Aegon Financial Planning

Financial Planning Guide

Customers receiving personalised advice

Contents

In this document, please note that references to 'we, us and our', are referring to Aegon Financial Planning, a brand name of Origen Financial Services – not Aegon UK plc

If your personal circumstances mean you need any additional support, or if you'd like a large print, Braille or audio version of this document, please call 0800 0304 078* or get in touch with your Financial Planning Manager.

Our Services

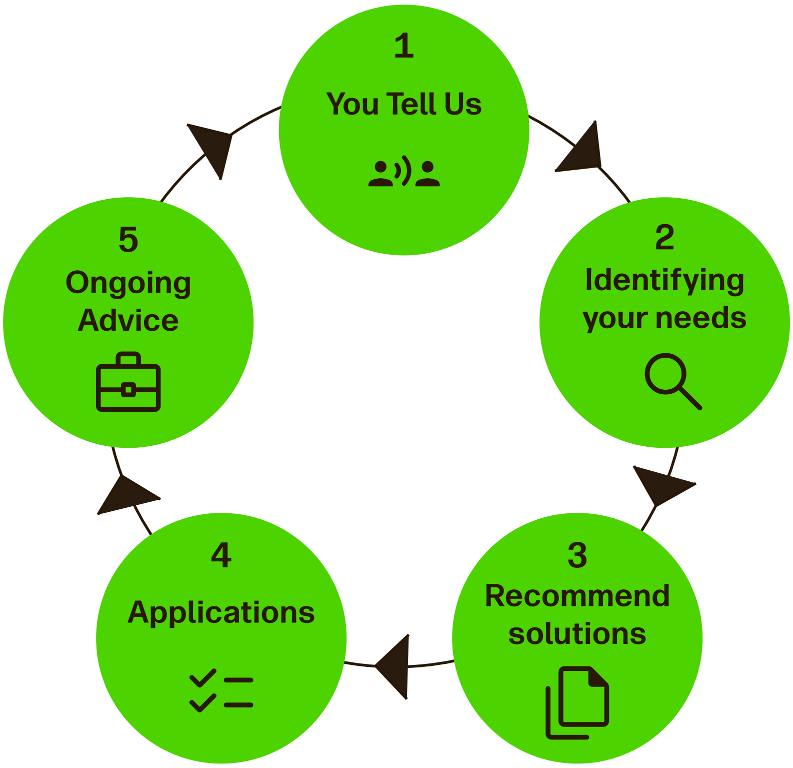
Our Investment service

If you're able to invest either a lump sum of at least £20,000 or at least £400 a month, then our Financial Planning Service could be right for you.

Our Retirement service

If you have a retirement pot of £30,000 when you would like to drawdown or look at other options, then our Financial Planning Service could be right for you.

This diagram shows how our advice service could help:



1	**Assessment** – during the initial meeting we'll talk about your current situation, answer any questions you may have and check that advice is the right option for you.
2	**Financial needs and goals diagnosis** – where we can see that you have a need and you have told us that you want to address it, we will identify products to help protect your family and lifestyle, or to potentially grow your money for the future.
3	**Presentation and recommendations** – we'll book a second meeting with you to go through your personalised report. Our investment recommendations will be based on what you have told us to ensure our recommendations suit your goals.
4	**Administration** – We know application forms can be confusing and time consuming. Providing you're happy to proceed, we'll aim to complete as much form filling as we can with you, leaving you to simply sign the documents using an electronic system called DocuSign.
5	**Ongoing Service** – When you invest with us, you can opt for our Ongoing Advice service at an additional cost, which provides ongoing access to a Financial Planning Manager. We will conduct a remote Annual Service Review and include your results in your Annual Customer Report, detailing the performance of your investments. If necessary, our Ongoing Service Review team will reach out to discuss the report and complete a review. Additionally, we will send you updates from the Investment Committee as needed, informing you of any significant changes.

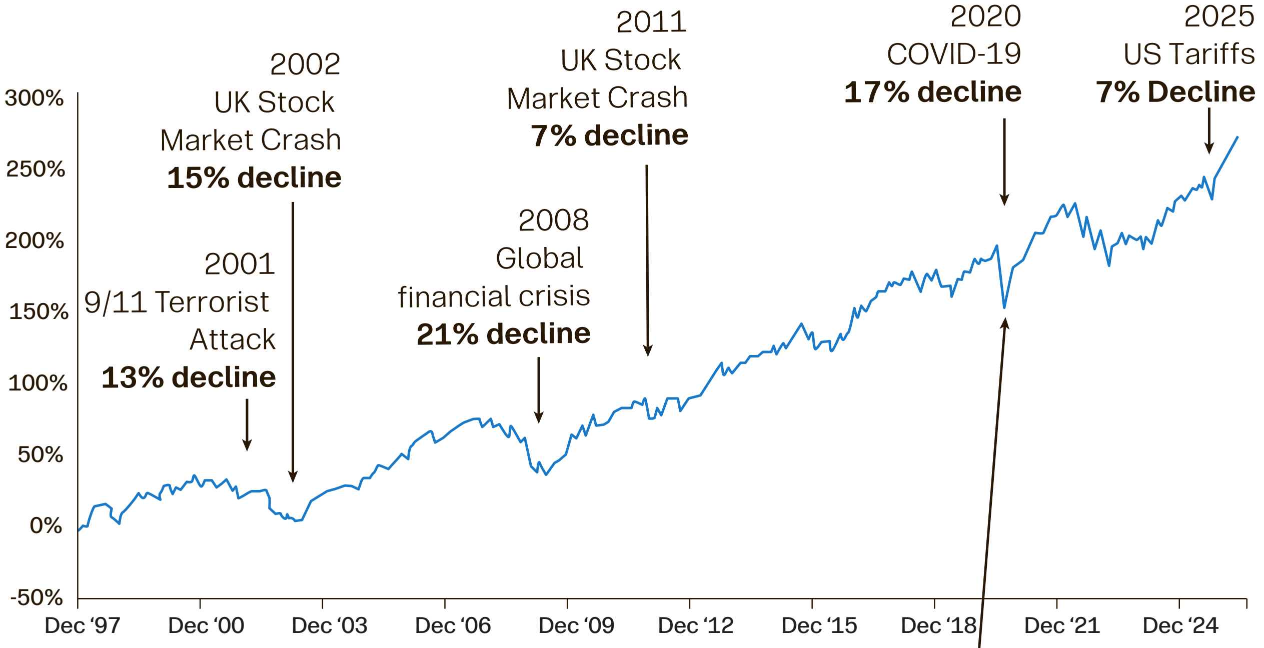
The Market

The funds we offer invest in a range of different markets both at home in the UK and abroad. The graph below shows the average performance of medium risk funds which primarily invest between 20% and 60% of their value in stocks and shares (equities), taking into account any charges.

It aims to illustrate how these funds have performed historically. Please note that this is just one example and other markets will have performed differently.

At various times the market has fallen in value – sometimes triggered by a landmark event. It has then recovered and grown in value over time. The graph highlights some of the biggest dips in the market, and the long-term performance afterwards. Although this may prove to be a useful indicator, past performance isn't a guide to the future, as markets can fall as well as rise.

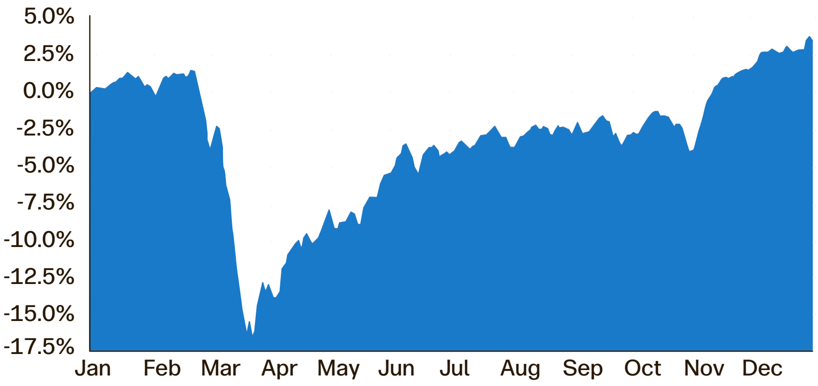
Please note, the % decline figure is based on the highest and lowest market value point during the calendar year specified.



Data from FE fundinfo – Investment Association Mixed Investment 20-60% Shares Total Returns in GB 28/11/1997 - 28/11/2025

This graph takes a closer look at the performance of this market during 2020 and the impact the coronavirus outbreak has had on it.

Pricing Spread: Bid-Bid
- Data Frequency: Daily
- Currency: Pounds Sterling



■ A – IA Mixed Investment 20-60% Shares TR in GB (3.51%)
31/12/2019 – 31/12/2020 Data from FE fundinfo 2021

The world of investing

Welcome to the world of investing

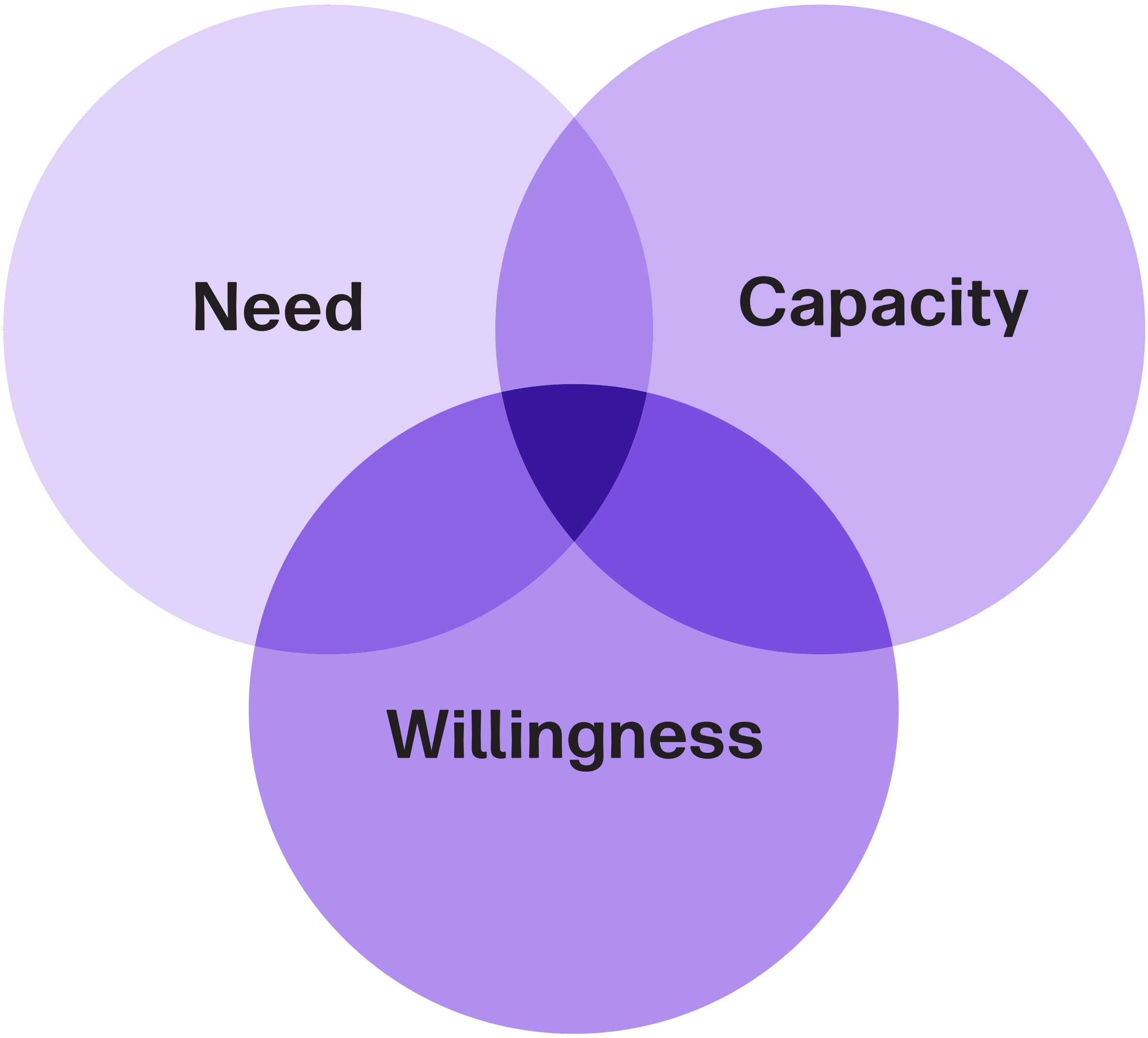
If you're new to investing, the language used and risks associated may seem unfamiliar.

We aim to provide answers to all the questions you may have around investing and what it means for you and your financial goals.

This brochure will provide you with information on the key aspects that you should consider when deciding if investing is right for you.

As part of deciding whether investing is right for you, we will take time to ensure you understand the following terms and what they mean to you.

If you are confident that you have the need, capacity and willingness, then investing may be right for you.



Need, Capacity and Willingness

The **need** to take risk

Do you need to take risk in order to meet your financial objectives?

You may have a specific purpose for your investment, such as:

- School fees
- University fees/funding
- Wedding fund
- Deposit for a house
- A special purchase such as a vintage car, or an around the world holiday
- To provide an income in retirement
- To provide an inheritance.

Or you may just be looking to make your money work as hard as possible. Whatever your goals, we aim to provide you with a clear and simple solution which is designed to suit your needs.

The **capacity** to take risk

Can you commit this money to an investment for at least 6 years, or the proposed investment term, whichever is greater?

Investing may not be suitable for you if:

- You need access to the money within the next 6 years
- You do not have a suitable emergency fund. We believe this should be at least equivalent to three times your monthly outgoings or £10,000, whichever is greater, available in an easy access account. If you are aged 70 or above we suggest you keep an emergency fund of at least £36,000.
- You have a debt that needs repaying
- You are not prepared or comfortable to take a risk with some or all of your money
- You are not able to accept the loss of some or all of your money.

The **willingness** to take risk

Are you comfortable with the likelihood that your money will rise and fall in value? Investments have the potential to lose money and you need to accept this risk as part of your investment strategy.

Have you considered the impact on your financial circumstances, now or in the future, if the investment were to reduce in value, by a lesser or greater extent?

Have you considered how you feel about the risk of not achieving your investment goal?

You should also be aware that if the funds invested are a ‘windfall’, you may not have these funds again, and you should consider how you would feel if you lost some, or all of those funds.

Investment types (assets)

Investment funds

When recommending investments to you, your money will be placed in one or more investment funds depending on your needs. This will be facilitated by Aegon, who provide our investment platform. You can find out more about Aegon on page 21.

Within each investment fund your money will be pooled with many other investors. The investment fund will then be managed for you and all the other investors. This method provides you with the potential for a greater range of assets (often referred to as diversification) to be held and the reassurance that your money is managed by a professional fund manager.

Less risk, less potential reward

Cash

- Cash held in the cash facility of a product earns interest based on the Bank of England base rate. For more information visit **aegon.co.uk/interest-rates**
- If the rate of interest you earn is less than the rate of inflation, the real value of your money will decrease over time.
- When fund charges are higher than the interest rate, you will be losing money.

Fixed interest securities

There are two types of Fixed Interest Securities. They will generally go up in capital value when interest rates fall and lose capital value when interest rates rise.

Gilts and Corporate bonds

- A loan to a Government or company. In return, the investor receives regular interest and have their money returned at the end of the term.
- There is a risk that the Government or company defaults and fails to pay the money back.
- Money lent to higher risk companies (as defined by a ratings agency like Moodys or Fitch) will typically mean the investor is paid a higher regular interest to compensate them for the greater risk that the company would default. These are known as high yield corporate bonds.

Equities

- Sometimes known as shares.
- UK, Overseas and Specialist (developing economies and natural resources).
  - UK Funds will invest in companies listed on the UK stock market, such as companies listed on the FTSE 100 Index.
  - Overseas funds invest on a global basis, but focus on developed markets, such as Europe and North America. Examples of companies: Apple, Coca-Cola and BMW.
  - Specialist funds invest on a global basis, but focus on developing markets, such as South America and Asia. Likely to invest in companies that produce or manufacture energy and commodities, such as gold, wheat and oil.

More risk, more potential reward

Investment Returns

What is asset allocation?

A large proportion of an investment's returns can be driven by the asset allocation of that investment. This could be based on a long term view (strategic) or a shorter term view (tactical).

The aim of asset allocation is to choose a blend of assets that will perform the best, but without taking unnecessary levels of risk.

Different asset classes perform differently at different stages of the economic cycles and in different political situations.

The table below shows you how the different asset classes have performed since 2008. To help you manage fluctuations in performance we provide investments with a range of different asset classes.

The example* shown reflects the sector performance of each asset class, meaning they are based on fund performance, not the raw performance of the assets themselves. They assume that any income generated is reinvested.

Asset type	2008	2009	2010	2011	2012	2013	2014	2015	2016
Cash (Bank of England Base Rate)	4.69	0.65	0.50	0.50	0.50	0.50	0.50	0.50	0.40
Gilts	12.46	-2.06	6.38	15.80	1.85	-5.11	14.52	-0.26	11.06
Corporate Bonds	-9.67	14.31	7.57	4.36	13.01	0.64	9.83	-0.27	9.08
UK Equities	-31.96	30.40	17.53	-7.04	15.05	26.21	0.64	4.86	10.82
Overseas (Developed Market) Equities	-24.32	22.95	15.78	-9.27	9.43	21.65	7.09	2.77	23.33
Specialist (Developing Market) Equities	-36.67	57.22	23.55	-19.02	12.89	-3.84	3.19	-10.19	30.84

* Source: FE fundinfo, December 2024.

Asset type	2017	2018	2019	2020	2021	2022	2023	2024
Cash (Bank of England Base Rate)	0.29	0.61	0.75	0.23	0.11	1.44	4.64	5.15
Gilts	1.72	0.25	7.00	9.01	-5.38	-23.87	4.01	-3.74
Corporate Bonds	5.06	-2.22	9.49	7.77	-1.92	-16.09	9.42	2.56
UK Equities	13.99	-11.19	22.24	-6.01	17.25	-9.06	7.38	7.83
Overseas (Developed Market) Equities	14.02	-5.72	21.92	15.27	17.68	-11.06	12.68	12.63
Specialist (Developing Market) Equities	24.43	-11.78	16.04	13.65	-0.46	-12.21	4.31	8.27

* Source: FE fundinfo, December 2024

⚠ **Important:** Investing is a long term strategy and you should be comfortable with investing for at least 6 years. If you decide to invest, remember that the value of your investments can go down as well as up and you may get back less than you originally invested.

Diversification

Diversification

Diversification means making sure your investment portfolio is varied, with a good mix of assets, regions and sectors. This goes beyond asset allocation, aiming for diversity within each asset class, as well as across your investments. There are two main benefits of a diverse investment:

Reducing risk

There's a concept in investing called "correlation".

Simply put, it means whether different assets in your portfolio gain or lose value at the same time. Imagine you have a cupboard full of shoes: if they were all wellington boots, you would be well-equipped for wintery conditions, but less happy on the beach in summer. It's similar with investing. If it is poorly diversified, then when one of your assets is doing badly, so is your entire investment.

Diversification helps to minimise this danger by reducing correlation between your assets – so if one of your assets has disappointing performance, it's possible that your other assets could balance this with good performance.

Maximising opportunity

It's difficult to predict which assets, regions or sectors will perform well, so it's wise to spread your investments widely.

It's also true that some people might not want a diverse portfolio, deciding to concentrate on a narrow area instead. However, this is a higher risk approach and requires considerable experience and expertise.

Risk and reward

We'd all like our money to grow substantially without risking our original investment amount. Unfortunately, this isn't possible. Almost all investment involves some degree of risk. What's important is that you understand and are comfortable with the risks you're taking.

For example, if you put your money in a savings account, there's almost no risk to your original investment amount, but the interest you'll get – your 'reward', could be lower. On the other hand, investing your money in a single company's shares is high risk, as you're dependent on that one company.

If something happens to the company, it will change the value of your shares and in the worst case, you could lose all your money. However, if the company does well, your reward is potentially much greater as you could make a large gain.

Higher risk does mean the potential for higher rewards but it also comes with a greater chance of you losing money. On the other hand, a lower risk has a smaller chance of loss but the growth of your money will normally be less.

You should make sure you understand and are prepared to take these risks before you choose to invest.

Can I reduce risk to my investment?

You can't get rid of risk completely but it's possible to manage it.

Spreading your investment risk

You can reduce risk by putting your money in different types of investment with varying levels of risk (for example equities, fixed interest securities and cash).

Pooling your investments

This is where you buy into funds and your money's invested with thousands of other people's money into a wide range of company shares. Although potentially less risky than individual company investments, if the stock market as a whole is falling in value, your pooled investment will also reduce.

Pooled investments can also be used across fixed interest securities.

However you choose to invest, putting your money in a range of assets means that if something happens to one of your investments, your overall loss could be reduced as it may be balanced out by your other investments.

What are the key risks?

There are many different types of risk, so it's important to make sure you know about what could happen to your money when you invest. Here's some information about the key risks:

Capital risk

- The risk that you may lose money.

Accessibility risk

- You may not be able to get your money as quickly as you need it.
- It isn't always possible to cash in investments instantly.

What are the other risks you should consider?

In addition to capital risk and accessibility risk, there are a number of different risks that you should also be aware of. These are outlined below.

Fund specific risk

- The funds you choose have risks linked to what they invest in.
- For example, an equity fund takes investors' pounds to America and changes them to US dollars to buy and sell company shares in US companies. It then changes the US dollars back into pounds when they sell the shares. There's a currency risk depending on how many dollars you get to the pound.
- You'll be given details of these risks when you invest. You should make sure you understand the fund specific risks and are willing to take them before investing.

Shortfall risk

- Your investment may not give you the amount you'd like or need in the future, for example Retirement.
- You need to make sure you keep an eye on how your investment's doing.
- If it's off target you may need to invest more or change your investment strategy.

Securities lending risk

- Some fund managers invest in underlying funds which may lend some of the assets they hold to another institution in return for a fee.
- At the end of the loan, the assets, and the interest, are received. However, this isn't guaranteed.
- To minimise this risk, the fund managers only deal with financially stable institutions, and hold insurance against any losses that arise in this way.

Timing when you buy and sell your investment risk

- This means that you might buy or sell investments at what may turn out to be the wrong time.
- If you sell and reinvest, your investment may be out of the market for a period of time and the value of your investment won't change with any general market movement.

Income risk

- Your investment may not give you the amount of income you'd like or need.
- This may be now or in the future.
- For example, this is important if you need a particular amount of income for your retirement.

Inflation risk

- Your investment may not keep up with inflation.
- This may reduce the real value of your money.

Lost opportunity risk

- You may sell an investment and move it into another fund that may not do as well.

Your attitude to risk

How we identify your attitude to risk

Identifying your attitude to investment risk is very important.

In order to identify your attitude and appetite for risk, we'll take the time to talk to you about your financial situation, your knowledge and experience, how you feel about risk, your financial goals and objectives and also the extent to which you want to maximise your potential returns.

We use psychometric questions as part of this discussion. This means that the answers you give will provide us with an insight into your behaviour and preferences when faced with risk. The output of the psychometric questions will point towards one of five risk levels. We will then look at that level of risk in greater detail to see whether you feel it reflects your risk appetite, as well as reviewing the risk levels above and below to be sure that your final choice is the right one for you.

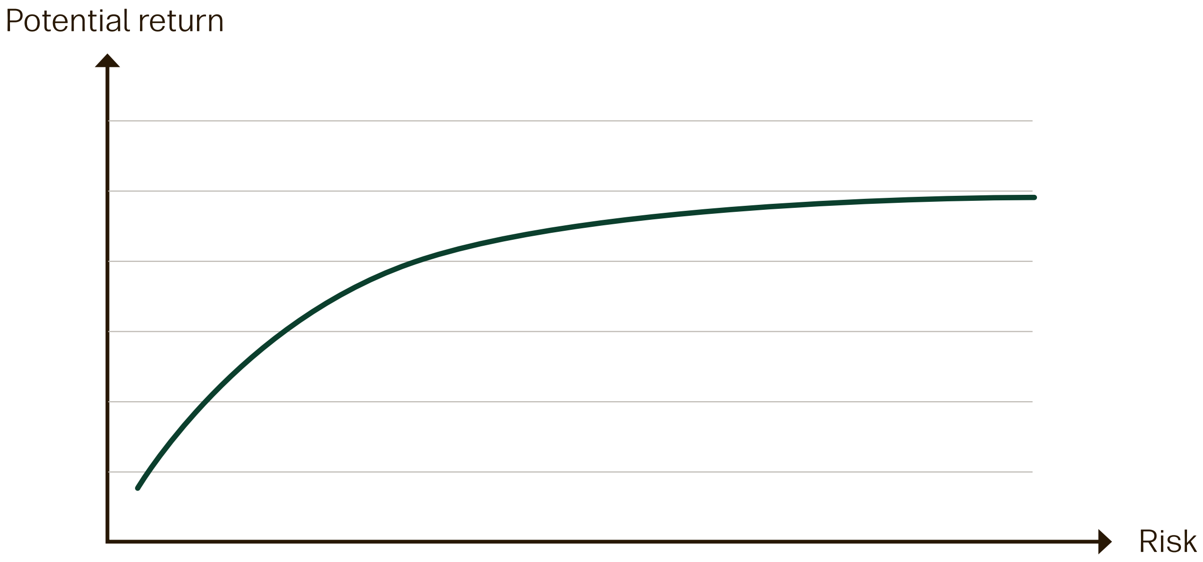
How we use your attitude to risk score

We use this approach as it's critical that we understand your true appetite and attitude towards risk when building you a portfolio of investments to help you meet your aspirations and goals.

As we've already discussed, the greater risk you expose your money to, the greater the potential return you could generate but also the greater the risk that your money will fall in value. So it's important that whilst trying to get you the best return on your money, we ensure that we don't expose your money to risks greater than those you'd be willing to accept.

For a small increase in risk (from cash to ATR2 for example), the returns available could be considerably better if you have the time to wait, and the capacity for loss.

The graph below demonstrates the relationship between risk and return when investing.

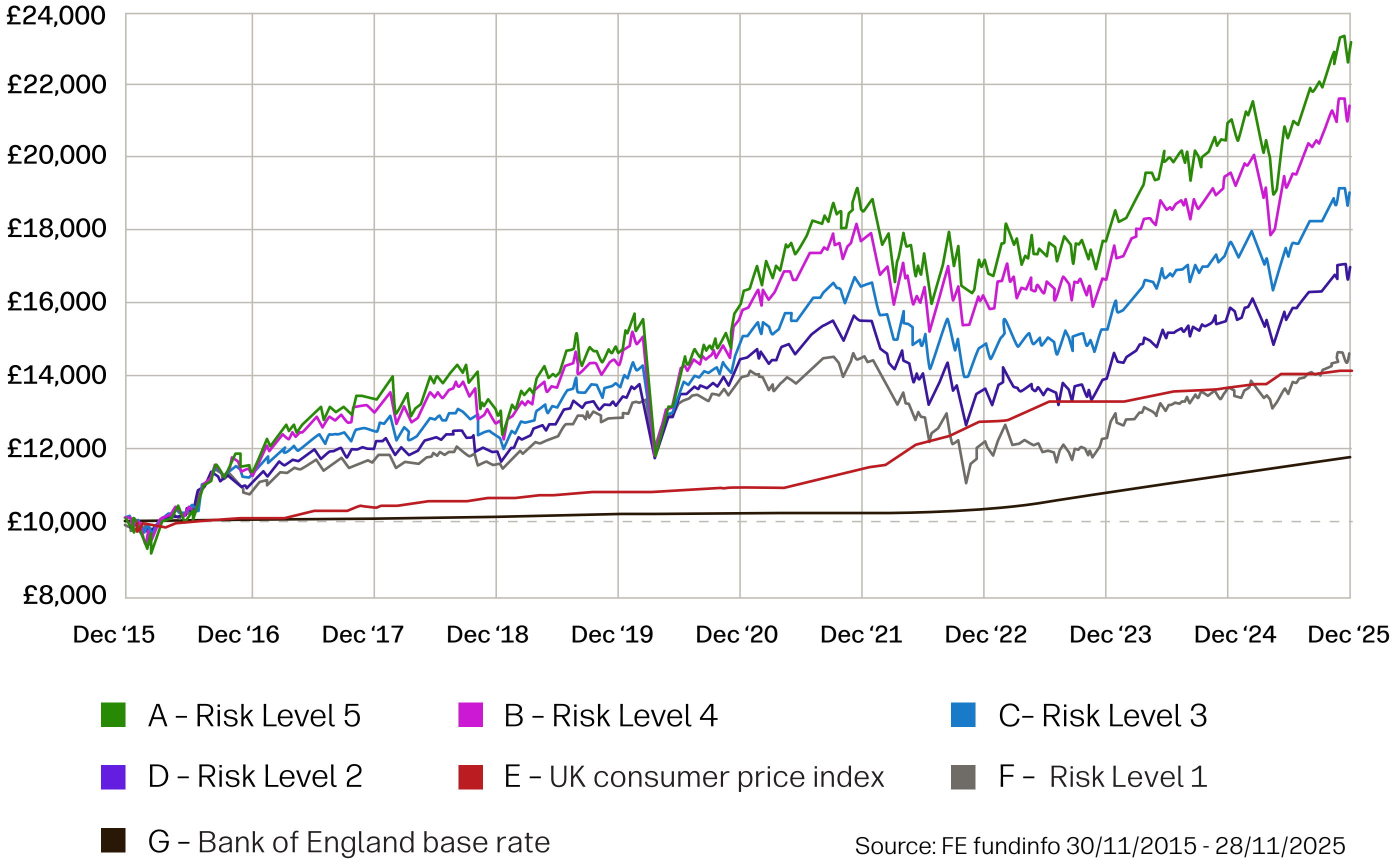


Important: Your Financial Planning Manager will recommend investment funds based on your attitude to risk score. If we recommend multiple investment funds to you, these may include individual funds which carry a higher or lower risk rating than your overall attitude to risk.

Investing is a long term strategy and you should be comfortable with investing for at least 6 years. If you decide to invest, remember that the value of your investments can go down as well as up and you may get back less than you originally invested.

Potential returns and capacity for loss

The graph below demonstrates the potential returns and capacity for loss that different risk investments could provide over a 10 year period.



Source: FE fundinfo 30/11/2015 - 28/11/2025

On the following pages you'll find a description for each attitude to risk as well as illustrations to help show the types of assets your money might be invested in and the types of highs and lows that could be associated with that level of risk. This illustrates that the value of investments can go down as well as up and you may not get back the money originally invested.

You should be aware that these illustrations are based on example asset allocations for each attitude to risk and these do not include investments that could be held elsewhere. Please refer to your personalised recommendation for your specific investment asset allocation.

These illustrations are to show past performance and are not a guide to future performance. They are based on the total return (any income invested) and exclude fund specific charges. This will reduce the performance from that shown.

Your attitude to risk in the future

The review you're undertaking now is very important and will help shape your financial future. In our view, this is only the start. You'll also need to review your funds regularly with a Financial Planning Manager to ensure they continue to reflect your objectives and attitude to risk, as well as any changing priorities in your life.

If you choose our Ongoing Advice option we'll provide a bespoke Annual Customer Report that revisits your attitude to risk, your investment holdings and their performance. Besides the benefit of simply having this information, we'll be on hand at your request to discuss the report with you and adapt your investment as things change.

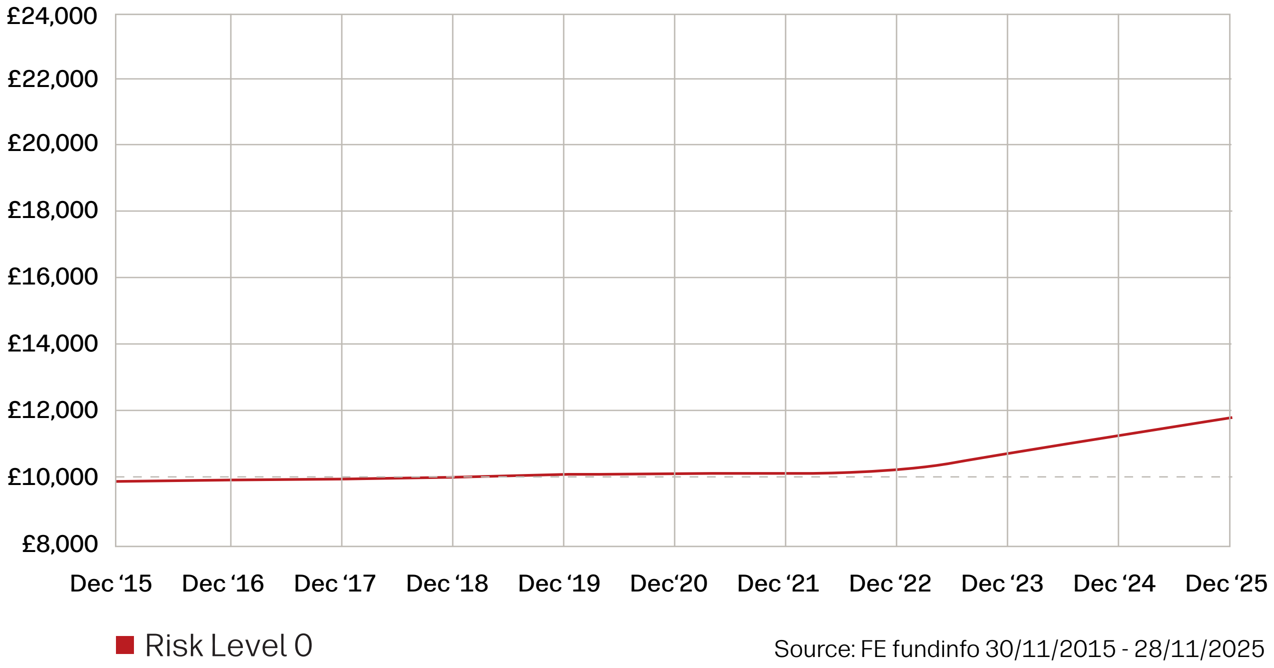
Which risk level is right for me?

It’s likely that when reviewing your options, you’re only prepared to look at deposit savings accounts where you know what your return (interest rate) will be. You would feel uncomfortable investing in assets like equities and fixed interest securities where your money will rise and fall in value.

Other people with this attitude to risk often share a number of common traits.

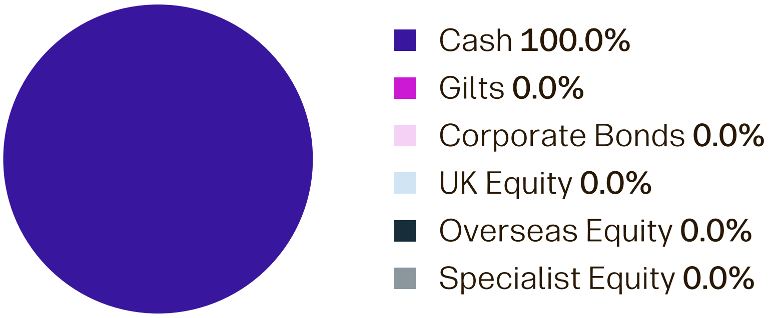
- You have historically saved in deposit savings accounts and you like the certainty of knowing what your return is going to be.
- You would prefer to remain in deposit based savings schemes where the capital value of your monies will not fall in value.
- You have previously invested and have been left unhappy with your experience.
- You need access to your savings within the next six years and so are not prepared to tie your money up.
- You accept that the value of your savings will not fall, although the interest rate that you receive will vary over time as the Bank of England base rate changes. Further context on the potential returns from deposit based savings can be seen in the graph below.
- You are aware that if the rate of interest is less than the rate of inflation the real value of your money will decrease over time.
- Please note that we don’t provide deposit savings accounts.

The chart below illustrates the total returns from a risk level 0 savings account - based on the Bank of England Base Rate over a 10 year period.



Source: FE fundinfo 30/11/2015 - 28/11/2025

Here is an example of the types of assets your money might invest in. Your investment may differ.



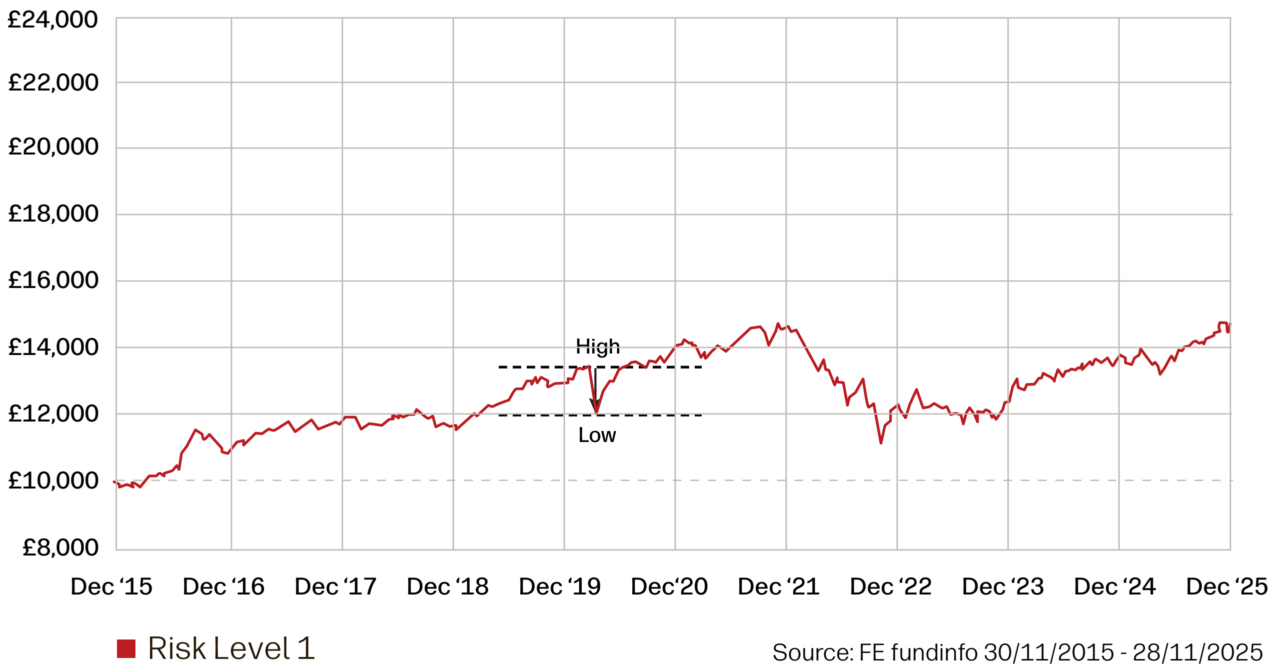
Is risk level 1 right for me?

It’s likely that when investing your money, you’re only prepared to take a small amount of risk that your investment may fall in value and understand that this will limit any potential gains in value.

Other people with this attitude to risk often share a number of common traits.

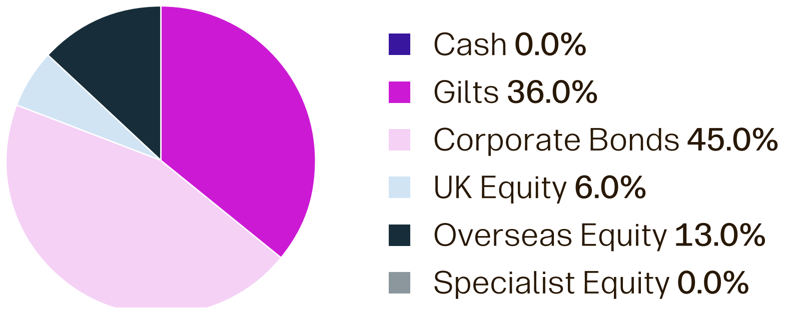
- You’re prepared to invest in non-cash assets, such as fixed interest securities.
- You’ll probably want to spread your investment across different types of non-cash assets, which should help to reduce the risk by balancing out one type of risk against another.
- You’re comfortable with typically 5% to 20% of your portfolio being invested in equities, with some potentially in other developed markets outside the UK.
- You may not have invested before and are likely to be concerned if your investment was to suffer a substantial short term fall in value.
- You accept that the value of your investment isn’t guaranteed and will go up and down in value as markets rise and fall over time. Further context on the amount a risk level 1 portfolio could rise and fall can be seen via the graph below.

The chart below illustrates an example of the total return a £10,000 typical risk level 1 investment could provide over a 10 year period. We have included an example of the impact caused by the Coronavirus pandemic in 2020. If you had invested at the high point and sold at the low point indicated, the loss during this period would have been -13.07%.



Source: FE fundinfo 30/11/2015 - 28/11/2025

Here is an example of the types of assets your money might invest in. Your investment may differ.



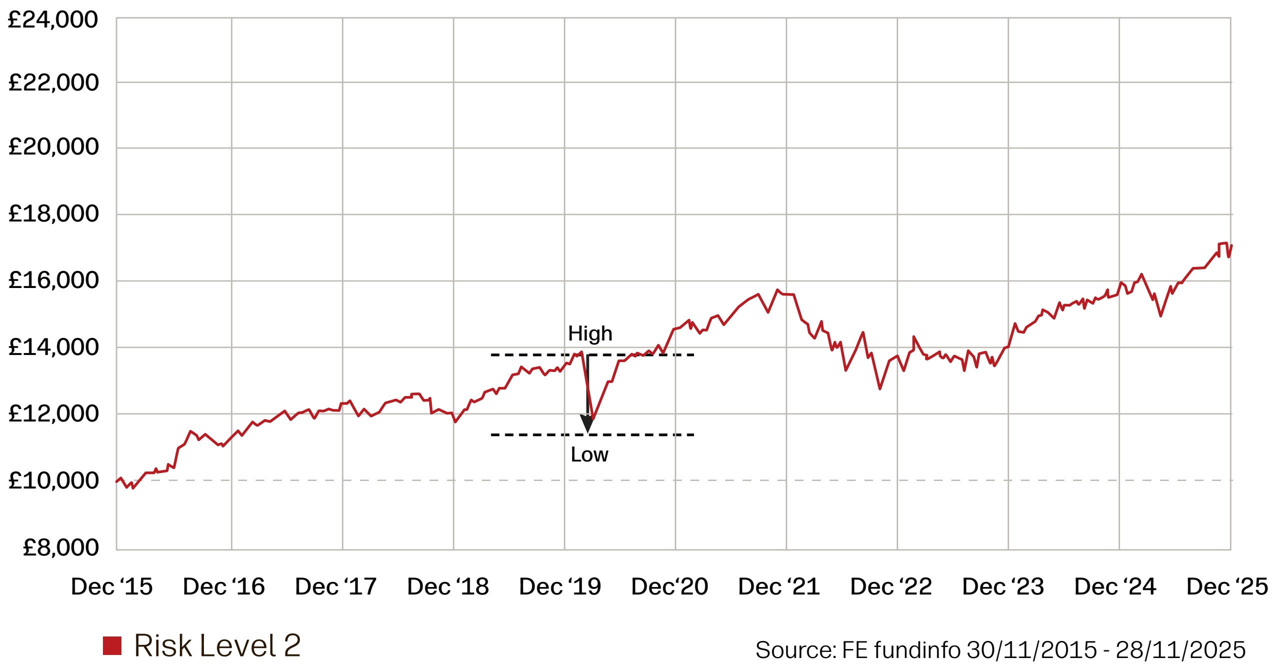
Is risk level 2 right for me?

It's likely that when investing your money, you are prepared to take measured risks of investing that could lead to a reduction in the value of your investment for the increased growth potential.

Other people with this attitude to risk often share a number of common traits.

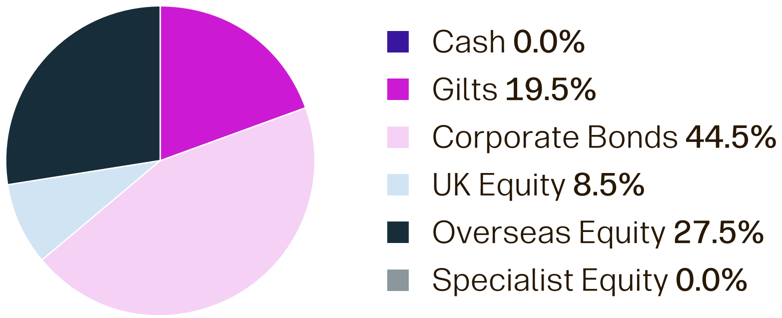
- You're happy to invest in a broad mix of assets that have a range of risk and reward profiles.
- You'll probably want to spread your investment across different types of non-cash assets, which should help to reduce the risk by balancing out one type of risk against another.
- You're comfortable with typically 20% to 40% of your portfolio being invested in shares, with some potentially in other developed markets outside the UK.
- You may have had some experience of investing before and understand the need to balance the risks against the potential for higher returns.
- You accept that the value of your investment isn't guaranteed and will go up and down in value as markets rise and fall over time. Further context on the amount a risk level 2 portfolio could rise and fall can be seen via the graph below.

The chart below illustrates an example of the total return a £10,000 typical risk level 2 investment could provide over a 10 year period. We have included an example of the impact caused by the Coronavirus pandemic in 2020. If you had invested at the high point and sold at the low point indicated, the loss during this period would have been -16.87%.



Source: FE fundinfo 30/11/2015 - 28/11/2025

Here is an example of the types of assets your money might invest in. Your investment may differ.



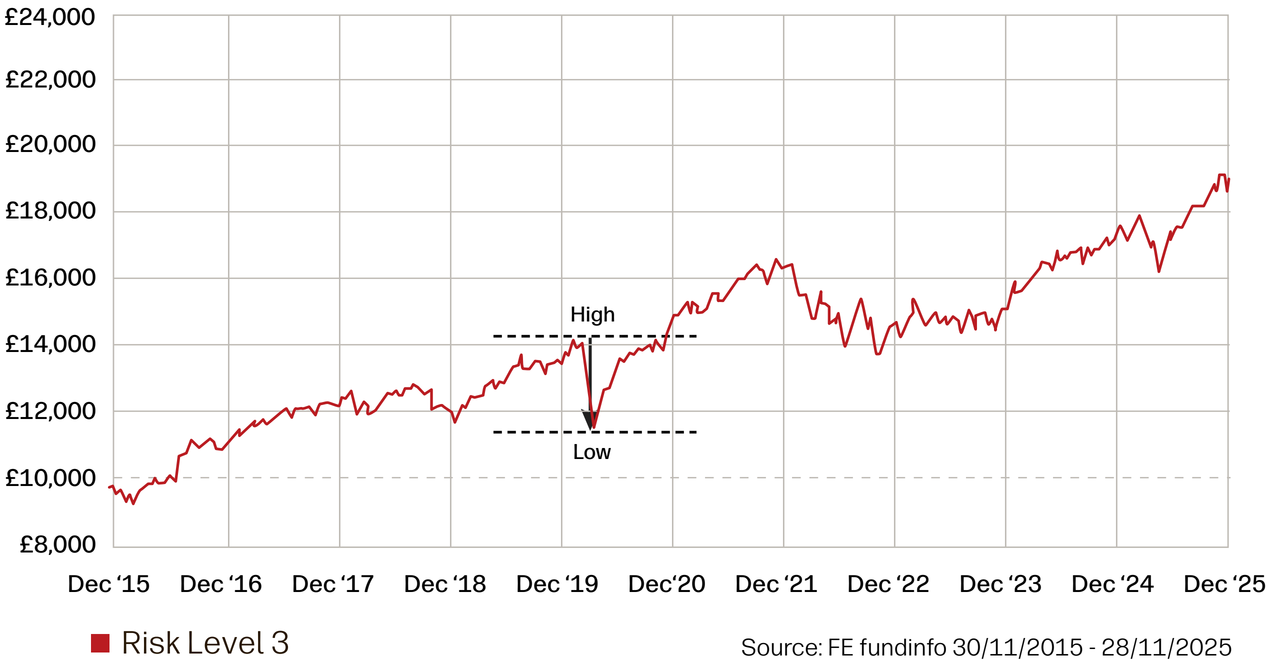
Is risk level 3 right for me?

It's likely that you already have an interest in investing and are accepting of the ups and downs of the stock market.

Other people with this attitude to risk often share a number of common traits.

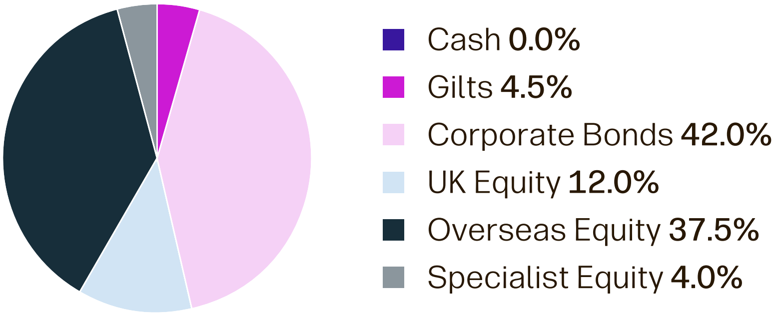
- You prefer to spread your investment across a range of non-cash assets but with a greater emphasis on assets such as shares.
- You're likely not to mind investing outside the UK with a preference for other developed markets.
- You're happy to put typically 40% to 60% of your portfolio invested in shares.
- You might have an interest in and knowledge of the stock market and you understand the general risks involved with investing.
- You accept that the value of your investment isn't guaranteed and will go up and down in value as markets rise and fall over time. Further context on the amount a risk level 3 portfolio could rise and fall can be seen via the graph below.

The chart below illustrates an example of the total return a £10,000 typical risk level 3 investment could provide over a 10 year period. We have included an example of the impact caused by the Coronavirus pandemic in 2020. If you had invested at the high point and sold at the low point indicated, the loss during this period would have been -20.31%.



Source: FE fundinfo 30/11/2015 - 28/11/2025

Here is an example of the types of assets your money might invest in. Your investment may differ.



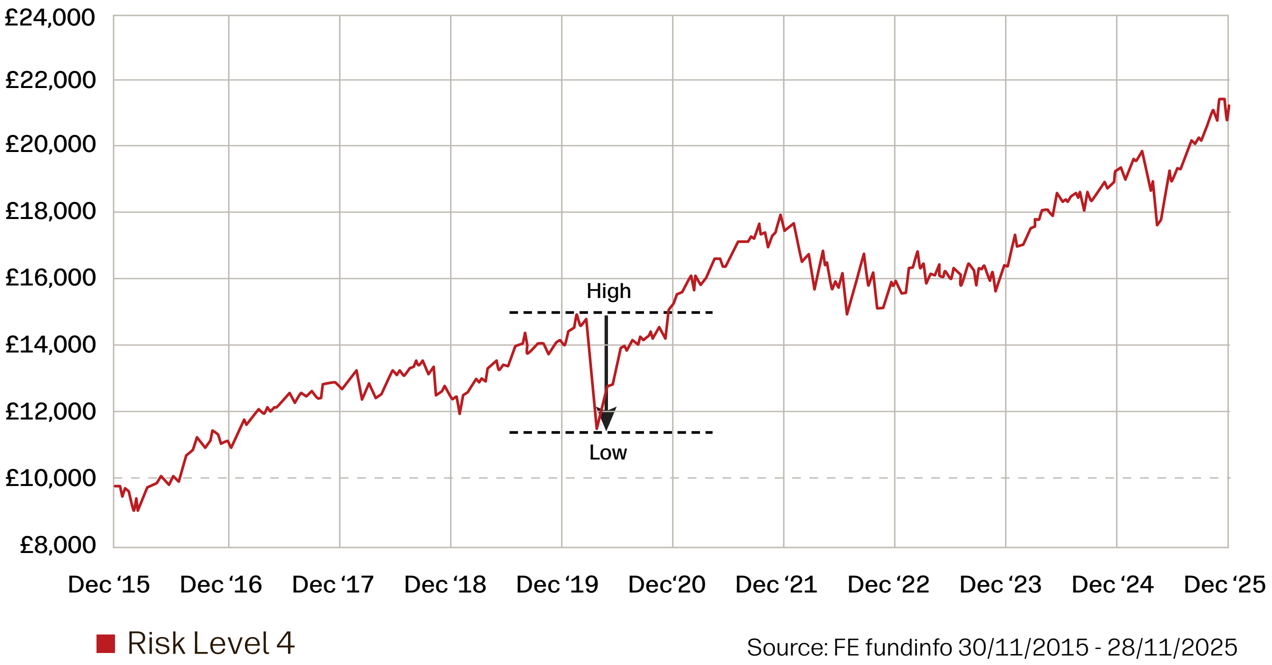
Is risk level 4 right for me?

It's likely that you already have previously invested and accept the ups and downs of the stock market that occur in order to attain higher potential returns.

Other people with this attitude to risk often share a number of common traits.

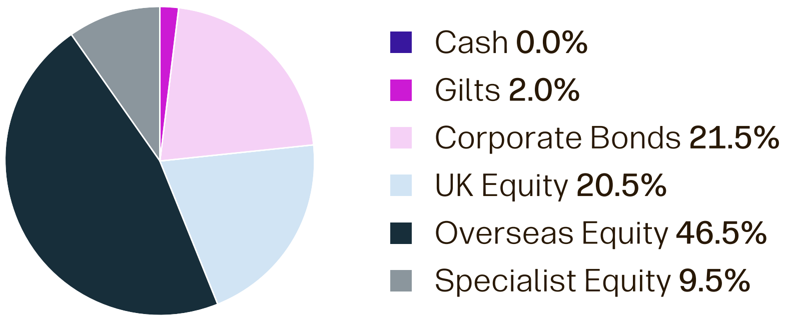
- You are prepared to invest outside the UK, including developing markets in Asia and Latin America with the aim of finding a wider range of potential opportunities.
- You will be looking for a spread of non-cash assets, but with limited allocations to lower risk assets such as fixed interest securities.
- You're happy to put typically 60% to 80% of your portfolio in shares, including specialist areas or new markets.
- You might have an interest in and knowledge of the various global stock markets and you understand the risks involved with investing, especially the potential for significant short term falls in the value of your investment.
- You accept that the value of your investment isn't guaranteed and will go up and down in value as markets rise and fall over time. Further context on the amount a risk level 4 portfolio could rise and fall can be seen via the graph below.

The chart below illustrates an example of the total return a £10,000 typical risk level 4 investment could provide over a 10 year period. We have included an example of the impact caused by the Coronavirus pandemic in 2020. If you had invested at the high point and sold at the low point indicated, the loss during this period would have been -24.18%.



Source: FE fundinfo 30/11/2015 - 28/11/2025

Here is an example of the types of assets your money might invest in. Your investment may differ.



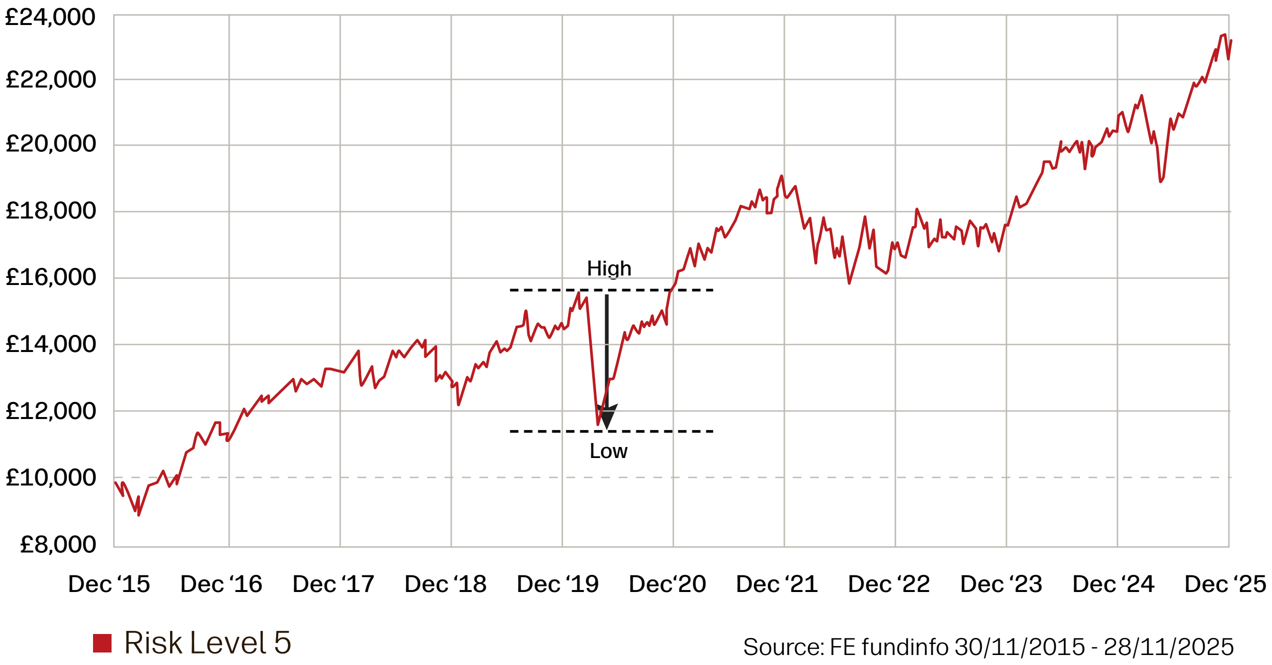
Is risk level 5 right for me?

It's likely that you're an experienced and knowledgeable investor, whose primary aim is to achieve the highest possible returns on your investment, while accepting that this means taking substantial risks.

Other people with this attitude to risk often share a number of common traits.

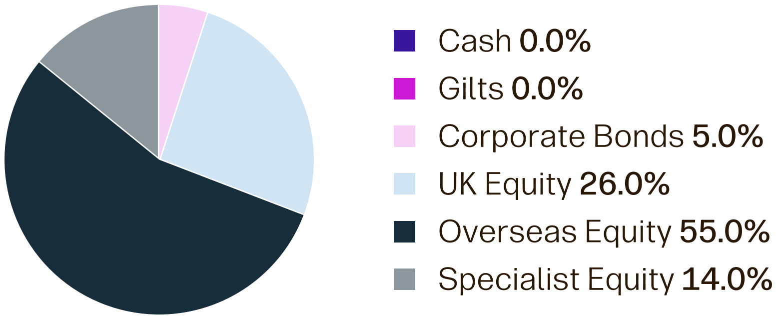
- You're attracted to new markets with substantial risk, or enjoy trying new types of investment.
- As you are prepared to invest a large proportion of your investment in higher risk areas you accept that the value of your investment can change rapidly and by a large amount.
- You're happy to invest in specialist areas, new markets and smaller companies.
- You're likely to be experienced in investing in the various global stock markets and probably already have a range of your own investments.
- You accept that the value of your investment isn't guaranteed and will go up and down in value as markets rise and fall over time. Further context on the amount a risk level 5 portfolio could rise and fall can be seen via the graph below.

The chart below illustrates an example of the total return a £10,000 typical risk level 5 investment could provide over a 10 year period. We have included an example of the impact caused by the Coronavirus pandemic in 2020. If you had invested at the high point and sold at the low point indicated, the loss during this period would have been -26.73%.



Source: FE fundinfo 30/11/2015 - 28/11/2025

Here is an example of the types of assets your money might invest in. Your investment may differ.



Investment Strategies: Lump Sum and Regular Investing

When it comes to investing, there are two common approaches, which can be used in tandem or on their own depending on circumstances and needs: Lump Sum and Regular Investing (also known as Pound Cost Averaging). Each strategy has its own advantages and considerations, and understanding the difference can help you make informed decisions based on your goals and risk tolerance.

Lump Sum Investing

If you have money ready to invest, a lump sum approach means putting it to work all at once. It's a straightforward way to get your investment fully exposed to the market from day one. By investing a larger amount upfront, your money may benefit immediately, however you may experience a value decline if markets fall. Lump Sum investing can be especially powerful in rising markets, where early exposure can lead to stronger long-term returns.

Key Benefits

- **Immediate Market Exposure**
  Your full investment starts working for you right away, giving it the potential to grow from the outset.
- **Simple and Quick**
  One decision, one transaction, ideal for those who prefer a hands-off approach.
- **Maximises Growth Potential**
  In a rising market, investing early can lead to higher returns compared to spreading contributions over time.

Things to Consider

- **Market Conditions**
  The success of lump sum investing often depends on when you enter the market.
- **Market Timing Risk**
  Investing just before a downturn can lead to short-term losses. Timing the market is difficult even for professionals. *
- **Emotional Impact**
  Seeing a large investment fluctuate can be unsettling, especially during periods of volatility.

Regular Investing

Investing doesn't have to be all or nothing. With a recurring contributions approach, you invest a fixed amount regularly whether markets are up, down, or somewhere in between. It's a simple, disciplined way to build your investment over time. By investing consistently, you may benefit from what's known as **Pound Cost Averaging**. This means:

- When prices are low, your contribution buys more units.
- When prices are high, it buys fewer. Over time, this helps smooth out the ups and downs of the market.

Key Benefits

- **Confidence Through Consistency**
  You don't need to worry about picking the "right time" to invest. Regular contributions help reduce timing risk.
- **Build Good Habits**
  Investing becomes part of your routine making it easier to stay on track with your goals.
- **Ride Out Volatility**
  By spreading your investment across different market conditions, you help reduce the impact of short-term price swings.

Things to Consider

- In a rising market, investing a lump sum upfront may deliver higher returns.
- Gradual investing means you might miss out on early gains if markets rise quickly.

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* Attempting to time the market is a high-risk strategy and not one that we advise on or recommend

How Pound Cost Averaging Works

Let's see some examples to bring this concept to life:

Regular investing vs Lump Sum – Illustrative Example

This example shows how pound cost averaging plays out over a volatile year in the markets.

- Investor A invests £1,000 monthly.
- Investor B invests £12,000 upfront in January.
- The market fluctuates throughout the year, with unit prices rising and falling.

By December:

- Investor A has purchased 1,077 more units than Investor B.
- Investor A paid a lower average price per unit.
- Investor A's investment is worth £1,967 more than Investor B's.

Month	Unit price	Investor A	Investor B
January	2.00	£1,000	£12,000
February	1.91	£1,000	
March	1.74	£1,000	
April	1.70	£1,000	
May	1.65	£1,000	
June	1.57	£1,000	
July	1.52	£1,000	
August	1.57	£1,000	
September	1.61	£1,000	
October	1.65	£1,000	
November	1.74	£1,000	
December	1.83	£1,000	
Total Money Invested		£12,000	£12,000
Total units bought		7,077	6,000
Average price paid		£1.71	£2.00
Final Value		**£12,923**	**£10,956**

Note - This example highlights how regular investing can benefit from market dips, buying more units at lower prices. However, if the market had steadily risen, a lump sum investment might have delivered stronger growth.

Conclusion?

Both strategies have their strengths, working with your Financial Planning Manager we can determine the best approach that best aligns with your goals and risk appetite.

Aegon (the platform provider)

Aegon Financial Planning provide the link between you and the fund manager(s) and Aegon provide the administration platform that manages all the funds and any transactions you may want to make with your investments.

Who are Aegon?

Aegon have been helping people live their best lives for over 190 years.

Aegon UK facts & figures*

- Global savings and investment provider serving more than 4 million customers in the UK
- Founded in 1831 as Scottish Equitable and became part of Aegon in 1994
- Manages over £203 billion* in assets on behalf of savers and investors in the UK

* As at 31 December 2023

Aegon Financial Planning

Provide you with help, guidance and advice and carefully select investments to suit your needs.

Aegon provide the Aegon ISA, General Investment account and SIPP, and manage the Multi-Asset/ Multi-Manager Fund Ranges*

* Aegon is the owner of Cofunds Ltd who are the providers of the Aegon Platform, ISA and GIA

Fund Managers such as Legal & General Investment Management

Provide and manage the investments and offer them through the platform.

Want to know more? Learn more about Aegon at **aegon.co.uk**

The products

We advise on a range of solutions, including investment products (collectives) and retirement income products such as annuities.

Collective Investments

A collective investment is when a fund manager pools the money of multiple investors to buy assets. Each investor is allocated a proportion of the total amount, either in units (in a Unit Trust), or as a stake in the company (in Open Ended Investment Companies). The aim of a Collective Investment is to produce medium to long term growth. Investments in collective funds can be made through General Investment Accounts (GIAs), Stocks and Shares ISAs, and Self Invested Personal Pensions (SIPPs).

Options

If you invest in a collective through Aegon Financial Planning, you can:

- Set up and amend regular premiums into your investment (minimum is £20 a month, no maximum)
- Top up your investment through regular contribution, lump sum or transferring in from another provider
- Withdraw your capital at any time* (excluding SIPPs)
- Depending on the type of fund, you can take income
- Switch your investment to a different underlying fund
- Transfer all or part of your GIA to an ISA for tax efficiency purposes (ISA limits apply).

Benefits of a collective	Drawbacks of a collective
▪ Investors' money is pooled together with other investors into one fund. This enables the scheme to invest in a wide spread of investments at potentially a lower cost than if the individual looked to invest on their own ▪ Investors can achieve a balanced portfolio because the fund manager can invest in a spread of investments ▪ Alternatively, investors with a higher attitude to risk can specialise in particular markets or assets e.g. 100% equities ▪ The funds are flexible and allow for withdrawal at any time (excluding SIPPs). However, they are generally medium to long-term investments that we recommend to hold for at least six years.	▪ Because professionals administer the funds, there will be costs in the administration and management of this. ▪ Collectives are generally medium to long-term investments, which may not suit all investors

* Withdrawals are generally not instant and can take time for the platform to initiate and complete trades.

Types of collective we offer:

General Investment Accounts (GIA)

A simple wrapper to hold your investment. Aegon will set one of these up for you if you invest in an ISA also, for use to pay charges.

- ✓ No limits to investment
- ✓ Good for anything extra you invest over the ISA allowance
- ✗ No tax benefits

Stocks and Shares ISAs

A tax efficient wrapper.

- ✓ No capital gains or dividend tax
- ✓ Transfers in from other providers available from both Cash and Stocks and Shares*
- ✗ Limit to how much you can invest within the ISA per tax year

Self-Invested Personal Pension (SIPP)

A basic retirement wrapper.

- ✓ Annual Allowance of up to £60,000
- ✓ Tax benefits
- ✗ Inaccessible until retirement

* See next page for more information on ISA Transfers from other providers

Stocks and Shares ISAs and transfers

A Stocks and Shares ISA is a tax-efficient way to save for the medium to longer term.

Features

- It's a tax-efficient way to invest, free of any personal liability to capital gains tax and income tax.
- The 2025/26 ISA allowance is £20,000 – you can make the most of this year's tax-efficient opportunities by taking out a Stocks and Shares ISA before 5 April 2026.
- You can access a wide range of investment options.
- You have the flexibility to change your investments as your needs change – so you can use your ISA to try to grow your savings or take an income.
- You can open one Stocks and Shares ISA each tax year in the UK

Historically, investing in stocks and shares has provided the potential for greater returns over the long term (more than six years) than keeping your money in the bank – although of course, past performance isn't a reliable guide to what will happen in the future.

ISA Transfers

As part of our advice service, our Financial Planning Managers can discuss whether transferring an ISA from another provider is right for you.

- An ISA in one place could be easier for you, and your FPM to manage and could result in lower charges
- A transfer could ensure the right approach to risk on your whole portfolio
- Any ISA transfer won't count towards this year's ISA allowance
- Transfers typically take less than 8 weeks from application to complete. However, the exact timeframe can vary depending on your current provider.
- You can transfer at any time (note: please consider any ceding providers T's & C's)
- An ISA transfer will count as a new investment – therefore an Initial Advice Charge will apply*.

* Please see Tarriff of Charges for information

Self-Invested Personal Pension (SIPP)

A Self-Invested Personal Pension (SIPP) is a type of personal pension plan that offers greater flexibility and control over your retirement savings.

While a SIPP offers flexibility and control, making the right decisions can be complex. Our Financial Planning Managers are here to guide you—helping you choose the right funds, optimise tax benefits, and plan withdrawals so your pension works for your retirement goals.

Key Features

1. **Tax Benefits:** Our Financial Planning Managers can help you maximise tax efficiency while building your retirement pot. Contributions to a SIPP receive tax relief. Basic-rate taxpayers get 20% tax relief, while higher-rate taxpayers can claim additional relief through self-assessment.
2. **Control Over Investments:** You have the freedom to make your own investment decisions or work with your Aegon Financial Planning Manager to tailor your investment strategy.
3. **Trusted Fund Choice:** Aegon Financial Planning offer a Multi-Asset fund range. Your FPM will ensure your investments match your risk appetite and goals.
4. **Pension Consolidation:** SIPPs allow you to consolidate multiple pension pots into one, making it easier to manage your retirement savings. We'll help you decide if transferring pensions is right for you and manage the process smoothly.
5. **Flexible Withdrawals:** From age 55 (rising to 57 in 2028), you can start withdrawing from your SIPP. Up to 25% of your fund can be taken as a tax-free lump sum. Your FPM will advise on the best way to take income to meet your retirement needs.

How you can contribute to your SIPP

1. **Open an Account:** Receive tailored pensions advice and support through the application process with Aegon Financial Planning.
2. **Make Contributions:** You can contribute to your SIPP through regular payments, lump sums, or by transferring funds from other pension schemes. Your FPM can guide you on contribution levels to balance today's spending with future income.
3. **Claim Tax Relief:** Basic-rate tax relief is usually added automatically by your provider. Higher-rate taxpayers need to claim additional relief through their self-assessment tax return.

Transferring Pension Pots

We can help you transfer pension pots into a SIPP, this can simplify the management of your retirement savings. Here are some key points to consider:

1. **Eligibility:** Most defined contribution pensions can be transferred into a SIPP.
2. **Limitations:** Be aware of any exit fees or penalties from your current pension scheme. Additionally, transferring a defined benefit pension to a defined contribution scheme like a SIPP means losing guaranteed benefits.

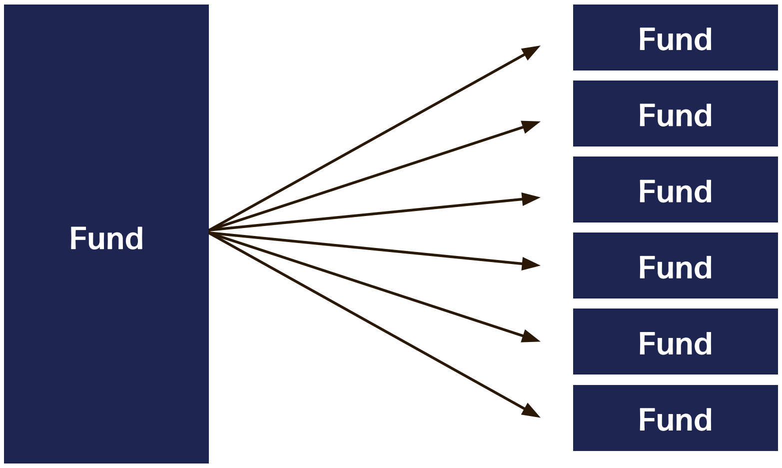
Single Fund Solutions

Here at Aegon Financial Planning our team of investment experts have chosen funds that we believe meet the needs of our customers who are seeking a simpler investment strategy. The funds are provided by Aegon and have been selected to meet our criteria of being easy for you to manage, as well as having a combination of funds asset classes in one package.

Customer

Aegon platform

Underlying fund management



Single Funds do the work for you.

If we ever advise you to switch funds, it will be into another single fund solution.

Single Fund solutions provide efficiency for both you and us, which can reduce effort and cost.

Simplicity & convenience
One fund, one decision. Easy to understand and monitor

Built-in diversification
Exposure to a wide range of asset classes and geographies

Professional management
Managed by experienced professionals

Cost efficiency
Lower transaction costs

Automatic rebalancing
Target allocation maintained

Tax efficiency
Internal fund rebalancing avoids CGT

Regulatory simplicity
Easier to demonstrate suitability

Accessibility
Lower minimum investment thresholds

Transparency
Clear factsheets and reporting

Consistency
Avoids inconsistent performance

We have two different types of “Single Fund” solutions, both with advantages and disadvantages:

Our Passively managed range
We call them “Multi-Asset Funds”

- “Fettered”: They invest only in our own in-house funds. While this can reduce costs and improve operational efficiency, it limits the breadth of investment options.
- Passive: These funds aim to track benchmarks rather than outperform them. They’re cost-effective and suitable for clients who prefer a “set and forget” approach.
- Simplified structure: Ideal for clients who want a straightforward, low-cost solution with broad diversification.

Our more actively managed range
We call them “Multi-Manager Funds”

- More Underlying Fund choice: Our managers can select the best funds from across the market, giving us access to specialist expertise and niche strategies.
- Multi-manager: We appoint top-tier managers for each asset class, aiming to enhance performance and manage risk more dynamically.
- Active: Our managers are hands-on, making tactical decisions to respond to market conditions. This agility allows us to capture opportunities and mitigate risks more effectively.

Let’s see both fund solutions in more detail….

Aegon Multi-Asset Funds

Designed specifically to match your risk level. They have the advantage of being simple and easier to manage. Think of a Multi-Asset fund being like a ready meal. All the underlying ingredients have been mixed together to give you one delicious investment.

A mix of assets to diversify your portfolio	Designed with a range of risk levels	Keeping your investment on track	Straightforward, low-cost building blocks
These funds offer the benefits of holding a broad variety of investments, including bonds and shares from UK and foreign markets. We can provide you with the most up-to-date factsheet showing the current mix of investments in the funds.	These funds offer different levels of risk and potential return. We can help you determine your attitude to risk and select which of the funds might be appropriate for you. We can also ensure that your fund choice is still appropriate should your circumstances change.	Aegon will manage the blend of investments in your portfolio to ensure that the fund pursues attractive investment opportunities but remains within the risk limits set by the fund's objectives.	The funds invest in a range of underlying low-cost index funds. This means a sophisticated portfolio can be delivered at a low cost.

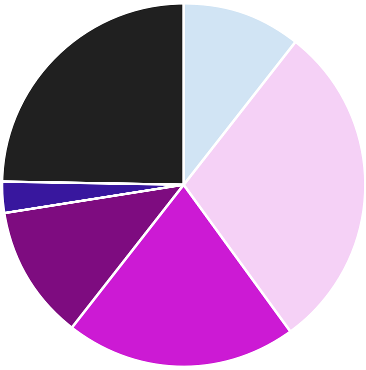
Aegon Multi-Asset funds

Our team of investment experts have worked to identify a range of 6 funds that we believe meet the needs of our customers who are seeking a simpler investment strategy. The funds are provided by Aegon and have been selected to meet our criteria of being easy for you to manage, as well as having a combination of funds and asset classes in one package.

- Each fund is aligned to a specific risk profile, meaning that we can recommend one to suit you.
- Each fund has a target risk level. A fund may, from time to time, be outside of this target risk level; however Aegon monitors this on an ongoing basis and will adjust the amount invested in each asset type with the aim of ensuring the fund is within its target risk level.
- These funds are available to you within a General Investment Account or a Stocks & Shares ISA; we will recommend the right solution based on your needs.

Here's an example of two of our Multi-Asset funds:

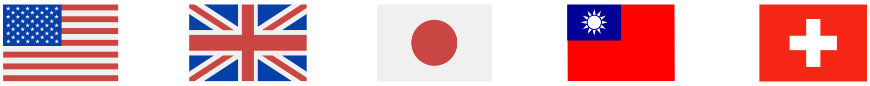
WS Aegon Multi-Asset 2 Fund asset allocation:



Regions | Top five countries equity allocation

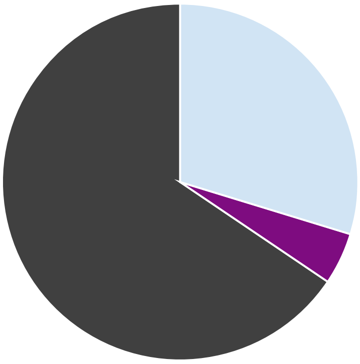
WS Aegon Multi-Asset fund range
Growth
1 2 3 4 5
Income
2 3

USA	**UK**	**Japan**	**Taiwan**	**Switzerland**
39%	31%	12%	2%	2%



■ UK Equity **11%** ■ UK Corporate Bonds **30%** ■ UK Gilts **21%** ■ Cash **3%**
■ Global Government Bonds **12%** ■ Global Equity **25%**

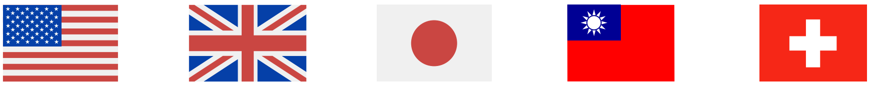
WS Aegon Multi-Asset 5 Fund asset allocation:



Regions | Top five countries equity allocation

WS Aegon Multi-Asset fund range
Growth
1 2 3 4 5
Income
2 3

USA	**UK**	**Japan**	**Taiwan**	**Switzerland**
47%	25%	8%	2%	2%



■ UK Equity **24%** ■ Global Government Bonds **5%** ■ Cash **0%** ■ Global Equity **71%**

Figures are indicative only and subject to change. May 2025.

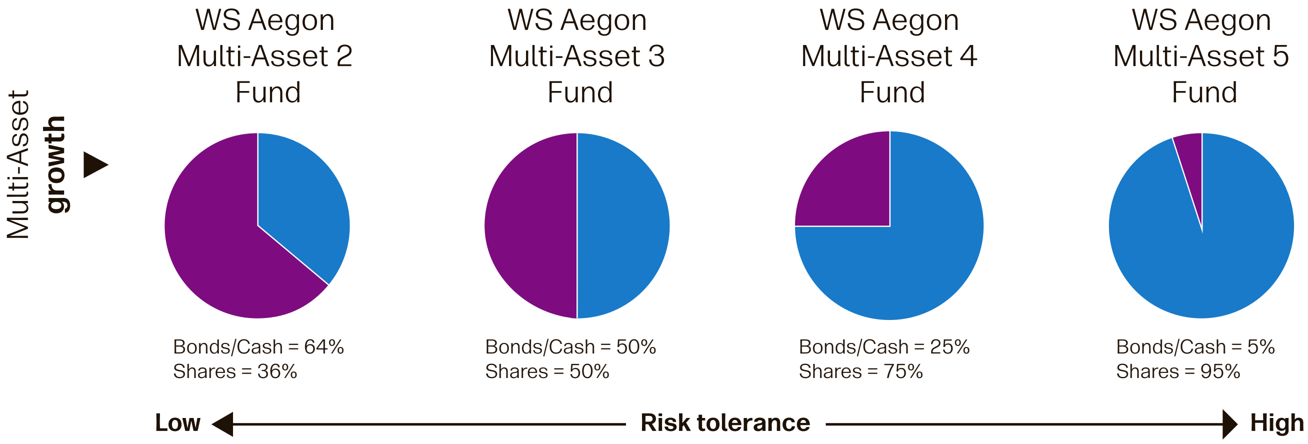
Aegon Multi-Asset funds

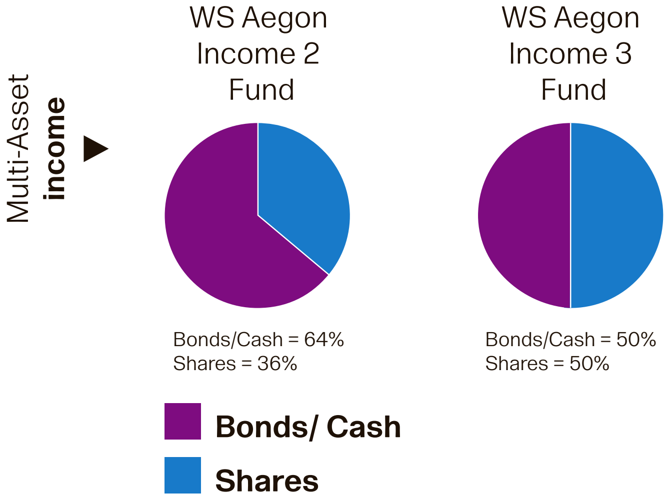
Meeting a range of customer needs: The funds in detail

The range aims to meet the needs of different types of customers by offering funds with different long-term risk/return and income characteristics.

The Multi-Asset funds

The names of the Multi-Asset funds correspond to the risk level of each fund. The funds are straightforward, highly diversified, all-in-one investments, designed to address different risk/return tolerances and desired outcomes.





We offer two income-focused funds. These aim to provide an enhanced income, while still maintaining the same broad risk/return profile as the other Multi-Asset growth funds. Reflecting this bias towards income, the Multi-Asset Income funds may have different underlying holdings.

The asset allocations shown for each fund are illustrative only.

Why did we choose Aegon for our Range?

- An experienced portfolio management team:
  - Managed by a dedicated team of investment professionals
  - Asset allocation currently provided by Aon – a leading provider of independent investment analysis
  - Underlying funds currently managed by BlackRock – a leading global investment manager
  - Robust risk management and fund governance
  - Customers' interests at the heart of investment decisions
- A range of funds aligned to our risk profiles:
  - 4 capital growth and 2 income funds
  - Straightforward, low-cost investing (OCF fixed at 0.25%)
  - Diversified portfolios within single funds
  - Easy to select and low maintenance investment solutions

All information correct as of May 2025. Asset allocation provider and underlying fund managers can change.

Aegon Multi-Manager Funds

Our team of investment experts have worked to identify a range of 6 funds that we believe meet the needs of our customers who are seeking a simpler investment strategy. The funds are provided by Aegon and have been selected to meet our criteria of being easy for you to manage, as well as having a combination of funds and asset classes in one package.

- Each fund is aligned to a specific risk profile, meaning that we can recommend one to suit you.
- Each fund has a target risk level. A fund may, from time to time, be outside of this target risk level; however Aegon monitors this on an ongoing basis and will adjust the amount invested in each asset type with the aim of ensuring the fund is within its target risk level.
- These funds are available to you within a General Investment Account or a Stocks & Shares ISA; we will recommend the right solution based on your needs.

Diverse Fund Management	**Designed with a range of risk levels**	**Keep on track**	**Active investing**
Lots of different fund managers in your fund working together to give you a portfolio that will help meet your financial objectives.	These funds offer different levels of risk and potential return. We can help you determine your attitude to risk and select which of the funds might be appropriate for you. We can also ensure that your fund choice is still appropriate should your circumstances change.	Aegon will manage the blend of investments in your portfolio to ensure that the fund pursues attractive investment opportunities but remains within the risk limits set by the fund's objectives.	It might cost a bit more, but actively managed investments can be more exciting.

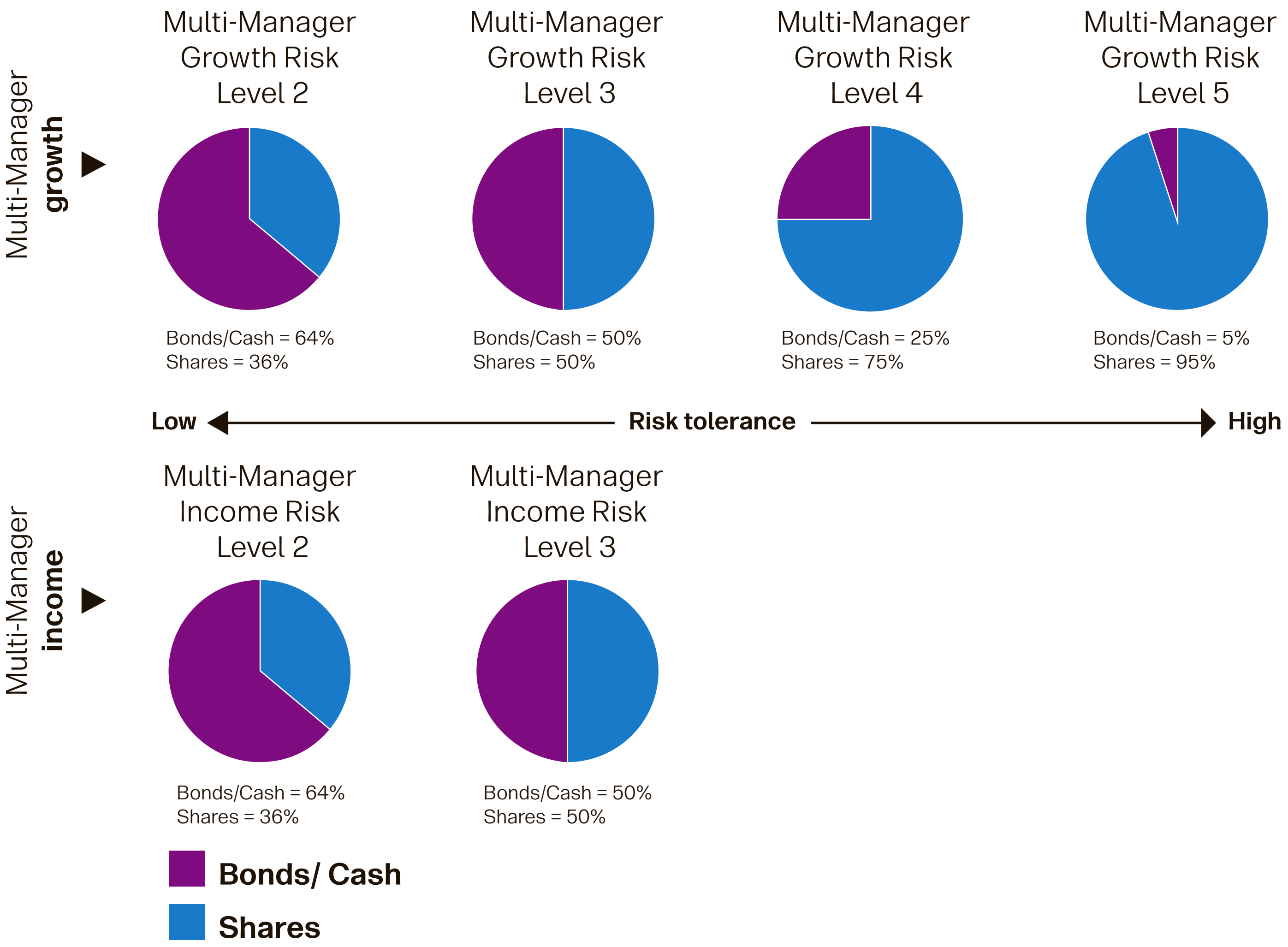
Aegon Multi-Manager Funds

The funds in detail

The portfolios are constructed and designed by the Investment Committee to meet the needs of various risk levels.

The Multi-Manager funds

The portfolios are a blend of Multi-Manager Funds specifically constructed for each risk level. The funds may change over time dependant on how the Investment Committee decides what's best for our investors. Because of the mix of fund managers, it automatically provides a highly diversified asset mix and fund blends.



We offer two income-focused funds. These aim to provide an enhanced income, while still maintaining the same broad risk/return profile as the other growth funds. Reflecting this bias towards income, the income funds may have different underlying holdings.

The asset allocations shown for each Portfolio are illustrative only.

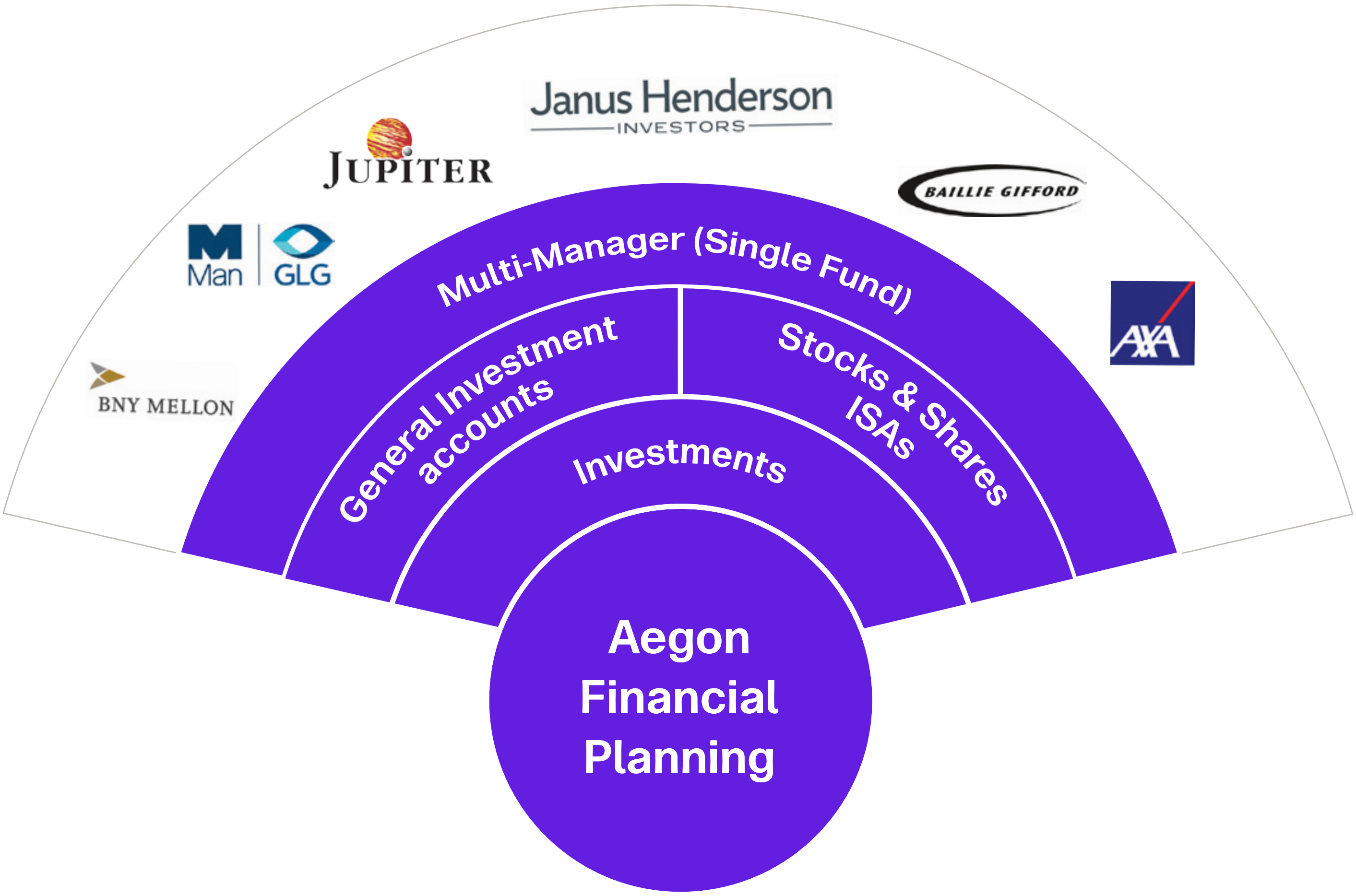
Aegon Multi-Manager Funds

Our investment experts carefully select each underlying fund before it makes it onto our Multi-Manager panel. We'll visit the fund providers to understand their objectives, strategy and philosophy, as well as analyse the fund's past performance.

We only work with fund managers and offer their funds if we truly believe they share our values of fairness, dependability and straightforwardness.

This means we can confidently offer you funds that are right for you.

To make sure your fund stays aligned to your risk profile and meets your objectives, it's important to regularly review your investments with your financial planning manager, especially if we write to you and recommend you take action.



Note: This diagram is purely illustrative to show how funds are incorporated into a Single Fund solution. The Fund Management shown may not be the underlying fund management in our recommended solutions.

Ongoing Advice

Our Financial Planning Service doesn't just end once we've presented you with our recommendations

In our view, this is only the start. When you purchase an investment solution from us you may want to consider a regular review of your investments to be sure that they continue to reflect your objectives and attitude to risk. You can request a review to adapt your plans to reflect any changing priorities in your life as and when your circumstances change.

Please note, the Ongoing Advice is optional. It is important you understand the charges associated with or without the Ongoing Advice.

Further information about the specific charges and benefits of the Ongoing Advice can be found in the Advised Tariff of Charges. Aegon Financial Planning's financial advice, including the investment Ongoing Advice service, is only available to customers that live in the United Kingdom.

So what does our Ongoing Advice include?

What you might want	How we can help
I want to be able to speak to my Financial Planning Manager when I want to.	You have access to a Financial Planning Manager through a choice of communication e.g. video call, phone call or email when you request it.
I want the reassurance that the funds you've recommended to me are still suited to my financial goals.	We regularly monitor the performance of our panel of funds to ensure they remain suitable for our customers' needs. If there are any changes that may have a detrimental impact, we will let you know so you can decide whether you want to request a review of your investment(s) with a Financial Planning Manager.
I want reassurance that my money is working hard for me whatever the latest economic conditions may be.	Should it be necessary, we will provide relevant updates on news which may help you to help protect your money or optimise potential returns in volatile times. At your request you will have access to a Financial Planning Manager should you wish to discuss this.
I want to know my financial plan will continue to allow me to achieve my future financial aspirations.	We will provide you with an annual summary of your investment(s) to help you monitor performance. You may wish to request a review of your plans with a Financial Planning Manager to discuss your report.
I want to be able to make changes to my investment to suit my needs in life.	Rest assured a Financial Planning Manager is available at your request to review and adjust your investment(s) so it continues to meet your needs. If new recommendations need to be made, we will focus our recommendations on the need areas that you wish to address.

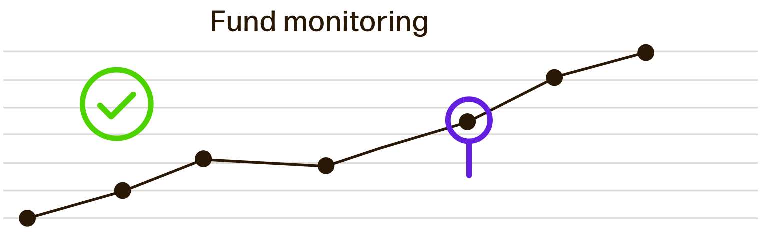
Keeping your investments on track

Aegon reviews the fund range regularly to make sure it is best meeting the needs of investors. This rigorous governance is their highest priority and is underpinned by Aegon's fund promise:

- They aim to offer high quality funds which meet their objectives
- They monitor funds to check if they perform as expected
- They take action if funds don't meet expectations, and
- They give you the facts you need to make decisions.

The funds in the Multi-Asset/Multi-Manager Fund ranges, receive extensive scrutiny from Aegon's Fund Governance Group (FGG) with the aim of ensuring they continue to meet their objectives, however there's no guarantee.

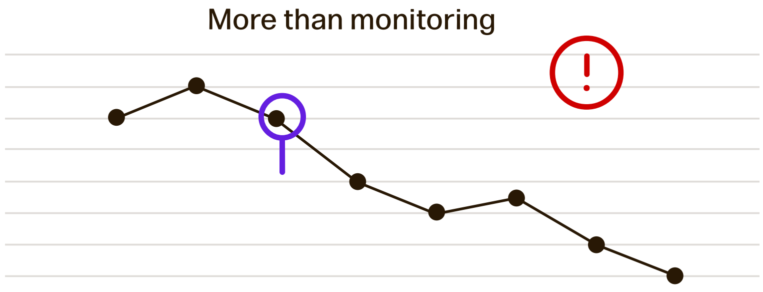
For the Multi-Asset/Multi-Manager ranges, the FGG is responsible for:



The FGG regularly checks that each fund's:

1. Investment process remains robust
2. Fund design matches desired customer outcome
3. Long-term performance is broadly in line with objectives

In line with the funds' objectives, Aegon's governance focuses on long-term expectations. However, if a fund persistently fails to meet the criteria above, and they believe these reasons are systemic, the FGG will raise concerns to Aegon management in order to resolve these issues.



The investment committee

The investment committee and Aegon's fund management specialists are continually tracking your investment managers, performance and advice guidelines to make sure your investments stay on track.

We, and Aegon's team of Fund Management specialists, review the market and make a short list of funds that we think could be right for our customers

Each fund is then individually researched and the fund managers are interviewed

We consult a team of independent investment experts for their opinion of the funds we have chosen

A recommendation is made to the Investment Committee for approval. If agreed then the fund is brought onto our panel

Aegon's team of Fund Management specialists review the funds monthly, and meet with us quarterly to make any recommendations and also meet the fund managers at least once a year

Glossary of key terms

a. **Ad-hoc advice** is our service for customers not using Ongoing Advice

b. **Aegon Customer Dashboard** is provided by Cofunds Limited and is the online tool you can use to view your investments, make transactions and manage your account.

c. **Aegon Financial Planning Manager** means a person who is employed by Aegon financial planning and certified to carry out investment business, including acting as a financial adviser.

d. **Aegon Platform** is the service on which your investments are held and managed.

e. **Collective investment** is when a fund manager pools the money of multiple investors to buy assets.

f. **General Investment Account (GIA)** is an investment product with no special tax treatment used to hold funds and cash.

g. **Initial Advice** is the advice that your Aegon Financial Planning Manager gives you, leading up to and implementing your decision to invest in a Product.

h. **Model Portfolios** are a diversified set of funds prescribed by the Investment Committee and recommended by an Aegon Financial Planning Manager (not available for new customers or SIPPs)

i. **Ongoing Advice** is ongoing investment advice we give you as detailed in the Advised Tariff of Charges.

j. **Multi-Asset Funds** are investments that diversify across various asset classes – such as equities, bonds, property, and cash – within a single fund to balance risk and return.

k. **Multi-Manager Funds** are designed to provide diversification by using the expertise of multiple fund managers within a single investment.

l. **Pension Pots** are the total pots you have available in all your pension arrangements to fund your retirement benefits. Same as your total retirement fund.

m. **Portfolio** is the portfolio of investments, SIPPs and cash opened in your name on the Aegon Platform.

n. **Primary Funds** are multi-asset funds available to customers using Ongoing Advice for investments and SIPPs.

o. **Product** means an investment or plan you have taken out or applied for as part of the Services.

p. **Services** means the services we give you and as further detailed the Advised Tariff of Charges.

q. **Self Invested Personal Pension (SIPP)** A retirement savings plan where customers can choose and manage their own investments from a wide range of investment options.

r. **Single Fund Solutions** are a simplified portfolio - a single fund that itself invests in a diversified portfolio of other investment funds. Multi-Asset and Multi-Manager funds are an example.

s. **Stocks and Shares ISA** is a tax-efficient investment product that can hold funds and cash. There is an annual limit on the amount that can be added each tax year.

t. **Third Party Supplier** is the provider of a Product as specified in the relevant Product Terms or the provider of other investment or administrative services.

⚠ **Important:** Past performance is not a guide to future performance. Investing is a long term strategy and you should be comfortable with investing for at least 6 years. If you decide to invest, remember that the value of your investments can go down as well as up and you may get back less than you originally invested.

Here to help

Just ask your Financial Planning Manager

Call **0800 0304 078***

Visit **aegon.co.uk/afp**

The information on the funds is based on our understanding of the typical asset allocation For the current information, please refer to your Financial Planning Manager. This is subject to change. Some of these funds may use derivatives. Please refer to the Important Fund Information for more information about main or significant risks. For full information on where the fund can invest please request a copy of the Prospectus from Aegon.

Tax treatment is dependent on individual circumstances. Tax information is based on our understanding of the current tax legislation and HM Revenue & Customs practice, both of which may change.

Investments are provided through Aegon.

*Calls are recorded and charges may vary.

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