

Aegon Global Equity Income Fund

Premium income with long
term capital appreciation



October 2024

For Professional Investors only and not to be distributed to or relied upon by retail clients



Introducing Aegon Asset Management

Serving clients globally

- Institutional, intermediary and wholesale clients from offices in Europe, the Americas and Asia.

Focused investment offerings

- Research-driven active management across public and private fixed income, equities, real assets and multi-asset portfolios.
- Multi-manager and responsible investment solutions.

Deeply resourced, experienced staff

- Approximately 1,160 employees.
- Approximately 385 investment professionals.

Aligned with strategic partners

- Leveraging partnerships to deliver customer-focused solutions across asset classes.



\$337 billion (€314 billion / £269 billion)
under management/advisement

Fixed Income

\$172

Multi-Asset Solutions

\$54

Equities

\$22

Real Assets

\$20

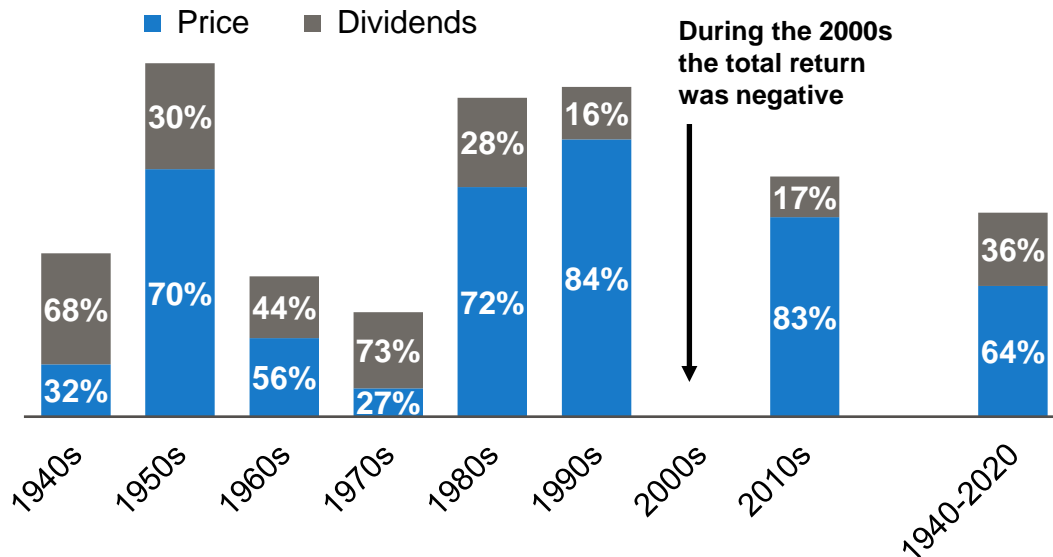
Strategic Partnerships*

\$70

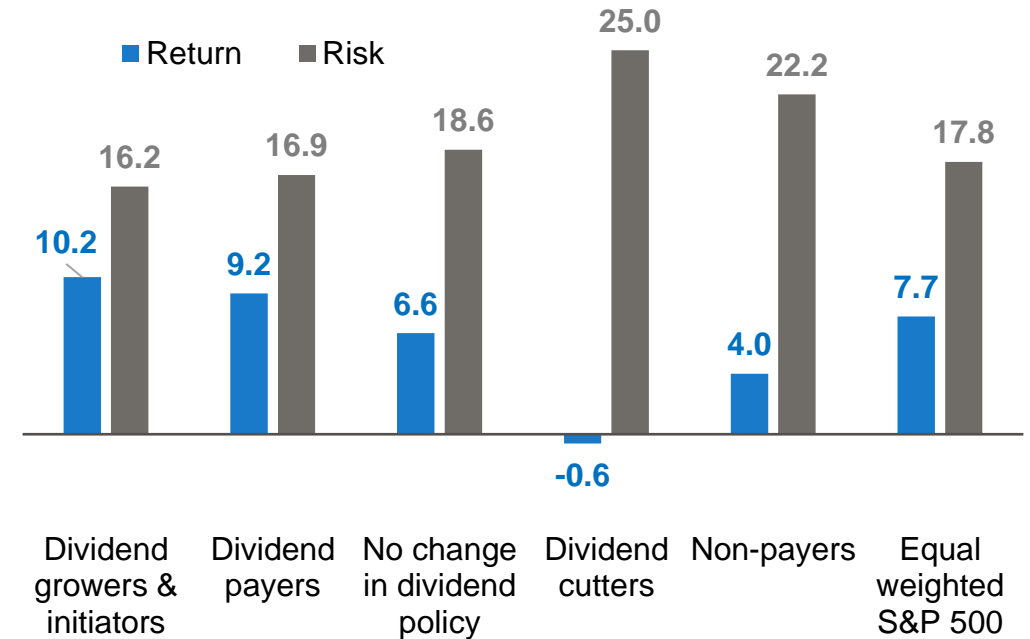
As of June 30, 2024. Please refer to the disclosures in the appendix for more details.

Dividends: A vital component of total returns

Breakdown of total equity returns per decade



Return & risk of stocks by dividend policy 1973 - 2022



- **Over a third of total returns** on the S&P 500 between 1940 and 2020 were from dividends
- Stocks which have **grown their dividend or started paying one** have recorded a **higher return at lower risk** than those with no change to dividend, dividend cutters or non-payers

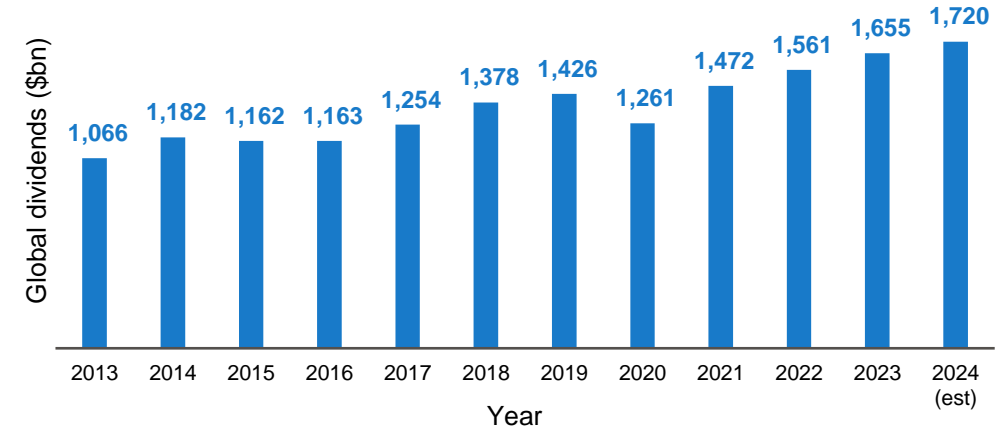
This investment contain risk and may lose value. The information is for informational purposes and readers should not assume that investments were or will be profitable. Source: Bloomberg, Kepler Cheuvreux for illustrative purposes.

Global dividends hit record levels

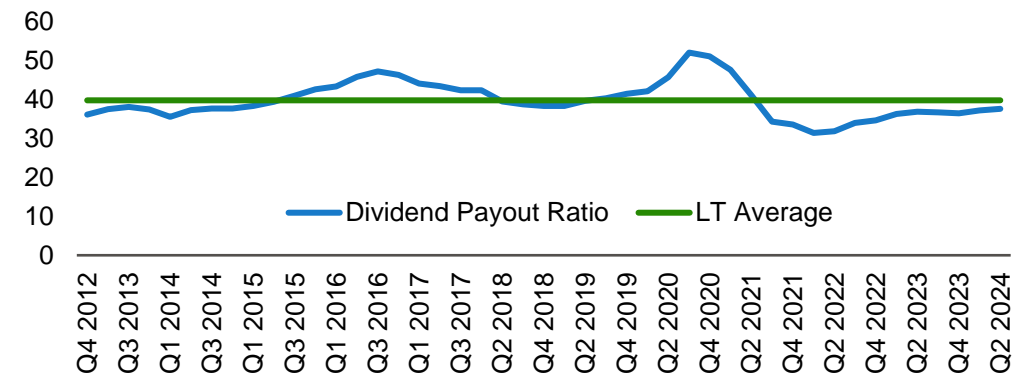
Past performance does not predict future returns. Outcomes, including the payment of income, are not guaranteed

- Dividends continue to provide **real income protection** – rising faster than inflation
- Despite slowing economies, **corporate earnings remain resilient and balance sheets strong**
- Global dividends and share buybacks **at record levels**. Yet payout ratios **below historical averages**
- Elevated interest rate environment **should favour quality, income producing companies** over high growth or deep value ones

Total global dividends per year (\$bn)¹



MSCI ACWI dividend payout ratio²



This investment contains risk and may lose value.

¹Source: Janus Henderson Global Dividend Index Report, Edition 41, March 2024.

²Source: Bloomberg as of June 30, 2024. For illustrative purposes.

Aegon Global Equity Income Fund: An Introduction

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Portfolio

- Focus on sustainable and growing dividends from quality companies that boast strong balance sheets and generate high, recurring cash flows
- High-conviction and extremely liquid portfolio of 40 to 50 stocks
- Lower beta, low turnover and a long-term investment horizon

Target

- Distribute net income around 130% dividend yield of MSCI ACWI
- Total return mind-set to deliver long term sustainable capital growth

Distinctive Features

- **Consistent philosophy:** A 10+ year focus on the dividend sweetspot to capture premium, robust yields
- **Stock selection framework:** Going beyond traditional Compounders and into Hoarders and De-equitisers results in differentiated portfolio
- **ESG integration:** Article 8 under SFDR
- **Highly experienced and stable investment team:** Over 25 years' average industry experience and led by Mark Peden since launch.¹
- **Performance:** First quartile total returns over 3 years, 5 years, 10 years and since inception.*



Douglas Scott
Investment Manager
28 years' experience



Mark Peden
Investment Manager
32 years' experience



Jane Hepburne Scott
Support Manager
13 years' experience




Robin Black
Investment Manager
29 years' experience

Source: Lipper as at 31 August 2024. *Fund rankings compiled using Lipper Primary share classes based on the A (Inc) EUR shareclass launched on 7 October 2013. Lipper primary share classes are generally the highest charging share classes available, and are usually the 'A' retail share classes for Aegon funds. Personnel may be employed by any of the Aegon Asset Management affiliates, correct as at 2 October 2024.


The team behind our Global Equity Income Strategy

Highly experienced and stable investment management team


Core investment team




Douglas Scott
Investment Manager
28 years' experience




Mark Peden
Investment Manager
32 years' experience



Robin Black
Investment Manager
29 years' experience



Jane Hepburne Scott
Support Manager
13 years' experience



Cameron Shanks
Research Analyst
6 years' experience

- Lead PM Mark Peden has managed the strategy since launch in 2011

- Core team draws on ideas from 29-person Equity team, all based in Edinburgh

Chart illustrates primary responsibilities. Personnel may be employed by any of the Aegon Asset Management affiliates, correct as at 2 October 2024.

Our distinct philosophy

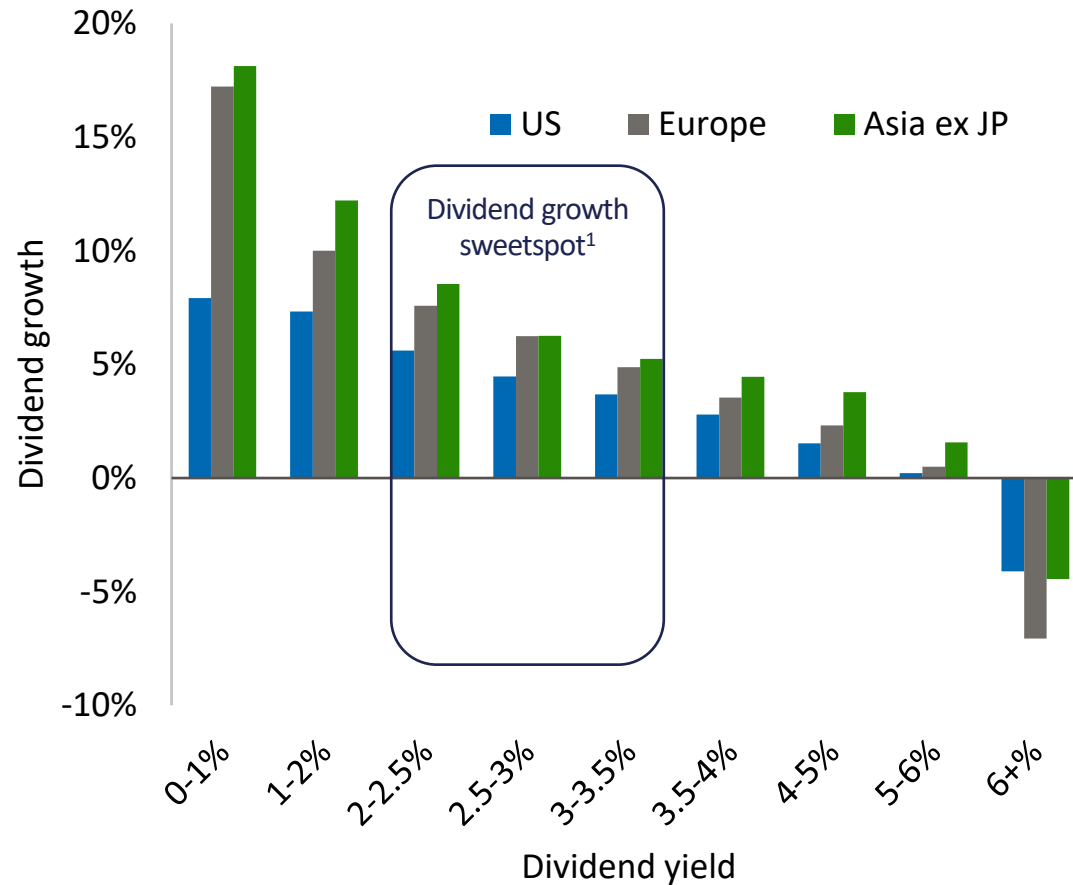
We seek quality companies with strong long-term fundamentals

‘We invest in quality companies with strong balance sheets, high return-on-equity, and well-covered dividends.’

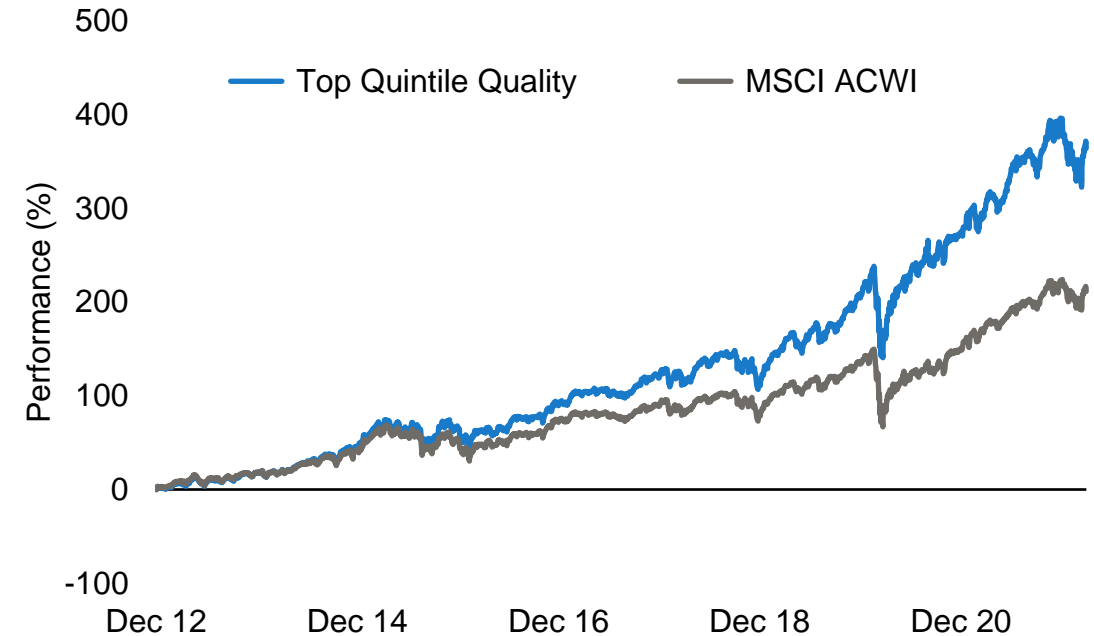
‘We avoid the deep value areas of the market, where yields can seem attractive, but are unlikely to be sustained.’

Yield and income are not always one and the same

Quality wins over time

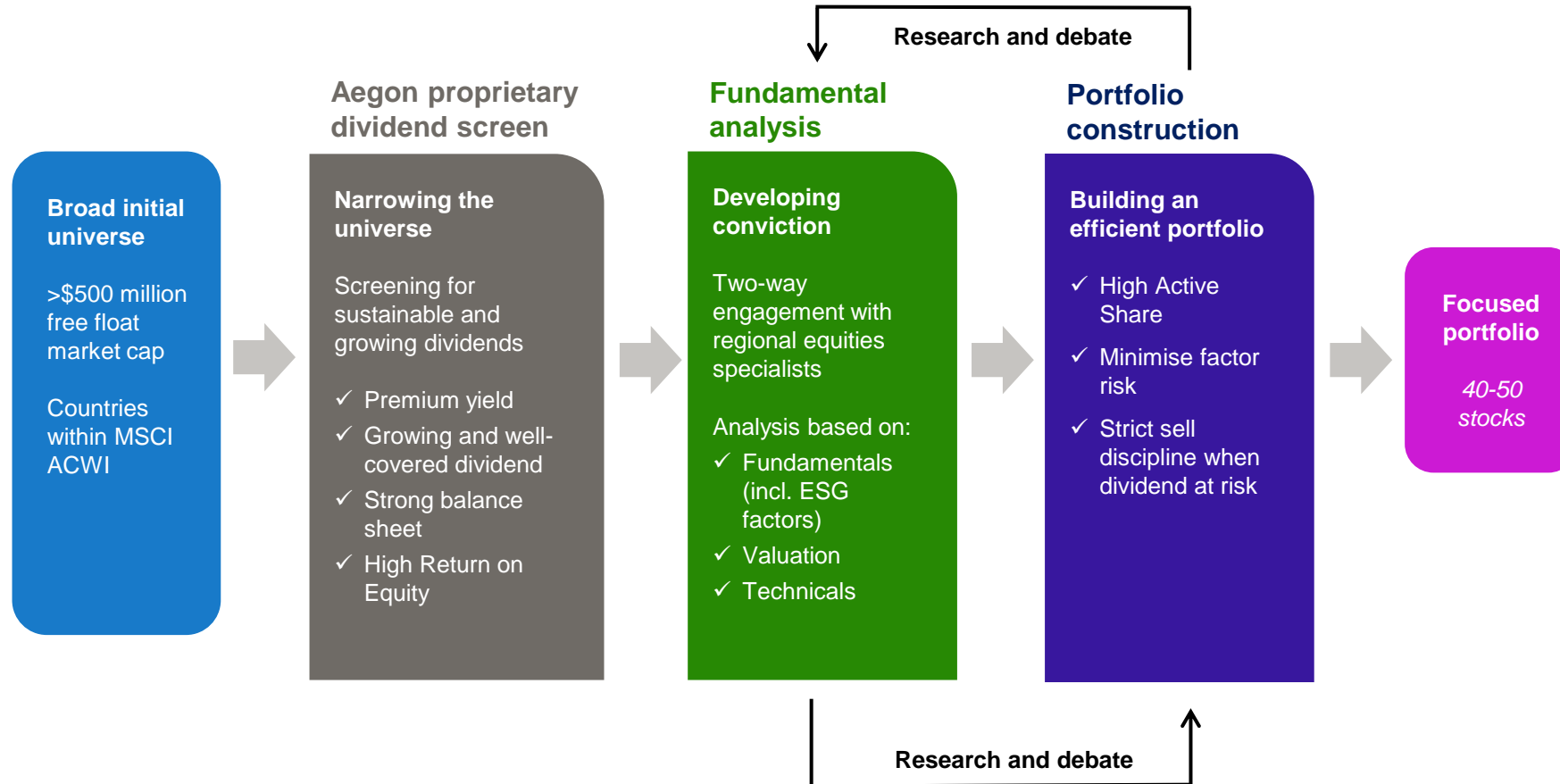


MSCI ACWI vs top quintile for ROE and Net Debt / EBITDA²



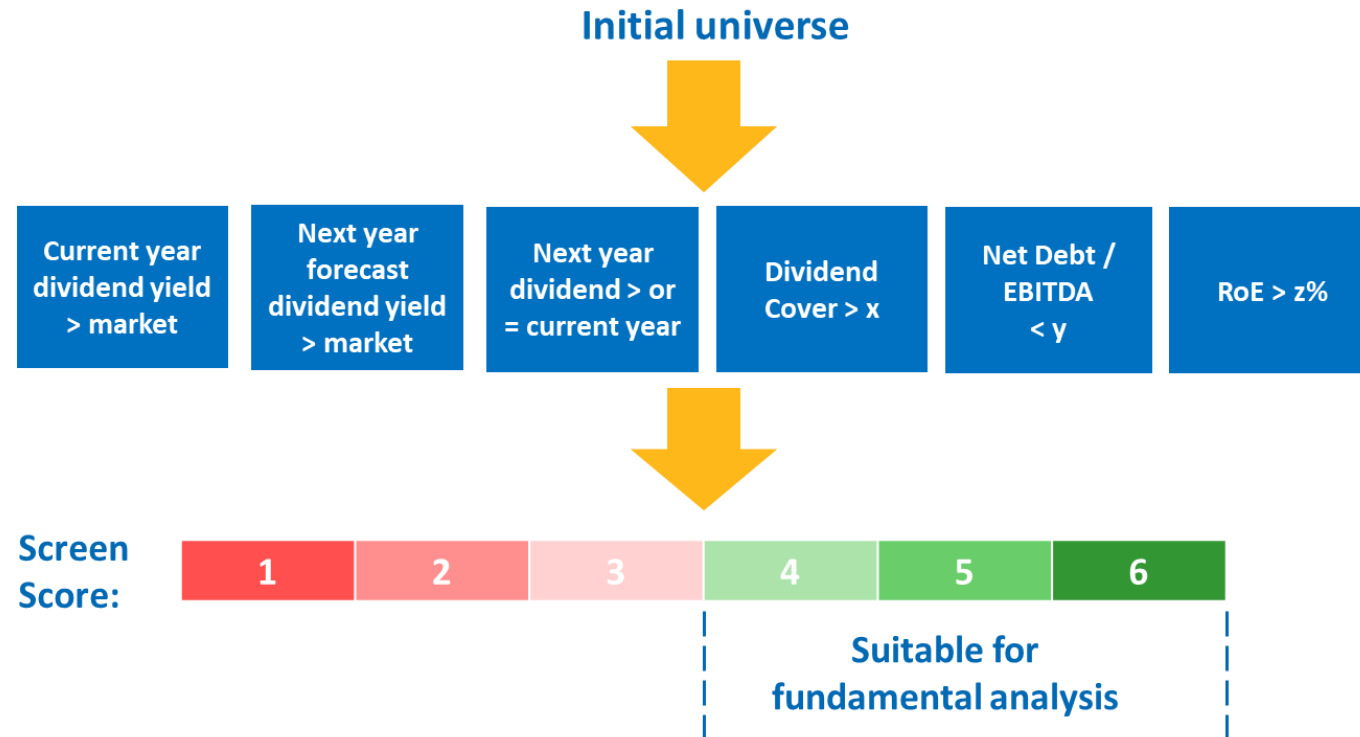
¹Source: SG Cross Asset Research/Equity Quant, June 2021. ²Source: Bloomberg as at 31 March 2022.

Our investment process



Aegon proprietary dividend screen

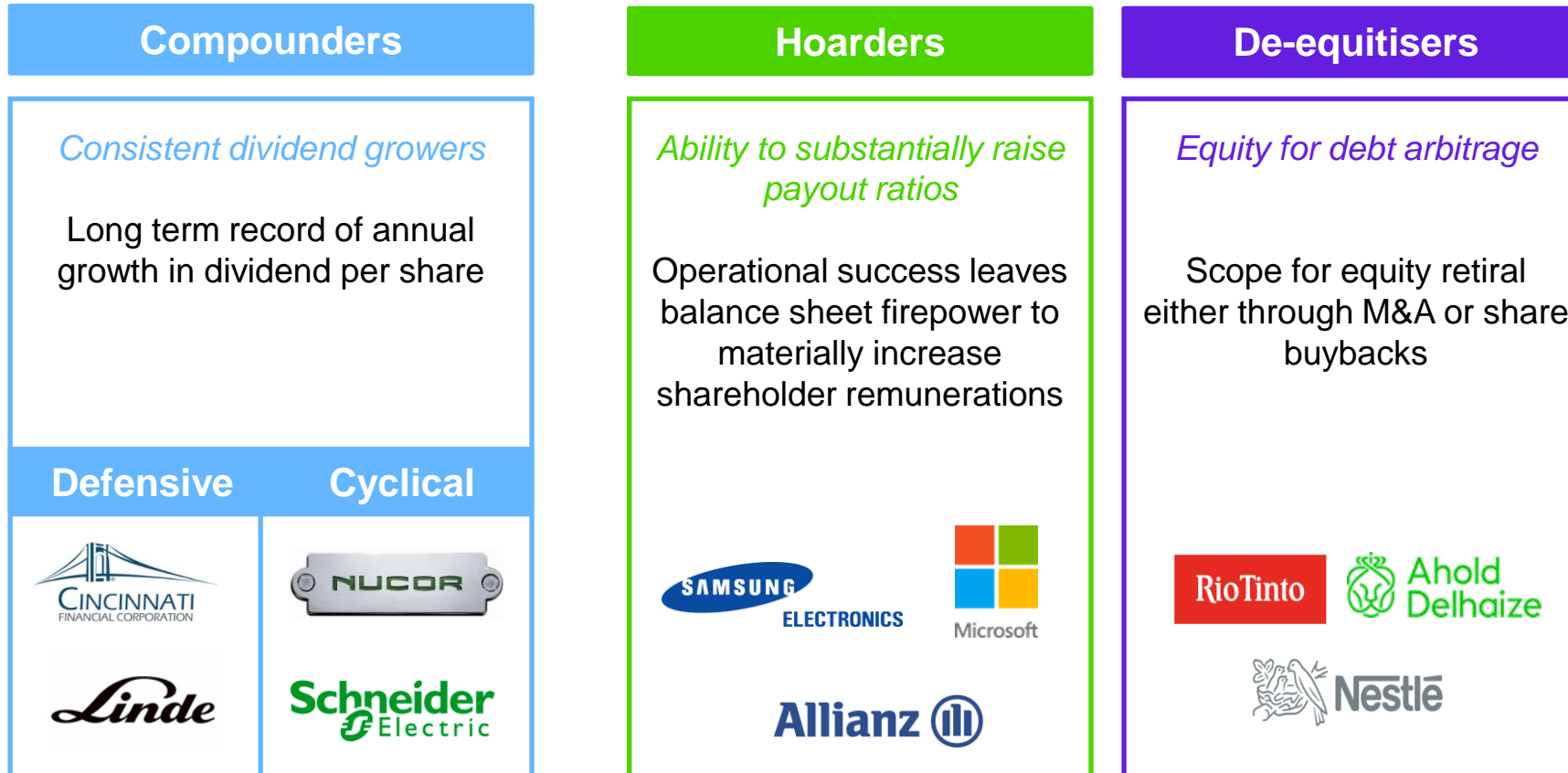
Six simple pass / fail metrics



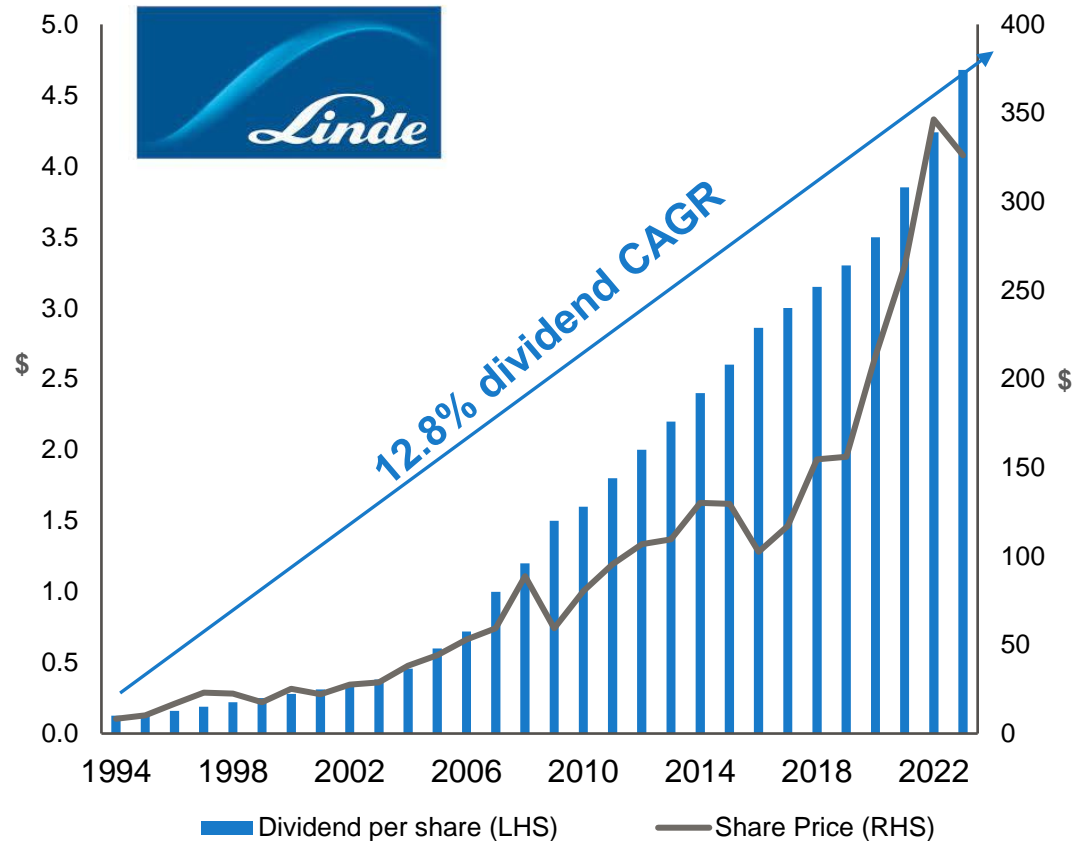
Attractive, above market and well covered dividends backed by strong balance sheets

There is no guarantee these investment or portfolio strategies will work under all market conditions or are suitable for all investors and each investor should evaluate their ability to invest over the long-term, especially during periods of increased market volatility.

Generating alpha beyond traditional income stocks



The compounder



- Global manufacturer and distributor of industrial gases
- Allocating capital to areas that contribute to cleaner air and GHG mitigation
- Leading hydrogen supplier to refineries to produce low-sulphur, cleaner burning fuels
- 30 consecutive years of annual dividend increases
- The company helps avoid 2.3x its own GHG emissions through its products and services

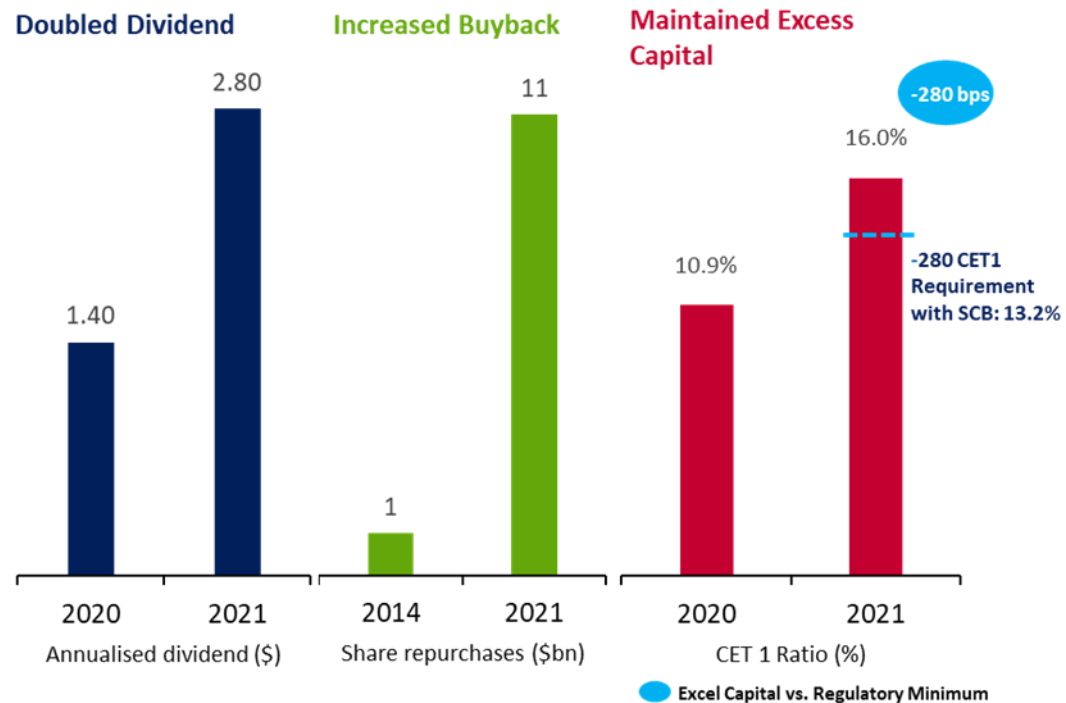
Sources: Chart: Factset, as at 31 October 2023. For illustrative purposes only.
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The Hoarder

Morgan Stanley

New capital return policy announced in June 2021

Reset dividend while maintaining excess capital



- Morgan Stanley is a world leading wealth and investment manager responsible for \$6.5tn in client assets
- Having accumulated significant excess capital over past years a doubling of the dividend and a new \$12bn share buyback programme were announced immediately post the Federal Reserve's June 2021 stress tests
- Delivery on long-term goals to further improve the profitability and returns of the franchise, whilst also operating well above their stress capital buffer, will ensure continued very strong capital returns
- Dividend since increased by a further 11% and share buyback authorisation raised to \$20bn

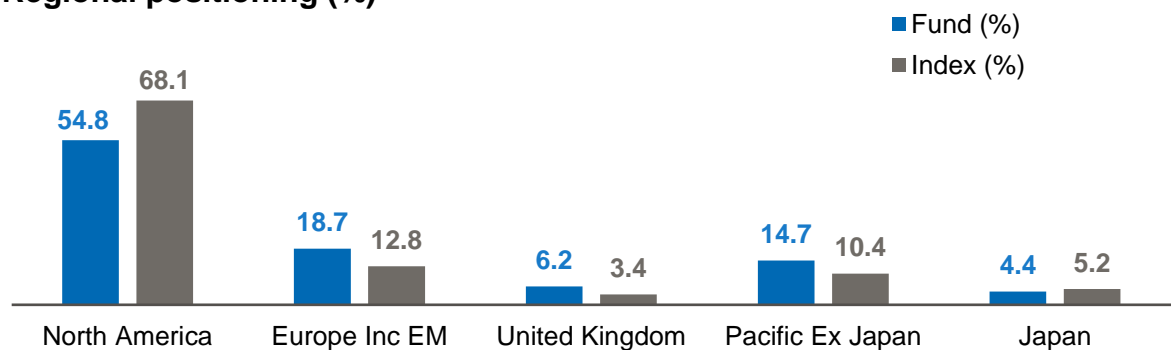
Source: Morgan Stanley. For illustrative purposes only.

A differentiated approach to income investing

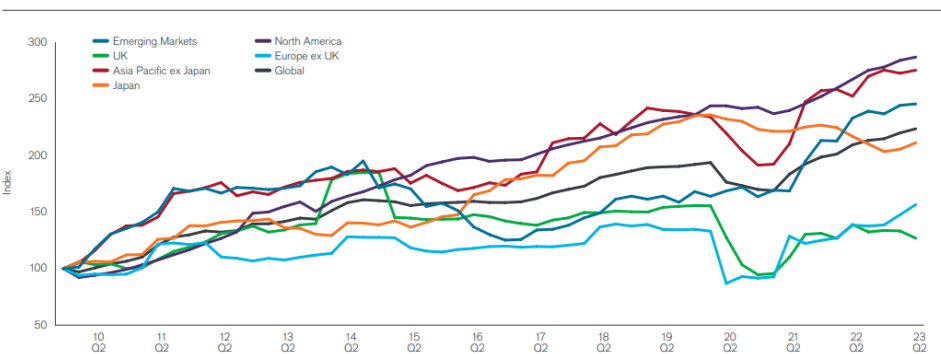
A truly global proposition

Past performance does not predict future returns

Regional positioning (%)



JANUS HENDERSON GLOBAL DIVIDEND INDEX
BY REGION



Top 10 Holdings	Weight (%)
Microsoft	7.5
Broadcom	5.0
Schneider Electric	3.4
Eaton Corp	3.3
TSMC	3.2
Linde	3.1
AbbVie	3.0
Watsco	3.0
AstraZeneca	2.9
JPMorgan Chase	2.8
Total	37.1

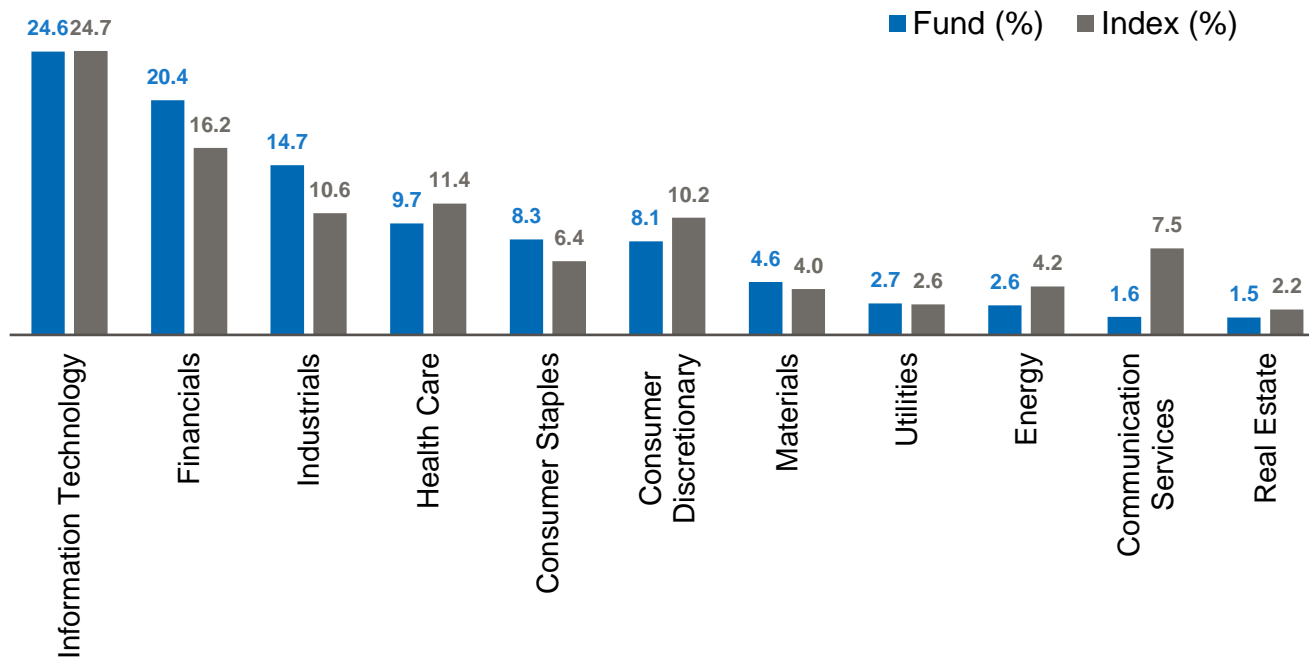
Number of holdings	49
Historic Yield* (C Inc USD)	2.3%

- Top 10 holdings go beyond traditional ‘compounders’
- Strong exposure to Asia-Pacific’s dividend growth story
- Underweight US and Japan – two of the lowest yielding developed markets

Source: FactSet. Data as at 31 August 2024. Index: MSCI All Country World GBP. Where ADRs are used regional allocations reflect country of incorporation of underlying company.
Source for JHGD Index: Janus Henderson Global Dividend Index Report, Edition 39, August 2023.
*Yield data as at 1 July 2024, historic yield is calculated as dividend per share (sum of last 4 quarterly distributions/price on date quoted).

A differentiated approach to income investing

Sector positioning (%)



- Significant tech weighting reflecting high dividend growth in the sector
- Financials remain a key source of income, supported by elevated interest rates
- Low exposure to structurally challenged traditional income sectors like energy and communication services

Source: Citi Investment Research, FactSet. Data as at 31 August 2024. Index: MSCI All Country World GBP.
Source for JHGD chart: Janus Henderson Global Dividend Index Report, Edition 39, August 2023.

Low turnover but ruthless when needs must



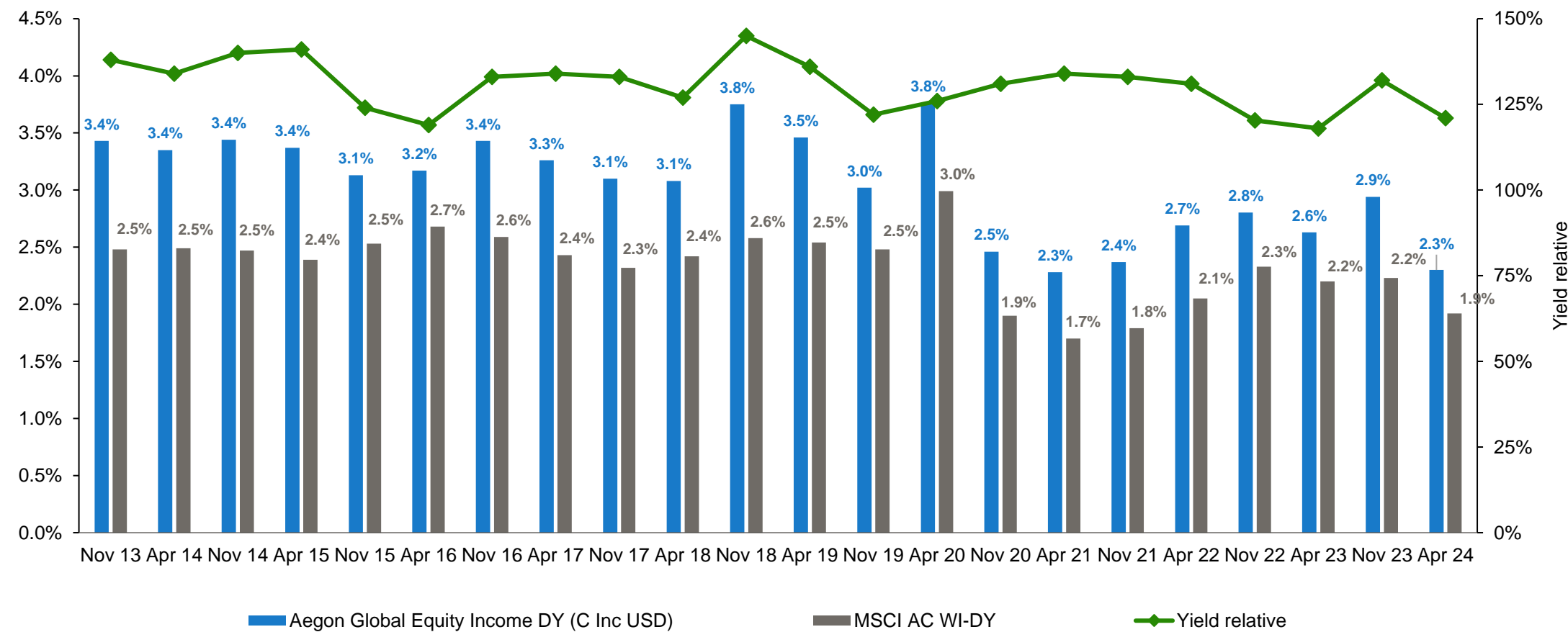
LTM Turnover 19.0%*

Last Twelve Months (LTM). Purchases or sales divided by the average bid NAV over the period as at 31 August 2024.
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Comparison of fund and index yield over time

Distribution yield – consistently higher than the MSCI ACWI

Past performance does not predict future returns.

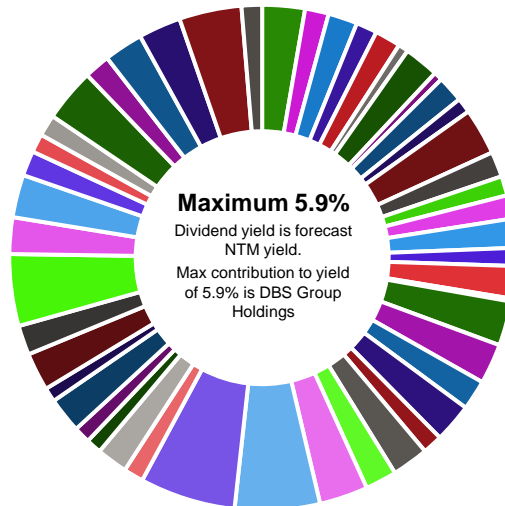


Source: Aegon Asset Management UK, FactSet, MSCI ACWI and Aegon as at July 1, 2024

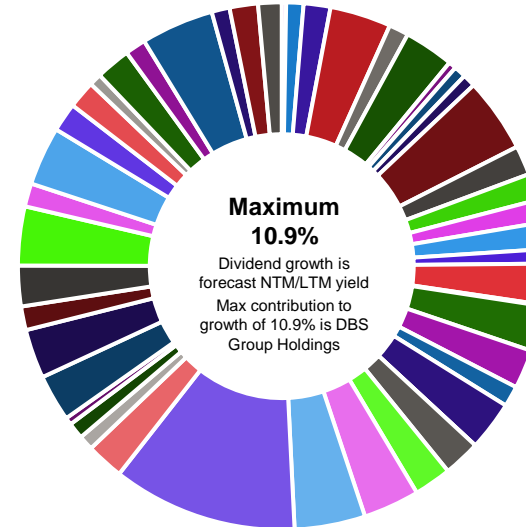
Deconstructing the Fund's income

- Income delivery does not rely on a few, very high-yielders
- A totally diversified source of both yield and dividend growth
- Highly liquid portfolio

Contribution to dividend yield



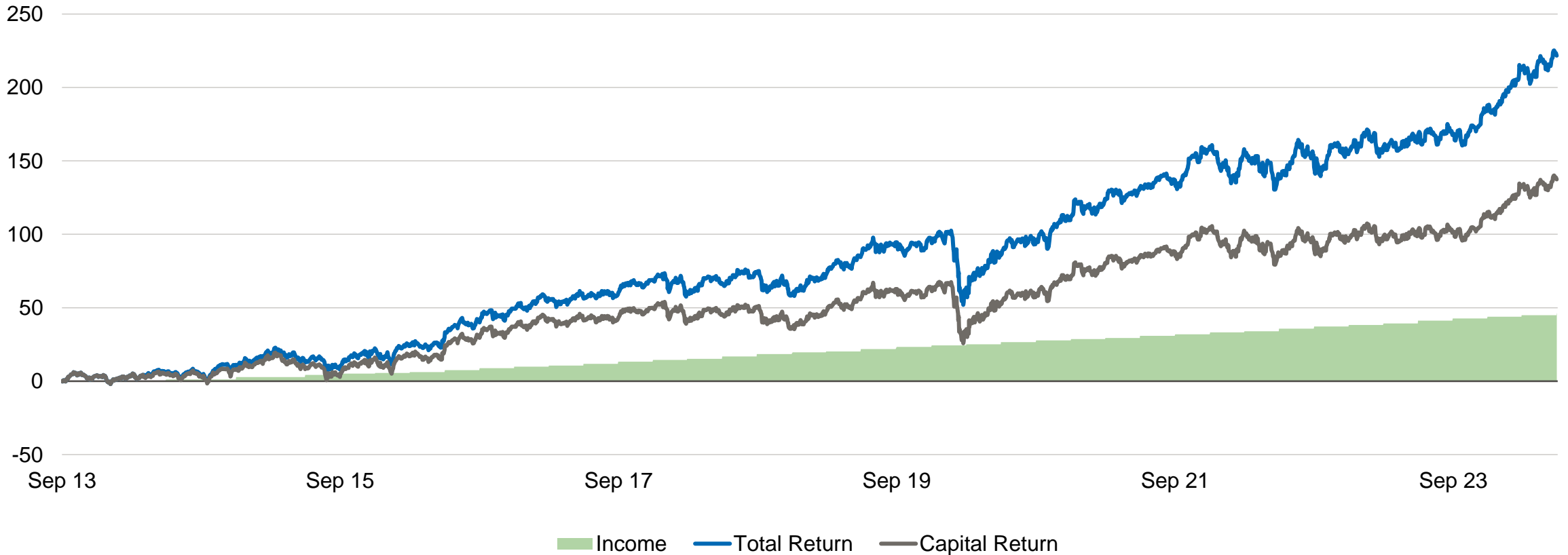
Contribution to dividend growth



Source: FactSet as at 31 August 2024
Twelve Months (NTM), Last Twelve Months (LTM).

Income: A significant contributor to long-term returns

Past performance does not predict future returns.

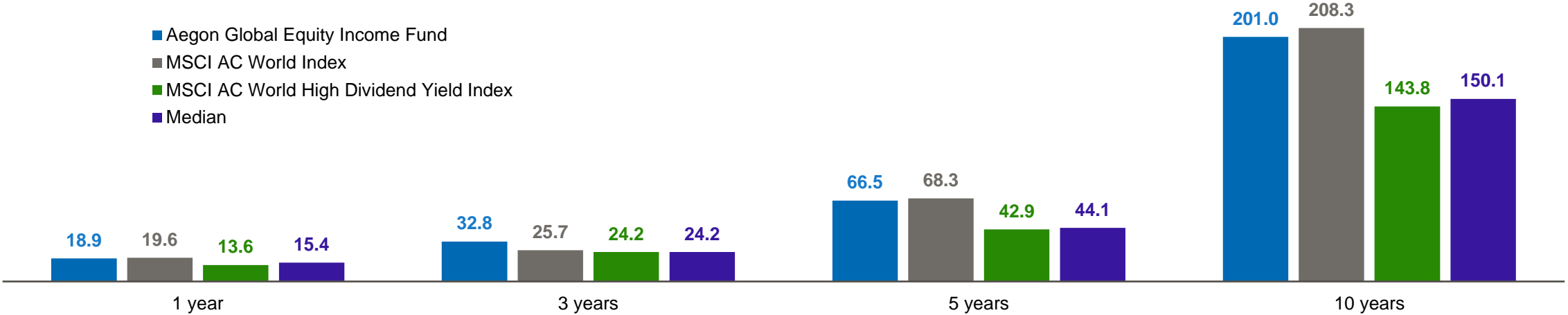


As at 30 June 2024. Source: Lipper. NAV to NAV, noon prices, income reinvested, net of ongoing charges, excluding entry or exit charges.
Fund shown: Aegon Global Equity Income Fund C (Inc) GBP shares % Growth TR and CR since inception on 30 September 2013.

Premium income with long-term capital appreciation

Past performance does not predict future returns.

Cumulative performance (%)



Fund quartile rankings ¹			
1 yr	3 yrs	5 yrs	10 yrs
2nd	1st	1st	1st

Source: Lipper as at 31 August 2024. NAV to NAV, noon prices, income reinvested, net of ongoing charges, excluding entry or exit charges. Benchmark and sector median source: Lipper. Median is Lipper Global Equity Global Income. Aegon Global Equity Income Fund C (Inc) GBP shares vs MSCI AC World Index GBP. MSCI AC World High Dividend Yield TR GBP is used for illustrative purposes only. ¹Fund quartile rankings are compiled using Lipper Primary share classes based on the A (Inc) EUR shareclass launched on 7 October 2013.

Performance review: YTD 2024

Consistency, stability, quality

Past performance does not predict future returns

- Fund a **little behind ACWI** but **comfortably ahead of High Dividend Yield Index** year-to-date
- **First quartile versus peers** over H1 2024, 3, 5, 10 years and since inception
- Continues to deliver comfortable **yield premium** to the index (fund 2.25% vs index 1.89%)
- Recent **rotation** in market **leadership reflected at portfolio level** – softer Q3 performance after excellent H1
- Despite volatility, **Artificial Intelligence themed stocks remain top contributors** YTD
- **Defensive, lower beta names** to the fore in Q3

abbvie

AstraZeneca

SEKISUI HOUSE

- Company **results remain solid overall** and healthy **dividend increases** seen across the portfolio
- Softer results have weighed on **Telkom Indonesia** (now exited), **Nestle** and **PepsiCo**
- Trading in Q3 has **trimmed tech weighting and beta and added to defensives**

Source: Aegon AM as at 31 August 2024 (yield number as at 1 August 2024). Aegon Global Equity Income Fund B (Acc) GBP shareclass shown, NAV to NAV, noon prices, income reinvested, net of ongoing charges, excluding entry or exit charges. All third-party names and logos are property of their respective owners and are used in this material for identification purposes only.

Outlook

Past performance does not predict future returns

- **Weaker US data has changed the narrative** and market leadership – **soft landing** still base case though
- **Earnings growth remains strong** – companies are managing well
- **Continued volatility likely** around data releases and geopolitical developments
- **Higher quality, defensive stocks** likely to fare better in slowing growth backdrop
- **Falling rates should support valuations and consumer sentiment**
- Strong corporate balance sheets and earnings **supportive of further dividend growth**
- **Tech and financials** sectors should continue to be **attractive areas for dividends**
- 2024 dividend increases in the portfolio underline **positive backdrop and contribution to total return:**



16%



12.5%



28%



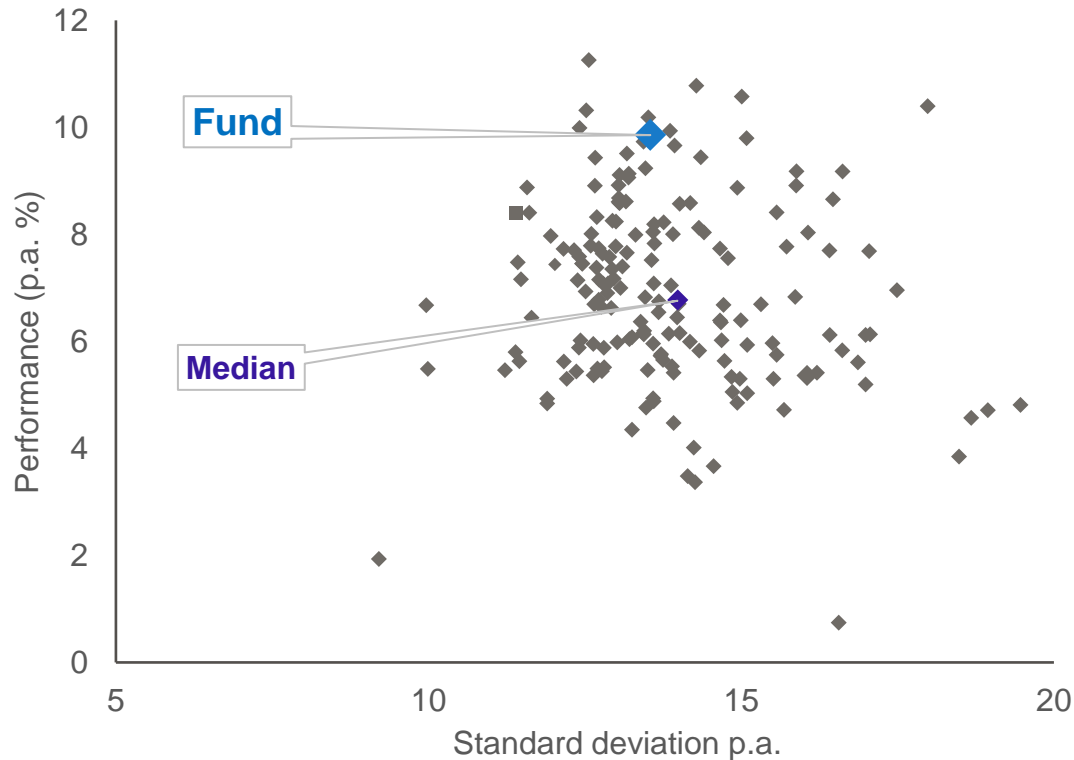
10%



28%

Premium income with long-term capital appreciation

Aegon Global Equity Income Fund risk/return profile
(28 September 2012 to 31 August 2024)



- Lipper Global Equity Global Income sector includes 194 global dividend equity funds with performance record since 28 September 2012
- Aegon was the 10th best performer over the period

Source: Lipper as at 31 August 2024. NAV to NAV, noon prices, income reinvested, net of ongoing charges, excluding entry or exit charges. Benchmark and sector median source: Lipper. Aegon Global Equity Income Fund C (Inc) USD shares vs Lipper Global Equity Global Income sector. Volatility based on annualised standard deviation. Inception: 28 September 2012.

Compelling reasons to consider the Fund

Past performance does not predict future returns

Consistency, reliability and longevity

Current backdrop

- Global dividends at record levels and higher rate environment should favour quality stocks over high growth or deep value

Fund performance

- Consistently delivered income significantly above dividend yield of market
- First quartile total returns over 3 years, 5 years, 10 years and since launch*

Consistent philosophy, stable team

- Stable team with a proven track record in equity income investing, complemented by the Aegon Proprietary Dividend Screen

ESG integration

- Results in a portfolio with strong ESG outcomes
- Categorised as Article 8 under SFD



Douglas Scott
Investment Manager
28 years' experience



Mark Peden
Investment Manager
32 years' experience



Jane Hepburne Scott
Support Manager
13 years' experience



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Investment Manager
29 years' experience

As at 31 August 2024. Source: Lipper, NAV to NAV, noon prices, income reinvested, net of ongoing charges, excluding entry or exit charges. Sector median source: Lipper. Global Equity Global Income sector. *Fund rankings compiled using Lipper Primary share classes based on the A (Inc) EUR shareclass launched on 7 October 2013. Lipper primary share classes are generally the highest charging share classes available, and are usually the 'A' retail share classes for Aegon funds. Personnel may be employed by any of the Aegon Asset Management affiliates, correct as at 2 October 2024.

Thank you



Risk policy

Investment policy

The Fund shall directly invest at least 80% of the Net Asset Value of the Fund in equity securities. The Investment Manager in seeking to achieve the Fund's investment objective, intends to invest primarily in a portfolio of global equity securities providing an above average yield (i.e. a higher yield than the yield of the overall global equity market). The Fund may also invest to a limited extent, in other securities and instruments as described below. In selecting investments, the Investment Manager shall seek to invest in equity securities that have the potential for growth of income and capital and the Investment Manager shall seek to identify companies with attractive long-term business prospects that generate cash and produce attractive levels of dividend income. The Fund shall invest in a diversified portfolio of equity securities.

The main risks of the fund are:

- **Other markets:** The Fund may invest in countries which have less developed political, economic and legal systems and which provide fewer investor protections. Difficulties in buying, selling, safekeeping or valuing investments in such countries may reduce the value of the Fund.
- **Concentration Risk:** Holding a limited number of underlying investments means a change in the value of any one investment has more impact on the Fund's value. This increases potential gain but also potential loss.
- **Foreign Exchange Risk:** The Fund's portfolio of investments may be denominated in a range of currencies which differ from the Fund's base currency. Fluctuations in these currencies may increase the risk of losses to the Fund where hedging is not used or is incomplete or unsuccessful.
- **Fund charges:** The Fund charges its fees against capital, which will increase the amount of income available for distribution to Shareholders, but may constrain capital growth.

Important information

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Past performance does not predict future returns. Outcomes, including the payment of income, are not guaranteed. Yield for C Inc USD at 1 July 2024. Source: Aegon Asset Management UK plc.

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