

Aegon Asset Management UK ICVC

Annual Report and Financial Statements
for the year ended 31 July 2024



Aegon Asset Management UK ICVC

Contents

Company Information*	2
Report of the Authorised Corporate Director*	3
Market review for the year ended 31 July 2024	5
Events after the statement of financial position date	5
Statement of the Authorised Corporate Director's Responsibilities	6
Certification of the Annual Report and Financial Statements by the ACD*	7
Depository's Report	8
Independent Auditor's Report to the Shareholders of Aegon Asset Management UK ICVC	9
Accounting Policies	12
UK Funds	
Aegon Sterling Corporate Bond Fund	18
Aegon UK Equity Fund	34
Aegon UK Equity Absolute Return Fund	48
Aegon UK Smaller Companies Fund	62
Aegon UK Sustainable Opportunities Fund	76
Global Funds	
Aegon Strategic Bond Fund	89
Aegon Sustainable Equity Fund	106
Aegon High Yield Bond Fund	120
Aegon Investment Grade Bond Fund	137
Ethical Funds	
Aegon Ethical Corporate Bond Fund	154
Aegon Ethical Equity Fund	169
Aegon Ethical Cautious Managed Fund	183
Multi Asset Funds	
Aegon Sustainable Diversified Growth Fund	198
Aegon Diversified Monthly Income Fund	214
Further Information (unaudited)*	231
Securities Financial Transactions Regulations (unaudited)	232
Remuneration Policy (unaudited)	235

*Collectively these pages together with the investment reports of the individual sub-funds comprise the Authorised Corporate Directors' Report. Information specific to each sub-fund is detailed within its respective section.

Aegon Asset Management UK ICVC

Company Information

Authorised Corporate Director ("ACD") and Investment Manager

Aegon Asset Management UK plc ¹
3 Lochside Crescent
Edinburgh
EH12 9SA

Directors of the ACD

Adrian Hull
Andrew Mack (independent non-executive director)
Kirstie MacGillivray
Mary Kerrigan (independent non-executive director)
Stephen Jones ³
Tom Scherer (non-executive director) ⁴
Marc van Weede (non-independent non-executive director) ⁵

Secretary of the ACD

Tom Scherer ⁶
John O'Donnell ⁷

Research Provider

EIRIS Services Limited ⁹
8th Floor
The Tower Building
11 York Road
London
SE1 7NX

Depository

Citibank UK Limited ²
Citigroup Centre
Canada Square
Canary Wharf
London
E14 5LB

Custodian

Citibank N.A. London Branch ¹
Citigroup Centre
Canada Square
Canary Wharf
London
E14 5LB

Independent Auditor

PricewaterhouseCoopers LLP ⁸
Atria One
144 Morrison Street
Edinburgh
EH3 8EX

Ernst & Young LLP ⁸
Atria One
144 Morrison Street
Edinburgh
EH3 8EX

Registrar

Northern Trust Global Services SE UK Branch ^{1, 10}
50 Bank Street
London
E14 5NT

Citibank Europe Plc, UK Branch ^{1, 10}
Citigroup Centre
Canada Square
Canary Wharf
London
E14 5LB

¹ Authorised and regulated by the Financial Conduct Authority.

² Authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority.

³ Stephen Jones resigned as a Director of Aegon Asset Management UK plc on 12 June 2024.

⁴ Tom Scherer resigned as a Director of Aegon Asset Management UK plc on 1 March 2024.

⁵ Marc van Weede was appointed as a Director of Aegon Asset Management UK plc on 1 March 2024.

⁶ Tom Scherer resigned as the Secretary of the ACD on 1 March 2024.

⁷ John O'Donnell was appointed as the Secretary of the ACD on 1 March 2024.

⁸ With effect from 31 January 2024 the appointed Auditor for the Aegon Asset Management UK ICVC changed from PricewaterhouseCoopers LLP to Ernst & Young LLP.

⁹ EIRIS Services Limited provides research on investments for the Aegon Ethical Corporate Bond Fund, the Aegon Ethical Cautious Managed Fund and the Aegon Ethical Equity Fund.

¹⁰ With effect from 31 July 2023 the appointed Transfer Agent and Registrar for the Aegon Asset Management UK ICVC changed from Northern Trust Global Services SE UK Branch to Citibank Europe Plc, UK Branch.

Aegon Asset Management UK ICVC

Report of the Authorised Corporate Director

The Company

Aegon Asset Management UK ICVC ("the Company") is an Open-Ended Investment Company ("OEIC") with variable capital, incorporated in Scotland on 27 April 1999. It is governed by the OEIC Regulations, the Collective Investment Schemes sourcebook ("COLL") and its Instrument of Incorporation. The registered number of the Company is SI000009.

The Company is authorised by the Financial Conduct Authority ("FCA") as complying with the conditions necessary for it to enjoy rights conferred by the EU Directive on Undertakings for Collective Investment in Transferable Securities ("UCITS").

The shareholders have no interest in the Scheme Property, and are not liable for the debts of the Company.

The Company is an umbrella company with 14 sub-funds trading as at 31 July 2024. The number of sub-funds may be increased or decreased in the future.

Authorised Status

Aegon Asset Management UK ICVC is a Company with variable capital under regulation 12 (Authorisation) of the OEIC regulations 2001, incorporated in Scotland, a UCITS scheme and authorised by the FCA on 14 April 1999.

The Financial Statements

The ACD is pleased to present the annual financial statements for the year ended 31 July 2024.

As required by the OEIC Regulations, information for each of the sub-funds has been included in these financial statements. For each sub-fund a detailed description of the strategy that was adopted during the year under review has been provided. A summary of global market trends covering the year ended 31 July 2024 can be found within the market review on page 5.

Sub-fund cross holdings

At the year end none of the shares in the sub-funds of the Company were held by any of the sub-funds of the Company.

Changes to the Prospectus

As at 18 December 2023, the Prospectus was updated following the completion of the termination of the Aegon UK Equity Income Fund (the sub-fund) to remove all reference to the sub-fund.

As at 18 December updates were also made to the VaR methodology for the below listed sub-funds. We have simplified the VaR methodology language in the Prospectus. These changes are being made to move to a global methodology for regulatory VaR monitoring to be used across all sub-funds within regulatory scope, to improve efficiencies, align to global consistent settings and minimise VaR exception levels.

Sub-funds:

Aegon Sterling Corporate Bond Fund
Aegon UK Sustainable Opportunities Fund
Aegon Strategic Bond Fund
Aegon High Yield Bond Fund
Aegon Investment Grade Bond Fund
Aegon Sustainable Diversified Growth Fund
Aegon Diversified Monthly Income Fund

As at 20 June 2024 the Prospectus was updated retrospectively to change to the auditor of the Company from PricewaterhouseCoopers LLP (who resigned as auditor of the Company on 14 December 2023) to Ernst & Young LLP (who was appointed as auditor of the Company with effect from 31 January 2024).

As at 20 June 2024 the Prospectus was updated for the launch of Share Class S Accumulation shares in the Aegon Ethical Equity Fund, a sub-fund of the Company.

As at 20 June 2024 the Prospectus was updated for the removal of the Disclosure relating to Delivery versus Payment. The ACD proposes to treat all money held as client money and will no longer make use of this exemption. The ACD considers that this is a better outcome for investors.

As at 20 June 2024 the Prospectus was updated for such other amendments that the ACD has determined necessary as part of a periodic review (including those updates of the disclosures that apply in respect of the exclusionary list, sustainability criteria and ethical criteria that apply to sub-funds of the Company; updated dilution figures; updated performance figures and updated Directors' list and interests). These updates include:

- Appendix D - Aegon Sustainable Diversified Growth Fund - removed broken hyperlink and corrected the reference to exclusionary criteria regarding Government and Public Securities (GAPS) to align with the other asset classes, to provide further details within Section B of Schedule One to Appendix D. The ACD confirms that this does not represent a change to the GAPS powers or the universe of GAPS investment but simply is a change to the description of the screens.
- Appendix D - following the enhancement of disclosures for retail investors on the Aegon AM website, the inclusion of a signpost to the web page that details the ACD's approach to the sustainability criteria in respect of the following sub-funds of the Scheme: Aegon Sustainable Diversified Growth Fund, Aegon Sustainable Equity Fund and Aegon UK Sustainable Opportunities Fund – the ACD confirms that this does not reflect a change to the management of the sub-funds.
- Appendix D - following the enhanced disclosures for retail investors on the Aegon AM website, the inclusion of a signpost to the webpage that details the ACD's approach to the ethical criteria in respect of the following sub-funds of the Scheme: Aegon Ethical Cautious Managed Fund, Aegon Ethical Corporate Bond Fund and AEGON Ethical Equity Fund – the ACD confirms that this does not reflect a change to the management of the sub-funds.

Aegon Asset Management UK ICVC

Report of the Authorised Corporate Director (continued)

Changes to the Prospectus (continued)

- Appendix D – schedule one to Appendix D – adding a signpost to the weblink to the ACD's Sustainability Risks and Impacts Policy that applies to the following sub-funds: Aegon Ethical Cautious Managed Fund, Aegon Ethical Corporate Bond Fund, Aegon Ethical Equity Fund, Aegon Sustainable Diversified Growth Fund, Aegon UK Sustainable Opportunities Fund and Aegon Sustainable Equity Fund – and which sets out how the ACD complies with the exclusionary list. The ACD confirms that this does not reflect a change to the exclusionary criteria that applies to the sub-funds or the way in which the sub-funds are managed.
Section B- updated the list of sustainable screening criteria that currently applies in respect of the following sub-funds for clarificatory and enhanced disclosure purposes, noting that this does not reflect a change to the sustainable screening criteria employed by the relevant sub-funds namely GAPS exclusionary criteria for Aegon Sustainable Diversified Growth Fund; Controversial arms trade and human rights for Aegon Sustainable Diversified Growth Fund, Aegon Sustainable Opportunities Fund and Aegon Sustainable Equity Fund. Noting the availability of 'further information' as noted above.

Significant events

Effective 16 February 2024 the investment policy for Aegon Ethical Corporate Bond Fund was changed to permit up to 20% in non-sterling bond investments. In addition, the Ethical Screening Criteria was updated in respect of the Aegon Ethical Corporate Bond Fund, Aegon Ethical Cautious Managed Fund, and Aegon Ethical Equity Fund.

S Accumulation share class was launched on the Aegon Ethical Equity Fund on 10 July 2024.

Following the year end, the ACD notified investors and the FCA of its intention to close the Aegon UK Equity Absolute Return Fund and Aegon UK Sustainable Opportunities Fund. As at the date of this report, it is intended the closure will take place on or around 31 January 2025.

Value Statement

The value statement for the Aegon Asset Management UK ICVC is available as part of a stand-alone composite report on our website <https://www.aegonam.com/en/uk-value-assessment/>.

Investment Approach

Aegon Asset Management UK plc (the ACD) combines the role of fund manager and analyst. No one in the investment team makes decisions in isolation; therefore all sector and stock ratings are challenged and debated as a group. Each analyst is also responsible for managing portfolios, but ultimately the team is responsible for the performance of all sub-funds. This approach ensures that the focus is on overall performance, and not simply that of an individual sector.

The team's detailed analysis of economies, industries and companies enables the fund managers to make independent, informed decisions. By conducting thorough fundamental analysis backed by sophisticated quantitative tools, the team can identify companies whose prospects are not reflected in their current share price.

The ACD is committed to maintaining a highly professional investment team. The ACD avoids over-reliance on individuals, and promotes the development and strengthening of specialist teams. This leads to co-operation between team members, encouraging them to share their best ideas, and this ensures that investors benefit in the form of consistent returns.

The fund management team aims to add value by adopting a detailed and rigorous approach to investment research, in particular by developing local market expertise. In addition, team members are able to draw on the investment expertise of other AEGON Group units outside the UK.

Synthetic Risk and Reward Indicator

	1	2	3	4	5	6	7
	Lower risk/ potentially lower rewards					Higher risk/potentially higher rewards	
Aegon Sterling Corporate Bond Fund				X			
Aegon UK Equity Fund						X	
Aegon UK Equity Absolute Return Fund			X				
Aegon UK Smaller Companies Fund						X	
Aegon UK Sustainable Opportunities Fund						X	
Aegon Strategic Bond Fund				X			
Aegon Sustainable Equity Fund						X	
Aegon High Yield Bond Fund				X			
Aegon Investment Grade Bond Fund				X			
Aegon Ethical Corporate Bond Fund				X			
Aegon Ethical Equity Fund						X	
Aegon Ethical Cautious Managed Fund					X		
Aegon Sustainable Diversified Growth Fund					X		
Aegon Diversified Monthly Income Fund					X		

The Synthetic Risk and Reward Indicator (SRRRI) shows the risk of investing in a sub-fund, based on the rate at which its value has changed in the past. The sub-fund's category is not guaranteed and may change over time. It is calculated using historical data, which may not be a reliable indication for the future. Category 1 does not mean 'risk free'. Full details of risks are disclosed in the section 'Risk Factors' in the Prospectus. For more information on the sub-funds risk and reward profiles please refer to the Key Investor Information Document ("KIID") for the relevant share class. These are available from www.aegonam.com or by contacting us. All share classes of each sub-fund produce the same risk rating.

Aegon Asset Management UK ICVC

Market Review for the year ended 31 July 2024

Central bank sentiment and inflation were the main drivers of markets over the period. Central banks remained hawkish up until the end of 2023 where they changed to a more dovish tone. From here, it was a case of when, not if, rate cuts were coming with the European Central Bank cutting rates in June joining the Bank of Canada, Swiss National Bank and Swedish Riksbank who also cut rates, with the UK expected to follow later in the summer. In contrast, the Bank of Japan increased interest rates for the first time since 2007, ending their negative interest rate policy. Inflation followed a downward trend, save for the occasional surprise to the upside, but across regions the inflationary landscape was overall encouraging for markets. The US economy was stronger as we moved through the first few months of 2024 which led expectations of Federal Reserve rate cuts to fall by the end of March from six to around three. Fundamentals were strong, and economic data was better than expected across most regions.

Both government and corporate bond markets performed strongly over the period, with government bond yields moving sharply lower in the first half of the period, and corporate bonds performing well across all asset classes. As we moved through 2024, government bond yields rose again slightly, but credit spreads tightened up until July where there was slight widening. Equity markets rallied after the central banks turned dovish, with the US market outperforming the rest of the world. In sector terms, the standout performer was technology which continued its impressive run driven by the excitement around AI related names and the much talked about 'Magnificent Seven'. Financials too had a solid period as the sector enjoyed the elevated interest rate environment. In contrast, low-beta defensive utilities and consumer staples lagged, along with materials, although both were still positive overall.

Events after the statement of financial position date

Following the year end, the ACD notified investors and the FCA of its intention to close the Aegon UK Equity Absolute Return Fund and Aegon UK Sustainable Opportunities Fund. As at the date of this report, it is intended the closure will take place on or around 31 January 2025.

The investment policy on Aegon Ethical Cautious Managed Fund will be changed to permit up to 20% in non-sterling bond investments as at 2 December 2024. In addition, the Ethical fund range (Aegon Ethical Equity Fund, Aegon Ethical Corporate Bond Fund and Aegon Ethical Cautious Managed Fund) will be updated to enhance the investment policies of each of the Ethical sub-funds to clearly set the ethical criteria of the sub-funds to meet the FCA Sustainability Disclosure Requirements as from 2 December 2024.

Aegon Asset Management UK ICVC

Statement of the Authorised Corporate Director's Responsibilities

The Rules of the Financial Conduct Authority's Collective Investment Schemes Sourcebook require the ACD to prepare financial statements for each annual accounting year which give a true and fair view of the financial affairs of the company and of its net revenue/(expenses) and the net capital gains/(losses) for the year.

In preparing the financial statements the ACD is required to:

- comply with the Prospectus and applicable accounting standards, subject to any material departures which are required to be disclosed and explained in the financial statements;
- comply with UK accounting standards, including FRS 102 The Financial Reporting Standard Applicable in the UK and Republic of Ireland and the Statement of Recommended Practice for UK Authorised Funds issued by the Investment Management Association (now known as The Investment Association) in May 2014 and amended in June 2017;
- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements of the Company and its sub-funds on the going concern basis unless it either intends to wind up or terminate the Company or its sub-funds, or has no realistic alternative but to do so. For the reasons stated in the ACD's Report and Note 1a, the financial statements of the Aegon UK Equity Absolute Return Fund and Aegon UK Sustainable Opportunities Fund. have not been prepared on a going concern basis; and
- take reasonable steps for the prevention and detection of fraud, error and non-compliance with law or regulations.

The ACD is required to keep proper accounting records and to manage the Company in accordance with the Regulations and the Instrument of Incorporation.

The report has been prepared in accordance with the Financial Conduct Authority's Collective Investment Schemes Sourcebook and in accordance with the Instrument of Incorporation and the Prospectus.

For the reasons stated in the ACD's Report and Note 1a, the financial statements of the Aegon UK Equity Absolute Return Fund and Aegon UK Sustainable Opportunities Fund have not been prepared on a going concern basis.

Aegon Asset Management UK ICVC

Certification of the Annual Report and Financial Statements by the ACD

In accordance with the requirements of the Financial Conduct Authority's Collective Investment Schemes sourcebook, we hereby certify the report on behalf of the Board of Aegon Asset Management UK plc.

A handwritten signature in dark ink, appearing to read 'K MacGillivray', written in a cursive style.

Kirstie MacGillivray
Edinburgh
26 November 2024

Aegon Asset Management UK ICVC

Depository's Report

Statement of the Depository's Responsibilities in Respect of the Scheme and Report of the Depository to the Shareholders of Aegon Asset Management UK ICVC (the "Company") for the period ended 31 July 2024.

The Depository is responsible for the safekeeping of all the property of the Company (other than tangible moveable property) which is entrusted to it and ensuring proper registration of tangible moveable property, and for the collection of income arising from all such scheme property.

It is the duty of the Depository to take reasonable care to ensure that the Company is managed and operated by the Authorised Corporate Director in accordance with the Financial Conduct Authority's Collective Investment Schemes Sourcebook ("the Sourcebook"), the Open-Ended Investment Companies Regulations 2001 (SI 2001/1228) (the OEIC Regulations), the Company's Instrument of Incorporation, and the Prospectus, as appropriate, concerning: the pricing of and dealing in Shares in the Company; the application of income of the Company; and the investment portfolio and borrowing activities of the Company.

Having carried out procedures and enquiries considered duly necessary to discharge our responsibilities as Depository of the Company, based on information and explanations provided to us, we believe that, in all material respects, the Company, acting through the Authorised Corporate Director:

- (i) has carried out the issue, sale, redemption and cancellation, and calculation of the price of the Company's shares and the application of the Company's income in accordance with the Sourcebook, and where applicable, the OEIC regulations, the Company's Instrument of Incorporation, and the Prospectus;
- (ii) has observed the investment and borrowing powers and restrictions applicable to the Company; and
- (iii) has, otherwise, ensured the proper operation of the Company.

Citibank UK Limited
London

26 November 2024

Aegon Asset Management UK ICVC

Independent Auditor's report to the Shareholders of Aegon Asset Management UK ICVC

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Aegon Asset Management UK ICVC ("the Company") comprising each of its sub-funds for the year ended 31 July 2024, which comprise the Statement of Total Return, the Statement of Change in Net Assets Attributable to Shareholders, the Balance Sheet, the related notes and the Distribution Tables, and the accounting policies of the Company, which include a summary of significant accounting policies.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 102 'The Financial Reporting Standard applicable to the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the financial position of the Company comprising each of its sub-funds as at 31 July 2024 and of the net revenue/expense and the net capital gains/losses on the scheme property of the Company comprising each of its sub-funds for the year then ended; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report below. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the FRC) Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter – Financial statements prepared on a basis other than going concern

We draw attention to note 1a to the financial statements which explains that the Authorised Corporate Director ("the ACD") intends to terminate the UK Equity Absolute Return Fund and UK Sustainable Opportunities fund and therefore does not consider it to be appropriate to adopt the going concern basis of accounting in preparing the financial statements. Accordingly, the financial statements for this sub-fund only, have been prepared on a basis other than going concern as described in note 1a. The financial statements for the Company as a whole remain prepared on a going concern basis. Our opinion is not modified in respect of this matter.

Conclusions relating to going concern

The financial statements for the UK Equity Absolute Return Fund and UK Sustainable Opportunities Fund been prepared on a basis other than going concern as disclosed in note 1a.

In auditing the financial statements of the Company as a whole, we have concluded that the Authorised Corporate Director's ("the ACD") use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least 12 months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the ACD with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Company's ability to continue as a going concern.

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our auditor's report thereon. The ACD is responsible for the other information contained within the Annual Report.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

Aegon Asset Management UK ICVC

Independent Auditor's report to the Shareholders of Aegon Asset Management UK ICVC (continued)

Opinions on other matters prescribed by the rules of the Collective Investment Schemes Sourcebook of the Financial Conduct Authority (the "FCA")

In our opinion:

- the financial statements have been properly prepared in accordance with the Statement of Recommended Practice relating to Authorised Funds, the rules of the Collective Investment Schemes Sourcebook of the FCA and the Instrument of Incorporation; and
- there is nothing to indicate that adequate accounting records have not been kept or that the financial statements are not in agreement with those records; and
- the information given in the ACD's report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matter in relation to which the Collective Investment Schemes Sourcebook of the FCA requires us to report to you if, in our opinion:

- we have not received all the information and explanations which, to the best of our knowledge and belief, are necessary for the purposes of our audit.

Responsibilities of the ACD

As explained more fully in the ACDs responsibilities statement set out on page 6, the ACD is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the ACD determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the ACD is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the ACD either intends to wind up or terminate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Company and determined that the most significant are United Kingdom Generally Accepted Accounting Practice (UK GAAP), the Investment Management Association's Statement of Recommended Practice (IMA SORP), the FCA Collective Investment Schemes Sourcebook, the OEIC Regulations, the Company's Instrument of Incorporation and the Prospectus.
- We understood how the Company is complying with those frameworks through discussions with the ACD and the Company's administrator and a review of the Company's documented policies and procedures.
- We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur by considering the risk of management override, specifically management's propensity to influence revenue and amounts available for distribution. We identified a fraud risk in relation to the incomplete or inaccurate income recognition through the incorrect classification of special dividends and the resulting impact to amounts available for distribution. We tested the appropriateness of management's classification for a sample of special dividends as either a capital or revenue return.
- Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved review of the reporting to the ACD with respect to the application of the documented policies and procedures and review of the financial statements to test compliance with the reporting requirements of the Company.
- Due to the regulated nature of the Company, the Statutory Auditor considered the experience and expertise of the engagement team to ensure that the team had the appropriate competence and capabilities which included the use of specialists where appropriate to identify non-compliance with the applicable laws and regulations.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Aegon Asset Management UK ICVC

Independent Auditor's report to the Shareholders of Aegon Asset Management UK ICVC (continued)

Use of our report

This report is made solely to the Company's Shareholders, as a body, pursuant to Paragraph 4.5.12 of the rules of the Collective Investment Schemes Sourcebook of the FCA. Our audit work has been undertaken so that we might state to the Company's Shareholders those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's Shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

Signed by:

8BCD9C037DF8424...

Ernst & Young LLP
Statutory Auditor
Edinburgh
26 November 2024

Aegon Asset Management UK ICVC

Accounting Policies

1 Accounting Policies

a) Basis of preparation

The financial statements have been prepared under the historical cost basis, as modified by the revaluation of investments, and in accordance with the Statement of Recommended Practice for UK Authorised Funds issued by the Investment Management Association in May 2014 (SORP 2014) and as amended in June 2017, in compliance with the Instruments of Incorporation, the Prospectus, the FCA's COLL, and in accordance with United Kingdom Generally Accepted Accounting Practice as defined within FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.

The base currency of the Company and sub-funds is Sterling.

There are no material events that have been identified that may cast significant doubt on the Company's ability to continue as a going concern for at least the next twelve months from the date these financial statements are authorised for issue. The ACD believes that the Company has adequate resources to continue in operational existence for the foreseeable future and they continue to adopt the going concern basis in preparing the financial statements. The ACD has made an assessment of each sub-fund's ability to continue as a going concern which is made as at the date of issue of these financial statements and considers liquidity, performance and sensitivities and redemption levels.

It is the intention of the ACD to close the Aegon UK Equity Absolute Return Fund and Aegon UK Sustainable Opportunities Fund on or around 31 January 2025. As a result, the financial statements of these sub-funds have been prepared on a basis other than going concern. Under this basis, assets are recorded at their recoverable value and liabilities are recorded at their expected settlement value. Any additional costs in respect of the termination of the sub-funds will be borne by the ACD. The financial statements of the other sub-funds are prepared on a going concern basis, under the historical cost convention as modified by the revaluation of certain financial assets and liabilities measured at fair value through profit or loss.

b) Investments

The quoted investments have been valued at fair value, which are the bid market prices at close of business on the last business day of the accounting year excluding accrued interest, which is 31 July 2024. These bid prices are sourced from independent pricing sources. Any unquoted or suspended securities have been valued at a price which in the opinion of the ACD represents the likely realisable value of the security.

Where a sub-fund is prepared on a basis other than going concern, investments are recognised as current assets.

Money market deposits are short-term, highly liquid investments that are subject to an insignificant risk of change in value and therefore meets the FRS 102 requirement of cash equivalent.

Derivatives are valued based on counterparty valuations, appropriate pricing models and the ACD's opinion of fair value.

Contracts for Difference ("CFDs") are valued at their fair value on the last business day of the accounting year excluding accrued interest which is recognised in the Debtors and Creditors notes. For long position held this is based on the quoted bid price of the underlying security or index and for short positions held the quoted offer price of the underlying security or index.

The unrealised asset or liability position of each forward foreign exchange contract held at the year-end is determined with reference to the spot currency and the expected interest rate return over the currency contract to the settlement date.

For further details of derivatives please see pages 13 and 14.

c) Revenue

Dividends on equity investments are recognised gross of withholding tax when the security is quoted ex-dividend. Dividend equivalent values on long CFDs are recognised when the securities are quoted ex-dividend. Ordinary stock dividends are recognised wholly as revenue and are based on the market value of the shares on the date they are quoted ex dividend. Where an enhancement is offered, the amount by which the market value exceeds the cash dividend on the ex-dividend date is taken to capital.

All dividends and interest from underlying funds declared ex-dividend during the year ended 31 July 2024 are included in revenue. Any reported revenue from an offshore fund in excess of any distributions is recognised as revenue after the end of the reporting year, not later than the date when the reporting fund makes this information available.

Property income distributions ("PID") accrued in the year from UK Real Estate Investment Trusts ("REITs") is disclosed in the Revenue note under Property income from REITs. Any non-PID income accrued is disclosed in the Revenue note within UK dividends.

Dividends from US REITs are initially recognised as 70% revenue and 30% capital when the security goes ex-dividend. US REIT companies issue information on the revenue/capital split of these dividends on an annual basis based on the calendar year. When this information is received, the relevant portion is then reallocated to capital.

Interest on debt securities is recognised on an effective yield basis, which takes account of the amortisation of any discounts or premiums arising on the purchase price, compared to the final maturity value, over the remaining life of the security. An adjustment is made to revenue to reflect the impact of interest which is included in the transaction price of bonds purchased and sold. Bank interest and interest on short term deposits are recognised on an accruals basis. The fund managers, as part of the wider fixed income team at Aegon Asset Management UK plc, monitor monthly any distressed bonds held.

All revenue arising from stock lending (including revenue from cash collateral reinvestment) is treated as revenue on a receipts basis and is disclosed net of direct and indirect operational costs in the Revenue Note. This is paid to the relevant sub-fund involved in such transaction.

Special dividends are examined on a case by case basis to determine whether they should be treated as capital or revenue. Amounts recognised as revenue will form part of the sub-funds distributions. Any tax treatment thereon will follow the accounting treatment of the principal amount.

Information relating to revenue recognition on Derivative contracts can be found in section j of the Accounting policies.

d) Exchange rates

Overseas securities and assets and liabilities in currency other than sterling have been translated at the rate of exchange at close of business on the last business day of the accounting year. Transactions denominated in foreign currencies have been translated into sterling at the rates of exchange ruling at the time of the transaction.

Aegon Asset Management UK ICVC

Accounting Policies (continued)

1 Accounting Policies (continued)

e) Expenses

All expenses relating to the purchase and sale of investments are deemed to be a capital expense and as such are included in the cost of purchase or net proceeds from the sale of investments.

The ACD's periodic charge and other expenses are initially charged to the revenue property of the respective sub-funds, and are accounted for on an accruals basis.

The Aegon High Yield Bond Fund and Aegon Diversified Monthly Income Fund deduct the ACD's periodic charge and all other expenses from capital for the purpose of calculating any distribution as detailed in the distribution policies.

f) Allocation of revenue and expenses to multiple share classes

With the exception of the ACD's periodic charge which is directly attributable to individual share classes, all revenue and expenses are allocated to share classes pro-rata to the value of the net assets of the relevant share classes on the day that the revenue or expense is incurred. Taxation is computed by reference to the net revenue after expenses attributable to each share class. Revenue equalisation and annual management charge are specific to each share class.

g) Taxation

Corporation tax relief is applicable only where the transfer of the benefit is between the revenue and capital property of at least two different share classes of a sub-fund. Previously, corporation tax relief could apply between the revenue and capital property of the same share class of a sub-fund. Please note that marginal relief is not applied for the following sub-funds that take expenses to capital, Aegon Diversified Monthly Income Fund and Aegon High Yield Bond Fund.

Provision for Corporation Tax is based at the current rate, as appropriate, on the excess of taxable revenue over allowable expenses.

Deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay less or receive more tax. Deferred tax assets are recognised only to the extent that the manager considers that it will be more likely than not that there will be taxable profits from which underlying timing differences can be deducted.

h) Underwriting commission

Underwriting commission is accounted for when the issue underwritten takes place. Where the sub-fund is required to take up all of the shares underwritten, the commission received is treated as a deduction from the cost of the shares taken up. Where the sub-fund is required to take up a proportion of the shares underwritten, the same proportion of the commission received is treated as a deduction from the cost of the shares taken up and the balance is taken to revenue.

i) Cash flow statement

The sub-funds are not required to produce a cash flow statement as it meets the exemption criteria set out in the FRS102.7.1A.

j) Derivatives

When certain permitted financial instruments such as derivatives or forward currency contracts are used, both the motive and circumstances are used to determine whether the derivative returns should be treated as capital or revenue. Where positions are undertaken to protect or enhance capital, and the circumstances support this, the returns are recognised in net capital gains; similarly where the motives and circumstances are to generate or protect revenue, and the circumstances support this, the returns are recognised as revenue. Where positions generate total returns it will generally be appropriate to apportion such returns between capital and revenue to properly reflect the nature of the transaction.

Any capital gains/(losses) are included within net capital gains/(losses) and any revenue or expenses are included within revenue or finance costs respectively in the statement of total return.

Derivative revenue or expenses are netted off for the purpose of disclosure. The net balance is disclosed within either the revenue or finance cost note depending on whether the balance is a net revenue or expenses position respectively.

Forwards

Forward foreign currency contracts are used to manage currency risk arising from holdings of overseas securities. In these circumstances, all gains and losses are taken to capital. Where forward foreign currency contracts are used to generate revenue, and the circumstances support this, the interest on the difference between spot and forward rates on the trade date is split out and amortised over the life of the contract as revenue. Subsequent changes to the exchange rates during the life of the currency forward contract and on closure would be recognised as a capital gain/(loss).

Futures

A future is a financial contract obligating the buyer to purchase or sell an asset, at a predetermined future date and price. The holder of a futures contract is obligated to fulfil the terms of the contract. Futures are held within the sub-funds for Efficient Portfolio Management ("EPM") purposes.

Where futures contracts form a more significant element of the sub-fund strategy, for instance as part of a strategy to reduce risk while taking advantage of the relative performance of markets, the returns are bifurcated based on the underlying yield of the reference asset as adjusted for the implied cost of borrowing. The calculated income element is taken to revenue while the remaining element is taken to capital.

Interest rate swaps

Interest rate swaps are currently used to exchange interest rate streams to/from fixed rates from/to floating rates. Following the accounting for the underlying interest streams any gain/(loss) suffered from a mismatch in the fixed and floating interest rates should therefore be treated as revenue.

The price of these instruments also have a capital value since they are susceptible to changes in perceptions of credit risk, risk free interest rates and credit spreads. While these positions are open or traded on a secondary market, the mark to market return is taken to capital.

Aegon Asset Management UK ICVC

Accounting Policies (continued)

1 Accounting Policies (continued)

Contracts for difference ("CFD")

A CFD is a type of derivative instrument that generally provides an efficient way of securing exposure to underlying securities. CFDs allow investors to participate in the price movement of a stock without the need for ownership of the stock. The performance effect of owning a CFD is similar to holding the stock directly. Short and long positions can be held with CFDs.

The nature and intended use of these derivatives is to synthetically allow the sub-fund to go long and short on an underlying asset without the need to trade the physical securities – there are therefore revenue and capital returns to be derived from these instruments. By using a true look-through into the underlying position with the prime broker, it is possible to see the borrowing for long positions (or deposit for short positions). The mark to market gain/(loss) is also evident at each reset such that the total returns at these reset points can be allocated into each component part.

Dividends payable on CFD short positions held are included within Interest payable and similar charges on an accruals basis. The synthetic dividends generated by these holdings are similar to the underlying dividends produced by the equivalent equity holding however unlike true dividends these are not franked investment income and as such they are not included in the dividend exemption and are taxable and should be included in the corporation tax computation for the sub-fund.

Options

An option is a contract between two parties for a future transaction on a reference entity at a reference price (known as a strike or exercise price), that can be exercised at expiry date (European Option) or up to and including expiry date (American Option). The price of an option derives from the difference between the reference price and the value of the underlying asset, plus a premium based on the time remaining until the expiration of the option. There are 4 possible option types:

Call buyer – pays premium, obtains right, no obligation to buy underlying at exercise date.

Call writer – receives premium, takes obligation to deliver underlying if buyer exercises.

Put buyer – pays premium, obtains right, no obligation to sell underlying at exercise price.

Put writer – receives premium, takes obligation to take delivery of underlying and pay exercise price if call holder decides to exercise.

When an individual option is written "out of the money" the premium received for the option contract will be amortised to revenue on a straight line basis throughout the life of the option. Should an option be exercised any remaining premium will be retained in capital along with any loss suffered. The option treatment is decided at the inception of the contract at which point the motive and circumstance of the trade will be clear, this treatment will then be used throughout the life of that contract.

The ACD will only write call options where we hold the underlying equity position directly.

Credit default swaps

Credit default swaps are used to manage credit risk and protect the capital value of the sub-fund. This can be achieved using two different methods, either by protecting a specific holding which is also held in the sub-fund or by covering a basket of bonds or index which is not necessarily held but will provide a general hedge against a large credit event.

The motive of a credit default swap is to protect the capital value of the sub-fund however the risk of a credit event is reflected in a discount applied to the price of a bond and therefore recognised in revenue on an accruals basis. In order to match the premium paid with the discount the sub-fund splits the revenue received from the asset to provide greater protection in the event of a credit event. This creates a "risk free" rate of return.

The spread paid by the credit default swap is accounted for as revenue and forms part of distributable income and any mark to market movement is accounted for as capital.

2 Distribution Policies

a) Distribution policy

If at the end of the accounting year, revenue exceeds expenses and tax, the net revenue of the sub-fund is available to be distributed to shareholders. Should expenses and taxation exceed revenue, there will be no distribution and a transfer from capital will be made to cover the shortfall.

In satisfying the requirements of SI 2006/964 by holding 60% or greater of qualifying investments throughout the distribution period, the Aegon Sterling Corporate Bond, Aegon Strategic Bond, Aegon Investment Grade Bond and Aegon Ethical Corporate Bond sub-funds will distribute interest quarterly. The Aegon High Yield Bond Fund will distribute interest monthly. All other sub-funds of the Company will make quarterly or annual dividend distributions with the exception of the Aegon Diversified Monthly Income Fund which will make dividend distributions monthly.

Income earned in an interim accounting period need not be distributed immediately and may instead be retained and used to ensure that distributions paid throughout the year are broadly similar. Any residual income will be distributed at the sub-fund's annual income allocation date. This policy is known as "smoothing". The ACD operated a smoothing policy in respect of Aegon Diversified Monthly Income Fund during the year ending 31 July 2023, but this policy was not in place for the year ending 31 July 2024.

b) Indexation

Indexation from index linked bonds has been included within the distribution.

Aegon Asset Management UK ICVC

Accounting Policies (continued)

2 Distribution Policies (continued)

c) Expenses

The Aegon High Yield Bond Fund and Aegon Diversified Monthly Income Fund deduct the ACD's periodic charge and all other expenses from capital for the purpose of calculating any distribution. This may constrain capital growth.

d) Equalisation

Equalisation applies only to shares purchased during the distribution period (group 2 shares). It is the average amount of revenue included in the purchase price of all group 2 shares and is refunded to holders of these shares as a return of capital. Being a capital repayment, it is not liable to income tax but must be deducted from the cost of the shares for capital gains tax purposes.

3 Dilution Adjustment

The Company may suffer dilution (reduction in the value of the Scheme Property as a result of the costs incurred in dealing in its underlying investments and of any spread between the buying and the selling prices of such investments which is not reflected in the issue or redemption price paid by or to the Shareholder). With a view to countering this (which, if it is significant, disadvantages existing or continuing Shareholders), the ACD reserves the right to make a dilution adjustment to the price of a Share in the following circumstances:

1. to reflect the expanding or contracting trend of a sub-fund.
2. in any other case where the ACD is of the opinion that the interests of the shareholders require the imposition of a dilution adjustment.

Where a dilution adjustment is applied the value of the dilution adjustment will be paid forthwith by the ACD to the Depositary and will become part of the property attributed to the relevant sub-fund.

As dilution is directly related to the inflows and outflows of monies from the scheme it is not possible to accurately predict whether dilution will occur at any future point in time. Consequently it is also not possible to accurately predict how frequently the ACD will need to make such a dilution adjustment.

The ACD reserves the right to apply a higher dilution adjustment to the figures quoted and will monitor the circumstances of each sub-fund on an ongoing basis. Where we suspect that market timing may be taking place, we reserve the right to take whatever action is required in order to act in the best interests of the shareholders. On the occasions when the dilution adjustment is not applied there may be an adverse impact on the total assets of the relevant sub-fund.

4 Risks

Financial Instruments

In pursuing their investment objectives, some of the sub-funds may hold a number of financial instruments. These financial instruments, other than derivatives, comprise securities and other investments, cash balances, debtors and creditors that arise directly from the sub-funds' operations.

The main risks arising from financial instruments and the ACD's policies for managing these risks are stated below. These policies have been applied throughout the year and remain unchanged from the prior period.

Market price risk

The main risk arising from each sub-fund's financial instruments is market price. Market price risk is the risk that the value of the sub-funds investments will fluctuate as a result of changes in market price caused by factors other than interest rate or foreign currency movements. For example, changes in credit spreads, price levels or volatility.

Market price risk arises mainly from uncertainty about future prices of financial instruments that the sub-fund might hold. It represents the potential loss the sub-funds might suffer through holding market positions in the face of price movements. The sub-funds investment portfolios are exposed to market price fluctuations, which are monitored by the ACD in pursuance of their investment objectives, and policies are set out in the prospectus. The sub-funds' seek to manage these risks by holding diversified portfolios of investments in line with the sub-funds' objectives.

Adherence to the investment guidelines and to investment and borrowing powers set out in the instrument of incorporation, the prospectus and the rules of the Financial Conduct Authority's Collective Investment Schemes Sourcebook mitigates the risk of excessive exposure to any particular type of security or issuer.

Following the assessment of the investment policy of each sub-fund of the Company, the ACD has decided to use Value at Risk ("VaR") for the assessment of the global exposure of each sub-fund. VaR is a statistical measurement. It intends to measure the maximum potential loss at a given confidence level (probability) over a specific time period under normal market conditions. All of the positions within the portfolio are taken into account for the VaR calculation, not just derivatives. Absolute VaR is calculated daily using a VaR risk model based on a five years historical simulation methodology. This method for calculating VaR contains no standard distribution assumption and assumes that history repeats itself.

The calculation standards used for the VaR model are in compliance with the provisions in box 15 of ESMA Guidelines on Risk Measurement and the calculation of Global Exposure and Counterparty Risk for UCITS (Ref: 10-788 "ESMA Guidelines").

The Absolute VaR of a UCITS cannot be greater than 20% of its NAV.

Aegon Asset Management UK ICVC

Accounting Policies (continued)

4 Risks (continued)

Market price risk (continued)

The calculation of the Absolute VaR is carried out in accordance with the following parameters:

- one-tailed confidence interval of 99%;
- holding period equivalent to one month (i.e. 20 business days);
- effective observation period (history) of risk factors of five years; and
- daily calculation.

In line with box 25 of ESMA Guidelines, as the sub-funds use the VaR approach to monitor the global exposure, the ACD calculates the leverage for each sub-fund on a daily basis, as the sum of the absolute value of the notional of the derivatives used. With respect to financial derivative instruments which do not have a notional value attached to them, the calculation of the value is based upon the market value of the equivalent position of the underlying asset that is attached to the financial derivative instrument and applied consistently and appropriately.

Details of the minimum, maximum and average daily VaR utilisation will be included within the notes to the accounts for the sub-funds.

We have highlighted below positions which we believe will take longer than 30 days to liquidated:

Security	Composite Rating	Sub-fund exposure	Sub-fund
Avaya*		0.05%	Aegon High Yield Bond Fund
Avaya*		0.09%	Aegon Sustainable Diversified Growth Fund
Avaya*		0.03%	Aegon Diversified Monthly Income Fund
Lehman Brothers 6% 25/01/2013 Defaulted	NR	-	Aegon Sterling Corporate Bond Fund

*Please note that the Avaya position (ISIN: US05351X5077) is a private equity holding, our expectation is that this company will transition to public listing through an IPO in the future. We expect this holding to be more liquid once it is publicly listed.

Foreign currency risk

Foreign currency risk is the risk that the value of the sub-funds' investments will fluctuate as a result of changes in foreign currency exchange rates.

For the sub-funds where an element of the investment portfolio is invested in overseas securities the balance sheet can be affected by movements in exchange rates. The ACD may seek to manage exposure to currency movements by using forward foreign currency contracts or by hedging the sterling value of investments that are priced in other currencies. Revenue received in other currencies is converted to sterling on or near the date of receipt.

Interest rate risk

Interest rate risk is the risk that the value of sub-funds' investments will fluctuate as a result of changes in interest rates.

Some of the sub-funds invest in fixed interest securities. The revenue from these sub-funds may be affected by changes to interest rates relevant to particular securities or as a result of the ACD being unable to secure similar returns on the expiry of contracts or sale of securities. The value of fixed interest securities may be affected by such movements in the future. Interest receivable on bank deposits and payable on bank overdrafts will be affected by fluctuations in interest rates.

The sub-funds will adjust their exposure to interest risk according to their views on how rates will move in the future. This may mean that at times the sub-funds may take on more or less risk depending on the view of the Investment Manager.

Liquidity risk

Liquidity risk is the risk that low market liquidity through reduced trading volumes may affect the ability of the sub-fund to trade financial instruments at levels previously indicated by financial brokers.

The assets of the sub-funds are generally liquid and considered to be readily realisable, however liquidity conditions can be affected by economic events.

The sub-funds may also invest in debt and money market instruments that may be less liquid.

The sub-funds are exposed to liquidity risk, in our view a subset of market risk, arising from lack of a secondary market for the debt instruments that it holds.

The fund managers, as part of the wider fixed income team at Aegon Asset Management UK plc, monitor monthly any distressed bonds held. The fund manager will use their expert judgement as to the liquidity risks of the individual securities held by each of the sub-funds, and on an aggregate basis.

The sub-funds main commitments are to pay expenses, which are regular and predictable, and to meet any cancellation of shares that the investor wishes to sell. Assets from a sub-fund may need to be sold if insufficient cash is available to finance such cancellations.

Credit risk

Certain transactions in securities that the sub-fund enters into expose them to the risk that the counterparty will not deliver the investment for a purchase, or cash for a sale after the sub-fund has fulfilled its responsibility. The sub-funds only buy and sell investments through brokers, which have been approved by the ACD as an acceptable counterparty. In addition, limits are set to the exposure to any individual broker that may exist at any time and changes to brokers' financial ratings are reviewed.

Aegon Asset Management UK ICVC

Accounting Policies (continued)

4 Risks (continued)

Credit risk (continued)

Counterparty risk is also a feature of transactions in Over the Counter ("OTC") derivatives, so all derivative counterparties are also pre-approved. Futures are subject to daily variation margin payments which reduces the credit risk to one day's movement in index value. Forwards and swaps are transacted with a limited number of counterparties to reflect the increased credit risk involved in OTC derivatives. All forwards with the exception of FX forwards are covered by ISDA agreements.

Cash may only be deposited with banks that have a minimum credit rating of A and have been approved by Aegon as cash counterparties. According to UCITS rules no more than 20% of the NAV of the sub-fund may be exposed to a single counterparty and cash deposits are managed to this limit.

For asset backed investments (including FRNs) there is the possibility of default of the issuer and default in the underlying assets meaning that the sub-fund may not receive back the full principal originally invested.

Derivative risk

The derivative contracts that the sub-funds have entered into are futures (Exchange Traded Derivatives ("ETD")), forward currency contracts (OTC), interest rate Swaps (OTC), credit default swaps (OTC), contracts for difference (OTC) and written options (ETD or OTC). Some of the sub-funds may use derivatives for Efficient Portfolio Management (EPM), including for hedging purposes, and for investment purposes. The way in which derivatives will be used in each context may raise the risk profile of the sub-fund.

Permitted EPM transactions are transactions in futures, options, swaps, contracts for difference or forward currency transactions. There is no limit on the amount which may be used for EPM but the transactions must satisfy the following broadly-based requirements:

- (i) Reduction of risk
- (ii) Reduction of cost
- (iii) The generation of additional capital or revenue for the sub-fund with no, or an acceptably low level of risk.

Each EPM transaction must be covered to meet the sub-funds total exposure, taking into account the value of the underlying assets, any reasonably foreseeable market movements, counterparty risk and the time available to liquidate any positions.

Subject to their investment objectives and policies, each sub-fund may also use derivatives for investment purposes (i) as a substitute for taking a position in an underlying asset, (ii) to tailor the sub-fund's interest rate exposure to the ACD's outlook for interest rates, and/or (iii) to gain an exposure to the composition and performance of a particular index (including a financial index). Derivatives may also be used in order to take tactical decisions. Swaps may be used to gain or reduce the sub-fund's exposure to credit spreads on a particular security or market for periods of time to be determined by the ACD, either in advance of a longer term allocation or reappraisal of the sub-fund's commitment to the asset or market in question, or purely on a temporary basis where it is more efficient to use derivatives for this purpose. The ACD may use futures, forwards or swaps (including credit default swaps) and contracts for difference to increase or reduce the beta (the measurement of volatility/risk of a security or portfolio in comparison to the market as a whole), interest rate duration or spread duration of all or part of the sub-fund's portfolio to take account of changing levels of volatility in the market while at the same time maintaining exposure to the market. Transactions in OTC derivatives will be undertaken with an approved counterparty.

5 Fair value of financial assets and financial liabilities

There is no difference between the value of the financial assets and liabilities, as shown in the balance sheet, and their fair value.

6 Related Parties

Aegon Asset Management UK plc as the ACD is regarded as a related party under Financial Reporting Standard 102, and acts as principal in respect of all transactions in the shares of the Company and its sub-funds. Amounts payable to the ACD in respect of the ACD periodic charge are disclosed in the Expenses Note of the financial statements of each sub-fund. All issued and redeemed shares transacted with the ACD are shown in the Statement of Change in Net Assets Attributable to Shareholders and the Distributions Note of the sub-fund financial statements. Balances due from and to the ACD for the ACD periodic charge, outstanding share issues and share cancellations are shown in the Debtors Note and Other Creditors Note of the financial statements of each sub-fund.

AEGON UK is a related party of the ACD. Both parties share an ultimate controlling party, AEGON NV, a Dutch listed company and the parent company of the AEGON Group. Transactions with the AEGON UK companies are shown in the notes to each sub-fund's financial statements.

Aegon Sterling Corporate Bond Fund

Fund objective

The investment objective is to provide a combination of income and capital growth over any 7 year period.

Investment policy

At least 80% of the sub-fund will be invested in a portfolio of investment grade corporate bonds issued anywhere in the world. Up to 10% of the sub-fund may also be invested in high yield corporate bonds. The sub-fund may also invest in other transferable securities, government and public securities, collective investment schemes, money market instruments, deposits and cash and near cash, and derivative instruments and forward transactions may also be used for efficient portfolio management.

Risk profile

The sub-fund is designed for retail and institutional investors seeking pooled exposure to the sterling corporate bond market and who are comfortable with a medium level of investment risk. In most cases, we expect the sub-fund to be held as part of a diversified portfolio, which may include other assets such as bonds, equities, property and cash. While investors will normally be able to liquidate their holdings on a daily basis, unit prices will fluctuate and may fall significantly in value. Consequently, it is important to understand that the sub-fund should be viewed as a longer term investment.

The sub-fund is actively managed and exposed to a range of risks, which are listed and defined in the Aegon Asset Management UK ICVC Prospectus. The most material risks from this list also appear in our Key Investor Information documents (KIID) where they are summarised in an easy-to-read format. You can find both of these documents on our website at www.aegonam.com.

Performance*

The Aegon Sterling Corporate Bond Fund returned 11.54% compared to the peer group median return of 9.92%. The peer group is the Investment Association Sterling Corporate Bond sector.

Strategy review**

Both government and corporate bond markets performed strongly over the period, with government bond yields moving sharply lower and corporate bonds tightening.

The positive environment was due in large part to key economic data releases generally coming in lower than expected while inflation across the globe continued to ease somewhat, even if in an uneven fashion. Although both the European Central Bank (the "ECB") and the Bank of England were cautious in making any statements about rate cuts, the market priced-in aggressive easing paths for both jurisdictions from October onwards, in line with its revised expectations for the US Federal Reserve (the "Fed"). This backdrop was supportive for both government and corporate bonds towards the end of 2023, with the latter benefiting not only from the lower funding costs it implied for companies but also from the increase in demand for the asset class.

As we moved into 2024, however, market participants reduced the number of rate cuts that global central banks were likely to deliver, as global inflation data proved to be stickier than many had expected. At the same time, the US economy continued to defy gloomy expectations and progressed at near full speed. This was sufficient to reprice Fed cuts priced-in for 2024 from over six in January to below three at the end of March.

The volatility in the inflation and economic outlook continued as we approached the end of the period, with weaker economic data once again prevalent as US inflation surprised to the downside, joining the trend seen in Europe and the UK. Given the weaker environment, the ECB started its rate cutting cycle in June after an extended period of sub-trend growth and falling inflation. They joined the Bank of Canada, Swiss National Bank and Swedish Riksbank which also cut rates, with the UK expected to follow later in the summer.

Throughout the period we actively managed the sub-fund's duration (a measure of interest rate risk), we reduced our interest rate risk level when economic data was stronger and subsequently re-built our position as global government bond yields backed-up.

For most of the first half of the period, as government bond yields fell sharply, longer-dated holdings were among the standout names in the sub-fund. Among the top performers were a long-dated holdings in Heathrow and, in financials, holdings in Goldman Sachs and Aviva.

Short-dated bonds and those with less duration sensitivity performed strongly in January as data releases proved economies were more robust than expected, leading markets to reduce the amount and rate of interest rate cuts. Among our best performers in this area were issues from Asda financing vehicle Bellis Acquisition and Centre Parcs. Selected financial bonds also started 2024 well against a continuation of the strong risk tone.

As we moved through the second half of the period, there was volatility in government bond yields and spreads. Market expectations for rate cuts continued to moderate, with futures moving to price in (broadly) two rate cuts across the three major markets by year-end. Our level of duration fluctuated around 6.2 and 6.1 years before ending the period at 6 years.

UK Government bond yields rose in April, contributed to by the strength of domestic data, but also led to some extent by rising US Government yields and strong data there. Holdings with less duration sensitivity (due to tenor, subordination, or credit rating) performed more favourably. A holding in Asda finco performed well as they moved towards a tender at an attractive level. A subordinated holding in EDF likewise performed strongly. At the opposite end of the spectrum, long dated holdings which came under pressure included bonds from Heathrow and from Goldman Sachs. One notable name that struggled during this part of the period and beyond was Thames Water. The name came under regulatory scrutiny and caused volatility in the UK utilities market which inevitably led to spread widening in the UK during April.

However, from May onwards, government bond yields were lower, and longer-dated holdings were back in favour. During this period, long-dated financials holding M&G did well and ended the period as a top positive contributor overall. Other financials names which were strong and made the overall top positive contributors list include Intesa Sanpaolo and Aviva.

*Source: Lipper, % growth, income re-invested at pay date, NAV-NAV, GBP, net of Basic Rate Tax. Index returns are gross of Basic Rate Tax.

Investors are invited to compare the sub-fund's performance against the performance of other funds within the Investment Association Sterling Corporate Bond Sector. Comparison of the sub-fund against this Sector will give investors an indication of how the sub-fund is performing compared with funds investing in a similar but not identical investment universe. This comparison should be performed over at least a 7 year period to provide the most useful long term comparison.

**General references to markets and indices are to be considered as general market commentary only and (i) are not to be considered as a comparison of sub-fund performance against a benchmark (unless otherwise disclosed as such); and (ii) the index or indices do not operate as a performance target and the sub-fund's portfolio is not constrained by the index or indices.

Aegon Sterling Corporate Bond Fund

Material portfolio changes

Top ten purchases	31 July 2024	Top ten sales	31 July 2024
	£'000		£'000
Pinewood Finco 6% 27/03/2030	1,300	AXA 5.453% Perpetual	1,919
Metropolitan Life Global Funding I 4.5% 09/07/2027	1,300	Virgin Money UK 7.875% 14/12/2028	1,900
Scottish Hydro Electric Transmission 5.5% 15/01/2044	988	Telereal Securitisation 6.1645% 10/12/2031	1,585
Bellis Acquisition 8.125% 14/05/2030	700	National Grid Electricity Distribution 3.625% 06/11/2023	1,500
South West Water Finance 6.375% 05/08/2041	699	Bank of America 7% 31/07/2028	1,291
KBC 6.151% 19/03/2034	600	Bellis Acquisition 3.25% 16/02/2026	1,086
Rothsay Life 7.019% 12/10/2034	500	DWR Cymru Financing UK 1.375% 31/03/2033	1,053
Unite REIT 5.625% 25/06/2032	499	Dignity Finance 3.5456% 31/12/2034	976
Sovereign Housing Capital 5.5% 24/01/2057	492	AT&T 4.375% 14/09/2029	960
Centrica 21/05/2055	400	Incommunities Treasury 3.25% 21/03/2049	890

Aegon Sterling Corporate Bond Fund

Comparative Tables

B Accumulation shares	2024	2023	2022
	(p/share)	(p/share)	(p/share)
Change in net assets per share			
Opening net asset value per share	80.18	85.92	96.84
Return before operating charges*	9.46	(5.42)	(10.55)
Operating charges	(0.35)	(0.32)	(0.37)
Return after operating charges*	9.11	(5.74)	(10.92)
Distributions	(3.00)	(2.77)	(2.55)
Retained distributions on accumulation shares	3.00	2.77	2.55
Closing net asset value per share	89.29	80.18	85.92
*after direct transaction costs of	-	-	-
Performance			
Return after charges	11.36%	(6.68)%	(11.28)%
Other information			
Closing net asset value (£'000)	80,359	80,040	103,100
Closing number of shares	89,994,430	99,827,176	119,988,927
Operating charges	0.42%	0.40%	0.40%
Direct transaction costs	-	-	-
Prices			
Highest share price	89.41	86.79	97.31
Lowest share price	78.55	71.09	82.37

B Income shares	2024	2023	2022
	(p/share)	(p/share)	(p/share)
Change in net assets per share			
Opening net asset value per share	27.41	30.41	35.25
Return before operating charges*	3.19	(1.92)	(3.79)
Operating charges	(0.12)	(0.11)	(0.13)
Return after operating charges*	3.07	(2.03)	(3.92)
Distributions	(1.01)	(0.97)	(0.92)
Retained distributions on accumulation shares	-	-	-
Closing net asset value per share	29.47	27.41	30.41
*after direct transaction costs of	-	-	-
Performance			
Return after charges	11.20%	(6.68)%	(11.12)%
Other information			
Closing net asset value (£'000)	23,669	25,597	33,391
Closing number of shares	80,321,768	93,392,763	109,809,067
Operating charges	0.42%	0.40%	0.40%
Direct transaction costs	-	-	-
Prices			
Highest share price	29.75	30.72	35.43
Lowest share price	26.85	25.16	29.38

Highest and Lowest share prices are based on official published daily NAVs priced at 12 noon on the last business day of the year. The closing net asset value per share is at close of business.

Aegon Sterling Corporate Bond Fund

Comparative Tables (continued)

S Accumulation shares	2024	2023	2022
	(p/share)	(p/share)	(p/share)
Change in net assets per share			
Opening net asset value per share	96.73	103.56	116.60
Return before operating charges*	11.43	(6.54)	(12.70)
Operating charges	(0.33)	(0.29)	(0.34)
Return after operating charges*	11.10	(6.83)	(13.04)
Distributions	(3.72)	(3.44)	(3.18)
Retained distributions on accumulation shares	3.72	3.44	3.18
Closing net asset value per share	107.83	96.73	103.56
 *after direct transaction costs of	-	-	-
Performance			
Return after charges	11.48%	(6.60)%	(11.18)%
Other information			
Closing net asset value (£'000)	665	558	1,016
Closing number of shares	616,376	576,748	981,620
Operating charges	0.32%	0.30%	0.30%
Direct transaction costs	-	-	-
Prices			
Highest share price	107.98	104.61	117.17
Lowest share price	94.77	85.69	99.27

S Income shares	2024	2023	2022
	(p/share)	(p/share)	(p/share)
Change in net assets per share			
Opening net asset value per share	81.53	90.45	104.87
Return before operating charges*	9.49	(5.70)	(11.29)
Operating charges	(0.27)	(0.25)	(0.30)
Return after operating charges*	9.22	(5.95)	(11.59)
Distributions	(3.09)	(2.97)	(2.83)
Retained distributions on accumulation shares	-	-	-
Closing net asset value per share	87.66	81.53	90.45
 *after direct transaction costs of	-	-	-
Performance			
Return after charges	11.31%	(6.58)%	(11.05)%
Other information			
Closing net asset value (£'000)	11,958	20,420	31,331
Closing number of shares	13,642,565	25,046,339	34,637,504
Operating charges	0.32%	0.30%	0.30%
Direct transaction costs	-	-	-
Prices			
Highest share price	88.52	91.37	105.39
Lowest share price	79.87	74.85	87.41

Highest and Lowest share prices are based on official published daily NAVs priced at 12 noon on the last business day of the year. The closing net asset value per share is at close of business.

Aegon Sterling Corporate Bond Fund

Portfolio Statement

The sub-fund's investments as at 31 July 2024

Holding	Investment	Market valuation £'000	Total net assets %
Sterling Denominated Bonds 98.55% (31 July 2023 97.47%)			
Asset Backed Security 5.77% (31 July 2023 8.13%)			
1,500,000	Arqiva Financing 4.882% 31/12/2032	831	0.71
2,040,000	Canary Wharf Finance II 6.8% 22/04/2030	894	0.77
1,500,000	Channel Link Enterprises Finance 3.848% 30/06/2050	1,036	0.89
2,000,000	Income Contingent Student Loans 2 2007-2009 2.5% 24/07/2058	1,143	0.98
3,300,000	Telereal Secured Finance 4.01% 10/12/2031	1,563	1.34
4,000,000	Telereal Securitisation 4.9741% 10/09/2027	1,266	1.08
		6,733	5.77
Corporate Bonds 91.86% (31 July 2023 88.51%)			
400,000	Admiral 8.5% 06/01/2034	451	0.39
1,500,000	Anchor Hanover 2% 21/07/2051	792	0.68
1,200,000	Anglian Water Osprey Financing 2% 31/07/2028	962	0.83
700,000	Annington Funding 3.685% 12/07/2034	591	0.51
600,000	Annington Funding 4.75% 09/08/2033	559	0.48
500,000	AT&T 4.375% 14/09/2029	487	0.42
900,000	Athene Global Funding 1.75% 24/11/2027	811	0.69
1,600,000	Aviva 6.875% 20/05/2058	1,668	1.43
1,300,000	Banco Bilbao Vizcaya Argentaria 3.104% 15/07/2031	1,234	1.06
500,000	Bank of America 7% 31/07/2028	541	0.46
2,000,000	Bank of America 8.125% 02/06/2028	2,185	1.87
700,000	Barclays 8.407% 14/11/2032	748	0.64
700,000	Barclays 8.875% Perpetual	720	0.62
700,000	Bellis Acquisition 8.125% 14/05/2030	691	0.59
1,000,000	Berkshire Hathaway Finance 2.375% 19/06/2039	720	0.62
1,000,000	Blackstone Property Partners Europe 2.625% 20/10/2028	886	0.76
600,000	BP Capital Markets 4.25% Perpetual	576	0.49
800,000	BPCE 6.125% 24/05/2029	829	0.71
500,000	British Telecommunications 5.75% 13/02/2041	506	0.43
1,000,000	Cadent Finance 2.125% 22/09/2028	900	0.77
1,300,000	Channel Link Enterprises Finance 3.043% 30/06/2050	1,159	0.99
1,400,000	Citigroup 1.75% 23/10/2026	1,313	1.13
1,200,000	Citigroup 6.8% 25/06/2038	1,390	1.19
500,000	Close Brothers 7.75% 14/06/2028	520	0.45
1,200,000	Comcast 1.5% 20/02/2029	1,059	0.91
900,000	Comcast 1.875% 20/02/2036	662	0.57
1,700,000	Coventry Building Society 2% 20/12/2030	1,405	1.20
400,000	Coventry Building Society 8.75% Perpetual	407	0.35
700,000	CPUK Finance 6.136% 28/08/2031	716	0.61
1,300,000	CPUK Finance 6.5% 28/08/2026	1,287	1.10
1,400,000	Credit Agricole 4.875% 23/10/2029	1,411	1.21
1,600,000	Danske Bank 2.25% 14/01/2028	1,494	1.28
1,100,000	Derwent London REIT 1.875% 17/11/2031	883	0.76
1,900,000	Deutsche Bank 1.875% 22/12/2028	1,702	1.46
1,100,000	Deutsche Bank 2.625% 16/12/2024	1,086	0.93
1,500,000	Direct Line Insurance 4% 05/06/2032	1,264	1.08
1,000,000	DS Smith 2.875% 26/07/2029	907	0.78
800,000	DWR Cymru Financing UK 1.375% 31/03/2033	596	0.51
700,000	DWR Cymru Financing UK 1.625% 31/03/2026	659	0.56
1,300,000	E.ON International Finance 4.75% 31/01/2034	1,255	1.08
1,200,000	E.ON International Finance 6.375% 07/06/2032	1,302	1.12
1,100,000	Electricite de France 5.875% 18/07/2031	1,138	0.98
1,500,000	Electricite de France 6% Perpetual	1,478	1.27
600,000	Engie 5.625% 03/04/2053	587	0.50
170,000	Esure 6.75% 19/12/2024	169	0.14
800,000	Ford Motor Credit 4.535% 06/03/2025	793	0.68
2,000,000	Goldman Sachs 6.875% 18/01/2038	2,208	1.89
800,000	Grainger 3% 03/07/2030	690	0.59

Aegon Sterling Corporate Bond Fund

Portfolio Statement (continued)

Holding	Investment	Market valuation £'000	Total net assets %
Corporate Bonds (continued)			
1,300,000	Grainger 3.375% 24/04/2028	1,206	1.03
1,300,000	GSK Capital 1.625% 12/05/2035	961	0.82
500,000	Haleon UK Capital 2.875% 29/10/2028	470	0.40
2,300,000	Heathrow Funding 4.625% 31/10/2046	1,998	1.71
1,700,000	HSBC Capital Funding Sterling 1 5.844% Perpetual	1,774	1.52
1,300,000	IG 3.125% 18/11/2028	1,146	0.98
1,200,000	Imperial Brands Finance 5.5% 28/09/2026	1,210	1.04
1,400,000	ING Groep 6.25% 20/05/2033	1,431	1.23
1,400,000	Intesa Sanpaolo 2.5% 15/01/2030	1,223	1.05
1,400,000	Intesa Sanpaolo 5.148% 10/06/2030	1,324	1.13
1,300,000	Investec 1.875% 16/07/2028	1,167	1.00
600,000	KBC 6.151% 19/03/2034	610	0.52
1,500,000	KFW 5.75% 07/06/2032	1,668	1.43
5,000,000	Lehman Brothers 6% 25/01/2013 Defaulted*	1	-
1,290,000	Lloyds Banking 2.707% 03/12/2035	1,075	0.92
1,700,000	Logicor 2019-1 UK 1.875% 17/11/2026	1,584	1.36
2,100,000	M&G 6.34% 19/12/2063	2,028	1.74
1,800,000	McDonald's 2.95% 15/03/2034	1,543	1.32
800,000	McDonald's 3.75% 31/05/2038	696	0.60
1,300,000	Metropolitan Life Global Funding I 4.5% 09/07/2027	1,294	1.11
2,100,000	Nestle 1.375% 23/06/2033	1,637	1.40
1,000,000	NGG Finance 5.625% 18/06/2073	995	0.85
800,000	Nordea Bank 1.625% 09/12/2032	711	0.61
1,200,000	Northern Powergrid Yorkshire 4.375% 05/07/2032	1,156	0.99
1,300,000	Onward Homes 2.125% 25/03/2053	678	0.58
1,900,000	Orsted 5.75% 09/04/2040	1,943	1.67
1,100,000	Paragon Treasury 2% 07/05/2036	779	0.67
900,000	Pension Insurance 5.625% 20/09/2030	875	0.75
323,000	Phoenix 6.625% 18/12/2025	326	0.28
1,300,000	Pinewood Finco 6% 27/03/2030	1,291	1.11
900,000	Prologis International Funding II 2.75% 22/02/2032	771	0.66
1,145,000	RAC 4.87% 06/05/2026	1,132	0.97
1,600,000	Realty Income 1.625% 15/12/2030	1,304	1.12
400,000	Reckitt Benckiser Treasury 5.625% 14/12/2038	415	0.36
800,000	Rentokil Initial 5% 27/06/2032	794	0.68
1,000,000	Rothsay Life 3.375% 12/07/2026	964	0.83
500,000	Rothsay Life 7.019% 10/12/2034	511	0.44
700,000	Sanctuary Capital 2.375% 14/04/2050	418	0.36
1,200,000	Scottish Hydro Electric Transmission 2.25% 27/09/2035	918	0.79
1,000,000	Scottish Hydro Electric Transmission 5.5% 15/01/2044	989	0.85
700,000	South West Water Finance 6.375% 05/08/2041	710	0.61
500,000	Sovereign Housing Capital 5.5% 24/01/2057	505	0.43
1,700,000	SP Manweb 4.875% 20/09/2027	1,706	1.46
800,000	Svenska Handelsbanken 4.625% 23/08/2032	778	0.67
1,500,000	Thames Water Utilities Finance 2.625% 24/01/2032	1,031	0.88
200,000	Thames Water Utilities Finance 7.75% 30/04/2044	151	0.13
1,800,000	UBS 1.125% 15/12/2025	1,706	1.46
500,000	Unite REIT 5.625% 25/06/2032	511	0.44
1,000,000	Verizon Communications 1.875% 19/09/2030	850	0.73
1,500,000	Verizon Communications 2.5% 08/04/2031	1,307	1.12
1,300,000	Vinci 2.75% 15/09/2034	1,097	0.94
900,000	Virgin Money UK 5.125% 11/12/2030	890	0.76
1,200,000	Virgin Money UK 8.25% Perpetual	1,214	1.04
1,020,000	Vodafone 3% 12/08/2056	620	0.53
900,000	Vodafone 5.125% 02/12/2052	819	0.70
1,500,000	Westfield Stratford City Finance NO 2 1.642% 04/08/2026	1,383	1.19
500,000	Whitbread 2.375% 31/05/2027	461	0.40
650,000	Whitbread 3% 31/05/2031	567	0.49
500,000	Yorkshire Building Society 3.511% 11/10/2030	463	0.40
1,000,000	Zurich Finance (Ireland) DAC 5.125% 23/11/2052	973	0.83
		107,155	91.86

Aegon Sterling Corporate Bond Fund

Portfolio Statement (continued)

Holding	Investment	Market valuation £'000	Total net assets %
	Government Bonds 0.92% (31 July 2023 0.83%)		
1,000,000	European Investment Bank 6% 07/12/2028	1,076	0.92
		1,076	0.92
	Derivatives and Futures Contracts 0.08% (31 July 2023 (0.03)%)		
	Futures Contracts 0.08% (31 July 2023 (0.03)%)		
44	Long Gilt Future Contract September 2024	94	0.08
		94	0.08
	Portfolio of investments	115,058	98.63
	Net other assets	1,593	1.37
	Total net assets attributable to shareholders	116,651	100.00

Analysis of investments by asset class

	Market value £'000	Value of investments %
Bonds	114,964	98.55
Derivatives	94	0.08
Portfolio of investments	115,058	98.63
Net other assets	1,593	1.37
Total net assets attributable to shareholders	116,651	100.00

The comparative percentage figures in brackets are at 31 July 2023.

All investments are approved securities being either officially listed in a member state or traded on or under the rules of an eligible securities market, unless otherwise stated.

*At risk of default or illiquid securities as disclosed on page 16 and has been classified as Level 3 (See Fair Value Disclosure table on page 31).

Aegon Sterling Corporate Bond Fund

Statement of Total Return for the year ended 31 July 2024

			2024		2023
	Note	£'000	£'000	£'000	£'000
Income					
Net capital gains/(losses)	2		8,737		(16,322)
Revenue	3	4,843		5,515	
Expenses	4	(485)		(533)	
Interest payable & similar charges	5	(40)		(28)	
Net revenue before taxation		4,318		4,954	
Taxation	6	-		-	
Net revenue after taxation			4,318		4,954
Total return before distributions			13,055		(11,368)
Distributions	7		(4,318)		(4,954)
Change in net assets attributable to shareholders from investment activities			8,737		(16,322)

Statement of Change in Net Assets Attributable to Shareholders for the year ended 31 July 2024

		2024		2023
	£'000	£'000	£'000	£'000
Opening net assets attributable to shareholders		126,615		168,838
Amounts receivable on issue of shares	11,246		9,273	
Amounts payable on cancellation of shares	(32,828)		(38,312)	
		(21,582)		(29,039)
Dilution adjustment		74		125
Change in net assets attributable to shareholders from investment activities		8,737		(16,322)
Retained distributions on accumulation shares		2,804		3,010
Unclaimed distributions		3		3
Closing net assets attributable to shareholders		116,651		126,615

Aegon Sterling Corporate Bond Fund

Balance Sheet as at 31 July 2024

			2024		2023
	Note	£'000	£'000	£'000	£'000
Assets					
Fixed assets:					
Investments			115,058		123,410
Current assets:					
Debtors	8	1,697		1,741	
Cash and bank balances	9	<u>1,393</u>		<u>2,608</u>	
			<u>3,090</u>		<u>4,349</u>
Total assets			118,148		127,759
Liabilities					
Investment liabilities			-		36
Creditors					
Distributions payable		297		416	
Other creditors	10	<u>1,200</u>		<u>692</u>	
Total liabilities			<u>1,497</u>		<u>1,144</u>
Net assets attributable to shareholders			116,651		126,615

Aegon Sterling Corporate Bond Fund

Notes to the Financial Statements

1 Accounting policies

The sub-fund's financial statements have been prepared on the basis disclosed on pages 12 to 14.

2 Net capital gains/(losses)

Net capital gains/(losses) comprise:

	2024	2023
	£'000	£'000
Gains/(losses) on non-derivative securities	8,233	(15,779)
Currency exchange losses	-	(2)
Gains/(losses) on derivative securities	504	(541)
Net capital gains/(losses)	8,737	(16,322)

3 Revenue

	2024	2023
	£'000	£'000
Interest on debt securities	4,743	5,449
Bank interest	89	39
Stock lending income*	11	27
Total revenue	4,843	5,515

*The sub-fund received 72% of the revenue returns from stock lending activities. The gross earnings for the year are £16,000 (2023: £38,000) and expenses paid of £5,000 (2023: £11,000).

4 Expenses*

	2024	2023
	£'000	£'000
Payable to the ACD, associates of the ACD and agents of either of them:		
ACD's periodic charge	408	473
Payable to the Depositary, associates of the Depositary and agents of either of them:		
Depositary fee	17	18
Other expenses:		
Audit fee**	14	12
FT publishing fee	3	5
PRIIPs fees	3	9
Registrar's fee	34	10
Safe custody charge	6	6
	60	42
Total expenses	485	533

*All expenditure stated above is inclusive of irrecoverable VAT where applicable.

**The audit fee (excluding VAT) incurred during the year was £11,400 (2023: £11,132).

5 Interest payable & similar charges

	2024	2023
	£'000	£'000
Futures expense	40	28
Interest payable & similar charges	40	28

Aegon Sterling Corporate Bond Fund

Notes to the Financial Statements (continued)

6 Taxation

Corporation tax has not been provided for as expenses and interest distributions payable by the sub-fund exceed the revenue liable to corporation tax.

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2023: lower than) the standard rate of corporation tax for Open Ended Investment Companies 'OEICs' (20%).

The differences are explained below:

	2024	2023
	£'000	£'000
Net revenue before taxation	4,318	4,954
Corporation tax 20% (2023: 20%)	864	991
Effects of:		
Tax deductible interest distributions	(864)	(991)
Total tax charge for the year	-	-

Open Ended Investment Companies are exempt from tax on capital gains. Therefore, any capital return is not included in the above reconciliations.

7 Distributions

The distributions take account of amounts receivable on the issue of shares and amounts deductible on the cancellation of shares, and comprise:

	2024	2023
	£'000	£'000
Interim distributions	3,272	3,701
Final distribution	959	1,129
	4,231	4,830
Add: amounts deductible on cancellation of shares	143	169
Less: amounts receivable on creation of shares	(56)	(45)
Distributions	4,318	4,954

Details of the distributions are set out in the tables on page 33.

8 Debtors

	2024	2023
	£'000	£'000
Accrued revenue	1,541	1,708
Amounts receivable for the issue of shares	156	33
Debtors	1,697	1,741

9 Cash and bank balances

	2024	2023
	£'000	£'000
Amounts held at futures clearing houses and brokers	194	753
Cash and bank balances	1,199	1,855
Cash and bank balances	1,393	2,608

10 Other creditors

	2024	2023
	£'000	£'000
Accrued ACD periodic charge	66	71
Accrued other expenses	77	50
Amounts payable for cancellation of shares	358	571
Purchases awaiting settlement	699	-
Other creditors	1,200	692

Aegon Sterling Corporate Bond Fund

Notes to the Financial Statements (continued)

11 Related parties

Related party interests in the sub-fund are disclosed in Note 6 of the Accounting Policies on page 17. Amounts due to the ACD as at year end for the ACD periodic charge and amounts due to the ACD for outstanding cancellations are disclosed in Note 10. Amounts receivable from the ACD as at year end for outstanding issue of shares are disclosed in Note 8. At the year-end 14.39% (2023: 13.56%) of the shares in issue were owned by AEGON Group or AEGON UK companies.

12 Contingent assets, liabilities and commitments

There were no contingent assets, liabilities or commitments present in the sub-fund as at 31 July 2024 (2023: £Nil).

13 Financial instruments and risk

The risks associated with the sub-fund are market, concentration, valuation, yield, liquidity, counterparty, and interest rate risk. Narrative disclosures are on pages 15 to 17.

Analysis of investments by credit ratings

	2024		2023	
	Market value £'000	Value of investments %	Market value £'000	Value of investments %
Investment grade	99,226	85.05	105,002	82.96
Below investment grade	9,187	7.87	10,091	7.95
Unrated	6,551	5.63	8,317	6.56
Derivatives	94	0.08	(36)	(0.03)
Portfolio of investments	115,058	98.63	123,374	97.44
Net other assets	1,593	1.37	3,241	2.56
Total net assets attributable to shareholders	116,651	100.00	126,615	100.00

Note - Investment grade securities are defined as securities with a Standard & Poor's, Moody's or Fitch's rating of BBB-, Baa3 and BBB- or above respectively.

Derivative risk

The sub-fund invests in derivatives, consistent with the investment objective of the sub-fund, as outlined in the derivative risks section on page 17.

VaR Disclosure

The Manager assesses the market risk of the sub-fund's investments, including any derivative exposure, using a value at risk methodology. This process provides the Manager with an estimate of the maximum potential loss that could be expected to occur as a result of changes in market prices over a given period of time in all but a given percentage of circumstances. The value at risk is calculated on a 99.00% (2023: 95.00%) confidence interval with a one month time horizon and a five year history, using the Historical model. The sub-fund has an absolute VaR limit of 20.00% (2023: 14.10%). As at the balance sheet date, the sub-fund's value at risk is 4.84% (2023: 4.34%).

The following table details the lowest, highest and average utilisation of the absolute VaR limit:

	Lowest Utilisation (%)	Highest Utilisation (%)	Average Utilisation (%)
31 July 2024	4.83	7.68	6.00
31 July 2023	3.02	5.58	4.29

Leverage

Average leverage is calculated as the sum of the net asset value and the incremental exposure generated through the use of derivatives (calculated in accordance with the commitment approach (Committee of European Securities Regulators ("CESR")/10-788)) divided by the net asset value. As at 31 July 2024 the average leverage was 5.25% (2023: 7.72%).

Counterparty risk

The risk of entering an arrangement with a counterparty, which is itself subject to financial risks which may affect its ability to trade as a going concern.

The ACD maintains a list of approved counterparties. This list is regularly monitored and revised for changes based on the counterparty's credit-worthiness, market reputation and expectations of future financial performance. Transactions will only be opened with financial intermediaries on the approved counterparties list.

Aegon Sterling Corporate Bond Fund

Notes to the Financial Statements (continued)

13 Financial instruments and risk (continued)

Counterparty risk (continued)

The sub-fund's use of exchange traded derivatives are considered to be free of counterparty risk if the derivative is traded on an exchange where the clearing house is backed by an appropriate performance guarantee and it is characterised by a daily mark-to-market valuation of the derivative position and at least daily margining.

At 31 July 2024, the market value of the exchange traded derivatives held by the sub-fund was £94,000 (2023: (£36,000)).

The following details exposure to counterparties obtained through the use of derivatives:

As at 31 July 2024

Counterparty	Futures		Collateral pledge	
	Stock on loan	Exposure	Stock	Cash
	£'000	£'000	£'000	£'000
Barclays	1,940	-	2,028	-
JPMorgan	1,963	-	2,033	-
UBS	-	94	-	-

As at 31 July 2023

Counterparty	Futures		Collateral pledge	
	Stock on loan	Exposure	Stock	Cash
	£'000	£'000	£'000	£'000
Barclays	9,194	-	9,413	-
BNP Paribas	432	-	442	-
HSBC	3,108	-	3,364	-
Jefferies	260	-	266	-
JPMorgan	403	-	413	-

Positive exposure represents the sub-fund's exposure to that counterparty and not the sub-fund's holdings with that counterparty.

14 Portfolio transaction costs

Purchases

31 July 2024	Value	Commissions	Other Costs*	
	£'000	£'000	£'000	%
Debt securities	8,471	-	-	-
Total	8,471	-	-	-
Total purchases including transaction costs	8,471			
31 July 2023	Value	Commissions	Other Costs*	
	£'000	£'000	£'000	%
Debt securities	11,580	-	-	-
Total	11,580	-	-	-
Total purchases including transaction costs	11,580			

Sales

31 July 2024	Value	Commissions	Other Costs*	
	£'000	£'000	£'000	%
Debt securities	23,707	-	-	-
Corporate actions	856	-	-	-
Total	24,563	-	-	-
Total sales net of transaction costs	24,563			
31 July 2023	Value	Commissions	Other Costs*	
	£'000	£'000	£'000	%
Debt securities	35,741	-	-	-
Corporate actions	760	-	-	-
Total	36,501	-	-	-
Total sales net of transaction costs	36,501			

*Other Costs includes taxes and any other costs other than commissions incurred by the sub-fund when buying and selling an underlying investment.

Aegon Sterling Corporate Bond Fund

Notes to the Financial Statements (continued)

14 Portfolio transaction costs (continued)

Derivatives	
31 July 2024	Commissions £'000
Futures	1
Total	1
31 July 2023	
Futures	1
Total	1

Portfolio transaction costs are incurred by the sub-fund when buying and selling underlying investments. These vary depending on the class of investment, country of exchange and method of execution. These costs can be classified as either direct or indirect transaction costs:

- Direct transaction costs: Broker commissions, fees and taxes.
- Indirect transaction costs: 'Dealing spread' - the difference between the buying and selling prices of the sub-fund's underlying investments.

In order to protect existing investors from the effects of dilution, portfolio transaction costs incurred as a result of investors buying and selling shares in the sub-fund are recovered from those investors through a 'dilution adjustment' to the price they pay or receive.

At the balance sheet date, the portfolio dealing spread was 0.61% (2023: 0.84%), being the difference between the respective bid and offer prices for the sub-fund's investments.

15 Fair value hierarchy

The fair value hierarchy is intended to prioritise the inputs that are used to measure the fair value of assets and liabilities. The fair value hierarchy has the following levels:

Level 1 – Unadjusted quoted price in an active market for an identical instrument.

Level 2 – Valuation techniques using observable inputs other than quoted prices within level 1.

Level 3 – Valuation techniques using unobservable inputs.

Basis of valuation	2024		2023	
	Assets £'000	Liabilities £'000	Assets £'000	Liabilities £'000
1 - Unadjusted quoted prices	1,762	-	-	(36)
2 - Observable market data	113,295	-	122,804	-
3 - Unobservable data*	1	-	606	-
	115,058	-	123,410	(36)

*Includes securities fair valued by the ACD. Level 3 assets held in the sub-fund have been identified on the Portfolio Statement.

16 Share classes

The sub-fund currently has two share classes; B (Institutional) and S (Institutional). The ACD's periodic charge on each share class is as follows:

B share class: 0.35%

S share class: 0.25%

The net asset value of each share class, the net asset value per share, and the number of shares in each class are given in the comparative tables on pages 20 and 21. The distribution per share class is given in the distribution tables on page 33. All share classes have the same rights on winding up.

Share class movement reconciliation

31 July 2024	Opening	Creations	Cancellations	Converted	Closing
B Accumulation	99,827,176	11,011,741	(20,807,273)	(37,214)	89,994,430
B Income	93,392,763	4,263,855	(17,404,426)	69,576	80,321,768
S Accumulation	576,748	129,556	(89,928)	-	616,376
S Income	25,046,339	618,285	(12,036,273)	14,214	13,642,565

Aegon Sterling Corporate Bond Fund

Notes to the Financial Statements (continued)

17 Post balance sheet events

The table below shows the net asset values per share as at the balance sheet date, compared against values as at 19 November 2024 and the percentage movement in that period.

Net assets per share	31 July 2024	19 November 2024	% Movement
B Accumulation	89.29	89.31	0.03
B Income	29.47	29.21	(0.90)
S Accumulation	107.83	107.89	0.06
S Income	87.66	86.88	(0.89)

The table below shows net redemptions between 31 July 2024 and 19 November 2024 as a percentage of the balance sheet date NAV for share classes with significant movements. This change is reflective of conditions that arose after the year end and hence is considered a non-adjusting event.

Share class	% Movement
S Accumulation	(10.80)
S Income	(10.68)

Aegon Sterling Corporate Bond Fund

Distribution Tables

Share Class B Accumulation

Period end	Pay date		Net Revenue	Equalisation*	Total Paid/Payable	2022/23 Total Paid
31/10/23	31/12/23	Group 1	0.7441	N/A	0.7441	0.6864
		Group 2	0.2538	0.4903		
31/01/24	31/03/24	Group 1	0.7557	N/A	0.7557	0.6871
		Group 2	0.3506	0.4051		
30/04/24	30/06/24	Group 1	0.7668	N/A	0.7668	0.6919
		Group 2	0.4006	0.3662		
31/07/24	30/09/24	Group 1	0.7297	N/A	0.7297	0.7090
		Group 2	0.3228	0.4069		

Share Class B Income

Period end	Pay date		Net Revenue	Equalisation*	Total Paid/Payable	2022/23 Total Paid
31/10/23	31/12/23	Group 1	0.2544	N/A	0.2544	0.2429
		Group 2	0.1117	0.1427		
31/01/24	31/03/24	Group 1	0.2559	N/A	0.2559	0.2410
		Group 2	0.0799	0.1760		
30/04/24	30/06/24	Group 1	0.2575	N/A	0.2575	0.2407
		Group 2	0.1175	0.1400		
31/07/24	30/09/24	Group 1	0.2428	N/A	0.2428	0.2446
		Group 2	0.0795	0.1633		

Share Class S Accumulation

Period end	Pay date		Net Revenue	Equalisation*	Total Paid/Payable	2022/23 Total Paid
31/10/23	31/12/23	Group 1	0.9221	N/A	0.9221	0.8515
		Group 2	0.3342	0.5879		
31/01/24	31/03/24	Group 1	0.9376	N/A	0.9376	0.8530
		Group 2	0.6986	0.2390		
30/04/24	30/06/24	Group 1	0.9514	N/A	0.9514	0.8584
		Group 2	0.4814	0.4700		
31/07/24	30/09/24	Group 1	0.9078	N/A	0.9078	0.8796
		Group 2	0.4383	0.4695		

Share Class S Income

Period end	Pay date		Net Revenue	Equalisation*	Total Paid/Payable	2022/23 Total Paid
31/10/23	31/12/23	Group 1	0.7771	N/A	0.7771	0.7438
		Group 2	0.2483	0.5288		
31/01/24	31/03/24	Group 1	0.7829	N/A	0.7829	0.7383
		Group 2	0.1171	0.6658		
30/04/24	30/06/24	Group 1	0.7876	N/A	0.7876	0.7367
		Group 2	0.3014	0.4862		
31/07/24	30/09/24	Group 1	0.7444	N/A	0.7444	0.7482
		Group 2	0.3765	0.3679		

All distributions above are in pence per share unless specifically stated.

*Equalisation applies only to shares purchased during the distribution period (Group 2 shares). It is the average amount of revenue included in the purchase price of all Group 2 shares and is refunded to holders of these shares as a return of capital. Being a capital repayment, it is not liable to income tax but must be deducted from the cost of the shares for capital gains tax purposes.

Aegon UK Equity Fund

Fund objective

The investment objective is to provide a combination of income and capital growth over any 7 year period.

Investment policy

At least 80% of the sub-fund will be invested in equities of companies which are listed, quoted or traded in UK markets or which have their headquarters or a significant part of their activities in the UK but which may also be quoted on a regulated market outside of the UK. The sub-fund can also invest up to 20% of its Net Asset Value in equities of non-UK companies. The sub-fund may also invest in warrants, collective investment schemes, deposits and cash and near cash, and derivative instruments and forward transactions may also be used for efficient portfolio management.

Risk profile

The sub-fund is designed for retail and institutional investors seeking pooled exposure to the UK equity market and who are comfortable with a higher level of investment risk. In most cases, we expect the sub-fund to be held as part of a diversified portfolio which may include other assets such as bonds, equities, property and cash. While investors will normally be able to liquidate their holdings on a daily basis, unit prices will fluctuate and may fall significantly in value. Consequently, it is important to understand that the sub-fund should be viewed as a longer term investment.

The sub-fund is actively managed and exposed to a range of risks, which are listed and defined in the Aegon Asset Management UK ICVC Prospectus. The most material risks from this list also appear in our Key Investor Information documents (KIID) where they are summarised in an easy-to-read format. You can find both of these documents on our website at www.aegonam.com.

Performance*

The Aegon UK Equity Fund returned 14.51% compared to the peer group median return of 13.76%. The peer group is the IA UK All Companies sector.

Strategy review**

UK equities enjoyed good absolute returns, with the FTSE All-Share returning 13.54%, although this lagged broad global equity benchmarks. Macro factors continued to drive markets over the period, with investor sentiment closely tied to inflation and interest rate expectations. The Bank of England increased interest rates by 0.25% in August 2023 to 5.25%, as UK inflation, whilst trending downwards, remained higher than most other developed markets. This seemed to have the desired effect, as inflation fell sharply through the rest of the period, eventually reaching the bank's 2% target. It was in quarter four of 2023 that investors really started to gain confidence that rates had peaked and would likely start to retreat in 2024. This change in expectations sparked a sharp rally in UK stocks, particularly small and mid caps, which started to bounce back from previous weakness and outperformed their large cap counterparts over the period.

There were two other notable features in UK markets over the period. Firstly, merger and acquisition activity reached multi-year highs with both public and private equity buyers looking to take advantage of attractive valuations on offer. Secondly, a general election in July 2024 saw the Labour party return to government for the first time in 14 years with a landslide victory. The large majority, coupled with the new government's pro-business stance and promises to kick start economic growth raised hopes of a more stable political backdrop than had been seen in recent years, meaning the UK may no longer be so unloved and underheld by international investors. Indeed, with data showing a positive inflection in GDP over the first half of 2024, the period ended with a much stronger backdrop than it began with.

In sector terms, industrials, technology and financials were the winners, with basic materials, consumer staples and utilities lagging the rest of the market, although still returning positively.

Strong stock selection drove the sub-fund's outperformance over the period, with sector allocation coming in flat. In allocation terms, being overweight industrials and technology were tailwinds, but these were cancelled out by being underweight financials and energy.

On a single-name basis, Intermediate Capital was the leading positive contributor to performance. The global alternatives asset manager posted strong results during the period which significantly exceeded consensus expectations. Management also maintained its medium-term guidance, which further pleased the market.

NatWest initially struggled over the first half of the period, before its fortunes turned in 2024, as improving results were well received by the market and saw the shares bounce strongly off their lows. Results in July 2024 were particularly strong, with profits materially ahead of expectations, due to higher income and lower impairments, leading to full year upgrades and a 9% increase in the dividend.

Within our industrials holdings, Hill & Smith and BAE Systems added value. Hill & Smith, which provides products for infrastructure applications and road safety consistently delivered strong results and upgraded expectations through the period. In addition to this excellent organic momentum, numerous bolt-on acquisitions, in line with its strategy, continue to strengthen the business and provide exposure to attractive niche markets. BAE Systems also enjoyed a good period on a strengthening demand outlook. With several high-profile conflicts worldwide and increasing geopolitical tensions, governments are upping defence spending to restock inventories and confront the next generation of threats. BAE Systems is in a leading position to capitalize on, as evidenced by its strong sales growth, record order backlog and consensus-beating free cash flow generation.

In contrast, Watches of Switzerland was the main detractor over the period. Shares fell sharply on news that Rolex had made its first foray into the retail space by acquiring Bucherer, a Swiss retailer with outlets in the US, UK and Europe. This prompted concern in the market that Rolex would focus supply through its new subsidiary and the shares were then further impacted by a painful reset of expectations with January's trading update, at which management flagged a material weakening of demand and downgraded guidance for 2024. Despite the recent challenges, we retain exposure as we view luxury watches as an attractive product category over the medium term and see an opportunity for the company to gain further share in the growing and under-developed US market.

Shares in equipment rental provider Ashted fell towards the end of the period, as data suggests momentum has slowed, leading to overcapacity in some markets. In addition, the company took a provision in its latest results to account for the bankruptcy of a customer, which contributed to numbers being light of expectations.

Aegon UK Equity Fund

Strategy review (continued)**

Whitbread, the owner of Premier Inn and several restaurant brands, also struggled. The market focused on slowing industry data in the opening months of 2024 as January and February are typically quieter. However, the name continued to struggle even after a first quarter trading update showed an improved trend in UK accommodation sales – albeit they were flat year on year. There were puts and takes to the comments on the demand backdrop, with a slightly softer short-lead weekend picture, notably in London, but with midweek business and peak leisure demand remaining robust. Management noted a positive forward bookings position. At its full year update in April, they announced an accelerated growth plan to address the challenges in the restaurants business and a £150 million share buyback programme. We see scope for Whitbread to continue to gain from improving consumer confidence and a favourable industry supply backdrop.

*Source: Lipper, % growth, income re-invested at pay date, NAV-NAV, GBP, net of Basic Rate Tax. Index returns are gross of Basic Rate Tax. Investors are invited to compare the sub-fund's performance against the performance of other funds within the Investment Association All UK Companies Sector. Comparison of the sub-fund against this Peer Group will give investors an indication of how the sub-fund is performing compared with funds investing in a similar but not identical investment universe. This comparison should be performed over at least a 7 year period to provide the most useful long term comparison.

**General references to markets and indices are to be considered as general market commentary only and (i) are not to be considered as a comparison of sub-fund performance against a benchmark (unless otherwise disclosed as such); and (ii) the index or indices do not operate as a performance target and the sub-fund's portfolio is not constrained by the index or indices.

Aegon UK Equity Fund

Material portfolio changes

Top ten purchases	31 July 2024	Top ten sales	31 July 2024
	£'000		£'000
Barclays	4,162	Standard Chartered	4,029
Tesco	2,471	Glencore	3,647
Greggs	2,077	Diageo	2,675
Marshalls	2,040	HIKMA Pharmaceutical	2,069
JTC	1,642	Intermediate Capital	2,062
Babcock	1,514	Reckitt Benckiser	1,505
Shell	1,249	Ascential	1,492
PageGroup	1,150	Dechra Pharmaceuticals	1,402
Trustpilot	1,128	Hill & Smith	1,243
Flutter Entertainment	1,076	Persimmon	1,098

Aegon UK Equity Fund

Comparative Tables

B Accumulation shares	2024	2023	2022
	(p/share)	(p/share)	(p/share)
Change in net assets per share			
Opening net asset value per share	341.03	343.88	371.96
Return before operating charges*	50.79	(0.73)	(25.74)
Operating charges	(2.26)	(2.12)	(2.34)
Return after operating charges*	48.53	(2.85)	(28.08)
Distributions	(10.33)	(9.90)	(9.15)
Retained distributions on accumulation shares	10.33	9.90	9.15
Closing net asset value per share	389.56	341.03	343.88
 *after direct transaction costs of	 0.34	 0.41	 0.32
Performance			
Return after charges	14.23%	(0.83)%	(7.55)%
Other information			
Closing net asset value (£'000)	162,931	157,933	168,205
Closing number of shares	41,824,110	46,310,059	48,914,231
Operating charges	0.64%	0.63%	0.65%
Direct transaction costs	0.10%	0.12%	0.09%
Prices			
Highest share price	390.04	354.60	391.12
Lowest share price	319.13	307.59	323.53

B Income shares	2024	2023	2022
	(p/share)	(p/share)	(p/share)
Change in net assets per share			
Opening net asset value per share	1,396.29	1,450.06	1,611.57
Return before operating charges*	207.99	(3.06)	(111.73)
Operating charges	(9.24)	(8.96)	(10.14)
Return after operating charges*	198.75	(12.02)	(121.87)
Distributions	(42.29)	(41.75)	(39.64)
Retained distributions on accumulation shares	-	-	-
Closing net asset value per share	1,552.75	1,396.29	1,450.06
 *after direct transaction costs of	 1.39	 1.72	 1.40
Performance			
Return after charges	14.23%	(0.83)%	(7.56)%
Other information			
Closing net asset value (£'000)	1,301	1,230	1,329
Closing number of shares	83,762	88,073	91,687
Operating charges	0.64%	0.63%	0.65%
Direct transaction costs	0.10%	0.12%	0.09%
Prices			
Highest share price	1,596.96	1,495.29	1,694.58
Lowest share price	1,306.60	1,297.03	1,401.75

Highest and Lowest share prices are based on official published daily NAVs priced at 12 noon on the last business day of the year. The closing net asset value per share is at close of business.

Aegon UK Equity Fund

Portfolio Statement

The sub-fund's investments as at 31 July 2024

Holding	Investment	Market valuation £'000	Total net assets %
Equities 98.59% (31 July 2023 95.05%)			
Basic Materials 8.76% (31 July 2023 10.80%)			
159,948	Anglo American	3,758	2.29
819,503	Glencore	3,522	2.14
90,795	Hill & Smith	2,084	1.27
86,054	Rio Tinto	4,324	2.63
267,820	Synthomer	708	0.43
		14,396	8.76
Consumer Discretionary 8.46% (31 July 2023 8.94%)			
82,126	Bellway	2,352	1.43
172,091	Dunelm	2,120	1.29
175,401	Howden Joinery	1,649	1.01
75,575	Persimmon	1,200	0.73
97,450	RELX	3,578	2.18
283,310	Watches of Switzerland	1,152	0.70
63,251	Whitbread	1,840	1.12
		13,891	8.46
Consumer Staples 13.57% (31 July 2023 13.12%)			
81,040	Greggs	2,538	1.55
169,682	Hilton Food	1,583	0.96
48,125	Reckitt Benckiser	2,011	1.23
1,303,184	Tesco	4,320	2.63
247,751	Unilever	11,830	7.20
		22,282	13.57
Energy 8.98% (31 July 2023 8.11%)			
913,866	BP	4,193	2.55
371,554	Shell	10,550	6.43
		14,743	8.98
Financials 19.16% (31 July 2023 16.59%)			
1,921,320	Barclays	4,491	2.73
296,554	Conduit	1,548	0.94
744,757	HSBC	5,242	3.19
182,169	Intermediate Capital	3,997	2.43
157,170	JTC	1,650	1.01
2,122,079	Just	2,559	1.56
46,529	London Stock Exchange	4,406	2.68
1,275,753	NatWest	4,695	2.86
528,234	Phoenix	2,887	1.76
		31,475	19.16
Health Care 11.71% (31 July 2023 13.70%)			
127,337	AstraZeneca	15,746	9.59
230,407	GSK	3,483	2.12
		19,229	11.71
Industrials 22.47% (31 July 2023 17.70%)			
88,646	Ashtead	4,964	3.02
373,428	Babcock	1,981	1.21
382,952	BAE Systems	4,965	3.02
731,912	Balfour Beatty	3,082	1.88
426,092	Chemring	1,762	1.07
39,950	Clarkson	1,810	1.10
117,001	Experian	4,295	2.62

Aegon UK Equity Fund

Portfolio Statement (continued)

Holding	Investment	Market valuation £'000	Total net assets %
	Industrials (continued)		
14,197	Ferguson	2,446	1.49
595,182	Marshalls	2,068	1.26
267,500	PageGroup	1,141	0.69
375,836	QinetiQ	1,815	1.10
377,395	Rentokil Initial	1,791	1.09
208,235	RS Group	1,702	1.04
68,948	Smurfit Westrock	2,379	1.45
23,058	Spectris	700	0.43
634,447	TMO Renewables*	-	-
		36,901	22.47
	Real Estate 2.29% (31 July 2023 2.15%)		
1,086,808	Londonmetric Property REIT**	2,187	1.33
1,272,179	Urban Logistics REIT**	1,577	0.96
		3,764	2.29
	Technology 2.03% (31 July 2023 2.97%)		
177,512	Bytes Technology	901	0.55
107,533	DiscoverIE	727	0.44
272,118	GB Group	947	0.58
363,580	Trustpilot	756	0.46
		3,331	2.03
	Utilities 1.16% (31 July 2023 0.97%)		
192,696	National Grid	1,900	1.16
		1,900	1.16
	Derivatives and Futures Contracts 0.07% (31 July 2023 0.04%)		
	Futures Contracts 0.07% (31 July 2023 0.04%)		
54	FTSE 250 Future Contract September 2024	113	0.07
		113	0.07
	Portfolio of investments	162,025	98.66
	Net other assets	2,207	1.34
	Total net assets attributable to shareholders	164,232	100.00

Analysis of investments by asset class

	Market value £'000	Value of investments %
Equities	161,912	98.59
Derivatives	113	0.07
Portfolio of investments	162,025	98.66
Net other assets	2,207	1.34
Total net assets attributable to shareholders	164,232	100.00

The comparative percentage figures in brackets are at 31 July 2023.

All investments are approved securities being either officially listed in a member state or traded on or under the rules of an eligible securities market, unless otherwise stated.

*Unlisted, suspended, delisted or defaulted securities classified as Level 3 (see Fair Value Disclosure table on page 46).

**Real Estate Investment Trust.

Aegon UK Equity Fund

Statement of Total Return for the year ended 31 July 2024

			2024	2023
	Note	£'000	£'000	£'000
Income				
Net capital gains/(losses)	2		16,288	(5,931)
Revenue	3	5,696		5,891
Expenses	4	(1,004)		(1,026)
Net revenue before taxation		4,692		4,865
Taxation	5	(72)		(64)
Net revenue after taxation			4,620	4,801
Total return before distributions			20,908	(1,130)
Distributions	6		(4,620)	(4,801)
Change in net assets attributable to shareholders from investment activities			16,288	(5,931)

Statement of Change in Net Assets Attributable to Shareholders for the year ended 31 July 2024

		2024	2023
	£'000	£'000	£'000
Opening net assets attributable to shareholders		159,163	169,534
Amounts receivable on issue of shares	1,756		6,667
Amounts payable on cancellation of shares	(17,316)		(15,752)
		(15,560)	(9,085)
Dilution adjustment		21	61
Change in net assets attributable to shareholders from investment activities		16,288	(5,931)
Retained distributions on accumulation shares		4,320	4,584
Closing net assets attributable to shareholders		164,232	159,163

Aegon UK Equity Fund

Balance Sheet as at 31 July 2024

			2024		2023
	Note	£'000	£'000	£'000	£'000
Assets					
Fixed assets:					
Investments			162,025		151,351
Current assets:					
Debtors	7	290		273	
Cash and bank balances	8	2,238		8,474	
			2,528		8,747
Total assets			164,553		160,098
Liabilities					
Creditors					
Bank overdrafts	9	13		-	
Distributions payable		35		37	
Other creditors	10	273		898	
Total liabilities			321		935
Net assets attributable to shareholders			164,232		159,163

Aegon UK Equity Fund

Notes to the Financial Statements

1 Accounting policies

The sub-fund's financial statements have been prepared on the basis disclosed on pages 12 to 14.

2 Net capital gains/(losses)

Net capital gains/(losses) comprise:

	2024	2023
	£'000	£'000
Gains/(losses) on non-derivative securities	15,933	(6,022)
Currency exchange losses	(4)	(9)
Gains on derivative securities	360	101
Transaction charges	(1)	(1)
Net capital gains/(losses)	16,288	(5,931)

3 Revenue

	2024	2023
	£'000	£'000
UK dividends	4,906	5,238
Non-taxable overseas dividends	186	204
Property income from REITs	211	221
Bank interest	381	222
Derivative revenue	11	3
Stock lending income*	1	3
Total revenue	5,696	5,891

*The sub-fund received 72% of the revenue returns from stock lending activities. The gross earnings for the year are £1,000 (2023: £4,000) and expenses paid of £Nil (2023: £1,000).

4 Expenses*

	2024	2023
	£'000	£'000
Payable to the ACD, associates of the ACD and agents of either of them:		
ACD's periodic charge	934	978
Payable to the Depositary, associates of the Depositary and agents of either of them:		
Depositary fee	23	23
Other expenses:		
Audit fee**	12	11
FT publishing fee	2	2
Legal fees	-	2
PRIPs fees	4	3
Registrar's fee	24	3
Safe custody charge	5	4
	47	25
Total expenses	1,004	1,026

*All expenditure stated above is inclusive of irrecoverable VAT where applicable.

**The audit fee (excluding VAT) incurred during the year was £10,325 (2023: £10,093).

5 Taxation

a) Analysis of charge in the year

	2024	2023
	£'000	£'000
Current tax:		
Overseas tax suffered	72	64
Total tax charge for the year (see note 5 (b))	72	64

Aegon UK Equity Fund

Notes to the Financial Statements (continued)

5 Taxation (continued)

b) Factors affecting tax charge for the year

The tax assessed for the year is lower than (2023: lower than) the standard rate of corporation tax for Open Ended Investment Companies 'OEICs' (20%).

The differences are explained below:

	2024	2023
	£'000	£'000
Net revenue before taxation	4,692	4,865
Corporation tax 20% (2023: 20%)	938	973
Effects of:		
Movement in excess expenses	80	115
Overseas tax suffered	72	64
Revenue not subject to taxation	(1,018)	(1,088)
Total tax charge for the year (see note 5 (a))	72	64

c) Factors that may affect future tax charges

After claiming relief against accrued revenue taxable on receipt, the sub-fund has unrelieved excess expenses of £67,859,000 (2023: £67,461,000). It is unlikely that the sub-fund will generate sufficient taxable profits in the future to utilise these expenses and therefore a deferred tax asset of £13,572,000 (2023: £13,492,000) has not been recognised.

6 Distributions

The distributions take account of amounts receivable on the issue of shares and amounts deductible on the cancellation of shares, and comprise:

	2024	2023
	£'000	£'000
Final distribution	4,355	4,621
	4,355	4,621
Add: amounts deductible on cancellation of shares	290	245
Less: amounts receivable on creation of shares	(25)	(65)
Distributions	4,620	4,801

Details of the distributions are set out in the tables on page 47.

7 Debtors

	2024	2023
	£'000	£'000
Accrued revenue	197	224
Amounts receivable for the issue of shares	26	4
Reclaimable overseas tax	25	45
Sales awaiting settlement	42	-
Debtors	290	273

8 Cash and bank balances

	2024	2023
	£'000	£'000
Amounts held at futures clearing houses and brokers	-	214
Cash and bank balances	34	89
Money market deposits	2,204	8,171
Cash and bank balances	2,238	8,474

Aegon UK Equity Fund

Notes to the Financial Statements (continued)

9 Bank overdrafts

	2024	2023
	£'000	£'000
Amounts held at futures clearing houses and brokers	13	-
Bank overdrafts	13	-

10 Other creditors

	2024	2023
	£'000	£'000
Accrued ACD periodic charge	162	157
Accrued other expenses	49	26
Amounts payable for cancellation of shares	62	128
Purchases awaiting settlement	-	587
Other creditors	273	898

11 Related parties

Related party interests in the sub-fund are disclosed in Note 6 of the Accounting Policies on page 17. Amounts due to the ACD as at year end for the ACD periodic charge and amounts due to the ACD for outstanding cancellations are disclosed in Note 10. Amounts receivable from the ACD as at year end for outstanding issue of shares are disclosed in Note 7. At the year-end 79.15% (2023: 78.75%) of the shares in issue were owned by AEGON Group or AEGON UK companies.

12 Contingent assets, liabilities and commitments

There were no contingent assets, liabilities or commitments present in the sub-fund as at 31 July 2024 (2023: £Nil).

13 Financial instruments and risk

The risks associated with the sub-fund are market, concentration, valuation, yield, liquidity, counterparty, and interest rate risk. Narrative disclosures are on pages 15 to 17.

VaR Disclosure

The sub-fund uses the Commitments Approach Method and, although Aegon Asset Management compute VaR for this sub-fund, it is not monitored against any limit (2023: same). As at the balance sheet date, the sub-fund's value at risk is 9.98% (2023: 5.53%).

The following table details the lowest, highest and average utilisation of the absolute VaR limit:

	Lowest Utilisation	Highest Utilisation	Average Utilisation
	(%)	(%)	(%)
31 July 2024	9.74	14.23	11.78
31 July 2023	5.18	5.92	5.47

Leverage

As the sub-fund has had immaterial trading in derivatives throughout the year there is no significant exposure to leverage.

Counterparty risk

The risk of entering an arrangement with a counterparty, which is itself subject to financial risks which may affect its ability to trade as a going concern.

The ACD maintains a list of approved counterparties. This list is regularly monitored and revised for changes based on the counterparty's credit-worthiness, market reputation and expectations of future financial performance. Transactions will only be opened with financial intermediaries on the approved counterparties list.

The sub-fund's use of exchange traded derivatives are considered to be free of counterparty risk if the derivative is traded on an exchange where the clearing house is backed by an appropriate performance guarantee and it is characterised by a daily mark-to-market valuation of the derivative position and at least daily margining.

At 31 July 2024, the market value of the exchange traded derivatives held by the sub-fund was £113,000 (2023: £58,000).

The following details exposure to counterparties obtained through the use of derivatives:

As at 31 July 2024

Counterparty	Futures Exposure £'000
UBS	113

Aegon UK Equity Fund

Notes to the Financial Statements (continued)

13 Financial instruments and risk (continued)

Counterparty risk (continued)

As at 31 July 2023

Counterparty	Futures Exposure £'000
UBS	58

Positive exposure represents the sub-fund's exposure to that counterparty and not the sub-fund's holdings with that counterparty.

14 Portfolio transaction costs

Purchases

31 July 2024	Value £'000	Commissions £'000	%	Other Costs* £'000	%
Equities	24,139	15	0.06	118	0.49
Corporate actions	666	-	-	-	-
Total	24,805	15		118	
Total purchases including transaction costs	24,938				
31 July 2023					
Equities	35,759	22	0.06	152	0.42
Total	35,759	22		152	
Total purchases including transaction costs	35,933				

Sales

31 July 2024	Value £'000	Commissions £'000	%	Other Costs* £'000	%
Equities	28,967	(18)	0.06	-	-
Corporate actions	1,304	-	-	-	-
Total	30,271	(18)		-	
Total sales net of transaction costs	30,253				
31 July 2023					
Equities	35,115	(23)	0.07	-	-
Corporate actions	4,442	-	-	-	-
Total	39,557	(23)		-	
Total sales net of transaction costs	39,534				

Derivatives

31 July 2024	Commissions £'000
Futures	2
Total	2
31 July 2023	
Futures	1
Total	1

*Other Costs includes taxes and any other costs other than commissions incurred by the sub-fund when buying and selling an underlying investment.

Portfolio transaction costs are incurred by the sub-fund when buying and selling underlying investments. These vary depending on the class of investment, country of exchange and method of execution. These costs can be classified as either direct or indirect transaction costs:

- Direct transaction costs: Broker commissions, fees and taxes.
- Indirect transaction costs: 'Dealing spread' - the difference between the buying and selling prices of the sub-fund's underlying investments.

In order to protect existing investors from the effects of dilution, portfolio transaction costs incurred as a result of investors buying and selling shares in the sub-fund are recovered from those investors through a 'dilution adjustment' to the price they pay or receive.

At the balance sheet date, the portfolio dealing spread was 0.10% (2023: 0.09%), being the difference between the respective bid and offer prices for the sub-fund's investments.

Aegon UK Equity Fund

Notes to the Financial Statements (continued)

15 Fair value hierarchy

The fair value hierarchy is intended to prioritise the inputs that are used to measure the fair value of assets and liabilities. The fair value hierarchy has the following levels:

Level 1 – Unadjusted quoted price in an active market for an identical instrument.

Level 2 – Valuation techniques using observable inputs other than quoted prices within level 1.

Level 3 – Valuation techniques using unobservable inputs.

Basis of valuation	2024		2023	
	Assets £'000	Liabilities £'000	Assets £'000	Liabilities £'000
1 - Unadjusted quoted prices	162,025	-	151,351	-
2 - Observable market data	-	-	-	-
3 - Unobservable data*	-	-	-	-
	162,025	-	151,351	-

*Includes securities fair valued by the ACD. Level 3 assets held in the sub-fund have been identified on the Portfolio Statement.

16 Share classes

The sub-fund currently has one share class; B (Institutional). The ACD's periodic charge on each share class is as follows:

B share class: 0.60%

The net asset value of each share class, the net asset value per share, and the number of shares in each class are given in the comparative tables on pages 37. The distribution per share class is given in the distribution tables on page 47. All share classes have the same rights on winding up.

Share class movement reconciliation

31 July 2024	Opening	Creations	Cancellations	Converted	Closing
B Accumulation	46,310,059	496,878	(4,963,867)	(18,960)	41,824,110
B Income	88,073	4,292	(13,234)	4,631	83,762

17 Post balance sheet events

The table below shows the net asset values per share as at the balance sheet date, compared against values as at 19 November 2024 and the percentage movement in that period.

Net assets per share

	31 July 2024	19 November 2024	% Movement
B Accumulation	389.56	374.33	(3.91)
B Income	1,552.75	1,492.03	(3.91)

Aegon UK Equity Fund

Distribution Tables

Share Class B Accumulation

Period end	Pay date		Net Revenue	Equalisation*	Total Paid/Payable	2023 Total Paid
31/07/24	30/11/24	Group 1	10.3275	N/A	10.3275	9.8986
		Group 2	5.5301	4.7974		

Share Class B Income

Period end	Pay date		Net Revenue	Equalisation*	Total Paid/Payable	2023 Total Paid
31/07/24	30/11/24	Group 1	42.2876	N/A	42.2876	41.7453
		Group 2	10.5347	31.7529		

All distributions above are in pence per share unless specifically stated.

*Equalisation applies only to shares purchased during the distribution period (Group 2 shares). It is the average amount of revenue included in the purchase price of all Group 2 shares and is refunded to holders of these shares as a return of capital. Being a capital repayment, it is not liable to income tax but must be deducted from the cost of the shares for capital gains tax purposes.

Aegon UK Equity Absolute Return Fund*

Fund objective

The investment objective is to achieve a positive absolute return over any 36 month period in all market conditions. By investing in the sub-fund, capital is at risk. There is no guarantee that the sub-fund will deliver positive returns over this, or any, time period.

Investment policy

The sub-fund invests in derivatives, such as contracts for difference, to gain exposure to equities of companies which are listed, quoted or traded in UK markets or which have their headquarters or a significant part of their activities in the UK but which may also be quoted on a regulated market outside of the UK. As a consequence of the sub-fund's extensive use of derivative contracts and the related requirement for the sub-fund to hold sufficient levels of highly liquid collateral, a substantial proportion of the Scheme Property of the sub-fund will consist of cash, near cash and deposits. The sub-fund can also invest directly in equities and equity indices. At least 90% of the sub-fund's exposure to companies/indices will be to UK companies and/or UK equity indices.

Risk profile

The sub-fund is designed for retail and institutional investors seeking an absolute return through pooled exposure to the UK equity market and who are comfortable with a higher level of investment risk. In most cases, we expect the sub-fund to be held as part of a diversified portfolio which may include other assets such as bonds, equities, property and cash. While investors will normally be able to liquidate their holdings on a daily basis, unit prices will fluctuate and may fall significantly in value. Consequently, it is important to understand that the sub-fund should be viewed as a longer term investment.

The sub-fund is actively managed and exposed to a range of risks, which are listed and defined in the Aegon Asset Management UK ICVC Prospectus. The most material risks from this list also appear in our Key Investor Information documents (KIID) where they are summarised in an easy-to-read format. You can find both of these documents on our website at www.aegonam.com.

Performance**

The Aegon UK Equity Absolute Return Fund returned 7.28% compared to the Sterling Over Night Index Average (SONIA) 1 month return of 5.19%.

Strategy review***

UK equities enjoyed good absolute returns, with the FTSE All-Share returning 13.54%, although this lagged broad global equity benchmarks. Macro factors continued to drive markets over the period, with investor sentiment closely tied to inflation and interest rate expectations. The Bank of England increased interest rates by 0.25% in August 2023 to 5.25%, as UK inflation, whilst trending downwards, remained higher than most other developed markets. This seemed to have the desired effect, as inflation fell sharply through the rest of the period, eventually reaching the bank's 2% target. It was in quarter four of 2023 that investors really started to gain confidence that rates had peaked and would likely start to retreat in 2024. This change in expectations sparked a sharp rally in UK stocks, particularly small and mid-caps, which started to bounce back from previous weakness and outperformed their large cap counterparts over the period.

There were two other notable features in UK markets over the period. Firstly, merger and acquisition activity reached multi-year highs with both public and private equity buyers looking to take advantage of attractive valuations on offer. Secondly, a general election in July 2024 saw the Labour party return to government for the first time in 14 years with a landslide victory. The large majority, coupled with the new government's pro-business stance and promises to kick start economic growth raised hopes of a more stable political backdrop than had been seen in recent years, meaning the UK may no longer be so unloved and underheld by international investors. Indeed, with data showing a positive inflection in GDP over the first half of 2024, the period ended with a much stronger backdrop than it began with.

The sub-fund performed well in the generally positive environment with both the Long and Short books adding value. The main modules within the sub-fund – Pair Trades, Best Ideas and Themes – each contributed positively.

Within our Best Ideas module, our positions in Rolls Royce and Spirent added value, with the latter the subject of a cash bid by Viavi Solutions at a significant premium. Spirent is a maker of telecommunications testing equipment.

On the downside, Energy Recovery had an unexpected change of management on top of Middle East concerns, which also impacted our holding of Kornit Digital (the company had also previously indicated a slowing order book for new printing machines). Our exposure to Watches of Switzerland also struggled - the performance of the stock was volatile, but it ultimately fell back after it announced a profit warning mid-way through the period following lower-than-expected demand for luxury goods purchases.

Our Themes module also performed well, due partly to our long US construction theme which, during the second half of the period, benefited from increased infrastructure spend and from the rotation into more cyclical areas of the market. Our long Defence Spend theme also made a positive contribution as budgets and actual spending increased.

Within our Pair Trades module, our banking pair initially worked well before detracting towards the end of the period. In contrast, our consumer staples pair struggled to begin with although towards the end of the period it made a small positive contribution.

*Following the year end, the ACD notified investors and the FCA of its intention to close the Aegon UK Equity Absolute Return Fund. As at the date of this report, it is intended the closure will take place on or around 31 January 2025.

**Source: Lipper, % growth, income re-invested at pay date, NAV-NAV, GBP, net of Basic Rate Tax. Index returns are gross of Basic Rate Tax.

Investors are invited to compare the sub-fund's performance against the Sterling Over Night Index Average (SONIA) 1 month. Comparison against this rate will allow investors to determine whether the sub-fund has delivered total returns in excess of cash. SONIA gives an indication of what a cash investment could have provided. This comparison should be performed over at least a 36 month period to provide the most appropriate comparison.

***General references to markets and indices are to be considered as general market commentary only and (i) are not to be considered as a comparison of sub-fund performance against a benchmark (unless otherwise disclosed as such); and (ii) the index or indices do not operate as a performance target and the sub-fund's portfolio is not constrained by the index or indices.

Aegon UK Equity Absolute Return Fund

Material portfolio changes

Top purchases*	31 July 2024 £'000	Top sales**	31 July 2024 £'000
		AES	160
		Kornit Digital	154
		Energy Recovery	97
		Ferguson	95
		Big Technologies	61
		Unilever	39
		Train Investors 1	-

* There were no securities purchased during the year.

** There were 7 securities sold during the year.

Aegon UK Equity Absolute Return Fund

Comparative Table

B Accumulation shares	2024	2023	2022
	(p/share)	(p/share)	(p/share)
Change in net assets per share			
Opening net asset value per share	127.52	125.43	129.11
Return before operating charges*	10.55	3.19	(2.55)
Operating charges	(1.23)	(1.10)	(1.13)
Return after operating charges*	9.32	2.09	(3.68)
Distributions	(4.25)	(2.46)	-
Retained distributions on accumulation shares	4.25	2.46	-
Closing net asset value per share	136.84	127.52	125.43
 *after direct transaction costs of	-	-	0.01
Performance			
Return after charges	7.31%	1.67%	(2.85)%
Other information			
Closing net asset value (£'000)	26,117	29,084	30,295
Closing number of shares	19,086,026	22,807,780	24,152,994
Operating charges	0.93%	0.87%	0.89%
Direct transaction costs	-	-	0.01%
Prices			
Highest share price	136.95	127.42	131.22
Lowest share price	126.94	124.10	122.95

Highest and Lowest share prices are based on official published daily NAVs priced at 12 noon on the last business day of the year. The closing net asset value per share is at close of business.

Aegon UK Equity Absolute Return Fund

Portfolio Statement

The sub-fund's investments as at 31 July 2024

Holding	Investment	Market Valuation £'000	Total net assets %
	Equities 1.83% (31 July 2023 4.64%)		
	Consumer Staples 0.00% (31 July 2023 0.13%)		
	Financials 0.00% (31 July 2023 0.01%)		
	Industrials 1.19% (31 July 2023 2.75%)		
1,799	Ferguson	310	1.19
		310	1.19
	Real Estate 0.64% (31 July 2023 0.49%)		
82,464	Londonmetric Property REIT*	166	0.64
		166	0.64
	Technology 0.00% (31 July 2023 0.51%)		
	Utilities 0.00% (31 July 2023 0.75%)		
	Derivatives and Futures Contracts 0.63% (31 July 2023 0.26%)		
	Contracts for Difference 0.96% (31 July 2023 0.40%)		
33,948	A.G. Barr	9	0.04
(205,581)	abrdn	(10)	(0.04)
15,620	Anglo American	(2)	(0.01)
(6,097)	Antofagasta	7	0.03
5,054	Ashtead	12	0.05
5,780	AstraZeneca	17	0.06
21,925	Auction Technology	6	0.02
26,542	Auto Trader	1	-
67,834	Babcock	(6)	(0.02)
22,575	BAE Systems	4	0.01
151,490	Baltic Classifieds	16	0.06
189,077	Barclays	15	0.06
(7,618)	Bunzl	(8)	(0.03)
57,955	Bytes Technology	9	0.03
42,097	Chemring	8	0.03
38,786	Conduit	6	0.02
174,530	ConvaTec	(15)	(0.06)
8,333	CRH	61	0.24
5,874	Croda International	4	0.01
13,793	Derwent London REIT	(3)	(0.01)
(14,698)	Diageo	10	0.04
6,179	Diploma	9	0.04
(12,093)	Fever-Tree Drinks	11	0.04
67,460	GB Group	1	-
15,884	Grafton	17	0.06
(841)	GS Expensive Software Custom Index Future Contract December 2050	7	0.03
33,622	GSK	4	0.01
54,303	Howden Joinery	6	0.02
6,891	Imperial Brands	6	0.02
(7,439)	Intertek	(22)	(0.08)
(185)	iShares FTSE 250	(125)	(0.48)
(79,995)	IWG	1	-
25,362	Jet2	34	0.13
18,360	Johnson Matthey	(3)	(0.01)
240,593	Just	24	0.09
(139,426)	Kingfisher	(12)	(0.04)
112,339	NatWest	51	0.19

Aegon UK Equity Absolute Return Fund

Portfolio Statement (continued)

Holding	Investment	Market valuation £'000	Total net assets %
Contracts for Difference (continued)			
(14,186)	Nippon Yusen	(7)	(0.03)
(13,403)	Ocado	(9)	(0.03)
80,702	Oxford Nanopore Technologies	13	0.05
76,902	PageGroup	6	0.02
(1,919)	PayPal	(10)	(0.04)
(3,482)	Procter & Gamble	10	0.04
60,028	QinetiQ	10	0.04
3,637	Rio Tinto	(6)	(0.02)
83,910	Rolls-Royce	-	-
58,514	RS Group	57	0.22
34,343	Sage	12	0.05
10,022	Shell	1	-
(3,129)	Spirax	(16)	(0.06)
109,539	Spire Healthcare	22	0.08
(24,047)	St James's Place	(30)	(0.11)
66,901	Synthomer	(8)	(0.03)
192,510	Taylor Wimpey	15	0.06
(140,639)	Tesco	(30)	(0.11)
127,095	Trainline	4	0.02
16,197	Unilever	60	0.23
43,311	Watches of Switzerland	7	0.03
		251	0.96
Futures Contracts (0.33)% (31 July 2023 (0.14)%)			
(57)	FTSE 250 Future Contract September 2024	(85)	(0.33)
		(85)	(0.33)
Portfolio of investments**			
	Net other assets	25,475	97.54
	Total net assets attributable to shareholders	26,117	100.00

Analysis of investments by asset class

	Market Value £'000	Value of investments %
Equities	476	1.83
Derivatives	166	0.63
Portfolio of investments**	642	2.46
Net other assets	25,475	97.54
Total net assets attributable to shareholders	26,117	100.00

The comparative percentage figures in brackets are at 31 July 2023.

All investments are approved securities being either officially listed in a member state or traded on or under the rules of an eligible securities market, unless otherwise stated.

*Real Estate Investment Trust.

**Includes investment liabilities.

Aegon UK Equity Absolute Return Fund

Statement of Total Return for the year ended 31 July 2024

			2024		2023
	Note	£'000	£'000	£'000	£'000
Income					
Net capital gains/(losses)	2		1,018		(130)
Revenue	3	1,705		1,305	
Expenses	4	(255)		(281)	
Interest payable and similar charges	5	(567)		(396)	
Net revenue before taxation		883		628	
Taxation	6	(1)		(1)	
Net revenue after taxation			882		627
Total return before distributions			1,900		497
Distributions	7		(882)		(627)
Change in net assets attributable to shareholders from investment activities			1,018		(130)

Statement of Change in Net Assets Attributable to Shareholders for the year ended 31 July 2024

		2024		2023
	£'000	£'000	£'000	£'000
Opening net assets attributable to shareholders		29,084		30,295
Amounts receivable on issue of shares	5,037		11,969	
Amounts payable on cancellation of shares	(9,838)		(13,619)	
		(4,801)		(1,650)
Dilution adjustment		5		7
Change in net assets attributable to shareholders from investment activities		1,018		(130)
Retained distributions on accumulation shares		811		562
Closing net assets attributable to shareholders		26,117		29,084

Aegon UK Equity Absolute Return Fund

Balance Sheet as at 31 July 2024

			2024		2023
	Note	£'000	£'000	£'000	£'000
Assets					
Fixed assets:					
Investments			-		1,971
Current assets:					
Investments*		1,049			
Debtors	8	47		2	
Cash and bank balances	9	25,550		27,885	
			26,646		27,887
Total assets			26,646		29,858
Liabilities					
Investment liabilities			407		545
Creditors					
Bank overdrafts	10	-		4	
Other creditors	11	122		225	
Total liabilities			529		774
Net assets attributable to shareholders			26,117		29,084

* Investments are classified as current assets as the sub-fund has been prepared on a basis other than going concern.

Aegon UK Equity Absolute Return Fund

Notes to the Financial Statements

1 Accounting policies

The sub-fund's financial statements have been prepared on the basis disclosed on pages 12 to 14.

2 Net capital gains/(losses)

Net capital gains/(losses) comprise:

	2024	2023
	£'000	£'000
Losses on non-derivative securities	(267)	(43)
Gains/(losses) on derivative securities	1,318	(148)
(Losses)/gains on forward currency contracts	(22)	74
Currency exchange losses	(11)	(13)
Net capital gains/(losses)	1,018	(130)

3 Revenue

	2024	2023
	£'000	£'000
UK dividends	19	13
Property income from REITs	9	9
Non-taxable overseas dividends	5	8
Interest on debt securities	-	65
Bank interest	1,355	957
Contracts for difference	317	253
Total revenue	1,705	1,305

4 Expenses*

	2024	2023
	£'000	£'000
Payable to the ACD, associates of the ACD and agents of either of them:		
ACD's periodic charge	218	260
Payable to the Depositary, associates of the Depositary and agents of either of them:		
Depositary fee	3	3
Other expenses:		
Audit fee**	10	15
FT publishing fee	3	1
Legal fee	14	-
PRIIPs fees	4	3
Registrar's fee	3	(1)
	34	18
Total expenses	255	281

*All expenditure stated above is inclusive of irrecoverable VAT where applicable.

**The audit fee (excluding VAT) incurred during the year was £13,675 (2023: £13,369).

5 Interest payable and similar charges

	2024	2023
	£'000	£'000
Dividends payable on contracts for difference	171	174
Interest	1	-
Interest payable on derivatives	395	222
Interest payable and similar charges	567	396

Aegon UK Equity Absolute Return Fund

Notes to the Financial Statements (continued)

6 Taxation

a) Analysis of charge in the year

	2024	2023
	£'000	£'000
Current tax:		
Overseas tax suffered	1	1
Total tax charge for the year (see note 6 (b))	1	1

b) Factors affecting tax charge for the year

The tax assessed for the year is lower than (2023: lower than) the standard rate of corporation tax for Open Ended Investment Companies 'OEICs' (20%).

The differences are explained below:

	2024	2023
	£'000	£'000
Net revenue before taxation	883	628
Corporation tax 20% (2023: 20%)	177	126
Effects of:		
Movement in excess expenses	(172)	(122)
Overseas tax suffered	1	1
Revenue not subject to taxation	(5)	(4)
Total tax charge for the year	1	1

c) Factors that may affect future tax charges

After claiming relief against accrued revenue taxable on receipt, the sub-fund has unrelieved excess expenses of £15,964,000 (2023: £16,825,000). It is unlikely that the sub-fund will generate sufficient taxable profits in the future to utilise these expenses and therefore a deferred tax asset of £3,193,000 (2023: £3,365,000) has not been recognised.

7 Distributions

The distributions take account of amounts receivable on the issue of shares and amounts deductible on the cancellation of shares, and comprise:

	2024	2023
	£'000	£'000
Final distribution	811	562
	811	562
Add: amounts deductible on cancellation of shares	162	113
Less: amounts receivable on creation of shares	(91)	(48)
Distributions	882	627

Details of the distributions are set out in the tables on page 61.

8 Debtors

	2024	2023
	£'000	£'000
Accrued revenue	16	1
Amounts receivable for the issue of shares	31	1
Debtors	47	2

Aegon UK Equity Absolute Return Fund

Notes to the Financial Statements (continued)

9 Cash and bank balances

	2024	2023
	£'000	£'000
Amounts held at futures clearing houses and brokers	109	179
Cash and bank balances	643	1,380
Money market deposits	24,798	26,326
Cash and bank balances	25,550	27,885

10 Bank overdrafts

	2024	2023
	£'000	£'000
Amounts held at futures clearing houses and brokers	-	4
Bank overdrafts	-	4

11 Other creditors

	2024	2023
	£'000	£'000
Accrued ACD periodic charge	36	40
Accrued other expenses	39	15
Amounts payable for cancellation of shares	47	167
Purchases awaiting settlement	-	3
Other creditors	122	225

12 Related parties

Related party interests in the sub-fund are disclosed in Note 6 of the Accounting Policies on page 17. Amounts due to the ACD as at year end for the ACD periodic charge and amounts due to the ACD for outstanding cancellations are disclosed in Note 11. Amounts receivable from the ACD as at year end for outstanding issue of shares are disclosed in Note 8. At the year-end 64.01% (2023: 63.34%) of the shares in issue were owned by AEGON Group or AEGON UK companies.

13 Contingent assets, liabilities and commitments

There were no contingent assets, liabilities or commitments present in the sub-fund as at 31 July 2024 (2023: £Nil).

14 Financial instruments and risk

The risks associated with the sub-fund are market, concentration, valuation, yield, liquidity, counterparty, and interest rate risk. Narrative disclosures are on pages 15 to 17.

Derivative risk

The sub-fund invests in derivatives, consistent with the investment objective of the sub-fund, as outlined in the derivative risks section on page 17.

VaR Disclosure

The Manager assesses the market risk of the sub-fund's investments, including any derivative exposure, using a value at risk methodology. This process provides the Manager with an estimate of the maximum potential loss that could be expected to occur as a result of changes in market prices over a given period of time in all but a given percentage of circumstances. The value at risk is calculated on a 99.00% (2023: 95.00%) confidence interval with a one month time horizon and a five year history, using the Historical model. The sub-fund has an absolute VaR limit of 10.00% (2023: 3.50%). As at the balance sheet date, the sub-fund's value at risk is 1.81% (2023: 1.06%).

The following table details the lowest, highest and average utilisation of the absolute VaR limit:

	Lowest Utilisation (%)	Highest Utilisation (%)	Average Utilisation (%)
31 July 2024	1.65	2.47	2.02
31 July 2023	0.52	1.43	0.88

Leverage

Average leverage is calculated as the sum of the net asset value and the incremental exposure generated through the use of derivatives (calculated in accordance with the commitment approach (CESR/10-788)) divided by the net asset value. As at 31 July 2024 the average leverage was 85.77% (2023: 68.08%).

Aegon UK Equity Absolute Return Fund

Notes to the Financial Statements (continued)

14 Financial instruments and risk (continued)

Counterparty risk

The risk of entering an arrangement with a counterparty, which is itself subject to financial risks which may affect its ability to trade as a going concern.

The ACD maintains a list of approved counterparties. This list is regularly monitored and revised for changes based on the counterparty's credit-worthiness, market reputation and expectations of future financial performance. Transactions will only be opened with financial intermediaries on the approved counterparties list.

The sub-fund's use of exchange traded derivatives are considered to be free of counterparty risk if the derivative is traded on an exchange where the clearing house is backed by an appropriate performance guarantee and it is characterised by a daily mark-to-market valuation of the derivative position and at least daily margining.

At 31 July 2024, the market value of the exchange traded derivatives held by the sub-fund was £Nil (2023: £Nil).

The following details exposure to counterparties obtained through the use of derivatives:

As at 31 July 2024

Counterparty	Contracts for Difference Exposure £'000	Collateral Pledge Cash £'000
Goldman Sachs	238	-
Merrill Lynch	13	-

As at 31 July 2023

Counterparty	Contracts for Difference Exposure £'000	Collateral Pledge Cash £'000
Goldman Sachs	71	-
Merrill Lynch	47	-

Positive exposure represents the sub-fund's exposure to that counterparty and not the sub-fund's holdings with that counterparty.

15 Portfolio transaction costs

Purchases

31 July 2024	Value £'000	Commissions £'000	%	Other Costs* £'000	%
Equities	-	-	-	-	-
Total	-	-	-	-	-
Total purchases including transaction costs	-	-	-	-	-
31 July 2023					
Debt securities	54,998	-	-	-	-
Equities	771	-	0.03	-	-
Total	55,769	-	-	-	-
Total purchases including transaction costs	55,769	-	-	-	-

*Other Costs includes taxes and any other costs other than commissions incurred by the sub-fund when buying and selling an underlying investment.

Aegon UK Equity Absolute Return Fund

Notes to the Financial Statements (continued)

15 Portfolio transaction costs (continued)

Sales

31 July 2024	Value £'000	Commissions £'000	%	Other Costs* £'000	%
Equities	606	-	0.04	-	-
Total	606	-		-	
Total sales net of transaction costs	606				
31 July 2023					
Debt securities	55,000	-	-	-	-
Equities	304	-	0.11	-	-
Total	55,304	-		-	
Total sales net of transaction costs	55,304				

Derivatives

31 July 2024	Commissions £'000
Futures	4
Total	4
31 July 2023	
Futures	1
Total	1

*Other Costs includes taxes and any other costs other than commissions incurred by the sub-fund when buying and selling an underlying investment.

Portfolio transaction costs are incurred by the sub-fund when buying and selling underlying investments. These vary depending on the class of investment, country of exchange and method of execution. These costs can be classified as either direct or indirect transaction costs:

- Direct transaction costs: Broker commissions, fees and taxes.
- Indirect transaction costs: 'Dealing spread' - the difference between the buying and selling prices of the sub-fund's underlying investments.

In order to protect existing investors from the effects of dilution, portfolio transaction costs incurred as a result of investors buying and selling shares in the sub-fund are recovered from those investors through a 'dilution adjustment' to the price they pay or receive.

At the balance sheet date, the portfolio dealing spread was 0.11% (2023: 0.19%), being the difference between the respective bid and offer prices for the sub-fund's investments.

16 Fair value hierarchy

The fair value hierarchy is intended to prioritise the inputs that are used to measure the fair value of assets and liabilities. The fair value hierarchy has the following levels:

Level 1 – Unadjusted quoted price in an active market for an identical instrument.

Level 2 – Valuation techniques using observable inputs other than quoted prices within level 1.

Level 3 – Valuation techniques using unobservable inputs.

Basis of valuation	2024		2023	
	Assets £'000	Liabilities £'000	Assets £'000	Liabilities £'000
1 - Unadjusted quoted prices	476	(85)	1,348	(40)
2 - Observable market data	573	(322)	623	(505)
3 - Unobservable data	-	-	-	-
	1,049	(407)	1,971	(545)

Aegon UK Equity Absolute Return Fund

Notes to the Financial Statements (continued)

17 Share classes

The sub-fund currently has one share class; B (Institutional). The ACD's periodic charge on each share class is as follows:

B share class: 0.80%

The net asset value of each share class, the net asset value per share, and the number of shares in each class are given in the comparative tables on page 50. The distribution per share class is given in the distribution tables on page 61. All share classes have the same rights on winding up.

Share class movement reconciliation

31 July 2024	Opening	Creations	Cancellations	Converted	Closing
B Accumulation	22,807,780	3,875,212	(7,596,966)	-	19,086,026

18 Post balance sheet events

Following the year end, the ACD notified investors and the FCA of its intention to close the Aegon UK Equity Absolute Return Fund. As at the date of this report, it is intended the closure will take place on or around 31 January 2025.

The table below shows the net asset values per share as at the balance sheet date, compared against values as at 19 November 2024 and the percentage movement in that period.

Net assets per share

	31 July 2024	19 November 2024	% Movement
B Accumulation	136.84	138.78	1.42

Aegon UK Equity Absolute Return Fund

Distribution Table

Share Class B Accumulation

Period end	Pay date		Net Revenue	Equalisation*	Total Paid/Payable	2023 Total Paid
31/07/24	30/11/24	Group 1	4.2497	N/A	4.2497	2.4619
		Group 2	1.9115	2.3382		

All distributions above are in pence per share unless specifically stated.

*Equalisation applies only to shares purchased during the distribution period (Group 2 shares). It is the average amount of revenue included in the purchase price of all Group 2 shares and is refunded to holders of these shares as a return of capital. Being a capital repayment, it is not liable to income tax but must be deducted from the cost of the shares for capital gains tax purposes.

Aegon UK Smaller Companies Fund

Fund objective

The investment objective is to provide a combination of income and capital growth over any 7 year period.

Investment policy

At least 80% of the sub-fund will be invested in equities of smaller UK companies. UK companies are those which are listed, quoted or traded in UK markets or which have their headquarters or a significant part of their activities in the UK but which may also be quoted on a regulated market outside of the UK. Smaller companies are those which are in the bottom 10% by market capitalisation. The sub-fund is actively managed and, at any one time, the scope of investment may be themed by industry, size or style to take advantage of opportunities identified by the ACD. The sub-fund will place emphasis on stocks which deliver premium profit growth combined with positive earnings momentum. The sub-fund can also invest up to 20% of its Net Asset Value in equities of non-UK companies.

Risk profile

The sub-fund is designed for retail and institutional investors seeking pooled exposure to UK smaller companies stocks and who are comfortable with a higher level of investment risk. In most cases, we expect the sub-fund to be held as part of a diversified portfolio which may include other assets such as bonds, equities, property and cash. While investors will normally be able to liquidate their holdings on a daily basis, unit prices will fluctuate and may fall significantly in value.

The sub-fund is actively managed and exposed to a range of risks, which are listed and defined in the Aegon Asset Management UK ICVC Prospectus. The most material risks from this list also appear in our Key Investor Information documents (KIID) where they are summarised in an easy-to-read format. You can find both of these documents on our website at www.aegonam.com.

Performance*

The Aegon UK Smaller Companies Fund returned 23.89% compared to the peer group median return of 17.59%. The peer group is the Investment Association UK Smaller Companies sector.

Strategy review**

UK equities enjoyed robust returns over the period, with the FTSE All-Share returning 13.54%, although this lagged broad global equity benchmarks. The Numis Smaller Companies (x-IT) index returned 18.24%, outperforming its large and mid-cap counterparts.

Macro factors continued to drive markets over the period, with investor sentiment closely tied to inflation and interest rate expectations. The Bank of England increased interest rates by 0.25% in August 2023 to 5.25% as UK inflation, whilst trending downwards, remained higher than most other developed markets. This seemed to have the desired effect, as inflation fell sharply through the rest of the period, eventually reaching the Bank's 2% target. It was in quarter four of 2023 that investors really started to gain confidence that rates had peaked and would likely start to retreat in 2024. This change in expectations sparked a sharp rally in UK stocks, particularly smaller companies, which started to bounce back from previous weakness.

There were two other notable features in UK markets over the period. Firstly, merger and acquisition activity reached multi-year highs with both public and private equity buyers looking to take advantage of attractive valuations on offer. Secondly, a general election in July 2024 saw the Labour party return to government for the first time in 14 years with a landslide victory. The large majority, coupled with the new government's pro-business stance and promises to kick start economic growth raised hopes of a more stable political backdrop than had been seen in recent years, meaning the UK may no longer be so unloved and underheld by international investors. Indeed, with data showing a positive inflection in GDP over the first half of 2024, the period ended with a much stronger backdrop than it began with.

The sub-fund's significant outperformance against the peer group median was due mainly to very strong stock selection, and particularly our ongoing focus on balance sheet strength, which continued to be sought after in the volatile environment.

As we moved into 2024, the sub-fund was positioned to expect a moderation in rates which was expected to result in a re-rating and the potential for earnings recovery in specific sectors. The areas being held for recovery included construction materials, housebuilders, recruitment, consultancy, and chemical companies which had seen earnings depressed by destocking. This positioning benefited the sub-fund, given the rally witnessed in markets up to the end of the period.

Many of the best performing holdings were names which reported results that pleased the market. Among the standout performers was Ashtead Technology, the offshore services equipment hire business. The company benefited from firmer equipment hire prices, given it lends to offshore oil and gas, and offshore wind farm installations. The company also benefited from an accretive acquisition and from growth in rental rates and a recovery in utilisation.

Throughout the period we continued to take profits in Ashtead Technology to appropriately manage the risk in a large position size. We also took profits in our position in Craneware (health care technology) following a strong run. During the period, the US hospital SAAS-software provider reported that hospital spend had picked back up after a hiatus driven by the labour shortage cost squeeze.

Elsewhere, our holding in Tatton Asset Management also added value. The company delivered very strong relative net flows from providing managed portfolio services (MPS) to IFAs and other distribution partners. The MPS market is growing due to RDR and consumer duty regulatory drivers with firms showing interest to switch to this market for a solution.

JTC, the provider of international fund, corporate and private wealth administration services, demonstrated ongoing strong momentum with its full-year numbers and subsequently raised guidance. The company benefited from strong demand and pricing, in addition to new business wins and cross-selling.

Aegon UK Smaller Companies Fund

Strategy review (continued)**

Finally, our position in Smart Metering Systems, the energy infrastructure business, was subject to a takeover by a private equity firm, which eventually led us to sell our holding as the bid reflected an attractive valuation.

Among the main detractors over the period was Watches of Switzerland – the performance of the stock was volatile, but it ultimately fell back after it announced a profit warning mid-way through the period following lower-than-expected demand for luxury goods purchases.

We continue to focus on high conviction, disciplined, bottom-up stock selection as a means of adding value to the sub-fund.

*Source: Lipper, % growth, income re-invested at pay date, NAV-NAV, GBP, net of Basic Rate Tax. Index returns are gross of Basic Rate Tax.

Investors are invited to compare the sub-fund's performance against the performance of other funds within this Peer Group. Comparison of the sub-fund against this Peer Group will give investors an indication of how the sub-fund is performing compared with funds investing in a similar but not identical investment universe. This comparison should be performed over at least a 7 year period to provide the most useful long term comparison.

**General references to markets and indices are to be considered as general market commentary only and (i) are not to be considered as a comparison of sub-fund performance against a benchmark (unless otherwise disclosed as such); and (ii) the index or indices do not operate as a performance target and the sub-fund's portfolio is not constrained by the index or indices.

Aegon UK Smaller Companies Fund

Material portfolio changes

Top ten purchases	31 July 2024	Top ten sales	31 July 2024
	£'000		£'000
PageGroup	3,579	Diploma	5,205
Spirent Communications	2,146	Smart Metering Systems	3,807
Trainline	2,060	Spirent Communications	3,408
A.G. Barr	2,000	Ashtead Technology	3,313
Senior	1,994	Crest Nicholson	2,458
Boku	1,968	Kin & Carta	2,305
Kainos	1,883	Team17	2,292
FDM	1,734	Foresight	2,241
Spire Healthcare	1,731	DiscoverIE	2,233
Victrex	1,711	Impax Asset Management	2,131

Aegon UK Smaller Companies Fund

Comparative Table

B Accumulation shares	2024 (p/share)	2023 (p/share)	2022 (p/share)
Change in net assets per share			
Opening net asset value per share	355.33	398.26	545.51
Return before operating charges*	86.70	(40.08)	(143.46)
Operating charges	(2.93)	(2.85)	(3.79)
Return after operating charges*	83.77	(42.93)	(147.25)
Distributions	(8.64)	(6.78)	(3.97)
Retained distributions on accumulation shares	8.64	6.78	3.97
Closing net asset value per share	439.10	355.33	398.26
 *after direct transaction costs of	 0.65	 0.56	 0.58
Performance			
Return after charges	23.58%	(10.78)%	(26.99)%
Other information			
Closing net asset value (£'000)	198,449	177,642	217,573
Closing number of shares	45,194,704	49,993,346	54,631,430
Operating charges	0.78%	0.78%	0.78%
Direct transaction costs	0.17%	0.15%	0.12%
Prices			
Highest share price	439.86	397.56	578.48
Lowest share price	319.32	328.82	364.40

Highest and Lowest share prices are based on official published daily NAVs priced at 12 noon on the last business day of the year. The closing net asset value per share is at close of business.

Aegon UK Smaller Companies Fund

Portfolio Statement

The sub-fund's investments as at 31 July 2024

Holding	Investment	Market valuation £'000	Total net assets %
Equities 99.59% (31 July 2023 98.63%)			
Basic Materials 5.48% (31 July 2023 3.18%)			
290,572	Hill & Smith	6,669	3.36
600,000	Synthomer	1,587	0.80
237,919	Victrex	2,612	1.32
		10,868	5.48
Consumer Discretionary 14.01% (31 July 2023 17.89%)			
68,334	4imprint	4,168	2.10
470,992	Dunelm	5,803	2.92
645,092	Fuller Smith & Turner	4,709	2.37
1,478,427	On the Beach	2,170	1.09
904,263	Patisserie*	-	-
675,582	Redrow	5,037	2.54
620,918	Trainline	2,114	1.07
272,500	Warpaint London	1,700	0.86
519,687	Watches of Switzerland	2,113	1.06
		27,814	14.01
Consumer Staples 3.83% (31 July 2023 3.24%)			
380,000	A.G. Barr	2,443	1.23
552,911	Hilton Food	5,159	2.60
		7,602	3.83
Energy 5.12% (31 July 2023 4.86%)			
901,555	Ashtead Technology	7,825	3.94
76,468	Diversified Energy	982	0.50
135,000	Energiean	1,348	0.68
		10,155	5.12
Financials 20.02% (31 July 2023 20.14%)			
152,612	Alpha	3,937	1.98
483,274	Conduit	2,523	1.27
608,208	Foresight	3,163	1.59
1,193,989	IntegraFin	4,591	2.31
776,276	JTC	8,151	4.11
900,000	Just	1,085	0.55
779,341	Paragon Banking	6,262	3.16
987,014	Tatton Asset Management	6,830	3.44
990,000	XPS Pensions	3,188	1.61
		39,730	20.02
Health Care 4.69% (31 July 2023 4.50%)			
914,854	Advanced Medical Solutions	2,246	1.13
230,034	Craneware	5,268	2.65
1,129,231	Ondine Biomedical	93	0.05
662,021	Spire Healthcare	1,701	0.86
		9,308	4.69
Industrials 25.01% (31 July 2023 22.06%)			
535,000	Babcock	2,838	1.43
1,090,654	Boku	1,854	0.93
1,138,000	Chemring	4,706	2.37
68,013	Clarkson	3,081	1.55
753,084	FDM	3,201	1.61
350,830	Fonix Mobile	845	0.43
1,019,125	Genuit	5,208	2.63

Aegon UK Smaller Companies Fund

Portfolio Statement (continued)

Holding	Investment	Market valuation £'000	Total net assets %
	Industrials (continued)		
280,047	Grafton	3,024	1.52
595,848	Marshalls	2,071	1.04
202,000	Oxford Instruments	5,060	2.55
812,000	PageGroup	3,462	1.75
595,000	QinetiQ	2,874	1.45
849,243	Robert Walters	3,125	1.58
975,448	Senior	1,594	0.80
55,788	Solid State	778	0.39
65,771	TMO Renewables*	-	-
1,082,462	Volusion	5,910	2.98
		49,631	25.01
	Real Estate 6.24% (31 July 2023 5.28%)		
1,377,565	Grainger	3,313	1.67
1,565,074	Urban Logistics REIT**	1,941	0.98
1,166,438	Workspace REIT**	7,127	3.59
		12,381	6.24
	Technology 12.61% (31 July 2023 14.61%)		
317,526	Auction Technology	1,607	0.81
1,921,203	Baltic Classifieds	5,197	2.62
920,491	Bytes Technology	4,671	2.35
188,733	DiscoverIE	1,276	0.64
1,194,702	GB Group	4,157	2.10
165,000	Kainos	1,808	0.91
1,392,247	Mony	3,311	1.67
1,441,656	Trustpilot	2,999	1.51
		25,026	12.61
	Telecommunications 2.58% (31 July 2023 2.87%)		
345,304	Gamma Communications	5,124	2.58
		5,124	2.58
	Portfolio of investments	197,639	99.59
	Net other assets	810	0.41
	Total net assets attributable to shareholders	198,449	100.00

The comparative percentage figures in brackets are at 31 July 2023.

All investments are approved securities being either officially listed in a member state or traded on or under the rules of an eligible securities market, unless otherwise stated.

As all holdings are equity shares there is no analysis of the portfolio by asset class.

*Unlisted, suspended, delisted or defaulted securities classified as Level 3 (see Fair Value Disclosure table on page 73).

**Real Estate Investment Trust.

Aegon UK Smaller Companies Fund

Statement of Total Return for the year ended 31 July 2024

			2024		2023
	Note	£'000	£'000	£'000	£'000
Income					
Net capital gains/(losses)	2		34,826		(26,725)
Revenue	3	5,507		5,082	
Expenses	4	(1,392)		(1,488)	
Interest payable and similar charges		(2)		(1)	
Net revenue before taxation		4,113		3,593	
Taxation	5	(37)		(64)	
Net revenue after taxation			4,076		3,529
Total return before distributions			38,902		(23,196)
Distributions	6		(4,076)		(3,529)
Change in net assets attributable to shareholders from investment activities			34,826		(26,725)

Statement of Change in Net Assets Attributable to Shareholders for the year ended 31 July 2024

		2024		2023
	£'000	£'000	£'000	£'000
Opening net assets attributable to shareholders		177,642		217,573
Amounts receivable on issue of shares	4,274		2,111	
Amounts payable on cancellation of shares	(22,287)		(18,827)	
		(18,013)		(16,716)
Dilution adjustment		91		120
Change in net assets attributable to shareholders from investment activities		34,826		(26,725)
Retained distributions on accumulation shares		3,903		3,390
Closing net assets attributable to shareholders		198,449		177,642

Aegon UK Smaller Companies Fund

Balance Sheet as at 31 July 2024

			2024		2023
	Note	£'000	£'000	£'000	£'000
Assets					
Fixed assets:					
Investments			197,639		175,209
Current assets:					
Debtors	7	676		542	
Cash and bank balances	8	837		3,831	
			1,513		4,373
Total assets			199,152		179,582
Liabilities					
Creditors					
Other creditors	9	703		1,940	
Total liabilities			703		1,940
Net assets attributable to shareholders			198,449		177,642

Aegon UK Smaller Companies Fund

Notes to the Financial Statements

1 Accounting policies

The sub-fund's financial statements have been prepared on the basis disclosed on pages 12 to 14.

2 Net capital gains/(losses)

Net capital gains/(losses) comprise:

	2024	2023
	£'000	£'000
Gains/(losses) on non-derivative securities	34,832	(26,713)
Currency exchange losses	(4)	(9)
Transaction charges	(2)	(3)
Net capital gains/(losses)	34,826	(26,725)

3 Revenue

	2024	2023
	£'000	£'000
UK dividends	4,701	4,322
Non-taxable overseas dividends	281	280
Property income from REITs	454	397
Bank interest	68	73
Stock lending income*	3	10
Total revenue	5,507	5,082

*The sub-fund received 72% of the revenue returns from stock lending activities. The gross earnings for the year are £4,000 (2023: £14,000) and expenses paid of £1,000 (2023: £4,000).

4 Expenses*

	2024	2023
	£'000	£'000
Payable to the ACD, associates of the ACD and agents of either of them:		
ACD's periodic charge	1,340	1,439
Payable to the Depositary, associates of the Depositary and agents of either of them:		
Depositary fee	26	27
Other expenses:		
Audit fee**	12	11
FT publishing fee	2	3
PRIIPs fees	4	3
Registrar's fee	2	-
Safe custody charge	6	5
	26	22
Total expenses	1,392	1,488

*All expenditure stated above is inclusive of irrecoverable VAT where applicable.

**The audit fee (excluding VAT) incurred during the year was £9,775 (2023: £9,551).

5 Taxation

a) Analysis of charge in the year

	2024	2023
	£'000	£'000
Current tax:		
Overseas tax suffered	37	64
Total tax charge for the year (see note 5 (b))	37	64

Aegon UK Smaller Companies Fund

Notes to the Financial Statements (continued)

5 Taxation (continued)

b) Factors affecting tax charge for the year

The tax assessed for the year is lower than (2023: lower than) the standard rate of corporation tax for Open Ended Investment Companies 'OEICs' (20%).

The differences are explained below:

	2024	2023
	£'000	£'000
Net revenue before taxation	4,113	3,593
Corporation tax 20% (2023: 20%)	823	719
Effects of:		
Movement in excess expenses	173	201
Overseas tax suffered	37	64
Revenue not subject to taxation	(996)	(920)
Total tax charge for the year (see note 5 (a))	37	64

c) Factors that may affect future tax charges

After claiming relief against accrued revenue taxable on receipt, the sub-fund has unrelieved excess expenses of £16,467,000 (2023: £15,602,000). It is unlikely that the sub-fund will generate sufficient taxable profits in the future to utilise these expenses and therefore a deferred tax asset of £3,293,000 (2023: £3,120,000) has not been recognised.

6 Distributions

The distributions take account of amounts receivable on the issue of shares and amounts deductible on the cancellation of shares, and comprise:

	2024	2023
	£'000	£'000
Final distribution	3,903	3,390
	3,903	3,390
Add: amounts deductible on cancellation of shares	215	152
Less: amounts receivable on creation of shares	(42)	(13)
Distributions	4,076	3,529

Details of the distributions are set out in the tables on page 75.

7 Debtors

	2024	2023
	£'000	£'000
Accrued revenue	575	489
Amounts receivable for the issue of shares	27	3
Sales awaiting settlement	74	50
Debtors	676	542

8 Cash and bank balances

	2024	2023
	£'000	£'000
Cash and bank balances	837	3,831
Cash and bank balances	837	3,831

9 Other creditors

	2024	2023
	£'000	£'000
Accrued ACD periodic charge	239	225
Accrued other expenses	28	20
Amounts payable for cancellation of shares	436	426
Purchases awaiting settlement	-	1,269
Other creditors	703	1,940

Aegon UK Smaller Companies Fund

Notes to the Financial Statements (continued)

10 Related parties

Related party interests in the sub-fund are disclosed in Note 6 of the Accounting Policies on page 17. Amounts due to the ACD as at year end for the ACD periodic charge and amounts due to the ACD for outstanding cancellations are disclosed in Note 9. Amounts receivable from the ACD as at year end for outstanding issue of shares are disclosed in Note 7. At the year-end 97.30% (2023: 97.60%) of the shares in issue were owned by AEGON Group or AEGON UK companies.

11 Contingent assets, liabilities and commitments

There were no contingent assets, liabilities or commitments present in the sub-fund as at 31 July 2024 (2023: £Nil).

12 Financial instruments and risk

The risks associated with the sub-fund are market, concentration, valuation, yield, liquidity, counterparty, and interest rate risk. Narrative disclosures are on pages 15 to 17.

VaR Disclosure

The sub-fund uses the Commitments Approach Method and, although Aegon Asset Management compute VaR for this sub-fund, it is not monitored against any limit (2023: same). As at the balance sheet date, the sub-fund's value at risk is 10.74% (2023: 8.48%).

The following table details the lowest, highest and average utilisation of the absolute VaR limit:

	Lowest Utilisation (%)	Highest Utilisation (%)	Average Utilisation (%)
31 July 2024	10.74	14.59	12.66
31 July 2023	8.23	9.49	8.97

Leverage

As the sub-fund has not traded in derivatives throughout the year there is no significant exposure to leverage.

Counterparty risk

The risk of entering an arrangement with a counterparty, which is itself subject to financial risks which may affect its ability to trade as a going concern.

The ACD maintains a list of approved counterparties. This list is regularly monitored and revised for changes based on the counterparty's credit-worthiness, market reputation and expectations of future financial performance. Transactions will only be opened with financial intermediaries on the approved counterparties list.

The sub-fund's use of exchange traded derivatives are considered to be free of counterparty risk if the derivative is traded on an exchange where the clearing house is backed by an appropriate performance guarantee and it is characterised by a daily mark-to-market valuation of the derivative position and at least daily margining.

The following details exposure to counterparties obtained through the use of derivatives:

As at 31 July 2024

Counterparty	Stock on loan £'000	Collateral pledge Stock £'000
JPMorgan	1,315	1,415

As at 31 July 2023 the sub-fund has no exposure to derivatives therefore there is no significant counterparty risk.

Aegon UK Smaller Companies Fund

Notes to the Financial Statements (continued)

13 Portfolio transaction costs

Purchases

31 July 2024	Value £'000	Commissions £'000	%	Other Costs* £'000	%
Equities	47,349	39	0.08	208	0.44
Total	47,349	39		208	
Total purchases including transaction costs	47,596				
31 July 2023					
Equities	49,715	46	0.09	183	0.37
Total	49,715	46		183	
Total purchases including transaction costs	49,944				

Sales

31 July 2024	Value £'000	Commissions £'000	%	Other Costs* £'000	%
Equities	57,683	(60)	0.10	-	-
Corporate actions	2,380	-	-	-	-
Total	60,063	(60)		-	
Total sales net of transaction costs	60,003				
31 July 2023					
Equities	54,586	(63)	0.12	-	-
Corporate actions	4,940	-	-	-	-
Total	59,526	(63)		-	
Total sales net of transaction costs	59,463				

*Other Costs includes taxes and any other costs other than commissions incurred by the sub-fund when buying and selling an underlying investment.

Portfolio transaction costs are incurred by the sub-fund when buying and selling underlying investments. These vary depending on the class of investment, country of exchange and method of execution. These costs can be classified as either direct or indirect transaction costs:

- Direct transaction costs: Broker commissions, fees and taxes.
- Indirect transaction costs: 'Dealing spread' - the difference between the buying and selling prices of the sub-fund's underlying investments.

In order to protect existing investors from the effects of dilution, portfolio transaction costs incurred as a result of investors buying and selling shares in the sub-fund are recovered from those investors through a 'dilution adjustment' to the price they pay or receive.

At the balance sheet date, the portfolio dealing spread was 0.35% (2023: 0.34%), being the difference between the respective bid and offer prices for the sub-fund's investments.

14 Fair value hierarchy

The fair value hierarchy is intended to prioritise the inputs that are used to measure the fair value of assets and liabilities. The fair value hierarchy has the following levels:

Level 1 – Unadjusted quoted price in an active market for an identical instrument.

Level 2 – Valuation techniques using observable inputs other than quoted prices within level 1.

Level 3 – Valuation techniques using unobservable inputs.

Basis of valuation	2024		2023	
	Assets £'000	Liabilities £'000	Assets £'000	Liabilities £'000
1 - Unadjusted quoted prices	197,639	-	175,209	-
2 - Observable market data	-	-	-	-
3 - Unobservable data*	-	-	-	-
	197,639	-	175,209	-

*Includes securities fair valued by the ACD. Level 3 assets held in the sub-fund have been identified on the Portfolio Statement.

Aegon UK Smaller Companies Fund

Notes to the Financial Statements (continued)

15 Share classes

The sub-fund currently has one share class; B (Institutional). The ACD's periodic charge on each share class is as follows:

B share class: 0.75%

The net asset value of each share class, the net asset value per share, and the number of shares in each class are given in the comparative tables on page 65. The distribution per share class is given in the distribution tables on page 75. All share classes have the same rights on winding up.

Share class movement reconciliation

31 July 2024	Opening	Creations	Cancellations	Converted	Closing
B Accumulation	49,993,346	1,179,154	(5,977,796)	-	45,194,704

16 Post balance sheet events

The table below shows the net asset values per share as at the balance sheet date, compared against values as at 19 November 2024 and the percentage movement in that period.

Net assets per share

	31 July 2024	19 November 2024	% Movement
B Accumulation	439.10	403.80	(8.04)

During the period from the balance sheet date to 19 November 2024, the net asset value of the sub-fund decreased by 11.53%. This decrease is primarily driven by Market movements.

Aegon UK Smaller Companies Fund

Distribution Table

Share Class B Accumulation

Period end	Pay date		Net Revenue	Equalisation*	Total Paid/Payable	2023 Total Paid
31/07/24	30/11/24	Group 1	8.6354	N/A	8.6354	6.7815
		Group 2	5.0690	3.5664		

All distributions above are in pence per share unless specifically stated.

*Equalisation applies only to shares purchased during the distribution period (Group 2 shares). It is the average amount of revenue included in the purchase price of all Group 2 shares and is refunded to holders of these shares as a return of capital. Being a capital repayment, it is not liable to income tax but must be deducted from the cost of the shares for capital gains tax purposes.

Aegon UK Sustainable Opportunities Fund*

Fund objective

The investment objective is to provide a combination of income and capital growth over any 7 year period.

Investment policy

The sub-fund will be invested in a concentrated portfolio (typically 35-45 stocks) with at least 80% of the sub-fund consisting of equities of companies which are domiciled, incorporated or have significant operations in/exposure to the UK but which may also be quoted on a regulated market outside of the UK and which meet the sub-fund's predefined sustainability criteria. The sub-fund is actively managed and can invest in companies of any market capitalisation (small, medium or large) and in any industry sector but will tend to have a bias towards small to medium sized companies. At any one time, the scope of investment may be themed by industry, size or style to take advantage of opportunities identified by the ACD. The ACD seeks to identify companies which, in the ACD's opinion, have undiscovered growth. This is supplemented by a selection of less mature smaller companies with long term growth potential and includes the flexibility to implement thematic views. The sub-fund can also invest up to 20% of its Net Asset Value in equities of non-UK companies.

Sustainability criteria

In making investments for the sub-fund, the ACD shall adhere to sustainability criteria, which combine an exclusionary screen with fundamental analysis. Please see the Prospectus for further details.

Risk profile

The sub-fund will target retail and institutional investors seeking pooled exposure to the UK equity market and who are comfortable with a higher level of investment risk. In most cases, we expect the sub-fund to be held as part of a diversified portfolio, which may include other assets such as bonds, equities, property and cash. While investors will normally be able to liquidate their holdings on a daily basis, unit prices will fluctuate and may fall significantly in value. Consequently, it is important to understand that the sub-fund should be viewed as a longer-term investment.

The sub-fund is actively managed and exposed to a range of risks, which are listed and defined in the Aegon Asset Management UK ICVC Prospectus. The most material risks from this list also appear in our Key Investor Information documents (KIID) where they are summarised in an easy-to-read format. You can find both of these documents on our website at www.aegonam.com.

Performance**

The Aegon UK Sustainable Opportunities Fund returned 21.79% compared to the peer group median return of 13.76%. The peer group is the Investment Association UK All Companies sector.

Strategy review***

UK equities enjoyed good absolute returns, with the FTSE All-Share returning 13.54%, although this lagged broad global equity benchmarks. Macro factors continued to drive markets over the period, with investor sentiment closely tied to inflation and interest rate expectations. The Bank of England increased interest rates by 0.25% in August 2023 to 5.25%, as UK inflation, whilst trending downwards, remained higher than most other developed markets. This seemed to have the desired effect, as inflation fell sharply through the rest of the period, eventually reaching the Bank's 2% target. It was in quarter four of 2023 that investors really started to gain confidence that rates had peaked and would likely start to retreat in 2024. This change in expectations sparked a sharp rally in UK stocks, particularly small and mid-caps, which started to bounce back from previous weakness and outperformed their large cap counterparts over the period.

There were two other notable features in UK markets over the period. Firstly, merger and acquisition activity reached multi-year highs with both public and private equity buyers looking to take advantage of attractive valuations on offer. Secondly, a general election in July 2024 saw the Labour party return to government for the first time in 14 years with a landslide victory. The large majority, coupled with the new government's pro-business stance and promises to kick start economic growth raised hopes of a more stable political backdrop than had been seen in recent years, meaning the UK may no longer be so unloved and underheld by international investors. Indeed, with data showing a positive inflection in GDP over the first half of 2024, the period ended with a much stronger backdrop than it began.

In sector terms, industrials, technology and financials were the winners, with basic materials, consumer staples and utilities lagging the rest of the market, although still returning positively.

Due to our sustainable criteria, it is important to note that we are unable to invest in certain industries in which other funds in the peer group can invest in such as oil & gas and defence. Therefore, our sustainable process primarily drives sector allocation. Taking this into account, the sub-fund's overweight positions in technology, consumer staples and industrials added value, while our significant underweight exposure to the energy sector struggled, as did our limited exposure to basic materials and banks. The sub-fund's underweight position in these sectors is driven by its sustainable investment criteria.

Stock selection was a strong contributor to overall performance, with our ongoing focus on balance sheet strength a key driver of returns, given this characteristic continues to be sought after in the current environment. Among the standout positions in the sub-fund was our holding in NatWest, which initially struggled before its fortunes turned in 2024, as improving results were well received by the market and saw the shares bounce strongly off their lows. Results in July 2024 were particularly strong, with profits materially ahead of expectations, due to higher income and lower impairments, leading to full year upgrades and a 9% increase in the dividend. Also within the financials sector, Intermediate Capital, a global alternative asset manager, delivered a strong quarterly update, noting better than anticipated flows and third-party AUM.

Two of our cyclical recovery stocks were subject to bid approaches by rival companies. This highlights the value of identifying good quality companies which are currently approaching the bottom of their earnings cycle. Firstly, Spirent Communications was the subject of a cash bid by Viavi Solutions. Spirent is a maker of telecommunications testing equipment. The stock is driven by technology cycles. A downturn in testing demand caused earnings to fall and the stock to trade on a depressed valuation. We initiated a position in quarter four 2023 anticipating a cyclical recovery and the stock was subsequently subject to a cash bid by Viavi Solutions at a significant premium. DS Smith, the global provider of sustainable packaging solutions and paper products was subject to a merger proposal by one of its industry peers, Mondi. This attracted the attentions of US rival International Paper, which then proposed a bid at a higher premium.

Elsewhere, our position in Smart Metering Systems the energy infrastructure business, was also subject to a takeover by a private equity firm, which eventually led us to sell our holding as the bid reflected an attractive valuation.

Aegon UK Sustainable Opportunities Fund

Strategy review (continued)***

Finally, the portfolio was boosted by valuation re-ratings in several of its smaller cap holdings, such as Trustpilot and Craneware. The smaller-cap end of the market had been particularly pressured by the rate hiking cycle, so signs that rates would likely reverse prompted the start of a recovery for this area.

Trustpilot was boosted by good results and positive developments in its respective investment cases. A new management team with a revamped go-to-market strategy showed encouraging signs, with the company delivering solid revenue growth and, importantly, profitability well ahead of expectations. Craneware, which develops and maintains software for US healthcare organisations, delivered robust interim results, aided by some recovery in the hospital market, positive trends in new contract wins and cross sell benefits.

Stocks that disappointed included SolarEdge Technologies, an overseas holding specialising in solar panel inverters. Higher interest rates and falling energy prices led to sharply lower demand for residential solar panels which hurt the stock. Given risk of a continued slump in residential solar, coupled with increasing Chinese competition, we subsequently exited the position.

We continue to focus on high conviction, disciplined, bottom-up stock selection as a means of adding value to the sub-fund.

*Following the year end, the ACD notified investors and the FCA of its intention to close the Aegon UK Sustainable Opportunities Fund. As at the date of this report, it is intended the closure will take place on or around 31 January 2025.

**Source: Lipper, % growth, income re-invested at pay date, NAV-NAV, GBP, net of Basic Rate Tax. Index returns are gross of Basic Rate Tax.

Investors are invited to compare the sub-fund's performance against the performance of other funds within the Investment Association All UK Companies Sector. Comparison of the sub-fund against this Peer Group will give investors an indication of how the sub-fund is performing compared with funds investing in a similar but not identical investment universe. This comparison should be performed over at least a 7 year period to provide the most useful long term

***General references to markets and indices are to be considered as general market commentary only and (i) are not to be considered as a comparison of sub-fund performance against a benchmark (unless otherwise disclosed as such); and (ii) the index or indices do not operate as a performance target and the sub-fund's portfolio is not constrained by the index or indices.

Aegon UK Sustainable Opportunities Fund

Material portfolio changes

Top ten purchases	31 July 2024	Top ten sales	31 July 2024
	£'000		£'000
Informa	3,196	HIKMA Pharmaceuticals	4,129
Tesco	2,751	Smart Metering Systems	3,008
Mony	2,682	Spirent Communications	2,606
PageGroup	2,576	DiscoverIE	2,221
Softcat	2,534	Ascential	1,903
RS Group	2,460	DS Smith	1,593
JTC	2,388	ConvaTec	1,454
Dunelm	2,365	Alpha	1,372
Sage	2,120	Kin & Carta	1,235
GSK	1,774	SSE	1,202

Aegon UK Sustainable Opportunities Fund

Comparative Tables

B Accumulation shares	2024	2023	2022
	(p/share)	(p/share)	(p/share)
Change in net assets per share			
Opening net asset value per share	207.81	225.26	275.23
Return before operating charges*	47.39	(15.83)	(47.98)
Operating charges	(1.73)	(1.62)	(1.99)
Return after operating charges*	45.66	(17.45)	(49.97)
Distributions	(5.11)	(3.62)	(3.91)
Retained distributions on accumulation shares	5.11	3.62	3.91
Closing net asset value per share	253.47	207.81	225.26
 *after direct transaction costs of	 0.38	 0.51	 0.59
Performance			
Return after charges	21.97%	(7.75)%	(18.16)%
Other information			
Closing net asset value (£'000)	146,444	119,699	131,377
Closing number of shares	57,776,585	57,598,811	58,323,175
Operating charges	0.78%	0.78%	0.79%
Direct transaction costs	0.17%	0.24%	0.23%
Prices			
Highest share price	253.14	224.65	290.35
Lowest share price	189.73	186.87	207.71

Highest and Lowest share prices are based on official published daily NAVs priced at 12 noon on the last business day of the year. The closing net asset value per share is at close of business.

Aegon UK Sustainable Opportunities Fund

Portfolio Statement

The sub-fund's investments as at 31 July 2024

Holding	Investment	Market valuation £'000	Total net assets %
Equities 99.18% (31 July 2023 95.90%)			
Basic Materials 2.85% (31 July 2023 2.78%)			
104,141	Hill & Smith	2,390	1.63
109,125	Johnson Matthey	1,788	1.22
		4,178	2.85
Consumer Discretionary 11.48% (31 July 2023 7.03%)			
212,594	Dunelm	2,619	1.79
387,483	Informa	3,367	2.30
199,145	RELX	7,313	4.99
2,201,705	Taylor Wimpey	3,507	2.40
		16,806	11.48
Consumer Staples 3.59% (31 July 2023 1.53%)			
328,358	Tate & Lyle	2,157	1.47
936,527	Tesco	3,105	2.12
		5,262	3.59
Energy 0.00% (31 July 2023 1.09%)			
Financials 17.67% (31 July 2023 17.81%)			
101,394	Alpha	2,616	1.79
445,135	Foresight	2,315	1.58
163,908	Intermediate Capital	3,596	2.46
258,312	JTC	2,712	1.84
58,256	London Stock Exchange	5,516	3.77
1,604,398	NatWest	5,904	4.03
589,681	Phoenix	3,223	2.20
		25,882	17.67
Health Care 15.82% (31 July 2023 20.30%)			
59,901	AstraZeneca	7,407	5.06
1,256,458	ConvaTec	2,940	2.01
135,800	Craneware	3,110	2.12
348,808	GSK	5,272	3.60
1,268,902	Haleon	4,435	3.03
		23,164	15.82
Industrials 28.21% (31 July 2023 26.67%)			
52,218	Ashtead	2,924	2.00
112,971	Diploma	5,023	3.43
637,501	DS Smith	2,898	1.98
125,859	Experian	4,620	3.16
464,686	FDM	1,975	1.35
13,287	Ferguson	2,289	1.56
580,039	Genuit	2,964	2.02
144,900	Halma	3,856	2.63
126,395	Oxford Instruments	3,166	2.16
597,505	PageGroup	2,548	1.74
373,316	RS Group	3,052	2.08
49,937	Spectris	1,516	1.04
820,814	Volusion	4,482	3.06
		41,313	28.21
Real Estate 3.72% (31 July 2023 5.19%)			
842,248	Grainger	2,026	1.39
358,645	Unite REIT*	3,416	2.33
		5,442	3.72

Aegon UK Sustainable Opportunities Fund

Portfolio Statement (continued)

Holding	Investment	Market valuation £'000	Total net assets %
	Technology 8.12% (31 July 2023 4.80%)		
639,794	GB Group	2,226	1.52
1,086,394	Mony	2,583	1.76
198,762	Sage	2,158	1.47
165,238	Softcat	2,685	1.83
1,080,173	Trustpilot	2,247	1.54
		11,899	8.12
	Utilities 7.72% (31 July 2023 8.70%)		
628,732	National Grid	6,198	4.24
271,342	SSE	5,101	3.48
		11,299	7.72
	Portfolio of investments	145,245	99.18
	Net other assets	1,199	0.82
	Total net assets attributable to shareholders	146,444	100.00

The comparative percentage figures in brackets are at 31 July 2023.

All investments are approved securities being either officially listed in a member state or traded on or under the rules of an eligible securities market, unless otherwise stated.

As all holdings are equity shares there is no analysis of the portfolio by asset class.

*Real Estate Investment Trust.

Aegon UK Sustainable Opportunities Fund

Statement of Total Return for the year ended 31 July 2024

			2024		2023
	Note	£'000	£'000	£'000	£'000
Income					
Net capital gains/(losses)	2		23,477		(12,304)
Revenue	3	3,950		3,032	
Expenses	4	(997)		(937)	
Net revenue before taxation		2,953		2,095	
Taxation	5	-		-	
Net revenue after taxation			2,953		2,095
Total return before distributions			26,430		(10,209)
Distributions	6		(2,953)		(2,095)
Change in net assets attributable to shareholders from investment activities			23,477		(12,304)

Statement of Change in Net Assets Attributable to Shareholders for the year ended 31 July 2024

		2024		2023
	£'000	£'000	£'000	£'000
Opening net assets attributable to shareholders		119,699		131,377
Amounts receivable on issue of shares	2,085		746	
Amounts payable on cancellation of shares	(1,772)		(2,205)	
		313		(1,459)
Change in net assets attributable to shareholders from investment activities		23,477		(12,304)
Retained distributions on accumulation shares		2,955		2,085
Closing net assets attributable to shareholders		146,444		119,699

Aegon UK Sustainable Opportunities Fund

Balance Sheet as at 31 July 2024

			2024		2023
	Note	£'000	£'000	£'000	£'000
Assets					
Fixed assets:					
Investments			-		114,797
Current assets:					
Investments*		145,245			
Debtors	7	368		650	
Cash and bank balances	8	1,056		5,097	
			146,669		5,747
Total assets			146,669		120,544
Liabilities					
Creditors					
Other creditors	9	225		845	
Total liabilities			225		845
Net assets attributable to shareholders			146,444		119,699

* Investments are classified as current assets as the sub-fund has been prepared on a basis other than going concern.

Aegon UK Sustainable Opportunities Fund

Notes to the Financial Statements

1 Accounting policies

The sub-fund's financial statements have been prepared on the basis disclosed on pages 12 to 14.

2 Net capital gains/(losses)

Net capital gains/(losses) comprise:

	2024	2023
	£'000	£'000
Gains/(losses) on non-derivative securities	23,478	(12,293)
Currency exchange losses	-	(10)
Transaction charges	(1)	(1)
Net capital gains/(losses)	23,477	(12,304)

3 Revenue

	2024	2023
	£'000	£'000
UK dividends	3,651	2,750
Property income from REITs	151	144
Bank Interest	148	138
Total revenue	3,950	3,032

4 Expenses*

	2024	2023
	£'000	£'000
Payable to the ACD, associates of the ACD and agents of either of them:		
ACD's periodic charge	954	900
Payable to the Depositary, associates of the Depositary and agents of either of them:		
Depositary fee	18	17
Other expenses:		
Audit fee**	12	11
FT publishing fee	3	3
PRIIPs fees	4	3
Registrar's fee	2	-
Safe custody charge	4	3
	25	20
Total expenses	997	937

*All expenditure stated above is inclusive of irrecoverable VAT where applicable.

**The audit fee (excluding VAT) incurred during the year was £9,875 (2023: £9,642).

5 Taxation

a) Analysis of charge in the year

	2024	2023
	£'000	£'000
Current tax:		
Overseas tax suffered	-	-
Total tax charge for the year (see note 5 (b))	-	-

b) Factors affecting tax charge for the year

The tax assessed for the year is lower (2023: lower than) than the standard rate of corporation tax for Open Ended Investment Companies 'OEICs' (20%).

The differences are explained below:

	2024	2023
	£'000	£'000
Net revenue before taxation	2,953	2,095
Corporation tax 20% (2023: 20%)	591	419
Effects of:		
Movement in excess expenses	140	131
Revenue not subject to taxation	(731)	(550)
Total tax charge for the year (see note 5 (a))	-	-

Aegon UK Sustainable Opportunities Fund

Notes to the Financial Statements (continued)

5 Taxation (continued)

c) Factors that may affect future tax charges

After claiming relief against accrued revenue taxable on receipt, the sub-fund has unrelieved excess expenses of £12,131,000 (2023: £11,431,000). It is unlikely that the sub-fund will generate sufficient taxable profits in the future to utilise these expenses and therefore a deferred tax asset of £2,426,000 (2023: £2,286,000) has not been recognised.

6 Distributions

The distributions take account of amounts receivable on the issue of shares and amounts deductible on the cancellation of shares, and comprise:

	2024	2023
	£'000	£'000
Final distribution	2,955	2,085
	2,955	2,085
Add: amounts deductible on cancellation of shares	22	13
Less: amounts receivable on creation of shares	(24)	(3)
Distributions	2,953	2,095

Details of the distributions are set out in the tables on page 88.

7 Debtors

	2024	2023
	£'000	£'000
Accrued revenue	367	649
Amounts receivable for the issue of shares	1	1
Debtors	368	650

8 Cash and bank balances

	2024	2023
	£'000	£'000
Cash and bank balances	1,056	5,097
Cash and bank balances	1,056	5,097

9 Other creditors

	2024	2023
	£'000	£'000
Accrued ACD periodic charge	176	148
Accrued other expenses	24	17
Amounts payable for cancellation of shares	25	1
Purchases awaiting settlement	-	679
Other creditors	225	845

10 Related parties

Related party interests in the sub-fund are disclosed in Note 6 of the Accounting Policies on page 17. Amounts due to the ACD as at year end for the ACD periodic charge and amounts due to the ACD for outstanding cancellations are disclosed in Note 9. Amounts receivable from the ACD as at year end for outstanding issue of shares are disclosed in Note 7. At the year-end 97.89% (2023: 98.11%) of the shares in issue were owned by AEGON Group or AEGON UK companies.

11 Contingent assets, liabilities and commitments

There were no contingent assets, liabilities or commitments present in the sub-fund as at 31 July 2024 (2023: £Nil).

12 Financial instruments and risk

The risks associated with the sub-fund are market, concentration, valuation, yield, liquidity, counterparty, and interest rate risk. Narrative disclosures are on pages 15 to 17.

Aegon UK Sustainable Opportunities Fund

Notes to the Financial Statements (continued)

12 Financial instruments and risk (continued)

VaR Disclosure

The sub-fund uses the Commitments Approach Method and, although Aegon Asset Management compute VaR for this sub-fund, it is not monitored against any limit (2023: same). As at the balance sheet date, the sub-fund's value at risk is 9.20% (2023: 7.07%).

The following table details the lowest, highest and average utilisation of the absolute VaR limit:

	Lowest Utilisation (%)	Highest Utilisation (%)	Average Utilisation (%)
31 July 2024	8.92	13.13	11.02
31 July 2023	6.97	8.24	7.59

Leverage

As the sub-fund has not traded in derivatives throughout the year there is no significant exposure to leverage.

Counterparty risk

As the sub-fund has not traded in derivatives throughout the year there is no significant counterparty risk.

13 Portfolio transaction costs

Purchases

	Value £'000	Commissions £'000	%	Other Costs* £'000	%
31 July 2024					
Equities	38,518	29	0.08	167	0.43
Corporate actions	916	-	-	-	-
Total	39,434	29		167	
Total purchases including transaction costs	39,630				
31 July 2023					
Equities	57,377	42	0.07	213	0.37
Total	57,377	42		213	
Total purchases including transaction costs	57,632				

Sales

	Value £'000	Commissions £'000	%	Other Costs* £'000	%
31 July 2024					
Equities	32,686	(24)	0.07	-	-
Total	32,686	(24)		-	
Total sales net of transaction costs	32,662				
31 July 2023					
Equities	51,907	(38)	0.07	-	-
Corporate actions	2,309	-	-	-	-
Total	54,216	(38)		-	
Total sales net of transaction costs	54,178				

*Other Costs includes taxes and any other costs other than commissions incurred by the sub-fund when buying and selling an underlying investment.

Portfolio transaction costs are incurred by the sub-fund when buying and selling underlying investments. These vary depending on the class of investment, country of exchange and method of execution. These costs can be classified as either direct or indirect transaction costs:

- Direct transaction costs: Broker commissions, fees and taxes.
- Indirect transaction costs: 'Dealing spread' - the difference between the buying and selling prices of the sub-fund's underlying investments.

In order to protect existing investors from the effects of dilution, portfolio transaction costs incurred as a result of investors buying and selling shares in the sub-fund are recovered from those investors through a 'dilution adjustment' to the price they pay or receive.

At the balance sheet date, the portfolio dealing spread was 0.17% (2023: 0.15%), being the difference between the respective bid and offer prices for the sub-fund's investments.

Aegon UK Sustainable Opportunities Fund

Notes to the Financial Statements (continued)

14 Fair value hierarchy

The fair value hierarchy is intended to prioritise the inputs that are used to measure the fair value of assets and liabilities. The fair value hierarchy has the following levels:

Level 1 – Unadjusted quoted price in an active market for an identical instrument.

Level 2 – Valuation techniques using observable inputs other than quoted prices within level 1.

Level 3 – Valuation techniques using unobservable inputs.

Basis of valuation	2024		2023	
	Assets	Liabilities	Assets	Liabilities
	£'000	£'000	£'000	£'000
1 - Unadjusted quoted prices	145,245	-	114,797	-
2 - Observable market data	-	-	-	-
3 - Unobservable data	-	-	-	-
	145,245	-	114,797	-

15 Share classes

The sub-fund currently has one share class; B (Institutional). The ACD's periodic charge on each share class is as follows:

B share class: 0.75%

The net asset value of each share class, the net asset value per share, and the number of shares in each class are given in the comparative tables on page 79. The distribution per share class is given in the distribution tables on page 88. All share classes have the same rights on winding up.

Share class movement reconciliation

31 July 2024	Opening	Creations	Cancellations	Converted	Closing
B Accumulation	57,598,811	976,565	(798,791)	-	57,776,585

16 Post balance sheet events

Following the year end, the ACD notified investors and the FCA of its intention to close the Aegon UK Sustainable Opportunities Fund. As at the date of this report, it is intended the closure will take place on or around 31 January 2025..

The table below shows the net asset values per share as at the balance sheet date, compared against values as at 19 November 2024 and the percentage movement in that period.

Net assets per share

	31 July 2024	19 November 2024	% Movement
B Accumulation	253.47	243.05	(4.11)

During the period from the balance sheet date to 19 November 2024, the net asset value of the sub-fund decreased by 14.02%. This decrease is primarily driven by overall levels of net redemptions within the sub-fund.

The table below shows net redemptions between 31 July 2024 and 19 November 2024 as a percentage of the balance sheet date NAV for share classes with significant movements. This change is reflective of conditions that arose after the year end and hence is considered a non-adjusting event.

Share class

	% Movement
B Accumulation	(10.37)

Aegon UK Sustainable Opportunities Fund

Distribution Tables

Share Class B Accumulation

Period end	Pay date		Net Revenue	Equalisation*	Total Paid/Payable	2023 Total Paid
31/07/24	30/11/24	Group 1	5.1137	N/A	5.1137	3.6198
		Group 2	2.6900	2.4237		

All distributions above are in pence per share unless specifically stated.

*Equalisation applies only to shares purchased during the distribution period (Group 2 shares). It is the average amount of revenue included in the purchase price of all Group 2 shares and is refunded to holders of these shares as a return of capital. Being a capital repayment, it is not liable to income tax but must be deducted from the cost of the shares for capital gains tax purposes.

Aegon Strategic Bond Fund

Fund objective

The investment objective is to provide a combination of income and capital growth over any 7 year period.

Investment policy

At least 80% of the sub-fund will be invested in a diverse portfolio of corporate bonds and government and public securities issued anywhere in the world and denominated in any currency, with proportions being flexibly adjusted at different stages of the economic and market cycle. The sub-fund may invest in aggregate a maximum of 40% of its Net Asset Value in high yield corporate bonds and emerging market bonds. The sub-fund may also invest in other transferable securities, collective investment schemes, money market instruments, deposits and cash and near cash, and derivative instruments and forward transactions may also be used for efficient portfolio management.

Risk profile

The sub-fund is designed for retail and institutional investors seeking pooled exposure to global bond markets and who are comfortable with a medium level of investment risk. In most cases, we expect the sub-fund to be held as part of a diversified portfolio which may include other assets such as bonds, equities, property and cash. While investors will normally be able to liquidate their holdings on a daily basis, unit prices will fluctuate and may fall significantly in value. Consequently, it is important to understand that the sub-fund should be viewed as a longer term investment.

The sub-fund is actively managed and exposed to a range of risks, which are listed and defined in the Aegon Asset Management UK ICVC Prospectus. The most material risks from this list also appear in our Key Investor Information documents (KIID) where they are summarised in an easy-to-read format. You can find both of these documents on our website at www.aegonam.com.

Performance*

The Aegon Strategic Bond Fund returned 15.12% compared to the peer group median return of 9.41%. The peer group is the Investment Association Sterling Strategic Bond sector.

Strategy review**

Both government and corporate bond markets performed strongly over the period, with government bond yields moving sharply lower and corporate bonds performing well across all asset classes.

The positive environment was due partly to key economic data releases generally coming in lower than expected, while inflation across the globe continued to ease somewhat, even if in an uneven fashion. Although both the European Central Bank (the "ECB") and the Bank of England were cautious in making any statements about rate cuts, the market initially priced-in aggressive easing paths for both jurisdictions, in line with its expectations for the US Federal Reserve (the "Fed"). This backdrop was supportive for both government and corporate bonds towards the end of 2023, with the latter benefiting not only from the lower funding costs it implied for companies but also from the increase in demand for the asset class.

As we moved into 2024, however, market participants reduced the number of rate cuts that global central banks were likely to deliver. At the same time, the US economy continued to defy gloomy expectations and progressed at near full speed. This was sufficient to reprice Fed cuts priced-in for 2024 from over six in January to below three at the end of March.

The volatility in the inflation and economic outlook continued as we approached the end of the period, with weaker economic data once again prevalent as US inflation surprised to the downside, joining the trend seen in Europe and the UK. Given the weaker environment, the ECB started its rate cutting cycle in June after an extended period of sub-trend growth and falling inflation. They joined the Bank of Canada, Swiss National Bank and Swedish Riksbank which also cut rates, with the UK expected to follow later in the summer.

The sub-fund benefited from three core strategies that were in place for the majority of the period. The strategies were a bias to holding additional duration risk (a measure of interest rate risk), positioning the sub-fund for steeper yield curves, and a general preference for corporate bonds over government bonds.

We actively managed the magnitude of these positions throughout the period. On the duration side, for example, we reduce our interest rate risk level when economic data was stronger and subsequently re-built our position as global government bond yields backed-up.

Similarly, we actively increased our exposure to corporate bond risk when a combination of attractive valuations and compelling technicals supported this move, and then reduced our position following periods of strong performance. This was particularly the case with our sizeable exposure to high yield bonds, where we used high yield CDS index protection to manipulate the size of our position.

As we moved into 2024, we strategically increased our allocation to some of the blue-chip European real estate companies, primarily via the senior unsecured bonds. We felt that these assets traded at a meaningful discount to their intrinsic value and we felt they represented a very good opportunity at a time when the sentiment towards the sector was near the bottom. This trade added value to performance in the remainder of the period as European real estate names benefited from the start of the ECB's cutting cycle and a backdrop of low but non-recessionary growth.

Elsewhere, our favoured sector (financials) was a keen source of alpha for the sub-fund with subordinated bank debt in particular adding value over the period as a whole.

Looking forward, we continue to see an unusual set of opportunities in global fixed income markets. We expect to see the commencement of large synchronous rate cutting cycles across developed markets, and therefore we maintain an above average interest rate risk position.

*Source: Lipper, % growth, income re-invested at pay date, NAV-NAV, GBP, net of Basic Rate Tax. Index returns are gross of Basic Rate Tax.

Investors are invited to compare the sub-fund's performance against the performance of other funds within the Investment Association Strategic Bond Sector. Comparison of the sub-fund against this Peer Group will give investors an indication of how the sub-fund is performing compared with funds investing in a similar but not identical investment universe. This comparison should be performed over at least a 7 year period to provide the most useful long term comparison.

**General references to markets and indices are to be considered as general market commentary only and (i) are not to be considered as a comparison of sub-fund performance against a benchmark (unless otherwise disclosed as such); and (ii) the index or indices do not operate as a performance target and the sub-fund's portfolio is not constrained by the index or indices.

Aegon Strategic Bond Fund

Material portfolio changes

Top ten purchases	31 July 2024	Top ten sales	31 July 2024
	£'000		£'000
Raiffeisen Bank International 8.659% Perpetual	15,830	US Treasury Bond 2.75% 15/02/2028	13,223
US Treasury Bond 1.875% 15/02/2032	10,681	Erste 4.25% Perpetual	12,987
Banco Santander 9.625% Perpetual	9,479	Raiffeisen Bank International 8.659% Perpetual	10,917
Erste 4.25% Perpetual	9,435	United Kingdom Gilt 4.25% 07/06/2032	10,503
US Treasury Bond 4% 31/01/2029	8,193	Banco Santander 9.625% Perpetual	9,659
Piraeus Financial 7.25% 17/04/2034	7,537	Safehold Operating Partnership 6.1% 01/04/2034	7,268
Safehold Operating Partnership 6.1% 01/04/2034	7,275	Erste 8.5% Perpetual	7,213
Erste 8.5% Perpetual	7,005	Banco Santander 4.375% Perpetual	6,668
US Treasury Bond 2.75% 15/02/2028	6,992	Novo Banco 9.875% 01/12/2033	6,615
Societe Generale 7.132% 19/01/2055	6,896	Eurobank Ergasias 6.25% 25/04/2034	6,511

Aegon Strategic Bond Fund

Comparative Tables

B Accumulation shares	2024	2023	2022
	(p/share)	(p/share)	(p/share)
Change in net assets per share			
Opening net asset value per share	134.28	141.91	156.85
Return before operating charges*	21.12	(6.86)	(14.06)
Operating charges	(0.84)	(0.77)	(0.88)
Return after operating charges*	20.28	(7.63)	(14.94)
Distributions	(6.77)	(6.57)	(3.72)
Retained distributions on accumulation shares	6.77	6.57	3.72
Closing net asset value per share	154.56	134.28	141.91
*after direct transaction costs of	-	-	-
Performance			
Return after charges	15.10%	(5.38)%	(9.53)%
Other information			
Closing net asset value (£'000)	161,363	196,355	238,932
Closing number of shares	104,400,750	146,223,394	168,367,791
Operating charges	0.59%	0.57%	0.58%
Direct transaction costs	-	-	-
Prices			
Highest share price	154.57	144.84	158.62
Lowest share price	127.14	123.41	135.99

B Income shares	2024	2023	2022
	(p/share)	(p/share)	(p/share)
Change in net assets per share			
Opening net asset value per share	114.55	127.13	144.14
Return before operating charges*	17.59	(6.12)	(12.82)
Operating charges	(0.70)	(0.68)	(0.80)
Return after operating charges*	16.89	(6.80)	(13.62)
Distributions	(5.67)	(5.78)	(3.39)
Retained distributions on accumulation shares	-	-	-
Closing net asset value per share	125.77	114.55	127.13
*after direct transaction costs of	-	-	-
Performance			
Return after charges	14.74%	(5.35)%	(9.45)%
Other information			
Closing net asset value (£'000)	41,744	58,013	74,039
Closing number of shares	33,189,481	50,646,644	58,238,106
Operating charges	0.59%	0.57%	0.58%
Direct transaction costs	-	-	-
Prices			
Highest share price	127.88	129.76	145.46
Lowest share price	108.45	110.56	123.32

Highest and Lowest share prices are based on official published daily NAVs priced at 12 noon on the last business day of the year. The closing net asset value per share is at close of business.

Aegon Strategic Bond Fund

Comparative Tables (continued)

S Accumulation shares	2024	2023	2022
	(p/share)	(p/share)	(p/share)
Change in net assets per share			
Opening net asset value per share	110.89	117.07	129.27
Return before operating charges*	17.46	(5.65)	(11.60)
Operating charges	(0.58)	(0.53)	(0.60)
Return after operating charges*	16.88	(6.18)	(12.20)
Distributions	(5.71)	(5.53)	(3.19)
Retained distributions on accumulation shares	5.71	5.53	3.19
Closing net asset value per share	127.77	110.89	117.07
*after direct transaction costs of	-	-	-
Performance			
Return after charges	15.22%	(5.28)%	(9.44)%
Other information			
Closing net asset value (£'000)	68,258	53,544	63,901
Closing number of shares	53,423,801	48,283,587	54,580,966
Operating charges	0.49%	0.47%	0.48%
Direct transaction costs	-	-	-
Prices			
Highest share price	127.77	119.49	130.77
Lowest share price	105.02	101.83	112.18

S Income shares	2024	2023	2022
	(p/share)	(p/share)	(p/share)
Change in net assets per share			
Opening net asset value per share	95.35	105.83	119.99
Return before operating charges*	14.65	(5.10)	(10.67)
Operating charges	(0.48)	(0.47)	(0.55)
Return after operating charges*	14.17	(5.57)	(11.22)
Distributions	(4.82)	(4.91)	(2.94)
Retained distributions on accumulation shares	-	-	-
Closing net asset value per share	104.70	95.35	105.83
*after direct transaction costs of	-	-	-
Performance			
Return after charges	14.86%	(5.26)%	(9.35)%
Other information			
Closing net asset value (£'000)	31,086	53,266	79,826
Closing number of shares	29,691,129	55,861,831	75,428,330
Operating charges	0.49%	0.47%	0.48%
Direct transaction costs	-	-	-
Prices			
Highest share price	106.47	108.02	121.10
Lowest share price	90.30	92.05	102.67

Highest and Lowest share prices are based on official published daily NAVs priced at 12 noon on the last business day of the year. The closing net asset value per share is at close of business.

Aegon Strategic Bond Fund

Portfolio Statement

The sub-fund's investments as at 31 July 2024

Holding	Investment	Market valuation £'000	Total net assets %
Euro Denominated Bonds 30.62% (31 July 2023 36.22%)			
Asset Backed Security 0.84% (31 July 2023 0.00%)			
3,300,000	Vivion Investments 7.9% 28/02/2029	2,555	0.84
		2,555	0.84
Corporate Bonds 29.35% (31 July 2023 35.76%)			
1,400,000	Abanca Corp Bancaria 10.625% Perpetual	1,324	0.44
3,500,000	Alpha Services 6% 13/09/2034	3,070	1.02
3,500,000	Alpha Services 11.875% Perpetual	3,324	1.10
2,800,000	Amber Finco 6.625% 15/07/2029	2,443	0.81
5,600,000	Banco de Sabadell 5% Perpetual	4,421	1.46
3,200,000	Banco Santander 3.625% Perpetual	2,264	0.75
2,000,000	Bankinter 5% 25/06/2034	1,714	0.57
2,200,000	Commerzbank 7.875% Perpetual	1,906	0.63
2,600,000	Covivio Hotels 4.125% 23/05/2033	2,180	0.72
6,146,000	CPI Property 1.5% 27/01/2031	3,670	1.21
5,200,000	CPI Property 1.625% 23/04/2027	3,919	1.30
1,900,000	CPI Property 4.875% Perpetual	1,015	0.34
3,800,000	Erste 4.25% Perpetual	2,941	0.97
800,000	Fidelidade 7.75% Perpetual	672	0.22
2,400,000	Goldstory 7.631% 01/02/2030	2,021	0.67
4,000,000	Heimstaden Bostad 2.625% Perpetual	2,112	0.70
4,000,000	Heimstaden Bostad Treasury 0.75% 06/09/2029	2,637	0.87
6,100,000	Heimstaden Bostad Treasury 1.625% 13/10/2031	3,845	1.27
4,200,000	HT Troplast 9.375% 15/07/2028	3,539	1.17
3,500,000	Neopharmed Gentili 7.935% 08/04/2030	2,975	0.98
3,500,000	Nova Alexandre III 8.914% 15/07/2029	2,964	0.98
4,100,000	Nova Ljubljanska Banka 10.75% 28/11/2032	3,938	1.30
3,500,000	Piraeus Bank 4.625% 17/07/2029	2,988	0.99
4,200,000	Piraeus Financial 7.25% 17/04/2034	3,795	1.25
4,096,000	Piraeus Financial 8.75% Perpetual	3,502	1.16
3,100,000	ProCredit 9.5% 25/07/2034	2,690	0.89
8,500,000	Raiffeisen Bank International 1.375% 17/06/2033	6,127	2.03
5,800,000	Raiffeisen Bank International 8.659% Perpetual	4,847	1.60
1,900,000	Tapestry 5.875% 27/11/2031	1,671	0.55
3,500,000	Volkswagen International Finance 4.375% Perpetual	2,720	0.90
2,700,000	Vonovia 1.5% 14/06/2041	1,527	0.50
		88,761	29.35
Government Bonds 0.43% (31 July 2023 0.46%)			
3,300,000	Republic of Austria Government Bond 0.85% 30/06/2120	1,301	0.43
		1,301	0.43
New Zealand Dollar Denominated Bonds 2.46% (31 July 2023 2.39%)			
Government Bonds 2.46% (31 July 2023 2.39%)			
19,500,000	New Zealand Government Bond 2.75% 15/04/2037	7,455	2.46
		7,455	2.46
Sterling Denominated Bonds 23.77% (31 July 2023 24.55%)			
Corporate Bonds 21.44% (31 July 2023 20.18%)			
2,300,000	AA 6.85% 31/07/2031	2,362	0.78
2,200,000	Admiral 8.5% 06/01/2034	2,482	0.82
3,800,000	Aroundtown 3.625% 10/04/2031	3,113	1.03

Aegon Strategic Bond Fund

Portfolio Statement (continued)

Holding	Investment	Market valuation £'000	Total net assets %
	Corporate Bonds (continued)		
3,900,000	Aroundtown Finance 8.625% Perpetual	3,062	1.01
2,500,000	Banco Bilbao Vizcaya Argentaria 8.25% 30/11/2033	2,705	0.89
2,250,000	Bellis Acquisition 8.125% 14/05/2030	2,222	0.73
2,100,000	Blackstone Property Partners Europe 4.875% 29/04/2032	1,935	0.64
3,100,000	Close Brothers 7.75% 14/06/2028	3,226	1.07
3,600,000	Direct Line Insurance 4% 05/06/2032	3,033	1.00
1,200,000	Esure 12% 20/12/2033	1,293	0.43
2,600,000	Heathrow Funding 6% 05/03/2032	2,624	0.87
2,800,000	Iceland Bondco 10.875% 15/12/2027	2,974	0.98
2,200,000	Investec 10.5% Perpetual	2,345	0.78
2,800,000	Just 5% Perpetual	2,130	0.70
2,300,000	Kier 9% 15/02/2029	2,399	0.79
1,700,000	M&G 5.625% 20/10/2051	1,642	0.54
4,200,000	Metro Bank 12% 30/04/2029	3,767	1.25
2,600,000	Miller Homes Finco 7% 15/05/2029	2,465	0.82
2,520,000	Pension Insurance 7.375% Perpetual	2,464	0.82
2,600,000	Pension Insurance 8% 13/11/2033	2,824	0.93
2,612,000	Pinnacle Bidco 10% 11/10/2028	2,797	0.93
4,700,000	Rothsay Life 5% Perpetual	3,651	1.21
2,400,000	Rothsay Life 6.875% Perpetual	2,294	0.76
1,600,000	Time Warner Cable 5.25% 15/07/2042	1,331	0.44
3,600,000	TVL Finance 10.25% 28/04/2028	3,701	1.22
		64,841	21.44
	Government Bonds 2.33% (31 July 2023 4.37%)		
4,800,000	United Kingdom Gilt 4.25% 07/06/2032	4,936	1.63
2,000,000	United Kingdom Gilt 4.75% 07/12/2030	2,105	0.70
		7,041	2.33
	United States Dollar Denominated Bonds 35.52% (31 July 2023 30.44%)		
	Asset Backed Security 0.00% (31 July 2023 0.69%)		
	Corporate Bonds 30.09% (31 July 2023 26.98%)		
3,400,000	Ambipar Luxembourg 9.875% 06/02/2031	2,583	0.85
3,800,000	Aroundtown 5.375% 21/03/2029	2,743	0.91
4,200,000	Banco Bilbao Vizcaya Argentaria 7.883% 15/11/2034	3,668	1.21
3,400,000	Banco Santander 4.75% Perpetual	2,445	0.81
1,800,000	Banco Santander 6.35% 14/03/2034	1,440	0.48
3,600,000	Banco Santander 8% Perpetual	2,829	0.94
2,200,000	Bayer US Finance II 4.625% 25/06/2038	1,479	0.49
2,900,000	BlueNord 9.5% 02/07/2029	2,279	0.75
3,400,000	Citadel Finance 3.375% 09/03/2026	2,552	0.84
2,000,000	DIRECTV Financing 8.875% 01/02/2030	1,562	0.52
3,800,000	DNO 9.25% 04/06/2029	2,991	0.99
2,700,000	Enel Finance International 5.5% 26/06/2034	2,104	0.70
2,400,000	Enel Finance International 5.5% 15/06/2052	1,750	0.58
4,500,000	Energear Israel Finance 8.5% 30/09/2033	3,349	1.11
2,300,000	Energio-Pro 11% 02/11/2028	1,921	0.62
3,300,000	EnQuest 11.625% 01/11/2027	2,621	0.87
2,800,000	Ford Motor Credit 6.125% 08/03/2034	2,183	0.72
2,200,000	Ford Motor Credit 7.122% 07/11/2033	1,830	0.61
3,200,000	Global Atlantic Finance 6.75% 15/03/2054	2,515	0.83
1,200,000	Global Atlantic Finance 7.95% 15/06/2033	1,044	0.35
3,000,000	HSBC Capital Funding Dollar 10.176% Perpetual	2,877	0.95
3,300,000	IHS Netherlands 8% 18/09/2027	2,506	0.83

Aegon Strategic Bond Fund

Portfolio Statement (continued)

Holding	Investment	Market valuation £'000	Total net assets %
Corporate Bonds (continued)			
9,300,000	Intesa Sanpaolo 7.778% 20/06/2054	7,811	2.58
1,000,000	Intesa Sanpaolo 7.8% 28/11/2053	884	0.29
3,487,000	Intesa Sanpaolo 8.248% 21/11/2033	3,074	1.02
4,600,000	Level 3 Financing 10.5% 15/05/2030	3,682	1.22
3,200,000	Rand Parent 8.5% 15/02/2030	2,461	0.81
3,600,000	Societe Generale 7.132% 19/01/2055	2,753	0.91
4,200,000	Tapestry 7.85% 27/11/2033	3,479	1.15
7,100,000	Time Warner Cable 5.5% 01/09/2041	4,727	1.56
2,764,000	Tullow Oil 10.25% 15/05/2026	2,071	0.68
3,400,000	Uzbekneftegaz 4.75% 16/11/2028	2,251	0.75
3,500,000	WarnerMedia 4.279% 15/03/2032	2,361	0.78
7,200,000	WarnerMedia 5.391% 15/03/2062	4,169	1.38
		90,994	30.09
Government Bonds 5.43% (31 July 2023 2.77%)			
9,450,000	US Treasury Bond 1.875% 15/02/2032	6,346	2.10
6,636,400	US Treasury Bond 2.375% 15/05/2051	3,514	1.16
8,427,700	US Treasury Bond 4% 31/01/2029	6,575	2.17
		16,435	5.43
Derivatives and Futures Contracts (0.24)% (31 July 2023 (1.37)%)			
Credit Default Swaps (2.70)% (31 July 2023 (1.02)%)			
(54,500,000)	Barclays Paribas Buy Protection Cdx.na.ig USD S42 5-yr June 2029	(3,150)	(1.04)
(60,000,000)	BNP Paribas Buy Protection Cdx.na.ig USD S42 5-yr June 2029	(1,070)	(0.35)
(51,500,000)	BNP Paribas Buy Protection Itraxx EUR Xover S41 5-yr June 2029	(3,959)	(1.31)
		(8,179)	(2.70)
Forward Foreign Exchange Contracts 0.64% (31 July 2023 0.87%)			
	Bought EUR 375,000 Sold GBP 315,563 05/09/2024	1	-
	Bought EUR 3,500,000 Sold GBP 2,952,123 05/09/2024	1	-
	Bought EUR 525,000 Sold GBP 445,178 05/09/2024	(2)	-
	Bought EUR 875,000 Sold GBP 742,616 05/09/2024	(4)	-
	Bought EUR 1,550,000 Sold GBP 1,317,600 05/09/2024	(10)	-
	Bought EUR 2,250,000 Sold GBP 1,908,516 05/09/2024	(10)	-
	Bought EUR 1,750,000 Sold GBP 1,486,987 05/09/2024	(11)	-
	Bought EUR 1,750,000 Sold GBP 1,488,409 05/09/2024	(12)	-
	Bought GBP 102,909,183 Sold EUR 120,425,000 05/09/2024	1,313	0.43
	Bought GBP 2,527,779 Sold EUR 3,000,000 05/09/2024	(3)	-
	Bought GBP 4,844,254 Sold EUR 5,750,000 05/09/2024	(7)	-
	Bought GBP 7,047,097 Sold NZD 14,600,000 05/09/2024	298	0.10
	Bought GBP 76,154,630 Sold USD 97,425,000 05/09/2024	332	0.11
	Bought GBP 3,155,634 Sold USD 4,000,000 05/09/2024	43	0.01
	Bought GBP 3,931,718 Sold USD 5,000,000 05/09/2024	40	0.01
	Bought GBP 1,970,262 Sold USD 2,500,000 05/09/2024	25	0.01
	Bought GBP 2,185,947 Sold USD 2,800,000 05/09/2024	7	-
	Bought GBP 3,894,510 Sold USD 5,000,000 05/09/2024	3	-
	Bought GBP 1,558,075 Sold USD 2,000,000 05/09/2024	1	-
	Bought GBP 1,240,433 Sold USD 1,600,000 05/09/2024	(5)	-
	Bought GBP 2,314,772 Sold USD 3,000,000 05/09/2024	(20)	(0.01)
	Bought USD 1,000,000 Sold GBP 773,828 05/09/2024	4	-
	Bought USD 750,000 Sold GBP 589,250 05/09/2024	(6)	-
	Bought USD 1,000,000 Sold GBP 785,429 05/09/2024	(7)	-
	Bought USD 2,450,000 Sold GBP 1,927,499 05/09/2024	(21)	(0.02)
		1,950	0.64
Futures Contracts 1.82% (31 July 2023 (1.22)%)			
635	EURO Bobl Future Contract September 2024	801	0.26
185	EURO BTP Future Contract September 2024	382	0.13

Aegon Strategic Bond Fund

Portfolio Statement (continued)

Holding	Investment	Market valuation £'000	Total net assets %
	Futures Contracts (continued)		
83	EURO Bund Future Contract September 2024	144	0.05
(31)	EURO Buxl Future Contract September 2024	(183)	(0.06)
(32)	Japan 10 Year Bond Future Contract September 2024	90	0.03
222	Long Gilt Future Contract September 2024	434	0.14
1,985	US 5 Year Note (CBT) Future Contract September 2024	2,748	0.91
1,206	US 10 Year Note (CBT) Future Contract September 2024	2,342	0.77
(437)	US Ultra Bond (CBT) Future Contract September 2024	(1,250)	(0.41)
		5,508	1.82
	Portfolio of investments*	278,662	92.13
	Net other assets	23,789	7.87
	Total net assets attributable to shareholders	302,451	100.00

Analysis of investments by asset class

	Market value £'000	Value of investments %
Bonds	279,383	92.37
Derivatives	(721)	(0.24)
Portfolio of investments*	278,662	92.13
Net other assets	23,789	7.87
Total net assets attributable to shareholders	302,451	100.00

The comparative percentage figures in brackets are at 31 July 2023.

All investments are approved securities being either officially listed in a member state or traded on or under the rules of an eligible securities market, unless otherwise stated.

*Includes investment liabilities.

Aegon Strategic Bond Fund

Statement of Total Return for the year ended 31 July 2024

			2024		2023
	Note	£'000	£'000	£'000	£'000
Income					
Net capital gains/(losses)	2		25,937		(45,512)
Revenue	3	23,240		32,297	
Expenses	4	(1,698)		(2,211)	
Interest payable and similar charges	5	(6,815)		(9,768)	
Net revenue before taxation		14,727		20,318	
Taxation	6	-		-	
Net revenue after taxation			14,727		20,318
Total return before distributions			40,664		(25,194)
Distributions	7		(14,727)		(20,318)
Change in net assets attributable to shareholders from investment activities			25,937		(45,512)

Statement of Change in Net Assets Attributable to Shareholders for the year ended 31 July 2024

		2024		2023
	£'000	£'000	£'000	£'000
Opening net assets attributable to shareholders		361,178		456,698
Amounts receivable on issue of shares	107,588		117,617	
Amounts payable on cancellation of shares	(203,020)		(181,008)	
		(95,432)		(63,391)
Dilution adjustment		400		16
Change in net assets attributable to shareholders from investment activities		25,937		(45,512)
Retained distributions on accumulation shares		10,368		13,367
Closing net assets attributable to shareholders		302,451		361,178

Aegon Strategic Bond Fund

Balance Sheet as at 31 July 2024

			2024		2023
	Note	£'000	£'000	£'000	£'000
Assets					
Fixed assets:					
Investments			288,392		343,627
Current assets:					
Debtors	8	13,660		6,146	
Cash and bank balances	9	<u>33,142</u>		<u>39,459</u>	
			<u>46,802</u>		<u>45,605</u>
Total assets			335,194		389,232
Liabilities					
Investment liabilities			9,730		10,509
Creditors					
Bank overdrafts	10	16,183		13,140	
Distributions payable		1,221		1,162	
Other creditors	11	<u>5,609</u>		<u>3,243</u>	
Total liabilities			<u>32,743</u>		<u>28,054</u>
Net assets attributable to shareholders			302,451		361,178

Aegon Strategic Bond Fund

Notes to the Financial Statements

1 Accounting policies

The sub-fund's financial statements have been prepared on the basis disclosed on pages 12 to 14.

2 Net capital gains/(losses)

Net capital gains/(losses) comprise:

	2024	2023
	£'000	£'000
Gains/(losses) on non-derivative securities	21,569	(42,530)
Gains on forward currency contracts	1,622	7,570
Currency exchange gains/(losses)	122	(1,752)
Gains/(losses) on derivative securities	2,626	(8,798)
Transaction charges	(2)	(2)
Net capital gains/(losses)	25,937	(45,512)

3 Revenue

	2024	2023
	£'000	£'000
Interest on debt securities	21,638	26,337
Bank interest	266	251
Derivative revenue	1,254	5,662
Stock lending income*	82	47
Total revenue	23,240	32,297

*The sub-fund received 72% of the revenue returns from stock lending activities. The gross earnings for the year are £114,000 (2023: £65,000) and expenses paid of £32,000 (2023: £18,000).

4 Expenses*

	2024	2023
	£'000	£'000
Payable to the ACD, associates of the ACD and agents of either of them:		
ACD's periodic charge	1,603	2,135
Payable to the Depositary, associates of the Depositary and agents of either of them:		
Depositary fee	38	50
Other expenses:		
Audit fee**	17	14
FT publishing fee	4	3
KIID fees	1	1
PRIIPs fees	3	3
Registrar's fee	19	(10)
Safe custody charge	13	15
	57	26
Total expenses	1,698	2,211

*All expenditure stated above is inclusive of irrecoverable VAT where applicable.

**The audit fee (excluding VAT) incurred during the year was £15,150 (2023: £14,815).

5 Interest payable and similar charges

	2024	2023
	£'000	£'000
Interest	30	99
Swaps expense	6,785	9,669
Interest payable and similar charges	6,815	9,768

Aegon Strategic Bond Fund

Notes to the Financial Statements (continued)

6 Taxation

a) Analysis of charge in the year

	2024	2023
	£'000	£'000
Current tax:		
Overseas tax suffered	-	-
Total tax charge for the year (see note 6 (b))	-	-

b) Factors affecting tax charge for the year

The tax assessed for the year is lower than (2023: lower than) the standard rate of corporation tax for Open Ended Investment Companies 'OEICs' (20%).

The differences are explained below:

	2024	2023
	£'000	£'000
Net revenue before taxation	14,727	20,318
Corporation tax 20% (2023: 20%)	2,945	4,064
Effects of:		
Tax deductible interest distributions	(2,945)	(4,064)
Total tax charge for the year (see note 6 (a))	-	-

Open Ended Investment Companies are exempt from tax on capital gains. Therefore, any capital return is not included in the above reconciliations.

7 Distributions

The distributions take account of amounts receivable on the issue of shares and amounts deductible on the cancellation of shares, and comprise:

	2024	2023
	£'000	£'000
Interim distributions	9,223	16,134
Final distribution	5,000	3,729
	14,223	19,863
Add: amounts deductible on cancellation of shares	1,159	1,143
Less: amounts receivable on creation of shares	(655)	(688)
Distributions	14,727	20,318

Details of the distributions are set out in the tables on page 105.

8 Debtors

	2024	2023
	£'000	£'000
Accrued revenue	4,631	5,304
Amounts receivable for the issue of shares	823	842
Sales awaiting settlement	8,206	-
Debtors	13,660	6,146

9 Cash and bank balances

	2024	2023
	£'000	£'000
Amounts held at futures clearing houses and brokers	26,201	29,588
Cash and bank balances	6,941	9,871
Cash and bank balances	33,142	39,459

Aegon Strategic Bond Fund

Notes to the Financial Statements (continued)

10 Bank overdrafts

	2024	2023
	£'000	£'000
Amounts held at futures clearing houses and brokers*	16,183	13,140
Bank overdrafts	16,183	13,140

*Includes cash pledged as collateral of £2,110,000 (2023: £3,460,000).

11 Other creditors

	2024	2023
	£'000	£'000
Accrued ACD periodic charge	256	327
Accrued other expenses	113	32
Amounts payable for cancellation of shares	1,515	2,884
Purchases awaiting settlement	3,725	-
Other creditors	5,609	3,243

12 Related parties

Related party interests in the sub-fund are disclosed in Note 6 of the Accounting Policies on page 17. Amounts due to the ACD as at year end for the ACD periodic charge and amounts due to the ACD for outstanding cancellations are disclosed in Note 11. Amounts receivable from the ACD as at year end for outstanding issue of shares are disclosed in Note 8. At the year-end 6.90% (2023: 5.83%) of the shares in issue were owned by AEGON Group or AEGON UK companies.

13 Contingent assets, liabilities and commitments

There were no contingent assets, liabilities or commitments present in the sub-fund as at 31 July 2024 (2023: £Nil).

14 Financial instruments and risk

The risks associated with the sub-fund are market, concentration, valuation, yield, liquidity, counterparty, and interest rate risk. Narrative disclosures are on pages 15 to 17.

Analysis of investments by credit ratings

	2024		2023	
	Market value	Value of investments	Market value	Value of investments
	£'000	%	£'000	%
Investment grade	143,455	47.43	162,814	45.09
Below investment grade	100,373	33.17	136,141	37.69
Unrated	35,555	11.77	39,081	10.82
Derivatives	(721)	(0.24)	(4,918)	(1.37)
Portfolio of investments	278,662	92.13	333,118	92.23
Net other assets	23,789	7.87	28,060	7.77
Total net assets attributable to shareholders	302,451	100.00	361,178	100.00

Note - Investment grade securities are defined as securities with a Standard & Poor's, Moody's or Fitch's rating of BBB-, Baa3 and BBB- or above respective

Derivative risk

The sub-fund invests in derivatives, consistent with the investment objective of the sub-fund, as outlined in the derivative risks section on page 17.

VaR Disclosure

The Manager assesses the market risk of the sub-fund's investments, including any derivative exposure, using a value at risk methodology. This process provides the Manager with an estimate of the maximum potential loss that could be expected to occur as a result of changes in market prices over a given period of time in all but a given percentage of circumstances. The value at risk is calculated on a 99.00% (2023: 95.00%) confidence interval with a one month time horizon and a five year history, using the Historical model. The sub-fund has an absolute VaR limit of 20.00% (2023: 14.10%). As at the balance sheet date, the sub-fund's value at risk is 6.58% (2023: 6.41%).

The following table details the lowest, highest and average utilisation of the absolute VaR limit:

	Lowest Utilisation	Highest Utilisation	Average Utilisation
	(%)	(%)	(%)
31 July 2024	5.76	10.12	7.64
31 July 2023	3.40	6.50	5.30

Aegon Strategic Bond Fund

Notes to the Financial Statements (continued)

14 Financial instruments and risk (continued)

Leverage

Average leverage is calculated as the sum of the net asset value and the incremental exposure generated through the use of derivatives (calculated in accordance with the commitment approach (CESR/10-788)) divided by the net asset value. As at 31 July 2024 the average leverage was 270.26% (2023: 199.36%).

Counterparty risk

The risk of entering an arrangement with a counterparty, which is itself subject to financial risks which may affect its ability to trade as a going concern.

The ACD maintains a list of approved counterparties. This list is regularly monitored and revised for changes based on the counterparty's credit-worthiness, market reputation and expectations of future financial performance. Transactions will only be opened with financial intermediaries on the approved counterparties list.

The sub-fund's use of exchange traded derivatives are considered to be free of counterparty risk if the derivative is traded on an exchange where the clearing house is backed by an appropriate performance guarantee and it is characterised by a daily mark-to-market valuation of the derivative position and at least daily margining.

At 31 July 2024, the market value of the exchange traded derivatives held by the sub-fund was £(2,671,000) (2023: £(8,067,000)).

The following details exposure to counterparties obtained through the use of derivatives:

As at 31 July 2024

Counterparty	Stock on loan	Futures Exposure	Credit default swaps Exposure	Forward Foreign Exchange Contracts Exposure	Collateral pledge Stock	Cash
	£'000	£'000	£'000	£'000	£'000	£'000
Barclays	6,120	-	-	1,950	6,508	(2,110)
BNP Paribas	654	-	-	-	690	-
JPMorgan	13,519	-	-	-	14,264	-
Jefferies	2,017	-	-	-	2,234	-
Merrill Lynch	1,351	-	-	-	1,420	-
Morgan Stanley	464	-	-	-	493	-
UBS	-	5,508	-	-	-	-

As at 31 July 2023

Counterparty	Stock on loan	Futures Exposure	Credit default swaps Exposure	Forward Foreign Exchange Contracts Exposure	Collateral pledge Stock	Cash
	£'000	£'000	£'000	£'000	£'000	£'000
Barclays	8,856	-	-	3,149	9,067	(3,050)
BNP Paribas	6,289	-	-	-	6,624	-
JPMorgan	4,871	-	-	-	4,995	-
Morgan Stanley	3,517	-	285	-	3,606	(410)

Positive exposure represents the sub-fund's exposure to that counterparty and not the sub-fund's holdings with that counterparty.

15 Portfolio transaction costs

Purchases

31 July 2024	Value	Commissions	Other Costs*	
	£'000	£'000	£'000	%
Debt securities	553,928	-	-	-
Total	553,928	-	-	-
Total purchases including transaction costs	553,928			
31 July 2023				
Debt securities	940,585	-	-	-
Total	940,585	-	-	-
Total purchases including transaction costs	940,585			

*Other Costs includes taxes and any other costs other than commissions incurred by the sub-fund when buying and selling an underlying investment.

Aegon Strategic Bond Fund

Notes to the Financial Statements (continued)

15 Portfolio transaction costs (continued)

Sales

31 July 2024	Value £'000	Commissions £'000	%	Other Costs* £'000	%
Debt securities	636,280	-	-	-	-
Corporate actions	119	-	-	-	-
Total	636,399	-		-	
Total sales net of transaction costs	636,399				
31 July 2023					
Debt securities	999,251	-	-	-	-
Corporate actions	313	-	-	-	-
Total	999,564	-		-	
Total sales net of transaction costs	999,564				

Derivatives

31 July 2024	Commissions £'000
Futures	185
Total	185
31 July 2023	
Futures	137
Total	137

*Other Costs includes taxes and any other costs other than commissions incurred by the sub-fund when buying and selling an underlying investment.

Portfolio transaction costs are incurred by the sub-fund when buying and selling underlying investments. These vary depending on the class of investment, country of exchange and method of execution. These costs can be classified as either direct or indirect transaction costs:

- Direct transaction costs: Broker commissions, fees and taxes.
- Indirect transaction costs: 'Dealing spread' - the difference between the buying and selling prices of the sub-fund's underlying investments.

In order to protect existing investors from the effects of dilution, portfolio transaction costs incurred as a result of investors buying and selling shares in the sub-fund are recovered from those investors through a 'dilution adjustment' to the price they pay or receive.

At the balance sheet date, the portfolio dealing spread was 0.64% (2023: 0.81%), being the difference between the respective bid and offer prices for the sub-fund's investments.

16 Fair value hierarchy

The fair value hierarchy is intended to prioritise the inputs that are used to measure the fair value of assets and liabilities. The fair value hierarchy has the following levels:

Level 1 – Unadjusted quoted price in an active market for an identical instrument.

Level 2 – Valuation techniques using observable inputs other than quoted prices within level 1.

Level 3 – Valuation techniques using unobservable inputs.

Basis of valuation	2024		2023	
	Assets £'000	Liabilities £'000	Assets £'000	Liabilities £'000
1 - Unadjusted quoted prices	31,718	(1,433)	28,392	(5,339)
2 - Observable market data	256,674	(8,297)	315,235	(5,170)
3 - Unobservable data	-	-	-	-
	288,392	(9,730)	343,627	(10,509)

Aegon Strategic Bond Fund

Notes to the Financial Statements (continued)

17 Share classes

The sub-fund currently has two share classes; B (Institutional) and S (Institutional). The ACD's periodic charge on each share class is as follows:

B share class: 0.55%

S share class: 0.45%

The net asset value of each share class, the net asset value per share, and the number of shares in each class are given in the comparative tables on pages 91 and 92. The distribution per share class is given in the distribution tables on page 105. All share classes have the same rights on winding up.

Share class movement reconciliation

31 July 2024	Opening	Creations	Cancellations	Converted	Closing
B Accumulation	146,223,394	30,670,875	(72,357,823)	(135,696)	104,400,750
B Income	50,646,644	9,781,116	(27,329,088)	90,809	33,189,481
S Accumulation	48,283,587	30,434,093	(25,410,041)	116,162	53,423,801
S Income	55,861,831	16,279,174	(42,397,543)	(52,333)	29,691,129

18 Post balance sheet events

The table below shows the net asset values per share as at the balance sheet date, compared against values as at 19 November 2024 and the percentage movement in that period.

Net assets per share

	31 July 2024	19 November 2024	% Movement
B Accumulation	154.56	159.13	2.96
B Income	125.77	128.23	1.95
S Accumulation	127.77	131.58	2.99
S Income	104.70	106.75	1.95

Aegon Strategic Bond Fund

Distribution Tables

Share Class B Accumulation

Period end	Pay date		Net Revenue	Equalisation*	Total Paid/Payable	2022/23 Total Paid
31/10/23	31/12/23	Group 1	1.6502	N/A	1.6502	1.7948
		Group 2	0.9860	0.6642		
31/01/24	31/03/24	Group 1	1.6258	N/A	1.6258	1.8707
		Group 2	0.6301	0.9957		
30/04/24	30/06/24	Group 1	0.9569	N/A	0.9569	1.5298
		Group 2	0.4690	0.4879		
31/07/24	30/09/24	Group 1	2.5327	N/A	2.5327	1.3718
		Group 2	0.9588	1.5739		

Share Class B Income

Period end	Pay date		Net Revenue	Equalisation*	Total Paid/Payable	2022/23 Total Paid
31/10/23	31/12/23	Group 1	1.4075	N/A	1.4075	1.6079
		Group 2	0.7804	0.6271		
31/01/24	31/03/24	Group 1	1.3703	N/A	1.3703	1.6527
		Group 2	0.7080	0.6623		
30/04/24	30/06/24	Group 1	0.7972	N/A	0.7972	1.3335
		Group 2	0.3569	0.4403		
31/07/24	30/09/24	Group 1	2.0965	N/A	2.0965	1.1817
		Group 2	1.2777	0.8188		

Share Class S Accumulation

Period end	Pay date		Net Revenue	Equalisation*	Total Paid/Payable	2022/23 Total Paid
31/10/23	31/12/23	Group 1	1.3901	N/A	1.3901	1.5086
		Group 2	0.7963	0.5938		
31/01/24	31/03/24	Group 1	1.3701	N/A	1.3701	1.5720
		Group 2	0.8546	0.5155		
30/04/24	30/06/24	Group 1	0.8207	N/A	0.8207	1.2902
		Group 2	0.4024	0.4183		
31/07/24	30/09/24	Group 1	2.1247	N/A	2.1247	1.1611
		Group 2	0.6350	1.4897		

Share Class S Income

Period end	Pay date		Net Revenue	Equalisation*	Total Paid/Payable	2022/23 Total Paid
31/10/23	31/12/23	Group 1	1.1953	N/A	1.1953	1.3637
		Group 2	0.7509	0.4444		
31/01/24	31/03/24	Group 1	1.1704	N/A	1.1704	1.4011
		Group 2	0.7686	0.4018		
30/04/24	30/06/24	Group 1	0.6885	N/A	0.6885	1.1341
		Group 2	0.2781	0.4104		
31/07/24	30/09/24	Group 1	1.7692	N/A	1.7692	1.0095
		Group 2	0.8902	0.8790		

All distributions above are in pence per share unless specifically stated.

*Equalisation applies only to shares purchased during the distribution period (Group 2 shares). It is the average amount of revenue included in the purchase price of all Group 2 shares and is refunded to holders of these shares as a return of capital. Being a capital repayment, it is not liable to income tax but must be deducted from the cost of the shares for capital gains tax purposes.

Aegon Sustainable Equity Fund

Fund objective

The investment objective is to provide a combination of income and capital growth over any 7 year period.

Investment policy

The sub-fund will be invested in a concentrated portfolio (typically 35-45 stocks) consisting of equities of companies which may be listed, quoted or traded anywhere in the world and denominated in any currency which meet the Fund's predefined sustainability criteria. The sub-fund is actively managed and can invest in companies of any market capitalization (small, medium or large) and in any industry sector although will tend to have a bias towards small-medium companies. At any one time, the scope of investment may be themed by geography, industry, size or style to take advantage of opportunities identified by the ACD.

Sustainability criteria

In making investments for the sub-fund, the ACD shall adhere to sustainability criteria, which combine an exclusionary screen with fundamental analysis. Please see the Prospectus for further details.

Risk profile

The sub-fund is designed for retail and institutional investors seeking pooled exposure to the global equity market and who are comfortable with a higher level of investment risk. In most cases, we expect the sub-fund to be held as part of a diversified portfolio which may include other assets e.g. bonds, equities, property and cash. While investors will normally be able to liquidate their holdings on a daily basis, unit prices will fluctuate and may fall significantly in value. Consequently, it is important to understand that the sub-fund should be viewed as a longer term investment.

The sub-fund is actively managed and exposed to a range of risks, which are listed and defined in the Aegon Asset Management UK ICVC Prospectus. The most material risks from this list also appear in our Key Investor Information documents (KIID) where they are summarised in an easy-to-read format. You can find both of these documents on our website at www.aegonam.com.

Performance*

The Aegon Sustainable Equity Fund returned 7.60% compared to the peer group median return of 13.67%. The peer group is the Investment Association Global sector.

Strategy review**

Global equity markets performed strongly over the period, thanks largely to easing inflation (albeit in an uneven fashion) in developed markets and key economic data releases generally coming lower than expected. During the first half of the period, this backdrop prompted investors to price-in rate cuts in 2024 earlier and at a faster rate than previously expected. Much of the rally in equity markets up to the end of 2023 was also driven by excitement around artificial intelligence (AI) related names and the much talked about 'Magnificent Seven', meaning technology was comfortably the top performing sector. Financials also outperformed, mainly due to the benefit of higher interest rates. In contrast, low-beta defensive sectors tended to lag, as did materials.

The US economic juggernaut continued to roll on as we moved into 2024, with GDP coming in higher than expected and labour market data remaining strong. Europe also saw something of an improvement. Inflation did prove a little sticky though, illustrating that the final leg of returning to trend is often the most difficult. Taken together, these factors caused investors to dial back their expectations of interest rate cuts. This was sufficient to reprice Fed cuts priced-in for 2024 from over six in January to below three at the end of March.

The fact that markets managed to extend their gains despite this less dovish outlook was partly down to a very constructive corporate earnings season, with companies generally exceeding expectations. That said, earnings growth (and market leadership in general) continued to be narrow, with the 'Magnificent 7' responsible for a high proportion of both. Despite a blip in April, global equity markets recovered their poise, cementing a highly productive first half of 2024.

Towards the end of the period, inflation and economic data began to weaken which suggested that higher rates were having the desired effect of cooling but not crashing the economy. While every sector finished the period with robust gains overall, the phenomenal momentum behind AI was again apparent and left most other sectors in the rear-view mirror.

Due to our sustainable criteria, it is important to note that we are unable to invest in certain industries in which other funds in the peer group can invest. These include oil & gas, and defence, both of which did well over the period due to oil prices increasing and rising geopolitical tensions and escalating conflicts.

At the stock level, the top contributor was NVIDIA, the global leader in the graphic processing unit market and AI poster child. The company delivered bumper results (revenues were up significantly) which exceeded the very high bar of expectations. NVIDIA's success also boosted related names, with our holding in Taiwan Semiconductor Manufacturing benefiting from an excellent set of results, with revenues and margins coming in at the upper end of previous guidance. In a further sign of confidence, management also increased the dividend during the period, and raised guidance for datacentre AI revenue contribution.

Trustpilot, one of the smallest companies in the portfolio by market-cap, was another name boosted by good results and positive developments in its respective investment cases. A new management team with a revamped go-to-market strategy showed encouraging signs, with the company delivering solid revenue growth and, importantly, profitability well ahead of expectations. Elsewhere, OLED specialist Universal Display climbed sharply early in the period after revenue and earnings comfortably beat expectations. Recent purchase, CrowdStrike, also made a telling contribution. The company's leading position in the structurally growing cybersecurity market was underlined by accelerating net new annual recurring revenue and this was also matched by strong free cash flow generation.

Unfortunately, these positive contributors were offset by a number of detractors. Stocks exposed to renewable energy, including our holding in battery maker Samsung SDI, were weak. Valuations in the industry have suffered from higher interest rates, and supply chain imbalances have also arisen in several niches, leading to a prolonged period of inventory de-stocking within the sector.

Energy Recovery also lost ground. The company's main business is pressure exchangers for water desalination plants. Delays to large desalination projects around the globe have impacted the business and caused revenues to be hard to predict from one quarter to the next. The market has also become somewhat sceptical on the visibility of the opportunity in wastewater and refrigeration, two markets which Energy Recovery is attempting to establish a presence in.

Aegon Sustainable Equity Fund

Strategy review (continued)**

Digital transformation specialist Endava fell sharply on a major reset to guidance, which came as a shock after the company's previous update had suggested its pipeline was turning more positive. However, the update highlighted that macro uncertainty was still weighing on discretionary spending decisions made by clients, resulting in lower utilisation rates and margins for Endava. Management tried to reassure that it was not seeing significant order cancellations, rather clients are delaying decisions, but execution needs to improve from here to rebuild market confidence.

India's HDFC Bank also fell on soft quarterly numbers. Overall profit after tax was marginally ahead of expectations but was flattered by a lower tax rate, making it a lower quality beat. Net interest margin remained flat, and the liquidity coverage ratio declined, which is likely to constrain loan growth in the near to medium term.

Software and application performance management platform Dynatrace was another stock to sell off due to forward guidance. Management noted that the cut to guidance was purely a result of deals taking longer to come through the pipeline, as they are getting larger in nature. This pointed to increased consolidation of applications on to Dynatrace's platform, which is undoubtedly a positive trend.

Lastly, Insulet and Alfen are two long-term holdings that had seen a good rally in the closing months of 2023 but both gave back some of those gains as we moved into 2024. Alfen proved to be the largest detractor over the period as a whole. The market was initially unsettled by production issues and the mutual agreement with the incoming CFO to cancel his appointment. This was compounded in June by a significant profit warning, which was all the more frustrating, as it came only five weeks after management had reiterated guidance. The warning noted weakness across all three business segments and also included provisions for obsolete inventory and further costs from the aforementioned production issues. All in all, this was a highly disappointing development, which clearly changes the investment case. Our conviction and position size in the stock had been waning, so we took decisive action to exit the position following this latest setback.

Looking forward, we are seeing numerous examples in the small and mid-cap space of share prices not reflecting positive operational performance and we believe this dislocation provides an opportunity.

*Source: Lipper, % growth, income re-invested at pay date, NAV-NAV, GBP, net of Basic Rate Tax. Index returns are gross of Basic Rate Tax.

Investors are invited to compare the sub-fund's performance against the performance of other funds within the Investment Association Global Sector. Comparison of the sub-fund against this Sector will give investors an indication of how the sub-fund is performing compared with funds investing in a similar but not identical investment universe. This comparison should be performed over at least a 7 year period to provide the most useful long term comparison.

**General references to markets and indices are to be considered as general market commentary only and (i) are not to be considered as a comparison of sub-fund performance against a benchmark (unless otherwise disclosed as such); and (ii) the index or indices do not operate as a performance target and the sub-fund's portfolio is not constrained by the index or indices.

Aegon Sustainable Equity Fund

Material portfolio changes

Top ten purchases	31 July 2024	Top ten sales	31 July 2024
	£'000		£'000
AstraZeneca	6,630	NVIDIA	10,948
Zurich Insurance	5,600	CrowdStrike	5,450
Essential Utilities	5,528	Workiva	5,327
Avantor	5,385	IDP Education	4,838
Halma	5,380	Taiwan Semiconductor Manufacturing	4,401
Xylem	5,289	Planet Fitness	4,263
MSA Safety	4,437	Penumbra	4,059
CrowdStrike	4,221	Genmab	3,766
Novo Nordisk	4,014	Flywire	3,690
Danaher	3,991	Valmont Industries	3,561

Aegon Sustainable Equity Fund

Comparative Tables

B Accumulation shares	2024	2023	2022
	(p/share)	(p/share)	(p/share)
Change in net assets per share			
Opening net asset value per share	255.43	263.32	345.37
Return before operating charges*	23.91	(5.92)	(79.68)
Operating charges	(2.00)	(1.97)	(2.37)
Return after operating charges*	21.91	(7.89)	(82.05)
Distributions	(0.54)	-	-
Retained distributions on accumulation shares	0.54	-	-
Closing net asset value per share	277.34	255.43	263.32
 *after direct transaction costs of	 0.33	 0.12	 0.18
Performance			
Return after charges	8.58%	(3.00)%	(23.76)%
Other information			
Closing net asset value (£'000)	185,781	172,926	179,691
Closing number of shares	66,987,682	67,700,373	68,240,696
Operating charges	0.79%	0.79%	0.79%
Direct transaction costs	0.13%	0.05%	0.06%
Prices			
Highest share price	281.77	277.60	381.61
Lowest share price	215.24	228.31	222.76

S Accumulation shares	2024	2023	2022
	(p/share)	(p/share)	(p/share)
Change in net assets per share			
Opening net asset value per share	113.77	116.87	152.75
Return before operating charges*	10.69	(2.61)	(35.29)
Operating charges	(0.50)	(0.49)	(0.59)
Return after operating charges*	10.19	(3.10)	(35.88)
Distributions	(0.64)	(0.28)	-
Retained distributions on accumulation shares	0.64	0.28	-
Closing net asset value per share	123.96	113.77	116.87
 *after direct transaction costs of	 0.15	 0.05	 0.08
Performance			
Return after charges	8.96%	(2.65)%	(23.49)%
Other information			
Closing net asset value (£'000)	1,780	1,610	1,596
Closing number of shares	1,435,592	1,414,956	1,365,670
Operating charges	0.44%	0.44%	0.44%
Direct transaction costs	0.13%	0.05%	0.06%
Prices			
Highest share price	125.89	123.22	168.93
Lowest share price	95.95	101.41	98.83

Highest and Lowest share prices are based on official published daily NAVs priced at 12 noon on the last business day of the year. The closing net asset value per share is at close of business.

Aegon Sustainable Equity Fund

Portfolio Statement

The sub-fund's investments as at 31 July 2024

Holding	Investment	Market valuation £'000	Total net assets %
	Equities 95.14% (31 July 2023 95.14%)		
	Australia 0.00% (31 July 2023 3.29%)		
	Canada 1.36% (31 July 2023 0.00%)		
83,163	Docebo	2,543	1.36
		2,543	1.36
	Denmark 2.19% (31 July 2023 2.32%)		
39,940	Novo Nordisk	4,112	2.19
		4,112	2.19
	France 1.55% (31 July 2023 0.00%)		
15,484	Schneider Electric	2,907	1.55
		2,907	1.55
	India 1.89% (31 July 2023 3.41%)		
75,846	HDFC Bank ADR	3,545	1.89
		3,545	1.89
	Ireland 3.43% (31 July 2023 3.75%)		
25,176	ICON	6,433	3.43
		6,433	3.43
	Israel 0.00% (31 July 2023 3.44%)		
	Italy 4.48% (31 July 2023 6.10%)		
166,633	Amplifon	4,106	2.19
664,184	Terna	4,302	2.29
		8,408	4.48
	Japan 4.34% (31 July 2023 3.82%)		
152,600	JMDC	2,611	1.39
16,256	Keyence	5,538	2.95
		8,149	4.34
	Luxembourg 0.00% (31 July 2023 1.42%)		
	Netherlands 1.58% (31 July 2023 1.78%)		
53,465	Arcadis	2,971	1.58
		2,971	1.58
	Norway 0.00% (31 July 2023 0.77%)		
	South Korea 0.00% (31 July 2023 3.11%)		
	Switzerland 3.84% (31 July 2023 0.00%)		
6,693	Lonza	3,476	1.85
8,725	Zurich Insurance	3,729	1.99
		7,205	3.84
	Taiwan 6.94% (31 July 2023 7.27%)		
612,175	Chroma ATE	4,364	2.33
391,154	Taiwan Semiconductor Manufacturing	8,644	4.61
		13,008	6.94

Aegon Sustainable Equity Fund

Portfolio Statement (continued)

Holding	Investment	Market valuation £'000	Total net assets %
United Kingdom 14.77% (31 July 2023 6.89%)			
39,096	AstraZeneca	4,835	2.58
316,147	Darktrace	1,867	1.00
88,347	Endava ADR	2,191	1.17
204,710	Halma	5,447	2.90
188,082	RELX	6,906	3.68
68,000	TMO Renewables*	-	-
772,009	Trainline	2,628	1.40
1,841,580	Trustpilot	3,830	2.04
		27,704	14.77
United States 48.77% (31 July 2023 47.77%)			
12,667	ABIOMED (Rights)*	-	-
39,319	Advanced Drainage Systems	5,425	2.89
28,410	American Tower REIT**	4,871	2.60
280,468	Avantor	5,841	3.11
5,779	CrowdStrike	1,043	0.56
22,879	Danaher	4,935	2.63
168,494	Dynatrace	5,760	3.07
179,098	Essential Utilities	5,667	3.02
11,246	Hubbell	3,461	1.85
29,799	Insulet	4,506	2.40
25,610	iRhythm Technologies	1,720	0.92
92,600	Marvell Technology	4,831	2.58
29,008	MSA Safety	4,263	2.27
121,800	NVIDIA	11,112	5.92
38,327	Tetra Tech	6,387	3.41
83,217	TransUnion	5,847	3.12
35,093	Universal Display	6,075	3.24
125,811	Veracyte	2,351	1.25
12,015	Veralto	997	0.53
61,403	Xylem	6,378	3.40
		91,470	48.77
Portfolio of investments		178,455	95.14
Net other assets		9,106	4.86
Total net assets attributable to shareholders		187,561	100.00

The comparative percentage figures in brackets are at 31 July 2023.

All investments are approved securities being either officially listed in a member state or traded on or under the rules of an eligible securities market, unless otherwise stated.

As all holdings are equity shares there is no analysis of the portfolio by asset class.

*Unlisted, suspended, delisted or defaulted securities classified as Level 3 (see Fair Value Disclosure table on page 117).

**Real Estate Investment Trust.

Aegon Sustainable Equity Fund

Statement of Total Return for the year ended 31 July 2024

			2024		2023
	Note	£'000	£'000	£'000	£'000
Income					
Net capital gains/(losses)	2		14,678		(4,567)
Revenue	3	1,920		1,326	
Expenses	4	(1,335)		(1,338)	
Interest payable and similar charges		-		(5)	
Net revenue/(expense) before taxation		585		(17)	
Taxation	5	(221)		(151)	
Net revenue/(expense) after taxation			364		(168)
Total return before distributions			15,042		(4,735)
Distributions	6		(364)		(4)
Change in net assets attributable to shareholders from investment activities			14,678		(4,739)

Statement of Change in Net Assets Attributable to Shareholders for the year ended 31 July 2024

		2024		2023
	£'000	£'000	£'000	£'000
Opening net assets attributable to shareholders		174,536		181,287
Amounts receivable on issue of shares	24,989		37,887	
Amounts payable on cancellation of shares	(27,022)		(39,914)	
		(2,033)		(2,027)
Dilution adjustment		8		11
Change in net assets attributable to shareholders from investment activities		14,678		(4,739)
Retained distributions on accumulation shares		372		4
Closing net assets attributable to shareholders		187,561		174,536

Aegon Sustainable Equity Fund

Balance Sheet as at 31 July 2024

			2024		2023
	Note	£'000	£'000	£'000	£'000
Assets					
Fixed assets:					
Investments			178,455		166,059
Current assets:					
Debtors	7	1,377		19	
Cash and bank balances	8	8,000		8,711	
			9,377		8,730
Total assets			187,832		174,789
Liabilities					
Creditors					
Other creditors	9	271		253	
Total liabilities			271		253
Net assets attributable to shareholders			187,561		174,536

Aegon Sustainable Equity Fund

Notes to the Financial Statements

1 Accounting policies

The sub-fund's financial statements have been prepared on the basis disclosed on pages 12 to 14.

2 Net capital gains/(losses)

Net capital gains/(losses) comprise:

	2024	2023
	£'000	£'000
Gains/(losses) on non-derivative securities	14,677	(4,389)
Gains on forward currency contracts	18	-
Currency exchange losses	(12)	(174)
Transaction charges	(5)	(4)
Net capital gains/(losses)	14,678	(4,567)

3 Revenue

	2024	2023
	£'000	£'000
UK dividends	219	211
Non-taxable overseas dividends	1,441	900
Bank interest	260	215
Total revenue	1,920	1,326

4 Expenses*

	2024	2023
	£'000	£'000
Payable to the ACD, associates of the ACD and agents of either of them:		
ACD's periodic charge	1,265	1,278
Payable to the Depositary, associates of the Depositary and agents of either of them:		
Depositary fee	22	20
Other expenses:		
Audit fee**	11	11
FT publishing fee	4	3
PRIIPs fees	4	3
Registrar's fee	10	4
Safe custody charge	16	16
Tax services fees	3	3
	48	40
Total expenses	1,335	1,338

*All expenditure stated above is inclusive of irrecoverable VAT where applicable.

**The audit fee (excluding VAT) incurred during the year was £9,775 (2023: £9,551).

5 Taxation

a) Analysis of charge in the year

	2024	2023
	£'000	£'000
Current tax:		
Overseas tax suffered	221	151
Total tax charge for the year (see note 5 (b))	221	151

Aegon Sustainable Equity Fund

Notes to the Financial Statements (continued)

5 Taxation (continued)

b) Factors affecting tax charge for the year

The tax assessed for the year is higher than (2023: higher than) the standard rate of corporation tax for Open Ended Investment Companies 'OEICs' (20%).

The differences are explained below:

	2024	2023
	£'000	£'000
Net revenue/(expense) before taxation	585	(17)
Corporation tax 20% (2023: 20%)	117	(3)
Effects of:		
Movement in excess expenses	197	219
Overseas tax suffered	221	151
Overseas tax expensed	(3)	(1)
Revenue not subject to taxation	(311)	(215)
Total tax charge for the year (see note 5 (a))	221	151

c) Factors that may affect future tax charges

After claiming relief against accrued revenue taxable on receipt, the sub-fund has unrelieved excess expenses of £11,522,000 (2023: £10,538,000). It is unlikely that the sub-fund will generate sufficient taxable profits in the future to utilise these expenses and therefore a deferred tax asset of £2,305,000 (2023: £2,108,000) has not been recognised.

6 Distributions

a) Distributions

The distributions take account of amounts receivable on the issue of shares and amounts deductible on the cancellation of shares, and comprise:

	2024	2023
	£'000	£'000
Final distribution	372	4
	372	4
Add: amounts deductible on cancellation of shares	7	-
Less: amounts receivable on creation of shares	(15)	-
Distributions	364	4

Details of the distributions are set out in the tables on page 119.

b) Movement between net revenue/(expense) and distribution

	2024	2023
	£'000	£'000
Net revenue/(expense) after taxation	364	(168)
Capital reimbursement of revenue deficit	-	172
Distributions	364	4

7 Debtors

	2024	2023
	£'000	£'000
Accrued revenue	59	-
Amounts receivable for the issue of shares	1	1
Reclaimable overseas tax	49	18
Sales awaiting settlement	1,268	-
Debtors	1,377	19

8 Cash and bank balances

	2024	2023
	£'000	£'000
Cash and bank balances	8,000	8,711
Cash and bank balances	8,000	8,711

Aegon Sustainable Equity Fund

Notes to the Financial Statements (continued)

9 Other creditors

	2024	2023
	£'000	£'000
Accrued ACD periodic charge	227	214
Accrued other expenses	39	25
Amounts payable for cancellation of shares	5	14
Other creditors	271	253

10 Related parties

Related party interests in the sub-fund are disclosed in Note 6 of the Accounting Policies on page 17. Amounts due to the ACD as at year end for the ACD periodic charge and amounts due to the ACD for outstanding cancellations are disclosed in Note 9. Amounts receivable from the ACD as at year end for outstanding issue of shares are disclosed in Note 7. At the year-end 90.79% (2023: 89.86%) of the shares in issue were owned by AEGON Group or AEGON UK companies.

11 Contingent assets, liabilities and commitments

There were no contingent assets, liabilities or commitments present in the sub-fund as at 31 July 2024 (2023: £Nil).

12 Financial instruments and risk

The risks associated with the sub-fund are market, concentration, valuation, yield, liquidity, counterparty, and interest rate risk. Narrative disclosures are on pages 15 to 17.

VaR Disclosure

The sub-fund uses the Commitments Approach Method and, although Aegon Asset Management computes VaR for this sub-fund, it is not monitored against any limit (2023: same). As at the balance sheet date, the sub-fund's value at risk is 11.46% (2023: 8.11%).

The following table details the lowest, highest and average utilisation of the absolute VaR limit:

	Lowest Utilisation (%)	Highest Utilisation (%)	Average Utilisation (%)
31 July 2024	10.85	15.64	13.11
31 July 2023	7.45	10.12	8.86

Leverage

As the sub-fund has not traded in derivatives throughout the year there is no significant exposure to leverage.

Counterparty risk

As the sub-fund has not traded in derivatives throughout the year there is no significant counterparty risk.

13 Portfolio transaction costs

Purchases

	Value £'000	Commission £'000	%	Other Costs* £'000	%
31 July 2024					
Equities	116,702	39	0.03	114	0.10
Total	116,702	39		114	
Total purchases including transaction costs	116,855				
31 July 2023					
Equities	74,435	26	0.04	19	0.03
Total	74,435	26		19	
Total purchases including transaction costs	74,480				

*Other Costs includes taxes and any other costs other than commissions incurred by the sub-fund when buying and selling an underlying investment.

Aegon Sustainable Equity Fund

Notes to the Financial Statements (continued)

13 Portfolio transaction costs (continued)

Sales

31 July 2024	Value £'000	Commissions £'000	%	Other Costs* £'000	%
Equities	119,191	(42)	0.04	(26)	0.02
Total	119,191	(42)		(26)	
Total sales net of transaction costs	119,123				
31 July 2023					
Equities	71,481	(33)	0.05	(5)	0.01
Corporate actions	4,002	-	-	-	-
Total	75,483	(33)		(5)	
Total sales net of transaction costs	75,445				

*Other Costs includes taxes and any other costs other than commissions incurred by the sub-fund when buying and selling an underlying investment.

Portfolio transaction costs are incurred by the sub-fund when buying and selling underlying investments. These vary depending on the class of investment, country of exchange and method of execution. These costs can be classified as either direct or indirect transaction costs:

- Direct transaction costs: Broker commissions, fees and taxes.
- Indirect transaction costs: 'Dealing spread' - the difference between the buying and selling prices of the sub-fund's underlying investments.

In order to protect existing investors from the effects of dilution, portfolio transaction costs incurred as a result of investors buying and selling shares in the sub-fund are recovered from those investors through a 'dilution adjustment' to the price they pay or receive.

At the balance sheet date, the portfolio dealing spread was 0.11% (2023: 0.16%), being the difference between the respective bid and offer prices for the sub-fund's investments.

14 Fair value hierarchy

The fair value hierarchy is intended to prioritise the inputs that are used to measure the fair value of assets and liabilities. The fair value hierarchy has the following levels:

Level 1 – Unadjusted quoted price in an active market for an identical instrument.

Level 2 – Valuation techniques using observable inputs other than quoted prices within level 1.

Level 3 – Valuation techniques using unobservable inputs.

Basis of valuation	2024		2023	
	Assets £'000	Liabilities £'000	Assets £'000	Liabilities £'000
1 - Unadjusted quoted prices	178,455	-	166,059	-
2 - Observable market data	-	-	-	-
3 - Unobservable data*	-	-	-	-
	178,455	-	166,059	-

*Includes securities fair valued by the ACD. Level 3 assets held in the sub-fund have been identified on the Portfolio Statement.

15 Share classes

The sub-fund currently has two share classes; B (Institutional) and S (Institutional). The ACD's periodic charge on each share class is as follows:

B share class: 0.75%

S share class: 0.40%

The net asset value of each share class, the net asset value per share, and the number of shares in each class are given in the comparative tables on page 109. The distribution per share class is given in the distribution tables on page 119. All share classes have the same rights on winding up.

Share class movement reconciliation

31 July 2024	Opening	Creations	Cancellations	Converted	Closing
B Accumulation	67,700,373	10,054,536	(10,767,227)	-	66,987,682
S Accumulation	1,414,956	173,695	(153,059)	-	1,435,592

Aegon Sustainable Equity Fund

Notes to the Financial Statements (continued)

16 Post balance sheet events

The table below shows the net asset values per share as at the balance sheet date, compared against values as at 19 November 2024 and the percentage movement in that period:

Net assets per share

	31 July 2024	19 November 2024	% Movement
B Accumulation	277.34	282.21	1.76
S Accumulation	123.96	126.27	1.86

The table below shows net redemptions between 31 July 2024 and 19 November 2024 as a percentage of the balance sheet date NAV for share classes with significant movements. This change is reflective of conditions that arose after the year end and hence is considered a non-adjusting event.

Share class

	% Movement
B Accumulation	(12.23)

Aegon Sustainable Equity Fund

Distribution Tables

Share Class B Accumulation

Period end	Pay date		Net Revenue	Equalisation*	Total Paid/Payable	2023 Total Paid
31/07/24	30/11/24	Group 1	0.5414	N/A	0.5414	0.0000
		Group 2	0.4008	0.1406		

Share Class S Accumulation

Period end	Pay date		Net Revenue	Equalisation*	Total Paid/Payable	2023 Total Paid
31/07/24	30/11/24	Group 1	0.6370	N/A	0.6370	0.2785
		Group 2	0.3437	0.2933		

All distributions above are in pence per share unless specifically stated.

*Equalisation applies only to shares purchased during the distribution period (Group 2 shares). It is the average amount of revenue included in the purchase price of all Group 2 shares and is refunded to holders of these shares as a return of capital. Being a capital repayment, it is not liable to income tax but must be deducted from the cost of the shares for capital gains tax purposes.

Aegon High Yield Bond Fund

Fund objective

The investment objective is to provide a combination of income and capital growth over any 7 year period.

Investment policy

At least 80% of the sub-fund will be invested in a portfolio of high yield corporate bonds issued anywhere in the world and denominated in any currency. The sub-fund is actively managed and the ACD will seek to achieve diversification across individual issuers, geographies and sectors when constructing the portfolio. The sub-fund may invest in other transferable securities, collective investment schemes, money market instruments, deposits and cash and near cash. The sub-fund may also invest in derivative instruments and forward transactions may be used for investment purposes or for efficient portfolio management.

Risk profile

The sub-fund is designed for retail and institutional investors seeking pooled exposure to the high yield bond market and who are comfortable with a medium level of investment risk. In most cases, we expect the sub-fund to be held as part of a diversified portfolio which may include other assets such as bonds, equities, property and cash. While investors will normally be able to liquidate their holdings on a daily basis, unit prices will fluctuate and may fall significantly in value. Consequently, it is important to understand that the sub-fund should be viewed as a longer term investment.

The sub-fund is actively managed and exposed to a range of risks, which are listed and defined in the Aegon Asset Management UK ICVC Prospectus. The most material risks from this list also appear in our Key Investor Information documents (KIID) where they are summarised in an easy-to-read format. You can find both of these documents on our website at www.aegonam.com.

Performance*

The Aegon High Yield Bond Fund returned 12.54% over the year, against a sector median peer return of 10.53%. The peer group is the Investment Association Sterling High Yield sector.

Strategy review**

The high yield market, and fixed income in general, was strong over the period, despite bouts of political and market volatility. High yield companies generally reported better than expected results throughout, however, dispersion was an element of the market and idiosyncratic factors created challenges for certain companies. This meant the backdrop was one of a bond pickers market where selection was paramount.

The positive environment was due partly to key economic data releases generally coming in lower than expected, while inflation across the globe continued to ease somewhat, even if in an uneven fashion. Although both the European Central Bank (the "ECB") and the Bank of England were cautious in making any statements about rate cuts, the market initially priced-in aggressive easing paths for both jurisdictions, in line with its expectations for the US Federal Reserve (the "Fed"). This backdrop was supportive for fixed income markets towards the end of 2023, with the asset class benefiting not only from the lower funding costs it implied for companies but also from the increase in demand.

As we moved into 2024, however, market participants reduced the number of rate cuts that global central banks were likely to deliver. At the same time, the US economy continued to defy gloomy expectations and progressed at near full speed. This was sufficient to reprice Fed cuts priced-in for 2024 from over six in January to below three at the end of March.

The volatility in the inflation and economic outlook continued as we approached the end of the period, with weaker economic data once again prevalent as US inflation surprised to the downside, joining the trend seen in Europe and the UK. Given the weaker environment, the ECB started its rate cutting cycle in June after an extended period of sub-trend growth and falling inflation. They joined the Bank of Canada, Swiss National Bank and Swedish Riksbank which also cut rates, with the UK expected to follow later in the summer.

Security selection was the primary driver of performance throughout the period as our high-conviction ideas added value. Our selection within BBs and CCCs contributed the most to fund performance, but our selection within Bs also did well. During the year, the sub-fund was positioned up in quality with a focus on companies that are well-positioned for an economic slowdown. This higher-quality focus added value during the year. Conversely the sub-fund's lower allocation to CCCs detracted as the lower-quality part of the index continued to rally throughout most of the year. However, this was more than offset by positive effects from our selection in other rating categories.

Within sectors, the sub-fund's banking holdings continued to add value due to strong security selection. Many of the mispriced bank securities we purchased earlier in the year added value. Conversely, the communications sector detracted as the sector was prone to volatility as companies faced cyclical and secular headwinds related to cord cutting and shifting media consumption behaviours.

By region, the sub-fund's UK and GBP-denominated holdings contributed the most to relative performance. It was advantageous to have higher exposure to the UK/GBP segment of the market and the selection within this cohort added value. The exposure in Europe also added value.

On a single name basis, Tullow Oil was the top contributor, which rallied on renewed hopes for a refinancing solution. Other top issuer-level contributors included the sub-fund's exposure in Asda and PureGym. The largest detractor was Transcom, a technology company that manages call centres on behalf of large companies. The issuer's bond prices came under pressure due to concerns about AI hindering the company's trajectory. While this remains an execution story, we believe the bonds were unnecessarily punished by the market and maintain our investment thesis in the credit.

*Source: Lipper, % growth, income re-invested at pay date, NAV-NAV, GBP, net of Basic Rate Tax. Index returns are gross of Basic Rate Tax.

Investors are invited to compare the sub-fund's performance against the performance of other funds within the Investment Association Sterling High Yield Bond Sector. Comparison of the sub-fund against this Sector will give investors an indication of how the sub-fund is performing compared with funds investing in a similar but not identical investment universe. This comparison should be performed over at least a 7 year period to provide the most useful long term comparison.

**General references to markets and indices are to be considered as general market commentary only and (i) are not to be considered as a comparison of sub-fund performance against a benchmark (unless otherwise disclosed as such); and (ii) the index or indices do not operate as a performance target and the sub-fund's portfolio is not constrained by the index or indices.

Aegon High Yield Bond Fund

Material portfolio changes

Top ten purchases	31 July 2024	Top ten sales	31 July 2024
	£'000		£'000
Bellis Acquisition 8.125% 14/05/2030	13,987	Tendam Brands 11.214% 31/03/2028	12,622
Lottomatica 7.05% 01/06/2031	13,898	Vallourec 8.5% 30/06/2026	10,292
Kier 9% 15/02/2029	13,597	HTA 7% 18/12/2025	9,786
Kapla 7.219% 31/07/2030	10,926	Assemblin 8.587% 05/07/2029	9,673
Pinnacle Bidco 10% 11/10/2028	10,923	UniCredit 7.296% 02/04/2034	9,649
Golden Goose 8.703% 14/05/2027	10,815	Royal Caribbean Cruises 8.25% 15/01/2029	9,475
Boost Newco Borrower 8.5% 15/01/2031	10,782	Banco Bilbao Vizcaya Argentaria 9.375% Perpetual	9,259
Iceland Bondco 10.875% 15/12/2027	10,660	CT Investment 5.5% 15/04/2026	9,184
HTA 7.5% 04/06/2029	10,398	Pinnacle Bidco 6.375% 15/02/2025	8,490
Energopro 11% 02/11/2028	10,112	Guala Closures 3.25% 15/06/2028	8,284

Aegon High Yield Bond Fund

Comparative Tables

B Accumulation shares	2024	2023	2022
	(p/share)	(p/share)	(p/share)
Change in net assets per share			
Opening net asset value per share	326.60	302.07	331.26
Return before operating charges*	43.16	26.35	(27.21)
Operating charges	(2.08)	(1.82)	(1.98)
Return after operating charges*	41.08	24.53	(29.19)
Distributions	(27.58)	(22.37)	(19.53)
Retained distributions on accumulation shares	27.58	22.37	19.53
Closing net asset value per share	367.68	326.60	302.07
 *after direct transaction costs of	-	-	-
Performance			
Return after charges	12.58%	8.12%	(8.81)%
Other information			
Closing net asset value (£'000)	399,943	253,545	244,253
Closing number of shares	108,774,135	77,632,447	80,858,938
Operating charges	0.60%	0.59%	0.61%
Direct transaction costs	-	-	-
Prices			
Highest share price	368.47	327.40	336.51
Lowest share price	322.68	288.97	291.30

B Income shares	2024	2023	2022
	(p/share)	(p/share)	(p/share)
Change in net assets per share			
Opening net asset value per share	85.56	85.06	99.14
Return before operating charges*	10.88	7.09	(7.81)
Operating charges	(0.52)	(0.50)	(0.58)
Return after operating charges*	10.36	6.59	(8.39)
Distributions	(6.96)	(6.09)	(5.69)
Retained distributions on accumulation shares	-	-	-
Closing net asset value per share	88.96	85.56	85.06
 *after direct transaction costs of	-	-	-
Performance			
Return after charges	12.11%	7.75%	(8.46)%
Other information			
Closing net asset value (£'000)	155,202	116,492	100,339
Closing number of shares	174,462,987	136,160,034	117,956,477
Operating charges	0.60%	0.59%	0.61%
Direct transaction costs	-	-	-
Prices			
Highest share price	89.85	87.71	99.97
Lowest share price	83.37	80.32	82.48

Highest and Lowest share prices are based on official published daily NAVs priced at 12 noon on the last business day of the year. The closing net asset value per share is at close of business.

Aegon High Yield Bond Fund

Comparative Tables (continued)

S Accumulation shares	2024	2023	2022
	(p/share)	(p/share)	(p/share)
Change in net assets per share			
Opening net asset value per share	120.88	111.69	122.34
Return before operating charges*	15.99	9.76	(10.04)
Operating charges	(0.64)	(0.57)	(0.61)
Return after operating charges*	15.35	9.19	(10.65)
Distributions	(10.21)	(8.28)	(7.22)
Retained distributions on accumulation shares	10.21	8.28	7.22
Closing net asset value per share	136.23	120.88	111.69
 *after direct transaction costs of	-	-	-
Performance			
Return after charges	12.70%	8.23%	(8.71)%
Other information			
Closing net asset value (£'000)	155,815	136,979	2,261
Closing number of shares	114,379,701	113,316,162	2,024,229
Operating charges	0.50%	0.49%	0.51%
Direct transaction costs	-	-	-
Prices			
Highest share price	136.52	121.18	124.33
Lowest share price	119.46	106.87	107.70

S Income shares	2024	2023	2022
	(p/share)	(p/share)	(p/share)
Change in net assets per share			
Opening net asset value per share	87.05	86.46	100.70
Return before operating charges*	11.08	7.21	(7.96)
Operating charges	(0.44)	(0.42)	(0.49)
Return after operating charges*	10.64	6.79	(8.45)
Distributions	(7.09)	(6.20)	(5.79)
Retained distributions on accumulation shares	-	-	-
Closing net asset value per share	90.60	87.05	86.46
 *after direct transaction costs of	-	-	-
Performance			
Return after charges	12.22%	7.85%	(8.39)%
Other information			
Closing net asset value (£'000)	34,322	17,662	11,434
Closing number of shares	37,881,847	20,290,202	13,225,457
Operating charges	0.50%	0.49%	0.51%
Direct transaction costs	-	-	-
Prices			
Highest share price	91.47	89.15	101.57
Lowest share price	84.85	81.65	83.83

Highest and Lowest share prices are based on official published daily NAVs priced at 12 noon on the last business day of the year. The closing net asset value per share is at close of business.

Aegon High Yield Bond Fund

Portfolio Statement

The sub-fund's investments as at 31 July 2024

Holding	Investment	Market Valuation £'000	Total net assets %
Euro Denominated Bonds 39.04% (31 July 2023 30.14%)			
Asset Backed Security 0.97% (31 July 2023 0.00%)			
2,300,000	Vivion Investments 7.9% 31/08/2028	1,782	0.24
7,000,000	Vivion Investments 7.9% 28/02/2029	5,419	0.73
		7,201	0.97
Corporate Bonds 38.07% (31 July 2023 30.14%)			
7,800,000	Adler Financing 12.5% 30/06/2025	7,653	1.03
4,400,000	Afflelou 6% 25/07/2029	3,755	0.50
5,800,000	AGPS Bondco 5% 14/01/2029	1,530	0.20
4,500,000	Alpha Services 11.875% Perpetual	4,274	0.57
9,600,000	Altice Financing 2.25% 15/01/2025	7,891	1.06
6,900,000	Amber Finco 6.625% 15/07/2029	6,020	0.81
3,400,000	APA Infrastructure 7.125% 09/11/2083	3,098	0.42
4,200,000	Assemblin Caverion 6.25% 01/07/2030	3,615	0.48
8,900,000	Assemblin Caverion 7.195% 01/07/2031	7,474	1.00
3,700,000	Benteler International 9.375% 15/05/2028	3,281	0.44
4,200,000	Bertrand Franchise Finance 7.489% 18/07/2030	3,549	0.48
6,900,000	Bormioli Pharma 9.328% 15/05/2028	5,842	0.78
3,600,000	BPER Banca 8.375% Perpetual	3,181	0.43
4,100,000	Carnival 5.75% 15/01/2030	3,565	0.48
6,100,000	CECONOMY 6.25% 15/07/2029	5,111	0.69
9,300,000	CPI Property 2.75% 12/05/2026	7,305	0.98
7,500,000	CT Investment 6.375% 15/04/2030	6,427	0.86
6,100,000	C-TEC II 5.25% 15/02/2030	4,785	0.64
5,500,000	Deuce Finco 8.469% 15/06/2027	4,660	0.62
6,400,000	Duomo Bidco 7.803% 15/07/2031	5,470	0.73
6,000,000	Eurobank Ergasias 6.25% 25/04/2034	5,312	0.71
4,600,000	EVOCA 8.962% 09/04/2029	3,927	0.53
5,400,000	Flos B&B Italia 10% 15/11/2028	4,751	0.64
12,600,000	Golden Goose 8.703% 14/05/2027	10,680	1.43
5,200,000	Goldstory 7.631% 01/02/2030	4,380	0.59
5,200,000	Grifols 3.875% 15/10/2028	3,842	0.52
7,800,000	Guala Closures 7.719% 29/06/2029	6,582	0.88
3,100,000	Heimstaden Bostad 2.625% Perpetual	1,637	0.22
5,200,000	Helios Software 7.875% 01/05/2029	4,436	0.59
8,500,000	HT Troplast 9.375% 15/07/2028	7,161	0.96
6,800,000	IMA 7.435% 15/04/2029	5,784	0.78
7,800,000	IPD 7.086% 15/06/2031	6,558	0.88
4,500,000	Italmatch Chemicals 10% 06/02/2028	4,031	0.54
12,800,000	Kapla 7.219% 31/07/2030	10,788	1.45
8,200,000	Loarre Investments 8.828% 15/05/2029	6,936	0.93
16,100,000	Lottomatica 7.05% 01/06/2031	13,685	1.84
5,500,000	Miller Homes 9.078% 15/05/2028	4,646	0.62
5,200,000	National Bank of Greece 8% 03/01/2034	4,902	0.66
6,000,000	Neopharmed Gentili 7.935% 08/04/2030	5,100	0.68
5,900,000	Nova Alexandre III 8.914% 15/07/2029	4,997	0.67
4,800,000	Nova Ljubljanska Banka 6.875% 24/01/2034	4,223	0.57
2,700,000	Pachelbel Bidco 8.066% 17/05/2031	2,293	0.31
4,000,000	PeopleCert Wisdom 5.75% 15/09/2026	3,355	0.45
4,500,000	Piraeus Financial 8.75% Perpetual	3,848	0.52
3,300,000	Prestige Bidco 7.459% 01/07/2029	2,797	0.37
4,000,000	Raiffeisen Bank International 6% Perpetual	3,212	0.43
5,200,000	Raiffeisen Bank International 8.659% Perpetual	4,346	0.58
6,900,000	Reno de Medici 8.719% 15/04/2029	5,833	0.78
5,700,000	Sarens Finance 5.75% 21/02/2027	4,736	0.64
6,400,000	SCIL IV 9.5% 15/07/2028	5,804	0.78

Aegon High Yield Bond Fund

Portfolio Statement (continued)

Holding	Investment	Market valuation £'000	Total net assets %
Corporate Bonds (continued)			
660,625	Stichting AK Rabobank Certificaten 6.5% Perpetual	619	0.08
10,700,000	Transcom 8.969% 15/12/2026	6,030	0.81
5,900,000	Trivium Packaging Finance 7.578% 15/08/2026	4,966	0.67
9,800,000	Verisure 9.25% 15/10/2027	8,696	1.17
4,600,000	Volkswagen International Finance 7.875% Perpetual	4,388	0.59
		283,767	38.07
Sterling Denominated Bonds 22.25% (31 July 2023 17.30%)			
Corporate Bonds 22.25% (31 July 2023 17.30%)			
5,400,000	Admiral 8.5% 06/01/2034	6,092	0.82
4,800,000	Aroundtown Finance 8.625% Perpetual	3,769	0.51
9,600,000	B&M European Value Retail 8.125% 15/11/2030	10,186	1.37
3,400,000	Barclays 8.875% Perpetual	3,499	0.47
14,000,000	Bellis Acquisition 8.125% 14/05/2030	13,825	1.85
10,500,000	Boost Newco Borrower 8.5% 15/01/2031	11,289	1.51
3,500,000	Close Brothers 7.75% 14/06/2028	3,642	0.49
5,000,000	Coventry Building Society 8.75% Perpetual	5,085	0.68
10,500,000	CPUK Finance 6.5% 28/08/2026	10,395	1.39
2,400,000	CPUK Finance 7.875% 28/08/2029	2,433	0.33
5,700,000	Deuce Finco 5.5% 15/06/2027	5,456	0.73
3,700,000	Esure 12% 20/12/2033	3,987	0.53
10,300,000	Iceland Bondco 10.875% 15/12/2027	10,940	1.47
4,100,000	Investec 10.5% Perpetual	4,370	0.59
13,500,000	Kier 9% 15/02/2029	14,084	1.89
3,500,000	Legal & General 5.625% Perpetual	3,141	0.42
5,000,000	Metro Bank 12% 30/04/2029	4,484	0.60
5,900,000	Miller Homes Finco 7% 15/05/2029	5,594	0.75
21,400	Nationwide Building Society 10.25% Perpetual	2,803	0.38
3,400,000	Pension Insurance 7.375% Perpetual	3,325	0.45
10,900,000	Pinnacle Bidco 10% 11/10/2028	11,671	1.57
9,000,000	RAC 5.25% 04/11/2027	8,509	1.14
3,300,000	Rothsay Life 6.875% Perpetual	3,154	0.42
7,900,000	TVL Finance 10.25% 28/04/2028	8,122	1.09
5,300,000	Virgin Money UK 11% Perpetual	5,990	0.80
		165,845	22.25
United States Dollar Denominated Bonds 34.56% (31 July 2023 50.50%)			
Asset Backed Security 1.61% (31 July 2023 0.88%)			
16,014,000	Tullow Oil 10.25% 15/05/2026	11,997	1.61
		11,997	1.61
Corporate Bonds 32.95% (31 July 2023 49.62%)			
9,790,000	AerCap 5.875% 10/10/2079	7,603	1.02
5,500,000	Air Canada 2020-1C Pass Through Trust 10.5% 15/07/2026	4,614	0.62
4,300,000	Allwyn Entertainment Financing UK 7.875% 30/04/2029	3,493	0.47
7,200,000	Ambipar Luxembourg 9.875% 06/02/2031	5,469	0.73
5,950,000	Amer Sports 6.75% 16/02/2031	4,601	0.62
4,400,000	ATP Tower 4.05% 27/04/2026	3,285	0.44
718,357	Avaya 12.8503% 01/08/2028	503	0.07
7,700,000	BBVA Bancomer 8.125% 08/01/2039	6,172	0.83
2,400,000	Benteler International 10.5% 15/05/2028	1,989	0.27
7,000,000	BlueNord 9.5% 02/07/2029	5,502	0.74
5,500,000	Camelot Return Merger 8.75% 01/08/2028	4,232	0.57
9,200,000	CCO 7.375% 01/03/2031	7,235	0.97
3,900,000	Cemex 9.125% Perpetual	3,267	0.44
8,700,000	Cleveland-Cliffs 7% 15/03/2032	6,807	0.91
5,900,000	CSC Holdings 11.75% 31/01/2029	4,151	0.56

Aegon High Yield Bond Fund

Portfolio Statement (continued)

Holding	Investment	Market valuation £'000	Total net assets %
Corporate Bonds (continued)			
5,500,000	DIRECTV Financing 8.875% 01/02/2030	4,296	0.58
9,200,000	DNO 9.25% 04/06/2029	7,242	0.97
3,500,000	Energear Israel Finance 4.875% 30/03/2026	2,574	0.34
9,200,000	Energear Israel Finance 8.5% 30/09/2033	6,847	0.92
12,060,000	Energro-Pro 11% 02/11/2028	10,070	1.35
14,200,000	EnQuest 11.625% 01/11/2027	11,280	1.51
3,500,000	Enviri 5.75% 31/07/2027	2,646	0.35
3,300,000	Fortrea 7.5% 01/07/2030	2,606	0.35
6,700,000	Global Atlantic Finance 6.75% 15/03/2054	5,266	0.71
7,000,000	Hanesbrands 9% 15/02/2031	5,778	0.77
2,800,000	Helios Software 8.75% 01/05/2029	2,246	0.30
13,300,000	HTA 7.5% 04/06/2029	10,398	1.39
4,700,000	IHS 6.25% 29/11/2028	3,265	0.44
8,900,000	IHS Netherlands 8% 18/09/2027	6,760	0.91
5,400,000	Intesa Sanpaolo 7.778% 20/06/2054	4,536	0.61
11,900,000	Ithaca Energy North Sea 9% 15/07/2026	9,401	1.26
2,900,000	JAB 4.5% 08/04/2052	1,709	0.23
15,900,000	Level 3 Financing 10.5% 15/05/2030	12,729	1.71
2,500,000	Liberty Costa Rica Senior Secured Finance 10.875% 15/01/2031	2,053	0.27
6,500,000	Mersin International Port 8.25% 15/11/2028	5,209	0.70
1,550,000	NCL 7.75% 15/02/2029	1,270	0.17
4,700,000	Oracle 6.9% 09/11/2052	4,196	0.56
9,000,000	PetSmart 7.75% 15/02/2029	6,802	0.91
4,350,000	PRA 8.375% 01/02/2028	3,414	0.46
8,800,000	Rand Parent 8.5% 15/02/2030	6,768	0.91
10,500,000	Smyrna Ready Mix Concrete 8.875% 15/11/2031	8,810	1.18
100,000	Summit Midstream 8.625% 31/10/2029	80	0.01
5,100,000	Summit Midstream Finance 9.5% 15/10/2026	4,087	0.55
8,000,000	TAV Airports 8.5% 07/12/2028	6,429	0.86
4,000,000	Vallourec 7.5% 15/04/2032	3,259	0.44
8,900,000	VEON 4% 09/04/2025	6,603	0.89
1,800,000	VICI Properties 6.125% 01/04/2054	1,384	0.19
8,300,000	WE Soda Investments 9.5% 06/10/2028	6,647	0.89
		245,583	32.95
Equities 0.05% (31 July 2023 0.13%)			
Technology 0.05% (31 July 2023 0.13%)			
68,389	Avaya*	359	0.05
		359	0.05
Derivatives and Futures Contracts 0.86% (31 July 2023 1.14%)			
Forward Foreign Exchange Contracts 0.86% (31 July 2023 1.14%)			
	Bought EUR 2,200,000 Sold GBP 1,880,363 05/09/2024	(24)	-
	Bought GBP 266,475,365 Sold EUR 311,540,000 05/09/2024	3,646	0.49
	Bought GBP 7,143,503 Sold EUR 8,400,000 05/09/2024	57	0.01
	Bought GBP 6,539,746 Sold EUR 7,700,000 05/09/2024	44	0.01
	Bought GBP 5,680,271 Sold EUR 6,700,000 05/09/2024	28	-
	Bought GBP 2,134,655 Sold EUR 2,500,000 05/09/2024	26	-
	Bought GBP 2,125,162 Sold EUR 2,500,000 05/09/2024	16	-
	Bought GBP 3,467,452 Sold EUR 4,100,000 05/09/2024	8	-
	Bought GBP 1,357,143 Sold EUR 1,600,000 05/09/2024	7	-
	Bought GBP 1,694,203 Sold EUR 2,000,000 05/09/2024	7	-
	Bought GBP 1,683,183 Sold EUR 2,000,000 05/09/2024	(4)	-
	Bought GBP 4,713,894 Sold EUR 5,600,000 05/09/2024	(10)	-
	Bought GBP 271,083,861 Sold USD 344,820,000 05/09/2024	2,722	0.37
	Bought GBP 7,677,016 Sold USD 9,800,000 05/09/2024	50	0.01
	Bought GBP 2,982,629 Sold USD 3,800,000 05/09/2024	25	-
	Bought GBP 1,259,944 Sold USD 1,600,000 05/09/2024	15	-
	Bought GBP 3,046,576 Sold USD 3,900,000 05/09/2024	11	-
	Bought GBP 1,488,573 Sold USD 1,900,000 05/09/2024	10	-

Aegon High Yield Bond Fund

Portfolio Statement (continued)

Holding	Investment	Market valuation £'000	Total net assets %
Forward Foreign Exchange Contracts (continued)			
	Bought GBP 1,566,192 Sold USD 2,000,000 05/09/2024	10	-
	Bought GBP 860,250 Sold USD 1,100,000 05/09/2024	4	-
	Bought GBP 3,374,822 Sold USD 4,400,000 05/09/2024	(50)	(0.01)
	Bought USD 2,400,000 Sold GBP 1,891,444 05/09/2024	(24)	-
	Bought USD 9,100,000 Sold GBP 7,172,819 05/09/2024	(91)	(0.01)
	Bought USD 9,200,000 Sold GBP 7,258,530 05/09/2024	(98)	(0.01)
		6,385	0.86
Portfolio of investments**			
	Net other assets	721,137	96.76
		24,145	3.24
	Total net assets attributable to shareholders	745,282	100.00

Analysis of investments by asset class

	Market value £'000	Value of investments %
Bonds	714,393	95.85
Equities	359	0.05
Derivatives	6,385	0.86
Portfolio of investments**	721,137	96.76
Net other assets	24,145	3.24
Total net assets attributable to shareholders	745,282	100.00

The comparative percentage figures in brackets are at 31 July 2023.

All investments are approved securities being either officially listed in a member state or traded on or under the rules of an eligible securities market, unless otherwise stated.

*At risk of default or illiquid securities as disclosed on page 16 and has been classified as Level 3 (See Fair Value Disclosure table on page 134).

**Includes investment liabilities.

Aegon High Yield Bond Fund

Statement of Total Return for the year ended 31 July 2024

			2024		2023
	Note	£'000	£'000	£'000	£'000
Income					
Net capital gains	2		27,769		5,065
Revenue	3	49,297		27,302	
Expenses	4	(3,451)		(2,111)	
Interest payable and similar charges		<u>(29)</u>		<u>(26)</u>	
Net revenue before taxation		45,817		25,165	
Taxation	5	<u>-</u>		<u>-</u>	
Net revenue after taxation			<u>45,817</u>		<u>25,165</u>
Total return before distributions			73,586		30,230
Distributions	6		<u>(49,398)</u>		<u>(27,380)</u>
Change in net assets attributable to shareholders from investment activities			24,188		2,850

Statement of Change in Net Assets Attributable to Shareholders for the year ended 31 July 2024

		2024		2023
	£'000	£'000	£'000	£'000
Opening net assets attributable to shareholders		524,678		358,287
Amounts receivable on issue of shares	371,603		261,118	
Amounts payable on cancellation of shares	<u>(212,438)</u>		<u>(117,909)</u>	
		159,165		143,209
Dilution adjustment		144		715
Change in net assets attributable to shareholders from investment activities		24,188		2,850
Retained distributions on accumulation shares		<u>37,107</u>		<u>19,617</u>
Closing net assets attributable to shareholders		745,282		524,678

Aegon High Yield Bond Fund

Balance Sheet as at 31 July 2024

			2024		2023
	Note	£'000	£'000	£'000	£'000
Assets					
Fixed assets:					
Investments			721,438		520,689
Current assets:					
Debtors	7	17,210		10,240	
Cash and bank balances	8	16,738		4,258	
			33,948		14,498
Total assets			755,386		535,187
Liabilities					
Investment liabilities			301		170
Creditors					
Bank overdrafts	9	6,160		5,680	
Distributions payable		1,229		841	
Other creditors	10	2,414		3,818	
Total liabilities			10,104		10,509
Net assets attributable to shareholders			745,282		524,678

Aegon High Yield Bond Fund

Notes to the Financial Statements

1 Accounting policies

The sub-fund's financial statements have been prepared on the basis disclosed on pages 122 to 123.

2 Net capital gains

Net capital gains comprise:

	2024	2023
	£'000	£'000
Gains/(losses) on non-derivative securities	22,012	(2,880)
Gains on forward currency contracts	7,457	10,750
Currency exchange losses	(1,699)	(2,804)
Transaction charges	(1)	(1)
Net capital gains	27,769	5,065

3 Revenue

	2024	2023
	£'000	£'000
Interest on debt securities	48,376	26,799
Bank interest	662	303
Stock lending income	259	200
Total revenue	49,297	27,302

*The sub-fund received 72% of the revenue returns from stock lending activities. The gross earnings for the year are £360,000 (2023: £278,000) and expenses paid of £101,000 (2023: £78,000).

4 Expenses*

	2024	2023
	£'000	£'000
Payable to the ACD, associates of the ACD and agents of either of them:		
ACD's periodic charge	3,262	2,049
Payable to the Depositary, associates of the Depositary and agents of either of them:		
Depositary fee	85	46
Other expenses:		
Audit fee**	21	19
FT publishing fee	4	3
PRIIPs fees	3	3
Registrar's fee	55	(20)
Safe custody charge	21	11
	104	16
Total expenses	3,451	2,111

*All expenditure stated above is inclusive of irrecoverable VAT where applicable.

**The audit fee (excluding VAT) incurred during the year was £17,950 (2023: £17,552).

5 Taxation

a) Analysis of charge in the year

	2024	2023
	£'000	£'000
Current tax:		
Overseas tax suffered	-	-
Total tax charge for the year (see note 5 (b))	-	-

Aegon High Yield Bond Fund

Notes to the Financial Statements (continued)

5 Taxation (continued)

b) Factors affecting tax charge for the year

The tax assessed for the year is lower (2023: lower than) than the standard rate of corporation tax for Open Ended Investment Companies 'OEICs' (20%).

The differences are explained below:

	2024	2023
	£'000	£'000
Net revenue before taxation	45,817	25,165
Corporation tax 20% (2023: 20%)	9,163	5,033
Effects of:		
Tax deductible interest distributions	(9,163)	(5,033)
Total tax charge for the year (see note 5 (a))	-	-

Open Ended Investment Companies are exempt from tax on capital gains. Therefore, any capital return is not included in the above reconciliations.

6 Distributions

a) Distributions

The distributions take account of amounts receivable on the issue of shares and amounts deductible on the cancellation of shares, and comprise:

	2024	2023
	£'000	£'000
Interim distributions	45,110	24,650
Final distribution	4,811	3,271
	49,921	27,921
Add: amounts deductible on cancellation of shares	707	363
Less: amounts receivable on creation of shares	(1,230)	(904)
Distributions	49,398	27,380

Details of the distributions are set out in the tables on pages 135 to 136.

b) Movement between net revenue and distribution

	2024	2023
	£'000	£'000
Net revenue after taxation	45,817	25,165
Expenses transferred to capital	3,480	2,137
Stock lending expenses transferred to capital	101	78
Distributions	49,398	27,380

7 Debtors

	2024	2023
	£'000	£'000
Accrued revenue	4,580	8,496
Amounts receivable for the issue of shares	12,630	1,744
Debtors	17,210	10,240

8 Cash and bank balances

	2024	2023
	£'000	£'000
Cash and bank balances	669	396
Money market deposits	16,069	3,862
Cash and bank balances	16,738	4,258

9 Bank overdrafts

	2024	2023
	£'000	£'000
Amounts held at futures clearing houses and brokers*	6,160	5,680
Bank overdrafts	6,160	5,680

*Includes cash pledged as collateral of £6,160,000 (2023: £5,680,000).

Aegon High Yield Bond Fund

Notes to the Financial Statements (continued)

10 Other creditors

	2024	2023
	£'000	£'000
Accrued ACD periodic charge	634	400
Accrued other expenses	394	44
Amounts payable for cancellation of shares	1,386	1,454
Purchases awaiting settlement	-	1,920
Other creditors	2,414	3,818

11 Related Parties

Related party interests in the sub-fund are disclosed in Note 6 of the Accounting Policies on page 17. Amounts due to the ACD as at year end for the ACD periodic charge and amounts due to the ACD for outstanding cancellations are disclosed in Note 10. Amounts receivable from the ACD as at year end for outstanding issue of shares are disclosed in Note 8. At the year-end 5.93% (2023: 8.23%) of the shares in issue were owned by AEGON Group or AEGON UK companies.

12 Contingent assets, liabilities and commitments

There were no contingent assets, liabilities or commitments present in the sub-fund as at 31 July 2024 (2023: £Nil).

13 Financial instruments and risk

The risks associated with the sub-fund are market, concentration, valuation, yield, liquidity, counterparty, and interest rate risk. Narrative disclosures are on pages 15 to 17.

Analysis of investments by credit ratings

	2024		2023	
	Market value £'000	Value of investments %	Market value £'000	Value of investments %
Investment grade	58,196	7.82	66,558	12.67
Below investment grade	603,185	80.91	424,511	80.93
Unrated	53,012	7.12	22,799	4.34
Other investments and derivatives	6,744	0.91	6,651	1.27
Portfolio of investments	721,137	96.76	520,519	99.21
Net other assets	24,145	3.24	4,159	0.79
Total net assets attributable to shareholders	745,282	100.00	524,678	100.00

Note - Investment grade securities are defined as securities with a Standard & Poor's, Moody's or Fitch's rating of BBB-, Baa3 and BBB- or above respectively.

Derivative risk

The sub-fund invests in derivatives, consistent with the investment objective of the sub-fund, as outlined in the derivative risks section on page 17.

VaR Disclosure

The Manager assesses the market risk of the sub-fund's investments, including any derivative exposure, using a value at risk methodology. This process provides the Manager with an estimate of the maximum potential loss that could be expected to occur as a result of changes in market prices over a given period of time in all but a given percentage of circumstances. The value at risk is calculated on a 99.00% (2023: 95.00%) confidence interval with a one month time horizon and a five year history, using the Historical model. The sub-fund has an absolute VaR limit of 20.00% (2023: 14.10%). As at the balance sheet date, the sub-fund's value at risk is 2.57% (2023: 3.06%).

The following table details the lowest, highest and average utilisation of the absolute VaR limit:

	Lowest Utilisation (%)	Highest Utilisation (%)	Average Utilisation (%)
31 July 2024	2.39	4.78	3.41
31 July 2023	2.96	4.05	3.34

Leverage

Average leverage is calculated as the sum of the net asset value and the incremental exposure generated through the use of derivatives (calculated in accordance with the commitment approach (CESR/10-788)) divided by the net asset value. As at 31 July 2024 the average leverage was 96.99% (2023: 93.48%).

The risk of entering an arrangement with a counterparty, which is itself subject to financial risks which may affect its ability to trade as a going concern.

Aegon High Yield Bond Fund

Notes to the Financial Statements (continued)

13 Financial instruments and risk (continued)

Counterparty risk

The ACD maintains a list of approved counterparties. This list is regularly monitored and revised for changes based on the counterparty's credit-worthiness, market reputation and expectations of future financial performance. Transactions will only be opened with financial intermediaries on the approved counterparties list.

The sub-fund's use of exchange traded derivatives are considered to be free of counterparty risk if the derivative is traded on an exchange where the clearing house is backed by an appropriate performance guarantee and it is characterised by a daily mark-to-market valuation of the derivative position and at least daily margining.

The following details exposure to counterparties obtained through the use of derivatives:

As at 31 July 2024

Counterparty	Forward Foreign			
	Stock on loan	Exchange Contracts	Collateral pledge	
		Exposure	Stock	Cash
	£'000	£'000	£'000	£'000
Barclays	172	6,385	186	(6,160)
JPMorgan	907	-	934	-
Morgan Stanley	28,842	-	29,825	-

As at 31 July 2023

Counterparty	Forward Foreign			
	Stock on loan	Exchange Contracts	Collateral pledge	
		Exposure	Stock	Cash
	£'000	£'000	£'000	£'000
Barclays	27,048	5,960	27,927	(5,680)
BNP Paribas	6,537	-	6,695	-
HSBC	2,659	-	2,794	-
JPMorgan	4,253	-	4,361	-
Morgan Stanley	274	-	281	-

Positive exposure represents the sub-fund's exposure to that counterparty and not the sub-fund's holdings with that counterparty.

14 Portfolio transaction costs

Purchases

31 July 2024	Value	Commissions	Other Costs*	
	£'000	£'000	%	£'000
Debt securities	637,707	-	-	-
Total	637,707	-		-
Total purchases including transaction costs	637,707			
31 July 2023	Value	Commissions	Other Costs*	
	£'000	£'000	%	£'000
Debt securities	397,431	-	-	-
Equities	2,887	-	-	-
Total	400,318	-		-
Total purchases including transaction costs	400,318			

Sales

31 July 2024	Value	Commissions	Other Costs*	
	£'000	£'000	%	£'000
Debt securities	458,427	-	-	-
Corporate actions	3,523	-	-	-
Equities	3	-	0.08	-
Total	461,953	-		-
Total sales net of transaction costs	461,953			
31 July 2023	Value	Commissions	Other Costs*	
	£'000	£'000	%	£'000
Debt securities	226,023	-	-	-
Equities	21	-	-	-
Total	226,044	-		-
Total sales net of transaction costs	226,044			

*Other Costs includes taxes and any other costs other than commissions incurred by the sub-fund when buying and selling an underlying investment.

Aegon High Yield Bond Fund

Notes to the Financial Statements (continued)

14 Portfolio transaction costs (continued)

Portfolio transaction costs are incurred by the sub-fund when buying and selling underlying investments. These vary depending on the class of investment, country of exchange and method of execution. These costs can be classified as either direct or indirect transaction costs:

- Direct transaction costs: Broker commissions, fees and taxes.
- Indirect transaction costs: 'Dealing spread' - the difference between the buying and selling prices of the sub-fund's underlying investments.

In order to protect existing investors from the effects of dilution, portfolio transaction costs incurred as a result of investors buying and selling shares in the sub-fund are recovered from those investors through a 'dilution adjustment' to the price they pay or receive.

At the balance sheet date, the portfolio dealing spread was 0.65% (2023: 0.75%), being the difference between the respective bid and offer prices for the sub-fund's investments.

15 Fair value hierarchy

The fair value hierarchy is intended to prioritise the inputs that are used to measure the fair value of assets and liabilities. The fair value hierarchy has the following levels:

Level 1 – Unadjusted quoted price in an active market for an identical instrument.

Level 2 – Valuation techniques using observable inputs other than quoted prices within level 1.

Level 3 – Valuation techniques using unobservable inputs.

Basis of valuation	2024		2023	
	Assets £'000	Liabilities £'000	Assets £'000	Liabilities £'000
1 - Unadjusted quoted prices	-	-	-	-
2 - Observable market data	721,079	(301)	519,998	(170)
3 - Unobservable data*	359	-	691	-
	721,438	(301)	520,689	(170)

*Includes securities fair valued by the ACD. Level 3 assets held in the sub-fund have been identified on the Portfolio Statement.

16 Share classes

The sub-fund currently has two share classes; B (Institutional) and S (Institutional). The ACD's periodic charge on each share class is as follows:

B share class: 0.55%

S share class: 0.45%

The net asset value of each share class, the net asset value per share, and the number of shares in each class are given in the comparative tables on pages 122 and 123. The distribution per share class is given in the distribution tables on pages 135 and 136. All share classes have the same rights on winding up.

Share class movement reconciliation

31 July 2024	Opening	Creations	Cancellations	Converted	Closing
B Accumulation	77,632,447	60,233,372	(28,944,968)	(146,716)	108,774,135
B Income	136,160,034	96,465,568	(52,377,219)	(5,785,396)	174,462,987
S Accumulation	113,316,162	49,000,283	(48,277,551)	340,807	114,379,701
S Income	20,290,202	17,670,854	(5,840,380)	5,761,171	37,881,847

17 Post balance sheet events

The table below shows the net asset values per share as at the balance sheet date, compared against values as at 19 November 2024 and the percentage movement in that period:

Net assets per share	31 July 2024	19 November 2024	% Movement
B Accumulation	367.68	382.11	3.92
B Income	88.96	90.61	1.86
S Accumulation	136.23	141.62	3.95
S Income	90.60	92.31	1.89

Aegon High Yield Bond Fund

Distribution Tables

Share Class B Accumulation

Period end	Pay date		Net Revenue	Equalisation*	Total Paid/Payable	2022/23 Total Paid
31/08/23	30/09/23	Group 1	2.2340	N/A	2.2340	1.8747
		Group 2	1.1298	1.1042		
30/09/23	31/10/23	Group 1	2.3302	N/A	2.3302	1.9288
		Group 2	1.1893	1.1409		
31/10/23	30/11/23	Group 1	2.4098	N/A	2.4098	1.8327
		Group 2	1.0654	1.3444		
30/11/23	31/12/23	Group 1	2.1128	N/A	2.1128	1.7756
		Group 2	1.1142	0.9986		
31/12/23	31/01/24	Group 1	2.2520	N/A	2.2520	1.9005
		Group 2	1.2124	1.0396		
31/01/24	29/02/24	Group 1	2.2715	N/A	2.2715	1.6909
		Group 2	0.8023	1.4692		
29/02/24	31/03/24	Group 1	1.9448	N/A	1.9448	1.6196
		Group 2	0.7535	1.1913		
31/03/24	30/04/24	Group 1	2.4620	N/A	2.4620	1.9890
		Group 2	1.3848	1.0772		
30/04/24	31/05/24	Group 1	2.4013	N/A	2.4013	1.8350
		Group 2	1.0933	1.3080		
31/05/24	30/06/24	Group 1	2.4203	N/A	2.4203	1.9700
		Group 2	1.2371	1.1832		
30/06/24	31/07/24	Group 1	2.3703	N/A	2.3703	1.9183
		Group 2	1.4540	0.9163		
31/07/24	31/08/24	Group 1	2.3693	N/A	2.3693	2.0338
		Group 2	1.0655	1.3038		

Share Class B Income

Period end	Pay date		Net Revenue	Equalisation*	Total Paid/Payable	2022/23 Total Paid
31/08/23	30/09/23	Group 1	0.5853	N/A	0.5853	0.5279
		Group 2	0.3098	0.2755		
30/09/23	31/10/23	Group 1	0.6064	N/A	0.6064	0.5399
		Group 2	0.2445	0.3619		
31/10/23	30/11/23	Group 1	0.6227	N/A	0.6227	0.5097
		Group 2	0.2231	0.3996		
30/11/23	31/12/23	Group 1	0.5412	N/A	0.5412	0.4906
		Group 2	0.2784	0.2628		
31/12/23	31/01/24	Group 1	0.5739	N/A	0.5739	0.5221
		Group 2	0.2765	0.2974		
31/01/24	29/02/24	Group 1	0.5753	N/A	0.5753	0.4619
		Group 2	0.2590	0.3163		
29/02/24	31/03/24	Group 1	0.4893	N/A	0.4893	0.4400
		Group 2	0.2243	0.2650		
31/03/24	30/04/24	Group 1	0.6161	N/A	0.6161	0.5375
		Group 2	0.3108	0.3053		
30/04/24	31/05/24	Group 1	0.5959	N/A	0.5959	0.4929
		Group 2	0.2912	0.3047		
31/05/24	30/06/24	Group 1	0.5974	N/A	0.5974	0.5257
		Group 2	0.3102	0.2872		
30/06/24	31/07/24	Group 1	0.5814	N/A	0.5814	0.5086
		Group 2	0.3049	0.2765		
31/07/24	31/08/24	Group 1	0.5771	N/A	0.5771	0.5365
		Group 2	0.2679	0.3092		

All distributions above are in pence per share unless specifically stated.

*Equalisation applies only to shares purchased during the distribution period (Group 2 shares). It is the average amount of revenue included in the purchase price of all Group 2 shares and is refunded to holders of these shares as a return of capital. Being a capital repayment, it is not liable to income tax but must be deducted from the cost of the shares for capital gains tax purposes.

Aegon High Yield Bond Fund

Distribution Tables (continued)

Share Class S Accumulation

Period end	Pay date		Net Revenue	Equalisation*	Total Paid/Payable	2022/23 Total Paid
31/08/23	30/09/23	Group 1	0.8269	N/A	0.8269	0.6932
		Group 2	0.3596	0.4673		
30/09/23	31/10/23	Group 1	0.8624	N/A	0.8624	0.7133
		Group 2	0.3786	0.4838		
31/10/23	30/11/23	Group 1	0.8905	N/A	0.8905	0.6776
		Group 2	0.5082	0.3823		
30/11/23	31/12/23	Group 1	0.7809	N/A	0.7809	0.6570
		Group 2	0.4803	0.3006		
31/12/23	31/01/24	Group 1	0.8341	N/A	0.8341	0.7035
		Group 2	0.5013	0.3328		
31/01/24	29/02/24	Group 1	0.8410	N/A	0.8410	0.6262
		Group 2	0.2246	0.6164		
29/02/24	31/03/24	Group 1	0.7202	N/A	0.7202	0.6031
		Group 2	0.3997	0.3205		
31/03/24	30/04/24	Group 1	0.9117	N/A	0.9117	0.7361
		Group 2	0.5561	0.3556		
30/04/24	31/05/24	Group 1	0.8910	N/A	0.8910	0.6809
		Group 2	0.4474	0.4436		
31/05/24	30/06/24	Group 1	0.8965	N/A	0.8965	0.7290
		Group 2	0.5163	0.3802		
30/06/24	31/07/24	Group 1	0.8781	N/A	0.8781	0.7098
		Group 2	0.3463	0.5318		
31/07/24	31/08/24	Group 1	0.8779	N/A	0.8779	0.7508
		Group 2	0.5345	0.3434		

Share Class S Income

Period end	Pay date		Net Revenue	Equalisation*	Total Paid/Payable	2022/23 Total Paid
31/08/23	30/09/23	Group 1	0.5955	N/A	0.5955	0.5366
		Group 2	0.2664	0.3291		
30/09/23	31/10/23	Group 1	0.6170	N/A	0.6170	0.5488
		Group 2	0.3027	0.3143		
31/10/23	30/11/23	Group 1	0.6337	N/A	0.6337	0.5180
		Group 2	0.2727	0.3610		
30/11/23	31/12/23	Group 1	0.5507	N/A	0.5507	0.4988
		Group 2	0.1827	0.3680		
31/12/23	31/01/24	Group 1	0.5846	N/A	0.5846	0.5310
		Group 2	0.3085	0.2761		
31/01/24	29/02/24	Group 1	0.5856	N/A	0.5856	0.4697
		Group 2	0.2086	0.3770		
29/02/24	31/03/24	Group 1	0.4981	N/A	0.4981	0.4479
		Group 2	0.2452	0.2529		
31/03/24	30/04/24	Group 1	0.6272	N/A	0.6272	0.5466
		Group 2	0.1774	0.4498		
30/04/24	31/05/24	Group 1	0.6083	N/A	0.6083	0.5016
		Group 2	0.4382	0.1701		
31/05/24	30/06/24	Group 1	0.6083	N/A	0.6083	0.5347
		Group 2	0.2951	0.3132		
30/06/24	31/07/24	Group 1	0.5918	N/A	0.5918	0.5176
		Group 2	0.3126	0.2792		
31/07/24	31/08/24	Group 1	0.5878	N/A	0.5878	0.5457
		Group 2	0.2886	0.2992		

All distributions above are in pence per share unless specifically stated.

*Equalisation applies only to shares purchased during the distribution period (Group 2 shares). It is the average amount of revenue included in the purchase price of all Group 2 shares and is refunded to holders of these shares as a return of capital. Being a capital repayment, it is not liable to income tax but must be deducted from the cost of the shares for capital gains tax purposes.

Aegon Investment Grade Bond Fund

Fund objective

The investment objective is to provide a combination of income and capital growth over any 7 year period.

Investment policy

At least 80% of the sub-fund will be invested in a portfolio of investment grade corporate bonds issued anywhere in the world in any currency. The sub-fund will seek to achieve diversification across individual issuers, geographies and sectors when constructing the portfolio. The sub-fund is actively managed, and the ACD adjusts the sub-fund's credit exposure and duration (interest rate risk) based on an analysis of the prevailing economic and market conditions. The sub-fund may also invest in other transferable securities (including high yield corporate bonds), government and public securities, collective investment schemes, money market instruments, deposits and cash and near cash. Derivative instruments and forward transactions may be used for investment purposes or for efficient portfolio management (including hedging to reduce currency risk).

Risk profile

The sub-fund is designed for retail and institutional investors seeking pooled exposure to the investment grade bond market and who are comfortable with a medium level of investment risk. In most cases, we expect the sub-fund to be held as part of a diversified portfolio which may include other assets such as bonds, equities, property and cash. While investors will normally be able to liquidate their holdings on a daily basis, unit prices will fluctuate and may fall significantly in value. Consequently, it is important to understand that the sub-fund should be viewed as a longer-term investment.

The sub-fund is actively managed and exposed to a range of risks, which are listed and defined in the Aegon Asset Management UK ICVC Prospectus. The most material risks from this list also appear in our Key Investor Information documents (KIID) where they are summarised in an easy-to-read format. You can find both of these documents on our website at www.aegonam.com.

Performance*

The Aegon Investment Grade Bond Fund returned 11.71% compared with the peer group median return of 9.92%. The peer group is the Investment Association Sterling Corporate Bond sector.

Strategy review**

Both government and corporate bond markets performed strongly over the period, with government bond yields moving sharply lower and corporate bonds tightening.

The positive environment was due in large part to key economic data releases generally coming in lower than expected while inflation across the globe continued to ease somewhat, even if in an uneven fashion. Although both the European Central Bank (the "ECB") and the Bank of England were cautious in making any statements about rate cuts, the market priced-in aggressive easing paths for both jurisdictions from October onwards, in line with its revised expectations for the US Federal Reserve (the "Fed"). This backdrop was supportive for both government and corporate bonds towards the end of 2023, with the latter benefiting not only from the lower funding costs it implied for companies but also from the increase in demand for the asset class.

As we moved into 2024, however, market participants reduced the number of rate cuts that global central banks were likely to deliver, as global inflation data proved to be stickier than many had expected. At the same time, the US economy continued to defy gloomy expectations and progressed at near full speed. This was sufficient to reprice Fed cuts priced-in for 2024 from over six in January to below three at the end of March.

The volatility in the inflation and economic outlook continued as we approached the end of the period, with weaker economic data once again prevalent as US inflation surprised to the downside, joining the trend seen in Europe and the UK. Given the weaker environment, the ECB started its rate cutting cycle in June after an extended period of sub-trend growth and falling inflation. They joined the Bank of Canada, Swiss National Bank and Swedish Riksbank which also cut rates, with the UK expected to follow later in the summer.

The sub-fund was well positioned to benefit both from the rally in government bonds, and from the compression in investment grade yield spreads (the additional yield on offer from corporate bonds compared to their government bond counterparts). On the duration side, for example, we reduced our interest rate risk level when economic data was stronger and subsequently re-built our position as global government bond yields backed-up.

We entered the period with an aggregate long duration position, given the expectation that central banks would not have to tighten by as much as interest rate markets were pricing for. As well as actively managing the sub-fund's duration risk, we were also active in increasing the sub-fund's level of corporate bond risk – primarily through the new issue market. Our positioning generally added to performance as we approached the end of 2023.

Given the scale of the rally in bond markets up to this point - and with multiple rate cuts by the Federal Reserve, ECB and Bank of England priced-in for 2024 - we believed the scope to generate further performance from a long duration position had become more challenged. We therefore reduced the sub-fund's duration by an excess of 0.5 years as 2023 came to an end. We reached a similar conclusion in terms of the sub-fund's overweight in corporate bond risk, with spread valuations across global investment grade markets arguably offering considerably less value than they had earlier in the period. This risk reduction was achieved through selling some of the sub-fund's higher risk positions, including trims of selective AT1 names.

Overall, the sub-fund's positioning and our active management of both duration and corporate bond risk again added value despite a weaker start to 2024. Whilst the direction of travel for government bond yields was unquestionably higher, we managed to profitably capture – through tactical duration positioning – two small rallies in UK duration that played out briefly in late January and then in late February / early March.

As we moved further into the year, the sub-fund continued to benefit from both an active management of overall duration and from strong bottom-up stock selection. Within the latter, notable highlights included selected financial holdings in the sterling market. We subsequently added, to a small extent, to our interest rate risk position in the UK, driven by a belief that the UK economy was relatively economically challenged versus other economies, and that the gilt market would start to price in rate cuts. Towards the end of the period, and having seen gilt yields rally strongly, we took profits on the sub-fund's long duration

*Source: Lipper, % growth, income re-invested at pay date, NAV-NAV, GBP, net of Basic Rate Tax. Index returns are gross of Basic Rate Tax.

Investors are invited to compare the sub-fund's performance against the performance of other funds within the Investment Association Sterling Corporate Bond Sector. Comparison of the sub-fund against this Sector will give investors an indication of how the sub-fund is performing compared with funds investing in a similar but not identical investment universe. This comparison should be performed over at least a 7 year period to provide the most useful long term comparison.

**General references to markets and indices are to be considered as general market commentary only and (i) are not to be considered as a comparison of sub-fund performance against a benchmark (unless otherwise disclosed as such); and (ii) the index or indices do not operate as a performance target and the sub-fund's portfolio is not constrained by the index or indices.

Aegon Investment Grade Bond Fund

Material portfolio changes

Top ten purchases	31 July 2024	Top ten sales	31 July 2024
	£'000		£'000
Pinewood Finco 6% 27/03/2030	1,900	Rothesay Life 3.375% 12/07/2026	2,676
Pension Insurance 8% 13/11/2033	1,894	Bellis Acquisition 3.25% 16/02/2026	2,370
Erste 8.5% Perpetual	1,706	AerCap 5.875% 10/10/2079	2,116
Westfield America Management 2.625% 30/03/2029	1,421	Fidelity National Information Services 3.36% 21/05/2031	2,025
Pension Insurance 6.875% 15/11/2034	1,395	Comcast 1.5% 20/02/2029	1,999
KBC 8% Perpetual	1,373	Teva Pharmaceutical Finance Netherlands II 3.75% 09/05/2027	1,967
HSBC Capital Funding Dollar 10.176% Perpetual	1,340	AXA 5.453% Perpetual	1,818
Rothesay Life 7.019% 10/12/2034	1,300	Thames Water Utilities Finance 2.375% 22/04/2040	1,805
DNB Bank 7.375% Perpetual	1,257	Imperial Brands Finance 5.5% 28/09/2026	1,804
KBC 6.151% 19/03/2034	1,200	KFW 5.75% 07/06/2032	1,700

Aegon Investment Grade Bond Fund

Comparative Tables

B Accumulation shares	2024	2023	2022
	(p/share)	(p/share)	(p/share)
Change in net assets per share			
Opening net asset value per share	181.91	193.55	219.06
Return before operating charges*	22.15	(10.67)	(24.39)
Operating charges	(1.05)	(0.97)	(1.12)
Return after operating charges*	21.10	(11.64)	(25.51)
Distributions	(7.08)	(6.01)	(5.43)
Retained distributions on accumulation shares	7.08	6.01	5.43
Closing net asset value per share	203.01	181.91	193.55
*after direct transaction costs of	-	-	-
Performance			
Return after charges	11.60%	(6.01)%	(11.65)%
Other information			
Closing net asset value (£'000)	135,346	140,106	179,536
Closing number of shares	66,668,945	77,018,895	92,759,709
Operating charges	0.54%	0.53%	0.53%
Direct transaction costs	-	-	-
Prices			
Highest share price	203.17	195.31	220.07
Lowest share price	178.28	159.65	186.10

B Income shares	2024	2023	2022
	(p/share)	(p/share)	(p/share)
Change in net assets per share			
Opening net asset value per share	103.94	114.32	132.89
Return before operating charges*	12.53	(6.31)	(14.64)
Operating charges	(0.59)	(0.56)	(0.67)
Return after operating charges*	11.94	(6.87)	(15.31)
Distributions	(3.99)	(3.51)	(3.26)
Retained distributions on accumulation shares	-	-	-
Closing net asset value per share	111.89	103.94	114.32
*after direct transaction costs of	-	-	-
Performance			
Return after charges	11.49%	(6.01)%	(11.52)%
Other information			
Closing net asset value (£'000)	31,848	33,809	41,539
Closing number of shares	28,462,367	32,526,438	36,336,236
Operating charges	0.54%	0.53%	0.53%
Direct transaction costs	-	-	-
Prices			
Highest share price	112.71	115.36	133.49
Lowest share price	101.87	94.29	110.77

Highest and Lowest share prices are based on official published daily NAVs priced at 12 noon on the last business day of the year. The closing net asset value per share is at close of business.

Aegon Investment Grade Bond Fund

Comparative Tables (continued)

S Accumulation shares	2024	2023	2022
	(p/share)	(p/share)	(p/share)
Change in net assets per share			
Opening net asset value per share	96.59	102.66	116.08
Return before operating charges*	11.34	(5.65)	(12.94)
Operating charges	(0.45)	(0.42)	(0.48)
Return after operating charges*	10.89	(6.07)	(13.42)
Distributions	(3.86)	(3.29)	(2.99)
Retained distributions on accumulation shares	3.86	3.29	2.99
Closing net asset value per share	107.48	96.59	102.66
 *after direct transaction costs of	-	-	-
Performance			
Return after charges	11.27%	(5.91)%	(11.56)%
Other information			
Closing net asset value (£'000)	5,574	5,644	4,970
Closing number of shares	5,186,795	5,843,822	4,840,665
Operating charges	0.44%	0.43%	0.43%
Direct transaction costs	-	-	-
Prices			
Highest share price	107.98	103.60	116.61
Lowest share price	94.66	84.70	98.70

S Income shares	2024	2023	2022
	(p/share)	(p/share)	(p/share)
Change in net assets per share			
Opening net asset value per share	82.70	90.95	105.73
Return before operating charges*	9.90	(5.01)	(11.64)
Operating charges	(0.38)	(0.36)	(0.44)
Return after operating charges*	9.52	(5.37)	(12.08)
Distributions	(3.26)	(2.88)	(2.70)
Retained distributions on accumulation shares	-	-	-
Closing net asset value per share	88.96	82.70	90.95
 *after direct transaction costs of	-	-	-
Performance			
Return after charges	11.51%	(5.90)%	(11.43)%
Other information			
Closing net asset value (£'000)	6,777	7,991	15,360
Closing number of shares	7,617,693	9,662,731	16,888,591
Operating charges	0.44%	0.43%	0.43%
Direct transaction costs	-	-	-
Prices			
Highest share price	89.70	91.78	106.21
Lowest share price	81.05	75.03	88.14

Highest and Lowest share prices are based on official published daily NAVs priced at 12 noon on the last business day of the year. The closing net asset value per share is at close of business.

Aegon Investment Grade Bond Fund

Portfolio Statement

The sub-fund's investments as at 31 July 2024

Holding	Investment	Market valuation £'000	Total net assets %
Euro Denominated Bonds 10.03% (31 July 2023 7.60%)			
Asset Backed Security 0.79% (31 July 2023 0.75%)			
1,800,000	Channel Link Enterprises Finance 2.706% 30/06/2050	1,425	0.79
		1,425	0.79
Corporate Bonds 9.24% (31 July 2023 6.85%)			
300,000	APA Infrastructure 7.125% 09/11/2083	273	0.15
1,600,000	BPCE 2.125% 13/10/2046	1,142	0.64
2,000,000	British American Tobacco 3% Perpetual	1,597	0.89
1,400,000	British Telecommunications 3.875% 20/01/2034	1,201	0.67
1,100,000	Covivio Hotels 4.125% 23/05/2033	922	0.51
800,000	Deutsche Bank 4% 24/06/2032	667	0.37
700,000	Enel 6.375% Perpetual	625	0.35
1,000,000	Erste 8.5% Perpetual	917	0.51
900,000	JDE Peet's 4.5% 23/01/2034	787	0.44
1,700,000	JPMorgan Chase 1.047% 04/11/2032	1,217	0.68
1,000,000	KBC 8% Perpetual	903	0.50
800,000	Koninklijke KPN 3.875% 16/02/2036	680	0.38
1,100,000	Medtronic 3.375% 15/10/2034	926	0.51
700,000	MSD Netherlands Capital 3.75% 30/05/2054	590	0.33
1,000,000	TDC NET 5.186% 02/08/2029	875	0.49
1,300,000	T-Mobile USA 3.85% 08/05/2036	1,112	0.62
700,000	Virgin Money UK 4% 18/03/2028	596	0.33
1,100,000	Volkswagen International Finance 7.875% Perpetual	1,049	0.58
600,000	W.P. Carey 4.25% 23/07/2032	514	0.29
		16,593	9.24
Sterling Denominated Bonds 76.23% (31 July 2023 79.27%)			
Asset Backed Security 5.44% (31 July 2023 5.49%)			
3,600,000	Arqiva Financing 4.882% 31/12/2032	1,995	1.11
1,500,000	Canary Wharf Finance II 6.8% 22/04/2030	657	0.37
3,300,000	Income Contingent Student Loans 2 2007-2009 2.5% 24/07/2058	1,886	1.05
4,200,000	Longstone Finance 4.791% 19/04/2030	1,353	0.75
1,305,000	Meadowhall Finance 4.986% 12/01/2032	574	0.32
6,100,000	Mitchells & Butlers Finance 5.574% 15/12/2030	1,307	0.73
4,200,000	Telereal Secured Finance 4.01% 10/12/2031	1,990	1.11
		9,762	5.44
Corporate Bonds 70.05% (31 July 2023 73.07%)			
1,000,000	Admiral 8.5% 06/01/2034	1,128	0.63
3,300,000	Anchor Hanover 2% 21/07/2051	1,743	0.97
2,600,000	Anglian Water Osprey Financing 2% 31/07/2028	2,085	1.16
800,000	Annington Funding 4.75% 09/08/2033	746	0.42
1,300,000	APA Infrastructure 3.5% 22/03/2030	1,191	0.66
1,000,000	Assura Financing 1.5% 15/09/2030	816	0.45
1,300,000	AT&T 4.25% 01/06/2043	1,085	0.60
1,800,000	Aviva 6.875% 20/05/2058	1,876	1.04
300,000	B&M European Value Retail 8.125% 15/11/2030	318	0.18
900,000	Banco Bilbao Vizcaya Argentaria 8.25% 30/11/2033	974	0.54
1,200,000	Barclays 8.407% 14/11/2032	1,282	0.71
500,000	Bellis Acquisition 8.125% 14/05/2030	494	0.27
1,700,000	Blackstone Property Partners Europe 2.625% 20/10/2028	1,506	0.84
2,000,000	BNP Paribas 1.25% 13/07/2031	1,575	0.88
1,700,000	BNP Paribas 2% 24/05/2031	1,598	0.89
2,100,000	BPCE 6.125% 24/05/2029	2,175	1.21

Aegon Investment Grade Bond Fund

Portfolio Statement (continued)

Holding	Investment	Market valuation £'000	Total net assets %
Corporate Bonds (continued)			
1,655,000	Channel Link Enterprises Finance 3.043% 30/06/2050	1,476	0.82
600,000	Close Brothers 7.75% 14/06/2028	624	0.35
2,500,000	Coventry Building Society 2% 20/12/2030	2,066	1.15
600,000	Coventry Building Society 8.75% Perpetual	610	0.34
1,000,000	CPUK Finance 4.5% 28/08/2027	935	0.52
1,000,000	CPUK Finance 6.136% 28/08/2031	1,023	0.57
2,700,000	CPUK Finance 6.5% 28/08/2026	2,673	1.49
2,100,000	Credit Agricole 4.875% 23/10/2029	2,116	1.18
3,300,000	Deutsche Bank 1.875% 22/12/2028	2,956	1.65
600,000	Direct Line Insurance 4% 05/06/2032	505	0.28
1,100,000	DS Smith 2.875% 26/07/2029	998	0.56
2,700,000	DWR Cymru Financing UK 1.375% 31/03/2033	2,013	1.12
3,200,000	DWR Cymru Financing UK 1.625% 31/03/2026	3,011	1.68
1,800,000	E.ON International Finance 5.875% 30/10/2037	1,877	1.05
900,000	E.ON International Finance 6.375% 07/06/2032	977	0.54
1,800,000	Electricite de France 6% Perpetual	1,774	0.99
227,000	Esure 6.75% 19/12/2024	225	0.12
1,800,000	Goldman Sachs 1.5% 07/12/2027	1,620	0.90
1,600,000	Grainger 3% 03/07/2030	1,380	0.77
500,000	Haleon UK Capital 2.875% 29/10/2028	470	0.26
500,000	Haleon UK Capital 3.375% 29/03/2038	421	0.23
1,200,000	Heathrow Funding 6% 05/03/2032	1,211	0.67
1,300,000	Heathrow Funding 6.45% 10/12/2031	1,400	0.78
2,200,000	HSBC 6% 29/03/2040	2,188	1.22
900,000	HSBC Capital Funding Sterling 1 5.844% Perpetual	939	0.52
2,000,000	IG 3.125% 18/11/2028	1,763	0.98
1,800,000	ING Groep 6.25% 20/05/2033	1,840	1.02
1,550,000	Intesa Sanpaolo 6.5% 14/03/2029	1,600	0.89
800,000	Intesa Sanpaolo 8.505% 20/09/2032	888	0.49
1,200,000	KBC 6.151% 19/03/2034	1,220	0.68
1,600,000	LCR Finance 5.1% 07/03/2051	1,691	0.94
2,700,000	Legal & General 3.75% 26/11/2049	2,459	1.37
2,400,000	Legal & General 5.125% 14/11/2048	2,368	1.32
2,342,000	Lloyds Banking 2.707% 03/12/2035	1,951	1.09
1,100,000	Lloyds Banking 6.625% 02/06/2033	1,129	0.63
2,200,000	Logicor 2019-1 UK 1.875% 17/11/2026	2,050	1.14
1,300,000	McDonald's 3.75% 31/05/2038	1,132	0.63
2,000,000	Mobico 4.25% Perpetual	1,818	1.01
1,700,000	Morgan Stanley 5.789% 18/11/2033	1,789	1.00
1,000,000	National Grid Electricity Distribution West Midlands 5.75% 16/04/2032	1,035	0.58
1,000,000	National Grid Electricity Transmission 5.272% 18/01/2043	953	0.53
1,100,000	Nats En Route 1.75% 30/09/2033	856	0.48
1,700,000	NatWest 2.105% 28/11/2031	1,579	0.88
1,300,000	NatWest 3.622% 14/08/2030	1,277	0.71
1,000,000	NatWest 5.125% Perpetual	937	0.52
1,000,000	Northumbrian Water Finance 6.375% 28/10/2034	1,035	0.58
3,000,000	Orsted 2.5% 16/05/2033	2,458	1.37
1,600,000	Paragon Treasury 2% 07/05/2036	1,134	0.63
1,400,000	Pension Insurance 6.875% 15/11/2034	1,412	0.79
1,900,000	Pension Insurance 8% 13/11/2033	2,064	1.15
516,000	Phoenix 6.625% 18/12/2025	520	0.29
1,900,000	Pinewood Finco 6% 27/03/2030	1,887	1.05
1,000,000	Prologis International Funding II 2.75% 22/02/2032	856	0.48
1,907,000	RAC 4.87% 06/05/2026	1,885	1.05
900,000	Rothsay Life 3.375% 12/07/2026	867	0.48
1,300,000	Rothsay Life 7.019% 10/12/2034	1,329	0.74
1,800,000	Rothsay Life 7.734% 16/05/2033	1,932	1.08
1,800,000	Sage 1.625% 25/02/2031	1,467	0.82
1,400,000	Sanctuary Capital 2.375% 14/04/2050	836	0.47
1,400,000	Scottish Hydro Electric Transmission 2.25% 27/09/2035	1,071	0.60
500,000	Severn Trent Utilities Finance 4.625% 30/11/2034	466	0.26

Aegon Investment Grade Bond Fund

Portfolio Statement (continued)

Holding	Investment	Market valuation £'000	Total net assets %
Corporate Bonds (continued)			
1,200,000	South Eastern Power Networks 1.75% 30/09/2034	896	0.50
1,100,000	South West Water Finance 6.375% 05/08/2041	1,116	0.62
1,000,000	Svenska Handelsbanken 4.625% 23/08/2032	972	0.54
1,800,000	Thames Water Utilities Finance 2.625% 24/01/2032	1,237	0.69
700,000	Thames Water Utilities Finance 7.75% 30/04/2044	527	0.29
300,000	Thames Water Utilities Finance 8.25% 25/04/2040	230	0.13
2,200,000	UBS 2.25% 09/06/2028	2,032	1.13
2,200,000	UBS Jersey 8.75% 18/12/2025	2,275	1.27
700,000	Unite REIT 5.625% 25/06/2032	715	0.40
1,800,000	Verizon Communications 1.875% 19/09/2030	1,530	0.85
1,200,000	Virgin Money UK 8.25% Perpetual	1,214	0.68
1,641,000	Westfield America Management 2.625% 30/03/2029	1,448	0.81
1,850,000	Whitbread 3% 31/05/2031	1,613	0.90
2,400,000	Zurich Finance (Ireland) DAC 5.125% 23/11/2052	2,335	1.30
		125,774	70.05
Government Bonds 0.74% (31 July 2023 0.71%)			
2,450,000	United Kingdom Gilt 1.75% 22/07/2057	1,318	0.74
		1,318	0.74
United States Dollar Denominated Bonds 8.96% (31 July 2023 8.29%)			
Corporate Bonds 8.96% (31 July 2023 8.29%)			
700,000	APA Infrastructure 4.25% 15/07/2027	538	0.30
400,000	Barclays 9.625% Perpetual	340	0.19
1,600,000	DNB Bank 7.375% Perpetual	1,265	0.70
400,000	Electricite de France 9.125% Perpetual	346	0.19
1,400,000	HSBC Capital Funding Dollar 10.176% Perpetual	1,343	0.75
3,800,000	Prudential Funding (Asia) 2.95% 03/11/2033	2,671	1.49
1,500,000	Prudential Funding (Asia) 3.125% 14/04/2030	1,074	0.60
4,000,000	QBE Insurance 6.75% 02/12/2044	3,117	1.74
1,400,000	Santos Finance 3.649% 29/04/2031	980	0.54
1,400,000	Societe Generale 7.132% 19/01/2055	1,070	0.60
1,000,000	Societe Generale 10% Perpetual	823	0.46
400,000	UBS 9.25% Perpetual	353	0.20
3,200,000	UniCredit 3.127% 03/06/2032	2,163	1.20
		16,083	8.96
Derivatives and Futures Contracts 0.23% (31 July 2023 0.34%)			
Forward Foreign Exchange Contracts 0.20% (31 July 2023 0.23%)			
	Bought GBP 17,316,787 Sold EUR 20,250,000 05/09/2024	233	0.13
	Bought GBP 1,184,762 Sold EUR 1,400,000 05/09/2024	4	-
	Bought GBP 16,483,624 Sold USD 21,050,000 05/09/2024	101	0.06
	Bought GBP 944,133 Sold USD 1,200,000 05/09/2024	10	0.01
	Bought GBP 235,723 Sold USD 300,000 05/09/2024	2	-
		350	0.20
Futures Contracts 0.03% (31 July 2023 0.11%)			
(106)	EURO Bund Future Contract September 2024	(353)	(0.20)
318	Long Gilt Future Contract September 2024	654	0.36
(115)	US 10 Year Ultra Future Contract September 2024	(238)	(0.13)
		63	0.03
Portfolio of investments*		171,368	95.45
Net other assets		8,177	4.55
Total net assets attributable to shareholders		179,545	100.00

Aegon Investment Grade Bond Fund

Portfolio Statement (continued)

Analysis of investments by asset class

	Market value £'000	Value of investments %
Bonds	170,955	95.22
Derivatives	413	0.23
Portfolio of investments*	171,368	95.45
Net other assets	8,177	4.55
Total net assets attributable to shareholders	179,545	100.00

The comparative percentage figures in brackets are at 31 July 2023.

All investments are approved securities being either officially listed in a member state or traded on or under the rules of an eligible securities market, unless otherwise stated.

*Includes investment liabilities.

Aegon Investment Grade Bond Fund

Statement of Total Return for the year ended 31 July 2024

	Note	£'000	2024 £'000	2023 £'000
Income				
Net capital gains/(losses)	2		13,118	(21,559)
Revenue	3	7,740		7,790
Expenses	4	(977)		(1,054)
Interest payable and similar charges		<u>(1)</u>	<u>(1)</u>	
Net revenue before taxation		6,762	6,735	
Taxation	5	<u>-</u>	<u>(12)</u>	
Net revenue after taxation			<u>6,762</u>	<u>6,723</u>
Total return before distributions			19,880	(14,836)
Distributions	6		<u>(6,762)</u>	<u>(6,723)</u>
Change in net assets attributable to shareholders from investment activities			13,118	(21,559)

Statement of Change in Net Assets Attributable to Shareholders for the year ended 31 July 2024

	£'000	2024 £'000	2023 £'000
Opening net assets attributable to shareholders		187,550	241,405
Amounts receivable on issue of shares	17,688		25,564
Amounts payable on cancellation of shares	<u>(44,093)</u>	<u>(26,405)</u>	<u>(63,110)</u>
			(37,546)
Dilution adjustment		84	159
Change in net assets attributable to shareholders from investment activities		13,118	(21,559)
Retained distributions on accumulation shares		<u>5,198</u>	<u>5,091</u>
Closing net assets attributable to shareholders		179,545	187,550

Aegon Investment Grade Bond Fund

Balance Sheet as at 31 July 2024

			2024		2023
	Note	£'000	£'000	£'000	£'000
Assets					
Fixed assets:					
Investments			171,959		179,223
Current assets:					
Debtors	7	2,596		2,516	
Cash and bank balances	8	8,229		7,264	
			10,825		9,780
Total assets			182,784		189,003
Liabilities					
Investment liabilities			591		115
Creditors					
Bank overdrafts	9	452		270	
Distributions payable		281		364	
Other creditors	10	1,915		704	
Total liabilities			3,239		1,453
Net assets attributable to shareholders			179,545		187,550

Aegon Investment Grade Bond Fund

Notes to the Financial Statements

1 Accounting policies

The sub-fund's financial statements have been prepared on the basis disclosed on pages 12 to 14.

2 Net capital gains/(losses)

Net capital gains/(losses) comprise:

	2024	2023
	£'000	£'000
Gains/(losses) on non-derivative securities	10,884	(20,261)
Gains on forward currency contracts	552	160
Currency exchange losses	(77)	(36)
Gains/(losses) on derivative securities	1,759	(1,422)
Net capital gains/(losses)	13,118	(21,559)

3 Revenue

	2024	2023
	£'000	£'000
Interest on debt securities	7,454	7,635
Bank interest	254	113
Derivative revenue	17	18
Stock lending income*	15	24
Total revenue	7,740	7,790

*The sub-fund received 72% of the revenue returns from stock lending activities. The gross earnings for the year are £21,000 (2023: £34,000) and expenses paid of £6,000 (2023: £10,000).

4 Expenses*

	2024	2023
	£'000	£'000
Payable to the ACD, associates of the ACD and agents of either of them:		
ACD's periodic charge	902	999
Payable to the Depositary, associates of the Depositary and agents of either of them:		
Depositary fee	25	25
Other expenses:		
Audit fee**	16	15
FT publishing fee	4	3
PRIIPs fees	3	3
Registrar's fee	19	1
Safe custody charge	8	8
Total expenses	977	1,054

*All expenditure stated above is inclusive of irrecoverable VAT where applicable.

**The audit fee (excluding VAT) incurred during the year was £14,050 (2023: £13,731).

5 Taxation

a) Analysis of charge in the year

	2024	2023
	£'000	£'000
Current tax:		
Overseas tax suffered	-	12
Total tax charge for the year (see note 5 (b))	-	12

Aegon Investment Grade Bond Fund

Notes to the Financial Statements (continued)

5 Taxation (continued)

b) Factors affecting tax charge for the year

The tax assessed for the year is lower than (2023: lower than) the standard rate of corporation tax for Open Ended Investment Companies 'OEICs' (20%).

The differences are explained below:

	2024	2023
	£'000	£'000
Net revenue before taxation	6,762	6,735
Corporation tax 20% (2023: 20%)	1,352	1,347
Effects of:		
Overseas tax suffered	-	12
Relief on overseas tax suffered	-	(2)
Tax deductible interest distributions	(1,352)	(1,345)
Total tax charge for the year (see note 5 (a))	-	12

Open Ended Investment Companies are exempt from tax on capital gains. Therefore, any capital return is not included in the above reconciliations.

6 Distributions

The distributions take account of amounts receivable on the issue of shares and amounts deductible on the cancellation of shares, and comprise:

	2024	2023
	£'000	£'000
Interim distributions	5,345	4,969
Final distribution	1,295	1,616
	6,640	6,585
Add: amounts deductible on cancellation of shares	204	253
Less: amounts receivable on creation of shares	(82)	(115)
Distributions	6,762	6,723

Details of the distributions are set out in the tables on page 153.

7 Debtors

	2024	2023
	£'000	£'000
Accrued revenue	2,449	2,439
Amounts receivable for the issue of shares	147	77
Debtors	2,596	2,516

8 Cash and bank balances

	2024	2023
	£'000	£'000
Amounts held at futures clearing houses and brokers	1,879	2,291
Cash and bank balances	1,589	4,973
Money market deposits	4,761	-
Cash and bank balances	8,229	7,264

9 Bank overdrafts

	2024	2023
	£'000	£'000
Amounts held at futures clearing houses and brokers*	452	270
Bank overdrafts	452	270

*Includes cash pledged as collateral of £320,000 (2023: £270,000).

Aegon Investment Grade Bond Fund

Notes to the Financial Statements (continued)

10 Other creditors

	2024	2023
	£'000	£'000
Accrued ACD periodic charge	148	154
Accrued other expenses	46	27
Amounts payable for cancellation of shares	622	523
Purchases awaiting settlement	1,099	-
Other creditors	1,915	704

11 Related parties

Related party interests in the sub-fund are disclosed in Note 6 of the Accounting Policies on page 17. Amounts due to the ACD as at year end for the ACD periodic charge and amounts due to the ACD for outstanding cancellations are disclosed in Note 10. Amounts receivable from the ACD as at year end for outstanding issue of shares are disclosed in Note 7. At the year-end 14.24% (2023: 13.70%) of the shares in issue were owned by AEGON Group or AEGON UK companies.

12 Contingent assets, liabilities and commitments

There were no contingent assets, liabilities or commitments present in the sub-fund as at 31 July 2024 (2023: £Nil).

13 Financial instruments and risk

The risks associated with the sub-fund are market, concentration, valuation, yield, liquidity, counterparty, and interest rate risk. Narrative disclosures are on pages 15 to 17.

Analysis of investments by credit ratings

	2024		2023	
	Market value	Value of investments	Market value	Value of investments
	£'000	%	£'000	%
Investment grade	137,400	76.54	139,349	74.32
Below investment grade	19,938	11.10	19,947	10.63
Unrated	13,617	7.58	19,175	10.21
Derivatives	413	0.23	637	0.34
Portfolio of investments	171,368	95.45	179,108	95.50
Net other assets	8,177	4.55	8,442	4.50
Total net assets attributable to shareholders	179,545	100.00	187,550	100.00

Note - Investment grade securities are defined as securities with a Standard & Poor's, Moody's or Fitch's rating of BBB-, Baa3 and BBB- or above respectively.

Derivative risk

The sub-fund invests in derivatives, consistent with the investment objective of the sub-fund, as outlined in the derivative risks section on page 17.

VaR Disclosure

The Manager assesses the market risk of the sub-fund's investments, including any derivative exposure, using a value at risk methodology. This process provides the Manager with an estimate of the maximum potential loss that could be expected to occur as a result of changes in market prices over a given period of time in all but a given percentage of circumstances. The value at risk is calculated on a 99.00% (2023: 95.00%) confidence interval with a one month time horizon and a five year history, using the Historical model. The sub-fund has an absolute VaR limit of 20.00% (2023: 14.10%). As at the balance sheet date, the sub-fund's value at risk is 4.82% (2023: 4.01%).

The following table details the lowest, highest and average utilisation of the absolute VaR limit:

	Lowest Utilisation	Highest Utilisation	Average Utilisation
	(%)	(%)	(%)
31 July 2024	4.80	7.34	6.13
31 July 2023	2.93	5.92	4.32

Leverage

Average leverage is calculated as the sum of the net asset value and the incremental exposure generated through the use of derivatives (calculated in accordance with the commitment approach (CESR/10-788)) divided by the net asset value. As at 31 July 2024 date the average leverage was 53.95% (2023: 53.22%).

Aegon Investment Grade Bond Fund

Notes to the Financial Statements (continued)

13 Financial instruments and risk (continued)

Counterparty risk

The risk of entering an arrangement with a counterparty, which is itself subject to financial risks which may affect its ability to trade as a going concern.

The ACD maintains a list of approved counterparties. This list is regularly monitored and revised for changes based on the counterparty's credit-worthiness, market reputation and expectations of future financial performance. Transactions will only be opened with financial intermediaries on the approved counterparties list.

The sub-fund's use of exchange traded derivatives are considered to be free of counterparty risk if the derivative is traded on an exchange where the clearing house is backed by an appropriate performance guarantee and it is characterised by a daily mark-to-market valuation of the derivative position and at least daily margining.

The following details exposure to counterparties obtained through the use of derivatives:

As at 31 July 2024

Counterparty	Stock on loan	Futures Exposure	Forward Foreign Exchange Contracts Exposure	Collateral pledge Stock	Cash
	£'000	£'000	£'000	£'000	£'000
Barclays	121	-	350	126	(320)
BNP Paribas	246	-	-	260	-
HSBC	803	-	-	855	-
UBS	-	63	-	-	-

As at 31 July 2023

Counterparty	Stock on loan	Futures Exposure	Forward Foreign Exchange Contracts Exposure	Collateral pledge Stock	Cash
	£'000	£'000	£'000	£'000	£'000
Barclays	7,120	-	437	7,290	(270)
BNP Paribas	1,104	-	-	1,162	-
HSBC	2,686	-	-	2,892	-
JPMorgan	178	-	-	183	-
UBS	-	200	-	-	-

Positive exposure represents the sub-fund's exposure to that counterparty and not the sub-fund's holdings with that counterparty.

14 Portfolio transaction costs

Purchases

31 July 2024	Value	Commissions	Other Costs*	
	£'000	£'000	£'000	%
Debt securities	34,299	-	-	-
Total	34,299	-	-	-
Total purchases including transaction costs	34,299			
31 July 2023				
Debt securities	31,854	-	-	-
Total	31,854	-	-	-
Total purchases including transaction costs	31,854			

Sales

31 July 2024	Value	Commissions	Other Costs*	
	£'000	£'000	£'000	%
Debt securities	50,859	-	-	-
Corporate actions	1,209	-	-	-
Total	52,068	-	-	-
Total sales net of transaction costs	52,068			
31 July 2023				
Debt securities	61,734	-	-	-
Corporate actions	1,203	-	-	-
Total	62,937	-	-	-
Total sales net of transaction costs	62,937			

*Other Costs includes taxes and any other costs other than commissions incurred by the sub-fund when buying and selling an underlying investment.

Aegon Investment Grade Bond Fund

Notes to the Financial Statements (continued)

14 Portfolio transaction costs (continued)

Derivatives	
31 July 2024	Commissions
	£'000
Futures	9
Total	9
31 July 2023	
Futures	11
Total	11

Portfolio transaction costs are incurred by the sub-fund when buying and selling underlying investments. These vary depending on the class of investment, country of exchange and method of execution. These costs can be classified as either direct or indirect transaction costs:

- Direct transaction costs: Broker commissions, fees and taxes.
- Indirect transaction costs: 'Dealing spread' - the difference between the buying and selling prices of the sub-fund's underlying investments.

In order to protect existing investors from the effects of dilution, portfolio transaction costs incurred as a result of investors buying and selling shares in the sub-fund are recovered from those investors through a 'dilution adjustment' to the price they pay or receive.

At the balance sheet date, the portfolio dealing spread was 0.55% (2023: 0.76%), being the difference between the respective bid and offer prices for the sub-fund's investments.

15 Fair value hierarchy

The fair value hierarchy is intended to prioritise the inputs that are used to measure the fair value of assets and liabilities. The fair value hierarchy has the following levels:

Level 1 – Unadjusted quoted price in an active market for an identical instrument.

Level 2 – Valuation techniques using observable inputs other than quoted prices within level 1.

Level 3 – Valuation techniques using unobservable inputs.

Basis of valuation	2024		2023	
	Assets	Liabilities	Assets	Liabilities
	£'000	£'000	£'000	£'000
1 - Unadjusted quoted prices	3,663	(591)	1,644	(104)
2 - Observable market data	168,296	-	177,579	(11)
3 - Unobservable data	-	-	-	-
	171,959	(591)	179,223	(115)

16 Share classes

The sub-fund currently has two share classes; B (Institutional) and S (Institutional). The ACD's periodic charge on each share class is as follows:

B share class: 0.50%

S share class: 0.40%

The net asset value of each share class, the net asset value per share, and the number of shares in each class are given in the comparative tables on pages 139 and 140. The distribution per share class is given in the distribution tables on page 153. All share classes have the same rights on winding up.

Share class movement reconciliation

31 July 2024	Opening	Creations	Cancellations	Converted	Closing
B Accumulation	77,018,895	7,164,217	(17,493,416)	(20,751)	66,668,945
B Income	32,526,438	2,041,530	(6,114,475)	8,874	28,462,367
S Accumulation	5,843,822	730,878	(1,404,340)	16,435	5,186,795
S Income	9,662,731	1,173,743	(3,193,781)	(25,000)	7,617,693

Aegon Investment Grade Bond Fund

Notes to the Financial Statements (continued)

17 Post balance sheet events

The table below shows the net asset values per share as at the balance sheet date, compared against values as at 19 November 2024 and the percentage movement in that period.

Net assets per share	31 July 2024	19 November 2024	% Movement
B Accumulation	203.01	203.24	0.11
B Income	111.89	110.87	(0.91)
S Accumulation	107.48	108.05	0.53
S Income	88.96	88.22	(0.84)

The table below shows net redemptions between 31 July 2024 and 19 November 2024 as a percentage of the balance sheet date NAV for share classes with significant movements. This change is reflective of conditions that arose after the year end and hence is considered a non-adjusting event.

Share class	% Movement
S Income	

Aegon Investment Grade Bond Fund

Distribution Tables

Share Class B Accumulation

Period end	Pay date		Net Revenue	Equalisation*	Total Paid/Payable	2022/23 Total Paid
31/10/23	31/12/23	Group 1	1.7690	N/A	1.7690	1.4706
		Group 2	1.0591	0.7099		
31/01/24	31/03/24	Group 1	1.9412	N/A	1.9412	1.4605
		Group 2	1.0045	0.9367		
30/04/24	30/06/24	Group 1	1.9147	N/A	1.9147	1.5185
		Group 2	0.8195	1.0952		
31/07/24	30/09/24	Group 1	1.4581	N/A	1.4581	1.5616
		Group 2	0.7669	0.6912		

Share Class B Income

Period end	Pay date		Net Revenue	Equalisation*	Total Paid/Payable	2022/23 Total Paid
31/10/23	31/12/23	Group 1	1.0108	N/A	1.0108	0.8686
		Group 2	0.4420	0.5688		
31/01/24	31/03/24	Group 1	1.0987	N/A	1.0987	0.8553
		Group 2	0.4862	0.6125		
30/04/24	30/06/24	Group 1	1.0722	N/A	1.0722	0.8826
		Group 2	0.5337	0.5385		
31/07/24	30/09/24	Group 1	0.8098	N/A	0.8098	0.9001
		Group 2	0.4688	0.3410		

Share Class S Accumulation

Period end	Pay date		Net Revenue	Equalisation*	Total Paid/Payable	2022/23 Total Paid
31/10/23	31/12/23	Group 1	0.9636	N/A	0.9636	0.8041
		Group 2	0.4188	0.5448		
31/01/24	31/03/24	Group 1	1.0566	N/A	1.0566	0.7980
		Group 2	0.6617	0.3949		
30/04/24	30/06/24	Group 1	1.0468	N/A	1.0468	0.8300
		Group 2	0.4410	0.6058		
31/07/24	30/09/24	Group 1	0.7977	N/A	0.7977	0.8532
		Group 2	0.5110	0.2867		

Share Class S Income

Period end	Pay date		Net Revenue	Equalisation*	Total Paid/Payable	2022/23 Total Paid
31/10/23	31/12/23	Group 1	0.8251	N/A	0.8251	0.7124
		Group 2	0.3809	0.4442		
31/01/24	31/03/24	Group 1	0.8959	N/A	0.8959	0.7027
		Group 2	0.3003	0.5956		
30/04/24	30/06/24	Group 1	0.8753	N/A	0.8753	0.7232
		Group 2	0.3268	0.5485		
31/07/24	30/09/24	Group 1	0.6661	N/A	0.6661	0.7370
		Group 2	0.3265	0.3396		

All distributions above are in pence per share unless specifically stated.

*Equalisation applies only to shares purchased during the distribution period (Group 2 shares). It is the average amount of revenue included in the purchase price of all Group 2 shares and is refunded to holders of these shares as a return of capital. Being a capital repayment, it is not liable to income tax but must be deducted from the cost of the shares for capital gains tax purposes.

Aegon Ethical Corporate Bond Fund

Fund objective

The investment objective is to provide a combination of income and capital growth over any 7 year period.

Investment policy

The sub-fund operates an ethical screen which means that the sub-fund may not invest in particular industries and sectors. In all cases, the investments of the sub-fund will meet the sub-fund's predefined ethical criteria. The sub-fund will invest at least 80% in a portfolio of investment grade corporate bonds issued anywhere in the world. The sub-fund may also invest up to 10% in high yield corporate bonds issued anywhere in the world.

Risk profile

The sub-fund is designed for retail and institutional investors seeking pooled exposure to the sterling corporate bond market while pursuing an ethical investment policy which excludes unethical activity. Investors in this sub-fund should be comfortable with a medium level of investment risk. In most cases, we expect the sub-fund to be held as part of a diversified portfolio which may include other assets such as bonds, equities, property and cash. While investors will normally be able to liquidate their holdings on a daily basis, unit prices will fluctuate and may fall significantly in value. Consequently, it is important to understand that the sub-fund should be viewed as a longer term investment.

The sub-fund is actively managed and exposed to a range of risks, which are listed and defined in the Aegon Asset Management UK ICVC Prospectus. The most material risks from this list also appear in our Key Investor Information documents (KIID) where they are summarised in an easy-to-read format. You can find both of these documents on our website at www.aegonam.com.

Performance*

The Aegon Ethical Corporate Bond Fund returned 10.65% compared to the peer group median return of 9.92%. The peer group is the Investment Association Sterling Corporate Bond sector.

Strategy review**

Both government and corporate bond markets performed strongly over the period, with government bond yields moving sharply lower and corporate bonds tightening.

The positive environment was due in large part to key economic data releases generally coming in lower than expected while inflation across the globe continued to ease somewhat, even if in an uneven fashion. Although both the European Central Bank (the "ECB") and the Bank of England were cautious in making any statements about rate cuts, the market priced-in aggressive easing paths for both jurisdictions from October onwards, in line with its revised expectations for the US Federal Reserve (the "Fed"). This backdrop was supportive for both government and corporate bonds towards the end of 2023, with the latter benefiting not only from the lower funding costs it implied for companies but also from the increase in demand for the asset class.

As we moved into 2024, however, market participants reduced the number of rate cuts that global central banks were likely to deliver, as global inflation data proved to be stickier than many had expected. At the same time, the US economy continued to defy gloomy expectations and progressed at near full speed. This was sufficient to reprice Fed cuts priced-in for 2024 from over six in January to below three at the end of March.

The volatility in the inflation and economic outlook continued as we approached the end of the period, with weaker economic data once again prevalent as US inflation surprised to the downside, joining the trend seen in Europe and the UK. Given the weaker environment, the ECB started its rate cutting cycle in June after an extended period of sub-trend growth and falling inflation. They joined the Bank of Canada, Swiss National Bank and Swedish Riksbank which also cut rates, with the UK expected to follow later in the summer.

The sub-fund benefited from both an active management of overall duration and from strong bottom-up stock selection.

We began the period holding an aggregate long duration position, achieved primarily through an active use of the green gilt yield curve. This positioning was based on a belief that there was mounting evidence of a global economic slowdown, which would ultimately reduce the requirement for central banks to tighten by as much as interest rate markets were pricing for in early quarter 2023. There was then a rally in both government bonds and credit markets which the sub-fund was well positioned to benefit from. The subsequent extent of the rally prompted us to reduce our duration and credit overweight positions going into December. This was achieved through selling down the sub-fund's holding in green gilts, and also by selling longer-dated housing association issues.

We reinstated a long duration position in April 2024 through purchase of long-dated green gilts based on the view that rate cuts in the UK were increasingly likely given the deterioration in the domestic economy. We then slightly reduced the headline duration towards the end of the period following a strong run for interest rate risk.

We took advantage of the sub-fund's newly acquired ability to buy non-GBP assets in the first quarter of 2024; we participated in the new KPN deal in euros, and rotated some of the sub-fund's exposure to Coventry Building Society into Erste. We also established a position in Belfius Bank. We ended the period under review with approximately 6% exposure to non-GBP investment grade credit.

*Source: Lipper, % growth, income re-invested at pay date, NAV-NAV, GBP, net of Basic Rate Tax. Index returns are gross of Basic Rate Tax.

Investors are invited to compare the sub-fund's performance against the performance of other funds within the Investment Association Sterling Corporate Bond Sector. Comparison of the sub-fund against this Sector will give investors an indication of how the sub-fund is performing compared with funds investing in a similar but not identical investment universe and comprising ethical and non-ethically screened funds, demonstrating the value of the sub-fund's ethical screen against non-ethically screened funds. This comparison should be performed over at least a 7 year period to provide the most useful long term comparison.

**General references to markets and indices are to be considered as general market commentary only and (i) are not to be considered as a comparison of sub-fund performance against a benchmark (unless otherwise disclosed as such); and (ii) the index or indices do not operate as a performance target and the sub-fund's portfolio is not constrained by the index or indices.

Aegon Ethical Corporate Bond Fund

Material portfolio changes

Top ten purchases	31 July 2024	Top ten sales	31 July 2024
	£'000		£'000
United Kingdom Gilt 1.5% 31/07/2053	17,099	United Kingdom Gilt 0.875% 31/07/2033	20,494
United Kingdom Gilt 0.875% 31/07/2033	6,442	United Kingdom Gilt 1.5% 31/07/2053	15,679
Koninklijke KPN 3.875% 16/02/2036	3,438	M&G 5.625% 20/10/2051	5,024
John Deere Bank 5.125% 18/10/2028	3,285	Skipton Building Society 2% 02/10/2026	4,247
Pension Insurance 8% 13/11/2033	2,991	APA Infrastructure 4.25% 26/11/2024	3,971
Cadent Finance 3.75% 16/04/2033	2,978	Stagecoach 4% 29/09/2025	3,870
British Telecommunications 3.875% 20/01/2034	2,771	Land Securities Capital Markets 1.974% 08/02/2024	3,600
Coventry Building Society 7% 07/11/2027	2,699	Leeds Building Society 1.5% 16/03/2027	3,558
Pinewood Finco 6% 27/03/2030	2,300	Asian Infrastructure Investment Bank 0.2% 15/12/2025	3,365
KBC 6.151% 19/03/2034	2,200	Euroclear Bank 1.25% 30/09/2024	3,322

Aegon Ethical Corporate Bond Fund

Comparative Tables

B Accumulation shares	2024	2023	2022
	(p/share)	(p/share)	(p/share)
Change in net assets per share			
Opening net asset value per share	179.26	194.87	218.42
Return before operating charges*	20.41	(14.76)	(22.56)
Operating charges	(0.90)	(0.85)	(0.99)
Return after operating charges*	19.51	(15.61)	(23.55)
Distributions	(6.52)	(5.68)	(4.92)
Retained distributions on accumulation shares	6.52	5.68	4.92
Closing net asset value per share	198.77	179.26	194.87
 *after direct transaction costs of	-	-	-
Performance			
Return after charges	10.88%	(8.01)%	(10.78)%
Other information			
Closing net asset value (£'000)	291,138	292,945	316,454
Closing number of shares	146,469,755	163,422,569	162,394,688
Operating charges	0.48%	0.47%	0.48%
Direct transaction costs	-	-	-
Prices			
Highest share price	199.10	198.33	221.03
Lowest share price	175.90	163.59	188.47

B Income shares	2024	2023	2022
	(p/share)	(p/share)	(p/share)
Change in net assets per share			
Opening net asset value per share	84.16	94.43	108.43
Return before operating charges*	9.45	(7.14)	(11.09)
Operating charges	(0.42)	(0.41)	(0.49)
Return after operating charges*	9.03	(7.55)	(11.58)
Distributions	(3.02)	(2.72)	(2.42)
Retained distributions on accumulation shares	-	-	-
Closing net asset value per share	90.17	84.16	94.43
 *after direct transaction costs of	-	-	-
Performance			
Return after charges	10.73%	(8.00)%	(10.68)%
Other information			
Closing net asset value (£'000)	117,984	138,693	165,005
Closing number of shares	130,844,415	164,793,019	174,742,238
Operating charges	0.48%	0.47%	0.48%
Direct transaction costs	-	-	-
Prices			
Highest share price	91.09	96.10	109.73
Lowest share price	82.58	79.27	91.93

Highest and Lowest share prices are based on official published daily NAVs priced at 12 noon on the last business day of the year. The closing net asset value per share is at close of business.

Aegon Ethical Corporate Bond Fund

Portfolio Statement

The sub-fund's investments as at 31 July 2024

Holding	Investment	Market Valuation £'000	Total net assets %
Euro Denominated Bonds 5.52% (31 July 2023 0.00%)			
Corporate Bonds 5.52% (31 July 2023 0.00%)			
2,000,000	Belfius Bank 4.875% 11/06/2035	1,736	0.42
3,300,000	British Telecommunications 3.875% 20/01/2034	2,830	0.69
3,500,000	Cadent Finance 3.75% 16/04/2033	2,935	0.72
1,800,000	Covivio Hotels 4.125% 23/05/2033	1,509	0.37
2,400,000	Erste 8.5% Perpetual	2,201	0.54
4,000,000	Koninklijke KPN 3.875% 16/02/2036	3,402	0.83
1,700,000	TDC NET 5.186% 02/08/2029	1,487	0.36
2,500,000	TenneT 4.875% Perpetual	2,106	0.52
2,100,000	T-Mobile USA 3.85% 08/05/2036	1,796	0.44
2,000,000	Vicinity Centres 1.125% 07/11/2029	1,478	0.36
1,300,000	W.P. Carey 4.25% 23/07/2032	1,114	0.27
		22,594	5.52
Sterling Denominated Bonds 90.98% (31 July 2023 98.11%)			
Asset Backed Security 7.80% (31 July 2023 7.37%)			
3,750,000	Arqiva Financing 4.882% 31/12/2032	2,078	0.51
3,505,000	Canary Wharf Finance II 6.8% 22/04/2030	1,536	0.38
3,400,000	Channel Link Enterprises Finance 3.848% 30/06/2050	2,347	0.57
3,900,000	Greater Gabbard 4.137% 29/11/2032	2,346	0.57
2,000,000	High Speed Rail Finance No.1 4.375% 01/11/2038	1,870	0.46
3,233,000	Income Contingent Student Loans 2 2007-2009 2.5% 24/07/2058	1,848	0.45
1,540,000	Meadowhall Finance 4.986% 12/01/2032	678	0.17
1,800,000	Swan Housing Capital 3.625% 05/03/2048	1,379	0.34
3,300,000	TC Dudgeon Ofco 3.158% 12/11/2038	2,442	0.60
4,900,000	Telereal Secured Finance 4.01% 10/12/2031	2,321	0.57
3,000,000	Telereal Securitisation 6.1645% 10/12/2031	2,394	0.58
3,000,000	Trafford Centre Finance 6.5% 28/07/2033	1,834	0.45
1,200,000	Trafford Centre Finance 7.03% 28/01/2029	328	0.08
5,300,000	Transport for London 5% 31/03/2035	5,326	1.30
4,300,000	White City Property Finance 5.1202% 17/04/2035	3,165	0.77
		31,892	7.80
Corporate Bonds 80.22% (31 July 2023 84.49%)			
4,000,000	ABP Finance 6.25% 14/12/2026	4,125	1.01
1,400,000	Admiral 8.5% 06/01/2034	1,579	0.39
4,100,000	Anglian Water Osprey Financing 2% 31/07/2028	3,288	0.80
3,000,000	Anglian Water Services Financing 1.625% 10/08/2025	2,876	0.70
1,200,000	APA Infrastructure 3.5% 22/03/2030	1,099	0.27
5,000,000	Aroundtown 3.625% 10/04/2031	4,096	1.00
1,500,000	Arqiva Financing 5.34% 30/06/2030	1,498	0.37
4,500,000	Assura Financing 1.5% 15/09/2030	3,671	0.90
2,700,000	Aster Treasury 1.405% 27/01/2036	1,889	0.46
3,900,000	Aviva 6.875% 20/05/2058	4,065	0.99
3,500,000	Bazalgette Finance 2.375% 29/11/2027	3,200	0.78
2,600,000	Beyond Housing 2.125% 17/05/2051	1,437	0.35
4,100,000	BPCE 5.25% 16/04/2029	4,054	0.99
4,400,000	BPCE 6.125% 24/05/2029	4,557	1.11
2,500,000	British Land REIT 5.357% 31/03/2028	2,491	0.61
1,800,000	British Telecommunications 5.75% 13/02/2041	1,821	0.44

Aegon Ethical Corporate Bond Fund

Portfolio Statement (continued)

Holding	Investment	Market valuation £'000	Total net assets %
Corporate Bonds (continued)			
3,000,000	Cadent Finance 2.625% 22/09/2038	2,128	0.52
6,000,000	CaixaBank 1.5% 03/12/2026	5,697	1.39
4,500,000	Clarion Funding 1.875% 22/01/2035	3,319	0.81
1,700,000	Close Brothers 7.75% 14/06/2028	1,769	0.43
5,500,000	Cooperatieve Rabobank 1.875% 12/07/2028	5,061	1.24
5,400,000	Cooperatieve Rabobank 5.25% 14/09/2027	5,413	1.32
2,700,000	Coventry Building Society 7% 07/11/2027	2,799	0.68
1,400,000	Coventry Building Society 8.75% Perpetual	1,424	0.35
1,100,000	CPUK Finance 4.5% 28/08/2027	1,028	0.25
2,000,000	CPUK Finance 6.136% 28/08/2031	2,047	0.50
3,000,000	CPUK Finance 6.5% 28/08/2026	2,970	0.73
4,900,000	Derwent London REIT 1.875% 17/11/2031	3,933	0.96
2,300,000	Deutsche Telekom International Finance 7.625% 15/06/2030	2,654	0.65
3,500,000	Digital Stout 3.75% 17/10/2030	3,224	0.79
4,700,000	Direct Line Insurance 4% 05/06/2032	3,960	0.97
2,200,000	DS Smith 2.875% 26/07/2029	1,996	0.49
2,400,000	DWR Cymru Financing UK 1.375% 31/03/2033	1,789	0.44
3,300,000	DWR Cymru Financing UK 1.625% 31/03/2026	3,105	0.76
2,000,000	DWR Cymru Financing UK 2.375% 31/03/2034	1,440	0.35
196,000	Esure 6.75% 19/12/2024	194	0.05
3,000,000	Freshwater Finance 4.607% 17/10/2036	2,614	0.64
3,000,000	Grainger 3.375% 24/04/2028	2,782	0.68
6,500,000	ING Groep 1.125% 07/12/2028	5,793	1.42
3,600,000	ING Groep 6.25% 20/05/2033	3,679	0.90
3,000,000	Intesa Sanpaolo 2.5% 15/01/2030	2,620	0.64
5,100,000	Intesa Sanpaolo 6.625% 31/05/2033	5,465	1.34
3,300,000	John Deere Bank 5.125% 18/10/2028	3,385	0.83
4,000,000	KBC 1.25% 21/09/2027	3,697	0.90
2,200,000	KBC 6.151% 19/03/2034	2,236	0.55
3,000,000	LCR Finance 5.1% 07/03/2051	3,170	0.77
2,400,000	Legal & General 5.125% 14/11/2048	2,368	0.58
2,500,000	Legal & General 5.5% 27/06/2064	2,409	0.59
2,600,000	Liberty Living Finance 3.375% 28/11/2029	2,379	0.58
5,478,000	Lloyds Banking 2.707% 03/12/2035	4,564	1.12
1,600,000	Lloyds Banking 6.5% 17/09/2040	1,834	0.45
2,100,000	Lloyds Banking 6.625% 02/06/2033	2,155	0.53
3,800,000	Logicor 2019-1 UK 1.875% 17/11/2026	3,542	0.87
2,300,000	Lunar Funding I 5.75% 18/10/2033	2,383	0.58
1,800,000	M&G 6.34% 19/12/2063	1,738	0.42
2,800,000	Mobico 2.375% 20/11/2028	2,454	0.60
3,600,000	Mobico 4.25% Perpetual	3,272	0.80
2,300,000	Motability Operations 1.5% 20/01/2041	1,380	0.34
2,030,000	Motability Operations 3.625% 10/03/2036	1,787	0.44
2,200,000	National Gas Transmission 1.375% 07/02/2031	1,740	0.42
1,100,000	Nationwide Building Society 5.75% Perpetual	1,045	0.25
2,500,000	Nationwide Building Society 5.769% Perpetual	2,447	0.60
1,800,000	Nationwide Building Society 6.178% 07/12/2027	1,844	0.45
3,900,000	NatWest 2.057% 09/11/2028	3,569	0.87
3,300,000	NatWest 3.622% 14/08/2030	3,242	0.79
3,600,000	NatWest 5.125% Perpetual	3,374	0.82
2,500,000	NGG Finance 5.625% 18/06/2073	2,486	0.61
4,500,000	Nordea Bank 1.625% 09/12/2032	3,998	0.98
4,100,000	Northern Powergrid Yorkshire 4.375% 05/07/2032	3,949	0.96
2,300,000	Northumbrian Water Finance 4.5% 14/02/2031	2,150	0.53
2,700,000	Notting Hill Genesis 3.25% 12/10/2048	1,925	0.47
1,900,000	Notting Hill Genesis 3.75% 20/12/2032	1,744	0.43
2,300,000	Omnicom Capital 2.25% 22/11/2033	1,813	0.44
2,800,000	Onward Homes 2.125% 25/03/2053	1,460	0.36

Aegon Ethical Corporate Bond Fund

Portfolio Statement (continued)

Holding	Investment	Market valuation £'000	Total net assets %
Corporate Bonds (continued)			
4,100,000	Orange 3.25% 15/01/2032	3,719	0.91
3,200,000	Orsted 2.5% 16/05/2033	2,622	0.64
2,100,000	Orsted 5.375% 13/09/2042	2,057	0.50
2,400,000	Pacific Life Global Funding II 5% 12/01/2028	2,430	0.59
2,500,000	Paragon 4.375% 25/09/2031	2,370	0.58
4,400,000	Paragon Treasury 2% 07/05/2036	3,118	0.76
3,000,000	Pearson Funding 3.75% 04/06/2030	2,799	0.68
2,500,000	Pension Insurance 3.625% 21/10/2032	2,059	0.50
1,500,000	Pension Insurance 4.625% 07/05/2031	1,362	0.33
3,000,000	Pension Insurance 8% 13/11/2033	3,259	0.80
2,300,000	Pinewood Finco 6% 27/03/2030	2,284	0.56
2,400,000	Places for People Homes 2.5% 26/01/2036	1,796	0.44
3,200,000	Places for People Homes 3.625% 22/11/2028	3,030	0.74
2,400,000	Prologis International Funding II 2.75% 22/02/2032	2,055	0.50
3,662,000	RAC 4.87% 06/05/2026	3,619	0.88
5,300,000	Realty Income 1.625% 15/12/2030	4,318	1.05
4,000,000	Rothsay Life 3.375% 12/07/2026	3,855	0.94
1,600,000	Rothsay Life 7.734% 16/05/2033	1,717	0.42
4,000,000	Sage 1.625% 25/02/2031	3,259	0.80
3,300,000	Santander UK 5.875% 14/08/2031	3,058	0.75
4,400,000	Scottish Hydro Electric Transmission 2.25% 27/09/2035	3,365	0.82
1,800,000	Severn Trent Utilities Finance 2% 02/06/2040	1,106	0.27
1,200,000	Severn Trent Utilities Finance 2.625% 22/02/2033	971	0.24
800,000	Severn Trent Utilities Finance 4.625% 30/11/2034	746	0.18
1,500,000	Skipton Building Society 2% 02/10/2026	1,439	0.35
5,900,000	South Eastern Power Networks 1.75% 30/09/2034	4,404	1.08
2,200,000	South West Water Finance 6.375% 05/08/2041	2,233	0.55
5,000,000	Southern Water Services Finance 2.375% 28/05/2028	4,161	1.02
3,000,000	Travis Perkins 3.75% 17/02/2026	2,862	0.70
5,500,000	Tritax Big Box REIT 1.5% 27/11/2033	3,993	0.98
2,600,000	Unite REIT 3.5% 15/10/2028	2,456	0.60
1,700,000	UNITE USAF II 3.921% 30/06/2025	1,674	0.41
5,500,000	United Utilities Water Finance 0.875% 28/10/2029	4,482	1.10
1,500,000	Vicinity Centres 3.375% 07/04/2026	1,460	0.36
4,100,000	Virgin Money UK 4% 03/09/2027	4,004	0.98
5,400,000	Virgin Money UK 5.125% 11/12/2030	5,340	1.30
3,830,000	Vodafone 3% 12/08/2056	2,326	0.57
2,700,000	Vodafone 5.125% 02/12/2052	2,458	0.60
2,100,000	Wales & West Utilities Finance 3% 03/08/2038	1,609	0.39
5,800,000	Whitbread 3% 31/05/2031	5,056	1.24
3,000,000	Yorkshire Building Society 1.5% 15/09/2029	2,600	0.64
1,900,000	Yorkshire Building Society 3.5% 21/04/2026	1,859	0.45
1,200,000	Yorkshire Building Society 3.511% 11/10/2030	1,110	0.27
2,800,000	Yorkshire Water Finance 1.75% 27/10/2032	2,055	0.50
1,250,000	Yorkshire Water Finance 3.625% 01/08/2029	1,127	0.28
2,400,000	Zurich Finance (Ireland) DAC 5.125% 23/11/2052	2,335	0.57
		328,205	80.22
Government Bonds 2.96% (31 July 2023 6.25%)			
23,400,000	United Kingdom Gilt 1.5% 31/07/2053	12,114	2.96
		12,114	2.96

Aegon Ethical Corporate Bond Fund

Portfolio Statement (continued)

Holding	Investment	Market valuation £'000	Total net assets %
	Derivatives and Futures Contracts 0.06% (31 July 2023 0.00%)		
	Forward Foreign Exchange Contracts 0.06% (31 July 2023 0.00%)		
	Bought EUR 100,000 Sold GBP 84,860 05/09/2024	-	-
	Bought GBP 17,361,412 Sold EUR 20,300,000 05/09/2024	236	0.06
	Bought GBP 2,962,109 Sold EUR 3,500,000 05/09/2024	9	-
		245	0.06
	Portfolio of investments	395,050	96.56
	Net other assets	14,072	3.44
	Total net assets attributable to shareholders	409,122	100.00

Analysis of investments by asset class

	Market value £'000	Value of investments %
Bonds	394,805	96.50
Derivatives	245	0.06
Portfolio of investments	395,050	96.56
Net other assets	14,072	3.44
Total net assets attributable to shareholders	409,122	100.00

The comparative percentage figures in brackets are at 31 July 2023.

All investments are approved securities being either officially listed in a member state or traded on or under the rules of an eligible securities market, unless otherwise stated.

Aegon Ethical Corporate Bond Fund

Statement of Total Return for the year ended 31 July 2024

			2024		2023
	Note	£'000	£'000	£'000	£'000
Income					
Net capital gains/(losses)	2		28,668		(51,633)
Revenue	3	16,283		16,150	
Expenses	4	(1,978)		(2,097)	
Interest payable and similar charges		(14)		-	
Net revenue before taxation		14,291		14,053	
Taxation	5	-		-	
Net revenue after taxation			14,291		14,053
Total return before distributions			42,959		(37,580)
Distributions	6		(14,291)		(14,053)
Change in net assets attributable to shareholders from investment activities			28,668		(51,633)

Statement of Change in Net Assets Attributable to Shareholders for the year ended 31 July 2024

		2024		2023
	£'000	£'000	£'000	£'000
Opening net assets attributable to shareholders		431,638		481,459
Amounts receivable on issue of shares	65,210		107,477	
Amounts payable on cancellation of shares	(126,247)		(115,102)	
		(61,037)		(7,625)
Dilution adjustment		51		78
Change in net assets attributable to shareholders from investment activities		28,668		(51,633)
Retained distributions on accumulation shares		9,801		9,359
Unclaimed distributions		1		-
Closing net assets attributable to shareholders		409,122		431,638

Aegon Ethical Corporate Bond Fund

Balance Sheet as at 31 July 2024

			2024		2023
	Note	£'000	£'000	£'000	£'000
Assets					
Fixed assets:					
Investments			395,050		423,470
Current assets:					
Debtors	7	5,971		8,611	
Cash and bank balances	8	<u>12,655</u>		<u>2,176</u>	
			<u>18,626</u>		<u>10,787</u>
Total assets			413,676		434,257
Liabilities					
Creditors					
Distributions payable		1,010		1,180	
Other creditors	9	<u>3,544</u>		<u>1,439</u>	
Total liabilities			<u>4,554</u>		<u>2,619</u>
Net assets attributable to shareholders			409,122		431,638

Aegon Ethical Corporate Bond Fund

Notes to the Financial Statements

1 Accounting policies

The sub-fund's financial statements have been prepared on the basis disclosed on pages 12 to 14.

2 Net capital gains/(losses)

Net capital gains/(losses) comprise:

	2024	2023
	£'000	£'000
Gains/(losses) on non-derivative securities	28,311	(51,633)
Gains on forward currency contracts	389	-
Currency exchange losses	(32)	-
Net capital gains/(losses)	28,668	(51,633)

3 Revenue

	2024	2023
	£'000	£'000
Interest on debt securities	16,078	15,958
Bank interest	205	192
Total revenue	16,283	16,150

4 Expenses*

	2024	2023
	£'000	£'000
Payable to the ACD, associates of the ACD and agents of either of them:		
ACD's periodic charge	1,863	2,010
Payable to the Depositary, associates of the Depositary and agents of either of them:		
Depositary fee	58	58
Other expenses:		
Audit fee**	14	13
FT publishing fee	3	3
PRIIPs fees	4	3
Registrar's fee	16	(10)
Safe custody charge	20	20
	57	29
Total expenses	1,978	2,097

*All expenditure stated above is inclusive of irrecoverable VAT where applicable.

**The audit fee (excluding VAT) incurred during the year was £11,200 (2023: £10,952).

5 Taxation

Corporation tax has not been provided for as expenses and interest distributions payable by the sub-fund exceed the revenue liable to corporation tax.

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2023: lower than) the standard rate of corporation tax for Open Ended Investment Companies 'OEICs' (20%).

The differences are explained below:

	2024	2023
	£'000	£'000
Net revenue before taxation	14,291	14,053
Corporation tax 20% (2023: 20%)	2,858	2,811
Effects of:		
Tax deductible interest distributions	(2,858)	(2,811)
Total tax charge for the year	-	-

Open Ended Investment Companies are exempt from tax on capital gains. Therefore, any capital return is not included in the above reconciliations.

Aegon Ethical Corporate Bond Fund

Notes to the Financial Statements (continued)

6 Distributions

The distributions take account of amounts receivable on the issue of shares and amounts deductible on the cancellation of shares, and comprise:

	2024	2023
	£'000	£'000
Interim distributions	10,567	10,401
Final distribution	3,481	3,651
	14,048	14,052
Add: amounts deductible on cancellation of shares	507	422
Less: amounts receivable on creation of shares	(264)	(421)
Distributions	14,291	14,053

Details of the distributions are set out in the tables on page 168.

7 Debtors

	2024	2023
	£'000	£'000
Accrued revenue	5,378	5,616
Amounts receivable for the issue of shares	593	2,995
Debtors	5,971	8,611

8 Cash and bank balances

	2024	2023
	£'000	£'000
Cash and bank balances	12,655	2,176
Cash and bank balances	12,655	2,176

9 Other creditors

	2024	2023
	£'000	£'000
Accrued ACD periodic charge	305	323
Accrued other expenses	56	33
Amounts payable for cancellation of shares	985	1,083
Purchases awaiting settlement	2,198	-
Other creditors	3,544	1,439

10 Related parties

Related party interests in the sub-fund are disclosed in Note 6 of the Accounting Policies on page 17. Amounts due to the ACD as at year end for the ACD periodic charge and amounts due to the ACD for outstanding cancellations are disclosed in Note 9. Amounts receivable from the ACD as at year end for outstanding issue of shares are disclosed in Note 7. At the year-end 16.53% (2023: 14.02%) of the shares in issue were owned by AEGON Group or AEGON UK companies.

11 Contingent assets, liabilities and commitments

There were no contingent assets, liabilities or commitments present in the sub-fund as at 31 July 2024 (2023: £Nil).

Aegon Ethical Corporate Bond Fund

Notes to the Financial Statements (continued)

12 Financial instruments and risk

The risks associated with the sub-fund are market, concentration, valuation, yield, liquidity, counterparty, and interest rate risk. Narrative disclosures are on pages 15 to 17.

Analysis of investments by credit ratings

	2024		2023	
	Market value £'000	Value of investments %	Market value £'000	Value of investments %
Investment grade	328,321	80.24	346,179	80.20
Below investment grade	18,526	4.53	22,265	5.16
Unrated	47,958	11.73	55,026	12.75
Other investments and derivatives	245	0.06	-	-
Portfolio of investments	395,050	96.56	423,470	98.11
Net other assets	14,072	3.44	8,168	1.89
Total net assets attributable to shareholders	409,122	100.00	431,638	100.00

Note - Investment grade securities are defined as securities with a Standard & Poor's, Moody's or Fitch's rating of BBB-, Baa3 and BBB- or above respectively.

VaR Disclosure

The sub-fund uses the Commitments Approach Method and, although Aegon Asset Management compute VaR for this sub-fund, it is not monitored against any limit (2023: same). As at the balance sheet date, the sub-fund's value at risk is 4.65% (2023: 4.03%).

The following table details the lowest, highest and average utilisation of the absolute VaR limit:

	Lowest Utilisation (%)	Highest Utilisation (%)	Average Utilisation (%)
31 July 2024	4.57	6.97	5.77
31 July 2023	2.85	5.29	3.94

Leverage

As the sub-fund has not traded in derivatives throughout the year there is no significant exposure to leverage.

Counterparty risk

The risk of entering an arrangement with a counterparty, which is itself subject to financial risks which may affect its ability to trade as a going concern.

The ACD maintains a list of approved counterparties. This list is regularly monitored and revised for changes based on the counterparty's credit-worthiness, market reputation and expectations of future financial performance. Transactions will only be opened with financial intermediaries on the approved counterparties list.

The sub-fund's use of exchange traded derivatives are considered to be free of counterparty risk if the derivative is traded on an exchange where the clearing house is backed by an appropriate performance guarantee and it is characterised by a daily mark-to-market valuation of the derivative position and at least daily margining.

The following details exposure to counterparties obtained through the use of derivatives:

As at 31 July 2024

Counterparty	Forward Foreign Exchange Contracts Exposure £'000	Collateral pledge Cash £'000
Lloyds	245	-

As at 31 July 2023 the sub-fund has no exposure to derivatives therefore there was no significant counterparty risk.

Aegon Ethical Corporate Bond Fund

Notes to the Financial Statements (continued)

13 Portfolio transaction costs

Purchases					
31 July 2024	Value £'000	Commissions £'000	%	Other Costs* £'000	%
Debt securities	64,769	-	-	-	-
Total	64,769	-		-	
Total purchases including transaction costs	64,769				
31 July 2023					
Debt securities	89,901	-	-	-	-
Total	89,901	-		-	
Total purchases including transaction costs	89,901				
Sales					
31 July 2024	Value £'000	Commissions £'000	%	Other Costs* £'000	%
Debt securities	119,371	-	-	-	-
Corporate actions	1,663	-	-	-	-
Total	121,034	-		-	
Total sales net of transaction costs	121,034				
31 July 2023					
Debt securities	85,784	-	-	-	-
Corporate actions	1,546	-	-	-	-
Total	87,330	-		-	
Total sales net of transaction costs	87,330				

*Other Costs includes taxes and any other costs other than commissions incurred by the sub-fund when buying and selling an underlying investment.

Portfolio transaction costs are incurred by the sub-fund when buying and selling underlying investments. These vary depending on the class of investment, country of exchange and method of execution. These costs can be classified as either direct or indirect transaction costs:

- Direct transaction costs: Broker commissions, fees and taxes.
- Indirect transaction costs: 'Dealing spread' - the difference between the buying and selling prices of the sub-fund's underlying investments.

In order to protect existing investors from the effects of dilution, portfolio transaction costs incurred as a result of investors buying and selling shares in the sub-fund are recovered from those investors through a 'dilution adjustment' to the price they pay or receive.

At the balance sheet date, the portfolio dealing spread was 0.63% (2023: 0.76%), being the difference between the respective bid and offer prices for the sub-fund's investments.

14 Fair value hierarchy

The fair value hierarchy is intended to prioritise the inputs that are used to measure the fair value of assets and liabilities. The fair value hierarchy has the following levels:

Level 1 – Unadjusted quoted price in an active market for an identical instrument.

Level 2 – Valuation techniques using observable inputs other than quoted prices within level 1.

Level 3 – Valuation techniques using unobservable inputs.

Basis of valuation	2024		2023	
	Assets £'000	Liabilities £'000	Assets £'000	Liabilities £'000
1 - Unadjusted quoted prices	15,284	-	23,616	-
2 - Observable market data	379,766	-	399,854	-
3 - Unobservable data	-	-	-	-
	395,050	-	423,470	-

Aegon Ethical Corporate Bond Fund

Notes to the Financial Statements (continued)

15 Share classes

The sub-fund currently has one share class; B (Institutional). The ACD's periodic charge on each share class is as follows:

B share class: 0.45%

The net asset value of each share class, the net asset value per share, and the number of shares in each class are given in the comparative tables on page 156. The distribution per share class is given in the distribution tables on page 168. All share classes have the same rights on winding up.

Share class movement reconciliation

31 July 2024	Opening	Creations	Cancellations	Converted	Closing
B Accumulation	163,422,569	25,333,536	(42,282,057)	(4,293)	146,469,755
B Income	164,793,019	19,770,051	(53,727,959)	9,304	130,844,415

16 Post balance sheet events

The table below shows the net asset values per share as at the balance sheet date, compared against values as at 19 November 2024 and the percentage movement in that period.

Net assets per share

	31 July 2024	19 November 2024	% Movement
B Accumulation	198.77	199.04	0.13
B Income	90.17	89.51	(0.73)

The table below shows net redemptions between 31 July 2024 and 19 November 2024 as a percentage of the balance sheet date NAV for share classes with significant movements. This change is reflective of conditions that arose after the year end and hence is considered a non-adjusting event.

Share class

	% Movement
B Income	(11.33)

Aegon Ethical Corporate Bond Fund

Distribution Tables

Share Class B Accumulation

Period end	Pay date		Net Revenue	Equalisation*	Total Paid/Payable	2022/23 Total Paid
31/10/23	31/12/23	Group 1	1.5856	N/A	1.5856	1.3730
		Group 2	0.8077	0.7779		
31/01/24	31/03/24	Group 1	1.6245	N/A	1.6245	1.3793
		Group 2	0.7136	0.9109		
30/04/24	30/06/24	Group 1	1.6254	N/A	1.6254	1.4171
		Group 2	0.8394	0.7860		
31/07/24	30/09/24	Group 1	1.6868	N/A	1.6868	1.5119
		Group 2	0.9996	0.6872		

Share Class B Income

Period end	Pay date		Net Revenue	Equalisation*	Total Paid/Payable	2022/23 Total Paid
31/10/23	31/12/23	Group 1	0.7445	N/A	0.7445	0.6653
		Group 2	0.4386	0.3059		
31/01/24	31/03/24	Group 1	0.7561	N/A	0.7561	0.6633
		Group 2	0.4320	0.3241		
30/04/24	30/06/24	Group 1	0.7500	N/A	0.7500	0.6763
		Group 2	0.3608	0.3892		
31/07/24	30/09/24	Group 1	0.7719	N/A	0.7719	0.7160
		Group 2	0.4737	0.2982		

All distributions above are in pence per share unless specifically stated.

*Equalisation applies only to shares purchased during the distribution period (Group 2 shares). It is the average amount of revenue included in the purchase price of all Group 2 shares and is refunded to holders of these shares as a return of capital. Being a capital repayment, it is not liable to income tax but must be deducted from the cost of the shares for capital gains tax purposes.

Aegon Ethical Equity Fund

Fund objective

The investment objective is to provide a combination of income and capital growth over any 7 year period.

Investment policy

The sub-fund will invest at least 80% in equities of companies which are listed, quoted or traded in UK markets or which have their headquarters or a significant part of their activities in the UK but which may also be quoted on a regulated market outside of the UK. The sub-fund operates an ethical screen which means that the sub-fund may not invest in particular industries and sectors. In all cases, the investments of the sub-fund will meet the sub-fund's predefined ethical criteria. The sub-fund can also invest up to 20% of its Net Asset Value in equities of non-UK companies.

Risk profile

The sub-fund is designed for retail and institutional investors seeking pooled exposure to UK equity stocks while pursuing an ethical investment policy which excludes unethical activity. Investors in this sub-fund should be comfortable with a higher level of investment risk. In most cases, we expect the sub-fund to be held as part of a diversified portfolio which may include other assets such as equities, bonds, property and cash. While investors will normally be able to liquidate their holdings on a daily basis, unit prices will fluctuate and may fall significantly in value. Consequently, it is important to understand that the sub-fund should be viewed as a longer term investment.

The sub-fund is actively managed and exposed to a range of risks, which are listed and defined in the Aegon Asset Management UK ICVC Prospectus. The most material risks from this list also appear in our Key Investor Information documents (KIID) where they are summarised in an easy-to-read format. You can find both of these documents on our website at www.aegonam.com.

Performance*

The Aegon Ethical Equity Fund returned 20.80% compared to the peer group median return of 13.76%. The peer group is the Investment Association UK All Companies sector.

Strategy review**

UK equities enjoyed good absolute returns, with the FTSE All-Share returning 13.54%, although this lagged broad global equity benchmarks. Macro factors continued to drive markets over the period, with investor sentiment closely tied to inflation and interest rate expectations. The Bank of England increased interest rates by 0.25% in August 2023 to 5.25%, as UK inflation, whilst trending downwards, remained higher than most other developed markets. This seemed to have the desired effect, as inflation fell sharply through the rest of the period, eventually reaching the bank's 2% target. It was in quarter four of 2023 that investors really started to gain confidence that rates had peaked and would likely start to retreat in 2024. This change in expectations sparked a sharp rally in UK stocks, particularly small and mid caps, which started to bounce back from previous weakness and outperformed their large cap counterparts over the period.

There were two other notable features in UK markets over the period. Firstly, merger and acquisition activity reached multi-year highs with both public and private equity buyers looking to take advantage of attractive valuations on offer. Secondly, a general election in July 2024 saw the Labour party return to government for the first time in 14 years with a landslide victory. The large majority, coupled with the new government's pro-business stance and promises to kick start economic growth raised hopes of a more stable political backdrop than had been seen in recent years, meaning the UK may no longer be so unloved and underheld by international investors. Indeed, with data showing a positive inflection in GDP over the first half of 2024, the period ended with a much stronger backdrop than it began with.

In sector terms, industrials, technology and financials were the winners, with basic materials, consumer staples and utilities lagging the rest of the market, although still returning positively.

Both sector allocation and stock selection were positive over the period. Holding larger weightings in both technology and industrials was beneficial, whereas having a lack of exposure to energy, due to our ethical criteria, was a headwind.

Given the strong sector performance and our prudent bottom-up stock selection within it, financials names took up a number of spots among the top positive contributors for the sub-fund including NatWest, JTC and Paragon Banking.

NatWest initially struggled over the first half of the period, before its fortunes turned in 2024, as improving results were well received by the market and saw the shares bounce strongly off their lows. Results in July 2024 were particularly strong, with profits materially ahead of expectations, due to higher income and lower impairments, leading to full year upgrades and a 9% increase in the dividend.

JTC, the international provider of fund, corporate and private wealth administration services, demonstrated ongoing strong momentum in quarter two 2024 with its full year numbers and raised guidance to +10% p.a. organic growth. The company benefitted from strong demand and pricing, in addition to new business wins and cross-selling. This organic growth was supplemented by accretive acquisitions, as JTC looks to consolidate a highly fragmented market, further augmenting the investment case.

Paragon Banking, the specialist lender, delivered full year 2023 results ahead of expectations and issued strong net interest guidance for 2024, which led to earnings upgrades. In addition, a further £50 million share buyback also boosted sentiment.

Away from financials, industrials name Diploma, the specialist technical products distributor, was also a strong performer. It delivered a beat on first half profits and upgraded guidance for the full year 2024. Revenues grew 10% in H1, with the controls and life sciences businesses showing particularly robust momentum. We continue to like the story here, given the scope for sustained organic growth through market share gains, geographic expansion, and product range expansion. In addition, the business is highly cash generative which provides the opportunity for further acquisitions to accelerate its growth strategy.

Finally, the portfolio was boosted by valuation re-ratings in several of its smaller cap holdings, such as Trustpilot and Craneware. The smaller cap end of the market had been particularly pressured by the rate hiking cycle, so signs that rates would likely reverse prompted the start of a recovery for this area.

Aegon Ethical Equity Fund

Strategy review (continued)**

Watches of Switzerland was the main detractor over the period. Shares fell sharply on news that Rolex had made its first foray into the retail space by acquiring Bucherer, a Swiss retailer with outlets in the US, UK and Europe. This prompted concern in the market that Rolex would focus supply through its new subsidiary and the shares were then further impacted by a painful reset of expectations with January's trading update, at which management flagged a material weakening of demand and downgraded guidance for 2024. Despite the recent challenges, we retain exposure as we view luxury watches as an attractive product category over the medium term and see an opportunity for the company to gain further share in the growing and under-developed US market.

Whitbread, the owner of Premier Inn and several restaurant brands, also struggled. The market focused on slowing industry data in the opening months of 2024. However, the name continued to struggle even after a first quarter 2024 trading update showed an improved trend in UK accommodation sales – albeit they were flat year on year. There were puts and takes to the comments on the demand backdrop, with a slightly softer short-lead weekend picture, notably in London, but with midweek business and peak leisure demand remaining robust. Management noted a positive forward bookings position. At its full year update in April, they announced an accelerated growth plan to address the challenges in the restaurants business and a £150 million share buyback programme. We see scope for Whitbread to continue to gain from improving consumer confidence and a favourable industry supply backdrop.

Whilst the financials sector provided a number of positive contributors, one holding that detracted over the period was Prudential. Macro concerns weighed heavily on the stock, as it derives the vast majority of its revenues from the Asia-Pacific region and has therefore been impacted by the weakness in the Chinese economy.

Relative to the FTSE All-Share, the sub-fund also faced a headwind from not owning index heavyweights Rolls-Royce, Shell and Barclays, which all performed well. None of these names pass our ethical screening.

*Source: Lipper, % growth, income re-invested at pay date, NAV-NAV, GBP, net of Basic Rate Tax. Index returns are gross of Basic Rate Tax. Investors are invited to compare the sub-fund's performance against the performance of other funds within the Investment Association All UK Companies Sector. Comparison of the sub-fund against this Sector will give investors an indication of how sub-fund is performing compared with funds investing in a similar but not identical investment universe and comprising ethical and non-ethically screened funds, demonstrating the value of the sub-fund's ethical screen against non-ethically screened funds. This comparison should be performed over at least a 7 year period to provide the most useful long term comparison.

**General references to markets and indices are to be considered as general market commentary only and (i) are not to be considered as a comparison of sub-fund performance against a benchmark (unless otherwise disclosed as such); and (ii) the index or indices do not operate as a performance target and the sub-fund's portfolio is not constrained by the index or indices.

Aegon Ethical Equity Fund

Material portfolio changes

Top ten purchases	31 July 2024	Top ten sales	31 July 2024
	£'000		£'000
PageGroup	7,604	Ascential	8,922
RS Group	5,262	Smart Metering Systems	7,542
Kainos	4,666	RELX	7,008
Marshalls	4,248	Grafton	5,921
FDM	3,689	Impax Environmental Markets	5,796
Spectris	3,648	Diploma	5,213
Prudential	3,173	London Stock Exchange	4,611
Trainline	3,086	Ferguson	4,020
Trustpilot	2,703	BT	3,760
NatWest	2,466	DiscoverIE	3,436

Aegon Ethical Equity Fund

Comparative Tables

B Accumulation shares	2024	2023	2022
	(p/share)	(p/share)	(p/share)
Change in net assets per share			
Opening net asset value per share	238.70	241.23	286.62
Return before operating charges*	51.44	(0.75)	(43.34)
Operating charges	(1.95)	(1.78)	(2.05)
Return after operating charges*	49.49	(2.53)	(45.39)
Distributions	(6.07)	(5.33)	(3.75)
Retained distributions on accumulation shares	6.07	5.33	3.75
Closing net asset value per share	288.19	238.70	241.23
 *after direct transaction costs of	 0.21	 0.14	 0.21
Performance			
Return after charges	20.73%	(1.05)%	(15.84)%
Other information			
Closing net asset value (£'000)	460,121	429,275	493,035
Closing number of shares	159,656,383	179,836,927	204,382,102
Operating charges	0.77%	0.77%	0.77%
Direct transaction costs	0.08%	0.06%	0.08%
Prices			
Highest share price	288.34	249.80	305.26
Lowest share price	214.77	204.61	216.80

B Income shares	2024	2023	2022
	(p/share)	(p/share)	(p/share)
Change in net assets per share			
Opening net asset value per share	154.82	160.04	193.16
Return before operating charges*	33.37	(0.51)	(29.20)
Operating charges	(1.26)	(1.18)	(1.39)
Return after operating charges*	32.11	(1.69)	(30.59)
Distributions	(3.94)	(3.53)	(2.53)
Retained distributions on accumulation shares	-	-	-
Closing net asset value per share	182.99	154.82	160.04
 *after direct transaction costs of	 0.14	 0.09	 0.15
Performance			
Return after charges	20.74%	(1.06)%	(15.84)%
Other information			
Closing net asset value (£'000)	33,274	30,826	38,518
Closing number of shares	18,183,411	19,910,439	24,068,356
Operating charges	0.77%	0.77%	0.77%
Direct transaction costs	0.08%	0.06%	0.08%
Prices			
Highest share price	187.02	165.72	205.72
Lowest share price	139.30	135.74	146.11

Highest and Lowest share prices are based on official published daily NAVs priced at 12 noon on the last business day of the year. The closing net asset value per share is at close of business.

Aegon Ethical Equity Fund

Comparative Tables

S Accumulation shares**		2024
		(p/share)
Change in net assets per share		
Opening net asset value per share on launch		100.00
Return before operating charges*		939.13
Operating charges		(0.03)
Return after operating charges*		939.10
Distributions		(0.98)
Retained distributions on accumulation shares		0.98
Closing net asset value per share		1,039.10
*after direct transaction costs of		0.05
Performance		
Return after charges		939.10%
Other information		
Closing net asset value (£'000)		5
Closing number of shares		500
Operating charges		0.52%
Direct transaction costs		0.08%
Prices		
Highest share price		1,040.60
Lowest share price		997.53

**Share class launched on 10 July 2024.

Highest and Lowest share prices are based on official published daily NAVs priced at 12 noon on the last business day of the year. The closing net asset value per share is at close of business.

Aegon Ethical Equity Fund

Portfolio Statement

The sub-fund's investments as at 31 July 2024

Holding	Investment	Market valuation £'000	Total net assets %
Equities 99.64% (31 July 2023 98.77%)			
Basic Materials 0.44% (31 July 2023 1.11%)			
197,663	Victrex	2,170	0.44
		2,170	0.44
Consumer Discretionary 19.21% (31 July 2023 20.81%)			
54,749	4imprint	3,340	0.68
402,637	Bellway	11,531	2.34
827,000	Dunelm	10,189	2.06
1,288,200	Howden Joinery	12,109	2.45
1,593,207	Informa	13,845	2.81
663,485	RELX	24,363	4.94
940,000	Trainline	3,200	0.65
1,382,193	Watches of Switzerland	5,620	1.14
363,000	Whitbread	10,560	2.14
		94,757	19.21
Financials 23.45% (31 July 2023 23.79%)			
661,539	Conduit	3,453	0.70
1,177,362	Foresight	6,122	1.24
184,304	Hargreaves Lansdown	2,036	0.41
412,063	Intermediate Capital	9,041	1.83
1,439,452	JTC	15,114	3.06
4,880,838	Just	5,886	1.19
4,671,142	Legal & General	10,818	2.19
195,200	London Stock Exchange	18,482	3.75
5,175,377	NatWest	19,046	3.86
1,317,139	Paragon Banking	10,583	2.15
1,306,371	Phoenix	7,139	1.45
1,143,509	Prudential	7,993	1.62
		115,713	23.45
Health Care 2.05% (31 July 2023 1.71%)			
392,435	Craneware	8,987	1.82
946,517	Oxford Nanopore Technologies	1,142	0.23
		10,129	2.05
Industrials 28.18% (31 July 2023 25.20%)			
196,667	Ashtead	11,013	2.23
107,825	Clarkson	4,884	0.99
380,043	Diploma	16,897	3.42
2,142,468	DS Smith	9,740	1.97
441,300	Experian	16,200	3.28
1,282,543	FDM	5,451	1.10
46,576	Ferguson	8,025	1.63
2,274,964	Genuit	11,625	2.36
240,789	Grafton	2,600	0.53
1,239,577	Marshalls	4,308	0.87
541,356	Oxford Instruments	13,561	2.75
1,731,190	PageGroup	7,382	1.50
777,293	Robert Walters	2,860	0.58
690,000	RS Group	5,641	1.14
126,000	Spectris	3,825	0.78
710,400	TMO Renewables*	-	-
2,754,000	Volution	15,037	3.05
		139,049	28.18

Aegon Ethical Equity Fund

Portfolio Statement (continued)

Holding	Investment	Market valuation £'000	Total net assets %
	Real Estate 6.14% (31 July 2023 6.25%)		
317,606	Derwent London REIT**	7,292	1.48
3,190,000	Grainger	7,672	1.55
2,228,113	Londonmetric Property REIT**	4,483	0.91
1,138,910	Unite REIT**	10,848	2.20
		30,295	6.14
	Technology 12.04% (31 July 2023 11.70%)		
1,037,184	Auto Trader	8,457	1.71
3,218,270	Baltic Classifieds	8,705	1.76
948,000	Bytes Technology	4,811	0.98
2,575,463	GB Group	8,963	1.82
405,000	Kainos	4,439	0.90
955,000	Sage	10,367	2.10
361,165	Softcat	5,869	1.19
3,744,376	Trustpilot	7,788	1.58
		59,399	12.04
	Telecommunications 1.62% (31 July 2023 2.22%)		
539,011	Gamma Communications	7,999	1.62
		7,999	1.62
	Utilities 6.51% (31 July 2023 5.98%)		
1,414,356	National Grid	13,943	2.83
967,359	SSE	18,186	3.68
		32,129	6.51
	Portfolio of investments	491,640	99.64
	Net other assets	1,760	0.36
	Total net assets attributable to shareholders	493,400	100.00

The comparative percentage figures in brackets are at 31 July 2023.

All investments are approved securities being either officially listed in a member state or traded on or under the rules of an eligible securities market, unless otherwise stated.

As all holdings are equity shares there is no analysis of the portfolio by asset class.

*Unlisted, suspended, delisted or defaulted securities classified as Level 3 (see Fair Value Disclosure table on page 181).

**Real Estate Investment Trust.

Aegon Ethical Equity Fund

Statement of Total Return for the year ended 31 July 2024

			2024		2023
	Note	£'000	£'000	£'000	£'000
Income					
Net capital gains/(losses)	2		75,800		(18,003)
Revenue	3	14,418		14,738	
Expenses	4	(3,510)		(3,715)	
Interest payable and similar charges		(3)		(1)	
Net revenue before taxation		10,905		11,022	
Taxation	5	-		-	
Net revenue after taxation			10,905		11,022
Total return before distributions			86,705		(6,981)
Distributions	6		(10,905)		(11,022)
Change in net assets attributable to shareholders from investment activities			75,800		(18,003)

Statement of Change in Net Assets Attributable to Shareholders for the year ended 31 July 2024

		2024		2023
	£'000	£'000	£'000	£'000
Opening net assets attributable to shareholders		460,101		531,553
Amounts receivable on issue of shares	51,100		42,384	
Amounts payable on cancellation of shares	(103,288)		(105,427)	
		(52,188)		(63,043)
Dilution adjustment		-		12
Change in net assets attributable to shareholders from investment activities		75,800		(18,003)
Retained distributions on accumulation shares		9,687		9,582
Closing net assets attributable to shareholders		493,400		460,101

Aegon Ethical Equity Fund

Balance Sheet as at 31 July 2024

			2024		2023
	Note	£'000	£'000	£'000	£'000
Assets					
Fixed assets:					
Investments			491,640		454,439
Current assets:					
Debtors	7	1,694		1,950	
Cash and bank balances	8	<u>2,310</u>		<u>8,205</u>	
			<u>4,004</u>		<u>10,155</u>
Total assets			495,644		464,594
Liabilities					
Creditors					
Distributions payable		716		704	
Other creditors	9	<u>1,528</u>		<u>3,789</u>	
Total liabilities			<u>2,244</u>		<u>4,493</u>
Net assets attributable to shareholders			493,400		460,101

Aegon Ethical Equity Fund

Notes to the Financial Statements

1 Accounting policies

The sub-fund's financial statements have been prepared on the basis disclosed on pages 12 to 14.

2 Net capital gains/(losses)

Net capital gains/(losses) comprise:

	2024	2023
	£'000	£'000
Gains/(losses) on non-derivative securities	75,806	(17,997)
Currency exchange losses	(4)	(5)
Transaction charges	(2)	(1)
Net capital gains/(losses)	75,800	(18,003)

3 Revenue

	2024	2023
	£'000	£'000
UK dividends	12,951	12,759
Non-taxable overseas dividends	484	739
Property income from REITs	841	791
Bank interest	142	449
Total revenue	14,418	14,738

4 Expenses*

	2024	2023
	£'000	£'000
Payable to the ACD, associates of the ACD and agents of either of them:		
ACD's periodic charge	3,398	3,614
Payable to the Depositary, associates of the Depositary and agents of either of them:		
Depositary fee	66	68
Other expenses:		
Audit fee**	12	11
FT publishing fee	3	3
PRIIPs fees	4	3
Registrar's fee	13	4
Safe custody charge	14	12
	46	33
Total expenses	3,510	3,715

*All expenditure stated above is inclusive of irrecoverable VAT where applicable.

**The audit fee (excluding VAT) incurred during the year was £9,950 (2023: £9,732).

5 Taxation

a) Analysis of charge in the year

	2024	2023
	£'000	£'000
Current tax:		
Overseas tax suffered	-	-
Total tax charge for the year (see note 5 (b))	-	-

Aegon Ethical Equity Fund

Notes to the Financial Statements (continued)

5 Taxation (continued)

b) Factors affecting tax charge for the year

The tax assessed for the year is lower than (2023: lower than) the standard rate of corporation tax for Open Ended Investment Companies 'OEICs' (20%).

The differences are explained below:

	2024	2023
	£'000	£'000
Net revenue before taxation	10,905	11,022
Corporation tax 20% (2023: 20%)	2,181	2,204
Effects of:		
Movement in excess expenses	505	494
Revenue not subject to taxation	(2,686)	(2,698)
Total tax charge for the year (see note 5 (a))	-	-

c) Factors that may affect future tax charges

After claiming relief against accrued revenue taxable on receipt, the sub-fund has unrelieved excess expenses of £65,758,000 (2023: £63,234,000). It is unlikely that the sub-fund will generate sufficient taxable profits in the future to utilise these expenses and therefore a deferred tax asset of £13,152,000 (2023: £12,647,000) has not been recognised.

6 Distributions

The distributions take account of amounts receivable on the issue of shares and amounts deductible on the cancellation of shares, and comprise:

	2024	2023
	£'000	£'000
Final distribution	10,403	10,286
	10,403	10,286
Add: amounts deductible on cancellation of shares	1,160	1,161
Less: amounts receivable on creation of shares	(658)	(425)
Distributions	10,905	11,022

Details of the distributions are set out in the tables on page 182.

7 Debtors

	2024	2023
	£'000	£'000
Accrued revenue	940	1,543
Amounts receivable for the issue of shares	523	407
Sales awaiting settlement	231	-
Debtors	1,694	1,950

8 Cash and bank balances

	2024	2023
	£'000	£'000
Cash and bank balances	50	15
Money market deposits	2,260	8,190
Cash and bank balances	2,310	8,205

9 Other creditors

	2024	2023
	£'000	£'000
Accrued ACD periodic charge	594	578
Accrued other expenses	46	26
Amounts payable for cancellation of shares	888	3,185
Other creditors	1,528	3,789

Aegon Ethical Equity Fund

Notes to the Financial Statements (continued)

10 Related parties

Related party interests in the sub-fund are disclosed in Note 6 of the Accounting Policies on page 17. Amounts due to the ACD as at year end for the ACD periodic charge and amounts due to the ACD for outstanding cancellations are disclosed in Note 9. Amounts receivable from the ACD as at year end for outstanding issue of shares are disclosed in Note 7. At the year-end 15.84% (2023: 15.21%) of the shares in issue were owned by AEGON Group or AEGON UK companies.

11 Contingent assets, liabilities and commitments

There were no contingent assets, liabilities or commitments present in the sub-fund as at 31 July 2024 (2023: £Nil).

12 Financial instruments and risk

The risks associated with the sub-fund are market, concentration, valuation, yield, liquidity, counterparty, and interest rate risk. Narrative disclosures are on pages 15 to 17.

VaR Disclosure

The sub-fund uses the Commitments Approach Method and, although Aegon Asset Management compute VaR for this sub-fund, it is not monitored against any limit (2023: same). As at the balance sheet date, the sub-fund's value at risk is 10.86% (2023: 7.97%).

The following table details the lowest, highest and average utilisation of the absolute VaR limit:

	Lowest Utilisation (%)	Highest Utilisation (%)	Average Utilisation (%)
31 July 2024	10.56	14.07	12.28
31 July 2023	7.67	8.54	8.12

Leverage

As the sub-fund has not traded in derivatives throughout the year there is no significant exposure to leverage.

Counterparty risk

As the sub-fund has not traded in derivatives throughout the year there is no significant counterparty risk.

13 Portfolio transaction costs

Purchases

	Value £'000	Commissions £'000	%	Other Costs* £'000	%
31 July 2024					
Equities	55,793	41	0.07	270	0.48
Corporate actions	2,060	-	-	-	-
Total	57,853	41		270	
Total purchases including transaction costs	58,164				
31 July 2023					
Equities	61,927	47	0.08	181	0.29
Total	61,927	47		181	
Total purchases including transaction costs	62,155				

Sales

	Value £'000	Commissions £'000	%	Other Costs* £'000	%
31 July 2024					
Equities	96,841	(72)	0.07	-	-
Total	96,841	(72)		-	
Total sales net of transaction costs	96,769				
31 July 2023					
Equities	80,295	(64)	0.08	-	-
Corporate actions	18,338	-	-	-	-
Total	98,633	(64)		-	
Total sales net of transaction costs	98,569				

*Other Costs includes taxes and any other costs other than commissions incurred by the sub-fund when buying and selling an underlying investment.

Aegon Ethical Equity Fund

Notes to the Financial Statements (continued)

13 Portfolio transaction costs (continued)

Portfolio transaction costs are incurred by the sub-fund when buying and selling underlying investments. These vary depending on the class of investment, country of exchange and method of execution. These costs can be classified as either direct or indirect transaction costs:

- Direct transaction costs: Broker commissions, fees and taxes.
- Indirect transaction costs: 'Dealing spread' - the difference between the buying and selling prices of the sub-fund's underlying investments.

In order to protect existing investors from the effects of dilution, portfolio transaction costs incurred as a result of investors buying and selling shares in the sub-fund are recovered from those investors through a 'dilution adjustment' to the price they pay or receive.

At the balance sheet date, the portfolio dealing spread was 0.18% (2023: 0.14%), being the difference between the respective bid and offer prices for the sub-fund's investments.

14 Fair value hierarchy

The fair value hierarchy is intended to prioritise the inputs that are used to measure the fair value of assets and liabilities. The fair value hierarchy has the following levels:

Level 1 – Unadjusted quoted price in an active market for an identical instrument.

Level 2 – Valuation techniques using observable inputs other than quoted prices within level 1.

Level 3 – Valuation techniques using unobservable inputs.

Basis of valuation	2024		2023	
	Assets £'000	Liabilities £'000	Assets £'000	Liabilities £'000
1 - Unadjusted quoted prices	491,460	-	454,439	-
2 - Observable market data	-	-	-	-
3 - Unobservable data*	-	-	-	-
	491,460	-	454,439	-

*Includes securities fair valued by the ACD. Level 3 assets held in the sub-fund have been identified on the Portfolio Statement.

15 Share classes

The sub-fund currently has two share classes; B (Institutional) and S (Institutional). The ACD's periodic charge on each share class is as follows:

B share class: 0.75%

S share class: 0.50%

The net asset value of each share class, the net asset value per share, and the number of shares in each class are given in the comparative tables on pages 171 and 172. The distribution per share class is given in the distribution tables on page 182. All share classes have the same rights on winding up.

Share class movement reconciliation

31 July 2024	Opening	Creations	Cancellations	Converted	Closing
B Accumulation	179,836,927	17,417,566	(37,563,856)	(34,254)	159,656,383
B Income	19,910,439	4,198,670	(5,978,511)	52,813	18,183,411
S Accumulation*	-	500	-	-	500

*Share class launched on 10 July 2024.

16 Post balance sheet events

The table below shows the net asset values per share as at the balance sheet date, compared against values as at 19 November 2024 and the percentage movement in that period:

Net assets per share

	31 July 2024	19 November 2024	% Movement
B Accumulation	288.19	280.04	(2.83)
B Income	182.99	177.81	(2.83)
S Accumulation	1,039.10	1,010.51	(2.75)

Aegon Ethical Equity Fund

Distribution Tables

Share Class B Accumulation

Period end	Pay date		Net Revenue	Equalisation*	Total Paid/Payable	2023 Total Paid
31/07/24	30/11/24	Group 1	6.0673	N/A	6.0673	5.3279
		Group 2	2.9582	3.1091		

Share Class B Income

Period end	Pay date		Net Revenue	Equalisation*	Total Paid/Payable	2023 Total Paid
31/07/24	30/11/24	Group 1	3.9353	N/A	3.9353	3.5346
		Group 2	1.1454	2.7899		

Share Class S Accumulation**

Period end	Pay date		Net Revenue	Equalisation*	Total Payable	2023 Total Paid
31/07/24	30/11/24	Group 1	0.9840	N/A	0.9840	-
		Group 2	0.9840	0.0000		

All distributions above are in pence per share unless specifically stated.

*Equalisation applies only to shares purchased during the distribution period (Group 2 shares). It is the average amount of revenue included in the purchase price of all Group 2 shares and is refunded to holders of these shares as a return of capital. Being a capital repayment, it is not liable to income tax but must be deducted from the cost of the shares for capital gains tax purposes.

**Share class launched on 10 July 2024.

Aegon Ethical Cautious Managed Fund

Fund objective

The investment objective is to provide a combination of income and capital growth over any 7 year period.

Investment policy

The sub-fund invests in a diversified portfolio of equities denominated in any currency; and corporate bonds denominated in sterling and issued anywhere in the world. The sub-fund operates an ethical screen which means that the sub-fund may not invest in particular industries and sectors. In all cases, the investments of the sub-fund will meet the sub-fund's predefined ethical criteria. Equities will be limited to a maximum of 60% of the sub-fund's value at all times. The sub-fund is actively managed and the portfolio may at any one time be allocated more towards equities or bonds depending on the ACD's view on the current market conditions.

Risk profile

The sub-fund is designed for retail and institutional investors seeking pooled exposure to a mixture of UK equities and sterling fixed income securities, while pursuing an ethical investment policy which excludes unethical activity. Investors in this sub-fund should be comfortable with a higher level of investment risk. In most cases, we expect the sub-fund to be held as part of a diversified portfolio which may include other assets such as bonds, equities, property and cash. While investors will normally be able to liquidate their holdings on a daily basis, unit prices will fluctuate and may fall significantly in value. Consequently, it is important to understand that the sub-fund should be viewed as a longer term investment.

The sub-fund is actively managed and exposed to a range of risks, which are listed and defined in the Aegon Asset Management UK ICVC Prospectus. The most material risks from this list also appear in our Key Investor Information documents (KIID) where they are summarised in an easy-to-read format. You can find both of these documents on our website at www.aegonam.com.

Performance*

The Aegon Ethical Cautious Managed Fund returned 15.75% compared to the peer group median return of 8.95%. The peer group is the Investment Association Mixed Investment 20-60% Shares sector.

Strategy review**

UK equities enjoyed good absolute returns, with the FTSE All-Share returning 13.54%, although this lagged broad global equity benchmarks. Both government and corporate bond markets also performed strongly over the period, with government bond yields moving sharply lower and corporate bonds tightening.

Macro factors continued to drive markets over the period, with investor sentiment closely tied to inflation and interest rate expectations. The Bank of England increased interest rates by 0.25% in August 2023 to 5.25%, as UK inflation, whilst trending downwards, remained higher than most other developed markets. This seemed to have the desired effect, as inflation fell sharply through the rest of the period, eventually reaching the bank's 2% target. It was in quarter four of 2023 that investors really started to gain confidence that rates had peaked and would likely start to retreat in 2024. This change in expectations sparked a sharp rally in UK equities, particularly small and mid-caps, which started to bounce back from previous weakness and outperformed their large-cap counterparts over the period.

This backdrop was supportive for both government and corporate bonds, with the latter benefiting not only from the lower funding costs it implied for companies but also from the increase in demand for the asset class.

Within the sub-fund's equity portfolio, both sector allocation and stock selection added value. Holding larger weightings in both technology and industrials was beneficial, whereas having a lack of exposure to energy, due to our ethical criteria, detracted. Given the strong sector performance and our prudent bottom-up stock selection within it, financials names took up a number of spots among the top positive contributors for the sub-fund including NatWest, JTC and Paragon Banking. Away from financials, industrials name Diploma, the specialist technical products distributor, was also a strong performer.

The portfolio was boosted by valuation re-ratings in several of its smaller-cap holdings, such as Trustpilot and Craneware. The smaller cap end of the market had been particularly pressured by the rate hiking cycle, so signs that rates would likely reverse prompted the start of a recovery for this area.

Watches of Switzerland was the main detractor over the period. Shares fell sharply on news that Rolex had made its first foray into the retail space by acquiring Bucherer, a Swiss retailer with outlets in the US, UK and Europe. This prompted concern in the market that Rolex would focus supply through its new subsidiary and the shares were then further impacted by a painful reset of expectations with January's trading update, at which management flagged a material weakening of demand and downgraded guidance for 2024. Despite the recent challenges, we retain exposure as we view luxury watches as an attractive product category over the medium term and see an opportunity for the company to gain further share in the growing and under-developed US market.

The sub-fund's fixed income portfolio benefited from both an active management of overall duration (a measure of interest rate risk) and from strong bottom-up stock selection. We began the period holding an aggregate long duration position, achieved primarily through an active use of the green gilt yield curve. This positioning was based on a belief that there was mounting evidence of a global economic slowdown, which would ultimately reduce the requirement for central banks to tighten by as much as interest rate markets were pricing for in early quarter 2023. There was then a rally in both government bonds and credit markets which the portfolio was well positioned to benefit from. The subsequent extent of the rally prompted us to reduce our duration and credit overweight positions going into December. This was achieved through selling down the sub-fund's holding in green gilts, and also by selling longer-dated housing association issues.

We reinstated a long duration position in April 2024 through purchase of long-dated green gilts based on the view that rate cuts in the UK were increasingly likely given the deterioration in the domestic economy. We then slightly reduced the headline duration towards the end of the period following a strong run for interest rate risk.

*Source: Lipper, % growth, income re-invested at pay date, NAV-NAV, GBP, net of Basic Rate Tax. Index returns are gross of Basic Rate Tax.

Investors are invited to compare the sub-fund's performance against the performance of other funds within the Investment Association All UK Companies Sector. Comparison of the sub-fund against this Sector will give investors an indication of how sub-fund Fund is performing compared with funds investing in a similar but not identical investment universe and comprising ethical and non-ethically screened funds, demonstrating the value of the sub-fund's ethical screen against non-ethically screened funds. This comparison should be performed over at least a 7 year period to provide the most useful long term comparison.

**General references to markets and indices are to be considered as general market commentary only and (i) are not to be considered as a comparison of sub-fund performance against a benchmark (unless otherwise disclosed as such); and (ii) the index or indices do not operate as a performance target and the sub-fund's portfolio is not constrained by the index or indices.

Aegon Ethical Cautious Managed Fund

Material portfolio changes

Top ten purchases	31 July 2024	Top ten sales	31 July 2024
	£'000		£'000
PageGroup	1,580	Ascential	2,608
RS Group	1,122	International Bank for Reconstruction & Development 1% 21/12/2029	2,386
Kainos	1,037	RELX	2,236
Pinewood Finco 6% 27/03/2030	1,000	Grafton	1,884
Marshalls	867	Land Securities Capital Markets 1.974% 08/02/2024	1,800
Spectris	840	Smart Metering Systems	1,780
Pension Insurance 8% 13/11/2033	798	Lloyds Banking 2.25% 16/10/2024	1,676
South West Water Finance 6.375% 05/08/2041	699	Diploma	1,634
John Deere Bank 5.125% 18/10/2028	697	London Stock Exchange	1,587
Trainline	676	KFW 6% 07/12/2028	1,358

Aegon Ethical Cautious Managed Fund

Comparative Tables

B Accumulation shares	2024	2023	2022
	(p/share)	(p/share)	(p/share)
Change in net assets per share			
Opening net asset value per share	134.58	139.75	161.94
Return before operating charges*	22.14	(4.15)	(21.01)
Operating charges	(1.11)	(1.02)	(1.18)
Return after operating charges*	21.03	(5.17)	(22.19)
Distributions	(3.59)	(3.07)	(2.42)
Retained distributions on accumulation shares	3.59	3.07	2.42
Closing net asset value per share	155.61	134.58	139.75
 *after direct transaction costs of	 0.05	 0.04	 0.05
Performance			
Return after charges	15.63%	(3.70)%	(13.70)%
Other information			
Closing net asset value (£'000)	194,349	207,427	271,626
Closing number of shares	124,896,417	154,126,707	194,361,186
Operating charges	0.78%	0.77%	0.78%
Direct transaction costs	0.03%	0.03%	0.04%
Prices			
Highest share price	155.75	140.76	168.03
Lowest share price	126.72	119.13	130.01

B Income shares	2024	2023	2022
	(p/share)	(p/share)	(p/share)
Change in net assets per share			
Opening net asset value per share	110.62	117.55	138.46
Return before operating charges*	17.92	(3.52)	(17.84)
Operating charges	(0.90)	(0.85)	(1.01)
Return after operating charges*	17.02	(4.37)	(18.85)
Distributions	(2.92)	(2.56)	(2.06)
Retained distributions on accumulation shares	-	-	-
Closing net asset value per share	124.72	110.62	117.55
 *after direct transaction costs of	 0.04	 0.03	 0.05
Performance			
Return after charges	15.39%	(3.72)%	(13.61)%
Other information			
Closing net asset value (£'000)	20,897	22,445	40,278
Closing number of shares	16,754,307	20,289,694	34,264,168
Operating charges	0.78%	0.77%	0.78%
Direct transaction costs	0.03%	0.03%	0.04%
Prices			
Highest share price	125.63	117.98	143.67
Lowest share price	104.16	100.21	109.78

Highest and Lowest share prices are based on official published daily NAVs priced at 12 noon on the last business day of the year. The closing net asset value per share is at close of business.

Aegon Ethical Cautious Managed Fund

Portfolio Statement

The sub-fund's investments as at 31 July 2024

Holding	Investment	Market valuation £'000	Total net assets %
Sterling Denominated Bonds 42.54% (31 July 2023 44.12%)			
Asset Backed Security 3.49% (31 July 2023 3.39%)			
1,700,000	Arqiva Financing 4.882% 31/12/2032	942	0.44
1,350,000	Greater Gabbard 4.137% 29/11/2032	812	0.38
1,500,000	High Speed Rail Finance No.1 4.375% 01/11/2038	1,403	0.65
1,800,000	London & Quadrant Housing Trust 7.93% 10/02/2033	1,461	0.68
500,000	TC Dudgeon Ofco 3.158% 12/11/2038	370	0.17
1,500,000	Telereal Secured Finance 4.01% 10/12/2031	710	0.33
800,000	Telereal Securitisation 4.9741% 10/09/2027	253	0.12
160,000	Telereal Securitisation 6.1645% 10/12/2031	128	0.06
700,000	Trafford Centre Finance 6.5% 28/07/2033	428	0.20
720,000	Trafford Centre Finance 7.03% 28/01/2029	197	0.09
1,300,000	Wods Transmission 3.446% 24/08/2034	803	0.37
		7,507	3.49
Corporate Bonds 39.05% (31 July 2023 40.73%)			
1,100,000	ABP Finance 6.25% 14/12/2026	1,134	0.53
800,000	Anchor Hanover 2% 21/07/2051	422	0.20
1,500,000	Anglian Water Osprey Financing 2% 31/07/2028	1,203	0.56
700,000	APA Infrastructure 3.5% 22/03/2030	641	0.30
1,600,000	Assura Financing 1.5% 15/09/2030	1,305	0.61
1,200,000	Aster Treasury 1.405% 27/01/2036	840	0.39
1,000,000	Bazalgette Finance 2.375% 29/11/2027	914	0.42
700,000	Beyond Housing 2.125% 17/05/2051	387	0.18
600,000	Blend Funding 3.459% 21/09/2047	448	0.21
1,700,000	BPCE 5.25% 16/04/2029	1,681	0.78
488,000	British Land REIT 5.357% 31/03/2028	486	0.23
1,400,000	British Telecommunications 5.75% 13/02/2041	1,417	0.66
1,200,000	Cadent Finance 2.625% 22/09/2038	851	0.40
1,500,000	CaixaBank 1.5% 03/12/2026	1,424	0.66
900,000	Clarion Funding 1.875% 22/01/2035	664	0.31
800,000	Close Brothers Finance 2.75% 19/10/2026	754	0.35
900,000	Cooperatieve Rabobank 5.25% 14/09/2027	902	0.42
900,000	Coventry Building Society 2% 20/12/2030	744	0.35
200,000	Coventry Building Society 8.75% Perpetual	203	0.09
800,000	CPUK Finance 6.5% 28/08/2026	792	0.37
1,300,000	Derwent London REIT 1.875% 17/11/2031	1,044	0.49
3,600,000	Deutsche Bahn Finance 3.125% 24/07/2026	3,508	1.63
656,000	Deutsche Telekom International Finance 7.625% 15/06/2030	757	0.35
300,000	Direct Line Insurance 4% 05/06/2032	253	0.12
1,400,000	DWR Cymru Financing UK 1.625% 31/03/2026	1,317	0.61
800,000	Electricity North West 8.875% 25/03/2026	850	0.40
2,000,000	EMH Treasury 4.5% 29/01/2044	1,805	0.84
100,000	Esure 6.75% 19/12/2024	99	0.05
500,000	Fiserv 3% 01/07/2031	442	0.21
1,200,000	Freshwater Finance 4.607% 17/10/2036	1,046	0.49
1,800,000	Hammerson 3.5% 27/10/2025	1,754	0.81
2,000,000	ING Groep 1.125% 07/12/2028	1,783	0.83
1,100,000	ING Groep 6.25% 20/05/2033	1,124	0.52
3,500,000	International Bank for Reconstruction & Development 1% 21/12/2029	2,996	1.39
1,650,000	Intesa Sanpaolo 6.5% 14/03/2029	1,703	0.79
700,000	John Deere Bank 5.125% 18/10/2028	718	0.33
1,100,000	KBC 1.25% 21/09/2027	1,017	0.47
3,500,000	KFW 5% 09/06/2036	3,736	1.74
1,400,000	Land Securities Capital Markets 4.875% 15/09/2032	1,415	0.66
1,000,000	Legal & General 5.5% 27/06/2064	963	0.45
1,300,000	Liberty Living Finance 3.375% 28/11/2029	1,190	0.55

Aegon Ethical Cautious Managed Fund

Portfolio Statement (continued)

Holding	Investment	Market valuation £'000	Total net assets %
Corporate Bonds (continued)			
1,000,000	Lloyds Banking 8.5% Perpetual	1,033	0.48
812,000	Lunar Funding I 5.75% 18/10/2033	841	0.39
300,000	M&G 5.56% 20/07/2055	277	0.13
700,000	M&G 5.625% 20/10/2051	676	0.31
500,000	M&G 6.34% 19/12/2063	483	0.22
900,000	Martlet Homes 3% 09/05/2052	604	0.28
1,500,000	Metropolitan Housing Trust 1.875% 28/07/2036	1,057	0.49
700,000	Motability Operations 3.625% 10/03/2036	616	0.29
1,000,000	National Gas Transmission 1.375% 07/02/2031	791	0.37
1,100,000	Nationwide Building Society 6.178% 07/12/2027	1,127	0.52
800,000	NatWest 2.057% 09/11/2028	732	0.34
1,400,000	NatWest 2.875% 19/09/2026	1,362	0.63
600,000	NatWest 5.125% Perpetual	562	0.26
1,600,000	Nordea Bank 1.625% 09/12/2032	1,422	0.66
700,000	Northern Powergrid Northeast 1.875% 16/06/2062	334	0.16
400,000	Northern Powergrid Yorkshire 4.375% 05/07/2032	385	0.18
600,000	Northumbrian Water Finance 4.5% 14/02/2031	561	0.26
800,000	Omnicom Capital 2.25% 22/11/2033	631	0.29
700,000	Orsted 4.875% 12/01/2032	695	0.32
1,000,000	Orsted 5.75% 09/04/2040	1,023	0.48
1,400,000	Pacific Life Global Funding II 5% 12/01/2028	1,418	0.66
1,000,000	Paradigm Homes Charitable Housing Association 2.25% 20/05/2051	568	0.26
1,500,000	Paragon Treasury 2% 07/05/2036	1,063	0.49
800,000	Pension Insurance 8% 13/11/2033	869	0.40
1,000,000	Pinewood Finco 6% 27/03/2030	993	0.46
500,000	Places for People Homes 2.5% 26/01/2036	374	0.17
800,000	Places for People Homes 3.625% 22/11/2028	757	0.35
600,000	Prologis International Funding II 2.75% 22/02/2032	514	0.24
1,068,000	RAC 4.87% 06/05/2026	1,056	0.49
1,000,000	Santander UK 3.625% 14/01/2026	984	0.46
800,000	Scottish Hydro Electric Transmission 2.25% 27/09/2035	612	0.28
300,000	Severn Trent Utilities Finance 2.625% 22/02/2033	243	0.11
900,000	Severn Trent Utilities Finance 3.625% 16/01/2026	879	0.41
1,100,000	South Eastern Power Networks 1.75% 30/09/2034	821	0.38
700,000	South West Water Finance 6.375% 05/08/2041	711	0.33
2,000,000	Stagecoach 4% 29/09/2025	1,955	0.91
1,000,000	THFC Funding No.3 5.2% 11/10/2043	989	0.46
600,000	UNITE USAF II 3.921% 30/06/2025	591	0.27
1,100,000	United Utilities Water Finance 0.875% 28/10/2029	896	0.42
600,000	Vodafone 5.125% 02/12/2052	546	0.25
500,000	Wales & West Utilities Finance 3% 03/08/2038	383	0.18
600,000	Whitbread 3% 31/05/2031	523	0.24
1,600,000	Yorkshire Building Society 1.5% 15/09/2029	1,387	0.64
2,100,000	Yorkshire Building Society 3.5% 21/04/2026	2,054	0.95
1,400,000	Yorkshire Water Finance 2.75% 18/04/2041	925	0.43
		84,055	39.05
Equities 56.48% (31 July 2023 53.29%)			
Basic Materials 0.24% (31 July 2023 0.63%)			
47,618	Victrex	523	0.24
		523	0.24
Consumer Discretionary 11.01% (31 July 2023 11.32%)			
14,225	4imprint	868	0.40
103,683	Bellway	2,969	1.38
245,414	Dunelm	3,024	1.41
282,681	Howden Joinery	2,657	1.23
370,972	Informa	3,224	1.50

Aegon Ethical Cautious Managed Fund

Portfolio Statement (continued)

Holding	Investment	Market valuation £'000	Total net assets %
Consumer Discretionary (continued)			
163,615	RELX	6,008	2.79
206,000	Trainline	701	0.33
393,017	Watches of Switzerland	1,598	0.74
91,246	Whitbread	2,654	1.23
		23,703	11.01
Financials 13.66% (31 July 2023 13.32%)			
158,184	Conduit	826	0.38
276,496	Foresight	1,438	0.67
63,927	Hargreaves Lansdown	706	0.33
103,164	Intermediate Capital	2,263	1.05
361,754	JTC	3,798	1.76
1,172,023	Just	1,413	0.66
1,061,503	Legal & General	2,458	1.14
47,908	London Stock Exchange	4,536	2.11
1,237,115	NatWest	4,553	2.12
340,532	Paragon Banking	2,736	1.27
327,670	Phoenix	1,791	0.83
274,115	Prudential	1,916	0.89
138,378	Tatton Asset Management	958	0.45
		29,392	13.66
Health Care 1.19% (31 July 2023 0.91%)			
96,014	Craneware	2,199	1.02
298,375	Oxford Nanopore Technologies	360	0.17
		2,559	1.19
Industrials 15.38% (31 July 2023 13.02%)			
48,399	Ashtead	2,710	1.26
26,194	Clarkson	1,187	0.55
89,579	Diploma	3,983	1.85
461,218	DS Smith	2,097	0.97
111,711	Experian	4,101	1.91
262,972	FDM	1,118	0.52
11,273	Ferguson	1,942	0.90
586,932	Genuit	2,999	1.39
57,317	Grafton	619	0.29
253,000	Marshalls	879	0.41
133,962	Oxford Instruments	3,356	1.56
360,000	PageGroup	1,535	0.71
209,109	Robert Walters	769	0.36
147,000	RS Group	1,202	0.56
29,000	Spectris	880	0.41
22,000	TMO Renewables* **	-	-
682,646	Volusion	3,727	1.73
		33,104	15.38
Real Estate 3.67% (31 July 2023 3.45%)			
81,474	Derwent London REIT***	1,871	0.87
818,047	Grainger	1,967	0.92
549,418	Londonmetric Property REIT***	1,106	0.51
309,750	Unite REIT***	2,950	1.37
		7,894	3.67
Technology 6.57% (31 July 2023 6.30%)			
243,660	Auto Trader	1,987	0.92
767,528	Baltic Classifieds	2,076	0.96
214,000	Bytes Technology	1,086	0.51
595,238	GB Group	2,071	0.96

Aegon Ethical Cautious Managed Fund

Portfolio Statement (continued)

Holding	Investment	Market valuation £'000	Total net assets %
	Technology (continued)		
90,000	Kainos	986	0.46
227,488	Sage	2,469	1.15
103,362	Softcat	1,680	0.78
858,908	Trustpilot	1,787	0.83
		14,142	6.57
	Telecommunications 0.94% (31 July 2023 1.31%)		
137,076	Gamma Communications	2,034	0.94
		2,034	0.94
	Utilities 3.82% (31 July 2023 3.03%)		
344,204	National Grid	3,393	1.58
257,146	SSE	4,835	2.24
		8,228	3.82
	Portfolio of investments	213,141	99.02
	Net other assets	2,105	0.98
	Total net assets attributable to shareholders	215,246	100.00

Analysis of investments by asset class

	Market value £'000	Value of investments %
Equities	121,579	56.48
Bonds	91,562	42.54
Portfolio of investments	213,141	99.02
Net other assets	2,105	0.98
Total net assets attributable to shareholders	215,246	100.00

The comparative percentage figures in brackets are at 31 July 2023.

All investments are approved securities being either officially listed in a member state or traded on or under the rules of an eligible securities market, unless otherwise stated.

*Unlisted, suspended, delisted or defaulted securities.

**This security has been classified as Level 3 (See Fair Value Disclosure table on page 195).

***Real Estate Investment Trust.

Aegon Ethical Cautious Managed Fund

Statement of Total Return for the year ended 31 July 2024

			2024		2023
	Note	£'000	£'000	£'000	£'000
Income					
Net capital gains/(losses)	2		25,251		(18,675)
Revenue	3	7,652		8,626	
Expenses	4	(1,692)		(2,045)	
Interest payable and similar charges		(1)		-	
Net revenue before taxation		5,959		6,581	
Taxation	5	(486)		(473)	
Net revenue after taxation			5,473		6,108
Total return before distributions			30,724		(12,567)
Distributions	6		(5,473)		(6,108)
Change in net assets attributable to shareholders from investment activities			25,251		(18,675)

Statement of Change in Net Assets Attributable to Shareholders for the year ended 31 July 2024

		2024		2023
	£'000	£'000	£'000	£'000
Opening net assets attributable to shareholders		229,872		311,904
Amounts receivable on issue of shares	12,704		18,754	
Amounts payable on cancellation of shares	(57,497)		(87,458)	
		(44,793)		(68,704)
Dilution adjustment		112		192
Change in net assets attributable to shareholders from investment activities		25,251		(18,675)
Retained distributions on accumulation shares		4,804		5,155
Closing net assets attributable to shareholders		215,246		229,872

Aegon Ethical Cautious Managed Fund

Balance Sheet as at 31 July 2024

			2024		2023
	Note	£'000	£'000	£'000	£'000
Assets					
Fixed assets:					
Investments			213,141		223,928
Current assets:					
Debtors	7	1,659		1,909	
Cash and bank balances	8	<u>2,051</u>		<u>5,336</u>	
			<u>3,710</u>		<u>7,245</u>
Total assets			216,851		231,173
Liabilities					
Creditors					
Distributions payable		134		131	
Other creditors	9	<u>1,471</u>		<u>1,170</u>	
Total liabilities			<u>1,605</u>		<u>1,301</u>
Net assets attributable to shareholders			215,246		229,872

Aegon Ethical Cautious Managed Fund

Notes to the Financial Statements

1 Accounting policies

The sub-fund's financial statements have been prepared on the basis disclosed on pages 12 to 14.

2 Net capital gains/(losses)

Net capital gains/(losses) comprise:

	2024	2023
	£'000	£'000
Gains/(losses) on non-derivative securities	25,253	(18,672)
Currency exchange losses	(1)	(2)
Transaction charges	(1)	(1)
Net capital gains/(losses)	25,251	(18,675)

3 Revenue

	2024	2023
	£'000	£'000
UK dividends	3,395	3,999
Property income from REITs	222	269
Overseas dividends	134	220
Interest on debt securities	3,790	3,877
Bank interest	111	261
Total revenue	7,652	8,626

4 Expenses*

	2024	2023
	£'000	£'000
Payable to the ACD, associates of the ACD and agents of either of them:		
ACD's periodic charge	1,619	1,992
Payable to the Depositary, associates of the Depositary and agents of either of them:		
Depositary fee	31	36
Other expenses:		
Audit fee**	14	12
FT publishing fee	3	3
PRIPs fees	3	3
Registrar's fee	13	(10)
Safe custody charge	9	9
	42	17
Total expenses	1,692	2,045

*All expenditure stated above is inclusive of irrecoverable VAT where applicable.

**The audit fee (excluding VAT) incurred during the year was £11,400 (2023: £11,132).

5 Taxation

a) Analysis of charge in the year

	2024	2023
	£'000	£'000
Current tax:		
UK corporation tax on profits in the year	486	473
Total tax charge for the year (see note 5 (b))	486	473

Aegon Ethical Cautious Managed Fund

Notes to the Financial Statements (continued)

5 Taxation (continued)

b) Factors affecting tax charge for the year

The tax assessed for the year is lower than (2023: lower than) the standard rate of corporation tax for Open Ended Investment Companies 'OEICs' (20%).

The differences are explained below:

	2024	2023
	£'000	£'000
Net revenue before taxation	5,959	6,581
Corporation tax 20% (2023: 20%)	1,192	1,316
Effects of:		
Revenue not subject to taxation	(706)	(843)
Total tax charge for the year (see note 5 (a))	486	473

Open Ended Investment Companies are exempt from tax on capital gains. Therefore, any capital return is not included in the above reconciliations.

6 Distributions

The distributions take account of amounts receivable on the issue of shares and amounts deductible on the cancellation of shares, and comprise:

	2024	2023
	£'000	£'000
Interim distributions	3,955	4,567
Final distribution	1,372	1,336
	5,327	5,903
Add: amounts deductible on cancellation of shares	188	248
Less: amounts receivable on creation of shares	(42)	(43)
Distributions	5,473	6,108

Details of the distributions are set out in the tables on page 197.

7 Debtors

	2024	2023
	£'000	£'000
Accrued revenue	1,508	1,856
Amounts receivable for the issue of shares	69	46
Corporation tax recoverable	36	7
Sales awaiting settlement	46	-
Debtors	1,659	1,909

8 Cash and bank balances

	2024	2023
	£'000	£'000
Cash and bank balances	2,051	5,336
Cash and bank balances	2,051	5,336

9 Other creditors

	2024	2023
	£'000	£'000
Accrued ACD periodic charge	265	301
Accrued other expenses	42	26
Amounts payable for cancellation of shares	465	843
Purchases awaiting settlement	699	-
Other creditors	1,471	1,170

10 Related parties

Related party interests in the sub-fund are disclosed in Note 6 of the Accounting Policies on page 17. Amounts due to the ACD as at year end for the ACD periodic charge and amounts due to the ACD for outstanding cancellations are disclosed in Note 9. Amounts receivable from the ACD as at year end for outstanding issue of shares are disclosed in Note 7. At the year-end 0.00% (2023: 0.00%) of the shares in issue were owned by AEGON Group or AEGON UK companies.

Aegon Ethical Cautious Managed Fund

Notes to the Financial Statements (continued)

11 Contingent assets, liabilities and commitments

There were no contingent assets, liabilities or commitments present in the sub-fund as at 31 July 2024 (2023: £Nil).

12 Financial instruments and risk

The risks associated with the sub-fund are market, concentration, valuation, yield, liquidity, counterparty, and interest rate risk. Narrative disclosures are on pages 15 to 17.

Analysis of investments by credit ratings

	2024		2023	
	Market value £'000	Value of investments %	Market value £'000	Value of investments %
Investment grade	81,942	38.06	94,928	41.31
Below investment grade	3,380	1.57	2,227	0.96
Unrated	6,240	2.91	4,259	1.85
Other investments and derivatives	121,579	56.48	122,514	53.29
Portfolio of investments	213,141	99.02	223,928	97.41
Net other assets	2,105	0.98	5,944	2.59
Total net assets attributable to shareholders	215,246	100.00	229,872	100.00

Note - Investment grade securities are defined as securities with a Standard & Poor's, Moody's or Fitch's rating of BBB-, Baa3 and BBB- or above respectively.

VaR Disclosure

The sub-fund uses the Commitments Approach Method and, although Aegon Asset Management compute VaR for this sub-fund, it is not monitored against any limit (2023: same). As at the balance sheet date, the sub-fund's value at risk is 6.65% (2023: 5.18%).

The following table details the lowest, highest and average utilisation of the absolute VaR limit:

	Lowest Utilisation (%)	Highest Utilisation (%)	Average Utilisation (%)
31 July 2024	6.47	8.21	7.29
31 July 2023	5.09	6.13	5.52

Leverage

As the sub-fund has not traded in derivatives throughout the year there is no significant exposure to leverage.

Counterparty risk

As the sub-fund has not traded in derivatives throughout the year there is no significant counterparty risk.

13 Portfolio transaction costs

Purchases

31 July 2024	Value £'000	Commissions £'000	%	Other Costs* £'000	%
Debt securities	3,790	-	-	-	-
Equities	9,213	7	0.07	45	0.49
Corporate actions	501	-	-	-	-
Total	13,504	7		45	
Total purchases including transaction costs	13,556				
31 July 2023					
Debt securities	21,091	-	-	-	-
Equities	13,656	10	0.07	37	0.27
Total	34,747	10		37	
Total purchases including transaction costs	34,794				

*Other Costs includes taxes and any other costs other than commissions incurred by the sub-fund when buying and selling an underlying investment.

Aegon Ethical Cautious Managed Fund

Notes to the Financial Statements (continued)

13 Portfolio transaction costs (continued)

Sales

31 July 2024	Value £'000	Commissions £'000	%	Other Costs* £'000	%
Debt securities	18,634	-	-	-	-
Equities	30,264	(23)	0.08	-	-
Corporate actions	588	-	-	-	-
Total	49,486	(23)		-	
Total sales net of transaction costs	49,463				

31 July 2023	Value £'000	Commissions £'000	%	Other Costs* £'000	%
Debt securities	27,249	-	-	-	-
Equities	50,774	(37)	0.07	-	-
Corporate actions	6,079	-	-	-	-
Total	84,102	(37)		-	
Total sales net of transaction costs	84,065				

*Other Costs includes taxes and any other costs other than commissions incurred by the sub-fund when buying and selling an underlying investment.

Portfolio transaction costs are incurred by the sub-fund when buying and selling underlying investments. These vary depending on the class of investment, country of exchange and method of execution. These costs can be classified as either direct or indirect transaction costs:

- Direct transaction costs: Broker commissions, fees and taxes.
- Indirect transaction costs: 'Dealing spread' - the difference between the buying and selling prices of the sub-fund's underlying investments.

In order to protect existing investors from the effects of dilution, portfolio transaction costs incurred as a result of investors buying and selling shares in the sub-fund are recovered from those investors through a 'dilution adjustment' to the price they pay or receive.

At the balance sheet date, the portfolio dealing spread was 0.34% (2023: 0.37%), being the difference between the respective bid and offer prices for the sub-fund's investments.

14 Fair value hierarchy

The fair value hierarchy is intended to prioritise the inputs that are used to measure the fair value of assets and liabilities. The fair value hierarchy has the following levels:

Level 1 – Unadjusted quoted price in an active market for an identical instrument.

Level 2 – Valuation techniques using observable inputs other than quoted prices within level 1.

Level 3 – Valuation techniques using unobservable inputs.

Basis of valuation	2024		2023	
	Assets £'000	Liabilities £'000	Assets £'000	Liabilities £'000
1 - Unadjusted quoted prices	121,579	-	122,514	-
2 - Observable market data	91,562	-	101,414	-
3 - Unobservable data*	-	-	-	-
	213,141	-	223,928	-

*Includes securities fair valued by the ACD. Level 3 assets held in the sub-fund have been identified on the Portfolio Statement.

15 Share classes

The sub-fund currently has one share class; B (Institutional). The ACD's periodic charge on each share class is as follows:

B share class: 0.75%

The net asset value of each share class, the net asset value per share, and the number of shares in each class are given in the comparative tables on page 185. The distribution per share class is given in the distribution tables on page 197. All share classes have the same rights on winding up.

Share class movement reconciliation

31 July 2024	Opening	Creations	Cancellation	Converted	Closing
B Accumulation	154,126,707	8,316,187	(37,522,806)	(23,671)	124,896,417
B Income	20,289,694	910,655	(4,475,387)	29,345	16,754,307

Aegon Ethical Cautious Managed Fund

Notes to the Financial Statements (continued)

16 Post balance sheet events

The table below shows the net asset values per share as at the balance sheet date, compared against values as at 19 November 2024 and the percentage movement in that period.

Net assets per share	31 July 2024	19 November 2024	% Movement
B Accumulation	155.61	152.72	(1.86)
B Income	124.72	121.69	(2.43)

Aegon Ethical Cautious Managed Fund

Distribution Tables

Share Class B Accumulation

Period end	Pay date		Net Revenue	Equalisation*	Total Paid/Payable	2022/23 Total Paid
31/10/23	31/12/23	Group 1	0.8915	N/A	0.8915	0.6874
		Group 2	0.3531	0.5384		
31/01/24	31/03/24	Group 1	0.7269	N/A	0.7269	0.6219
		Group 2	0.3680	0.3589		
30/04/24	30/06/24	Group 1	0.9829	N/A	0.9829	0.9838
		Group 2	0.5766	0.4063		
31/07/24	30/09/24	Group 1	0.9912	N/A	0.9912	0.7818
		Group 2	0.4141	0.5771		

Share Class B Income

Period end	Pay date		Net Revenue	Equalisation*	Total Paid/Payable	2022/23 Total Paid
31/10/23	31/12/23	Group 1	0.7327	N/A	0.7327	0.5782
		Group 2	0.3825	0.3502		
31/01/24	31/03/24	Group 1	0.5934	N/A	0.5934	0.5202
		Group 2	0.2550	0.3384		
30/04/24	30/06/24	Group 1	0.7985	N/A	0.7985	0.8194
		Group 2	0.4051	0.3934		
31/07/24	30/09/24	Group 1	0.7995	N/A	0.7995	0.6464
		Group 2	0.4078	0.3917		

All distributions above are in pence per share unless specifically stated.

*Equalisation applies only to shares purchased during the distribution period (Group 2 shares). It is the average amount of revenue included in the purchase price of all Group 2 shares and is refunded to holders of these shares as a return of capital. Being a capital repayment, it is not liable to income tax but must be deducted from the cost of the shares for capital gains tax purposes.

Aegon Sustainable Diversified Growth Fund

Fund objective

The investment objective is to deliver a total return (capital growth plus income) that exceeds the Consumer Price Index by at least 3% per annum over any 5 year period. By investing in the sub-fund, capital is at risk. There is no guarantee that the sub-fund will deliver positive returns over this, or any, time period.

Investment policy

The sub-fund is a flexible multi-asset fund that invests across a range of asset classes on a global basis, taking into account factors such as global economic trends and growth opportunities. As a result, at any one time the sub-fund may be diversified across asset classes, sectors, currencies or geographies in various proportions. At least 80% of the sub-fund will usually consist of equities, corporate bonds and government and public securities and derivatives, with some flexibility to hold high levels of cash to meet the investment objective.

Sustainability criteria

In making investments for the sub-fund, the ACD shall adhere to sustainability criteria, which combine an exclusionary screen with fundamental analysis. Please see the Prospectus for further details.

Risk profile

The sub-fund is designed for retail and institutional investors seeking to mitigate the effects of inflation over the longer term and who are comfortable with a medium to high level of investment risk. In most cases, we expect the sub-fund to be held as part of a diversified portfolio including other assets e.g. bonds, other equities, property and cash. While investors will normally be able to liquidate their holdings on a daily basis, unit prices will fluctuate and may fall significantly in value. Consequently, it is important to understand that the sub-fund should be viewed as a longer term investment.

The sub-fund is actively managed and exposed to a range of risks, which are listed and defined in the Aegon Asset Management UK ICVC Prospectus. The most material risks from this list also appear in our Key Investor Information documents (KIID) where they are summarised in an easy-to-read format. You can find both of these documents on our website at www.aegonam.com.

Performance*

The Aegon Sustainable Diversified Growth Fund returned 7.82% compared to the benchmark return of 4.97%. The target benchmark is the UK CPI +3%.

Strategy review**

Central bank sentiment and inflation were the main drivers of markets over the period. Central banks remained hawkish up until the end of 2023 where they changed to a more dovish tone. From here, it was a case of when, not if, rate cuts were coming with the European Central Bank cutting rates in June joining the Bank of Canada, Swiss National Bank and Swedish Riksbank who also cut rates, with the UK expected to follow later in the summer. In contrast, the Bank of Japan increased interest rates for the first time since 2007, ending their negative interest rate policy. Inflation followed a downward trend, save for the occasional surprise to the upside, but across regions the inflationary landscape was overall encouraging for markets. The US economy was stronger as we moved through the first few months of 2024 which led expectations of Federal Reserve rate cuts to fall by the end of March from six to around three. Fundamentals were strong, and economic data was better than expected across most regions.

Both government and corporate bond markets performed strongly over the period, with government bond yields moving sharply lower in the first half of the period, and corporate bonds performing well across all asset classes. As we moved through 2024, government bond yields rose again slightly, but credit spreads tightened up until July where there was slight widening. Equity markets rallied after the central banks turned dovish, with the US market outperforming the rest of the world. In sector terms, the standout performer was technology which continued its impressive run driven by the excitement around AI related names and the much talked about 'Magnificent Seven'. Financials too had a solid period as the sector enjoyed the elevated interest rate environment. In contrast, low-beta defensive utilities and consumer staples lagged, along with materials, although both were still positive overall.

Our alternatives exposure was impacted by interest rate sensitivity and volatility in energy prices. Higher government bond yields in the second half of the period also impacted this section of the portfolio. Renewables ended the period lower and struggled with lower electricity prices due to weak natural gas prices, but infrastructure and real estate were both positive. Although our positions in Greencoat Renewables and Gresham House Energy Storage Fund were among the list of top detractors, there were a handful of alternatives names in the top positive contributors. Among those who performed better included renewables name SSE, and infrastructure names 3i Infrastructure, GCP Infrastructure Investments and National Grid.

The equities component did well over the period, with income being the standout performer, but our healthcare and growth portfolios still returned positively. Our main equity positions to help fund returns included technology names Taiwan Semiconductor Manufacturing and NVIDIA, both of which enjoyed a good run on the back of the excitement around AI. Financials name NatWest did well on the back of good results over the period. Within healthcare, our position in Novo Nordisk also ended up being a top positive contributor. In contrast, energy name Alfen and pharmaceutical name Astellas Pharma were both weaker and were among the main detractors.

Our credit allocation was positive with all sections of the portfolio adding value. Our bank credit exposure did well, with our credit holding in Rabobank being a top contributor to performance. Our government allocation was positive with our short-duration bonds protected against the general rise of bond yields in the second half of the period.

*Source: Lipper, % growth, income re-invested at pay date, NAV-NAV, GBP, net of Basic Rate Tax. Index returns are gross of Basic Rate Tax.

UK CPI is selected as a commonly accepted measure of UK inflation. We consider that exceeding CPI by at least 3% over 5 years is an attractive return and therefore an appropriate target benchmark in relation to which the sub-fund is managed. Comparison of the sub-fund's performance against the target benchmark will allow investors to determine whether and to what extent the sub-fund has delivered returns in excess of inflation. Any comparison of the sub-fund's performance against this benchmark should be performed over a 5 year period to provide the most useful medium term comparison.

**General references to markets and indices are to be considered as general market commentary only and (i) are not to be considered as a comparison of sub-fund performance against a benchmark (unless otherwise disclosed as such); and (ii) the index or indices do not operate as a performance target and the sub-fund's portfolio is not constrained by the index or indices.

Aegon Sustainable Diversified Growth Fund

Material portfolio changes

Top ten purchases	31 July 2024	Top ten sales	31 July 2024
	£'000		£'000
US Treasury Bond 4.625% 28/02/2025	41,303	United Kingdom Gilt Inflation Linked 0.125% 10/08/2041	27,401
US Treasury Bond 4.125% 31/01/2025	41,157	US Treasury Bond 2.375% 15/05/2051	25,088
United Kingdom Gilt Inflation Linked 0.125% 22/03/2029	23,432	US Treasury Bond 1.75% 30/06/2024	24,104
United Kingdom Gilt Inflation Linked 0.125% 22/03/2024	21,277	US Treasury Bond 1.25% 31/08/2024	23,658
United Kingdom Gilt Inflation Linked 4.125% 22/07/2030	19,924	US Treasury Bond 4.625% 28/02/2025	22,167
US Treasury Bond 4.625% 15/05/2054	18,530	US Treasury Bond 4.125% 31/01/2025	22,144
United Kingdom Gilt Inflation Linked 0.125% 10/08/2031	17,841	United Kingdom Gilt Inflation Linked 0.125% 22/03/2039	22,031
United Kingdom Gilt Inflation Linked 0.125% 10/08/2028	15,702	United Kingdom Gilt Inflation Linked 0.125% 22/03/2034	21,601
US Treasury Bond 1.25% 31/08/2024	11,518	US Treasury Bond 2.875% 15/05/2049	20,857
Pinnacle Bidco 10% 11/10/2028	9,500	US Treasury Bond 4.625% 15/05/2054	18,347

Aegon Sustainable Diversified Growth Fund

Comparative Table

B Accumulation shares	2024 (p/share)	2023 (p/share)	2022 (p/share)
Change in net assets per share			
Opening net asset value per share	165.11	178.83	195.67
Return before operating charges*	14.33	(12.83)	(15.84)
Operating charges	(0.87)	(0.89)	(1.00)
Return after operating charges*	13.46	(13.72)	(16.84)
Distributions	(6.22)	(5.57)	(4.09)
Retained distributions on accumulation shares	6.22	5.57	4.09
Closing net asset value per share	178.57	165.11	178.83
 *after direct transaction costs of	 0.10	 0.05	 0.06
Performance			
Return after charges	8.15%	(7.67)%	(8.61)%
Other information			
Closing net asset value (£'000)	668,952	563,265	633,941
Closing number of shares	374,626,400	341,146,422	354,494,302
Operating charges	0.52%	0.52%	0.53%
Direct transaction costs	0.06%	0.03%	0.03%
Prices			
Highest share price	177.95	180.97	201.29
Lowest share price	153.77	157.98	169.30

Highest and Lowest share prices are based on official published daily NAVs priced at 12 noon on the last business day of the year. The closing net asset value per share is at close of business.

Aegon Sustainable Diversified Growth Fund

Portfolio Statement

The sub-fund's investments as at 31 July 2024

Holding	Investment	Market Valuation £'000	Total net assets %
Euro Denominated Bonds 2.94% (31 July 2023 3.69%)			
Corporate Bonds 2.94% (31 July 2023 3.69%)			
3,600,000	ABN AMRO Bank 4.75% Perpetual	2,876	0.43
6,500,000	American Tower REIT 1% 15/01/2032	4,534	0.68
8,555,550	Stichting AK Rabobank Certificaten 6.5% Perpetual	8,020	1.20
5,000,000	Trivium Packaging Finance 7.578% 15/08/2026	4,209	0.63
		19,639	2.94
Sterling Denominated Bonds 20.07% (31 July 2023 14.45%)			
Corporate Bonds 4.24% (31 July 2023 0.95%)			
3,000,000	Nationwide Building Society 5.75% Perpetual	2,849	0.42
20,000	Nationwide Building Society 10.25% Perpetual	2,620	0.39
4,500,000	NatWest 5.125% Perpetual	4,217	0.63
4,088,000	NGG Finance 5.625% 18/06/2073	4,066	0.61
9,500,000	Pinnacle Bidco 10% 11/10/2028	10,172	1.52
4,600,000	SSE 3.74% Perpetual	4,459	0.67
		28,383	4.24
Government Bonds 15.83% (31 July 2023 13.50%)			
16,000,000	United Kingdom Gilt Inflation Linked 0.125% 10/08/2028	22,141	3.31
14,000,000	United Kingdom Gilt Inflation Linked 0.125% 22/03/2029	22,694	3.39
14,000,000	United Kingdom Gilt Inflation Linked 0.125% 10/08/2031	18,313	2.74
11,000,000	United Kingdom Gilt Inflation Linked 1.25% 22/11/2027	22,715	3.40
5,795,510	United Kingdom Gilt Inflation Linked 4.125% 22/07/2030	20,024	2.99
		105,887	15.83
United States Dollar Denominated Bonds 12.43% (31 July 2023 24.09%)			
Corporate Bonds 3.78% (31 July 2023 5.40%)			
9,200,000	American Water Capital 2.8% 01/05/2030	6,456	0.96
6,500,000	Amgen 3.375% 21/02/2050	3,652	0.55
1,185,859	Avaya 12.8503% 01/08/2028	831	0.12
6,500,000	Digital Realty Trust REIT 3.7% 15/08/2027	4,895	0.73
3,500,000	IHS Netherlands 8% 18/09/2027	2,658	0.40
2,026,000	Phoenix 4.75% 04/09/2031	1,537	0.23
7,500,000	SBA Communications 3.125% 01/02/2029	5,289	0.79
		25,318	3.78
Government Bonds 8.65% (31 July 2023 18.69%)			
25,000,000	US Treasury Bond 2.875% 31/07/2025	19,109	2.86
25,000,000	US Treasury Bond 4.125% 31/01/2025	19,370	2.89
25,000,000	US Treasury Bond 4.625% 28/02/2025	19,418	2.90
		57,897	8.65
Equities 61.28% (31 July 2023 53.52%)			
Basic Materials 0.00% (31 July 2023 0.26%)			
Consumer Discretionary 1.18% (31 July 2023 1.40%)			
68,525	RELX	2,516	0.38
236,564	Sekisui House	4,616	0.69
214,535	Trainline	730	0.11
		7,862	1.18

Aegon Sustainable Diversified Growth Fund

Portfolio Statement (continued)

Holding	Investment	Market Valuation £'000	Total net assets %
Consumer Staples 0.39% (31 July 2023 0.77%)			
103,856	Koninklijke Ahold Delhaize	2,606	0.39
		2,606	0.39
Energy 0.00% (31 July 2023 0.10%)			
Financials 29.31% (31 July 2023 26.22%)			
6,013,779	3i Infrastructure	20,988	3.14
34,049	Allianz	7,475	1.12
119,982	AXA	3,283	0.49
6,512,854	BBGI Global Infrastructure SICAV*	9,079	1.36
4,905,099	Bluefield Solar Income Fund	5,396	0.81
23,561	CME	3,553	0.53
6,416,554	Cordiant Digital Infrastructure	4,979	0.74
5,208,223	Foresight Solar Fund	4,698	0.70
11,895,600	GCP Infrastructure Investments	10,004	1.50
13,214,003	Greencoat Renewables	10,197	1.52
11,716,002	Greencoat UK Wind	17,058	2.55
28,117	HDFC Bank ADR	1,314	0.20
10,524,147	HICL Infrastructure	13,345	2.00
14,621,438	International Public Partnerships	19,096	2.85
4,853,737	JLEN Environmental Assets	4,674	0.70
1,904,542	Legal & General	4,411	0.66
122,895	MetLife	7,352	1.10
1,495,669	NatWest	5,504	0.82
5,564,609	NextEnergy Solar Fund	4,697	0.70
3,558,664	Octopus Renewables Infrastructure Trust	2,640	0.39
12,022,868	Renewables Infrastructure	12,504	1.87
291,645	Sompo Holdings	5,220	0.78
118,690	State Street	7,851	1.17
2,475,925	Syncona	3,090	0.46
17,936	Zurich Insurance	7,665	1.15
		196,073	29.31
Health Care 5.94% (31 July 2023 7.11%)			
4,224	ABIOMED (Rights)**	-	-
62,388	Amplifon	1,537	0.23
64,973	AstraZeneca	8,035	1.20
101,852	Avantor	2,121	0.32
56,106	Bristol-Myers Squibb	2,077	0.31
8,362	Danaher	1,804	0.27
357,658	GSK	5,406	0.81
9,168	ICON	2,343	0.35
10,629	Insulet	1,607	0.24
9,582	iRhythm Technologies	644	0.10
8,324	Lonza	4,323	0.64
63,072	Novo Nordisk	6,494	0.97
22,848	Quest Diagnostics	2,531	0.38
44,748	Veracyte	836	0.12
		39,758	5.94
Industrials 5.99% (31 July 2023 4.31%)			
13,682	Advanced Drainage Systems	1,888	0.28
19,366	Arcadis	1,076	0.16
19,914	Automatic Data Processing	4,070	0.61
217,438	Chroma ATE	1,550	0.23
1,130,832	DS Smith	5,141	0.77
184,773	East Japan Railway	2,699	0.40
132,600	Fanuc	3,094	0.46
60,861	Halma	1,619	0.24

Aegon Sustainable Diversified Growth Fund

Portfolio Statement (continued)

Holding	Investment	Market Valuation £'000	Total net assets %
	Industrials (continued)		
3,967	Hubbell	1,221	0.18
54,000	JMDC	924	0.14
5,876	Keyence	2,002	0.30
10,364	MSA Safety	1,523	0.23
32,449	Schneider Electric	6,092	0.91
14,247	Tetra Tech	2,374	0.36
29,096	TransUnion	2,044	0.31
4,121	Veralto	342	0.05
23,267	Xylem	2,417	0.36
		40,076	5.99
	Real Estate 2.68% (31 July 2023 0.52%)		
9,994	American Tower REIT***	1,714	0.26
4,945,435	CapitaLand India Trust	3,109	0.46
5,399	GLP J-REIT***	3,665	0.55
16,435	Japan Hotel REIT***	6,531	0.98
117,090	Weyerhaeuser REIT***	2,896	0.43
		17,915	2.68
	Technology 7.50% (31 July 2023 4.60%)		
112,897	Avaya****	593	0.09
39,450	Broadcom	4,941	0.74
2,183	CrowdStrike	394	0.06
95,175	Darktrace	562	0.08
799,296	Delta Electronics	7,838	1.17
15,394	Docebo	471	0.07
60,872	Dynatrace	2,081	0.31
32,826	Endava ADR	814	0.12
33,306	Marvell Technology	1,738	0.26
20,448	Microsoft	6,658	1.00
249,200	Murata Manufacturing	4,313	0.64
43,829	NVIDIA	3,998	0.60
151,665	Taiwan Semiconductor Manufacturing	3,352	0.50
35,160	Taiwan Semiconductor Manufacturing ADR	4,539	0.68
28,141	Tokyo Electron	4,515	0.68
561,648	Trustpilot	1,168	0.17
12,575	Universal Display	2,177	0.33
		50,152	7.50
	Telecommunications 0.35% (31 July 2023 0.22%)		
2,837,678	Nippon Telegraph & Telephone	2,352	0.35
		2,352	0.35
	Utilities 7.94% (31 July 2023 8.01%)		
370,835	Atlantica Sustainable Infrastructure	6,381	0.96
157,670	Essential Utilities	4,989	0.75
690,384	Infratil	3,438	0.51
1,790,615	National Grid	17,652	2.64
722,519	SSE	13,583	2.03
1,087,868	Terna	7,046	1.05
		53,089	7.94
	Derivatives and Futures Contracts 0.05% (31 July 2023 (0.06%))		
	Forward Foreign Exchange Contracts 0.05% (31 July 2023 (0.06%))		
	Bought BRL 65,400,000 Sold GBP 9,369,896 26/09/2024	(422)	(0.06)
	Bought GBP 11,345,971 Sold CHF 12,700,000 26/09/2024	40	0.01
	Bought GBP 7,285,606 Sold DKK 63,900,000 26/09/2024	51	0.01
	Bought GBP 89,623,610 Sold EUR 105,500,000 26/09/2024	548	0.08

Aegon Sustainable Diversified Growth Fund

Portfolio Statement (continued)

Holding	Investment	Market Valuation £'000	Total net assets %
	Forward Foreign Exchange Contracts (continued)		
	Bought GBP 1,870,928 Sold EUR 2,200,000 26/09/2024	13	-
	Bought GBP 3,061,245 Sold EUR 3,626,995 26/09/2024	(1)	-
	Bought GBP 2,443,076 Sold EUR 2,900,000 26/09/2024	(5)	-
	Bought GBP 38,681,260 Sold JPY 7,717,000,000 26/09/2024	(1,573)	(0.24)
	Bought GBP 4,686,067 Sold NZD 9,700,000 26/09/2024	203	0.03
	Bought GBP 2,751,959 Sold SGD 4,700,000 26/09/2024	10	-
	Bought GBP 30,008,966 Sold TWD 1,235,000,000 26/09/2024	451	0.07
	Bought GBP 115,774,973 Sold USD 146,750,000 26/09/2024	1,582	0.24
	Bought GBP 3,150,918 Sold USD 4,000,000 26/09/2024	38	-
	Bought GBP 5,793,969 Sold USD 7,446,955 26/09/2024	(1)	-
	Bought INR 1,900,000,000 Sold GBP 17,760,545 26/09/2024	(126)	(0.02)
	Bought MXN 220,000,000 Sold GBP 9,457,850 26/09/2024	(352)	(0.05)
	Bought TWD 110,000,000 Sold GBP 2,693,377 26/09/2024	(61)	(0.01)
	Bought USD 8,400,000 Sold GBP 6,502,318 26/09/2024	34	-
	Bought USD 4,100,000 Sold GBP 3,182,513 26/09/2024	8	-
	Bought USD 10,300,000 Sold GBP 8,102,959 26/09/2024	(88)	(0.01)
		349	0.05
	Portfolio of investments*****	647,356	96.77
	Net other assets	21,596	3.23
	Total net assets attributable to shareholders	668,952	100.00

Analysis of investments by asset class

	Market Value £'000	Value of investments %
Equities	409,883	61.28
Bonds	237,124	35.44
Derivatives	349	0.05
Portfolio of investments*****	647,356	96.77
Net other assets	21,596	3.23
Total net assets attributable to shareholders	668,952	100.00

The comparative percentage figures in brackets are at 31 July 2023.

All investments are approved securities being either officially listed in a member state or traded on or under the rules of an eligible securities market, unless otherwise stated.

*Societe d'Investissement a Capital Variable.

**Unlisted, suspended, delisted or defaulted securities.

***Real Estate Investment Trust.

****At risk of default or illiquid securities as disclosed on page 16 and has been classified as Level 3 (See Fair Value Disclosure table on page 211).

*****Includes investment liabilities.

Aegon Sustainable Diversified Growth Fund

Statement of Total Return for the year ended 31 July 2024

			2024		2023
	Note	£'000	£'000	£'000	£'000
Income					
Net capital gains/(losses)	2		26,642		(67,483)
Revenue	3	27,220		23,910	
Expenses	4	(3,029)		(3,099)	
Interest payable and similar charges	5	(24)		(27)	
Net revenue before taxation		24,167		20,784	
Taxation	6	(2,793)		(1,328)	
Net revenue after taxation			21,374		19,456
Total return before distributions			48,016		(48,027)
Distributions	7		(21,374)		(19,456)
Change in net assets attributable to shareholders from investment activities			26,642		(67,483)

Statement of Change in Net Assets Attributable to Shareholders for the year ended 31 July 2024

		2024		2023
	£'000	£'000	£'000	£'000
Opening net assets attributable to shareholders		563,265		633,941
Amounts receivable on issue of shares	70,602		3,198	
Amounts payable on cancellation of shares	(13,560)		(25,734)	
		57,042		(22,536)
Dilution adjustment		189		18
Change in net assets attributable to shareholders from investment activities		26,642		(67,483)
Retained distributions on accumulation shares		21,814		19,325
Closing net assets attributable to shareholders		668,952		563,265

Aegon Sustainable Diversified Growth Fund

Balance Sheet as at 31 July 2024

			2024		2023
	Note	£'000	£'000	£'000	£'000
Assets					
Fixed assets:					
Investments			649,985		542,783
Current assets:					
Debtors	8	4,020		2,432	
Cash and bank balances	9	52,323		29,150	
			56,343		31,582
Total assets			706,328		574,365
Liabilities					
Investment liabilities			2,629		3,812
Creditors					
Bank overdrafts	10	2,389		-	
Other creditors	11	32,358		7,288	
Total liabilities			37,376		11,100
Net assets attributable to shareholders			668,952		563,265

Aegon Sustainable Diversified Growth Fund

Notes to the Financial Statements

1 Accounting policies

The sub-fund's financial statements have been prepared on the basis disclosed on pages 12 to 14.

2 Net capital gains/(losses)

Net capital gains/(losses) comprise:

	2024	2023
	£'000	£'000
Gains/(losses) on non-derivative securities	23,371	(61,118)
Gains/(losses) on forward currency contracts	2,851	(6,181)
Currency exchange gains	425	882
Losses on derivative securities	-	(1,062)
Transaction charges	(5)	(4)
Net capital gains/(losses)	26,642	(67,483)

3 Revenue

	2024	2023
	£'000	£'000
UK dividends	8,388	6,936
Non-taxable overseas dividends	4,112	3,196
US REIT dividends	(25)	142
Interest distributions	1,249	586
Interest on debt securities	12,364	12,175
Bank interest	1,132	875
Total revenue	27,220	23,910

4 Expenses*

	2024	2023
	£'000	£'000
Payable to the ACD, associates of the ACD and agents of either of them:		
ACD's periodic charge	2,892	2,981
Payable to the Depositary, associates of the Depositary and agents of either of them:		
Depositary fee	74	73
Other expenses:		
Audit fee**	18	14
FT publishing fee	3	3
PRIPs fees	3	3
Registrar's fee	8	-
Safe custody charge	28	22
Tax service fees	3	3
	63	45
Total expenses	3,029	3,099

*All expenditure stated above is inclusive of irrecoverable VAT where applicable.

**The audit fee (excluding VAT) incurred during the year was £15,975 (2023: £15,628).

5 Interest payable & similar charges

	2024	2023
	£'000	£'000
Derivative expense	1	19
Interest	23	8
Interest payable & similar charges	24	27

Aegon Sustainable Diversified Growth Fund

Notes to the Financial Statements (continued)

6 Taxation

a) Analysis of charge in the year

	2024	2023
	£'000	£'000
Current tax:		
UK corporation tax on profits in the year	1,779	990
Prior year adjustments	488	-
	2,267	990
Double taxation relief	5	(21)
Overseas tax suffered	521	359
Total tax charge for the year (see note 5 (b))	2,793	1,328

b) Factors affecting tax charge for the year

The tax assessed for the year is lower (2023: lower than) than the standard rate of corporation tax for Open Ended Investment Companies 'OEICs' (20%).

The differences are explained below:

	2024	2023
	£'000	£'000
Net revenue before taxation	24,167	20,784
Corporation tax 20% (2023: 20%)	4,833	4,157
Effects of:		
Double taxation relief	5	(21)
Overseas tax suffered	521	359
Prior year adjustments	488	-
Revenue not subject to taxation	(2,505)	(2,147)
UK indexation relief	(549)	(1,020)
Total tax charge for the year (see note 5 (a))	2,793	1,328

Open Ended Investment Companies are exempt from tax on capital gains. Therefore, any capital return is not included in the above reconciliations.

7 Distributions

The distributions take account of amounts receivable on the issue of shares and amounts deductible on the cancellation of shares, and comprise:

	2024	2023
	£'000	£'000
Interim distributions	19,235	13,568
Final distribution	2,579	5,757
	21,814	19,325
Add: amounts deductible on cancellation of shares	69	144
Less: amounts receivable on creation of shares	(509)	(13)
Distributions	21,374	19,456

Details of the distributions are set out in the tables on page 213.

8 Debtors

	2024	2023
	£'000	£'000
Accrued revenue	2,074	2,242
Corporation tax recoverable	1,310	32
Reclaimable overseas tax	145	158
Sales awaiting settlement	491	-
Debtors	4,020	2,432

9 Cash and bank balances

	2024	2023
	£'000	£'000
Amounts held at futures clearing houses and brokers*	-	410
Cash and bank balances	5,407	21,430
Money market deposits	46,916	7,310
Cash and bank balances	52,323	29,150

*Includes cash pledged as collateral of £Nil (2023: £410,000)

Aegon Sustainable Diversified Growth Fund

Notes to the Financial Statements (continued)

10 Bank overdrafts

	2024	2023
	£'000	£'000
Amounts held at futures clearing houses and brokers*	2,000	-
Bank overdrafts	389	-
Bank overdrafts	2,389	-

*Includes cash pledged as collateral of £2,000,000 (2023: £Nil).

11 Other creditors

	2024	2023
	£'000	£'000
Accrued ACD periodic charge	519	472
Accrued other expenses	44	23
Amounts payable for cancellation of shares	6	56
Purchases awaiting settlement	31,789	6,737
Other creditors	32,358	7,288

12 Related parties

Related party interests in the sub-fund are disclosed in Note 6 of the Accounting Policies on page 17. Amounts due to the ACD as at year end for the ACD periodic charge and amounts due to the ACD for outstanding cancellations are disclosed in Note 11. Amounts receivable from the ACD as at year end for outstanding issue of shares are disclosed in Note 8. At the year-end 36.22% (2023: 39.78%) of the shares in issue were owned by AEGON Group or AEGON UK companies.

13 Contingent assets, liabilities and commitments

There were no contingent assets, liabilities or commitments present in the sub-fund as at 31 July 2024 (2023: £Nil).

14 Financial instruments and risk

The risks associated with the sub-fund are market, concentration, valuation, yield, liquidity, counterparty, and interest rate risk. Narrative disclosures are on pages 15 to 17.

Analysis of investments by credit ratings

	2024		2023	
	Market value	Value of investments	Market value	Value of investments
	£'000	%	£'000	%
Investment grade	191,846	28.68	150,250	26.68
Below investment grade	33,101	4.94	26,781	4.74
Unrated	12,177	1.82	60,810	10.81
Other investments and derivatives	410,232	61.33	301,130	53.46
Portfolio of investments	647,356	96.77	538,971	95.69
Net other assets	21,596	3.23	24,294	4.31
Total net assets attributable to shareholders	668,952	100.00	563,265	100.00

Note - Investment grade securities are defined as securities with a Standard & Poor's, Moody's or Fitch's rating of BBB-, Baa3 and BBB- or above respectively.

Derivative risk

The sub-fund invests in derivatives, consistent with the investment objective of the sub-fund, as outlined in the derivative risks section on page 17.

VaR Disclosure

The Manager assesses the market risk of the sub-fund's investments, including any derivative exposure, using a value at risk methodology. This process provides the Manager with an estimate of the maximum potential loss that could be expected to occur as a result of changes in market prices over a given period of time in all but a given percentage of circumstances. The value at risk is calculated on a 99.00% (2023: 95.00%) confidence interval with a one month time horizon and a five year history, using the Historical model. The sub-fund has an absolute VaR limit of 20.00% (2023: 14.10%). As at the balance sheet date, the sub-fund's value at risk is 4.90% (2023: 4.30%).

Aegon Sustainable Diversified Growth Fund

Notes to the Financial Statements (continued)

14 Financial instruments and risk (continued)

VaR Disclosure (continued)

The following table details the lowest, highest and average utilisation of the absolute VaR limit:

	Lowest Utilisation (%)	Highest Utilisation (%)	Average Utilisation (%)
31 July 2024	4.76	6.63	5.36
31 July 2023	2.92	4.71	3.84

Leverage

Average leverage is calculated as the sum of the net asset value and the incremental exposure generated through the use of derivatives (calculated in accordance with the commitment approach (CESR/10-788)) divided by the net asset value. As at 31 July 2024 the average leverage was 67.07% (2023: 112.61%).

Counterparty risk

The risk of entering an arrangement with a counterparty, which is itself subject to financial risks which may affect its ability to trade as a going concern.

The ACD maintains a list of approved counterparties. This list is regularly monitored and revised for changes based on the counterparty's credit-worthiness, market reputation and expectations of future financial performance. Transactions will only be opened with financial intermediaries on the approved counterparties list.

The sub-fund's use of exchange traded derivatives are considered to be free of counterparty risk if the derivative is traded on an exchange where the clearing house is backed by an appropriate performance guarantee and it is characterised by a daily mark-to-market valuation of the derivative position and at least daily margining.

The following details exposure to counterparties obtained through the use of derivatives:

As at 31 July 2024

Counterparty	Forward Foreign Exchange Contracts Exposure £'000	Collateral Pledge £'000
Barclays	-	300
BNP Paribas	726	(1,990)
Deutsche Bank	91	(310)

As at 31 July 2023

Counterparty	Forward Foreign Exchange Contracts Exposure £'000	Collateral Pledge £'000
BNP Paribas	-	1,150
Deutsche Bank	922	(740)

Positive exposure represents the sub-fund's exposure to that counterparty and not the sub-fund's holdings with that counterparty.

15 Portfolio transaction costs

Purchases

31 July 2024	Value £'000	Commissions £'000	%	Other Costs* £'000	%
Debt securities	258,654	-	-	-	-
Equities	189,668	93	0.05	190	0.10
Corporate actions	1,996	-	-	-	-
Total	450,318	93		190	
Total purchases including transaction costs	450,601				
31 July 2023					
Debt securities	275,642	-	-	-	-
Equities	64,966	32	0.05	77	0.12
Total	340,608	32		77	
Total purchases including transaction costs	340,717				

*Other Costs includes taxes and any other costs other than commissions incurred by the sub-fund when buying and selling an underlying investment.

Aegon Sustainable Diversified Growth Fund

Notes to the Financial Statements (continued)

15 Portfolio transaction costs (continued)

Sales

31 July 2024	Value £'000	Commissions £'000	%	Other Costs* £'000	%
Debt securities	265,978	-	-	-	-
Equities	105,177	(41)	0.04	(12)	0.01
Total	371,155	(41)		(12)	
Total sales net of transaction costs	371,102				
31 July 2023					
Debt securities	258,293	-	-	-	-
Equities	84,320	(46)	0.05	(2)	-
Corporate actions	1,334	-	-	-	-
Total	343,947	(46)		(2)	
Total sales net of transaction costs	343,899				

Derivatives

31 July 2024	Commissions £'000
Futures	-
Total	-
31 July 2023	
Futures	25
Total	25

*Other Costs includes taxes and any other costs other than commissions incurred by the sub-fund when buying and selling an underlying investment.

Portfolio transaction costs are incurred by the sub-fund when buying and selling underlying investments. These vary depending on the class of investment, country of exchange and method of execution. These costs can be classified as either direct or indirect transaction costs:

- Direct transaction costs: Broker commissions, fees and taxes.
- Indirect transaction costs: 'Dealing spread' - the difference between the buying and selling prices of the sub-fund's underlying investments.

In order to protect existing investors from the effects of dilution, portfolio transaction costs incurred as a result of investors buying and selling shares in the sub-fund are recovered from those investors through a 'dilution adjustment' to the price they pay or receive.

At the balance sheet date, the portfolio dealing spread was 0.17% (2023: 0.17%), being the difference between the respective bid and offer prices for the sub-fund's investments.

16 Fair value hierarchy

The fair value hierarchy is intended to prioritise the inputs that are used to measure the fair value of assets and liabilities. The fair value hierarchy has the following levels:

Level 1 – Unadjusted quoted price in an active market for an identical instrument.

Level 2 – Valuation techniques using observable inputs other than quoted prices within level 1.

Level 3 – Valuation techniques using unobservable inputs.

Basis of valuation	2024		2023	
	Assets £'000	Liabilities £'000	Assets £'000	Liabilities £'000
1 - Unadjusted quoted prices	573,074	-	481,659	-
2 - Observable market data	76,318	(2,629)	59,983	(3,812)
3 - Unobservable data*	593	-	1,141	-
	649,985	(2,629)	542,783	(3,812)

*Includes securities fair valued by the ACD. Level 3 assets held in the sub-fund have been identified on the Portfolio Statement.

Aegon Sustainable Diversified Growth Fund

Notes to the Financial Statements (continued)

17 Share classes

The sub-fund currently has one share class; B (Institutional). The ACD's periodic charge on each share class is as follows:

B share class: 0.50%

The net asset value of each share class, the net asset value per share, and the number of shares in each class are given in the comparative tables on page 200. The distribution per share class is given in the distribution tables on page 213. All share classes have the same rights on winding up.

Share class movement reconciliation

31 July 2024	Opening	Creations	Cancellations	Converted	Closing
B Accumulation	341,146,422	41,482,860	(8,002,882)	-	374,626,400

18 Post balance sheet events

The table below shows the net asset values per share as at the balance sheet date, compared against values as at 19 November 2024 and the percentage movement in that period.

Net assets per share

	31 July 2024	19 November 2024	% Movement
B Accumulation	178.35	175.40	(1.66)

Aegon Sustainable Diversified Growth Fund

Distribution Table

Share Class B Accumulation

Period end	Pay date		Net Revenue	Equalisation*	Total Paid/Payable	2022/23 Paid
31/10/23	31/12/24	Group 1	2.1640	N/A	2.1640	1.1371
		Group 2	1.1611	1.0029		
31/01/24	31/03/24	Group 1	1.6338	N/A	1.6338	1.3162
		Group 2	0.1307	1.5031		
30/04/24	30/06/24	Group 1	1.7383	N/A	1.7383	1.4333
		Group 2	1.2180	0.5203		
31/07/24	30/09/24	Group 1	0.6884	N/A	0.6884	1.6874
		Group 2	0.0000	0.6884		

All distributions above are in pence per share unless specifically stated.

*Equalisation applies only to shares purchased during the distribution period (Group 2 shares). It is the average amount of revenue included in the purchase price of all Group 2 shares and is refunded to holders of these shares as a return of capital. Being a capital repayment, it is not liable to income tax but must be deducted from the cost of the shares for capital gains tax purposes.

Aegon Diversified Monthly Income Fund

Fund objective

The investment objective is to generate income with a target yield of approximately 5% per annum, with the potential for capital growth over the medium term (being any 5 year period). By investing in the sub-fund, capital is at risk. There is no guarantee that the sub-fund will generate this, or any other level of income or returns.

Investment policy

The sub-fund is a flexible multi-asset fund that invests across a range of asset classes on a global basis, taking into account factors such as global economic trends and growth opportunities. As a result, at any one time the sub-fund may be diversified across asset classes, sectors, currencies or geographies in various proportions. At least 80% of the sub-fund will usually consist of equities, corporate bonds and government and public securities. The typical level of investment in equities will be between 20-60% of the sub-fund's value. The sub-fund may also invest in other transferable securities, collective investment schemes, derivatives, money market instruments, cash and near-cash. Through these investments, the sub-fund may obtain indirect exposure to property, commodities and other specialist asset sectors, such as companies that specialise in aircraft leasing, infrastructure and renewable energy.

Risk profile

The sub-fund is designed for retail and institutional investors seeking regular income and who are comfortable with a medium to high level of investment risk. In most cases, we expect the sub-fund to be held as part of a diversified portfolio including other assets e.g. bonds, equities, property and cash. While investors will normally be able to liquidate their holdings on a daily basis, unit prices will fluctuate and may fall significantly in value. Consequently, it is important to understand that the sub-fund should be viewed as a longer term investment.

The sub-fund is actively managed and exposed to a range of risks, which are listed and defined in the Aegon Asset Management UK ICVC Prospectus. The most material risks from this list also appear in our Key Investor Information documents (KIID) where they are summarised in an easy-to-read format. You can find both of these documents on our website at www.aegonam.com.

Performance*

The Aegon Diversified Monthly Income Fund produced a total return of 11.94%, compared to 8.95% for the peer group median. The peer group is the Investment Association Mixed Investment 20-60% Shares sector.

The average monthly pence-per-share distribution over the most recent 12 months was 0.4775 pence. The historic yield, based on the 12 most recent monthly distributions, was 5.59% compared to the target yield of 5%.

Strategy review**

Central bank sentiment and inflation were the main drivers of markets over the period. Central banks remained hawkish up until the end of 2023 where they changed to a more dovish tone. From here, it was a case of when, not if, rate cuts were coming with the European Central Bank cutting rates in June joining the Bank of Canada, Swiss National Bank and Swedish Riksbank who also cut rates, with the UK expected to follow later in the summer. In contrast, the Bank of Japan increased interest rates for the first time since 2007, ending their negative interest rate policy. Inflation followed a downward trend, save for the occasional surprise to the upside, but across regions the inflationary landscape was overall encouraging for markets. The US economy was stronger as we moved through the first few months of 2024 which led expectations of Federal Reserve rate cuts to fall by the end of March from six to around three. Fundamentals were strong, and economic data was better than expected across most regions.

Both government and corporate bond markets performed strongly over the period, with government bond yields moving sharply lower in the first half of the period, and corporate bonds performing well across all asset classes. As we moved through 2024, government bond yields rose again slightly, but credit spreads tightened up until July where there was slight widening. Equity markets rallied after the central banks turned dovish, with the US market outperforming the rest of the world. In sector terms, the standout performer was technology which continued its impressive run driven by the excitement around AI related names and the much talked about 'Magnificent Seven'. Financials too had a solid period as the sector enjoyed the elevated interest rate environment. In contrast, low-beta defensive utilities and consumer staples lagged, along with materials, although both were still positive overall.

All sub-fund components returned positively, albeit some asset classes did better than others. Fixed income and equities saw solid returns, but real assets lagged somewhat.

Our fixed income component was strong over the period and provided good returns for the sub-fund. Despite the environment of rising government bond yields in the second half of the period, our lower duration exposure meant we were able to avoid a lot of the negative impact. On top of this, credit spreads tightened which was beneficial for performance and again helped to shield returns from the negative impact of rising government bond yields. Our exposure to bank credit, in particular European banks, did well – European banks have benefited from strong financials and tailwinds from higher rates.

Within our equity exposure technology names Taiwan Semiconductor Manufacturing, Broadcom and Microsoft were among the top positive contributors, mostly on the back of AI related excitement, in particular Microsoft which is in the Magnificent Seven stocks. Away from technology, housebuilders Taylor Wimpey and Sekisui House were also notable positives. A few financials names also supported overall returns with DBS and Phoenix appearing among the top ten list. Pharmaceutical names Pfizer, Astellas Pharma, and Johnson & Johnson detracted, with Pfizer being the top negative contributor for the period – we ended up exiting our positions in Pfizer and Astellas Pharma.

Although rising bond yields in the second half of the period, volatility in energy prices and increased interest rates negatively impacted real assets, our listed real estate and listed infrastructure allocations were positive with sustainable infrastructure investor 3i Infrastructure, and utility name SSE acting as top positive contributors. However, the renewable energy allocation very slightly detracted and Greencoat Renewables, along with utility name Energias de Portugal, were among the top detractors for the period.

*Source: Lipper, % growth, income re-invested at pay date, NAV-NAV, GBP, net of Basic Rate Tax. Index returns are gross of Basic Rate Tax.

**General references to markets and indices are to be considered as general market commentary only and (i) are not to be considered as a comparison of sub-fund performance against a benchmark (unless otherwise disclosed as such); and (ii) the index or indices do not operate as a performance target and the sub-fund's portfolio is not constrained by the index or indices.

Aegon Diversified Monthly Income Fund

Material portfolio changes

Top ten purchases	31 July 2024	Top ten sales	31 July 2024
	£'000		£'000
US Treasury Bond 2.875% 31/07/2025	41,468	US Treasury Bond 4.625% 28/02/2025	15,882
US Treasury Bond 3.875% 15/08/2033	15,505	US Treasury Bond 2.25% 31/03/2024	15,376
Banco Bilbao Vizcaya Argentaria 9.375% Perpetual	11,813	Banco Bilbao Vizcaya Argentaria 8.375% Perpetual	9,146
Taylor Wimpey	10,973	Rio Tinto	8,885
Japan Hotel REIT	10,478	Energias de Portugal	8,792
Erste 8.5% Perpetual	8,700	Bellis Acquisition 4.5% 16/02/2026	8,000
AbbVie	8,641	Broadcom	7,810
Enel	8,533	International Public Partnerships	7,484
National Grid	8,387	Pfizer	7,120
Banco Santander 9.625% Perpetual	7,877	Vonovia	6,801

Aegon Diversified Monthly Income Fund

Comparative Tables

B Accumulation shares	2024	2023	2022
	(p/share)	(p/share)	(p/share)
Change in net assets per share			
Opening net asset value per share	156.49	153.08	158.99
Return before operating charges*	20.38	4.27	(4.97)
Operating charges	(0.95)	(0.86)	(0.94)
Return after operating charges*	19.43	3.41	(5.91)
Distributions	(9.58)	(8.38)	(8.66)
Retained distributions on accumulation shares	9.58	8.38	8.66
Closing net asset value per share	175.92	156.49	153.08
 *after direct transaction costs of	 0.08	 0.08	 0.09
Performance			
Return after charges	12.42%	2.23%	(3.72)%
Other information			
Closing net asset value (£'000)	428,740	422,866	427,883
Closing number of shares	243,708,198	270,225,021	279,509,773
Operating charges	0.58%	0.57%	0.59%
Direct transaction costs	0.05%	0.05%	0.06%
Prices			
Highest share price	176.17	157.02	167.29
Lowest share price	149.44	137.98	146.59

B Income shares	2024	2023	2022
	(p/share)	(p/share)	(p/share)
Change in net assets per share			
Opening net asset value per share	96.21	99.47	109.16
Return before operating charges*	12.10	2.60	(3.24)
Operating charges	(0.57)	(0.55)	(0.63)
Return after operating charges*	11.53	2.05	(3.87)
Distributions	(5.73)	(5.31)	(5.82)
Retained distributions on accumulation shares	-	-	-
Closing net asset value per share	102.01	96.21	99.47
 *after direct transaction costs of	 0.05	 0.05	 0.06
Performance			
Return after charges	11.98%	2.06%	(3.55)%
Other information			
Closing net asset value (£'000)	438,854	412,604	423,401
Closing number of shares	430,202,152	428,862,427	425,670,957
Operating charges	0.58%	0.57%	0.59%
Direct transaction costs	0.05%	0.05%	0.06%
Prices			
Highest share price	102.46	101.78	112.98
Lowest share price	90.76	88.85	95.98

Highest and Lowest share prices are based on official published daily NAVs priced at 12 noon on the last business day of the year. The closing net asset value per share is at close of business.

Aegon Diversified Monthly Income Fund

Portfolio Statement

The sub-fund's investments as at 31 July 2024

Holding	Investment	Market valuation £'000	Total net assets %
Euro Denominated Bonds 11.41% (31 July 2023 15.54%)			
Corporate Bonds 11.41% (31 July 2023 15.54%)			
7,600,000	Alpha Services 11.875% Perpetual	7,219	0.83
4,900,000	Banca Transilvania 7.25% 07/12/2028	4,322	0.50
4,400,000	Banco de Sabadell 9.375% Perpetual	4,085	0.47
2,600,000	BP Capital Markets 3.625% Perpetual	2,105	0.24
5,600,000	Deuce Finco 8.469% 15/06/2027	4,745	0.55
5,000,000	Erste 8.5% Perpetual	4,584	0.53
9,200,000	Eurobank Ergasias 6.25% 25/04/2034	8,144	0.94
2,900,000	Ford Motor Credit 6.125% 15/05/2028	2,625	0.30
3,800,000	Generali 4.596% Perpetual	3,199	0.37
4,600,000	Intesa Sanpaolo 9.125% Perpetual	4,338	0.50
6,000,000	IPD 7.086% 15/06/2031	5,044	0.58
6,600,000	Lottomatica 7.05% 01/06/2031	5,610	0.65
7,000,000	National Bank of Greece 8% 03/01/2034	6,599	0.76
3,800,000	Nova Ljubljanska Banka 6.875% 24/01/2034	3,344	0.39
6,600,000	Novo Banco 9.875% 01/12/2033	6,483	0.75
6,400,000	Piraeus Bank 6.75% 05/12/2029	5,933	0.68
8,000,000	Piraeus Financial 7.25% 17/04/2034	7,229	0.83
5,600,000	Piraeus Financial 8.75% Perpetual	4,788	0.55
5,500,000	Tritax EuroBox 0.95% 02/06/2026	4,401	0.51
3,100,000	Verisure 9.25% 15/10/2027	2,751	0.32
1,500,000	Volkswagen International Finance 7.875% Perpetual	1,431	0.16
		98,979	11.41
Sterling Denominated Bonds 8.90% (31 July 2023 10.26%)			
Asset Backed Security 0.05% (31 July 2023 0.05%)			
900,000	Telereal Secured Finance 4.01% 10/12/2031	426	0.05
		426	0.05
Corporate Bonds 8.85% (31 July 2023 10.21%)			
2,200,000	Aviva 6.875% 20/05/2058	2,293	0.27
4,100,000	B&M European Value Retail 8.125% 15/11/2030	4,350	0.50
2,300,000	Bellis Finco 4% 16/02/2027	2,104	0.24
3,300,000	Boost Newco Borrower 8.5% 15/01/2031	3,548	0.41
4,400,000	Coventry Building Society 8.75% Perpetual	4,475	0.52
1,400,000	CPUK Finance 4.5% 28/08/2027	1,308	0.15
2,000,000	CPUK Finance 6.136% 28/08/2031	2,047	0.24
5,500,000	CPUK Finance 6.5% 28/08/2026	5,445	0.63
3,800,000	Deuce Finco 5.5% 15/06/2027	3,637	0.42
4,200,000	General Motors Financial 5.15% 15/08/2026	4,195	0.48
2,700,000	Iceland Bondco 10.875% 15/12/2027	2,868	0.33
6,000,000	Investec 10.5% Perpetual	6,395	0.74
2,107,000	Legal & General 5.5% 27/06/2064	2,030	0.23
1,800,000	M&G 5.56% 20/07/2055	1,664	0.19
1,807,000	M&G 5.625% 20/10/2051	1,746	0.20
4,000,000	Metro Bank 12% 30/04/2029	3,587	0.41
2,200,000	Pension Insurance 7.375% Perpetual	2,151	0.25
5,300,000	Pinnacle Bidco 10% 11/10/2028	5,675	0.66
3,433,000	RAC 4.87% 06/05/2026	3,393	0.39
3,600,000	Rentokil Initial 5% 27/06/2032	3,574	0.41
3,700,000	Rothsay Life 3.375% 12/07/2026	3,566	0.41
2,900,000	Whitbread 3% 31/05/2031	2,528	0.29
4,300,000	Zurich Finance (Ireland) DAC 5.125% 23/11/2052	4,184	0.48
		76,763	8.85

Aegon Diversified Monthly Income Fund

Portfolio Statement (continued)

Holding	Investment	Market valuation £'000	Total net assets %
United States Dollar Denominated Bonds 19.75% (31 July 2023 24.87%)			
Asset Backed Security 0.00% (31 July 2023 0.41%)			
Corporate Bonds 13.23% (31 July 2023 20.79%)			
5,000,000	AerCap 5.875% 10/10/2079	3,883	0.45
6,600,000	Allianz 3.2% Perpetual	4,344	0.50
4,400,000	Amer Sports 6.75% 16/02/2031	3,402	0.39
6,400,000	Ashtead Capital 5.55% 30/05/2033	4,988	0.57
456,100	Avaya 12.8503% 01/08/2028	319	0.04
7,400,000	Banco Bilbao Vizcaya Argentaria 9.375% Perpetual	6,236	0.72
4,000,000	Banco Santander 9.625% Perpetual	3,562	0.41
5,000,000	Bayer US Finance II 4.25% 15/12/2025	3,834	0.44
1,000,000	Boost Newco Borrower 7.5% 15/01/2031	820	0.09
931,000	BP Capital Markets 4.375% Perpetual	713	0.08
5,200,000	CCO 7.375% 01/03/2031	4,089	0.47
5,300,000	Comcast 4.15% 15/10/2028	4,060	0.47
5,200,000	CRH America 3.875% 18/05/2025	4,009	0.46
9,200,000	CrowdStrike 3% 15/02/2029	6,425	0.74
5,200,000	CVS Health 5% 20/02/2026	4,047	0.47
4,499,000	DNB Bank 7.375% Perpetual	3,557	0.41
2,000,000	Electricite de France 9.125% Perpetual	1,729	0.20
5,000,000	Enel Finance International 6.8% 14/10/2025	3,976	0.46
8,325,000	Garther 4.5% 01/07/2028	6,298	0.73
5,000,000	Netflix 4.875% 15/04/2028	3,930	0.45
5,000,000	Oracle 6.15% 09/11/2029	4,153	0.48
3,600,000	Pfizer Investment Enterprises 5.3% 19/05/2053	2,773	0.32
1,008,000	Phoenix 5.625% Perpetual	780	0.09
4,900,000	Royal Caribbean Cruises 8.25% 15/01/2029	4,040	0.47
6,000,000	Royalty Pharma 1.75% 02/09/2027	4,259	0.49
5,100,000	Takeda Pharmaceutical 5% 26/11/2028	4,001	0.46
5,000,000	Target 4.4% 15/01/2033	3,831	0.44
4,800,000	Triton Container International 2.05% 15/04/2026	3,523	0.41
6,400,000	UBS 9.25% Perpetual	5,654	0.65
4,800,000	VICI Properties 3.875% 15/02/2029	3,519	0.40
5,500,000	WarnerMedia 3.755% 15/03/2027	4,078	0.47
		114,832	13.23
Government Bonds 6.52% (31 July 2023 3.67%)			
53,893,800	US Treasury Bond 2.875% 31/07/2025	41,195	4.75
20,000,000	US Treasury Bond 3.875% 15/08/2033	15,364	1.77
		56,559	6.52
Equities 53.06% (31 July 2023 45.55%)			
Basic Materials 2.04% (31 July 2023 2.70%)			
20,352	Linde	7,183	0.83
209,882	Rio Tinto	10,547	1.21
		17,730	2.04
Consumer Discretionary 2.44% (31 July 2023 1.51%)			
44,774	Inditex	1,692	0.20
526,900	Sekisui House	10,281	1.18
5,780,262	Taylor Wimpey	9,208	1.06
		21,181	2.44
Consumer Staples 2.80% (31 July 2023 1.65%)			
514,151	Koninklijke Ahold Delhaize	12,899	1.48
101,284	Nestle	7,983	0.92
25,625	PepsiCo	3,443	0.40
		24,325	2.80

Aegon Diversified Monthly Income Fund

Portfolio Statement (continued)

Holding	Investment	Market valuation £'000	Total net assets %
Financials 16.43% (31 July 2023 14.93%)			
3,487,072	3i Infrastructure	12,170	1.40
23,405	Allianz	5,138	0.59
86,560	BNP Paribas	4,627	0.53
48,540	CME	7,319	0.84
8,137,694	Cordiant Digital Infrastructure	6,315	0.73
350,512	DBS	7,465	0.86
10,993,860	Greencoat Renewables	8,484	0.98
6,658,933	Greencoat UK Wind	9,695	1.12
1,282,879	Infratil	6,389	0.74
432,935	ING Groep	6,109	0.70
8,436,510	International Public Partnerships	11,018	1.27
6,196,765	Legal & General	14,352	1.66
84,654	Macquarie	8,993	1.04
3,382,759	Phoenix	18,487	2.13
6,874,001	Renewables Infrastructure	7,149	0.82
20,661	Zurich Insurance	8,830	1.02
		142,540	16.43
Health Care 5.29% (31 July 2023 4.47%)			
62,429	AbbVie	9,004	1.04
38,357	AstraZeneca	4,743	0.55
89,321	Johnson & Johnson	10,977	1.26
91,618	Merck	8,069	0.93
51,415	Novartis	4,482	0.52
34,096	Roche	8,619	0.99
		45,894	5.29
Industrials 3.97% (31 July 2023 3.58%)			
22,864	Automatic Data Processing	4,672	0.54
32,196	Cummins	7,314	0.84
4,041,563	DP Aircraft I	189	0.02
23,146	Eaton	5,490	0.63
64,473	Schneider Electric	12,104	1.40
52,531	Vinci	4,671	0.54
		34,440	3.97
Real Estate 5.51% (31 July 2023 4.87%)			
5,114,045	CapitaLand Ascendas REIT*	8,067	0.93
10,837,564	CapitaLand India Trust	6,812	0.78
6,129	GLP J-REIT*	4,161	0.48
26,627	Japan Hotel REIT*	10,581	1.22
2,406,860	Londonmetric Property REIT*	4,843	0.56
537,117	Segro REIT*	4,918	0.57
3,773,918	Urban Logistics REIT*	4,680	0.54
151,375	Weyerhaeuser REIT*	3,744	0.43
		47,806	5.51
Technology 7.96% (31 July 2023 7.04%)			
43,422	Avaya**	228	0.03
97,410	Broadcom	12,200	1.41
711,185	Delta Electronics	6,974	0.80
41,450	Microsoft	13,496	1.55
114,669	Samsung Electronics	5,434	0.63
122,081	Taiwan Semiconductor Manufacturing ADR	15,761	1.82
40,164	Texas Instruments	6,371	0.73
53,380	Tokyo Electron	8,565	0.99
		69,029	7.96
Telecommunications 0.33% (31 July 2023 0.47%)			
20,674,800	Telekomunikasi Indonesia	2,851	0.33
		2,851	0.33

Aegon Diversified Monthly Income Fund

Portfolio Statement (continued)

Holding	Investment	Market valuation £'000	Total net assets %
	Utilities 6.29% (31 July 2023 4.33%)		
1,484,531	Enel	8,247	0.95
320,517	Engie	3,925	0.45
640,796	Iberdrola	6,573	0.76
968,511	National Grid	9,548	1.10
178,578	NextEra Energy	10,620	1.23
832,247	SSE	15,646	1.80
		54,559	6.29
	Derivatives and Futures Contracts 0.10% (31 July 2023 1.06%)		
	Forward Foreign Exchange Contracts 0.10% (31 July 2023 1.06%)		
	Bought BRL 173,000,000 Sold JPY 5,130,626,400 06/09/2024	(2,949)	(0.34)
	Bought EUR 9,700,000 Sold GBP 8,235,917 11/09/2024	(51)	(0.01)
	Bought GBP 8,481,171 Sold AUD 16,300,000 11/09/2024	189	0.02
	Bought GBP 32,162,396 Sold CHF 36,330,000 11/09/2024	(124)	(0.01)
	Bought GBP 91,695,393 Sold EUR 107,300,000 09/09/2024	1,158	0.13
	Bought GBP 15,456,589 Sold EUR 18,100,000 11/09/2024	183	0.02
	Bought GBP 3,199,347 Sold EUR 3,800,000 11/09/2024	(7)	-
	Bought GBP 4,198,071 Sold IDR 87,000,000,000 13/09/2024	40	-
	Bought GBP 4,360,705 Sold JPY 875,000,000 11/09/2024	(194)	(0.02)
	Bought GBP 18,537,016 Sold JPY 3,650,000,000 09/09/2024	(459)	(0.05)
	Bought GBP 4,870,306 Sold KRW 8,500,000,000 13/09/2024	33	-
	Bought GBP 17,674,877 Sold NOK 239,000,000 11/09/2024	647	0.07
	Bought GBP 5,926,782 Sold NZD 12,300,000 11/09/2024	241	0.03
	Bought GBP 26,281,976 Sold SGD 45,000,000 11/09/2024	44	0.01
	Bought GBP 48,764,431 Sold TWD 2,014,800,000 12/09/2024	592	0.07
	Bought GBP 3,393,939 Sold TWD 140,000,000 12/09/2024	47	0.01
	Bought GBP 338,509,850 Sold USD 431,400,000 11/09/2024	2,780	0.32
	Bought GBP 3,388,901 Sold USD 4,300,000 11/09/2024	42	-
	Bought GBP 3,001,208 Sold USD 3,900,000 11/09/2024	(34)	-
	Bought IDR 360,000,000,000 Sold JPY 3,421,028,874 06/09/2024	(587)	(0.07)
	Bought INR 1,850,000,000 Sold JPY 3,424,516,500 06/09/2024	(628)	(0.07)
	Bought JPY 17,410,000,000 Sold GBP 88,440,852 11/09/2024	2,193	0.25
	Bought JPY 590,000,000 Sold GBP 2,932,896 11/09/2024	139	0.02
	Bought JPY 560,000,000 Sold GBP 2,827,306 11/09/2024	88	0.01
	Bought MXN 601,000,000 Sold JPY 5,216,661,970 09/09/2024	(2,194)	(0.25)
	Bought NOK 238,000,000 Sold JPY 3,473,776,600 09/09/2024	(1,116)	(0.13)
	Bought TWD 111,000,000 Sold GBP 2,623,369 12/09/2024	31	-
	Bought USD 168,400,000 Sold EUR 154,327,875 09/09/2024	837	0.10
	Bought USD 6,400,000 Sold GBP 4,997,516 11/09/2024	(17)	-
	Bought USD 3,700,000 Sold GBP 2,928,123 11/09/2024	(49)	(0.01)
		875	0.10
	Portfolio of investments***	808,789	93.22
	Net other assets	58,805	6.78
	Total net assets attributable to shareholders	867,594	100.00

Aegon Diversified Monthly Income Fund

Portfolio Statement (continued)

Analysis of investments by asset class

	Market Value £'000	Value of investments %
Bonds	460,355	53.06
Equities	347,559	40.06
Derivatives	875	0.10
Portfolio of investments***	808,789	93.22
Net other assets	58,805	6.78
Total net assets attributable to shareholders	867,594	100.00

The comparative percentage figures in brackets are at 31 July 2023.

All investments are approved securities being either officially listed in a member state or traded on or under the rules of an eligible securities market, unless otherwise stated.

*Real Estate Investment Trust.

**At risk of default or illiquid securities as disclosed on page 16 and has been classified as Level 3 (See Fair Value Disclosure table on page 229).

***Includes investment liabilities.

Aegon Diversified Monthly Income Fund

Statement of Total Return for the year ended 31 July 2024

			2024		2023
	Note	£'000	£'000	£'000	£'000
Income					
Net capital gains/(losses)	2		55,127		(24,251)
Revenue	3	59,758		54,381	
Expenses	4	(4,857)		(4,789)	
Interest payable and similar charges		<u>(26)</u>		<u>(31)</u>	
Net revenue before taxation		54,875		49,561	
Taxation	5	<u>(10,398)</u>		<u>(7,884)</u>	
Net revenue after taxation			<u>44,477</u>		<u>41,677</u>
Total return before distributions			99,604		17,426
Distributions	6		<u>(49,391)</u>		<u>(46,524)</u>
Change in net assets attributable to shareholders from investment activities			50,213		(29,098)

Statement of Change in Net Assets Attributable to Shareholders for the year ended 31 July 2024

		2024		2023
	£'000	£'000	£'000	£'000
Opening net assets attributable to shareholders		835,470		851,284
Amounts receivable on issue of shares	75,737		82,795	
Amounts payable on cancellation of shares	<u>(119,050)</u>		<u>(92,507)</u>	
		(43,313)		(9,712)
Dilution adjustment		76		66
Change in net assets attributable to shareholders from investment activities		50,213		(29,098)
Retained distributions on accumulation shares		<u>25,148</u>		<u>22,930</u>
Closing net assets attributable to shareholders		867,594		835,470

Aegon Diversified Monthly Income Fund

Balance Sheet as at 31 July 2024

			2024		2023
	Note	£'000	£'000	£'000	£'000
Assets					
Fixed assets:					
Investments			817,198		819,435
Current assets:					
Debtors	7	16,328		19,046	
Cash and bank balances	8	51,456		29,963	
			67,784		49,009
Total assets			884,982		868,444
Liabilities					
Investment liabilities			8,409		6,681
Creditors					
Bank overdrafts	9	2,620		8,270	
Distributions payable		1,312		2,169	
Other creditors	10	5,047		15,854	
Total liabilities			17,388		32,974
Net assets attributable to shareholders			867,594		835,470

Aegon Diversified Monthly Income Fund

Notes to the Financial Statements

1 Accounting policies

The sub-fund's financial statements have been prepared on the basis disclosed on pages 12 to 14.

2 Net capital gains/(losses)

Net capital gains/(losses) comprise:

	2024	2023
	£'000	£'000
Gains/(losses) on non-derivative securities	58,648	(39,877)
Gains on forward currency contracts	34	25,565
Currency exchange (losses)/gains	(3,553)	1,531
Losses on derivative securities	-	(11,467)
Transaction charges	(2)	(3)
Net capital gains/(losses)	55,127	(24,251)

3 Revenue

	2024	2023
	£'000	£'000
UK dividends	8,397	7,231
Non-taxable overseas dividends	9,081	11,274
Taxable overseas dividends	923	1,094
Property income from REITs	545	363
US REIT dividends	87	40
Interest distributions	197	207
Interest on debt securities	25,090	23,954
Bank interest	2,217	1,162
Derivative revenue	13,143	8,986
Stock lending income*	78	70
Total revenue	59,758	54,381

*The sub-fund received 72% of the revenue returns from stock lending activities. The gross earnings for the year are £108,000 (2023: £97,000) and expenses paid of £30,000 (2023: £27,000).

4 Expenses*

	2024	2023
	£'000	£'000
Payable to the ACD, associates of the ACD and agents of either of them:		
ACD's periodic charge	4,634	4,642
Payable to the Depositary, associates of the Depositary and agents of either of them:		
Depositary fee	111	104
Other expenses:		
Audit fee**	22	19
FT publishing fee	3	3
PRIIPs fees	4	3
Registrar's fee	28	(37)
Safe custody charge	52	52
Tax services fees	3	3
	112	43
Total expenses	4,857	4,789

*All expenditure stated above is inclusive of irrecoverable VAT where applicable.

**The audit fee (excluding VAT) incurred during the year was £19,625 (2023: £19,178).

Aegon Diversified Monthly Income Fund

Notes to the Financial Statements (continued)

5 Taxation

a) Analysis of charge in the year

	2024	2023
	£'000	£'000
Current tax:		
UK corporation tax on profits in the year	7,475	6,162
Prior year adjustments	221	-
	7,696	6,162
Double taxation relief	(107)	(77)
Overseas tax suffered	2,809	1,799
Total tax charge for the year (see note 5 (b))	10,398	7,884

b) Factors affecting tax charge for the year

The tax assessed for the year is lower than (2023: lower than) the standard rate of corporation tax for Open Ended Investment Companies 'OEICs' (20%).

The differences are explained below:

	2024	2023
	£'000	£'000
Net revenue before taxation	54,875	49,561
Corporation tax 20% (2023: 20%)	10,975	9,912
Effects of:		
Double taxation relief	(107)	(77)
Overseas tax suffered	2,809	1,799
Prior year adjustments	221	-
Relief on overseas tax suffered	(4)	(8)
Revenue not subject to taxation	(3,496)	(3,742)
Total tax charge for the year (see note 5 (a))	10,398	7,884

Open Ended Investment Companies are exempt from tax on capital gains. Therefore, any capital return is not included in the above reconciliations.

6 Distributions

a) Distributions

The distributions take account of amounts receivable on the issue of shares and amounts deductible on the cancellation of shares, and comprise:

	2024	2023
	£'000	£'000
Interim distributions	46,758	42,101
Final distribution	2,590	4,379
	49,348	46,480
Add: amounts deductible on cancellation of shares	230	174
Less: amounts receivable on creation of shares	(187)	(130)
Distributions	49,391	46,524

Details of the distributions are set out in the tables on page 230.

b) Movement between net revenue and distribution

	2024	2023
	£'000	£'000
Net revenue after taxation	44,477	41,677
Expenses transferred to capital	4,884	4,820
Stock lending expenses transferred to capital	30	27
Distributions	49,391	46,524

7 Debtors

	2024	2023
	£'000	£'000
Accrued revenue	6,426	6,965
Amounts receivable for the issue of shares	4,634	893
Corporation tax recoverable	231	-
Reclaimable overseas tax	1,082	2,624
Sales awaiting settlement	3,955	8,564
Debtors	16,328	19,046

Aegon Diversified Monthly Income Fund

Notes to the Financial Statements (continued)

8 Cash and bank balances

	2024	2023
	£'000	£'000
Cash and bank balances	4,624	2,630
Money market deposits	46,832	27,333
Cash and bank balances	51,456	29,963

9 Bank overdrafts

	2024	2023
	£'000	£'000
Amounts held at futures clearing houses and brokers*	2,620	8,270
Bank overdrafts	2,620	8,270

*Includes cash pledged as collateral of £2,620,000 (2023: £8,270,000).

10 Other creditors

	2024	2023
	£'000	£'000
Accrued ACD periodic charge	802	775
Accrued other expenses	193	47
Amounts payable for the cancellation of shares	539	655
Corporation tax payable	-	24
Purchases awaiting settlement	3,513	14,353
Other creditors	5,047	15,854

11 Related parties

Related party interests in the sub-fund are disclosed in Note 6 of the Accounting Policies on page 17. Amounts due to the ACD as at year end for the ACD periodic charge and amounts due to the ACD for outstanding cancellations are disclosed in Note 10. Amounts receivable from the ACD as at year end for outstanding issue of shares are disclosed in Note 7. At the year-end 39.90% (2023: 40.11%) of the shares in issue were owned by AEGON Group or AEGON UK companies.

12 Contingent assets, liabilities and commitments

There were no contingent assets, liabilities or commitments present in the sub-fund as at 31 July 2024 (2023: £Nil).

13 Financial instruments and risk

The risks associated with the sub-fund are market, concentration, valuation, yield, liquidity, counterparty, and interest rate risk. Narrative disclosures are on pages 15 to 17.

Analysis of investments by credit ratings

	2024		2023	
	Market value £'000	Value of investments %	Market value £'000	Value of investments %
Investment grade	185,912	21.42	152,625	18.28
Below investment grade	143,878	16.59	221,308	26.48
Unrated	17,769	2.05	49,404	5.91
Other investments and derivatives	461,230	53.16	389,417	46.61
Portfolio of investments	808,789	93.22	812,754	97.28
Net other assets	58,805	6.78	22,716	2.72
Total net assets attributable to shareholders	867,594	100.00	835,470	100.00

Note - Investment grade securities are defined as securities with a Standard & Poor's, Moody's or Fitch's rating of BBB-, Baa3 and BBB- or above respectively.

Derivative risk

The sub-fund invests in derivatives, consistent with the investment objective of the sub-fund, as outlined in the derivative risks section on page 17.

Aegon Diversified Monthly Income Fund

Notes to the Financial Statements (continued)

13 Financial instruments and risk (continued)

VaR Disclosure

The Manager assesses the market risk of the sub-fund's investments, including any derivative exposure, using a value at risk methodology. This process provides the Manager with an estimate of the maximum potential loss that could be expected to occur as a result of changes in market prices over a given period of time in all but a given percentage of circumstances. The value at risk is calculated on a 99.00% (2023: 95.00%) confidence interval with a one month time horizon and a five year history, using Historical model. The sub-fund has an absolute VaR limit of 20.00% (2023: 14.10%). As at the balance sheet date, the sub-fund's value at risk is 4.52% (2023: 3.51%).

The following table details the lowest, highest and average utilisation of the absolute VaR limit:

	Lowest Utilisation (%)	Highest Utilisation (%)	Average Utilisation (%)
31 July 2024	4.23	6.06	4.95
31 July 2023	3.19	4.32	3.74

Leverage

Average leverage is calculated as the sum of the net asset value and the incremental exposure generated through the use of derivatives (calculated in accordance with the commitment approach (CESR/10-788)) divided by the net asset value. As at 31 July 2024 the average leverage was 161.44% (2023: 151.48%).

Counterparty risk

The risk of entering an arrangement with a counterparty, which is itself subject to financial risks which may affect its ability to trade as a going concern.

The ACD maintains a list of approved counterparties. This list is regularly monitored and revised for changes based on the counterparty's credit-worthiness, market reputation and expectations of future financial performance. Transactions will only be opened with financial intermediaries on the approved counterparties list.

The sub-fund's use of exchange traded derivatives are considered to be free of counterparty risk if the derivative is traded on an exchange where the clearing house is backed by an appropriate performance guarantee and it is characterised by a daily mark-to-market valuation of the derivative position and at least daily margining.

The following details exposure to counterparties obtained through the use of derivatives:

As at 31 July 2024

Counterparty	Forward Foreign			
	Exchange Contracts		Collateral pledge	
	Stock on loan £'000	Exposure £'000	Stock £'000	Cash £'000
Barclays	5,805	864	6,158	(1,720)
BNP Paribas	1,935	11	1,990	(900)
HSBC	193	-	199	-

As at 31 July 2023

Counterparty	Forward Foreign			
	Exchange Contracts		Collateral pledge	
	Stock on loan £'000	Exposure £'000	Stock £'000	Cash £'000
Barclays	17,692	2,849	18,240	(2,610)
BNP Paribas	869	5,998	888	(5,660)
Citigroup	17,265	-	18,195	-
HSBC	2,310	-	2,427	-
JPMorgan	2,924	-	2,999	-
Morgan Stanley	1,724	-	1,768	-

Positive exposure represents the sub-fund's exposure to that counterparty and not the sub-fund's holdings with that counterparty.

Aegon Diversified Monthly Income Fund

Notes to the Financial Statements (continued)

14 Portfolio transaction costs

Purchases

31 July 2024	Value £'000	Commissions £'000	%	Other Costs* £'000	%
Debt securities	214,599	-	-	-	-
Equities	166,582	81	0.05	259	0.16
Total	381,181	81		259	
Total purchases including transaction costs	381,521				
31 July 2023					
Debt securities	421,471	-	-	-	-
Equities	156,480	104	0.07	196	0.13
Total	577,951	104		196	
Total purchases including transaction costs	578,251				

Sales

31 July 2024	Value £'000	Commissions £'000	%	Other Costs* £'000	%
Debt securities	314,669	-	-	-	-
Equities	123,192	(66)	0.05	(15)	0.01
Corporate actions	346	-	-	-	-
Total	438,207	(66)		(15)	
Total sales net of transaction costs	438,126				
31 July 2023					
Debt securities	301,898	-	-	-	-
Equities	214,687	(111)	0.05	(14)	0.01
Corporate actions	192	-	-	-	-
Total	516,777	(111)		(14)	
Total sales net of transaction costs	516,652				

Derivatives

31 July 2024	Commissions £'000
Futures	-
Total	-
31 July 2023	
Futures	3
Total	3

*Other Costs includes taxes and any other costs other than commissions incurred by the sub-fund when buying and selling an underlying investment.

Portfolio transaction costs are incurred by the sub-fund when buying and selling underlying investments. These vary depending on the class of investment, country of exchange and method of execution. These costs can be classified as either direct or indirect transaction costs:

- Direct transaction costs: Broker commissions, fees and taxes.
- Indirect transaction costs: 'Dealing spread' - the difference between the buying and selling prices of the sub-fund's underlying investments.

In order to protect existing investors from the effects of dilution, portfolio transaction costs incurred as a result of investors buying and selling shares in the sub-fund are recovered from those investors through a 'dilution adjustment' to the price they pay or receive.

At the balance sheet date, the portfolio dealing spread was 0.25% (2023: 0.41%), being the difference between the respective bid and offer prices for the sub-fund's investments.

Aegon Diversified Monthly Income Fund

Notes to the Financial Statements (continued)

15 Fair value hierarchy

The fair value hierarchy is intended to prioritise the inputs that are used to measure the fair value of assets and liabilities. The fair value hierarchy has the following levels:

Level 1 – Unadjusted quoted price in an active market for an identical instrument.

Level 2 – Valuation techniques using observable inputs other than quoted prices within level 1.

Level 3 – Valuation techniques using unobservable inputs.

Basis of valuation	2024		2023	
	Assets £'000	Liabilities £'000	Assets £'000	Liabilities £'000
1 - Unadjusted quoted prices	516,686	-	410,800	-
2 - Observable market data	300,284	(8,409)	408,196	(6,681)
3 - Unobservable data*	228	-	439	-
	817,198	(8,409)	819,435	(6,681)

*Includes securities fair valued by the ACD. Level 3 assets held in the sub-fund have been identified on the Portfolio Statement.

16 Share classes

The sub-fund currently has one share class; B (Institutional). The ACD's periodic charge on each share class is as follows:

B share class: 0.55%

The net asset value of each share class, the net asset value per share, and the number of shares in each class are given in the comparative tables on page 216. The distribution per share class is given in the distribution tables on page 230. All share classes have the same rights on winding up.

Share class movement reconciliation

31 July 2024	Opening	Creations	Cancellations	Converted	Closing
B Accumulation	270,225,021	11,478,376	(37,005,793)	(989,406)	243,708,198
B Income	428,862,427	58,918,840	(58,206,838)	627,723	430,202,152

17 Post balance sheet events

The table below shows the net asset values per share as at the balance sheet date, compared against values as at 19 November 2024 and the percentage movement in that period:

Net assets per share

	31 July 2024	19 November 2024	% Movement
B Accumulation	175.92	176.99	0.61
B Income	102.01	101.06	(0.93)

During the period from the balance sheet date to 19 November 2024, the net asset value of the sub-fund decreased by 18.87%. This decrease is primarily driven by overall levels of net redemptions within the sub-fund.

The table below shows net redemptions between 31 July 2024 and 19 November 2024 as a percentage of the balance sheet date NAV for share classes with significant movements. This change is reflective of conditions that arose after the year end and hence is considered a non-adjusting event.

Share class

	% Movement
B Accumulation	(38.60)

Aegon Diversified Monthly Income Fund

Distribution Tables

Share Class B Accumulation

Period end	Pay date		Net Revenue	Equalisation*	Total Paid/Payable	2022/23 Total Paid
31/08/23	30/09/23	Group 1	0.9506	N/A	0.9506	0.8105
		Group 2	0.5912	0.3594		
30/09/23	31/10/23	Group 1	0.9448	N/A	0.9448	0.5137
		Group 2	0.6717	0.2731		
31/10/23	30/11/23	Group 1	0.6088	N/A	0.6088	0.3311
		Group 2	0.2368	0.3720		
30/11/23	31/12/23	Group 1	0.7374	N/A	0.7374	0.5162
		Group 2	0.3467	0.3907		
31/12/23	31/01/24	Group 1	0.7153	N/A	0.7153	0.4510
		Group 2	0.3489	0.3664		
31/01/24	29/02/24	Group 1	0.5996	N/A	0.5996	0.4097
		Group 2	0.2659	0.3337		
29/02/24	31/03/24	Group 1	0.6787	N/A	0.6787	0.4665
		Group 2	0.2394	0.4393		
31/03/24	30/04/24	Group 1	0.9161	N/A	0.9161	0.9031
		Group 2	0.3627	0.5534		
30/04/24	31/05/24	Group 1	1.1558	N/A	1.1558	0.7949
		Group 2	0.5745	0.5813		
31/05/24	30/06/24	Group 1	0.9607	N/A	0.9607	1.5922
		Group 2	0.4402	0.5205		
30/06/24	31/07/24	Group 1	0.7836	N/A	0.7836	0.7735
		Group 2	0.3779	0.4057		
31/07/24	31/08/24	Group 1	0.5244	N/A	0.5244	0.8181
		Group 2	0.0660	0.4584		

Share Class B Income

Period end	Pay date		Net Revenue	Equalisation*	Total Paid/Payable	2022/23 Total Paid
31/08/23	30/09/23	Group 1	0.5844	N/A	0.5844	0.5265
		Group 2	0.3016	0.2828		
30/09/23	31/10/23	Group 1	0.5774	N/A	0.5774	0.3321
		Group 2	0.3708	0.2066		
31/10/23	30/11/23	Group 1	0.3699	N/A	0.3699	0.2132
		Group 2	0.1550	0.2149		
30/11/23	31/12/23	Group 1	0.4460	N/A	0.4460	0.3316
		Group 2	0.2542	0.1918		
31/12/23	31/01/24	Group 1	0.4308	N/A	0.4308	0.2888
		Group 2	0.2305	0.2003		
31/01/24	29/02/24	Group 1	0.3594	N/A	0.3594	0.2616
		Group 2	0.1730	0.1864		
29/02/24	31/03/24	Group 1	0.4055	N/A	0.4055	0.2969
		Group 2	0.1936	0.2119		
31/03/24	30/04/24	Group 1	0.5449	N/A	0.5449	0.5732
		Group 2	0.2625	0.2824		
30/04/24	31/05/24	Group 1	0.6839	N/A	0.6839	0.5017
		Group 2	0.3507	0.3332		
31/05/24	30/06/24	Group 1	0.5644	N/A	0.5644	0.9992
		Group 2	0.3489	0.2155		
30/06/24	31/07/24	Group 1	0.4580	N/A	0.4580	0.4805
		Group 2	0.2087	0.2493		
31/07/24	31/08/24	Group 1	0.3049	N/A	0.3049	0.5057
		Group 2	0.0749	0.2300		

All distributions above are in pence per share unless specifically stated.

*Equalisation applies only to shares purchased during the distribution period (Group 2 shares). It is the average amount of revenue included in the purchase price of all Group 2 shares and is refunded to holders of these shares as a return of capital. Being a capital repayment, it is not liable to income tax but must be deducted from the cost of the shares for capital gains tax purposes.

Aegon Asset Management UK ICVC

Further Information (unaudited)

Shares

Each sub-fund may have up to eight share class types, A, B, C, D, E, G, S and Z class. Further information on investment limits, management charges and currency denomination is available from the ACD on request. The sub-funds may offer different types of shares within the classes.

Income shares – Investors with this type of share receive income payments from their shareholding periodically.

Accumulation shares – With this type of share all income earned on investments will be reinvested into the sub-fund.

Valuation point

The valuation point for each sub-fund is midday on each dealing day. The sub-funds deal on a forward basis.

Buying and selling shares

Buying

New shareholders who wish to purchase shares may do so by contacting their professional adviser, platform or other intermediary.

Existing shareholders' instructions should be confirmed by completing any required applications or confirmations via the ACD's on-line portal, unless separately agreed. All dealing will be forward to the prices calculated at the next Valuation Point. A contract note, confirming the transaction, will be available via the ACD's on-line Portal (or dispatched where applicable) by the close of business on the first working day after the Valuation Point at which the transaction was priced.

Selling

Instructions for the sale of Shares may be submitted via the ACD's on-line Portal or by other approved electronic means (or via such other method as the ACD has agreed with the Shareholder). All joint holders will be required to complete the necessary security checks. Such redemption requests shall only be processed where necessary security and bank verification checks have been completed and payment is made to the account of record in the name of the applicant on the register.

Shares may normally be bought or sold on any business day.

You may also save on a regular basis from as little as £50 a month. Contributions will be made by direct debit.

A share exchange service may, at the ACD's discretion, be available in respect of investment amounts of £1,000 or more.

You may also choose to invest through the AEGON ISA.

Further details on our services and products are available on our website www.aegonam.com.

Share class conversions

As a result of the Retail Distribution Review and a move from share classes with higher ACD's periodic charge, to share classes with lower ACD's periodic charge, it is important to bring to your attention the potential tax implications from converting between classes. Investment availability is detailed in the prospectus.

The Company has seven share classes available: Our A class, typically carrying an ACD's periodic charge of 1.50%, our B class, typically carrying an ACD's periodic charge of 0.75%, our C class, typically carrying an ACD's periodic charge of 0.15%, our D class, typically carrying an ACD's periodic charge of 1.00%, our E class, typically carrying an ACD's periodic charge of 1.50%, our G class, typically carrying an ACD's periodic charge of 0.50% and our S class, typically carrying an ACD's periodic charge of 0.55%.

Clients wishing and eligible to convert their holdings from the A class to the B class or D class should be aware that the B class or D class will have a higher income yield, as a result of lower ACD's periodic charge. To ensure the existing shareholders within the B or D class are not diluted by the transfer of a lower amount of revenue from the A class investor, the A class investor must convert a portion of capital to revenue in order to match the yield in the B or D class.

Clients should note that this will only apply to bond sub-funds, as revenue is received gross. Equity sub-funds are assumed to receive their revenue net, and suffer no additional taxation. This additional taxation can be mostly avoided by converting on a fund's Ex-Dividend (XD) Date after revenue has been accounted for as distributed.

Taskforce for Climate-related Disclosures ("TCFD")

TCFD information, initiated by the Financial Stability Board in 2015 and adopted in 2017, provides organisations with a consistent framework for disclosing financial impacts of climate-related risks and opportunities. The disclosure in line with TCFD recommendations enables external stakeholders to gain a better understanding of the climate-related risks and opportunities (including how they are managed) that are likely to impact the organisation's future financial position as reflected in its income statement, cash flow statement, and balance sheet. The TCFD has developed 11 recommendations which are structured around four thematic areas, notably governance, strategy, risk management and metrics and target. In Policy Statement 21/24, the Financial Conduct Authority (FCA) have created a regulatory framework for asset managers, life insurers and FCA regulated pension providers to make climate-related disclosures consistent with the recommendations of the TCFD.

The resulting findings for each sub-fund are published in the Product-level reports which can be found on the Aegon website at <https://www.aegonam.com/responsible-investment/product-level-reports/>. The Product-level reports provide core climate metrics for each of the sub-funds and are designed to help shareholders understand the impact of climate related risks and opportunities of the sub-funds. The Product-level reports will also provide shareholders with the ability to compare a range of climate metrics with other funds and contribute to a common framework for climate-related reporting.

Aegon Asset Management UK ICVC

Further Information (unaudited) (continued)

Securities Financial Transactions Regulations (unaudited)

The Securities Financing Transaction Regulation ("SFTR") introduces reporting requirements for securities financing transactions ("SFTs") and total return swaps (TRS). A SFT is defined as per Article 3(11) of the SFTR as:

- a repurchase/reverse repurchase agreement;
- securities or commodities lending (stock lending) and securities or commodities borrowing;
- a buy-sell back transaction or sell-buy back transaction; or
- a margin lending transaction.

As at 31 July 2024 the Company engaged in Securities lending which are a type of instrument in scope of the SFTR.

Global data

Sub-fund	Type of asset	Unrealised gain and loss in the portfolio base currency and in absolute value (£)	% of Net Assets
Aegon Sterling Corporate Bond Fund	Stock lending	3,903,427	3.35
Aegon UK Smaller Companies Fund	Stock lending	1,314,705	0.66
Aegon Strategic Bond Fund	Stock lending	24,125,120	7.98
Aegon High Yield Bond	Stock lending	29,920,689	4.01
Aegon Investment Grade Bond Fund	Stock lending	1,169,794	0.65
Aegon Diversified Monthly Income Fund	Stock lending	7,933,055	0.91

Data on reuse of collateral

Non-cash collateral is held with a segregated account by the sub-funds' Custodian and will not be sold, re-invested or pledged. There was no collateral reuse during the year ended 31 July 2024.

Concentration data

As at the year end date, collateral was received for stock lending transactions into a segregated account at the funds' Custodian in the form of Government bonds and main market listed equity valued at £71.6m.

The following table provides details of the top counterparties (based on gross volume of outstanding transactions) in respect of the stock lending deals sub-fund as at 31 July 2024.

Sub-fund	Type of asset	Counterparty	Unrealised gain and loss in the portfolio base currency and in absolute value (£)
Aegon Sterling Corporate Bond Fund	Stock lending	Barclays	1,940,191
Aegon Sterling Corporate Bond Fund	Stock lending	JPMorgan	1,963,236
Aegon UK Smaller Companies Fund	Stock lending	JPMorgan	1,314,705
Aegon Strategic Bond Fund	Stock lending	Barclays	6,120,349
Aegon Strategic Bond Fund	Stock lending	BNP Paribas	654,131
Aegon Strategic Bond Fund	Stock lending	JPMorgan	13,518,844
Aegon Strategic Bond Fund	Stock lending	Jefferies	2,017,175
Aegon Strategic Bond Fund	Stock lending	Merrill Lynch	1,351,186
Aegon Strategic Bond Fund	Stock lending	Morgan Stanley	463,435
Aegon High Yield Bond Fund	Stock lending	Barclays	172,279
Aegon High Yield Bond Fund	Stock lending	JPMorgan	906,443
Aegon High Yield Bond Fund	Stock lending	Morgan Stanley	28,841,967
Aegon Investment Grade Bond Fund	Stock lending	Barclays	120,683
Aegon Investment Grade Bond Fund	Stock lending	BNP Paribas	245,813
Aegon Investment Grade Bond Fund	Stock lending	HSBC	803,298
Aegon Diversified Monthly Income Fund	Stock lending	Barclays	5,805,133
Aegon Diversified Monthly Income Fund	Stock lending	BNP Paribas	1,934,815
Aegon Diversified Monthly Income Fund	Stock lending	HSBC	193,107

Aegon Asset Management UK ICVC

Further Information (unaudited) (continued)

Securities Financial Transactions Regulations (continued)

Safekeeping of collateral received

Cash collateral is received on each sub-fund's cash account at Citibank N.A., London Branch.

The amount of collateral received for stock lending as at 31 July 2024 is as follows:

Sub-fund	Type of collateral	Counterparty	Currency of collateral	Amount of collateral (£)
Aegon Strategic Bond Fund	Cash	Barclays	GBP	(2,110,000)
Aegon High Yield Bond Fund	Cash	Barclays	GBP	(6,160,000)
Aegon Investment Grade Bond Fund	Cash	Barclays	GBP	(320,000)
Aegon Sustainable Diversified Growth Fund	Cash	Barclays	GBP	300,000
Aegon Sustainable Diversified Growth Fund	Cash	BNP Paribas	GBP	(1,990,000)
Aegon Sustainable Diversified Growth Fund	Cash	Deutsche Bank	GBP	(310,000)
Aegon Diversified Monthly Income Fund	Cash	Barclays	GBP	(1,720,000)
Aegon Diversified Monthly Income Fund	Cash	BNP Paribas	GBP	(900,000)

Aggregate transaction data

Sub-fund	Type of collateral	Maturity tenor (collateral)	Currency of collateral	Maturity tenor (SFT/TRS)	Country of counterparty	Settlement and clearing	Quality of collateral
Aegon Sterling Corporate Bond Fund	Bond	Matured	CAD	Matured	UK	Bilateral	Investment grade
Aegon Sterling Corporate Bond Fund	Bond	Matured	DKK	Matured	UK	Bilateral	Investment grade
Aegon Sterling Corporate Bond Fund	Bond	Matured	EUR	Matured	UK	Bilateral	Investment grade
Aegon UK Smaller Companies Fund	Bond	Matured	USD	Matured	UK	Bilateral	Investment grade
Aegon Strategic Bond Fund	Bond	Matured	CAD	Matured	UK	Bilateral	Investment grade
Aegon Strategic Bond Fund	Bond	Matured	DKK	Matured	UK	Bilateral	Investment grade
Aegon Strategic Bond Fund	Bond	Matured	EUR	Matured	UK	Bilateral	Investment grade
Aegon Strategic Bond Fund	Bond	Matured	USD	Matured	UK	Bilateral	Investment grade
Aegon High Yield Bond Fund	Bond	Matured	CAD	Matured	UK	Bilateral	Investment grade
Aegon High Yield Bond Fund	Bond	Matured	DKK	Matured	UK	Bilateral	Investment grade
Aegon High Yield Bond Fund	Bond	Matured	EUR	Matured	UK	Bilateral	Investment grade
Aegon Investment Grade Bond Fund	Bond	Matured	CAD	Matured	UK	Bilateral	Investment grade
Aegon Investment Grade Bond Fund	Bond	Matured	DKK	Matured	UK	Bilateral	Investment grade
Aegon Investment Grade Bond Fund	Bond	Matured	EUR	Matured	UK	Bilateral	Investment grade
Aegon Investment Grade Bond Fund	Bond	Matured	GBP	Matured	UK	Bilateral	Investment grade
Aegon Investment Grade Bond Fund	Bond	Matured	USD	Matured	UK	Bilateral	Investment grade
Aegon Diversified Monthly Income Fund	Bond	Matured	CAD	Matured	UK	Bilateral	Investment grade
Aegon Diversified Monthly Income Fund	Bond	Matured	DKK	Matured	UK	Bilateral	Investment grade
Aegon Diversified Monthly Income Fund	Bond	Matured	EUR	Matured	UK	Bilateral	Investment grade
Aegon Diversified Monthly Income Fund	Bond	Matured	GBP	Matured	UK	Bilateral	Investment grade
Aegon Diversified Monthly Income Fund	Bond	Matured	USD	Matured	UK	Bilateral	Investment grade

Aegon Asset Management UK ICVC

Further Information (unaudited) (continued)

Securities Financial Transactions Regulations (continued)

Safekeeping of collateral granted

Cash and security collateral paid to the counterparties is delivered to segregated accounts at the counterparty.

The amount of collateral granted for stock lending as at 31 July 2024 is as follows:

Sub-fund	Type of collateral	Counterparty	Currency of collateral	Amount of collateral (£)	% of collateral held at year-end by category
Aegon Sterling Corporate Bond Fund	Bond	Barclays	CAD	1,439,647	1.23
Aegon Sterling Corporate Bond Fund	Bond	Barclays	DKK	708	-
Aegon Sterling Corporate Bond Fund	Bond	Barclays	EUR	588,112	0.51
Aegon Sterling Corporate Bond Fund	Bond	JPMorgan	EUR	2,032,968	1.74
		Total		4,061,435	3.48
Aegon UK Smaller Companies Fund	Bond	JPMorgan	USD	1,415,075	0.71
		Total		1,415,075	0.71
Aegon Strategic Bond Fund	Bond	Barclays	CAD	4,618,738	1.53
Aegon Strategic Bond Fund	Bond	Barclays	DKK	2,272	-
Aegon Strategic Bond Fund	Bond	Barclays	EUR	1,886,804	0.62
Aegon Strategic Bond Fund	Bond	BNP Paribas	EUR	689,662	0.23
Aegon Strategic Bond Fund	Bond	BNP Paribas	USD	388	-
Aegon Strategic Bond Fund	Bond	JPMorgan	EUR	14,263,712	4.72
Aegon Strategic Bond Fund	Bond	Jefferies	EUR	2,234,290	0.74
Aegon Strategic Bond Fund	Bond	Merrill Lynch	EUR	1,419,568	0.47
Aegon Strategic Bond Fund	Bond	Morgan Stanley	EUR	493,408	0.16
		Total		25,608,842	8.47
Aegon High Yield Bond Fund	Bond	Barclays	CAD	131,669	0.02
Aegon High Yield Bond Fund	Bond	Barclays	DKK	65	-
Aegon High Yield Bond Fund	Bond	Barclays	EUR	53,788	0.01
Aegon High Yield Bond Fund	Bond	JPMorgan	EUR	934,489	0.12
Aegon High Yield Bond Fund	Bond	Morgan Stanley	EUR	29,825,241	4.00
		Total		30,945,252	4.15
Aegon Investment Grade Bond Fund	Bond	Barclays	CAD	89,548	0.05
Aegon Investment Grade Bond Fund	Bond	Barclays	DKK	44	-
Aegon Investment Grade Bond Fund	Bond	Barclays	EUR	36,581	0.02
Aegon Investment Grade Bond Fund	Bond	BNP Paribas	EUR	259,166	0.15
Aegon Investment Grade Bond Fund	Bond	BNP Paribas	USD	146	-
Aegon Investment Grade Bond Fund	Bond	HSBC	EUR	830,361	0.46
Aegon Investment Grade Bond Fund	Bond	HSBC	GBP	24,843	0.01
		Total		1,240,689	0.69
Aegon Diversified Monthly Income Fund	Bond	Barclays	CAD	4,370,446	0.50
Aegon Diversified Monthly Income Fund	Bond	Barclays	DKK	2,150	-
Aegon Diversified Monthly Income Fund	Bond	Barclays	EUR	1,785,375	0.21
Aegon Diversified Monthly Income Fund	Bond	BNP Paribas	EUR	1,988,811	0.23
Aegon Diversified Monthly Income Fund	Bond	BNP Paribas	USD	1,118	-
Aegon Diversified Monthly Income Fund	Bond	HSBC	EUR	193,799	0.02
Aegon Diversified Monthly Income Fund	Bond	HSBC	GBP	5,797	-
		Total		8,347,496	0.96

Return/Costs

Return and costs of stock lending transactions for the year ended 31 July 2024 are disclosed in the Statement of Total Return of the relevant sub-fund under Revenue.

Aegon Asset Management UK ICVC

Further Information (unaudited) (continued)

Remuneration Policy (unaudited)

Aegon Asset Management UK ICVC is managed by Aegon Asset Management UK Plc.

The Remuneration Committee of Aegon Asset Management UK Plc has established a UCITS Remuneration Policy to ensure that the requirements of the UCITS Remuneration Code are met proportionately for all UCITS Remuneration Code Staff. This policy applies to Aegon Asset Management UK Plc and the UCITS it manages.

There are no material changes to the adopted remuneration policy since the previous Annual Report for year ended 31 December 2023 was published.

Further information with respect to Aegon Asset Management UK Plc remuneration policy is available in Aegon Asset Management UK Plc Annual Report and Accounts and in Aegon Asset Management UK Plc regulatory Pillar III disclosure (which are available on the responsible investing part of the Aegon Asset Management website).

Employee Remuneration Disclosure

The table below provides an overview of the following:

- Aggregate total remuneration paid by Aegon Asset Management UK plc to all Aegon Asset Management UK plc staff; and
- Aggregate total remuneration paid by Aegon Asset Management UK plc to Remuneration Code Staff

	Headcount	Total Remuneration (£'000s)
Aegon Asset Management UK plc Staff	303	41,804
of which		
Fixed remuneration	303	27,779
Variable remuneration	303	14,025

Due to the nature of the business in which Aegon Asset Management UK plc operates, it is not possible to accurately allocate the time spent by each employee on each UCITS scheme. As such it has been deemed appropriate to disclose total remuneration information for Aegon Asset Management UK plc.

	Headcount	Total Remuneration (£'000s)
Aegon Asset Management UK plc Remuneration Code Staff	12	4,015
of which		
Remuneration Code Staff	12	4,015

UCITS Manager activities

The following table provides an overview of the size and composition of the funds managed by Aegon Asset Management UK plc, including Aegon Asset Management UK ICVC. This shows the total number of funds managed, the split between, and proportions of AIF, UCITS and other funds including segregated mandates:

	Number of Funds	AUM £'000	% of AUM
Aegon Asset Management UK plc remuneration Code Staff	27	35,170,627	100.00
of which			
Alternative Investment Funds	4	951	-
UCITS Funds	9	2,959,052	8.41
Other Funds			
Money managed on behalf of other clients		27,622,788	78.54
Aegon Asset Management UK ICVC	14	4,587,836	13.05

* These figures are stated as at 30 June 2024. These figures are presented to the nearest £million in line with all others in the table.

Aegon Asset Management UK ICVC

Further Information (unaudited) (continued)

Glossary

UCITS Manager Remuneration Code Staff

Total remuneration will be reported for all UCITS Manager Remuneration Code Staff as at the UCITS schemes financial year-end. Broadly speaking, UCITS Manager Remuneration Code Staff are those employees who are considered could have a material impact on the risk profile of Aegon Asset Management UK plc or any of the UCITS schemes it manages (including Aegon Asset Management UK ICVC plc).

AuM

Assets under management are measured at fair market value on the relevant cut-off date. The latest available valuations are reported in the Annual Report & Accounts.

Other Code Staff

UCITS Manager Remuneration Code Staff that are not considered Senior Management, per the definition below.

Senior Management

UCITS Manager Remuneration Code Staff who are members of Aegon Asset Management UK plc board.

Total Remuneration

Total remuneration reported will be the sum of salary, cash bonus, any deferred annual bonus, the fair value of any long term incentive awards, plus the value (actual or estimated) of any pension or benefits in kind, awarded in respect of performance in the reportable financial year, i.e. 1 January 2023 – 31 December 2023.

Who to contact

For prospective Shareholders: correspondence to be via the ACD's "please contact us" link available on the ACD's on-line Portal.

For all other Shareholders: correspondence to be via the ACD's on-line Portal unless separately agreed. A link for the ACD's on-line Portal is located at the ACD's website www.aegonam.com