Aon Managed Diversified Asset

Defined contributions

Fund information

Issuing company	Aegon/Scottish Equitable plc
Inception date	15 Dec 2014
Benchmark	Bank Of England Sterling Overnight Index Average
Entry Fees	No
Exit Fees	No
Performance Fee	No
Additional Expenses	0.03%
Fund size	£215.15m
Fund type	Pension
ISIN	GB00BRJMCS77
SEDOL	BRJMCS7
Domicile	United Kingdom
Use of Income	Accumulation
Base Currency	GBP

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

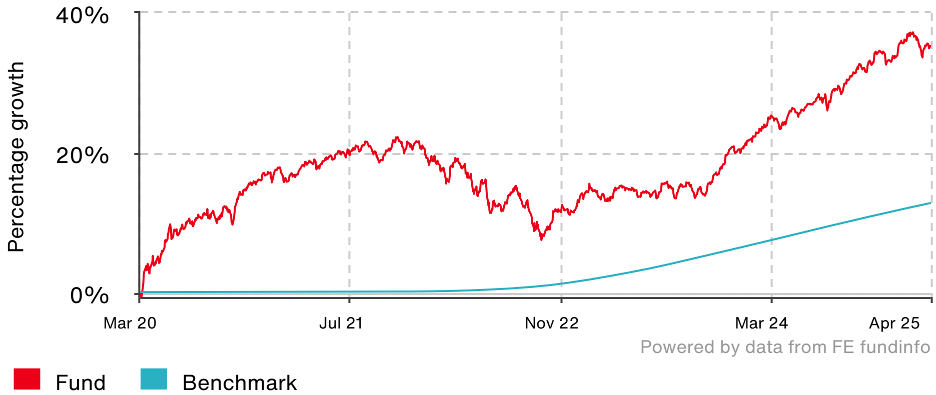
Relative Risk Profile

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

Fund objective

The Fund aims to outperform its benchmark by 3.25% per annum, before the deduction of fees, over a rolling market cycle. The Fund aims to achieve this by investing in a diversified portfolio of assets which can include actively and passively managed funds and which will provide exposure to a range of different assets at any one time.

Fund performance



	3 Months	YTD	1yr	3yrs	5yrs
Fund	1.7%	1.7%	7.9%	4.4%	6.2%
Benchmark	1.1%	1.1%	4.9%	4.0%	2.4%

	Mar 20 to Mar 21	Mar 21 to Mar 22	Mar 22 to Mar 23	Mar 23 to Mar 24	Mar 24 to Mar 25
Fund	17.1%	1.5%	-3.5%	9.4%	7.9%
Benchmark	0.1%	0.1%	2.2%	4.9%	4.9%

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

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

Contact Us: PBOCOMQueries@aegon.co.uk

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Fund Split as at 31 Mar 2025

AE LGIM FOUR FACTOR IND HEDGED O	14.8%
AE UBS GLOBAL EQ CLIMATE TRANS O	12.4%
AE JANUS HEND ASSET-BACKED SEC O	10.6%
AEGON AM EUROPEAN ABS O	10.5%
AE BR ISHARES PHYSICAL GOLD O	10.2%
AE BR SYS MULTI ALLO CRED O	9.7%
AE BLK ALL STKS UK GLT IDX (BLK) N	7.6%
AM LIQUIDITY O Prvt	7.2%
AE T ROWE PRICE DYN GLOBAL BOND O	5.1%
AE BLK ABSOLUTE RTN BOND (BLK) O Prvt	5.1%
Total	93.2%

Source of fund breakdown and holdings: Fund mgmt group

Fund Commentary

The Aon Managed Diversified Asset Fund aims to outperform its cash-based benchmark by 3.25% p.a. gross of fees over a full market cycle (typically five to seven years). The Fund aims to achieve this objective by investing across a range of assets including passively managed global equities, actively managed absolute return bonds, emerging market debt, asset backed securities, passively managed corporate bonds, fixed interest government bonds and alternative assets (such as gold, listed infrastructure and real estate investment trusts).

During the quarter, we increased our allocation to gold. This reflects our positive view on the asset class combined with heightened market volatility. We subsequently reduced our allocation to multi-asset credit, absolute return bonds and asset-backed securities.

Performance Commentary

Over the three-month period to 31 March 2025, the Fund returned 1.7% against a backdrop of positive equity and mixed bond market returns.

Global equity markets fell over the quarter, primarily driven by US equities. A flurry of tariff announcements by US President Donald Trump created significant market uncertainty and led to falls in US equities. The US dollar depreciated against the pound, resulting in lower returns in sterling terms. Returns across other markets were mixed; both UK and European markets rose over the quarter, while Japanese markets fell.

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

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

The Fund’s allocation to equities was positive. The allocation to Emerging Market equities returned 2.5%, due to US dollar depreciation, advances in artificial intelligence from Chinese companies, as well as expectations of further government stimulus to support domestic consumption. The UBS Global Equity Climate Transition Fund fell, reflecting weak returns from global equities. The allocation to multi-factor equities provided a positive return, driven by an underweight to large-cap technology, which fell sharply, and an overweight to financials which performed well.

The Fund’s allocation to credit delivered positive returns. The allocation to asset-backed securities continued to provide positive returns, benefiting as interest rates remained high, with Aegon and Janus Henderson returning 1.4% and 1.5%, respectively. The BlackRock Systematic Multi Allocation Credit Fund returned 1.6%, with positive returns from investment grade bonds, Emerging Market credit and high-yield bonds. The allocation to absolute return bonds also performed well, with BlackRock and T-Rowe Price returning 1.7% and 1.8% respectively.

The Fund's allocation to government bonds returned 0.6%. The gold allocation was the best performing strategy and delivered double digit returns as gold prices increased, driven by concerns surrounding Trump's tariffs and their potential impact on economic growth. The allocation to cash also provided a positive return.

Since inception, the Fund has returned 3.4% p.a.

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

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

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

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

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Source: Scottish Equitable plc.

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