C)
Member at early days of career (Aegon BlackRock LifePath Flexi Early Days fund	-9.4%	-10.5%	-18.2%
Member 15 years to retirement (Aegon BlackRock LifePath Flexi 2037-39 fund)	-7.1%	-9.1%	-13.5%
Member at retirement (Aegon BlackRock LifePath Flexi Retirement fund)	-4.1%	-7.3%	-7.2%

Source: Aegon UK using data from MSCI as of 31 December 2024

The further away from retirement a Member is, the higher the allocation to Equity and the higher the exposure to physical risks. The closer to retirement a Member is, the higher the exposure to Sovereign bonds which, under our current model, are not impacted by Physical risks and marginally impacted by transition risks.

Data and methodological limitations

We identified factors limiting the reach of our scenario analysis:

- Limited data coverage and developing methodologies still affect how useful the CVaR metric is at the present time. We expect to see further developments in climate scenario modelling and data coverage across all asset classes in future years. In particular, we expect further scrutiny on physical risks over transition risks due to the political context and for models to better incorporate physical risks projections in light of the multiplication of climate events. The use of geolocation to map companies' real assets will greatly improve the accuracy of companies' physical risks exposure.
- The climate scenarios methodology does not capture the risk linked to systemic breakdown of supply chains. While it considers a company's own operations, many industries are organised in clusters with subcontractors and are dependent on external supply chains. Climate scenarios also ignore the compound effects of physical risks, which happen during simultaneous occurrences of multiple risks such as a draught coupled with wildfires.
- Similarly, the climate scenarios do not account for feedback loops between the financial sector and the real economy, such as the impact of green bonds on the cost of capital of carbon intensive sectors.
- The current methodology does not consider the impact of different risks across different time horizons. Since our Members are at different stages in their journey, they will be impacted differently across their own time horizons. As such, the Trustees are attentive to the development of NGFS's short term scenario, and to the need for a longer term horizon in light of the change of Trustees' decumulation duties raised in the draft Pension Schemes Bill.
- The scenario analysis methodology assumes the Scheme maintains a consistent asset class and sector composition. We recognise this as a limitation, as future asset allocation of the funds may diverge from the current asset allocation.
- The scenario analysis of the Scheme is not fixed. It will change as climate science evolves, the market responds to climate change, and our own internal capabilities improve. For example, we expect to be able to run more granular CVaR for additional asset classes in future years. We also expect that risk of and impact from major events to be re-evaluated in models, such as wildfires following the recent examples in Los Angeles, California[22] . A direct consequence to expect is the un-insurability of many assets, with insurance premium becoming prohibitive. For example, assets in regions exposed to high coastal flooding risk due to rising sea-level are expected to be hit dramatically but the insurance premium against these risks will be prohibitive.

22 **California wildfire: Thousands flee as strong winds fuel flames - BBC News**

- The approach to climate scenarios methodology would benefit from the better integration of findings from economists and climate scientists. As noted by the Institute and Faculty of Actuaries[23] in June 2023, many climate-scenario models significantly underestimate climate risks. Carbon Tracker Initiative[24] also pointed out the disconnect between what scientists expect from climate change and what pension funds are reporting and are prepared for. This is a concern for us the Trustees and we would welcome the further development of climate scenarios analysis, including worst case scenarios and geolocation-assisted models.
- The addition of sovereign debt to the analysis introduced last year significantly diluted the Scheme's CVaR from equity and corporate fixed income, giving a seemingly improved total picture of the impact of climate change on our Members' investments. Additionally, the scenarios adapted for sovereign debt focus on transition risks and incorporate some impact of chronic physical risks, but not acute physical risks.

Our climate strategy

We recognise that climate change poses risk and opportunities to the Scheme. As part of our fiduciary duty, we incorporate these considerations into all areas of our strategy. We are an indirect investor and rely on third-party fund managers to identify and influence the companies we invest in. We can drive positive change in two main ways, firstly through the investments we choose to allocate capital to and secondly through how we, directly or via our Scheme service provider, engage with our fund managers, climate data providers, relevant industry groups and policy forums.

Capital allocation aligned with our net-zero targets

- **We planned the future of our main default arrangement, so it delivers the most effective climate credentials to our Members.**

How and where we choose to invest can both mitigate climate-related risks in our portfolios – by excluding or tilting away from certain companies or sectors and favouring others – and accelerate carbon intensity reductions. As of March 2025, 92.7% of Aegon BlackRock Lifepath Flexi Early days funds are incorporating ESG screens /or tilts. The Trustees believe the time was right to go beyond an ESG screens and tilts approach, and worked with Aegon UK and our main fund manager in exploring the future of the Scheme main default arrangement. Throughout the year, we have met multiple times to discuss what good looks like for our Members. Details of the future evolution of the Scheme's main default arrangement can be found in the Implementation Statement, published in parallel to this report. A high-level summary of changes is available on the Governance section of this report.

- **We enhanced oversight of ESG assessments at fund level**

Following a request from the Trustees to add responsible investment to the Investment Performance Fund Dashboard, Aegon UK developed a proprietary fund-level ESG red, amber, green (RAG) rating. The fund-level ESG RAG builds on existing AMT oversight tools, such as the Climate Risk Dashboard published annually in the AMT's TCFD report.

The ESG RAG rating was developed by leveraging the ESG data expertise within Aegon UK. The methodology considers different factors, peer

23 Institute and Faculty of Actuaries and the University of Exeter, June 2023, **Emperors New Climate Scenarios**
24 Carbon Tracker Initiative, July 2023, **Loading the Dice Against Pensions**

groups, and fund comparisons. The factors used were chosen because they are established risk metrics, such as Climate Value-at-Risk, that align with the Master Trust's responsible investment beliefs, in particular around the financial materiality of ESG issues and climate as a key source of risk. Combining metrics provides a more reliable and holistic fund rating model and allows Trustees to demonstrate oversight without solely relying on third-party methodologies. Where a fund is not assessed 'green', a brief narrative of the drivers behind the rating is given, allowing Trustees to understand contributing factors.

Going forward the ESG RAG rating will be provided alongside traditional fund performance information, to help improve the Trustees' understanding of the ESG profiles of the funds. The rating can be used to support engagement with fund managers or to identify funds where the Trustees may wish to carry out further qualitative assessments. The rating can be evolved over time in line with market developments.

Voting and engagement with fund managers

During the Scheme Year we reviewed and improved how we convey our stewardship expectations to fund managers by expanding our 'expression of wish' process and we engaged with fund managers on better alignment of their approach to stewardship with our net-zero targets.

- **We published the Scheme's Responsible Investment Policy detailing our approach to voting**

The **Scheme's Responsible Investment Policy** was updated in Q1 2024 and made publicly available in Q4 2024. It details to Members how the Trustees manage investments in a responsible manner on their behalf. It covers:

- The Trustees' responsible investment beliefs
- Selection, appointment and monitoring of fund managers, and our responsible investment minimum requirements
- The Trustees' engagement themes and expectations of fund managers, including expressions of wish and voting guidelines
- The Scheme's net-zero targets and progress
- **We extended our 'expression of wish' process for the 2024 voting season where we shared our voting preferences covering key climate-related resolutions with our primary fund managers.**

The Trustees expressed their voting preferences on the most significant votes through their 'expression of wish' (EoW) approach and engaged with key managers ahead of the votes to share their views and encourage manager support for the Trustees' voting preferences. Our extended priority list targeted 100 companies in our top 500 largest holdings within our main default arrangement. The companies selected were of high materiality and had poor performance in relation to our engagement themes, using data metrics including CA100+'s **Net Zero benchmark**, **LobbyMap** and the **World Benchmarking Alliance**. The Trustees monitored managers' alignment with their preferences after the company annual general meeting (AGM) and engaged or escalated with fund managers when divergence was noted. We see this an effective way of monitoring consistent and effective voting behaviour by managers, by either benefiting from their engagement processes when the managers align with our voting preferences, or by encouraging alignment otherwise. Our EoW is underpinned by robust governance and has proven to work, as evidenced by Blackrock's adoption of its new decarbonisation stewardship policy.

Table 7 below provides details of the Trustees' significant votes within the Scheme Year. The Trustees have selected their most significant votes taking into account significant holdings within the Scheme and alignment with Trustees' engagement priorities. Most significant votes selected by the Trustees focussed on climate, reflective of the Scheme's climate ambition and net-zero commitment.

Table 7: Scheme's 2024-2025 most significant voting resolutions

Company	Vote type	Resolution	Trustee priority engagement theme	Approx size of company within the Scheme	Trustees EOW	Outcome of vote (shareholder proposals)
American multinational Bank	Shareholder proposal	Disclosing material risks associated with animal welfare	Human Rights	0.54%	Against	8% support
	Director re-elections	Voting on director elections due to climate concerns.	Climate		For	8% support
					Against	8% support
			Climate			
Global shipping and logistics company	Shareholder proposal	Reporting risks from voluntary carbon-reduction commitments (Anti-ESG)	Climate	1.34%	Against	8% support
British multinational bank	Director re-elections	Voting on director elections due to climate concerns	Climate	0.05%	For	N/A
American multinational Bank	Director re-elections	Voting on director elections due to climate concerns	Climate	0.17%	For	N/A
	Shareholder proposal	Reporting humanitarian risks due to climate change policies (Anti-ESG)	Climate		Against	1% support

Company	Vote type	Resolution	Trustee priority engagement theme	Approx size of company within the Scheme	Trustees EOW	Outcome of vote (shareholder proposals)
British multinational oil & gas company	Director re-elections	Voting on director elections due to climate concerns	Climate	0.27%	Against	N/A
	Say on climate	Approve the Energy Transition Strategy	Climate		Against	78% support
	Shareholder proposal	Scope 3 GHG emissions reduction targets	Climate		For	18% support
French multinational energy company	Say on climate	Approve the Sustainability & Climate Progress Report 2024	Climate	0.15%	Against	75% support
American multinational technology company	Shareholder proposal	Report on packaging materials and plastic	Nature	1.34%	For	28% support
	Shareholder proposal	Additional reporting on stakeholder social impacts	Climate		For	23% support
	Shareholder proposal	Alternative emissions reporting (Anti-ESG)	Climate		Against	4% support
					Against	

Company	Vote type	Resolution	Trustee priority engagement theme	Approx size of company within the Scheme	Trustees EOW	Outcome of vote (shareholder proposals)
Swiss multinational commodity trading & mining company	Say on Climate	Approve the climate action transition plan	Climate	0.002%	Against	83% support
	Director re-elections	Voting on director elections due to climate concerns	Climate		Against	N/A

Source: Aegon UK

BlackRock as the Scheme's default fund manager and two other Scheme fund managers were assessed by the Trustees to consider their level of voting alignment. The Trustees found that HSBC and Aegon Asset Management remained strongly aligned in all instances where the managers held the relevant company, similar to our 2023 EoW (respectively 90% and 100% alignment with the Trustees' preferences). The Trustees found our other key manager, BlackRock, had made some improvements on votes relating to climate, where alignment increased to 30% in 2024 compared to 0% in the previous year. The Trustees were also pleased to see 100% alignment by all three of our key managers in relation to anti-ESG shareholder resolutions, demonstrating the thoughtfulness of their approach and not applying blanket approaches to voting on shareholder proposals.

Overall, alignment from one of our key managers could be improved, as illustrated below, and we will continue engaging with this manager and challenging them on the areas of divergence, including on our engagement themes beyond climate. The Trustees will continue to build on their 'expression of wish' and annual manager monitoring process in the next Scheme Year, to maximise their influence on their fund managers.

- **We engaged with the Scheme's main default arrangement fund manager to increase alignment of their stewardship activity with our net-zero targets, leading to the adoption of a new decarbonisation stewardship policy**

The Trustees have further worked closely with BlackRock to further align the LifePath strategy with the Trustees' views on climate voting and engagement. Following this collaboration, Blackrock has adopted its new Climate and Decarbonisation Stewardship Guidelines. This new decarbonisation stewardship policy is anticipated to better align Blackrock's voting and engagement with the Trustees views. It will see BlackRock engage with companies to encourage them to align with a transition to a low-carbon economy that would aim to limit average global temperature rise to 1.5°C above pre-industrial levels. The creation of these guidelines is a direct result of the Trustees' engagement with BlackRock, as they were among a select few invited to contribute to their formulation. Several of our feedback points from the ongoing engagement have been incorporated. For example, voting against directors when companies are not executing on commitments to align with low carbon transition; prioritising sectors critical to low carbon economy; and considerations on climate policy alignment. The Trustees will be attentive to measure the effect of the new decarbonisation stewardship policy on improved stewardship alignment from next year's voting season.

- **We improved how we monitor our fund manager's climate policy engagement**

We expect our fund managers to demonstrate practices in line with the IIGCC's Net Zero Stewardship toolkit, which includes climate lobbying criteria, and encourage companies to align lobbying with the Global Standard on Responsible Corporate Climate Lobbying and the goals of the Paris Agreement. We believe that a voting policy is a transparent mechanism for managers to signal expectations of companies on key environmental and social issues, and should document when they would voice concerns when not enough progress is being made.

In 2024, we sharpened our annual due diligence fund manager questionnaire on climate policy lobbying to reflect this belief. We were pleased to see some of our feedback points from our previous year of monitoring have been incorporated by managers into their practices. In particular, we have witnessed progress on climate, such as providing a clearer framework which publicly discloses a manager's evaluation criteria for climate voting decisions and more focus on holding directors accountable regarding the climate transition. However, we found that there is more to be done on specific developing aspects of responsible investment, including how climate engagement outcomes are tracked, compared to evolving best practices, and support for the effectiveness of public policy engagement (directly and indirectly) with a particular focus on climate. We are already engaging with our managers on these points.

We have also considered the climate policy lobbying performance of portfolio companies as part of our 2024 EoW voting. We are pleased to see some of our key fund managers aligned with our preference to support transparent reporting of alignment on climate-related lobbying activities, and the goals of the Paris Agreement. We continue to engage with managers who voted differently to our EoW relating to climate policy lobbying.

Aegon UK has been recognised as a leader on engaging with fund managers on corporate climate lobbying stewardship practices, as per recent InfluenceMap assessment.

Engagement with other partners

- **We influenced our main data providers on introducing a net-zero alignment tracking tool**

We are in regular dialogue with our climate data provider MSCI, via Aegon UK, with the aim of improving the data we have access to. Beyond the benefits to the Scheme analysis, we believe communication with our data provider is required to support market-wide decarbonisation. During the Scheme Year, Aegon UK successfully influenced MSCI on introducing a net-zero alignment tracking tool, in line with IIGCC's Net Zero Investment Framework. MSCI took some of Aegon UK's advice to develop its net-zero alignment as a key forward-looking tool to help financial institutions assess their future decarbonisation trajectory. Aegon UK provided feedback to MSCI on how their initial methodology could be made more robust and were pleased to be consulted on their second version. The net-zero alignment tracking tool will help us, the Trustees, to better monitor the Scheme's decarbonisation trajectories, and will complement our emissions' tracking, which is inherently backwards looking.

Overall, Aegon UK has received positive feedback from MSCI who now come to them proactively for product development input. We will continue to monitor the data quality and services of our data provider and seek opportunities to influence the availability of critical data across the pension sector. We will also continue to use MSCI's products to gain greater insight into our portfolio and its exposure to responsible investment risk factors to help in making investment decisions.

- **Industry collaboration on climate, and independent acknowledgment of our achievement as well (e.g., InfluenceMap)**

The Trustees recognise the importance of addressing systemic risks such as climate change through effective engagement with the financial industry. We believe we have a responsibility to work together with other asset owners and share perspectives on climate-related issues and solutions to drive real-world change.

Over the past few years, we have been actively involved in several collaborative projects aimed at generating ideas and optimizing asset owner collaboration with fund managers on climate and net-zero engagement. On behalf of the Trustees, Aegon UK, has been active members of the NZAOA engagement track, co-leading discussions and shaping public letters to fund manager CEOs, calling for more outcomes-based engagement, sector/value chain engagement, ambitious climate voting policies, and alignment of climate lobbying activities.

As a member of the Asset Owner Council (AOC) steering committee, Aegon UK has contributed to shaping the meeting agenda and developing stewardship expectations for fund managers. We advocated for a stronger focus on climate policy engagement alignment, participation in collaborative initiatives, sector-based engagement, and systematic approaches to voting and escalation, with a focus on director accountability.

Since 2023, Aegon UK has co-chaired the IIGCC Sovereign Bonds and Country Pathways working group, exploring data, tools, and methodologies for assessing net-zero alignment at the sovereign level. This initiative was important as a significant portion of our investment estate is in harder-to-decarbonize sovereign debt investments. We actively contributed to the development of a discussion paper published in 2024, providing guidance for investors to increase the adoption of sovereign bonds into net-zero strategies.

Risk management

In this section we will:

- explain our processes for identifying and assessing climate-related risks relevant to the Scheme;
- describe how climate risks are managed through our responsible investment and stewardship activities, in particular our fund managers' annual responsible investment oversight process;
- illustrate how we are evolving our Risk Register and Climate Risk Dashboard to better identify and manage key areas of climate risks.

Identification, assessment and management of climate risks

We, the Trustees, are committed to giving climate risks due consideration, in order to protect and grow returns for our Members. We firmly believe a forward-looking approach is required to capitalise on the opportunities the climate transition brings. Beyond climate change risks, we recognise that better climate risk management is about being good stewards of our Members' assets, which ultimately may bring positive benefits to society. As outlined in the governance section of this TCFD report, we keep up to date with the latest climate change concepts and emerging climate risk topics through responsible investment teach-ins. We recognise the four principles of interconnections, temporal orientation, proportionality and consistency when considering integration of climate-related risks, as highlighted in DWP Statutory Guidance.

Climate risks and opportunities can be identified and assessed at any point during the annual business planning cycle. They are also formally integrated into our overall risk management framework, our Scheme Risk Register, so we are able to make informed management decisions. We also benefit from the risk management processes and expertise of the Aegon UK and Aegon Group. These include:

- Aegon UK's Risk team maintains an Enterprise Risk Management (ERM) framework, which includes processes to identify risks, assess their impacts and then set appropriate risk appetite, tolerance and policies. The framework is aligned with our views on climate risks, and we are able to make use of results of these exercises, as well as in the in-house knowledge of experts within the Aegon UK Risk team.
- Aegon Group's business environment scan, which captures new and emerging risks which could have a significant impact on the group's financial strength, competitive position or reputation. It functions as a check on the ongoing appropriateness of Aegon's risk universe and can be leveraged by the Scheme to provide input for ongoing strategy development. Climate change and loss of biodiversity are explicitly covered under the business environment scan process.

For more information on Aegon UK risk management framework, please refer to Aegon UK's TCFD report.

We manage climate-related risks through our responsible investment and stewardship activities. Fund manager monitoring, oversight and engagement is a key part of how we manage climate risks. Every year, we send a responsible investment questionnaire to all fund managers. Their answers help us monitor and assess their climate credentials, including how they are managing climate risks. Regular discussions with our fund managers ensure we stay up-to-date and aligned with their approach to climate related risks. At minimum, fund managers must comply with our **climate requirements and voting and engagement expectations** detailed in our Responsible Investment policy.

Our Scheme Risk Register

The Aegon UK Risk team reviews the risk ratings on the Scheme Risk Register so the Trustees can take appropriate actions if a specific risk is not on target. Each quarter Aegon UK produces a heat map of any risk(s) that are not on target, with associated commentary for the Trustee Board. The risk identified are:

1. **Climate change risk:** the risk that climate risk is not accurately reported or managed with effective actions in order to avoid greenwashing across the Scheme.
2. **Greenwashing risk (marketing and communication):** the risk that the Scheme's marketing makes sustainability related claims that are misleading, not reasonable and substantiated through underlying practices.
3. **Greenwashing risk (fund manager governance):** the risk that we select funds which include sustainability claims that cannot be substantiated.

There were no changes to the risk ratings during the Scheme Year. Climate change risk is rated as yellow for the Scheme. This is because of the significant impact of unmitigated climate change on the global economy and associated impact on the Scheme's investments. Both marketing & communication greenwashing risks and fund manager governance greenwashing risks are rated as green for the Scheme. These risks are managed on a day-to-day basis through our investment service provider Aegon UK's Responsible Investment Policy and strategy, its associated monitoring of practices, its responsible investment expertise and its marketing compliance processes. We also manage this risk through our continued training and education.

Our Climate Risk Dashboard

Isio and Aegon UK provide advice and support to the Scheme's Investment Sub-Committee on maintaining and upgrading the Scheme's Risk Register. Other updates to the Climate Risk Dashboard during the Scheme Year include the addition of a first insight into our new Net Zero Alignment metrics, in line with IIGCC's Net Zero Investment Framework.

The metrics in the Climate Risk Dashboard (table 8) represent the whole Scheme portfolio (Aegon BlackRock LifePath default arrangements, AMT Fund Range and bespoke section), as described in the introduction. Definitions of the metrics used are provided in the metrics and targets section of this document. We recommend considering metrics together rather than drawing conclusions from a single metric, which is unlikely to provide a comprehensive picture[25] . .

25.

Table 8: : The Scheme Climate Risk Dashboard .

Scheme's Climate Risk Dashboard		2022	2023	2024
Absolute emissions metrics				
Absolute emissions	Scope 1 & 2 tonnes CO_2e	237,680	253,946	247,250
	Scope 3 tonnes CO_2e	1,538,494	1,634,222	1,781,429
Carbon intensity metrics				
Carbon footprint	Scope 1 & 2 tonnes CO_2e/£M EVIC	58.5	45.4	37.6
	Scope 3 tonnes CO_2e/£M EVIC	411.3	325.2	292.3
Weighted average carbon intensity (WACI)	Scope 1 & 2 tonnes CO_2e/£M sales	n/a	109.8	96.3
	Scope 3 tonnes CO_2e/£M sales	n/a	829.7	711.7
Sovereign debt carbon intensity	tonnes CO2e /£M GDP-PPP	n/a	225.5	177.9
Portfolio alignment metric				
Implied temperature rise (degree Celsius °C)		2.6°C	2.2°C	2.3°C
Additional climate metrics				
Data quality (% total portfolio)	Scope 1 & 2 Emissions – Estimated	13%	11%	10%
	Scope 1 & 2 Emissions – Reported	13%	11%	10%
	Scope 1 & 2 Emissions – Not covered	13%	11%	10%
	including: sovereign debt coverage	*n/a*	*16%*	*20%*
Other climate metrics				
Net Zero Alignment		*n/a*	*n/a*	*13.1%*
% of investments with approved Science Based Target initiative (SBTi) targets (1.5°C aligned net zero targets)		21.4%	26.3%	27.0%
% of investments aligned with climate opportunities[23]		5.2%	8.5%	9.5%
Investment value-at-risk: (MSCI 2°C NGFS REMIND Disorderly Scenario)	Physical risks	-6.7%	-7%	-5.8%
	Transition risks	-12.7%	-5.2%	-3.3%
	Transition opportunities	0.7%	0.4%	0.2%
	Aggregate climate risks	-18.7%	-11.7%	-9.2%

Scheme's Climate Risk Dashboard	2022	2023	2024
Risk self-assessment			
Climate change risk self-assessment	Yellow rating	Yellow rating	Yellow rating
Greenwashing risk self-assessment (marketing and communication)	Yellow rating	Green rating	Green rating
Greenwashing risk self-assessment (fund manager governance)		Green rating	Green rating
Targets monitored			
Commitment #1	Net zero GHG emissions across Aegon BlackRock LifePath Flexi by 2050		
Ambition #1	Halving emissions across Aegon BlackRock LifePath Flexi by 2030		

Source: Aegon UK using data from MSCI as of 31 December 2024

We note that climate data trends may change as disclosure and data coverage improve. This is still true this Scheme Year. While the Scheme's absolute scope 1 and 2 emissions have dropped compared with last Scheme Year, our scope 3 emissions are still increasing, but to a less extent than our asset under management. Consequently, both the Scheme's scope 1 and 2 and Scope 3 carbon footprint continue to reduce following favourable market moves. We note an increase in Implied Temperature Rise metrics at the Scheme level, which we attribute to rounding effects and market moves rather than a deterioration in the performance of our portfolio companies. We welcome the continuous increase in our exposure to investments with SBTi targets, highlighting that investee companies are adopting net-zero transition plans, and the increase of investments aligned with climate opportunities. We note the decrease in CVaR compared with last year for all scenarios including the one displayed on this Climate Road Dashboard, in particular its physical CVaR component, which we attribute to the model upgrade mentioned earlier in the climate scenario analysis section of this report.

We expand further our analysis on the evolution of metrics for the main default arrangement in the next section.

Metrics and targets

In this section we set out:

- climate metrics for the Scheme's main default arrangement, including for Members at different stages of their retirement journey
- progress against the emission targets we have set for the Scheme's main default arrangement
- our progress on improving data coverage and priorities going forward

Description of metrics

Monitoring key climate metrics lets us track and manage the impacts of climate change on the Scheme' assets. It also provides our external stakeholders with information to help them understand our climate-related risks and opportunities and how we're responding to them.

The climate metrics and targets in this section apply to the main popular arrangement offered by the Scheme, as specified by the DWP Statutory Guidance. For the Scheme, this is the Aegon BlackRock LifePath Flexi default arrangement. The climate metrics are made available in the appendix for the Scheme's two other popular arrangements, Aegon BlackRock LifePath Capital and Aegon Developed Markets ex-UK equity. We believe that climate metrics are a valuable tool to assess climate-related governance, strategy and risk management across the Scheme and to hold us, as Trustees, accountable to the targets we have set on behalf of our Members.

In table 9 below, we set out the metrics we use to assess climate-related risks and opportunities aligned with our strategy. In line with the recommendations of the TCFD, we include scope 1, scope 2 and, scope 3 greenhouse gas (GHG) emissions, and report across three years. This year, we added a new measure of net-zero alignment to the metrics tracked.

Climate data is supplied by MSCI for funds where data is obtainable and where emissions data is available for companies. Reported emission data are subject to lag due to many factors including delays in reporting cycles and our data provider updates us regularly on their progress in completing its full year update cycle. In some cases, company emissions data may be estimated. Climate data, metrics and methodologies continue to evolve, and we expect that reporting frameworks will, in time, become standardised. As a result, reported information may be restated in the future as more and better climate data becomes available, in line with market best practice and regulations. Unless stated otherwise, data are reported as of December 2024, which is the most accurate date available in the Scheme Year considering the lag in receiving fund composition.

GHG emissions are calculated in line with the GHG Protocol, with emissions categories for corporate fixed income and equity split into three distinct 'scopes', as defined by the GHG Protocol Corporate Standard[26] .

- **Scope 1 equity and corporate fixed income emissions are direct GHG emissions** that occur from sources owned or controlled by the reporting company, for example company facilities.
- **Scope 2 equity and corporate fixed income emissions are indirect GHG emissions** from the generation of purchased or acquired electricity, steam, heating, or cooling consumed by the reporting company.

26. **PCAF (2020). The Global GHG Accounting and Reporting Standard for the Financial Industry (https://ghgprotocol.org/)** First edition, published 2020, accessed February 2024

- **Scope 3 equity and corporate fixed income emissions** include all other indirect GHG emissions, not included in scope 2, that occur in the value chain of the reporting company, such as business travel, employee commuting and use of sold products.

Our reported climate metrics use carbon dioxide equivalents (CO2e) as a unit of measurement, which standardises the climate effects of various greenhouse gases[27] . The emissions metrics used are apportioned to Enterprise Value Including Cash (EVIC) expressed in British pounds, meaning that we allocate 'ownership' of GHG emissions across the total capital structure of the issuing company (equity and debt).

Climate data and reporting of emissions information, such as carbon footprint (see description below), is more established for listed equity and corporate fixed income. These are also our most material asset classes, representing over two thirds of the Scheme's asset under management.

For scope 1 and 2 corporate fixed income and equity, most data are based on estimated and reported emissions. However, scope 3 corporate fixed income and equity emissions are mostly estimated by our data provider, MSCI, using its proprietary estimation model, which covers over 8,800 companies, across all Global Industry Classification Standard (GICS) sectors. The estimation model includes 15 scope 3 categories relating to different parts of the corporate value chain, such as business travel, the use of sold products or waste generated in operations[28].

- We also report on emissions associated with sovereign debt, expressed by the sovereign debt carbon intensity. For sovereign debt, GHG emissions are also split into three distinct groups, as defined by the PCAF and referenced by the IIGCC in its Sovereign Bonds and Country Pathways discussion paper[29] .
  - **Scope 1 sovereign emissions** are production emissions including exports. This covers domestic GHG emissions from sources located within a country's territory.
  - **Scope 2 sovereign emission** covers emissions from imported electricity, heat, steam, and cooling (energy sector).
  - **Scope 3 sovereign emissions** are those from non-energy imports but arise from activities taking place within a country.

27 Department for Work and Pensions (June 2022), **Statutory guidance: Governance and reporting of climate change risk: guidance for trustees of occupational schemes**
28 **A Major Step Forward for Scope 3 Carbon Emissions (www.msci.com)**, published October 2020, accessed February 2024
29 **https://www.iigcc.org/resources/sovereign-bonds-and-country-pathways-discussion-paper (https://www.iigcc.org/), published April 2024**, accessed May 2024

Table 9: Description of the climate metrics used for our default arrangement Aegon BlackRock LifePath Flexi

DWP metric category	Climate metric	Description	Asset classes covered	Emission scopes
Absolute emissions	Total carbon emissions (tonnes CO_2e)	Measures the carbon emissions for which an investor is responsible by their total overall financing. Emissions are apportioned across all outstanding shares and bonds (% Enterprise value including cash).	Listed equity, real estate investment trusts and corporate fixed income	Scope 1, 2 and 3
Emissions intensity	Carbon footprint (tonnes CO2e / £M invested)	Measures the carbon emissions, for which an investor is responsible, per million of British pounds invested, by their total overall financing. Emissions are apportioned across all outstanding shares and bonds (% enterprise value including cash).	Listed equity, real estate investment trusts and corporate fixed income	Scope 1, 2 and 3
Emissions intensity	Sovereign debt carbon intensity (tonnes CO2e /£M GDP-PPP)	Measures the scope 1 production emissions of our sovereign debt investments, relative to the amount invested. The emissions for each country are apportioned using gross domestic product (GDP), adjusted for purchasing power parity (PPP), as recommend by the Partnership for Carbon Accounting Financials (PCAF).	Sovereign debt	Scope 1
Additional metric	Data coverage (%)	Emissions – Estimated (%): emissions estimated by MSCI using sector analysis. Emissions – Reported (%): emissions reported directly by companies and collected by MSCI. Emissions – Not covered (%): no scope 1 or 2 emissions data reported/estimated. Sovereign debt coverage: proportion of the portfolio invested in sovereign debt with sovereign debt carbon intensity	All asset classes. Data coverage gaps may result from lack of available data for a particular asset class e.g. sovereign debt or holdings not publishing their emissions' data. Specific data coverage metric applies to sovereign debts.	Scope 1 and 2

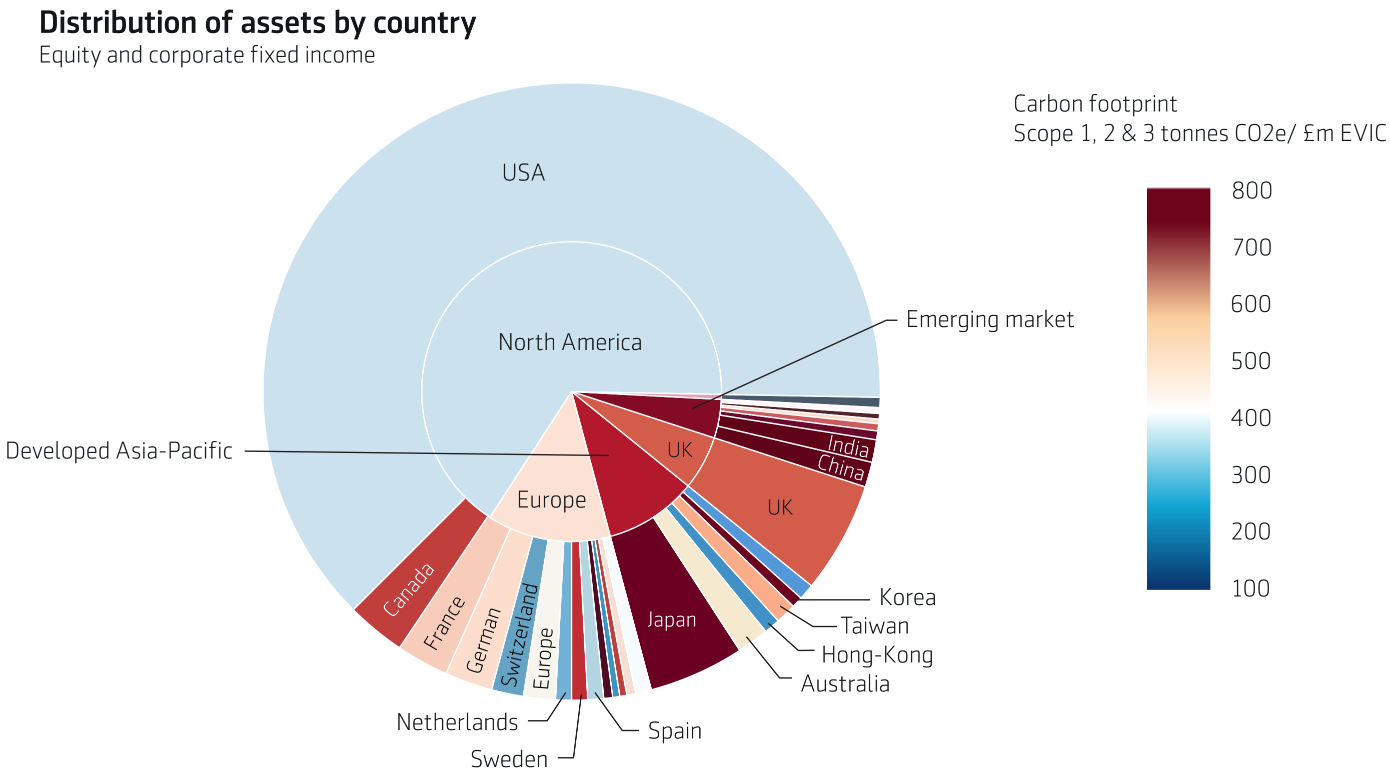
DWP metric category	Climate metric	Description	Asset classes covered	Emission scopes
Portfolio alignment metric	Implied temperature rise	The implied temperature rise, expressed in degrees Celsius (°C), estimates the global implied temperature rise (in the year 2100 or later) if the whole economy had the same carbon budget over-/undershoot level as the fund or portfolio in question.	Listed equity and corporate fixed income (representing over 70% of assets for the default arrangement, see table 12)	
Other climate metric	Net Zero Alignment	This net zero alignment metric is[30] a forward-looking metrics which categorises company's alignment to net-zero based on their stated ambition, targets, emissions performance, disclosure, decarbonisation plans and capital allocation alignment. There are 5 NZIF alignment categories: Achieving Net Zero; Aligned; Aligning; Committed; and Not Aligning.	Listed equity, real estate investment trusts and corporate fixed income	
Other climate metrics	Exposure to SBTi target	The exposure to SBTi target measures the proportion of our investment with companies that have 1.5°C aligned net-zero targets approved by the Scienced Based Target initiative.	Listed equity, real estate investment trusts and corporate fixed income	
Other climate metrics	Climate opportunities	This metrics tracks the companies identified as "climate solutions" under MSCI "Low Carbon Transition Categories".	Listed equity, real estate investment trusts and corporate fixed income	

30 The metrics was developed by MSCI and is based on the Paris Aligned Investment Initiative (PAII)'s Net Zero Investment Framework (NZIF).

Reported metrics for Aegon BlackRock LifePath Flexi

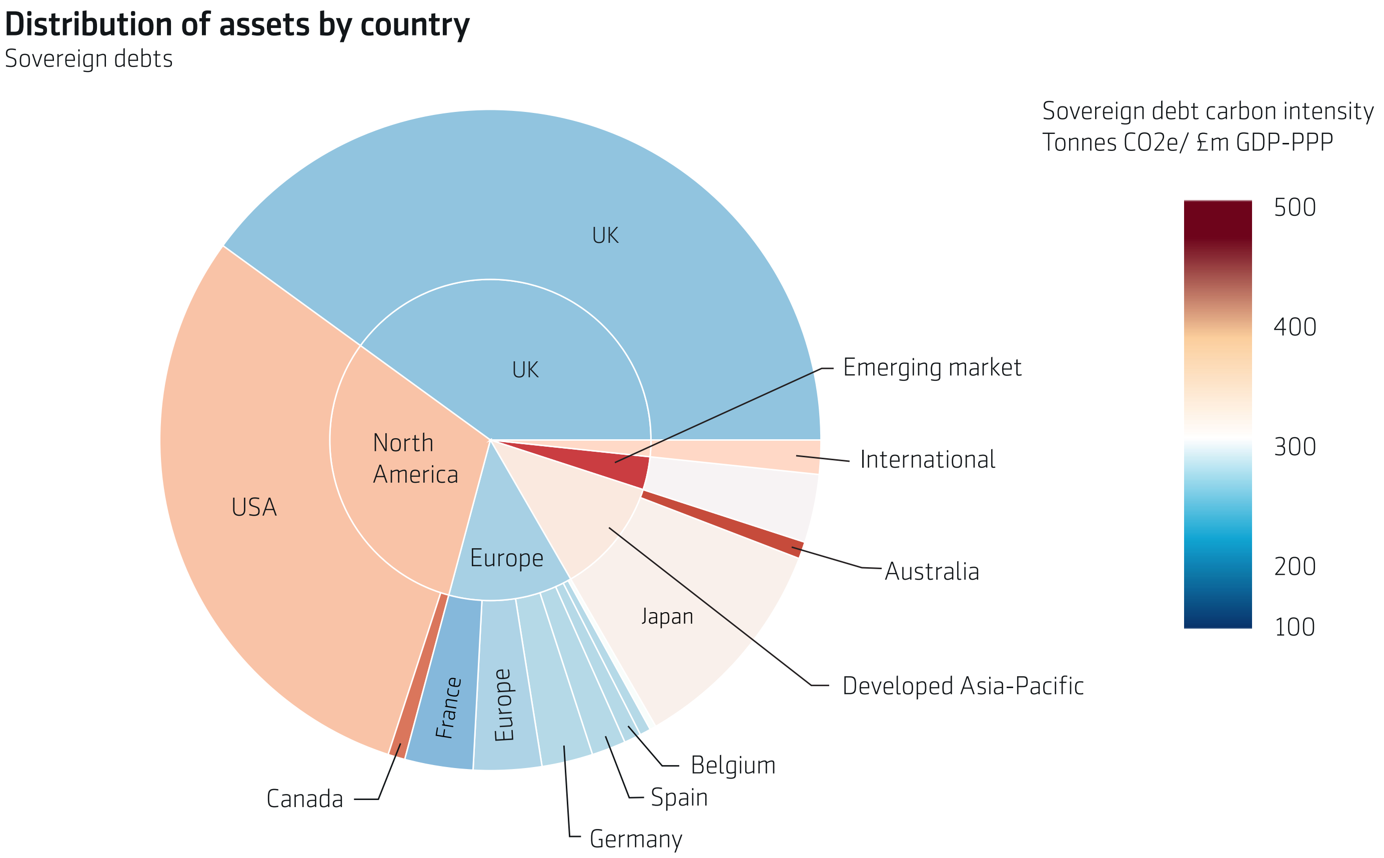
The Scheme's main default, Aegon Blackrock Lifepath Flexi, is strongly tilted towards listed equity (around 67%), sovereign debt (22%), corporate fixed income (7%) and real estate (4%). Geographically, the Scheme's main default arrangement is primarily invested in the US (over 55%), the UK (over 15%) and Europe excluding the UK (over 12%), as of 31 December 2024. These splits are not applicable to individual Members: exact exposures will vary for each Member depending on the number of years to retirement.

Figure 5: Distribution of equity and corporate fixed income assets by country for Aegon Blackrock Lifepath Flexi and corresponding carbon footprint



Source: Aegon UK using data from MSCI as of 31 December 2024

Figure 6: Distribution of sovereign debt investments by country for Aegon Blackrock Lifepath Flexi and corresponding sovereign debt carbon intensity



Source: Aegon UK using data from MSCI as of 31 December 2024

Table 10 below summarises the climate metrics for the Scheme's main default arrangement.

Table 10: Climate metrics for Aegon BlackRock LifePath Flexi

Climate metrics		2022/23	2023/24	2024/25
Absolute emissions metric				
Absolute emissions	Scope 1 & 2 tonnes CO_2e	198,536	219,829	211,556
	Scope 3 tonnes CO_2e	1,284,179	1,398,748	1,504,932
Carbon intensity metric				
Carbon footprint	Scope 1 & 2 tonnes CO_2e/£M EVIC	56.2	44.9	37.4
	Scope 3 tonnes CO_2e/£M EVIC	393.5	318.5	287.3
Sovereign debt carbon intensity	tonnes CO2e /£M GDP-PPP	n/a	239.1	180.9
Portfolio alignment metric				
Implied temperature rise (degree Celsius °C)		2.6°C	2.2°C	2.3°C
Net Zero Alignment		n/a	n/a	12.7%
Additional climate metric				
Data quality (% total portfolio)	Scope 1 & 2 Emissions – Estimated (%)	14%	11%	10%
	Scope 1 & 2 Emissions – Reported (%)	60%	66%	68%
	Scope 1 & 2 Emissions – Not covered (%)	27%	23%	22%
	including: sovereign debt coverage	*n/a*	*17%*	*21%*

Source: Aegon UK using data from MSCI as of 31 December 2024

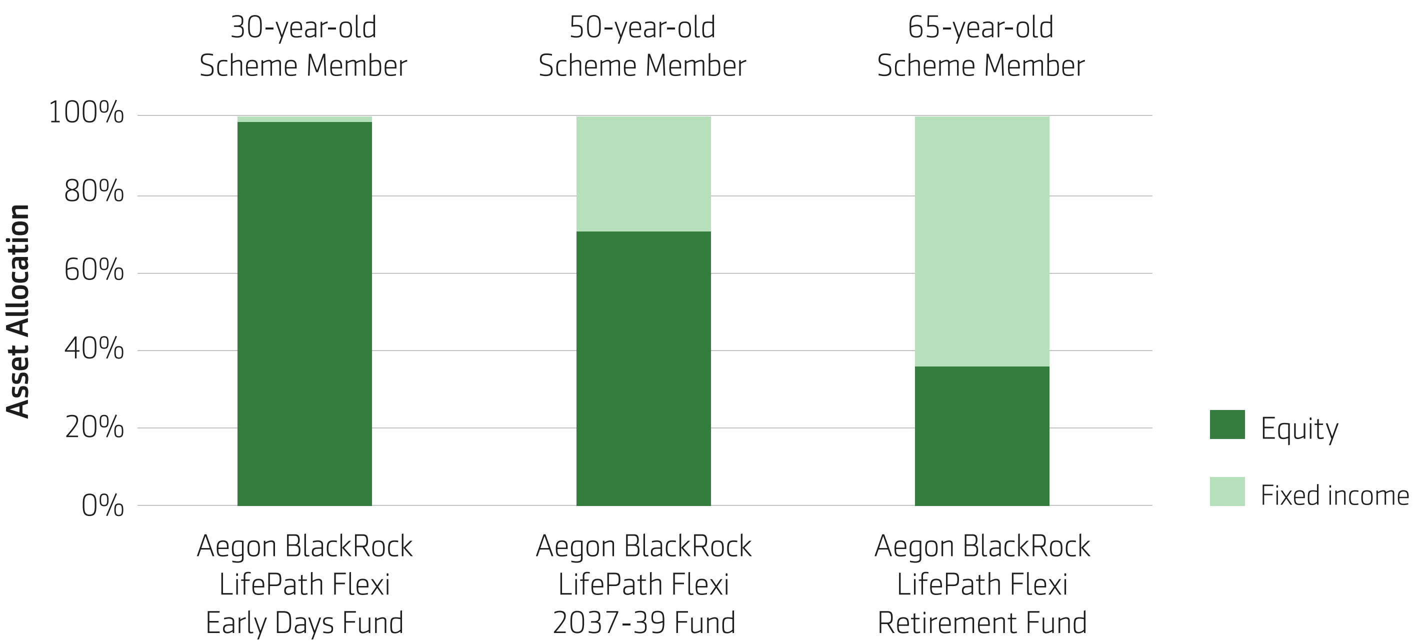
While the above data is helpful to understand the climate profile of the whole of Aegon BlackRock LifePath Flexi and to track progress against our net-zero target, the default arrangement is composed of funds that de-risk as a Member approaches retirement. The stage at which a Member is at in their journey towards retirement will affect the asset allocation of their individual portfolio. For example:

- A Member invested in the Aegon BlackRock LifePath Early Days fund will be invested in a portfolio of equity and equity-like instruments.
- A Member invested in the Aegon BlackRock LifePath At Retirement fund will be invested in predominantly fixed-income and similar instruments with a smaller equity component.

As a result, climate data will also vary depending on the asset allocation of a portfolio. For example, more ESG screens and/or tilts in growth stages of portfolios with higher allocation to equities is likely to result in a less carbon intensive profile. Similarly, a higher allocation to fixed income during the de-risking /pre-retirement phase is typically associated with a less carbon intensive profile than an early-days Member, who will be more heavily invested in equities. One reason for this may be due to the higher proportion of assets, such as sovereign debt, with no associated carbon footprint. Consequently, we have also mapped the different carbon-intensity profiles of three Members aged 30, 50 and 65 in figure 7 below. This is to demonstrate how carbon footprint metrics vary across different Members depending on the different risk profiles and asset classes they are invested in.

invested in equities. One reason for this may be due to the higher proportion of assets, such as sovereign debt, with no associated carbon footprint. Consequently, we have also mapped the different carbon-intensity profiles of three Members aged 30, 50 and 65 in Figure 6 below. This is to demonstrate how carbon footprint metrics vary across different Members depending on the different risk profiles and asset classes they are invested in.

Figure 7: Asset allocation for the individual portfolios of three different Scheme Members invested in the Aegon BlackRock LifePath Flexi default



Source: Aegon UK using data from MSCI as at 31 December 2024

Table 11: Climate data reflecting the individual portfolios of three different Scheme Members invested in the Aegon BlackRock LifePath Flexi default, including associated emissions' metrics

Aegon BlackRock LifePath Flexi Early Days Fund	Dec 19	Dec 20	Dec 21	Dec 22	Dec 23	Dec 24
Scope 1 and 2 emissions coverage	98.0%	99.0%	99.0%	99.0%	98.4%	99.2%
Financed carbon footprint Scope 1 and 2 tonnes CO2e/ £M invested EVIC	n/a	76.0	62.0	59.0	48.9	38.7
Financed carbon footprint Scope 3 tonnes CO2e/ £M invested EVIC	n/a	n/a	n/a	404.0	333.5	293.6
Sales carbon emissions intensity (Scope 1 and 2 CO2e/ £M sales)	208.0	188.0	166.0	139.0	115.2	100.6
Sales carbon emissions intensity (Scope 3 CO2e/ £M sales)	n/a	n/a	n/a	945.0	794.8	703.2
Sovereign debt carbon intensity (tonnes CO2e /£M GDP-PPP)	n/a	n/a	n/a	n/a	342.3	196.6

Aegon BlackRock LifePath Flexi 2037-39 Fund	Dec 19	Dec 20	Dec 21	Dec 22	Dec 23	Dec 24
Scope 1 and 2 emissions coverage	67%	68%	67%	75%	78.9%	77.9%
Financed carbon footprint Scope 1 and 2 tonnes CO2e/ £M invested EVIC	n/a	74	58	56	44.7	37.9
Financed carbon footprint Scope 3 tonnes CO2e/ £M invested EVIC	n/a	n/a	n/a	389	315.4	288.2
Sales carbon emissions intensity (Scope 1 and 2 CO2e/ £M sales)	226	192	166	138	109.8	96.5
Sales carbon emissions intensity (Scope 3 CO2e/ £M sales)	n/a	n/a	n/a	937	826.0	705.5
Sovereign debt carbon intensity (tonnes CO2e /£M GDP-PPP)	n/a	n/a	n/a	n/a	187.8	181.9

Aegon BlackRock LifePath Flexi Retirement Fund	Dec 19	Dec 20	Dec 21	Dec 22	Dec 23	Dec 24
Scope 1 and 2 emissions coverage	43%	47%	48%	48%	45.7%	44.5%
Financed carbon footprint Scope 1 and 2 tonnes CO2e/ £M invested EVIC	n/a	72	57	53	39.6	33.3
Financed carbon footprint Scope 3 tonnes CO2e/ £M invested EVIC	n/a	n/a	n/a	375	318.4	293.9
Sales carbon emissions intensity (Scope 1 and 2 CO2e/ £M sales)	242	198	178	141	95.5	84.4
Sales carbon emissions intensity (Scope 3 CO2e/ £M sales)	n/a	n/a	n/a	976	876.7	718.9
Sovereign debt carbon intensity (tonnes CO2e /£M GDP-PPP)	n/a	n/a	n/a	n/a	183.0	167.6

Source: Aegon UK using data from MSCI as of 31 December 2024

Analysis and limitations of climate metrics

We have reflected on 2024 metrics versus 2023 for Aegon BlackRock LifePath Flexi.

Absolute emissions and data coverage

We note that total absolute emissions have increased while carbon footprint has decreased compared to last year. This increase in total absolute emissions can be explained in part by an increase in the size of the Scheme. While the Trustees welcome the reduction in Scope 1& 2 emissions, they encourage corporates to also address their scope 3 emissions.

Table 12 illustrates the data coverage split by asset classes for our portfolio and the efforts from Aegon UK, in collaboration with our data provider and fund managers, to continuously improve data coverage of the Scheme.

- Our data coverage is excellent for equity, corporate fixed income and real estate investment trusts, representing the majority of assets our Members are invested in.
- We adopted the PCAF methodology to track and report on sovereign debt emissions, which Aegon UK has implemented and which we have included in our metrics.
- There is no methodology to measure emissions from cash and cash-equivalent.

Table 12: Data coverage per asset classes for Aegon BlackRock LifePath Flexi

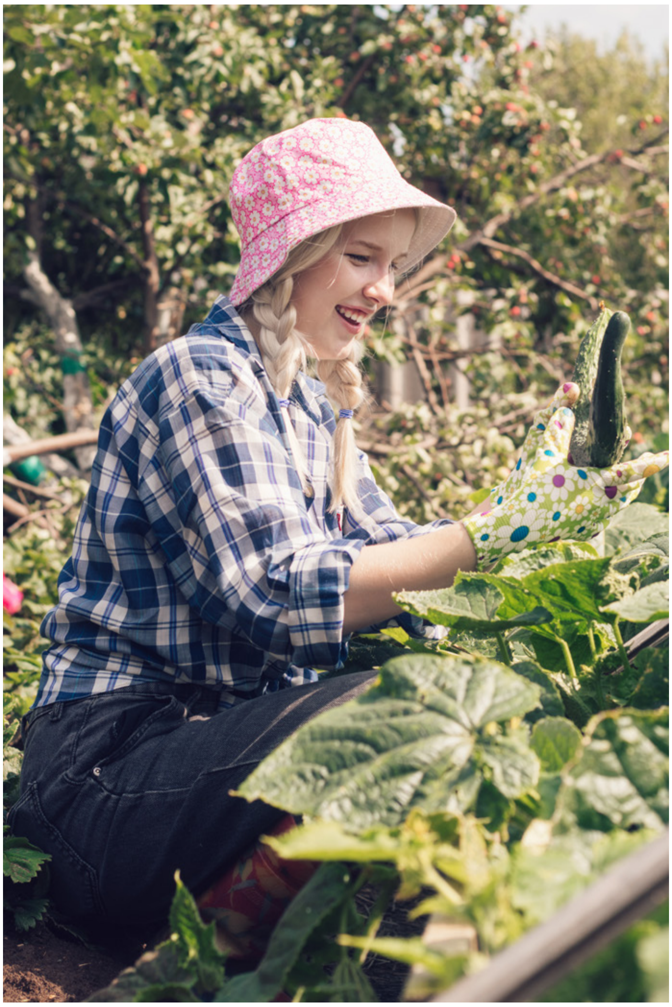
Asset classes	Data coverage measurement:	% coverage for Aegon BlackRock LifePath Flexi	% AUM of Aegon BlackRock LifePath Flexi
Equity	Scope 1 and 2 emissions covered in %)	99.7%	66.8%
Sovereign debt	Sovereign debt carbon intensity	99.8%	21.7%
Corporate fixed income	Scope 1 and 2 emissions covered in %)	99.0%	6.9%
Others (Funds, asset-backed securities)	Scope 1 and 2 emissions covered in %)	6.2%	0.0%
Cash and equivalent	Scope 1 and 2 emissions covered in %)	0.0%	0.5%
Real estate	Scope 1 and 2 emissions covered in %)	99.9%	4.1%

Source: Aegon UK using data from MSCI as of 31 December 2024

Interpretation of the carbon emission attribution analysis

We observe a significant drop in carbon footprint, across scope 1 and 2 and scope 3 between 2023 and 2024 Scheme Years despite the increase in scope 3 absolute emissions. This drop can be attributable to several factors using the emissions' attribution analysis methodology issued by the Net Zero Asset Owner Alliance to analyse the drivers of the change observed year on year. This analysis highlights that the most significant contributors to the reduction in the Scheme's Scope 1 and 2 carbon footprint over the last Scheme Year were:

- overall favourable market movements, which translated into higher enterprise value including cash values,
- passive changes in relative allocation to companies due to market movements and index rebalancing, resulting in increased or decreased relative investments in particular companies compared with last year,
- reduction in companies reported and estimated scope 1 and 2 emissions.

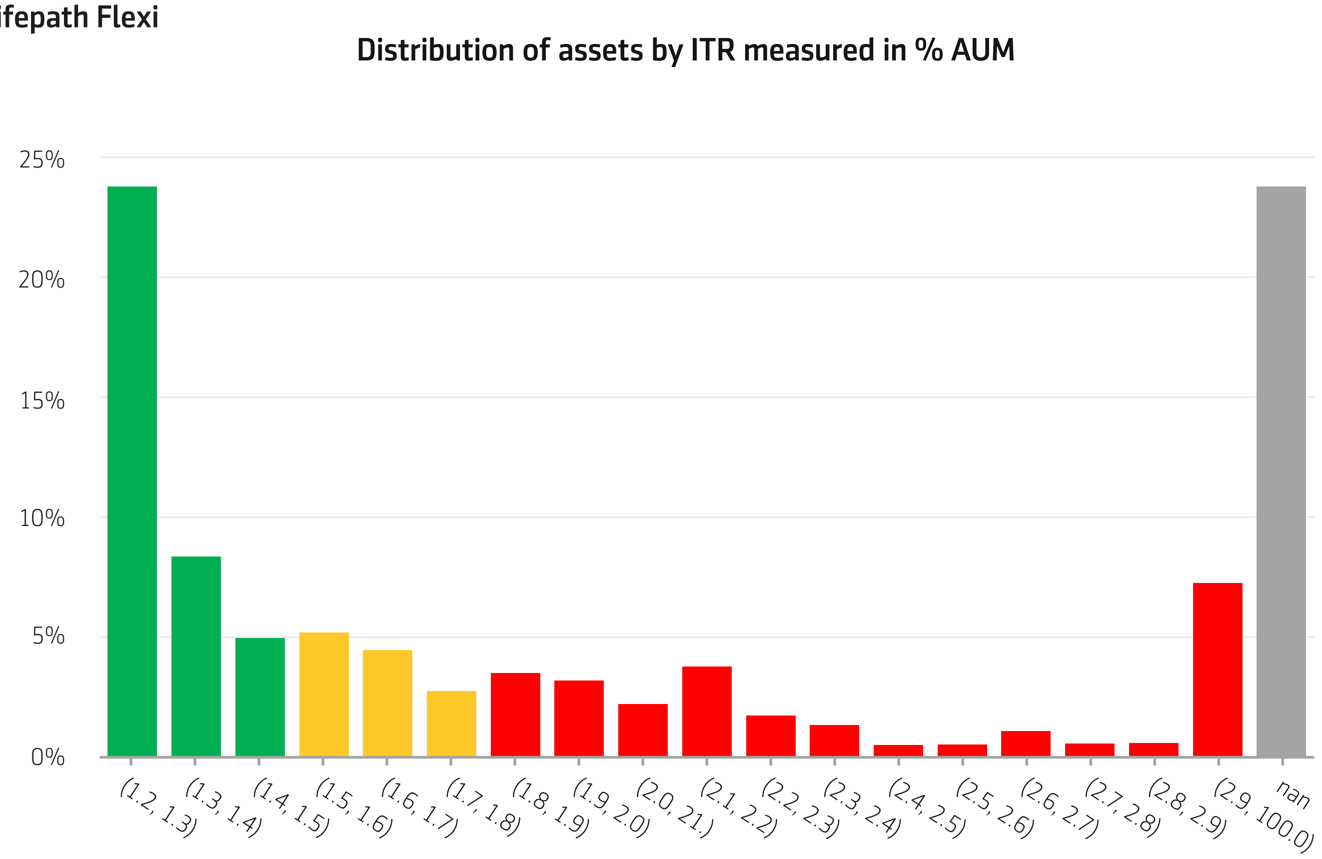


We interpret the effects of changes in allocation on the carbon footprint as a result of the tilts and screens implemented at building block level, as well as increased valuation of companies in the Energy and Material sectors, following favourable market movements. Our emission attribution analysis highlights that, during the Scheme Year, the actual carbon emissions of the assets held have had a positive effect on the Scheme's overall carbon footprint. This implies that overall, companies we are invested in did reduce their own emissions. While true for scope 1 and 2 carbon footprint, we observe the opposite effect on Scope 3, highlighting that companies may have prioritised the reduction of direct emissions over their scope 3 emissions.

Additional analysis

We note that the Scheme's main default arrangement is exposed to a diverse range of assets, some of which are aligned to a world below 1.5°C (as measured by MSCI implied temperature rise metric), but significant part of the fund's assets are pointing towards a 2°C or above trajectory. Figure 8 summarises the breakdown of assets by buckets of implied temperature rise scores. The Scheme's slight increase in ITR against last year's value is attributable to market movements rather than a change in the composition of assets held or of the assets' improved alignment with a world below 1.5°C.

Figure 8: Distribution of assets by implied temperature rise (ITR) measured in %AUM for Aegon Blackrock Lifepath Flexi

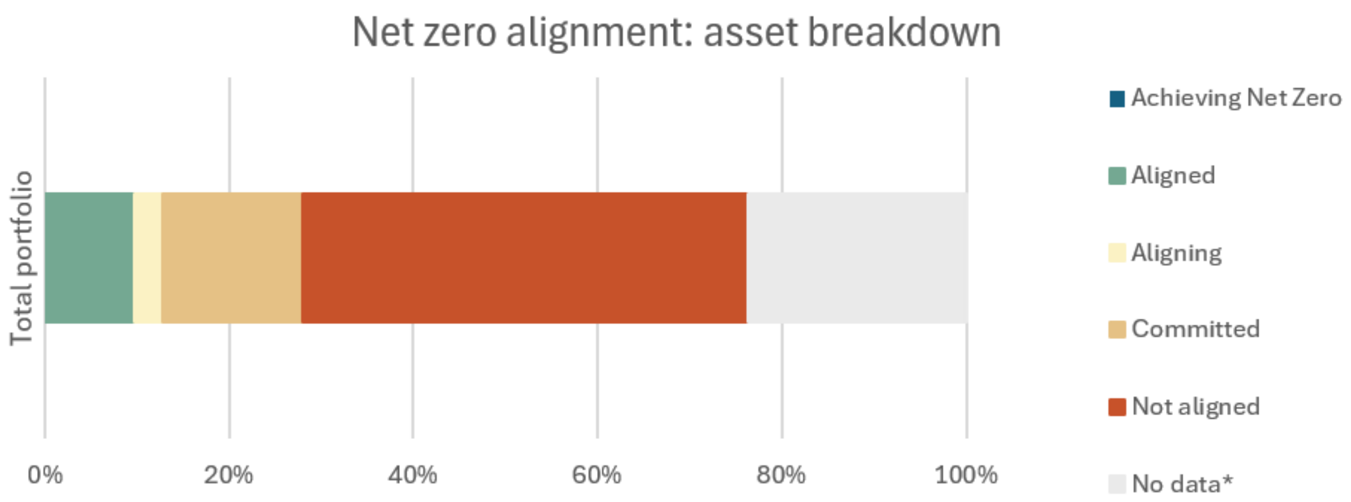


Source: Aegon UK using data from MSCI as of 31 December 2024

This Scheme Year we introduced a forward-looking metrics assessing companies' alignment with net-zero objectives. Several criteria are used to estimate how companies are aligned to net zero, from companies' stated ambitions, targets and emissions performance, to disclosure, decarbonisation plans and capital allocation alignment. Using these elements as input, companies are assessed in five alignment categories, as per Figure 9:

This Scheme Year we introduced a forward-looking metrics assessing companies' alignment with net-zero objectives. Several criteria are used to estimate how companies are aligned to net zero, from companies' stated ambitions, targets and emissions performance, to disclosure, decarbonisation plans and capital allocation alignment. Using these elements as input, companies are assessed in five alignment categories, as per Figure 9:

Figure 9: Net-zero alignment of Aegon Blackrock Lifepath Flexi by AUM



Please bear in mind that the value of investments may go down as well as up and the final value of a member's pension pot may be less than has been paid in. There's no guarantee funds will meet their objectives. Funds investing in a single asset class, for example UK equities, should only be used as part of a diversified portfolio. Any charts are for illustrative purposes only, and we reserve the right to change funds' asset allocations and charges. You should get financial advice if you're not sure whether an investment or product is right for you.

Reflections on limitations

Finally, we remain mindful of key limitations to current data, as per the below:

- We are reporting data for sovereign debt following the industry guidance on sovereign debt issued by the Partnership for Carbon Accounting Financials (PCAF)[31] . However, we note the metric differs from other asset class which limits its comparability.
- We do not have access to an in-depth view of the Scheme's investments prior to 2022. For prior years, we rely on data estimated by Aegon UK and converted from USD into GBP.
- The quality of reported or estimated emissions data may vary:
  - MSCI do not verify emissions data, and their estimated emissions are based on companies within a sector that self-reports. Consequently, there may be some inaccuracies in the reported emissions data used to calculate the above metrics. There is currently no industry-wide company emissions auditing and common standard.
  - We acknowledge that widespread scope 3 emission reporting will take time. While the disclosure of scope 3 emission data is improving, there remains some concerns, including that companies in the same sector may report on different scope 3 factors making comparison across different companies challenging. In addition, a company may change what scope 3 emissions it chooses to include in their reported emissions from one year to another. We are exploring the development of MSCI's new scope 3 combined methodology to leverage the best of both reporting schemes and estimation models and improve confidence in our scope 3 reporting.
- We understand there are limitations regarding the calculation of implied temperature rise, in particular the definition of each companies' respective carbon budget. We welcome the future extension of this forward-looking metrics to sovereign debts.
- Our Net Zero Alignment metrics would be more exhaustive if it covered sovereign bonds, an evolution suggested to our data provider.

Limitations specific to scenario analysis are addressed in the Strategy section of this report.

We recognise there is more to do to enhance our reporting capabilities. We will therefore continue to challenge Aegon UK and our data provider on the above, as well as contribute where possible to developing industry methodologies. We welcomed the year-on-year improvement in our analytical capabilities, in particular the granular view of the physical risk for our climate scenario analysis and the addition of a new net-zero alignment metric. This level of insight allows us to assess our progress with more confidence as we set our future strategy and better identify where improvements on climate are needed. Regardless, greater transparency and consistency of emissions reporting would benefit comparability and progress across the industry [32].

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31 Partnership for Carbon Accounting Financials (December 2022), **The Global GHG Accounting and Reporting Standard for the Financial Industry**
32 Defined Contribution Investment Forum, **The First Wave**

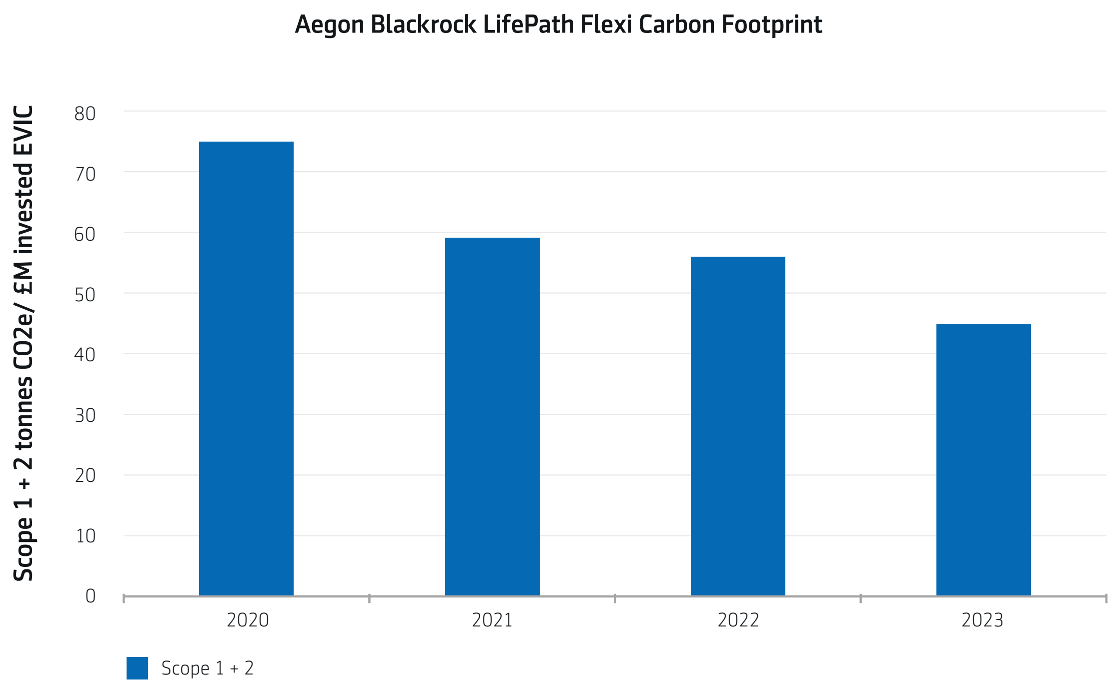
Progress against our net-zero targets

We have committed our main default arrangement to have net-zero greenhouse gas emissions by 2050. Furthermore, our medium-term net-zero target is to halve the carbon footprint of this fund by 2030 against our baseline, measured in tonnes of CO2 equivalent per millions of pounds invested using EVIC.

As the main default arrangement, Aegon BlackRock LifePath Flexi is where the majority of our Members are invested and where they expect us to have a robust approach to climate change management, on their behalf. Our net-zero targets are aligned with our fiduciary duty and responsible investment beliefs. Our targets apply to listed equity, corporate fixed income and real estate investment trusts for scope 1, 2 and 3 emissions. They do not apply to asset classes with no methodologies to account for emissions data when the targets were set (e.g. cash, sovereign debt at the time, commodities and alternative assets) but we expect that the scope of our target may widen to other areas of the Scheme over time.

The progress being made in relation to Aegon BlackRock LifePath Flexi 2050 net-zero target is shown in figure 10 below, as of 31 December 2024. We estimate that the fund has reduced its carbon footprint by 50% between 2020 and 2024[33] . We are thus projecting to meet our target to halve the fund's scope 1 and 2 footprint by 2030. Our emissions attribution analysis indicates that the reduction comes mainly from allocation changes (72.5% of our default arrangement, Aegon BlackRock LifePath Flexi has ESG screens and/or tilts, as of December 2024) and market movements, with increases in asset valuations for some sectors since 2020. This analysis is crucial in helping us better identify the impacts and limits of our investment decisions. It also highlights how our stewardship and policy advocacy will be key to achieve our overall net-zero target.

Figure 10: Estimated evolution of Aegon Blackrock LifePath Flexi since 2020.



Source: Aegon UK using data from MSCI as at 31 December 2024

33. Scope 1 and 2 emissions for listed equities and corporate fixed income only, as per the scope of our current target

We use a 2020 baseline calculated by Aegon UK. We recomputed the data for 2021 to align with the methodology used to calculate the 2020 baseline, hence the difference with data reported in our previous TCFD reports.

We note that BlackRock is also reporting to be on track to achieve its own decarbonisation target to halve carbon emissions intensity by sales across BlackRock Lifepath by 2029. We welcome this progress which directly supports our own targets.

We observe variability in Aegon BlackRock LifePath Flexi's scope 3 carbon footprint, which we tentatively estimate has reduced by 28% over the 2020-2024 period whilst coverage has marginally increased from 77.4% to 77.7%. In the coming Scheme Year, we are looking to reinforce our baseline methodology and confidence in estimated scope 3 emissions.

We do not expect the decarbonisation of Aegon BlackRock LifePath Flexi to be linear but instead expect year-on-year variations together with a general trajectory towards net zero.

Looking ahead

We hope this report has provided insight into how we manage climate risks and opportunities for our Members. It is clear to us that climate management and associated disclosures are fast-evolving areas. Consequently, we will continue to review and assess our performance yearly, in line with new data, our Members' expectations, and market developments. We are pleased with Aegon BlackRock LifePath Flexi's decarbonisation so far and we will continue to build on this progress to further drive improvements for Members.

We will continue to:

- Measure our decarbonisation progress and regularly review the strength of our net-zero targets, including the enhancement of our 2020-2021 time series in next year's TCFD report to give better sense of progress against our net-zero target,
- Monitor our fund managers' approach to climate risks and implementation of robust climate management, in line with our requirements and expectations, and challenge them where necessary,
- Work in partnership with key service providers to improve the data we have access to for our climate-related decision making, such as by exploring the adoption of scope 3 combined methodology for scope 3 emissions.

While we are on track to meet our 2030 targets, we believe these are still valid due to the variability of the metrics used, and the major contribution of EVIC to the reduction in carbon footprint. We will discuss complementing or evolving these targets in the coming Scheme Year and leverage on Aegon UK's own climate roadmap revision.

In the short-term we anticipate further progress for our Members to come from:

- Accrued alignment between our stewardship objectives and our main fund manager, embodied by Blackrock's Climate and Decarbonisation Stewardship Guidelines which will be implemented for the first year in 2025,
- Continuing to upskill ourselves on emerging areas related to climate change, such as links to biodiversity loss, so we can improve how these are addressed in our investment strategy,
- Engaging and challenging our fund managers on how they can further support the decarbonisation of the Scheme's default arrangement,
- Evolving the Scheme and the main default arrangements to further support our decarbonisation target.

In our view, climate change is a systemic issue: it requires global collaboration to transition the economy to net zero. We thus welcome market developments driving additional climate transparency and accountability. As per our fiduciary duty and our responsible investment beliefs, we will continue to encourage market collaboration towards common goals benefitting our Members' investments and the world they live in.

Appendix 1: Climate metrics for Aegon BlackRock LifePath Capital

Table 13: Climate metrics for Aegon BlackRock LifePath Capital

Climate metrics		2024/25
Absolute emissions metric		
Absolute emissions	Scope 1 & 2 tonnes CO_2e	7,608
	Scope 3 tonnes CO_2e	53,554
Carbon intensity metric		
Carbon footprint	Scope 1 & 2 tonnes CO_2e/£M EVIC	37.6
	Scope 3 tonnes CO_2e/£M EVIC	287.8
Sovereign debt carbon intensity	tonnes CO2e /£M GDP-PPP	180.9
Portfolio alignment metric		
Implied temperature rise (degree Celsius °C)		2.3°C
Net Zero Alignment		11.3%
Additional climate metric		
Data quality (% total portfolio)	Scope 1 & 2 Emissions – Estimated (%)	8.6%
	Scope 1 & 2 Emissions – Reported (%)	58%
	Scope 1 & 2 Emissions – Not covered (%)	33.4%
	including: sovereign debt coverage	*14.3%*

Source: Aegon UK using data from MSCI as of 31 December 2024

Appendix 2: Scenario analysis for Aegon BlackRock LifePath Capital

Table 14: Scenario analysis output for Aegon BlackRock LifePath Capital, as of December 2024

Aggregated Climate VaR	Orderly transition (1.5°C)	Orderly transition (1.5°C)	Failed transition (4°C)
Aegon BlackRock LifePath Capital	**-7.5%**	**-9.4%**	**-14.4%**
Equity and corporate fixed income	**-9.4%**	**-14.4%**	9.4%
Sovereign bonds	*-1.6%*	*-1.3%*	*-0.0%*

Source: Aegon UK using data from MSCI as of 31 December 2024

Under the three scenarios discussed, expected returns are lower than the 'climate-uninformed' baseline[34] because of the negative climate risk effects over time. In short, scenarios projecting higher temperature have the worst impact on the portfolio's expected return. For equity and corporate fixed income:

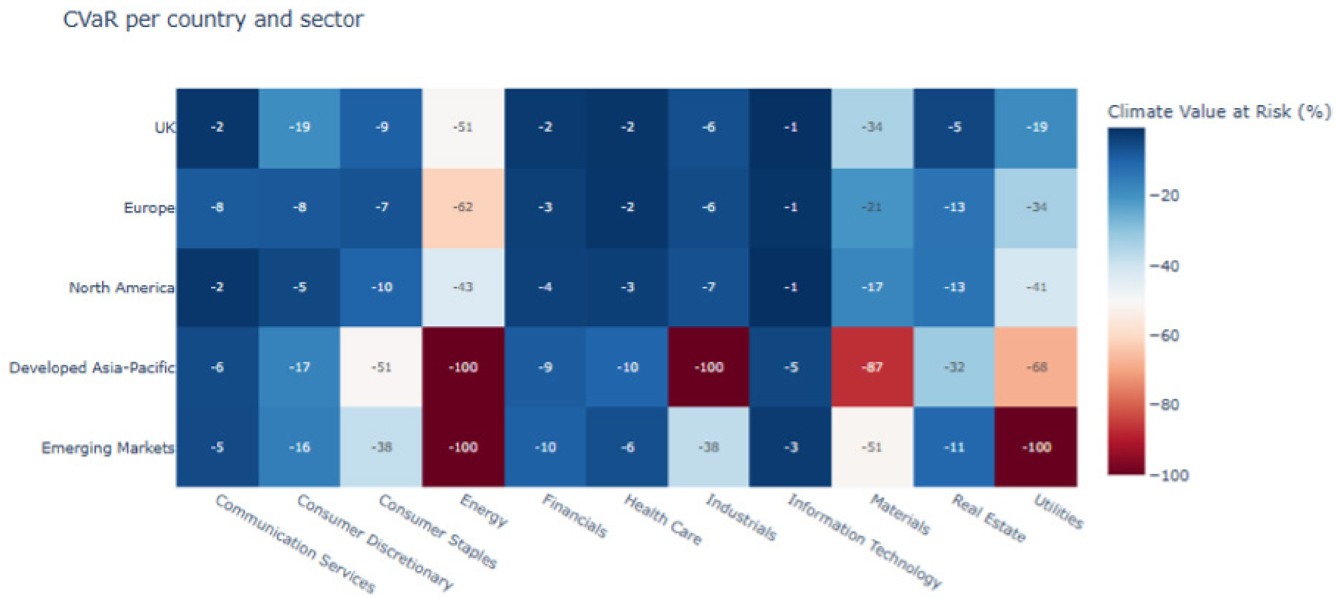
- In an orderly transition scenario, the transition risks translate into medium impact on expected returns, while physical risks are less impactful.
- Under a disorderly transition scenario, the negative effects of regulations on expected returns are lifted and partially offset by high physical risks.
- Under a failed transition scenario, the transition risks are minimal but physical risks drive expected returns much lower.

For sovereign bonds, we observe marginally lower expected returns, which are driven by transition risks. Under a failed transition scenario, we observe practically no impact on expected returns from transition risks. We note physical risks are mostly ignored from this model, which is a limitation.

Overall, the data suggests that significant changes in policy, investment and behaviour will be necessary to change global warming trajectory to a Paris-aligned outcome. However, if the transition materialises, significant changes in financial markets over the coming decades are likely, which in turn could have a material impact on this arrangement investments.

34. The Climate VaR measure is relative to a baseline scenario which is 'climate-uninformed', i.e. one where existing policies and past physical impacts are assumed to have been priced in by markets, but no future transition policies or physical risks are accounted for.

Figure 11: Climate VaR per GICS sector and region for Aegon Blackrock Lifepath Capital under a disorderly transition (2.0°C) scenario

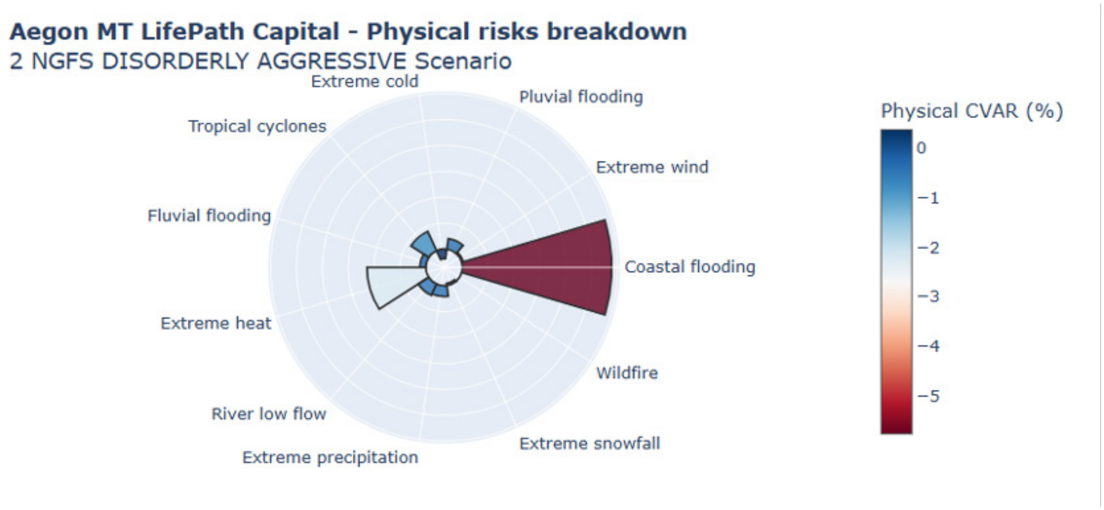


Source: Aegon UK using data from MSCI as at 31 December 2024

Regardless of the region, the Energy, Utilities and Materials sectors offer the higher risks, while the Emerging Markets and developed Asia-Pacific zone seems more exposed than other zones.

We explored the breakdown of physical risks to understand which were more relevant to the Scheme main default arrangement. We observe that under a 2.0°C NGFS aggressive scenario, coastal flooding is by far the strongest contribution to physical risks, followed by extreme heat.

Figure 12: Breakdown of physical risks for Aegon Blackrock Lifepath Capital under a disorderly transition (2.0°C) scenario



Source: Aegon UK using data from MSCI as at 31 December 2024

Members at different stages of their journey will naturally be exposed differently to climate risks. Table 15 details the output of our three scenarios for three Members are different stages in their journey.

Aggregated Climate VaR	Orderly transition (1.5°C)	Orderly transition (1.5°C)	Failed transition (4°C)
Member at early days of career (Aegon BlackRock LifePath Capital Early Days fund)	**-9.4%**	**-10.5%**	**-18.2%**
Member 15 years to retirement (Aegon BlackRock LifePath Capital 2037-39 fund)	**-7.1%**	**-9.1%**	**-13.5%**
Member at retirement (Aegon BlackRock LifePath Capital Retirement fund)	**-4.1%**	**-7.3%**	**-7.2%**

Source: Aegon UK using data from MSCI as of 31 December 2024

The further away from retirement a Member is, the higher the allocation to Equity and the higher the exposure to physical risks. The closer to retirement a Member is, the higher the exposure to Sovereign bonds which, under our current model, are not impacted by Physical risks and marginally impacted by transition risks.

Appendix 3: Climate metrics for Aegon Developed Markets ex-UK equity

Table 16: Climate metrics for Aegon Developed Markets ex-UK equity.

Climate metrics		2024/25
Absolute emissions metric		
Absolute emissions	Scope 1 & 2 tonnes CO_2e	5,520
	Scope 3 tonnes CO_2e	43,796
Carbon intensity metric		
Carbon footprint	Scope 1 & 2 tonnes CO_2e/£M EVIC	31.8
	Scope 3 tonnes CO_2e/£M EVIC	273.4
Sovereign debt carbon intensity	tonnes CO2e /£M GDP-PPP	203.1
Portfolio alignment metric		
Implied temperature rise (degree Celsius °C)		2.4°C
Net Zero Alignment		17.5%
Additional climate metric		
Data quality (% total portfolio)	Scope 1 & 2 Emissions – Estimated (%)	11.7%
	Scope 1 & 2 Emissions – Reported (%)	87.4%
	Scope 1 & 2 Emissions – Not covered (%)	0.9%
	including: sovereign debt coverage	*0.0%*

Source: Aegon UK using data from MSCI as of 31 December 2024

Appendix 3: Climate metrics for Aegon Developed Markets ex-UK equity

Table 16: Climate metrics for Aegon Developed Markets ex-UK equity.

Climate metrics		2024/25
Absolute emissions metric		
Absolute emissions	Scope 1 & 2 tonnes CO_2e	5,520
	Scope 3 tonnes CO_2e	43,796
Carbon intensity metric		
Carbon footprint	Scope 1 & 2 tonnes CO_2e/£M EVIC	31.8
	Scope 3 tonnes CO_2e/£M EVIC	273.4
Sovereign debt carbon intensity	tonnes CO2e /£M GDP-PPP	203.1
Portfolio alignment metric		
Implied temperature rise (degree Celsius °C)		2.4°C
Net Zero Alignment		17.5%
Additional climate metric		
Data quality (% total portfolio)	Scope 1 & 2 Emissions – Estimated (%)	11.7%
	Scope 1 & 2 Emissions – Reported (%)	87.4%
	Scope 1 & 2 Emissions – Not covered (%)	0.9%
	including: sovereign debt coverage	*0.0%*

Source: Aegon UK using data from MSCI as of 31 December 2024

Appendix 4: Scenario analysis for Aegon Developed Markets ex-UK equity

Table 1711: Scenario analysis output for Aegon Developed Markets ex-UK equity, as of December 2024

Aggregated Climate VaR	Orderly transition (1.5°C)	Orderly transition (1.5°C)	Failed transition (4°C)
Aegon Developed Markets ex-UK equity	**-8.5%**	**-8.1%**	**-13.7%**
Equity and corporate fixed income	*-8.5%*	*-8.1%*	*-13.7%*
Sovereign bonds	*n/a*	*n/a*	*n/a*

Source: Aegon UK using data from MSCI as of 31 December 2024

Under the three scenarios discussed, expected returns are lower than the 'climate-uninformed' baseline[35] because of the negative climate risk effects over time. In short, scenarios projecting higher temperature have the worst impact on the portfolio's expected return. For equity and corporate fixed income:

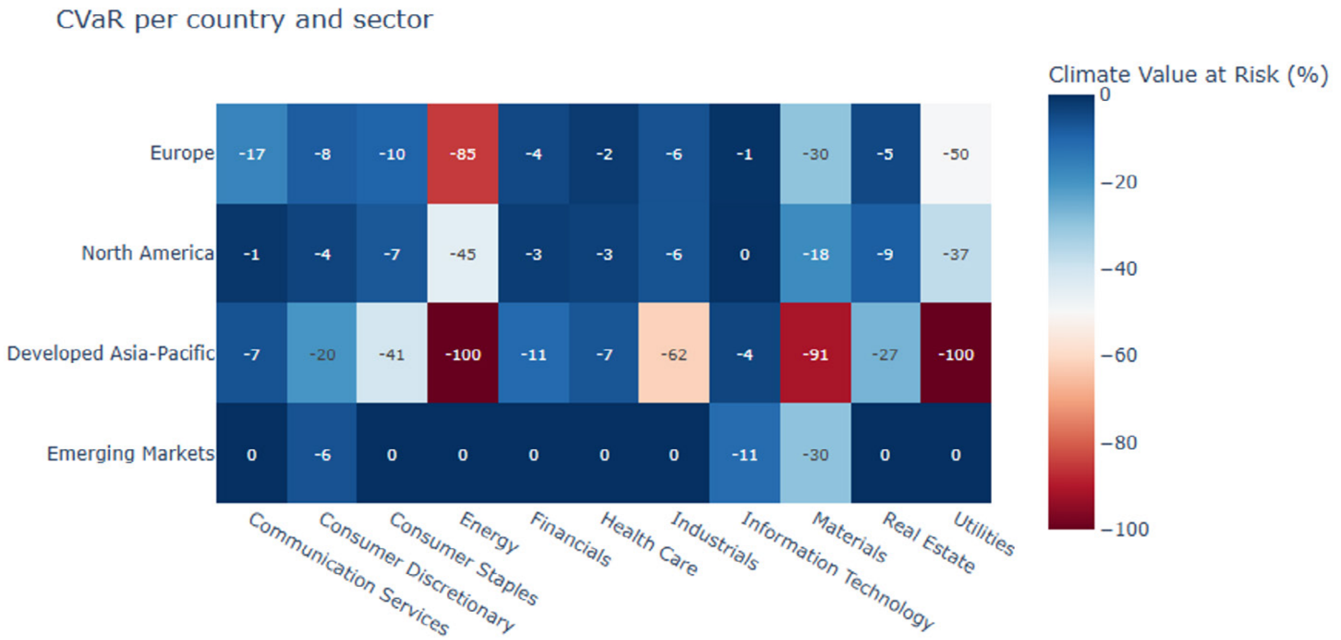
- In an orderly transition scenario, the transition risks translate into medium impact on expected returns, while physical risks are less impactful.
- Under a disorderly transition scenario, the negative effects of regulations on expected returns are lifted and partially offset by high physical risks.
- Under a failed transition scenario, the transition risks are minimal but physical risks drive expected returns much lower.

The portfolio has no exposure to sovereign bonds.

Overall, the data suggests that significant changes in policy, investment and behaviour will be necessary to change global warming trajectory to a Paris-aligned outcome. However, if the transition materialises, significant changes in financial markets over the coming decades are likely, which in turn could have a material impact on the Scheme's investments.

35. The Climate VaR measure is relative to a baseline scenario which is 'climate-uninformed', i.e. one where existing policies and past physical impacts are assumed to have been priced in by markets, but no future transition policies or physical risks are accounted for.

Figure 11: Climate VaR per GICS sector and region for Aegon Blackrock Lifepath Capital under a disorderly transition (2.0°C) scenario

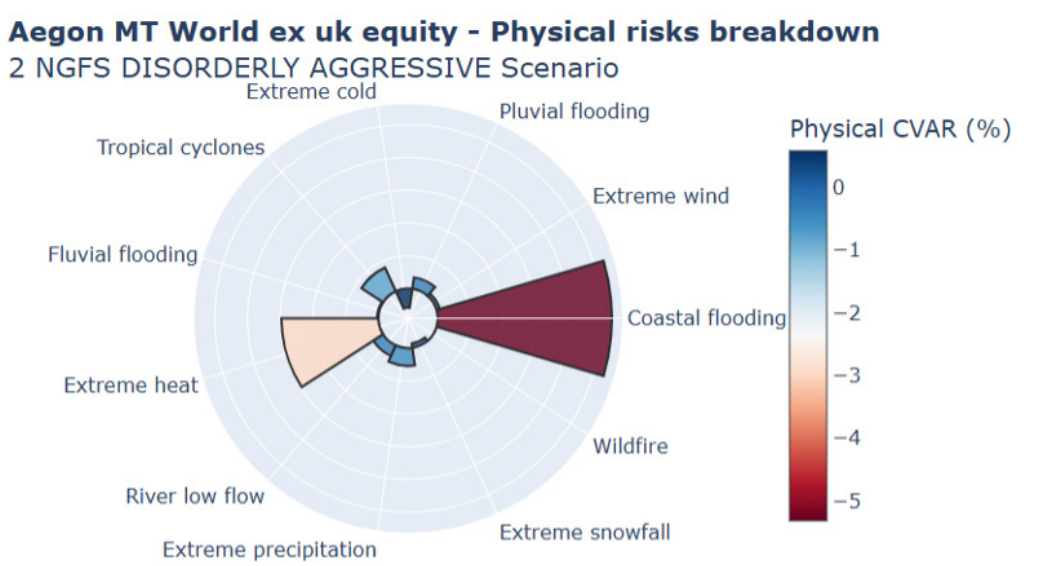


Source: Aegon UK using data from MSCI as at 31 December 2024

Regardless of the region, the Energy, Utilities and Materials sectors offer the higher risks, while the Emerging Markets and developed Asia-Pacific zone seems more exposed than other zones.

We explored the breakdown of physical risks to understand which were more relevant to the Scheme main default arrangement. We observe that under a 2.0°C NGFS aggressive scenario, coastal flooding is by far the strongest contribution to physical risks, followed by extreme heat.

Figure 13: Breakdown of physical risks for Aegon Blackrock Lifepath Capital under a disorderly transition (2.0°C) scenario



Source: Aegon UK using data from MSCI as at 31 December 2024

Since this arrangement is not subject to lifestyling, Members at different stages of their journey will be exposed similarly to climate risks.

Appendix 5: Assumptions underpinning our 1.5°C orderly scenario

The table below outlines the assumptions underpinning our 1.5°C orderly scenario, 2°C disorderly and 4°C failed transition scenarios in the strategy section[36].

Fund Name			1.5°C orderly scenario	2°C disorderly scenario	4°C failed transition scenario
World population	Peak year		2070	2070	2070
	in 2100 (million)		9019	9019	8990
GDP	Real GDP growth 2010-2100 (CAGR)		2%	2%	2.3%
Electricity generation by fuel source	2030 energy mix	% renewables	72%	41%	30%
		% nuclear	6%	6%	18%
		% gas	17%	26%	21%
		% coal	4%	28%	31%
	2050 energy mix	% renewables	94%	94%	50%
		% nuclear	3%	4%	15%
		% gas	3%	3%	15%
		% coal	0%	0%	20%
Carbon sequestration ($MtCO_2$/year)	Uptake (surpasses 5000 Mt/year)		2037	2050	2055
	Carbon sequestration peak (Mt/year)		8779	5926	12311
Low-carbon fuel sources in transport	2050 low carbon fuel sources (%)		26%	26%	4%
GHG emissions	Peak year		2020	2030	2020
	90% reduction achieved by		2045	2049	N/A
	Zero emissions achieved by		2055	2060	N/A
	Annual change – 2020-2030 (Compound Annual Growth Rate)		-7.1%	0.7%	-0.4%
	Annual change – 2020-2050 (Compound Annual Growth Rate)		-11.7%	-8.1%	-0.7%

36. MSCI ESG Research LLC (March 2022), Introduction to the Integrated Assessment Models and Shared Socioeconomic Pathways

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Appendix 6
Fund investment returns by share class

The tables below show annualised performance returns delivered to 31 March 2025. Annualised performance is a measure of how much an investment has increased on average each year during a specific period. All performance figures are net of charges unless otherwise stated.

LifePath

Lifepath Vintages				
Fund Name	**Shareclass**	**1 Year Ann. %**	**3 Year Ann. %**	**5 Year Ann. %**
Aegon BlackRock LifePath 2034-2036	Class N (Gross)	3.16	2.05	8.42
	Class W	2.93	1.83	8.19
	Class J	2.99	1.89	8.25
	Class I5	2.95	1.85	8.21
	Class D	2.92	1.81	N/A
	Class P	2.96	1.86	8.22
	Class I1	3.16	2.05	8.42
	Class E	2.65	1.55	7.89
	Class H	2.85	1.76	8.11
	Class Q	2.91	1.81	8.16
	Class Y	2.75	1.65	8.00
	Class G	2.80	1.70	8.06
	Class I7	2.87	1.77	8.13

Fund Name	Shareclass	1 Year Ann. %	3 Year Ann. %	5 Year Ann. %
Aegon BlackRock LifePath 2037-2039	Class N (Gross)	3.31	2.57	9.47
	Class W	3.08	2.35	9.23
	Class J	3.14	2.41	9.29
	Class I5	3.10	2.37	9.25
	Class D	3.07	2.33	N/A
	Class P	3.11	2.38	9.26
	Class I1	3.16	2.43	9.32
	Class E	2.80	2.07	8.93
	Class H	3.01	2.27	9.15
	Class Q	3.06	2.33	9.21
	Class Y	2.90	2.17	9.04
	Class G	2.96	2.22	9.10
	Class I7	3.03	2.29	9.17

Fund Name	Shareclass	1 Year Ann. %	3 Year Ann. %	5 Year Ann. %
Aegon BlackRock LifePath 2040-2042	Class N (Gross)	3.22	3.27	10.57
	Class W	2.99	3.04	10.33
	Class J	3.05	3.10	10.39
	Class I5	3.01	3.06	10.35
	Class D	2.98	3.03	N/A
	Class P	3.02	3.07	10.36
	Class I1	3.07	3.12	10.41
	Class E	2.71	2.76	10.03
	Class H	2.92	2.97	10.25
	Class Q	2.97	3.02	10.30
	Class Y	2.81	2.87	10.14
	Class G	2.86	2.92	10.19
	Class I7	2.94	2.99	10.27

Fund Name	Shareclass	1 Year Ann. %	3 Year Ann. %	5 Year Ann. %
Aegon BlackRock LifePath 2043-2045	Class N (Gross)	3.20	3.85	11.62
	Class W	2.97	3.62	11.37
	Class J	3.03	3.69	11.44
	Class I5	2.99	3.64	11.40
	Class D	2.96	3.61	N/A
	Class P	3.00	3.66	11.41
	Class I1	3.05	3.71	11.46
	Class E	2.69	3.34	11.07
	Class H	2.90	3.55	11.29
	Class Q	2.95	3.60	11.35
	Class Y	2.79	3.45	11.18
	Class G	2.84	3.50	11.24
	Class I7	2.92	3.57	11.32

Fund Name	Shareclass	1 Year Ann. %	3 Year Ann. %	5 Year Ann. %
Aegon BlackRock LifePath 2046-2048	Class N (Gross)	3.35	4.59	12.59
	Class W	3.12	4.37	12.34
	Class J	3.18	4.43	12.41
	Class I5	3.14	4.38	12.36
Aegon BlackRock LifePath 2049-2051	Class N (Gross)	3.31	5.00	13.17
	Class W	3.08	4.77	12.92
	Class J	3.15	4.83	12.99
	Class I5	3.10	4.79	12.94
Aegon BlackRock LifePath 2052-2054	Class N (Gross)	3.35	5.32	13.59
	Class W	3.12	5.09	13.35
	Class J	3.18	5.15	13.41
	Class I5	3.14	5.11	13.37
Aegon BlackRock LifePath 2055-2057	Class N (Gross)	3.30	5.51	13.74
	Class W	3.07	5.28	13.49
	Class J	3.13	5.35	13.56
	Class I5	3.09	5.30	13.51
Aegon BlackRock LifePath 2058-2060	Class N (Gross)	3.24	5.53	13.75
	Class W	3.01	5.30	13.51
	Class J	3.07	5.36	13.57
	Class I5	3.03	5.32	13.53
Aegon BlackRock LifePath 2061-2063	Class N (Gross)	3.24	5.53	13.75
	Class W	3.01	5.30	13.51
	Class J	3.08	5.36	13.57
	Class I5	3.03	5.32	13.53

Fund Name	Shareclass	1 Year Ann. %	3 Year Ann. %	5 Year Ann. %
Aegon BlackRock LifePath 2064-2066	Class N (Gross)	3.25	5.54	13.76
	Class W	3.02	5.31	13.51
	Class J	3.08	5.37	13.58
	Class I5	3.04	5.33	13.54
Aegon BlackRock LifePath 2067-2069	Class N (Gross)	3.26	5.55	13.77
	Class W	3.03	5.32	13.52
	Class J	3.09	5.38	13.59
	Class I5	3.05	5.33	13.54
Aegon BlackRock LifePath 2070-2072	Class N (Gross)	3.28	5.56	13.78
	Class W	3.06	5.34	13.52
	Class J	3.12	5.38	13.59
	Class I5	3.08	5.35	13.56
Aegon BlackRock LifePath 2073-2075	Class N (Gross)	3.29	5.57	13.78
	Class W	3.04	5.34	13.51
	Class I5	3.09	5.36	13.54
Aegon BlackRock LifePath 2076-2078	Class N (Gross)	3.05	5.49	13.73
	Class W	2.82	5.24	13.45
	Class J	2.97	5.30	13.53
	Class I5	2.83	5.25	13.46
Aegon BlackRock LifePath Flexi	Class N (Gross)	2.90	-0.28	3.57
	Class W	2.67	-0.50	3.34
	Class J	2.74	-0.44	3.42
	Class I5	2.69	-0.48	3.34

Fund Name	Shareclass	1 Year Ann. %	3 Year Ann. %	5 Year Ann. %
Aegon BlackRock LifePath Flexi 2022-2024	Class N (Gross)	2.94	-0.24	4.32
	Class W	2.71	-0.46	4.09
	Class J	2.77	-0.40	4.15
	Class I5	2.73	-0.44	4.11
Aegon BlackRock LifePath Flexi 2025-2027	Class N (Gross)	2.95	0.39	5.45
	Class W	2.73	0.17	5.22
	Class J	2.79	0.23	5.28
	Class I5	2.75	0.19	5.24
Aegon BlackRock LifePath Flexi 2028-2030	Class N (Gross)	3.07	0.99	6.51
	Class W	2.84	0.77	6.27
	Class J	2.90	0.83	6.34
	Class I5	2.86	0.79	6.29
Aegon BlackRock LifePath Flexi 2031-2033	Class N (Gross)	3.08	1.52	7.44
	Class W	2.85	1.30	7.20
	Class J	2.91	1.36	7.27
	Class I5	2.87	1.32	7.22
Aegon BlackRock LifePath Capital 2022-2024	Class N (Gross)	5.16	2.38	3.90
	Class W	4.89	2.10	3.61
	Class J	5.00	2.22	3.73
	Class I5	4.95	2.15	3.63
Aegon BlackRock LifePath Capital 2025-2027	Class N (Gross)	4.50	1.76	5.09
	Class W	4.20	1.47	4.79
	Class J	4.33	1.60	4.94
	Class I5	4.29	1.53	4.82

Fund Name	Shareclass	1 Year Ann. %	3 Year Ann. %	5 Year Ann. %
Aegon BlackRock LifePath Capital 2028-2030	Class N (Gross)	3.90	1.45	6.43
	Class W	3.66	1.19	6.16
	Class J	3.73	1.28	6.27
	Class I5	3.69	1.24	6.19
Aegon BlackRock LifePath Capital 2031-2033	Class N (Gross)	3.53	1.47	7.41
	Class W	3.24	1.20	7.12
	Class J	3.36	1.31	7.24
	Class I5	3.32	1.27	7.18
Aegon BlackRock LifePath Retirement	Class N (Gross)	-0.05	-3.46	-3.21
	Class W	-0.28	-3.72	-3.48
	Class J	-0.21	-3.56	-3.29
	Class I5	-0.19	-3.56	-3.38
Aegon BlackRock LifePath Retirement 2028-2030	Class N (Gross)	1.79	-0.51	4.91
	Class W	1.56	-0.73	4.67
	Class J	1.63	-0.67	4.74
	Class I5	1.59	-0.71	4.68
	Class D	1.50	-0.80	N/A
	Class I6	1.46	-0.85	N/A
	Class P	1.59	-0.70	4.71
	Class I1	1.73	-0.59	4.79
	Class E	1.29	-0.99	4.40
	Class H	1.49	-0.80	4.61
	Class Q	1.54	-0.75	4.66
	Class Y	1.39	-0.90	4.50
	Class G	1.44	-0.85	4.55

Fund Name	Shareclass	1 Year Ann. %	3 Year Ann. %	5 Year Ann. %
Aegon BlackRock LifePath Retirement 2031-2033	Class N (Gross)	2.57	1.13	7.19
	Class W	2.31	0.87	6.91
	Class J	2.40	0.97	7.02
	Class I5	2.36	0.91	6.93
	Class D	2.27	0.82	N/A
	Class I6	2.25	0.80	N/A
	Class P	2.37	0.94	6.99
	Class I1	2.42	0.99	7.05
	Class E	2.06	0.64	6.67
	Class H	2.27	0.84	6.88
	Class Q	2.29	0.88	6.93
	Class Y	2.16	0.74	6.78
	Class G	2.22	0.79	6.83

AMT Fund Range

Passive Equity

Fund Name	Shareclass	1 Year Ann. %	3 Year Ann. %	5 Year Ann. %
Aegon Global Islamic Equity Tracker (AMT)	Class D	3.18	N/A	N/A
	Class I10	3.12	N/A	N/A
	Class I11	3.06	N/A	N/A
	Class I2	3.32	N/A	N/A
	Class I3	3.26	N/A	N/A
	Class I4	3.27	N/A	N/A
	Class I5	3.24	N/A	N/A
	Class I6	3.22	N/A	N/A
	Class I7	3.20	N/A	N/A
	Class I8	3.17	N/A	N/A
	Class 19	3.14	N/A	N/A
	Class K	2.96	N/A	N/A
	Class O	3.74	N/A	N/A
	Class W	3.30	N/A	N/A
	Class Y	3.24	N/A	N/A

Fund Name	Shareclass	1 Year Ann. %	3 Year Ann. %	5 Year Ann. %
Aegon Global Small Cap Equity Tracker (AMT)	Class D	-3.02	N/A	N/A
	Class I10	-3.08	N/A	N/A
	Class I11	-3.13	N/A	N/A
	Class I12	-3.26	N/A	N/A
	Class I2	-2.88	N/A	N/A
	Class I3	-2.91	N/A	N/A
	Class I4	-2.93	N/A	N/A
	Class I5	-2.96	N/A	N/A
	Class I6	-2.98	N/A	N/A
	Class I7	-3.00	N/A	N/A
	Class I8	-3.03	N/A	N/A
	Class I9	-3.06	N/A	N/A
	Class K	-3.31	N/A	N/A
	Class O (Gross)	-2.70	N/A	N/A
	Class W	-2.90	N/A	N/A
	Class Y	-2.97	N/A	N/A

Fund Name	Shareclass	1 Year Ann. %	3 Year Ann. %	5 Year Ann. %
Aegon Developed Markets Equity Tracker (AMT)	Class I10	4.67	N/A	N/A
	Class I11	4.62	N/A	N/A
	Class I12	4.64	N/A	N/A
	Class I2	4.89	N/A	N/A
	Class I3	4.85	N/A	N/A
	Class I4	4.83	N/A	N/A
	Class I5	4.80	N/A	N/A
	Class I6	4.78	N/A	N/A
	Class I7	4.76	N/A	N/A
	Class I8	4.73	N/A	N/A
	Class I9	4.70	N/A	N/A
	Class K	4.47	N/A	N/A
	Class L	4.84	N/A	N/A
	Class O (Gross)	5.04	N/A	N/A
	Class W	4.86	N/A	N/A
	Class Y	4.79	N/A	N/A

Fund Name	Shareclass	1 Year Ann. %	3 Year Ann. %	5 Year Ann. %
Aegon Developed Markets ex-UK Equity Tracker (AMT)	Class I8	2.70	N/A	N/A
	Class I7	2.73	N/A	N/A
	Class W	2.84	N/A	N/A
	Class I4	2.81	N/A	N/A
	Class I11	2.60	N/A	N/A
	Class I3	2.83	N/A	N/A
	Class I6	2.76	N/A	N/A
	Class D	2.71	N/A	N/A
	Class I10	2.65	N/A	N/A
	Class I12	2.55	N/A	N/A
	Class I5	2.78	N/A	N/A
	Class K	2.50	N/A	N/A
	Class I2	2.86	N/A	N/A
	Class I9	2.67	N/A	N/A
	Class O	2.95	N/A	N/A
	Class Y	2.79	N/A	N/A

Fund Name	Shareclass	1 Year Ann. %	3 Year Ann. %	5 Year Ann. %
Aegon Europe ex-UK Equity Tracker (AMT)	Class I8	2.26	N/A	N/A
	Class I7	2.29	N/A	N/A
	Class W	2.39	N/A	N/A
	Class I4	2.36	N/A	N/A
	Class I11	2.16	N/A	N/A
	Class I3	2.38	N/A	N/A
	Class I6	2.31	N/A	N/A
	Class D	2.27	N/A	N/A
	Class I10	2.20	N/A	N/A
	Class I5	2.33	N/A	N/A
	Class I2	2.41	N/A	N/A
	Class I9	2.23	N/A	N/A
	Class O	2.51	N/A	N/A
	Class K	2.11	N/A	N/A
	Class Y	2.45	N/A	N/A

Fund Name	Shareclass	1 Year Ann. %	3 Year Ann. %	5 Year Ann. %
Aegon US Equity Tracker (AMT)	Class D	3.64	N/A	N/A
	Class I10	3.58	N/A	N/A
	Class I11	3.53	N/A	N/A
	Class I12	3.47	N/A	N/A
	Class I2	3.79	N/A	N/A
	Class I3	3.76	N/A	N/A
	Class I4	3.74	N/A	N/A
	Class I5	3.70	N/A	N/A
	Class I6	3.68	N/A	N/A
	Class I7	3.66	N/A	N/A
	Class I8	3.63	N/A	N/A
	Class I9	3.60	N/A	N/A
	Class K	3.36	N/A	N/A
	Class O Gross	3.88	N/A	N/A
	Class W	3.77	N/A	N/A
	Class Y	3.68	N/A	N/A

Fund Name	Shareclass	1 Year Ann. %	3 Year Ann. %	5 Year Ann. %
Aegon UK Equity Tracker (AMT)	Class D	8.47	N/A	N/A
	Class I10	8.40	N/A	N/A
	Class I11	8.35	N/A	N/A
	Class I12	8.32	N/A	N/A
	Class I2	8.62	N/A	N/A
	Class I3	8.59	N/A	N/A
	Class I4	8.56	N/A	N/A
	Class I5	8.53	N/A	N/A
	Class I6	8.51	N/A	N/A
	Class I7	8.49	N/A	N/A
	Class I8	8.46	N/A	N/A
	Class I9	8.42	N/A	N/A
	Class K	8.24	N/A	N/A
	Class O Gross	8.74	N/A	N/A
	Class W	8.60	N/A	N/A
	Class Y	8.68	N/A	N/A

Fund Name	Shareclass	1 Year Ann. %	3 Year Ann. %	5 Year Ann. %
Aegon Emerging Markets Equity Tracker (AMT)	Class I10	1.43	N/A	N/A
	Class I11	1.36	N/A	N/A
	Class I12	1.44	N/A	N/A
	Class D	1.49	N/A	N/A
	Class I2	1.63	N/A	N/A
	Class I4	1.58	N/A	N/A
	Class I5	1.55	N/A	N/A
	Class I6	1.53	N/A	N/A
	Class I7	1.51	N/A	N/A
	Class I8	1.48	N/A	N/A
	Class I9	1.45	N/A	N/A
	Class K	1.32	N/A	N/A
	Class O Gross	1.78	N/A	N/A
	Class W	1.63	N/A	N/A
	Class Y	1.51	N/A	N/A

Fund Name	Shareclass	1 Year Ann. %	3 Year Ann. %	5 Year Ann. %
Aegon Japan Equity Tracker (AMT)	Class D	-3.23	N/A	N/A
	Class I10	-3.29	N/A	N/A
	Class I11	-3.34	N/A	N/A
	Class I12	-3.39	N/A	N/A
	Class I2	-3.10	N/A	N/A
	Class I3	-3.13	N/A	N/A
	Class I4	-3.15	N/A	N/A
	Class I5	-3.17	N/A	N/A
	Class I6	-3.20	N/A	N/A
	Class I7	-3.21	N/A	N/A
	Class I8	-3.24	N/A	N/A
	Class I9	-3.27	N/A	N/A
	Class K	-3.39	N/A	N/A
	Class O Gross	-3.01	N/A	N/A
	Class W	-3.12	N/A	N/A
	Class Y	-3.06	N/A	N/A

Fund Name	Shareclass	1 Year Ann. %	3 Year Ann. %	5 Year Ann. %
Aegon Pacific ex-Japan Equity Tracker (AMT)	Class D	3.27	N/A	N/A
	Class I10	3.21	N/A	N/A
	Class I11	3.16	N/A	N/A
	Class I12	3.14	N/A	N/A
	Class I2	3.42	N/A	N/A
	Class I3	3.39	N/A	N/A
	Class I4	3.37	N/A	N/A
	Class I5	3.34	N/A	N/A
	Class I6	3.32	N/A	N/A
	Class I7	3.30	N/A	N/A
	Class I8	3.27	N/A	N/A
	Class I9	3.24	N/A	N/A
	Class K	3.14	N/A	N/A
	Class O Gross	3.56	N/A	N/A
	Class W	3.40	N/A	N/A
	Class Y	3.40	N/A	N/A

Active Equity

Fund Name	Shareclass	1 Year Ann. %	3 Year Ann. %	5 Year Ann. %
Aegon Global Climate Focus Equity (AMT)	Class D	-7.11	N/A	N/A
	Class I10	-7.14	N/A	N/A
	Class I11	-7.19	N/A	N/A
	Class I12	-7.24	N/A	N/A
	Class I2	-6.97	N/A	N/A
	Class I3	-7.01	N/A	N/A
	Class I4	-7.04	N/A	N/A
	Class I5	-7.06	N/A	N/A
	Class I6	-7.07	N/A	N/A
	Class I7	-7.07	N/A	N/A
	Class I8	-7.11	N/A	N/A
	Class I9	-7.14	N/A	N/A
	Class K	-7.31	N/A	N/A
	Class O Gross	-6.36	N/A	N/A
	Class W	-7.00	N/A	N/A
	Class Y	-6.97	N/A	N/A

Active Equity

Fund Name	Shareclass	1 Year Ann. %	3 Year Ann. %	5 Year Ann. %
Aegon Global Sustainable Equity (AMT)	Class I10	-5.33	N/A	N/A
	Class I11	-5.38	N/A	N/A
	Class I12	-5.43	N/A	N/A
	Class I2	-5.15	N/A	N/A
	Class I3	-5.20	N/A	N/A
	Class I4	-5.19	N/A	N/A
	Class I5	-5.22	N/A	N/A
	Class I6	-5.24	N/A	N/A
	Class I7	-5.26	N/A	N/A
	Class I8	-5.29	N/A	N/A
	Class I9	-5.32	N/A	N/A
	Class K	-5.48	N/A	N/A
	Class L	-5.20	N/A	N/A
	Class O Gross	-4.62	N/A	N/A
	Class W	-5.16	N/A	N/A
	Class Y	-5.23	N/A	N/A

Passive Multi-Asset

Fund Name	Shareclass	1 Year Ann. %	3 Year Ann. %	5 Year Ann. %
Aegon Retirement Income Multi-Asset (AMT)	Class D	2.65	N/A	N/A
	Class E	2.35	N/A	N/A
	Class G	2.53	N/A	N/A
	Class H	2.59	N/A	N/A
	Class I1	2.74	N/A	N/A
	Class I3	2.70	N/A	N/A
	Class I4	2.66	N/A	N/A
	Class I5	2.68	N/A	N/A
	Class I6	2.62	N/A	N/A
	Class I7	2.61	N/A	N/A
	Class J	2.72	N/A	N/A
	Class L	2.71	N/A	N/A
	Class O Gross	2.88	N/A	N/A
	Class P	2.69	N/A	N/A
	Class Q	2.64	N/A	N/A
	Class W	2.65	N/A	N/A
	Class Y	2.48	N/A	N/A

Active Multi-Asset

Fund Name	Shareclass	1 Year Ann. %	3 Year Ann. %	5 Year Ann. %
Aegon Global Sustainable Multi-Asset Growth (AMT)	Class I10	4.72	N/A	N/A
	Class I11	4.62	N/A	N/A
	Class I12	4.58	N/A	N/A
	Class I2	4.89	N/A	N/A
	Class I3	4.86	N/A	N/A
	Class I4	4.83	N/A	N/A
	Class I5	4.80	N/A	N/A
	Class I6	4.78	N/A	N/A
	Class I7	4.76	N/A	N/A
	Class I8	4.73	N/A	N/A
	Class I9	4.70	N/A	N/A
	Class K	4.54	N/A	N/A
	Class L	4.82	N/A	N/A
	Class O Gross	5.36	N/A	N/A
	Class W	4.87	N/A	N/A
	Class Y	4.86	N/A	N/A

Fund Name	Shareclass	1 Year Ann. %	3 Year Ann. %	5 Year Ann. %
Aegon Global Sustainable Multi-Asset Balanced (AMT)	Class I1	2.92	N/A	N/A
	Class I10	2.65	N/A	N/A
	Class I11	2.60	N/A	N/A
	Class I12	2.58	N/A	N/A
	Class I2	2.89	N/A	N/A
	Class I3	2.86	N/A	N/A
	Class I4	2.84	N/A	N/A
	Class I5	2.81	N/A	N/A
	Class I6	2.79	N/A	N/A
	Class I7	2.77	N/A	N/A
	Class I8	2.74	N/A	N/A
	Class I9	2.71	N/A	N/A
	Class IV	2.91	N/A	N/A
	Class J	2.82	N/A	N/A
	Class K	2.90	N/A	N/A
	Class L	2.96	N/A	N/A
	Class M	2.98	N/A	N/A
	Class O Gross	3.29	N/A	N/A
	Class Q	3.04	N/A	N/A
	Class R	2.92	N/A	N/A
	Class T	3.01	N/A	N/A
	Class W	2.87	N/A	N/A

Passive Fixed-Income

Fund Name	Shareclass	1 Year Ann. %	3 Year Ann. %	5 Year Ann. %
Aegon UK Corporate Bond Tracker (AMT)	Class I11	2.53	N/A	N/A
	Class D	2.65	N/A	N/A
	Class I10	2.59	N/A	N/A
	Class I12	2.52	N/A	N/A
	Class I2	2.79	N/A	N/A
	Class I3	2.76	N/A	N/A
	Class I4	2.74	N/A	N/A
	Class I5	2.71	N/A	N/A
	Class I6	2.69	N/A	N/A
	Class I7	2.67	N/A	N/A
	Class I8	2.64	N/A	N/A
	Class I9	2.61	N/A	N/A
	Class K	2.52	N/A	N/A
	Class O Gross	2.92	N/A	N/A
	Class W	2.77	N/A	N/A
	Class Y	2.73	N/A	N/A

Fund Name	Shareclass	1 Year Ann. %	3 Year Ann. %	5 Year Ann. %
Aegon UK Government Bond Tracker (AMT)	Class I10	-7.41	N/A	N/A
	Class I11	-7.46	N/A	N/A
	Class I2	-7.23	N/A	N/A
	Class I3	-7.26	N/A	N/A
	Class I4	-7.27	N/A	N/A
	Class I5	-7.30	N/A	N/A
	Class I9	-7.40	N/A	N/A
	Class I6	-7.32	N/A	N/A
	Class I7	-7.34	N/A	N/A
	Class I8	-7.37	N/A	N/A
	Class D	-7.36	N/A	N/A
	Class K	-7.55	N/A	N/A
	Class O Gross	-7.14	N/A	N/A
	Class W	-7.25	N/A	N/A
	Class Y	-7.19	N/A	N/A

Fund Name	Shareclass	1 Year Ann. %	3 Year Ann. %	5 Year Ann. %
Aegon UK Index-Linked Government Bond Tracker (AMT)	Class I10	-9.40	N/A	N/A
	Class I11	-9.44	N/A	N/A
	Class I3	-9.24	N/A	N/A
	Class I4	-9.26	N/A	N/A
	Class I5	-9.29	N/A	N/A
	Class I9	-9.38	N/A	N/A
	Class I2	-9.21	N/A	N/A
	Class I6	-9.31	N/A	N/A
	Class I7	-9.32	N/A	N/A
	Class I8	-9.35	N/A	N/A
	Class D	-9.34	N/A	N/A
	Class K	-9.54	N/A	N/A
	Class O Gross	-9.12	N/A	N/A
	Class W	-9.23	N/A	N/A
	Class Y	-9.18	N/A	N/A

Active Fixed-Income

Fund Name	Shareclass	1 Year Ann. %	3 Year Ann. %	5 Year Ann. %
Aegon Global Short Term Sustainable Bond (AMT)	Class D	6.04	N/A	N/A
	Class I10	6.05	N/A	N/A
	Class I12	5.78	N/A	N/A
	Class I2	6.19	N/A	N/A
	Class I3	6.16	N/A	N/A
	Class I4	6.11	N/A	N/A
	Class I5	6.10	N/A	N/A
	Class I6	6.08	N/A	N/A
	Class I7	6.06	N/A	N/A
	Class I8	6.03	N/A	N/A
	Class I9	6.00	N/A	N/A
	Class K	5.78	N/A	N/A
	Class 0 Gross	6.45	N/A	N/A
	Class W	6.17	N/A	N/A
	Class Y	6.10	N/A	N/A
	Class I11	5.92	N/A	N/A

Fund Name	Shareclass	1 Year Ann. %	3 Year Ann. %	5 Year Ann. %
Aegon Global Sustainable Government Bond (AMT)	Class D	2.89	N/A	N/A
	Class I10	2.82	N/A	N/A
	Class I11	2.77	N/A	N/A
	Class I12	2.64	N/A	N/A
	Class I2	3.03	N/A	N/A
	Class I3	3.00	N/A	N/A
	Class I4	2.98	N/A	N/A
	Class I5	2.94	N/A	N/A
	Class I6	2.92	N/A	N/A
	Class I7	2.91	N/A	N/A
	Class I8	2.87	N/A	N/A
	Class I9	2.84	N/A	N/A
	Class K	2.64	N/A	N/A
	Class O Gross	3.31	N/A	N/A
	Class W	3.01	N/A	N/A
	Class Y	2.94	N/A	N/A

Fund Name	Shareclass	1 Year Ann. %	3 Year Ann. %	5 Year Ann. %
Aegon Global Absolute Return Bond (AMT)	Class D	6.09	N/A	N/A
	Class I10	6.00	N/A	N/A
	Class I11	5.97	N/A	N/A
	Class I12	5.95	N/A	N/A
	Class I2	6.24	N/A	N/A
	Class I3	6.21	N/A	N/A
	Class I4	6.18	N/A	N/A
	Class I5	6.15	N/A	N/A
	Class I6	6.13	N/A	N/A
	Class I7	6.11	N/A	N/A
	Class I8	6.08	N/A	N/A
	Class I9	6.05	N/A	N/A
	Class K	5.89	N/A	N/A
	Class O Gross	6.67	N/A	N/A
	Class W	6.22	N/A	N/A
	Class Y	6.26	N/A	N/A

Fund Name	Shareclass	1 Year Ann. %	3 Year Ann. %	5 Year Ann. %
Aegon Global Strategic Bond (AMT)	Class D	6.61	N/A	N/A
	Class I10	6.54	N/A	N/A
	Class I11	6.49	N/A	N/A
	Class I12	6.38	N/A	N/A
	Class I2	6.76	N/A	N/A
	Class I3	6.73	N/A	N/A
	Class I4	6.70	N/A	N/A
	Class I5	6.67	N/A	N/A
	Class I6	6.65	N/A	N/A
	Class I7	6.63	N/A	N/A
	Class I8	6.60	N/A	N/A
	Class I9	6.57	N/A	N/A
	Class K	6.34	N/A	N/A
	Class O Gross	7.35	N/A	N/A
	Class W	6.74	N/A	N/A
	Class Y	6.67	N/A	N/A

Alternatives

Fund Name	Shareclass	1 Year Ann. %	3 Year Ann. %	5 Year Ann. %
Aegon Global Listed Infrastructure (AMT)	Class D	2.33	N/A	N/A
	Class I10	2.31	N/A	N/A
	Class I11	2.21	N/A	N/A
	Class I12	2.17	N/A	N/A
	Class I2	2.47	N/A	N/A
	Class I3	2.44	N/A	N/A
	Class I4	2.42	N/A	N/A
	Class I5	2.39	N/A	N/A
	Class I6	2.37	N/A	N/A
	Class I7	2.35	N/A	N/A
	Class I8	2.32	N/A	N/A
	Class I9	2.28	N/A	N/A
	Class K	2.08	N/A	N/A
	Class O (Gross)	3.20	N/A	N/A
	Class W	2.45	N/A	N/A
	Class Y	2.46	N/A	N/A

Fund Name	Shareclass	1 Year Ann. %	3 Year Ann. %	5 Year Ann. %
Aegon UK Property (AMT)	Class D	6.21	N/A	N/A
	Class I10	6.14	N/A	N/A
	Class I11	6.09	N/A	N/A
	Class I12	5.98	N/A	N/A
	Class I2	6.35	N/A	N/A
	Class I3	6.32	N/A	N/A
	Class I4	6.30	N/A	N/A
	Class I5	6.27	N/A	N/A
	Class I6	6.25	N/A	N/A
	Class I7	6.23	N/A	N/A
	Class I8	6.19	N/A	N/A
	Class I9	6.16	N/A	N/A
	Class K	5.94	N/A	N/A
	Class O Gross	6.69	N/A	N/A
	Class W	6.34	N/A	N/A
	Class Y	6.30	N/A	N/A

Bespoke Section Funds

Fund	1 Year Ann. %	3 Year Ann. %	5 Year Ann. %
Sun Life of Canada			
The Sun Life of Canada Fund	4.94	4.99	5.01
Société Générale			
Aegon BlackRock US Equity Index (BLK)	3.76	8.19	N/A
Aegon BlackRock European Equity Index (BLK)	2.32	7.27	N/A
Aegon BlackRock Japanese Equity Index (BLK)	-2.97	6.26	N/A
Aegon BlackRock Pacific Rim Equity Index (BLK)	-5.24	-1.47	N/A
Aegon BlackRock MSCI Currency Hedged World Index (BLK)	7.69	8.16	N/A
Aegon BlackRock UK Special Situations (BLK)	-0.75	-0.85	6.98
SG Passive Global Equity Fund	6.86	6.65	N/A
SG Active Global Equity Fund	-0.54	3.42	N/A
SG Diversified Growth Fund	5.46	3.07	N/A
Aegon BlackRock Absolute Return Bond (BLK)	5.35	3.21	3.62
Aegon BlackRock Corporate Bond All-Stocks Index (BLK)	2.59	-0.93	N/A
Aegon BlackRock All Stocks UK Gilt Index (BLK)	2.59	-0.93	N/A
Aegon BlackRock Index-Linked Gilt (BLK)	-9.19	-16.10	N/A
Aegon Baillie Gifford Positive Change	-5.18	-2.80	N/A
Aegon HSBC Developed World Sustainable Equity Index	4.84	6.76	N/A