

For customers | With-Profits Investments

With-Profits Endowment Fund (WPE) factsheet

Quarter one 2024



Fund description

This fund can invest in a wide range of bonds, gilts, equities in the UK and overseas, plus direct property. Effective from 1 April 2014, we reduced the exposure to equity investment from 10% to nil and is now 100% invested in fixed interest assets. Units purchased are guaranteed to have a value of £1 at maturity. The unit price is less than £1 at the date of purchase to allow for an element of guaranteed growth if units are held to maturity. This guaranteed growth depends on the term to maturity, but typically averages around 5.5% pa from the date of each investment to maturity. Any annual bonus will be applied by giving additional units in the fund at a rate declared at the end of each calendar year. The unit price is not guaranteed upon encashment prior to the maturity date. At the selected retirement date, early retirement, surrender or death, an additional terminal bonus may be added. The current rates are shown at the end of this factsheet. The terminal bonus rates are not guaranteed.

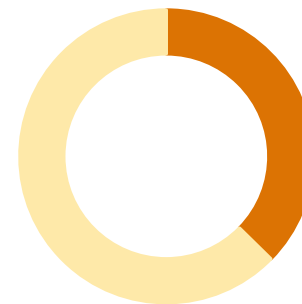
Details of how we manage our with-profits business can be found in the Annual Report to With Profits Policyholders.

[Annual Report to With-Profits Policyholders](#)

Fund information

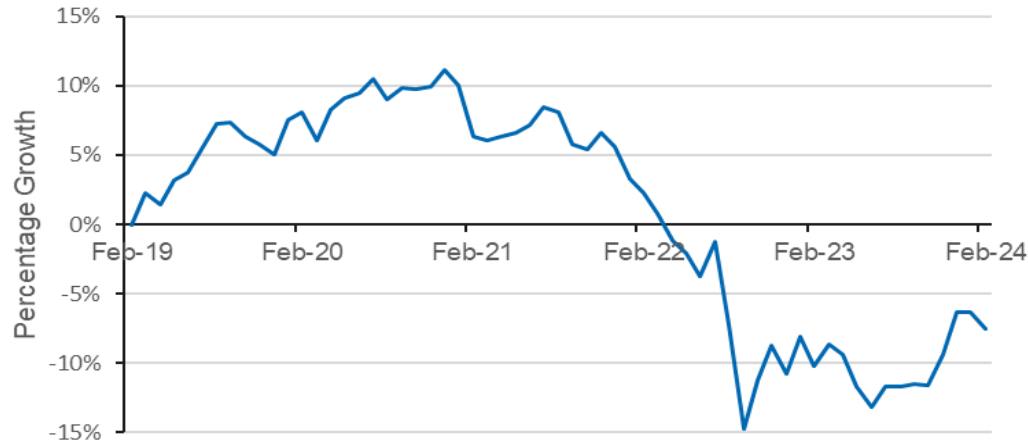
Fund provider	Aegon
Fund launch date	January 1985
Fund closed to new business	January 1996
Fund closed to any further contributions	November 1999
Aegon fund size (£ million)	313.1
Fund type	Pension
Annual management charge	1.00%

Asset Allocations as at 29/02/24:



Asset	Weight
Gilts	37.3%
Other Fixed Interest	62.7%
Total	100.00%

Fund performance



	3 months	1 yr	3 yrs	5 yrs	10 yrs
WPE	2.0%	2.9%	-4.5%	-1.6%	1.1%
	Feb 23 to Feb 24	Feb 22 to Feb 23	Feb 21 to Feb 22	Feb 20 to Feb 21	Feb 19 to Feb 20
	2.9%	-12.2%	-3.8%	-1.7%	8.1%

Source: Aegon. Figures in £s on a bid-to-bid basis, net of charges, with gross income reinvested to 29 February 2024. Periods of greater than one year show annualised compound returns.

Past performance is no guide to future performance. The value of this investment can fall as well as rise for a number of reasons, for example market and currency movements. You may get back less than the amount originally invested if you surrender the policy prior to the selected maturity date.

These figures represent the investment return on WPE fund net of annual management charge, but not incorporating charges for guarantees and the distribution from the inherited estate (see “Enhancements to asset shares” for further information). Actual With-Profits payouts also incorporate the effects of smoothing of investment returns and will therefore not necessarily reflect these returns.



Reversionary bonus rates applied

Year	Basic (%)	Attaching (%)
1990	5.0	6.75
1991	5.0	6.75
1992	4.0	7.00
1993*	4.0	7.00
1994	3.0	6.00
1995	2.5	4.50
1996	2.0	4.00
1997	1.75	3.75
1998	1.25	3.25
1999	0.5	2.50
2000	0.5	1.50
2001	0.5	1.00
2002	0.5	0.75
2003 to 2005	0.25	0.25
2006 onwards	Nil	Nil

*Following demutualisation on 31 December 1993, an additional special reversionary bonus was applied. This increased the attaching bonus by +5% and +10% for regular and single premium contributions respectively.

Future benefits from contributions invested are not guaranteed and depend on the bonuses declared by Aegon. The interim bonus rate for Q1 2024 was nil.

Guarantees charges and estate distributions

Amounts payable to policyholders are guided by the calculation of asset shares. This reflects the accumulation of premiums paid less any withdrawals, contract charges and expenses at the rate of investment return on the underlying With Profits fund assets.

In addition, the investment return is increased by any distributions made from the estate and decreased by charges for guarantees payable to the estate. This includes any additional enhancement to investment returns that may be added, from the estate, at the point of claim. The estate represents the excess of assets within the With Profits fund over and above the amount required to meet customer benefits. Aegon has no entitlement to any of the estate and we aim to distribute the estate equitably to with profits policyholders over time.

The combination of these effects, plus an allowance for smoothing of investment returns, is then reflected in policy payouts through the terminal bonus and MVR rates. The following table illustrates the effect on the annual investment return from the movements to/from the estate (before any smoothing is applied).

It is important to note that the above estate distributions are not guaranteed. It may become necessary to remove some or all of these should the Scottish Equitable With-Profits fund (of which this investment fund forms a part) experience adverse conditions.

Calendar Year	Investment Performance before estate movements	Charge for guarantees (to the estate)	Estate distribution (from the estate)	Investment Return after estate movements	Additional Enhancement to Investment Return made at the point of claim (from the estate)
	(%)	(%)	(%)	(%)	(%)
2004	7.3	-1.25	2.0	8.1	Nil
2005	11.1	-0.75	1.5	11.9	Nil
2006	2.0	-0.5	0.5	2.0	Nil
2007	2.3	-0.25	0.25	2.3	Nil
2008	-8.2	-0.25	0.25	-8.2	Nil
2009	12.4	-0.5	0.5	12.4	Nil
2010	11.1	-0.5	0.5	11.1	Nil
2011	3.9	-0.5	Nil	3.4	Nil
2012	11.0	-0.5	Nil	10.5	Nil
2013	2.9	-0.5	Nil	2.4	Nil
2014	11.8	-0.5	Nil	11.3	Nil
2015	Nil	-0.5	Nil	-0.5	0.5
2016	7.6	-0.5	Nil	7.1	1.0
2017	2.3	-0.5	Nil	1.8	3.5
2018	-0.6	Nil	Nil	-0.6	7.0
2019	5.6	Nil	Nil	5.6	10.0
2020	5.7	Nil	Nil	5.7	11.0
2021	-5.0	Nil	1.0	-4.0	9.0 – 13.0
2022	-15.4	Nil	Nil	-15.4	1.0 – 6.0
2023	5.0	Nil	Nil	5.0	1.0

Source: Aegon. Figures on a bid-bid basis, net of charges, with gross income reinvested. The enhancement applied to claims remains at 1% and is reflected in the terminal bonus scale effective from 1 April 2024.



Terminal bonus

The high guaranteed growth rate relative to the investment returns achieved means that current levels of terminal bonus are either very low or nil. The amount of any terminal bonus payable upon early encashment is included in a current valuation statement, which is available upon request.

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