For employers and scheme trustees

Key lifestyle fund due diligence report

Update on how our key workplace lifestyle funds have performed

Quarter four 2023

Contents

Introduction

This document details our current lifestyle process and goes on to report on the key drivers of world markets in the most recent quarter. The report then explains the progress of some of our key actively managed and blended lifestyle funds during the growth stage of the lifestyle process: the Universal Lifestyle Collection, the MI Workplace Savings funds, the Cautious Lifestyle fund, the Balanced Lifestyle fund, the Dynamic Lifestyle fund and the Ethical Lifestyle fund. Finally, this report outlines the performance of our key passively managed lifestyle funds.

Please note: all performance data shown in this report is sourced from FE fundinfo.

This communication is for scheme trustees and employers only. It mustn't be distributed to, or relied on by customers or any other persons.

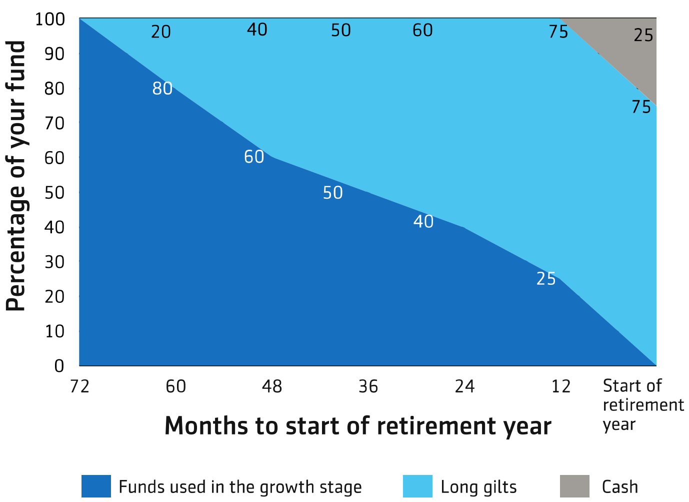
The information in this report is a factual review of performance only, and shouldn't be taken as a recommendation or advice. The information in this report is correct to the best of our knowledge at the time of writing. Markets and funds change constantly, so the information it contains may have changed by the time you read this.

The value of the funds in this report may go down as well as up for a number of reasons, for example market and currency movements. Investors may get back less than they invest. For risks associated with each fund, please view the fund fact sheet via the 'Fund prices and information' page on our website and selecting 'Other fund ranges'.

About lifestyling

The funds in this investment report show your scheme's default lifestyle fund during its 'Growth' stage. The following table shows the lifestyle fund and the underlying fund that it invests directly into.

Lifestyle fund	Underlying Fund
Universal Lifestyle Collection	Universal Balanced Collection
Balanced Lifestyle	Mixed fund
Ethical Lifestyle	Ethical fund
Dynamic Lifestyle	Global fund
Cautious Lifestyle	Distribution fund
MI Workplace Savings (L) MI Workplace Savings (M) MI Workplace Savings (H)	MI Savings (L) MI Savings (M) MI Savings (H)
Balanced Passive Lifestyle	Balanced Passive
Stakeholder default	Growth Tracker (Annuity Target)
GPP Default	Growth Tracker (Annuity Target)
Aegon BlackRock 50/50 Equity and Bond Tracker Lifestyle	Aegon BlackRock 50/50 Equity and Bond Tracker
Aegon BlackRock 50/50 Global Equity Tracker Lifestyle	Aegon BlackRock 50/50 Global Equity Tracker
Aegon BlackRock 75/25 Equity and Bond Tracker Lifestyle	Aegon BlackRock 75/25 Equity and Bond Tracker
Aegon BlackRock Consensus Lifestyle	Aegon BlackRock Consensus



How do the funds work in the lifestyle stage?

The lifestyle stage starts some years* before the start of your member's target retirement year and recognises that their priorities may change as retirement approaches. It assumes they'll buy an annuity, to provide themselves with an income (pension) for life (or a specified number of years), when they retire.

Some years before they're due to retire; we'll progressively start switching their investment into long gilts (UK government bonds) with the aim of giving them more certainty about the level of annuity they'll be able to buy when they retire.

We'll also move some of their pension pot into cash in the final year or two years* of their investment.

*Please note, this chart is for illustration purposes only and the lifestyle stage can vary for each fund.

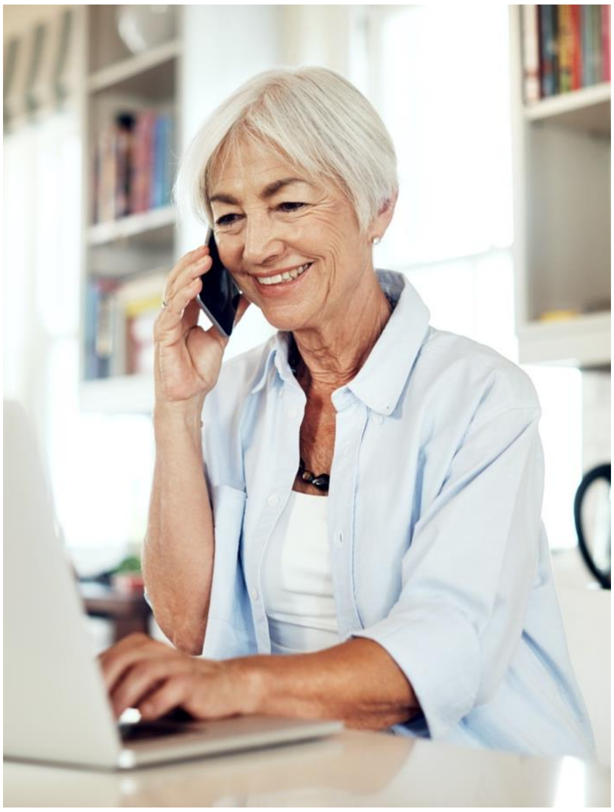
Retirement

If investors don't buy an annuity in their selected retirement year, they'll automatically be switched into a retirement fund. This keeps their asset allocation 75% invested in long gilts and 25% invested in cash. They will remain in this fund until they tell us otherwise.

Our retirement funds are designed for short-term investing, where preserving the size of annuity members can buy is the priority. Returns may not keep pace with inflation.

Please remember, even though they're investing in a lifestyle fund they should still review their investments on a regular basis, particularly if their financial needs or personal circumstances change.

We review our lifestyle funds from time to time and may change how they work if we believe this to be in the best interests of investors.



Why long gilts?

Long gilts are fixed-interest investments issued by the UK government with maturity dates of 15 years or more.

When annuity rates (which determine how much pension your scheme members will get per year) go down, the value of a pension pot that's invested in long gilts is likely to go up, and vice versa.

This means that if they invest in long gilts, the level of income they'll get at retirement is less likely to change dramatically if annuity rates move up or down just before they retire.

Long gilt values can go down as well as up. The relationship between long gilts and annuity rates isn't perfect and can be affected by other factors.

Why cash?

Moving into cash caters for a scheme member's tax-free cash entitlement.

They can choose how much of their cash entitlement they want to take, but our process assumes they'll take the maximum which, based on current legislation, is 25% of their pension pot.

Our climate roadmap

We have committed to transitioning our workplace default funds to net-zero greenhouse gas emissions by 2050. Our climate roadmap provides an overview of our decarbonisation progress so far and our future milestones to reach net zero. Between 2020 and 2023, we reduced our workplace default funds' carbon footprint by 28.6% for scope 1 and 2 emissions* for listed equity and corporate fixed income.**

Our short-term targets now include:

- Reducing our default funds' footprint by another 14% between 2023 and 2026.
- Engaging via our asset managers with companies representing at least 70% of our financed emissions (scope 1, 2 and 3) through direct or collective engagement by 2025.
- Investing £500M in climate solutions by 2026.

You can find out more about our climate roadmap, accompanying videos and other information on our approach to responsible investment on our website.

*Climate data is supplied by MSCI and based on available funds and available scope 1 and scope 2 emissions reported, verified or estimated, for June 2023. It is likely to change notably in the coming years. Scope 1 emissions are direct GHG emissions that occur from sources owned or controlled by the reporting company. Scope 2 emissions are indirect GHG emissions from the generation of purchased or acquired electricity, steam heating or cooling consumed by the reporting company. Aegon UK's operational net-zero commitment covers our scope 1 and 2 emissions.

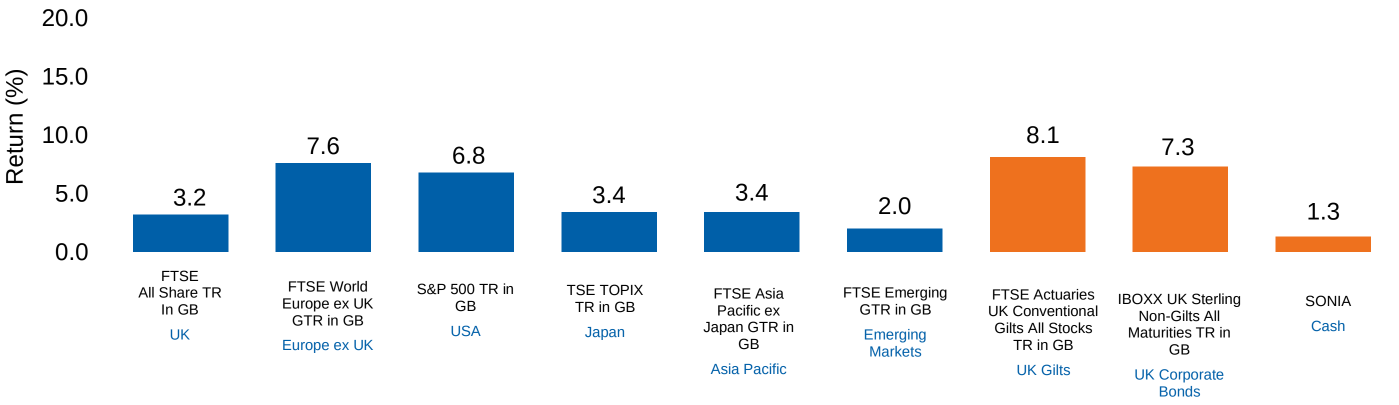
**Our target setting and methodologies are guided by the Paris Aligned Investment Initiative Net Zero Investment Framework 1.0. We monitor them annually and review them at least every two years. The targets might change as new data and information become available. Short- and medium-term emissions targets use a 2020 baseline and cover listed equity and corporate fixed income, representing 84% of our default funds, excluding cash.

Source: Aegon UK

Market Review – quarter four 2023

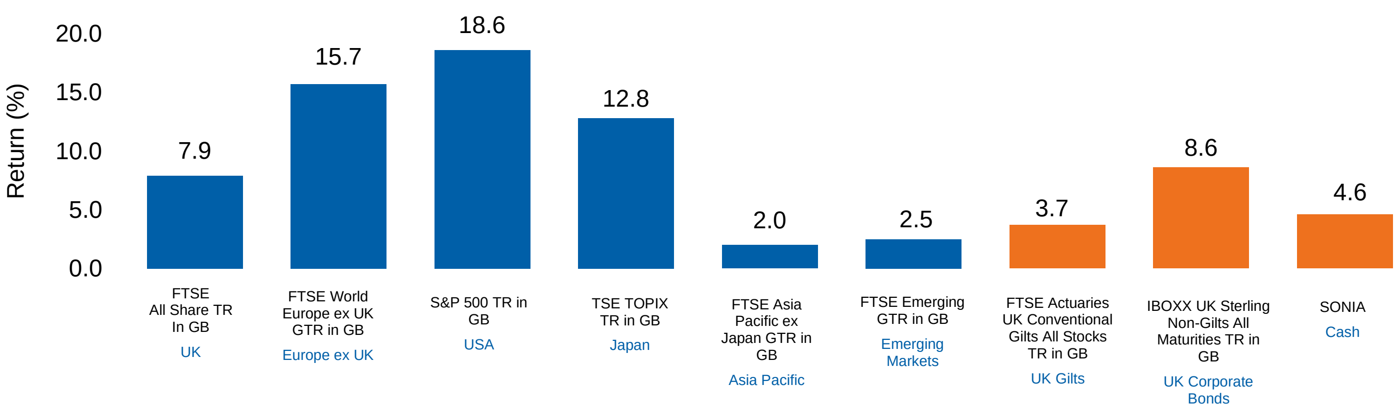
The fourth quarter of 2023 saw positive performance from most main global equity and bond markets despite a difficult start to the period. Improving US economic news and falling global inflation raised hopes that inflation may continue to fall, and that central banks might start cutting interest rates in 2024. **European** equities led performance, followed by **US** equities as the region experienced its strongest quarter in terms of economic growth since the end of 2021. **Japanese** and **Asia Pacific** equities also rose over the period. **UK** equities were positive with the region experiencing some economic growth and headline inflation falling in November. **Emerging Market** equities made gains despite continued weakness in China, as the country's economic news remained underwhelming.

Meanwhile, in **Fixed Income**, **UK government bonds** (gilts) and **UK corporate bonds** made gains over the quarter as most major central banks chose to leave interest rates unchanged as inflation eased. Investor expectations of lower interest rates in 2024 started to rise on the back of falling inflation. Cash also rose over the period.



Major market performance over 12 months

Global equities were mostly positive over 2023, with double digit returns in Sterling terms for European, Japanese and US markets. This was led by **US equities** as inflation continued to fall and the technology sector outperformed, which supported growth in the region. **European** equities performed well as inflation fell over the year. **Japanese** equities also rose, as the country's inflation rate fell, and growth was stronger than anticipated. **UK** equities were positive, with historic growth data from the Office for National Statistics (ONS) measuring the UK economy as larger than its pre-pandemic level. **Emerging Markets** and **Asia Pacific** equities were positive but muted in part due to continued concerns around China's slowing economy weighing on investor sentiment. Despite declines in the first half of the year, in **Fixed Income**, **UK corporate bonds** and **UK government bonds** were positive, with corporate bonds outperforming government bonds as inflation remained stubborn, affecting government bond returns. **Cash** produced a positive return over the period.



Source: FE fundinfo, produced by Aegon. Charts compiled using total return indices to 31 December 2023. Figures in sterling so include the effect of currency fluctuations. Past performance is not a reliable guide to future performance.

Key events in the major markets over quarter four

In the **UK**, data released over the period showed the economy expanded by 0.3% on an annualised basis during the third quarter of 2023. Inflation fell sharply to 3.9% towards the end of the fourth quarter and the Bank of England voted to keep interest rates on hold at 5.25% in December, though it was not unanimous with three members of its Monetary Policy Committee (MPC) voting for an increase despite the fall in inflation. The Office for National Statistics (ONS) suspended some releases about the labour market over concerns around low survey response rates and the quality of some economic data.

In the **US**, data released over the period showed the US economy expanded by 4.9% on an annualised basis in the third quarter of 2023, marking the strongest growth for the region since Q4 2021. The Federal Reserve, the country's central bank, maintained interest rates at 5.25-5.5% in December. The Core Personal Consumption Expenditures (PCE) index (which excludes food and energy costs), a measure of inflation preferred by the Federal Reserve, fell to 3.2% in November. The quarter was dominated by a potential US government shutdown due to disagreements around discretionary spending for the upcoming fiscal year. A stop gap bill was passed, extending some key funding to early 2024 and avoiding a shutdown.

In **Europe**, data released revealed the economy contracted by -0.1% in the third quarter of 2023, marking a reversal from Q2 2023 and the first decline in growth for the region since the final quarter of 2022. The European Central Bank (ECB) held interest rates at a 22-year high of 4.5% throughout the period, in an effort to combat high inflation. Annual inflation did fall more than expected to 2.4% in November however it remains above the ECB's target of 2%.

In **Japan**, data released over the period showed the Japanese economy expanded by 1.5% on an annualised basis in Q3 2023. Inflation declined to 2.8% in November, the lowest level since July 2022. In December the Bank of Japan held interest rates at -0.1% and kept its Yield Control Policy in place. The Japanese Yen benefitted from a weaker US dollar and rallied amid expectations of further adjustments to central bank policy. The labour market remained healthy with unemployment staying at 2.5% in November 2023.

In **Asia Pacific** regions, positive returns were seen in all main markets with the exception of China where concerns continued over economic growth, the effectiveness of stimulus measures on the economy and a slump in the property sector. A renewed interest in technology stocks benefitted Taiwan and South Korea. Equities gained in the region over the quarter due to increased investor risk appetite amid hopes that the United States had hit peak interest rates.

Emerging Markets saw strong performance over the quarter supported by increased expectations of interest rate cuts in the US and a weakening of the US dollar. Within the region, Mexico benefitted from increased exports to the US and strong consumer spending. In Brazil, the central bank decreased interest rates by 0.5% twice as inflation eased. Elsewhere, in Poland, markets reacted positively to the election of EU-friendly Prime Minister Donald Tusk.

In **Fixed Income**, major central banks including the Bank of England, the European Central Bank and the US Federal Reserve all chose to leave interest rates unchanged over the quarter as inflation eased. UK government bonds outperformed UK corporate bonds during the period with positive returns across most bond markets supported by an expectation of rates cuts in 2024.

Source: Aegon UK Portfolio Management team, January 2024

Our key lifestyle default funds (growth stage) – blended solutions

Universal Lifestyle Collection (Universal Balanced Collection)

The Universal Lifestyle Collection (ULC) uses a two-stage investment process called lifestyling. In the early years (the growth stage) it invests wholly in the Universal Balanced Collection (UBC). The UBC invests in a mix of different funds, from different fund managers, offering a mix of active and passive fund management, which means it doesn't rely on the performance of one manager or management style alone. We review our lifestyle funds from time to time and may change how they work if we believe this to be in the best interests of investors.

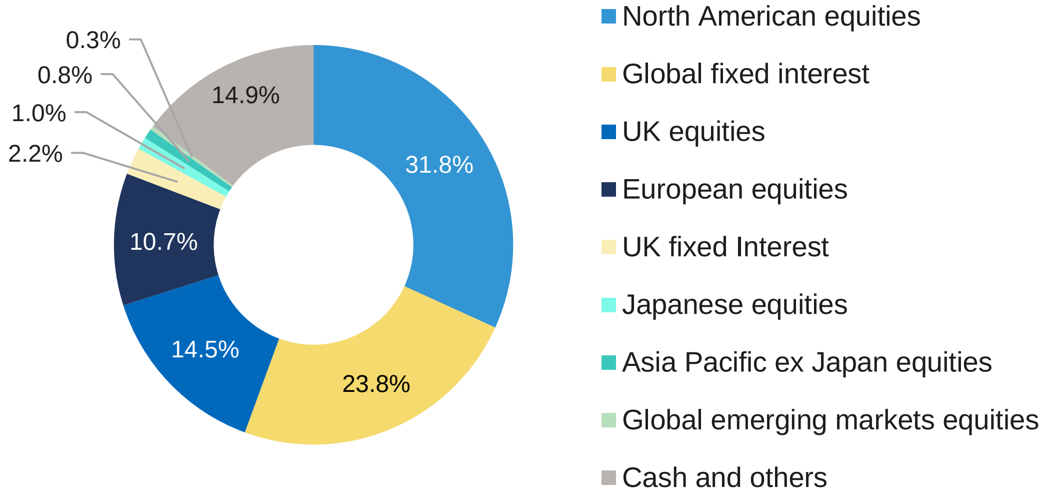
How has the fund performed?

Fund	3 months (%)	12 months (%)	3 years (% a year)	5 years (% a year)	10 years (% a year)
Universal Lifestyle Collection (ULC)	6.1	10.5	3.1	6.9	6.0
ABI Mixed Investment 40% - 85% Shares pension sector median	5.2	8.0	3.1	5.5	5.2
ULC component funds:					
Aegon Diversified	6.3	11.0	2.9	6.8	n/a
Aegon AM Asset Allocator	5.8	9.6	4.8	7.4	6.9
SE Baillie Gifford Balanced Managed	7.6	9.9	-5.2	6.3	6.8
SE BlackRock Balanced Managed	6.2	8.6	3.2	7.7	6.1
Aegon BNY Mellon Multi-Asset Balanced	4.1	8.7	6.5	8.5	6.4
Aegon AM Global Sustainable Sovereign Bond	8.2	6.9	n/a	n/a	n/a

Source: FE fundinfo. Produced by Aegon. SE: Scottish Equitable. Figures in £s on a bid-to-bid basis, net of charges with gross income reinvested to 31 December 2023. Past performance is not a reliable guide to future performance. The value of investments can go down as well as up for a number of reasons, for example market and currency movements. Investors may get back less than they invest.

Where the fund invests

In the growth stage, the Universal Lifestyle Collection invests in a mix of investments designed to grow an investor's pension. The chart below shows where the fund invested at an asset class and regional level, at 31 December 2023.



Source: Aegon UK. These figures may not add up to exactly 100% due to rounding.

Universal Lifestyle fund commentary covering quarter four 2023

The Universal Lifestyle Collection (ULC) returned 6.1% during the fourth quarter of 2023, outperforming the Association of British Insurers (ABI) Mixed Investment 40-85% Shares pension sector median return of 5.2%. Inflation fell over the quarter raising hopes that most central banks might start to cut interest rates.

All of the component funds in the portfolio experienced gains during the period. The Aegon Diversified fund, which makes up approximately 70% of the fund, returned 6.3% and the best performance came from the Aegon AM Global Sustainable Sovereign Bond fund which returned 8.2% over quarter four.

MI Workplace Savings funds (MI Savings funds)

The MI Workplace Savings funds invest in a diversified portfolio so that you're not relying on the success of just one investment type. Our range offers a choice of funds to suit those with different attitudes to risk. When markets become more volatile, the funds replace some of the investments with lower-risk assets like cash, which we believe can help to limit the impact of extreme and sustained market falls. We also believe this approach could provide returns greater than inflation over the long term.

What do the funds invest in?

Each MI Workplace Savings fund holds a mix of investment types to match its risk level. The ranges shown are for illustrative purposes only and are based on long-term projected asset allocations, so they can change.

Fund name*	Volatility range
MI Workplace Savings (L)	7-10%
MI Workplace Savings (M)	9-12%
MI Workplace Savings (H)	11-14%

*The MI Workplace Savings funds invest in the underlying MI Savings funds in the growth stage.

How have the funds performed?

Performance	3 months (%)	12 months (%)	3 years (% a year)	5 years (% a year)	10 years (% a year)
MI Workplace Savings (L)	6.2	8.7	0.7	2.9	4.2
MI Workplace Savings (M)	6.2	10.4	2.3	4.0	4.8
MI Workplace Savings (H)	6.1	11.9	4.1	5.2	5.5

Source: FE fundinfo. Produced by Aegon. Figures in £s on a bid-to-bid basis, net of charges with gross income reinvested to 31 December 2023. Past performance is not a reliable guide to future performance. The value of investments can go down as well as up for a number of reasons, for example market and currency movements. Investors may get back less than they invest.

MI Workplace Savings commentary covering quarter four 2023

The final quarter of 2023 saw a strong rally across most major asset classes fuelled predominantly by the Federal Reserve's recently adjusted projections to include three interest rate cuts in 2024. As inflation falls and the labour market softens, recession fears were replaced by growing confidence that US policymakers would achieve an economic soft landing (inflation falling to target without higher interest rates causing a recession). This resulted in Equities and Fixed Income markets rising together, whilst the US Dollar depreciated.

Short-term volatility increased in Q4, but the portfolios remained fully allocated to risk assets. Portfolios maintained a circa. 2 - 5% strategic cash position. Performance over the quarter was strong, with four funds delivering positive returns. In Q4 2023, equity and bond markets rallied as US data and comments from the Federal Reserve (Fed) strongly pointed towards future interest rate cuts. This marked a change from previous periods during which there had been concerns that central banks might increase interest rates in an effort to curb inflation.

Commentary and figures sourced: BlackRock, January 2024

Our key lifestyle default funds (growth stage) – Active

Cautious Lifestyle (Distribution)

The Cautious lifestyle fund uses a two-stage investment process called lifestyling. It aims to perform better than its benchmark in the early years (the growth stage) and give you more certainty about the amount of pension you can buy via an annuity when you retire (the lifestyle stage). Growth stage: During the early years of your investment, the Cautious Lifestyle fund aims to provide long-term capital growth by investing in a portfolio of global equities (shares) which typically deliver a yield higher than that generally available from investment in global equities. The fund also invests in global fixed interest securities (bonds) and in derivatives.

How has the fund performed?

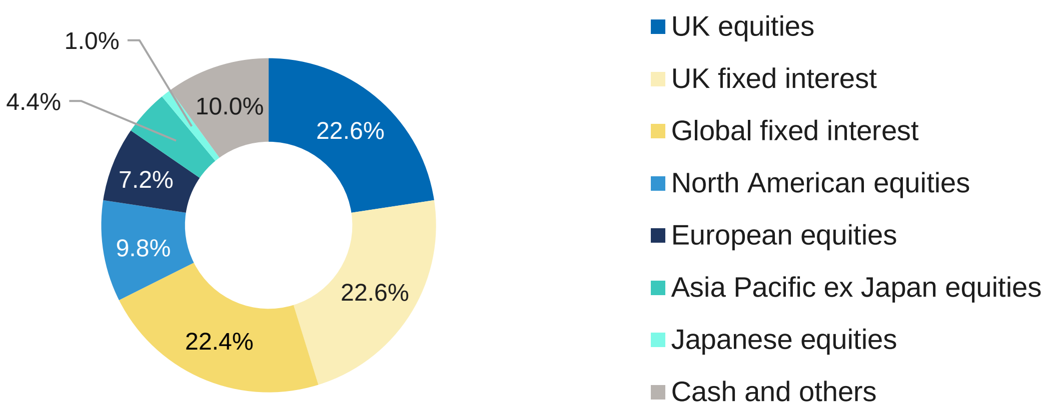
Performance	3 months (%)	12 months (%)	3 year (% a year)	5 years (% a year)	10 years (% a year)
Cautious Lifestyle	5.0	7.0	1.8	3.2	3.3
Benchmark*:	5.6	6.7	0.7	3.3	3.2

Source: FE fundinfo. Produced by Aegon. Figures in £s on a bid-to-bid basis, net of charges with gross income reinvested to 31 December 2023. Past performance is not a reliable guide to future performance. The value of investments can go down as well as up for a number of reasons, for example market and currency movements. Investors may get back less than they invest.

* This fund is currently measured against the ABI Mixed Investment 20%-60% Shares pension sector median.

Where the fund invests

In the growth stage, the Cautious Lifestyle fund invests in a mix of investments designed to grow an investor's pension. The chart below shows where the fund invested at an asset class and regional level, at 31 December 2023.



Source: Aegon UK. These figures may not add up to exactly 100% due to rounding.

Cautious Lifestyle (Distribution) fund commentary covering quarter four 2023

The fund returned 5.0% over the quarter, underperforming its benchmark. The more domestically focused FTSE 250 index rallied in the final quarter of the year, which benefited the equity component of the fund. In particular, the overweight position in property and housebuilders added value, with holdings in Taylor Wimpey, Berkeley, Derwent London, Urban Logistics and LXI REIT all rallying strongly.

The fund's allocation to fixed income benefited from the strong rally seen in bond markets. Fixed income holdings in the fund were added to during the quarter, with cash utilised to buy mainly dollar and euro bonds towards the end of October.

Source: Aegon Asset Management, January 2024

Balanced Lifestyle (Mixed)

The fund uses a two-stage investment process called lifestyling. It aims to perform better than its benchmark in the early years (the growth stage) and give you more certainty about the amount of pension you can buy via an annuity when you retire (the lifestyle stage). Growth stage: the fund aims to provide long-term capital growth by investing wholly in our Mixed fund, which aims to produce returns greater than the ABI Mixed Investment 40-85% Shares sector median over the long term. It invests in a diversified portfolio of mainly UK equities (shares), but also overseas equities, fixed interest securities and cash.

How has the fund performed?

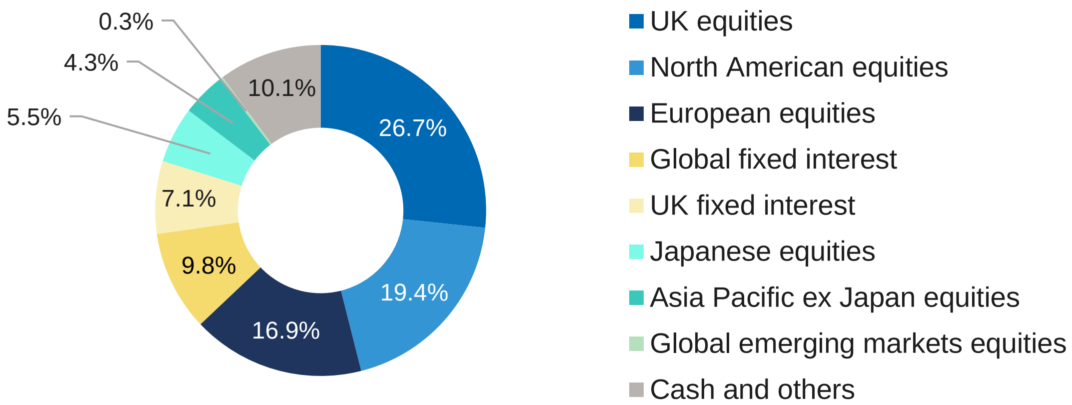
Performance	3 months (%)	12 months (%)	3 year (% a year)	5 years (% a year)	10 years (% a year)
Balanced Lifestyle	5.3	6.2	1.4	7.0	5.8
Benchmark*:	5.2	8.0	3.1	5.5	5.2

Source: FE fundinfo. Produced by Aegon. Figures in £s on a bid-to-bid basis, net of charges with gross income reinvested to 31 December 2023. Past performance is not a reliable guide to future performance. The value of investments can go down as well as up for a number of reasons, for example market and currency movements. Investors may get back less than they invest.

*This fund is currently measured against the ABI Mixed Investment 40%-85% Shares pension sector median.

Where the fund invests

In the growth stage, the Balanced Lifestyle fund invests in a mix of investments designed to grow an investor's pension. The chart below shows where the fund invested at an asset class and regional level, at 31 December 2023.



Source: Aegon UK. These figures may not add up to exactly 100% due to rounding.

Balanced Lifestyle (Mixed) fund commentary covering quarter four 2023

The fund returned 5.3% over the quarter, outperforming its benchmark. The fund's allocation to equities added value over the period, with the exposure to US equities and, to a lesser extent, Europe ex-UK equities the largest positive contributors. Stock selection within equity regions detracted however, with positive contributions from US and Europe ex-UK equities offset by positions in UK, Japan and emerging markets, which detracted.

The fund's allocation to overseas fixed income detracted slightly during the quarter. Issue selection within overseas fixed income exposure added to overall fund performance.

Source: Aegon Asset Management, January 2024

Dynamic Lifestyle (Global)

The fund uses a two-stage investment process called lifestyling. It aims to perform better than its benchmark in the early years (the growth stage) and give you more certainty about the amount of pension you can buy via an annuity when you retire (the lifestyle stage). Growth stage: the fund aims to provide long-term capital growth by investing wholly in our Global fund, which in turn invests in several of our regional and specialist funds. The Global fund mainly invests in equities (shares) in a range of international companies but may also hold a small proportion in fixed income (bonds) and cash.

How has the fund performed?

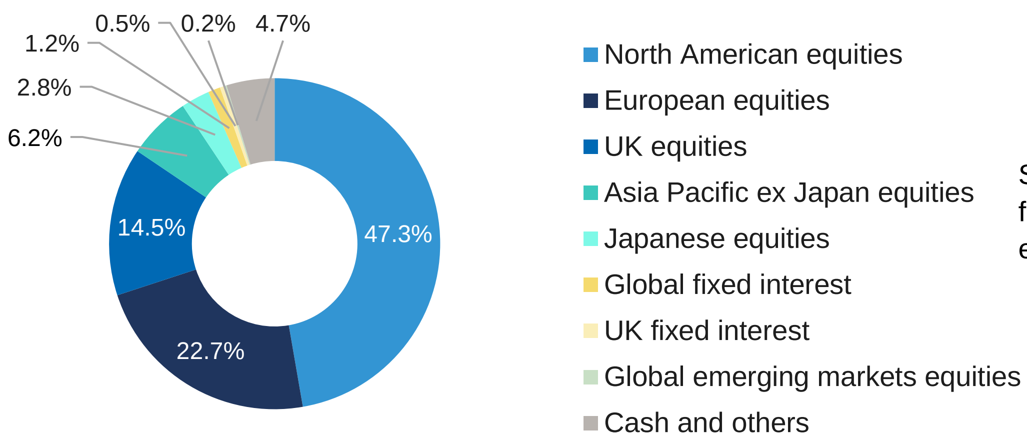
Performance	3 months (%)	12 months (%)	3 year (% a year)	5 years (% a year)	10 years (% a year)
Dynamic Lifestyle	6.9	11.9	3.6	11.9	9.2
Benchmark*:	6.4	12.1	7.4	10.0	8.8

Source: FE fundinfo. Produced by Aegon. Figures in £s on a bid-to-bid basis, net of charges with gross income reinvested to 31 December 2023. Past performance is not a reliable guide to future performance. The value of investments can go down as well as up for a number of reasons, for example market and currency movements. Investors may get back less than they invest.

*This fund is currently measured against the ABI Global Equities pension sector median.

Where the fund invests

In the growth stage, the Dynamic Lifestyle fund invests in a mix of investments designed to grow an investor's pension. The chart below shows where the fund invested at an asset class and regional level, at 31 December 2023.



Source: Aegon UK. These figures may not add up to exactly 100% due to rounding.

Dynamic Lifestyle (Global) fund commentary covering quarter four 2023

The fund returned 6.9% outperforming its benchmark.

The fund's asset allocation within equity markets was a positive contributor to overall fund performance, which was largely due to the strong performance of the fund's US equity positioning. Stock selection within equity regions also contributed positively, particularly in the Europe ex-UK and US areas.

Source: Aegon Asset Management, January 2024

Ethical Lifestyle (Ethical)

This fund uses a two-stage investment process called lifestyling. In the early years (the growth stage) it invests wholly in the Ethical fund, which aims to maximise its total return (the combination of income plus capital growth) by investing in equities (shares) and equity type securities of companies based in the UK, mainly conducting business in the UK or listed on the UK stockmarket, which meet the fund's predefined ethical criteria. We review our lifestyle funds from time to time and may change how they work if we believe this to be in the best interests of investors.

How has the fund performed?

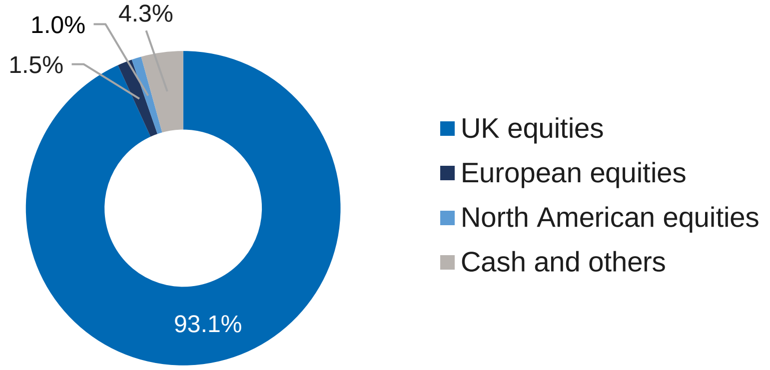
Performance	3 months (%)	12 months (%)	3 year (% a year)	5 years (% a year)	10 years (% a year)
Ethical Lifestyle	12.8	14.4	1.0	5.9	3.8
Benchmark*:	3.2	7.9	8.6	6.6	5.3
ABI Sector*:	3.5	6.9	5.8	5.3	4.2

Source: FE fundinfo. Produced by Aegon. Figures in £s on a bid-to-bid basis, net of charges with gross income reinvested to 31 December 2023. Past performance is not a reliable guide to future performance. The value of investments can go down as well as up for a number of reasons, for example market and currency movements. Investors may get back less than they invest.

*This fund is currently measured against the FTSE All-Share TR Index benchmark and the ABI UK All Companies pension sector median.

Where the fund invests

In the growth stage, the Ethical Lifestyle (Ethical) fund invests in a mix of investments designed to grow an investor's pension. The chart below shows where the fund invested at an asset class and regional level, at 31 December 2023.



Source: Aegon UK. These figures may not add up to exactly 100% due to rounding.

We've committed to transitioning all our default funds, including this one, to net-zero greenhouse gas emissions by 2050. This fund will exclude or include investments based on responsible investment criteria. As investors move towards their target retirement date, the amount invested in these types of holdings will change as a part of that process. [You can read more about this in the fund factsheet on our website.]

Ethical Lifestyle (Ethical) fund commentary covering quarter four 2023

The fund returned 12.8% over the quarter, outperforming its benchmark. The fund benefited from both its sector positions and stock selection within sectors. It gained from carrying a higher weighting than the index in technology, real estate, consumer discretionary (notably media), industrials and utilities, all of which outperformed. Having no exposure to consumer staples, pharmaceuticals and energy aided returns but having no exposure to the aerospace & defence sector due to the fund's ethical criteria had an impact on performance. The fund gained from positions in several mid-cap companies from a variety of sectors, including Paragon, Watches of Switzerland Group and Volution, all of which reassured on trading during the period.

Positive contributions also came from Smart Metering Systems and Ascential. In the larger-cap arena, both Diploma and SSE added value.

Source: Aegon Asset Management, January 2024

Our key lifestyle default funds (growth stage) – Passive

In this section, you'll find information on the investment performance of the passive funds most commonly used as default funds by our corporate pension clients.

Balanced Passive Lifestyle

This fund uses a two-stage investment process called lifestyling. In the early years (the growth stage) it invests in our Balanced Passive fund. It's passively managed and invests mainly in UK and overseas equities (shares of companies), fixed interest investments (bonds) and cash. We review our lifestyle funds from time to time and may change how they work if we believe this to be in the best interests of investors.

How has the fund performed?

Performance	3 months (%)	12 months (%)	3 year (% a year)	5 years (% a year)	10 years (% a year)
Balanced Passive Lifestyle	5.6	10.1	4.0	6.0	5.8
Benchmark*:	5.3	7.9	2.3	5.3	5.0

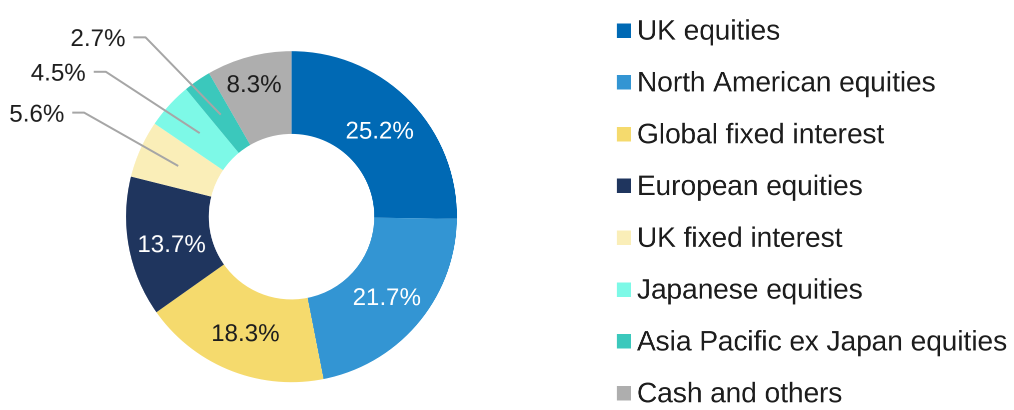
Source: FE fundinfo. Produced by Aegon. Figures in £s on a bid-to-bid basis, net of charges with gross income reinvested to 31 December 2023. Past performance is not a reliable guide to future performance. The value of investments can go down as well as up for a number of reasons, for example market and currency movements. Investors may get back less than they invest.

*This fund is currently measured against the ABI Mixed Investment 40% - 85% Shares pension sector average.

Where the fund invests

This fund is passively managed, so it aims to broadly match the performance of the Association of British Insurers (ABI) Mixed Investment 40%-85% Shares sector average. The fund's performance may not always precisely track the average. For example, when market conditions offer particularly strong opportunities to actively managed funds, the fund's returns may be lower than the sector average.

The chart below shows where the fund invested at an asset class and regional level, at 31 December 2023.



Source: Aegon UK. These figures may not add up to exactly 100% due to rounding.

Stakeholder Default

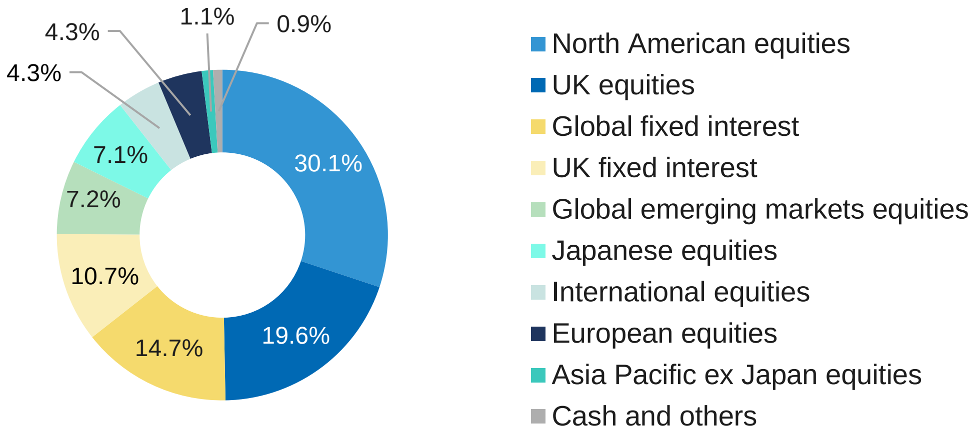
This fund uses a two-stage investment process. In the early years (the growth stage) it aims to grow savings over the long term by investing mainly (generally at least 65%) in global equities (company shares) with the remainder in bonds (corporate and/or government bonds) and/or cash. It's designed to track the markets it invests in, so performance should be similar to those markets. We review our lifestyle funds from time to time and may change how they work if we believe this to be in the best interests of investors.

Performance	3 months (%)	12 months (%)	3 year (% a year)	5 years (% a year)	10 years (% a year)
Stakeholder Default	5.8	8.9	3.8	6.2	5.9

Source: FE fundinfo. Produced by Aegon. Figures in £s on a bid-to-bid basis, net of charges with gross income reinvested to 31 December 2023. Past performance is not a reliable guide to future performance. The value of investments can go down as well as up for a number of reasons, for example market and currency movements. Investors may get back less than they invest.

Where the fund invests

In the growth stage, the Stakeholder Default fund invests in a mix of investments designed to grow an investor's pension. The chart below shows where the fund invested at an asset class and regional level, at 31 December 2023.



Source: Aegon UK. These figures may not add up to exactly 100% due to rounding.

GPP Default

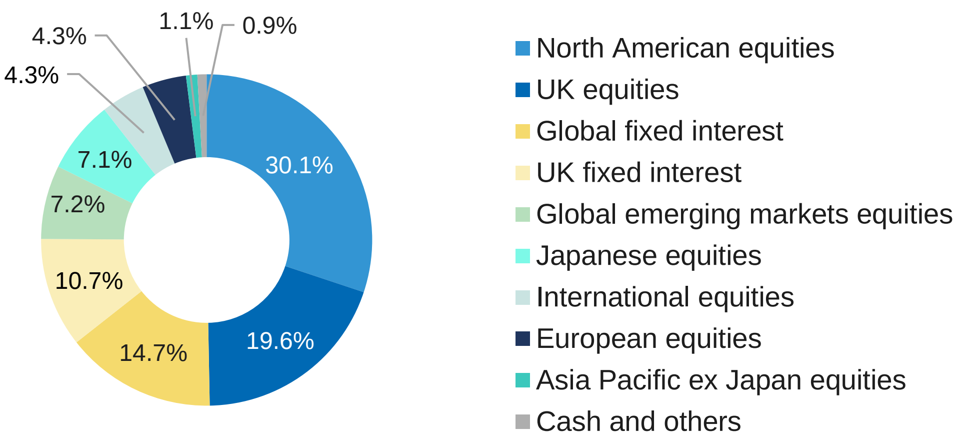
This fund uses a two-stage investment process. In the early years (the growth stage) it aims to grow savings over the long term by investing mainly (generally at least 65%) in global equities (company shares) with the remainder in bonds (corporate and/or government bonds) and/or cash. It's designed to track the markets it invests in, so performance should be similar to those markets. Six years before the start of your target retirement year (the lifestyle stage), we'll progressively start switching your investment into our Long Gilt and (in the final year) Cash fund, with the aim of giving you more certainty about the level of annuity you'll be able to buy when you retire and to cater for your maximum tax-free cash entitlement, currently 25% of your pension pot. We reserve the right to change our lifestyle funds. The fund is only available to Aegon Group Personal Pension planholders whose scheme started on or after 1 December 2008.

Performance	3 months (%)	12 months (%)	3 year (% a year)	5 years (% a year)	10 years (% a year)
GPP Default	5.8	8.8	3.8	6.2	5.9

Source: FE fundinfo. Produced by Aegon. Figures in £s on a bid-to-bid basis, net of charges with gross income reinvested to 31 December 2023. Past performance is not a reliable guide to future performance. The value of investments can go down as well as up for a number of reasons, for example market and currency movements. Investors may get back less than they invest.

Where the fund invests

In the growth stage, the GPP Default fund invests in a mix of investments designed to grow an investor's pension. The chart below shows where the fund invested at an asset class and regional level, at 31 December 2023.



Source: Aegon UK. These figures may not add up to exactly 100% due to rounding.

Aegon BlackRock 50/50 Equity and Bond Tracker Lifestyle

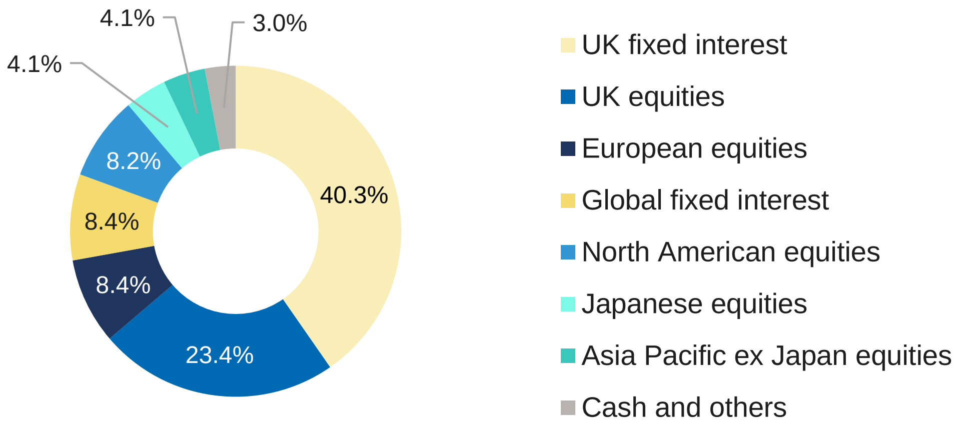
This fund uses a two-stage investment process called lifestyling. In the early years (the growth stage) it aims for returns consistent with the markets it invests in by investing 50% in UK and overseas equities (shares) and 50% in gilts and sterling investment-grade corporate bonds with maturity periods of 15 years or longer. We review our lifestyle funds from time to time and may change how they work if we believe this to be in the best interests of investors.

Performance	3 months (%)	12 months (%)	3 year (% a year)	5 years (% a year)	10 years (% a year)
Aegon BlackRock 50/50 Equity & Bond Tracker Lifestyle	9.6	7.8	-4.4	1.8	4.3

Source: FE fundinfo. Produced by Aegon. Figures in £s on a bid-to-bid basis, net of charges with gross income reinvested to 31 December 2023. Past performance is not a reliable guide to future performance. The value of investments can go down as well as up for a number of reasons, for example market and currency movements. Investors may get back less than they invest.

Where the fund invests

In the growth stage, the Aegon BlackRock 50/50 Equity and Bond Tracker Lifestyle fund invests in a mix of investments designed to grow an investor's pension. The chart below shows where the fund invested at an asset class and regional level, at 31 December 2023.



Source: Aegon UK. These figures may not add up to exactly 100% due to rounding.

Aegon BlackRock 50/50 Global Equity Tracker Lifestyle

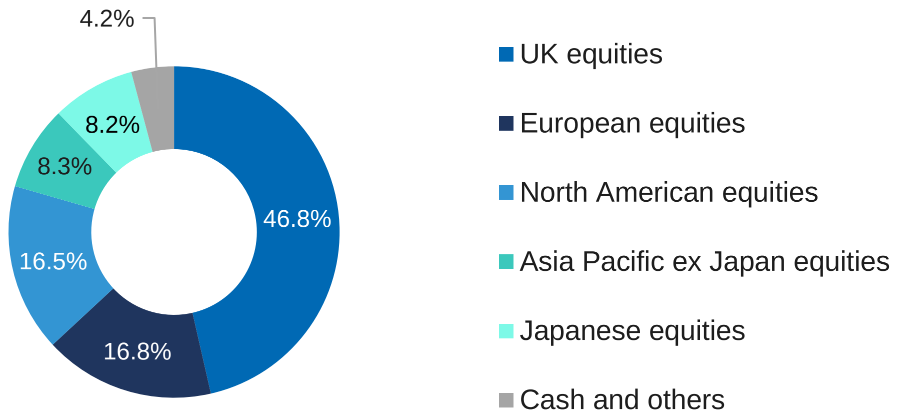
This fund uses a two-stage investment process called lifestyling. In the early years (the growth stage) aims to provide returns consistent with the markets it invests in by investing in the Aegon BlackRock 50/50 Global Equity Tracker fund. This fund invests approximately 50% in UK equities (shares) and 50% in overseas equities (excluding the UK). We review our lifestyle funds from time to time and may change how they work if we believe this to be in the best interests of investors.

Performance	3 months (%)	12 months (%)	3 year (% a year)	5 years (% a year)	10 years (% a year)
Aegon BlackRock 50/50 Global Equity Tracker Lifestyle	4.7	10.2	7.0	7.8	6.9

Source: FE fundinfo. Produced by Aegon. Figures in £s on a bid-to-bid basis, net of charges with gross income reinvested to 31 December 2023. Past performance is not a reliable guide to future performance. The value of investments can go down as well as up for a number of reasons, for example market and currency movements. Investors may get back less than they invest.

Where the fund invests

In the growth stage, the Aegon BlackRock 50/50 Global Equity Tracker Lifestyle fund invests in a mix of investments designed to grow an investor's pension. The chart below shows where the fund invested at an asset class and regional level, at 31 December 2023.



Source: Aegon UK. These figures may not add up to exactly 100% due to rounding.

Aegon BlackRock 75/25 Equity and Bond Tracker Lifestyle

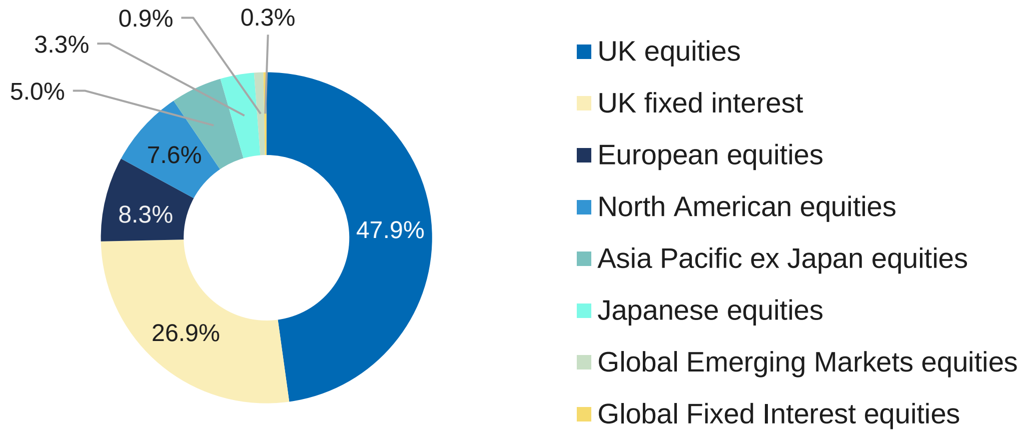
This fund uses a two-stage investment process called lifestyling. In the early years (the growth stage) it aims to provide returns consistent with the markets it invests in by investing wholly in the Aegon BlackRock 75/25 Equity and Bond Tracker fund, which invests approximately 75% in UK and overseas equities (shares) and the rest in fixed interest securities (bonds). We review our lifestyle funds from time to time and may change how they work if we believe this to be in the best interests of investors.

Performance	3 months (%)	12 months (%)	3 year (% a year)	5 years (% a year)	10 years (% a year)
Aegon BlackRock 75/25 Equity & Bond Tracker Lifestyle	5.6	6.0	0.9	3.5	4.7

Source: FE fundinfo. Produced by Aegon. Figures in £s on a bid-to-bid basis, net of charges with gross income reinvested to 31 December 2023. Past performance is not a reliable guide to future performance. The value of investments can go down as well as up for a number of reasons, for example market and currency movements. Investors may get back less than they invest.

Where the fund invests

In the growth stage, the Aegon BlackRock 75/25 Equity and Bond Tracker Lifestyle fund invests in a mix of investments designed to grow an investor's pension. The chart below shows where the fund invested at an asset class and regional level, at 31 December 2023.



Source: Aegon UK. These figures may not add up to exactly 100% due to rounding and a cash weighting of -0.2%.

Aegon BlackRock Consensus Lifestyle

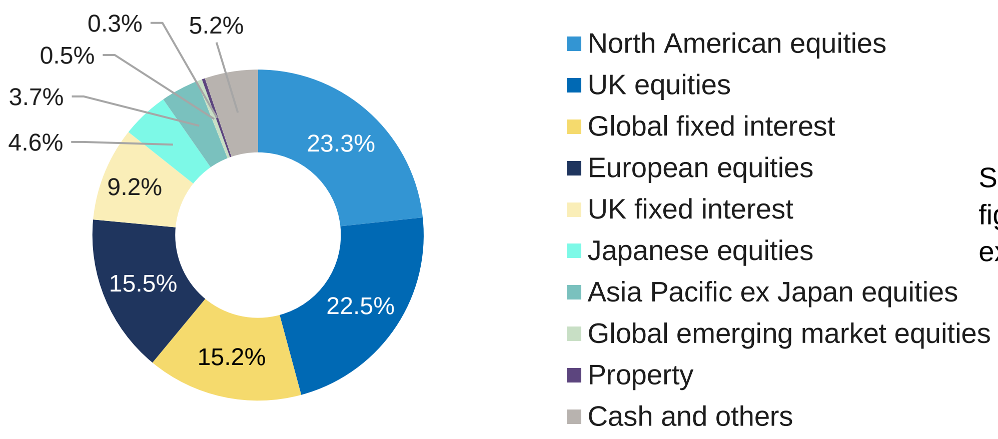
This fund uses a two-stage investment process called lifestyling. In the early years (the growth stage) it aims to match the performance of the ABI Mixed Investment 40-85% Shares pension sector average after charges by investing mainly in UK and overseas equities (shares), fixed interest and cash. We review our lifestyle funds from time to time and may change how they work if we believe this to be in the best interests of investors.

Performance	3 months (%)	12 months (%)	3 year (% a year)	5 years (% a year)	10 years (% a year)
Aegon BlackRock Consensus Lifestyle	5.1	8.7	3.9	6.0	5.6

Source: FE fundinfo. Produced by Aegon. Figures in £s on a bid-to-bid basis, net of charges with gross income reinvested to 31 December 2023. Past performance is not a reliable guide to future performance. The value of investments can go down as well as up for a number of reasons, for example market and currency movements. Investors may get back less than they invest.

Where the fund invests

In the growth stage, the Aegon BlackRock Consensus fund invests in a mix of investments designed to grow an investor's pension. The chart below shows where the fund invested at an asset class and regional level, at 31 December 2023.



Source: Aegon UK. These figures may not add up to exactly 100% due to rounding.

Workplace Target funds

We've designed this range in response to changing investment patterns and pension freedoms legislation. Investors now have more choice than ever before about how and when they take an income in retirement.

Flexible Target

- Universal Balanced Collection
- Adventurous Tracker
- Growth Tracker
- Balanced Tracker
- Ethical Managed

Annuity Target

- Universal Balanced Collection
- Adventurous Tracker
- Growth Tracker
- Balanced Tracker

Cash Target

- Growth Tracker

We review our workplace range of funds regularly to keep up-to-date with changing legislation and customer needs. We may change them if we believe it's in the best interests of investors.

Find out more about our Workplace Target funds on our website.

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