

Aegon Asset Management UK ICVC

Annual Report and Financial Statements
for the year ended 31 July 2023

Aegon Asset Management UK ICVC

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*Collectively these pages together with the investment reports of the individual sub-funds comprise the Authorised Corporate Director's 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 plc¹
3 Lochside Crescent
Edinburgh
EH12 9SA

Directors of the ACD

Adrian Hull³
Andrew Mack (independent non-executive director)⁴
David Watson (independent non-executive director)⁵
Jane Daniel⁶
Kirstie MacGillivray⁷
Mary Kerrigan (independent non-executive director)
Stephen Jones
Tom Scherer (non-executive director)

Secretary of the ACD

Tom Scherer

Research Provider

EIRIS Services Limited⁸
8th Floor
The Tower Building
11 York Road
London
SE1 7NX

Depository

Citibank UK Limited²
Citigroup Centre
Canada Square
Canary Wharf
London
E14 5LB

Custodian

Citibank N.A. London Branch¹
Citigroup Centre
Canada Square
Canary Wharf
London
E14 5LB

Independent Auditor

PricewaterhouseCoopers LLP
Atria One
144 Morrison Street
Edinburgh
EH3 8EX

Registrar

Northern Trust Global Services SE UK Branch^{1,9}
50 Bank Street
London
E14 5NT

Citibank Europe Plc, UK Branch^{1,9}
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 Adrian Hull was appointed as a Director of Aegon Asset Management UK plc on 1 September 2022.

⁴ Andrew Mack was appointed as a Director of Aegon Asset Management UK plc on 21 September 2022.

⁵ David Watson resigned as a Director of Aegon Asset Management UK plc on 21 September 2022.

⁶ Jane Daniel resigned as a Director of Aegon Asset Management UK plc on 30 December 2022.

⁷ Kirstie MacGillivray was appointed as a Director of Aegon Asset Management UK plc on 1 September 2022.

⁸ 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.

⁹ 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 2023. 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 2023.

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 2023 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

Effective from 1 April 2023 there was a change to the investment objective and benchmark on Aegon Sustainable Diversified Growth Fund, with shareholder communication dated 26 January providing at least 60 days' notice of the change.

Effective 31 July 2023 various updates were made to the Prospectus as summarised below. Investors were notified in November 2022 that these changes would be implemented. The Prospectus was updated to reflect:

- that the manner in which the Company is available to investors has moved from a traditional transfer agency service to a predominantly digital only model, however traditional transfer agency support is available as required;
- that investors now receive distributions directly into their bank accounts rather than in the form of cheque and that cheques are no longer accepted as payment for shares in the Company;
- that the Company is no longer available to new retail investors investing directly into the Company and that new retail investors can invest in the Company only via a professional adviser, platform or other intermediary; and
- a change of Registrar and Administrator for the Company (from Northern Trust Global Services SE, UK Branch to Citibank Europe PLC, UK Branch) and the associated registrar and transfer agency charging structure going forward (which represents a reduction in the previous charging structure).

In addition, the Prospectus dated 11 January 2023 was updated to reflect the following changes:

- To reflect the change in how Aegon Sustainable Equity Fund will measure its global exposure from relative value at risk ("VaR") to the commitment approach, no change in investment strategy or the risk profile of the sub-fund;
- Corrected typographical error under the Regular Savings Plan section which had not been updated to reflect the share class closures that took place so consistent with the limits in the appendix;
- To reflect the removal of the smoothing mechanism for the Aegon Diversified Monthly Income Fund and the distribution of 100% of the available income monthly, treated as a post-notifiable for the purposes of COLL; and
- To facilitate the original temporary procedures adopted as part of the COVID contingency planning to accept investor instructions and documentation by electronic means and making this now a permanent process as mentioned above.

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/>.

Aegon Asset Management UK ICVC

Report of the Authorised Corporate Director (continued)

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 ¹				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 ²				X		
Aegon Ethical Corporate Bond Fund ³				X		
Aegon Ethical Equity Fund						X
Aegon Ethical Cautious Managed Fund ⁴					X	
Aegon Sustainable Diversified Growth Fund ⁵					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.

¹ On 17 February 2023 the SRRRI rating on Aegon Sterling Corporate Bond Fund has changed as the realised volatility of returns on the sub-fund has increased throughout the year.

² On 17 February 2023 the SRRRI rating on Aegon Investment Grade Bond Fund has changed as the realised volatility of returns on the sub-fund has increased throughout the year.

³ On 17 February 2023 the SRRRI rating on Aegon Ethical Corporate Bond Fund has changed as the realised volatility of returns on the sub-fund has increased throughout the year.

⁴ On 17 February 2023 the SRRRI rating on Aegon Ethical Cautious Managed Fund has changed as the realised volatility of returns on the sub-fund has increased throughout the year.

⁵ On 17 February 2023 the SRRRI rating on Aegon Sustainable Diversified Growth Fund has changed as the realised volatility of returns on the sub-fund has increased throughout the year.

Aegon Asset Management UK ICVC

Market Review for the year ended 31 July 2023

The MSCI World Index increased by 13.49% in US dollar terms, with most core markets performing well. Inflation and central bank rhetoric remained key drivers of market volatility.

While equity markets remained relatively positive up to the end of 2022, it was clear that the future path of inflation - and therefore interest rates - was the dominant concern among investors. Throughout the remainder of the period sentiment towards this issue swung from expectations of a slowdown in the rate of interest rate hikes - which boosted markets - to concerns that inflation remained 'sticky', with central banks retaining a hawkish stance as a result.

From a style and sector perspective, there was a continued rotation out of growth and into value stocks during the first half of the period, with defensive sectors generally outperforming more cyclical areas of the market. As we moved through 2023, there was a distinct change in leadership within the market, with growth sectors outperforming their value counterparts. However, in reality the 'growth' rally was driven by large-cap US names, with the large tech stocks driving the move. US mid-cap growth stock lagged in comparison.

Fixed income markets were also volatile over the 12-month period, with core government bonds coming under significant pressure. Investment grade bonds also struggled initially although they rallied somewhat as we moved into 2023 and increased over the period as a whole. High yield bonds, however, were the strongest performers, buoyed mainly by robust corporate earnings.

The main drivers of the volatile conditions were the persistence of inflation - with central banks raising rates as a consequence - and fears over the extent of a consumer-led slowdown. Political volatility was also to the fore, particularly in the UK where the short-lived Truss-led government announced unfunded tax cuts at the start of the period. This move led to concerns over the UK government's fiscal credibility and caused borrowing costs to move higher, leading to a sharp sell-off in gilts and a wave of forced selling in UK corporate bonds. However, the subsequent reversal of the government's expansionary fiscal policy - and confirmation of the new administration's commitment to a more conservative budget - bolstered confidence in gilts.

As we moved into 2023, most markets were generally more positive in terms of inflation expectations, given a decline in energy prices and weaker economic data. At the same time, fears over stresses in the banking system, which ultimately led to the demise of Credit Suisse, proved to be short-lived with no signs of wider contagion.

Given the more positive tone, any signs of a peak in inflation data were greeted by a rally in markets. Central banks, however, were careful to highlight that the battle to control inflation was far from over. This was particularly the case towards the end of the period, where the US Federal Reserve, the European Central Bank and the Bank of England all raised rates, with the latter reacting to stronger than expected inflation data.

Events during the financial year

The Investment Manager has noted the recent developments in Ukraine and governments continue to impose sanctions on Russia. Given the absence of exposure in the region, our view is that those developments and sanctions are unlikely to have a significant direct adverse impact on the Fund. Nonetheless, the situation continues to evolve, and it remains difficult at this stage to estimate all direct and indirect impacts which may arise from these emerging developments. The Investment Manager continues to monitor the developments closely.

On 31 January 2022 the Aegon UK Equity Income Fund fully redeemed all its shares. The ACD terminated the sub-fund at 20 January 2023.

There have been no other significant events affecting the sub-funds during the year ended 31 July 2023.

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; 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.

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.



Kirstie MacGillivray



Stephen Jones

Edinburgh
27 November 2023

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 2023.

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

27 November 2023

Aegon Asset Management UK ICVC

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

Report on the audit of the financial statements

Opinion

In our opinion, the financial statements of Aegon Asset Management UK ICVC (the "Company"):

- give a true and fair view of the financial position of the Company and each of the sub-funds as at 31 July 2023 and of the net revenue/expenses and the net capital gains/losses on the scheme property of the Company and each of the sub-funds for the year then ended; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law), the Statement of Recommended Practice for UK Authorised Funds, the Collective Investment Schemes sourcebook and the Instrument of Incorporation.

Aegon Asset Management UK ICVC is an Open Ended Investment Company ('OEIC') with 14 sub-funds. The financial statements of the Company comprise the financial statements of each of the sub-funds. We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the Balance Sheets as at 31 July 2023; the Statements of Total Return, and the Statements of Change in Net Assets Attributable to Shareholders for the year then ended; the Distribution Tables; the Accounting Policies; and the Notes to the Financial Statements.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

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 or any sub-funds' ability to continue as a going concern for a period of at least twelve months from the date on which the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the Authorised Corporate Director's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the Company's or any sub-funds' ability to continue as a going concern.

Our responsibilities and the responsibilities of the Authorised Corporate Director with respect to going concern are described in the relevant sections of this report.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The Authorised Corporate Director is responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, 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 an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

Based on our work undertaken in the course of the audit, the Collective Investment Schemes sourcebook requires us also to report certain opinions as described below.

Authorised Corporate Director's Report

In our opinion, the information given in the Authorised Corporate Director's Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Aegon Asset Management UK ICVC

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

Responsibilities for the financial statements and the audit

Responsibilities of the Authorised Corporate Director for the financial statements

As explained more fully in the Statement of the Authorised Corporate Director's Responsibilities, the Authorised Corporate Director is responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The Authorised Corporate Director is also responsible for such internal control as they determine 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 Authorised Corporate Director is responsible for assessing the Company's and each of the sub-funds 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 Authorised Corporate Director either intends to wind up or terminate the Company or individual sub-fund, or has no realistic alternative but to do so.

Auditors' 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 auditors' 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the Company/industry, we identified that the principal risks of non-compliance with laws and regulations related to breaches of the Collective Investment Schemes sourcebook, and we considered the extent to which non-compliance might have a material effect on the financial statements, in particular those parts of the sourcebook which may directly impact on the determination of amounts and disclosures in the financial statements. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to increase revenue or to increase the net asset value of the Company or the sub-funds. Audit procedures performed included:

- Discussions with the Authorised Corporate Director, including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Reviewing relevant meeting minutes, including those of the Authorised Corporate Director's board of directors;
- Identifying and testing journal entries, specifically any journals posted as part of the financial year end close process; and
- Designing audit procedures to incorporate unpredictability around the nature, timing or extent of our testing.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, 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.

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

Use of this report

This report, including the opinions, has been prepared for and only for the Company's shareholders as a body in accordance with paragraph 4.5.12 of the Collective Investment Schemes sourcebook as required by paragraph 67(2) of the Open-Ended Investment Companies Regulations 2001 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Aegon Asset Management UK ICVC

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

Other required reporting

Opinion on matter required by the Collective Investment Schemes sourcebook

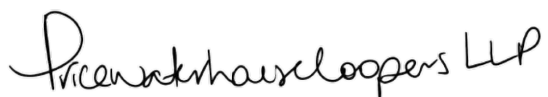
In our opinion, we have obtained all the information and explanations we consider necessary for the purposes of the audit.

Collective Investment Schemes sourcebook exception reporting

Under the Collective Investment Schemes sourcebook we are also required to report to you if, in our opinion:

- proper accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records.

We have no exceptions to report arising from this responsibility.



PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Atria One, Edinburgh

27 November 2023

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 (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law) ("FRS 102").

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

All of the sub-funds continue to adopt the going concern basis in preparing the financial statements.

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 2023. 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.

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 2023 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 they meet 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 his/her 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.

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.

Aegon Asset Management UK ICVC

Accounting Policies (continued)

1 Accounting Policies (continued)

Contracts for difference (continued)

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 underlier at exercise date.

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

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

Put writer – receives premium, takes obligation to take delivery of underlier 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 position equity 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 ended 31 July 2022, but this policy was not in place for the year ended 31 July 2023.

b) Indexation

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

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.

Aegon Asset Management UK ICVC

Accounting Policies (continued)

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; and
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 (2022: same policies).

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 and Relative VaR are 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.

Under the relative VaR approach, the VaR of the sub-fund is compared to that of a benchmark or reference portfolio. With this approach, the choice of benchmark is important and hence the Manager will choose a leverage free benchmark with similar risks to the sub-fund. 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 14.10% of its NAV. The Relative VaR of a UCITS cannot be more than two times the VaR of the reference portfolio. The ACD monitors that the $(\text{VaR of the UCITS})/(\text{VaR of the reference portfolio})$ is not greater than 200%.

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

- one-tailed confidence interval of 95%;
- holding period equivalent to one month (i.e. 20 business days);
- effective observation period (history) of risk factors of two years;
- 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.

Aegon Asset Management UK ICVC

Accounting Policies (continued)

4 Risks (continued)

Market price risk (continued)

For those sub-funds utilising the relative VaR methodology, it details the reference portfolio. 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 liquidate:

Security	Composite Rating	Sub-fund exposure	Sub-fund
Avaya*		0.13%	Aegon High Yield Bond Fund
Avaya*		0.20%	Aegon Sustainable Diversified Growth Fund
Avaya*		1.05%	Aegon Diversified Monthly Income Fund
Lehman Brothers 6% 25/01/2013 Defaulted	NR	0.02%	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 daily any distressed bonds held. The fund manager will use his/her 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.

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.

Aegon Asset Management UK ICVC

Accounting Policies (continued)

4 Risks (continued)

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 Related Parties

Aegon Asset Management UK plc as the ACD is regarded as a related party under FRS 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 plc is a related party of the ACD. Both parties share an ultimate controlling party, AEGON Limited (formerly AEGON N.V.), 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 (6.50)% compared to the peer group median return of (6.58)%. The peer group is the Investment Association Sterling Corporate Bond sector.

Strategy review**

Fixed income markets were volatile over the 12-month period, with core government bonds coming under significant pressure. Investment grade bonds struggled initially although they rallied as we moved into 2023 and increased over the period as a whole. High yield bonds, however, were the strongest performers, buoyed mainly by robust corporate earnings.

The main drivers of the volatile conditions were the persistence of inflation - with central banks raising rates as a consequence - and fears over the extent of a consumer-led slowdown. Political volatility was also to the fore, particularly in the UK where the short-lived Truss-led government announced unfunded tax cuts at the start of the period. This move led to concerns over the UK government's fiscal credibility and caused borrowing costs to move higher, leading to a sharp sell-off in gilts and a wave of forced selling in UK corporate bonds. However, the subsequent reversal of the government's expansionary fiscal policy - and confirmation of the new administration's commitment to a more conservative budget - bolstered confidence in gilts.

As we moved into 2023, most markets were generally more positive in terms of inflation expectations, given a decline in energy prices and weaker economic data. At the same time, fears over stresses in the banking system, which ultimately led to the demise of Credit Suisse, proved to be short-lived with no signs of wider contagion.

Given the more positive backdrop, any signs of a peak in inflation data were greeted by a rally in markets. Central banks, however, were careful to highlight that the battle to control inflation was far from over. This was particularly the case towards the end of the year, where the US Fed, the ECB and the Bank of England all raised rates, with the latter reacting to stronger than expected inflation data.

Throughout the year we actively managed the sub-fund's duration (a measure of interest rate risk) within a range of between 6 and 6.8 years, reducing our interest rate risk exposure when inflation concerns were high and increasing it as sentiment improved. Given the difficult conditions at the start of the year, the sub-fund's short-dated holdings tended to perform better, while our long-dated exposure to areas such as housing associations detracted. The outperformance of the short end of the yield curve was clearly prevalent during the year when the Truss-led government made its mini-budget announcement in the UK. The sharp increase in government bond yields led to extreme weakness in UK credit markets.

The reversal of this dynamic in October, following the new UK administration's commitment to a more conservative budget, subsequently benefited the sub-fund's long-dated holdings with our preference for higher quality / better-rated holdings performing well.

Markets rallied at the start of 2023 with weaker inflation data in both the US and Europe a key driver. The better sentiment again benefited our longer-dated holdings. Towards the end of the year, volatility was again to the fore, however, as the UK market was subsequently dominated by a spate of poorer data, including higher-than-expected inflation, which led to the underperformance in rates markets and softness in sterling corporate bond markets.

Within the sub-fund, less duration sensitive assets (shorter maturity) and subordinated / high yield rated bonds, performed relatively well at this point but our long-dated holdings struggled. Heightened volatility across the water sector, primarily focussed on Thames Water, also detracted from sub-fund performance. By the end of the year, the UK market had recovered its poise to an extent with our exposure to the financial sector in particular adding value to the sub-fund.

We continue to actively manage our interest rate risk exposure and to focus on disciplined issue 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 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 2023	Top ten sales	31 July 2023
	£'000		£'000
ING Groep 6.25% 20/05/2033	1,400	Yorkshire Water Finance 3.75% 22/03/2046	2,500
BPCE 6.125% 24/05/2029	1,398	Tesco Property Finance No.2 6.0517% 13/10/2039	2,023
Credit Agricole 4.875% 23/10/2029	1,390	Zurich Finance (UK) 6.625% Perpetual	2,000
Zurich Finance (Ireland) DAC 5.125% 23/11/2052	991	Scottish Widows 5.5% 16/06/2023	2,000
Vodafone 5.125% 12/02/2052	888	HSBC 4.75% 24/03/2046	1,848
Svenska Handelsbanken 4.625% 23/08/2032	799	CPUK Finance 7.239% 28/02/2024	1,838
Barclays 8.407% 14/11/2032	700	Trafford Centre Finance 4.75% 28/04/2024	1,658
CPUK Finance 6.136% 28/08/2031	700	National Grid Electricity Distribution 3.5% 16/10/2026	1,613
Commerzbank FRN 28/02/2033	600	Esure 6.75% 19/12/2024	1,480
Engie 5.625% 03/04/2023	593	Sainsbury's Bank 6% 23/11/2027	1,404

Aegon Sterling Corporate Bond Fund

Comparative Tables

A Accumulation shares**	2021 (p/share)
Change in net assets per share	
Opening net asset value per share	86.39
Return before operating charges*	2.55
Operating charges	(0.84)
Return after operating charges*	1.71
Distributions	(1.31)
Retained distributions on accumulation shares	1.31
Redemption value	(88.10)
Closing net asset value per share	-
 *after direct transaction costs of	 -
Performance	
Return after charges	1.98%
Other information	
Closing net asset value (£'000)	-
Closing number of shares	-
Operating charges	-
Direct transaction costs	-
Prices	
Highest share price	89.90
Lowest share price	85.71

A Income shares***	2021 (p/share)
Change in net assets per share	
Opening net asset value per share	34.37
Return before operating charges*	0.89
Operating charges	(0.33)
Return after operating charges*	0.56
Distributions	(0.52)
Retained distributions on accumulation shares	-
Redemption value	(34.41)
Closing net asset value per share	-
 *after direct transaction costs of	 -
Performance	
Return after charges	1.63%
Other information	
Closing net asset value (£'000)	-
Closing number of shares	-
Operating charges	-
Direct transaction costs	-
Prices	
Highest share price	35.59
Lowest share price	33.78

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.

**Share class closed on 30 June 2021.

***Share class closed on 22 June 2021.

Aegon Sterling Corporate Bond Fund

Comparative Tables (continued)

B Accumulation shares	2023	2022	2021
	(p/share)	(p/share)	(p/share)
Change in net assets per share			
Opening net asset value per share	85.92	96.84	93.61
Return before operating charges*	(5.42)	(10.55)	3.61
Operating charges	(0.32)	(0.37)	(0.38)
Return after operating charges*	(5.74)	(10.92)	3.23
Distributions	(2.77)	(2.55)	(2.52)
Retained distributions on accumulation shares	2.77	2.55	2.52
Closing net asset value per share	80.18	85.92	96.84
*after direct transaction costs of	-	-	-
Performance			
Return after charges	(6.68)%	(11.28)%	3.45%
Other information			
Closing net asset value (£'000)	80,040	103,100	138,516
Closing number of shares	99,827,176	119,988,927	143,037,057
Operating charges	0.40%	0.40%	0.39%
Direct transaction costs	-	-	-
Prices			
Highest share price	86.79	97.31	97.68
Lowest share price	71.09	82.37	92.92

B Income shares	2023	2022	2021
	(p/share)	(p/share)	(p/share)
Change in net assets per share			
Opening net asset value per share	30.41	35.25	34.99
Return before operating charges*	(1.92)	(3.79)	1.33
Operating charges	(0.11)	(0.13)	(0.14)
Return after operating charges*	(2.03)	(3.92)	1.19
Distributions	(0.97)	(0.92)	(0.93)
Retained distributions on accumulation shares	-	-	-
Closing net asset value per share	27.41	30.41	35.25
*after direct transaction costs of	-	-	-
Performance			
Return after charges	(6.68)%	(11.12)%	3.40%
Other information			
Closing net asset value (£'000)	25,597	33,391	44,609
Closing number of shares	93,392,763	109,809,067	126,531,416
Operating charges	0.40%	0.40%	0.39%
Direct transaction costs	-	-	-
Prices			
Highest share price	30.72	35.43	36.27
Lowest share price	25.16	29.38	34.41

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

Comparative Tables (continued)

S Accumulation shares	2023	2022	2021
	(p/share)	(p/share)	(p/share)
Change in net assets per share			
Opening net asset value per share	103.56	116.60	112.59
Return before operating charges*	(6.54)	(12.70)	4.35
Operating charges	(0.29)	(0.34)	(0.34)
Return after operating charges*	(6.83)	(13.04)	4.01
Distributions	(3.44)	(3.18)	(3.14)
Retained distributions on accumulation shares	3.44	3.18	3.14
Closing net asset value per share	96.73	103.56	116.60
*after direct transaction costs of	-	-	-
Performance			
Return after charges	(6.60)%	(11.18)%	3.56%
Other information			
Closing net asset value (£'000)	558	1,016	1,613
Closing number of shares	576,748	981,620	1,383,915
Operating charges	0.30%	0.30%	0.29%
Direct transaction costs	-	-	-
Prices			
Highest share price	104.61	117.17	117.54
Lowest share price	85.69	99.27	111.77

S Income shares	2023	2022	2021
	(p/share)	(p/share)	(p/share)
Change in net assets per share			
Opening net asset value per share	90.45	104.87	104.08
Return before operating charges*	(5.70)	(11.29)	3.98
Operating charges	(0.25)	(0.30)	(0.31)
Return after operating charges*	(5.95)	(11.59)	3.67
Distributions	(2.97)	(2.83)	(2.88)
Retained distributions on accumulation shares	-	-	-
Closing net asset value per share	81.53	90.45	104.87
*after direct transaction costs of	-	-	-
Performance			
Return after charges	(6.58)%	(11.05)%	3.53%
Other information			
Closing net asset value (£'000)	20,420	31,331	53,307
Closing number of shares	25,046,339	34,637,504	50,830,403
Operating charges	0.30%	0.30%	0.29%
Direct transaction costs	-	-	-
Prices			
Highest share price	91.37	105.39	107.90
Lowest share price	74.85	87.41	102.35

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 2023

Holding	Investment	Market valuation	
		£'000	%
Sterling Denominated Bonds 97.47% (31 July 2022 97.88%)			
Asset Backed Security 8.13% (31 July 2022 9.28%)			
1,500,000	Arqiva Financing 4.882% 31/12/2032	871	0.69
2,040,000	Canary Wharf Finance II 6.8% 22/04/2030	924	0.73
1,500,000	Channel Link Enterprises Finance 3.848% 30/06/2050	998	0.79
1,700,000	Dignity Finance 3.5456% 31/12/2034	963	0.76
2,000,000	Income Contingent Student Loans 2 2007-2009 2.5% 24/07/2058	1,105	0.87
2,100,000	Intu Debenture 5.562% 31/12/2027 Defaulted*	576	0.46
3,300,000	Telereal Secured Finance 4.01% 10/12/2031	1,656	1.31
4,000,000	Telereal Securitisation 4.9741% 10/09/2027	1,623	1.28
1,900,000	Telereal Securitisation 6.1645% 10/12/2031	1,571	1.24
		10,287	8.13
Corporate Bonds 88.51% (31 July 2022 87.87%)			
400,000	Admiral 8.5% 06/01/2034	412	0.33
1,500,000	Anchor Hanover 2% 21/07/2051	789	0.62
1,200,000	Anglian Water Osprey Financing 2% 31/07/2028	902	0.71
1,100,000	Annington Funding 3.685% 12/07/2034	853	0.67
600,000	Annington Funding 4.75% 09/08/2033	513	0.41
700,000	APA Infrastructure 3.5% 22/03/2030	591	0.47
1,500,000	AT&T 4.375% 14/09/2029	1,368	1.08
1,200,000	Athene Global Funding 1.75% 24/11/2027	973	0.77
2,100,000	Aviva 6.875% 20/05/2058	2,065	1.63
1,900,000	AXA 5.453% Perpetual	1,843	1.46
1,300,000	Banco Bilbao Vizcaya Argentaria 3.104% 15/07/2031	1,142	0.90
1,700,000	Bank of America 7% 31/07/2028	1,786	1.41
2,000,000	Bank of America 8.125% 02/06/2028	2,114	1.67
700,000	Barclays 8.407% 14/11/2032	717	0.57
700,000	Barclays 8.875% Perpetual	661	0.52
800,000	BAT International Finance 2.25% 26/06/2028	666	0.53
1,100,000	Bellis Acquisition 3.25% 16/02/2026	943	0.74
1,000,000	Berkshire Hathaway Finance 2.375% 19/06/2039	693	0.55
1,000,000	Blackstone Property Partners Europe 2.625% 20/10/2028	756	0.60
1,300,000	BP Capital Markets 4.25% Perpetual	1,153	0.91
1,400,000	BPCE 6.125% 24/05/2029	1,380	1.09
500,000	British Telecommunications 5.75% 13/02/2041	470	0.37
1,400,000	Cadent Finance 2.125% 22/09/2028	1,167	0.92
1,300,000	Channel Link Enterprises Finance 3.043% 30/06/2050	1,084	0.86
1,400,000	Citigroup 1.75% 23/10/2026	1,234	0.97
1,200,000	Citigroup 6.8% 25/06/2038	1,349	1.07
500,000	Close Brothers 7.75% 14/06/2028	505	0.40
1,700,000	Comcast 1.5% 20/02/2029	1,389	1.10
900,000	Comcast 1.875% 20/02/2036	615	0.49
1,700,000	Coventry Building Society 2% 20/12/2030	1,280	1.01
700,000	CPUK Finance 6.136% 28/08/2031	670	0.53
1,300,000	CPUK Finance 6.5% 28/08/2026	1,243	0.98
1,400,000	Credit Agricole 4.875% 23/10/2029	1,334	1.05
1,800,000	Credit Suisse 1.125% 15/12/2025	1,585	1.25
1,600,000	Danske Bank 2.25% 14/01/2028	1,376	1.09
1,600,000	Derwent London REIT 1.875% 17/11/2031	1,129	0.89
1,900,000	Deutsche Bank 1.875% 22/12/2028	1,541	1.22
1,600,000	Deutsche Bank 2.625% 16/12/2024	1,511	1.19
2,000,000	Direct Line Insurance 4% 05/06/2032	1,462	1.15
1,700,000	DS Smith 2.875% 26/07/2029	1,423	1.12
2,200,000	DWR Cymru Financing UK 1.375% 31/03/2033	1,533	1.21
700,000	DWR Cymru Financing UK 1.625% 31/03/2026	623	0.49

Aegon Sterling Corporate Bond Fund

Portfolio Statement (continued)

Holding	Investment	Market valuation		Total net assets	
		£'000			%
Corporate Bonds (continued)					
1,300,000	E.ON International Finance 4.75% 31/01/2034	1,190		0.94	
1,200,000	E.ON International Finance 6.375% 07/06/2032	1,252		0.99	
1,100,000	Electricite de France 5.875% 18/07/2031	1,072		0.85	
1,800,000	Electricite de France 6% Perpetual	1,665		1.31	
600,000	Engie 5.625% 03/04/2023	582		0.46	
170,000	Esure 6.75% 19/12/2024	168		0.13	
800,000	Ford Motor Credit 4.535% 06/03/2025	763		0.60	
2,000,000	Goldman Sachs 6.875% 18/01/2038	2,035		1.61	
800,000	Grainger 3% 03/07/2030	622		0.49	
1,300,000	Grainger 3.375% 24/04/2028	1,108		0.87	
1,300,000	GSK Capital 1.625% 12/05/2035	892		0.70	
500,000	Haleon UK Capital 2.875% 29/10/2028	439		0.35	
2,300,000	Heathrow Funding 4.625% 31/10/2046	1,899		1.50	
1,700,000	HSBC Capital Funding Sterling 1 5.844% Perpetual	1,704		1.35	
1,300,000	IG 3.125% 18/11/2028	1,016		0.80	
1,200,000	Imperial Brands Finance 5.5% 28/09/2026	1,163		0.92	
1,200,000	Incommunities Treasury 3.25% 21/03/2049	855		0.68	
1,400,000	ING Groep 6.25% 20/05/2033	1,333		1.05	
1,400,000	Intesa Sanpaolo 2.5% 15/01/2030	1,107		0.87	
1,400,000	Intesa Sanpaolo 5.148% 10/06/2030	1,167		0.92	
1,300,000	Investec 1.875% 16/07/2028	1,047		0.83	
1,500,000	KFW 5.75% 07/06/2032	1,627		1.28	
5,000,000	Lehman Brothers 6% 25/01/2013 Defaulted* **	30		0.02	
1,290,000	Lloyds Banking 2.707% 03/12/2035	964		0.76	
1,700,000	Logicor 2019-1 UK 1.875% 17/11/2026	1,474		1.16	
2,100,000	M&G 6.34% 19/12/2063	1,865		1.47	
1,800,000	McDonald's 2.95% 15/03/2034	1,444		1.14	
800,000	McDonald's 3.75% 31/05/2038	651		0.51	
1,000,000	MPT Operating Partnership 3.692% 05/06/2028	717		0.57	
1,500,000	National Grid Electricity Distribution 3.625% 06/11/2023	1,490		1.18	
2,100,000	Nestle 1.375% 23/06/2033	1,530		1.21	
1,000,000	NGG Finance 5.625% 18/06/2073	953		0.75	
1,200,000	Nordea Bank 1.625% 09/12/2032	956		0.76	
1,200,000	Northern Powergrid Yorkshire 4.375% 05/07/2032	1,091		0.86	
1,300,000	Onward Homes 2.125% 25/03/2053	664		0.52	
1,900,000	Orsted 5.75% 09/04/2040	1,898		1.50	
1,100,000	Paragon Treasury 2% 07/05/2036	718		0.57	
900,000	Pension Insurance 5.625% 20/09/2030	803		0.63	
1,000,000	Phoenix 6.625% 18/12/2025	992		0.78	
900,000	Prologis International Funding II 2.75% 22/02/2032	716		0.57	
1,500,000	RAC 4.87% 06/05/2026	1,370		1.08	
1,600,000	Realty Income 1.625% 15/12/2030	1,189		0.94	
800,000	Rentokil Initial 5% 27/06/2032	755		0.60	
1,500,000	Rothesay Life 3.375% 12/07/2026	1,357		1.07	
700,000	Sanctuary Capital 2.375% 14/04/2050	401		0.32	
1,200,000	Scottish Hydro Electric Transmission 2.25% 27/09/2035	849		0.67	
1,700,000	SP Manweb 4.875% 20/09/2027	1,641		1.30	
500,000	Stagecoach 4% 29/09/2025	464		0.37	
800,000	Svenska Handelsbanken 4.625% 23/08/2032	730		0.58	
1,500,000	Thames Water Utilities Finance 2.625% 24/01/2032	1,135		0.90	
1,000,000	Verizon Communications 1.875% 19/09/2030	776		0.61	
1,500,000	Verizon Communications 2.5% 08/04/2031	1,200		0.95	
1,300,000	Vinci 2.75% 15/09/2034	1,037		0.82	
900,000	Virgin Money UK 5.125% 11/12/2030	831		0.66	
1,900,000	Virgin Money UK 7.875% 14/12/2028	1,890		1.49	
1,200,000	Virgin Money UK 8.25% Perpetual	1,042		0.82	
1,020,000	Vodafone 3% 12/08/2056	588		0.46	
900,000	Vodafone 5.125% 02/12/2052	781		0.62	
1,500,000	Westfield Stratford City Finance No.2 1.642% 04/08/2026	1,288		1.02	

Aegon Sterling Corporate Bond Fund

Portfolio Statement (continued)

Holding	Investment	Market valuation	Total net assets
		£'000	%
Corporate Bonds (continued)			
500,000	Whitbread 2.375% 31/05/2027	425	0.34
650,000	Whitbread 3% 31/05/2031	507	0.40
500,000	Yorkshire Building Society 3.511% 11/10/2030	420	0.33
1,000,000	Zurich Finance (Ireland) DAC 5.125% 23/11/2052	891	0.70
		112,072	88.51
Government Bonds 0.83% (31 July 2022 0.73%)			
1,000,000	European Investment Bank 6% 07/12/2028	1,051	0.83
		1,051	0.83
Derivatives and Futures Contracts (0.03)% (31 July 2022 0.01%)			
Futures Contracts (0.03)% (31 July 2022 0.01%)			
133	Long Gilt Future Contract September 2023	(36)	(0.03)
		(36)	(0.03)
Portfolio of investments***			
	Net other assets	3,241	2.56
	Total net assets attributable to shareholders	126,615	100.00

Analysis of investments by asset class

	Market value	Value of investments
	£'000	%
Bonds	123,410	97.47
Derivatives	(36)	(0.03)
Portfolio of investments***	123,374	97.44
Net other assets	3,241	2.56
Total net assets attributable to shareholders	126,615	100.00

The comparative percentage figures in brackets are at 31 July 2022.

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 32). Intu Debentures 5.562% 31/12/2027 classified as defaulted at the year end came out of default on 1 August 2023.

**At risk of default or illiquid securities as disclosed on page 16.

***Includes investment liabilities.

Aegon Sterling Corporate Bond Fund

Statement of Total Return for the year ended 31 July 2023

	Note	£'000	2023 £'000	£'000	2022 £'000
Income					
Net capital losses	2		(16,322)		(29,735)
Revenue	3	5,515		6,475	
Expenses	4	(533)		(772)	
Interest payable & similar charges	5	(28)		(38)	
Net revenue before taxation		4,954		5,665	
Taxation	6	-		-	
Net revenue after taxation			4,954		5,665
Total return before distributions			(11,368)		(24,070)
Distributions	7		(4,954)		(5,665)
Change in net assets attributable to shareholders from investment activities			(16,322)		(29,735)

Statement of Change in Net Assets Attributable to Shareholders for the year ended 31 July 2023

	£'000	2023 £'000	£'000	2022 £'000
Opening net assets attributable to shareholders		168,838		238,045
Amounts receivable on issue of shares	9,273		15,304	
Amounts payable on cancellation of shares	(38,312)		(58,295)	
		(29,039)		(42,991)
Dilution adjustment		125		161
Change in net assets attributable to shareholders from investment activities		(16,322)		(29,735)
Retained distribution on accumulation shares		3,010		3,354
Unclaimed distributions		3		4
Closing net assets attributable to shareholders		126,615		168,838

Aegon Sterling Corporate Bond Fund

Balance Sheet as at 31 July 2023

		2023		2022	
	Note	£'000	£'000	£'000	£'000
Assets					
Fixed assets:					
Investments			123,410		165,274
Current assets:					
Debtors	8	1,741		2,126	
Cash and bank balances	9	<u>2,608</u>		<u>3,294</u>	
			<u>4,349</u>		<u>5,420</u>
Total assets			127,759		170,694
Liabilities					
Investment liabilities			36		-
Creditors					
Distributions payable		416		518	
Other creditors	10	<u>692</u>		<u>1,338</u>	
Total liabilities			<u>1,144</u>		<u>1,856</u>
Net assets attributable to shareholders			126,615		168,838

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 losses

Net capital losses comprise:

	2023	2022
	£'000	£'000
Losses on non-derivative securities	(15,779)	(30,363)
Currency exchange (losses)/gains	(2)	5
(Losses)/gains on derivative securities	(541)	623
Net capital losses	(16,322)	(29,735)

3 Revenue

	2023	2022
	£'000	£'000
Interest on debt securities	5,449	6,448
Bank interest	39	2
Stock lending income*	27	25
Total revenue	5,515	6,475

*The sub-fund received 72% of the revenue returns from stock lending activities. The gross earnings for the year are £38,000 (2022: £34,000) and expenses paid of £11,000 (2022: £9,000).

4 Expenses*

	2023	2022
	£'000	£'000
Payable to the ACD, associates of the ACD and agents of either of them:		
ACD's periodic charge	473	672
Payable to the Depositary, associates of the Depositary and agents of either of them:		
Depositary fee	18	25
Other expenses:		
Audit fee**	12	13
FT publishing fee	5	3
KIID fee	-	1
PRIPs fees	9	3
Registrar's fee	10	47
Safe custody charge	6	8
	42	75
Total expenses	533	772

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

**The audit fee (excluding VAT) incurred during the year was £11,132 (2022: £11,132).

5 Interest payable & similar charges

	2023	2022
	£'000	£'000
Futures expense	28	38
Interest payable & similar charges	28	38

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 (2022: lower than) the standard rate of corporation tax for Open Ended Investment Companies 'OEICs' (20%).

The differences are explained below:

	2023	2022
	£'000	£'000
Net revenue before taxation	4,954	5,665
Corporation tax 20% (2022: 20%)	991	1,133
Effects of:		
Tax deductible interest distributions	(991)	(1,133)
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:

	2023	2022
	£'000	£'000
Interim distributions	3,701	4,185
Final distribution	1,129	1,332
	4,830	5,517
Add: amounts deductible on cancellation of shares	169	198
Less: amounts receivable on creation of shares	(45)	(50)
Distributions	4,954	5,665

Details of the distributions are set out in the tables on page 34.

8 Debtors

	2023	2022
	£'000	£'000
Accrued revenue	1,708	2,087
Amounts receivable for the issue of shares	33	39
Debtors	1,741	2,126

9 Cash and bank balances

	2023	2022
	£'000	£'000
Amounts held at futures clearing houses and brokers	753	95
Cash and bank balances	1,855	3,199
Cash and bank balances	2,608	3,294

10 Other creditors

	2023	2022
	£'000	£'000
Accrued ACD periodic charge	71	94
Accrued other expenses	50	73
Amounts payable for cancellation of shares	571	571
Purchases awaiting settlement	-	600
Other creditors	692	1,338

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 5 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 13.56% (2022: 12.05%) 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 2023 (2022: £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

	2023		2022	
	Market value £'000	Value of investments %	Market value £'000	Value of investments %
Investment grade	105,002	82.96	140,511	83.22
Below investment grade	10,091	7.95	12,162	7.20
Unrated	8,317	6.56	12,582	7.46
Derivatives	(36)	(0.03)	19	0.01
Portfolio of investments	123,374	97.44	165,274	97.89
Net other assets	3,241	2.56	3,564	2.11
Total net assets attributable to shareholders	126,615	100.00	168,838	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 95.00% (2022: 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 14.10% (2022: 14.10%). As at the balance sheet date, the sub-fund's value at risk is 4.34% (2022: 3.07%).

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

	Lowest Utilisation (%)	Highest Utilisation (%)	Average Utilisation (%)
31 July 2023	3.02	5.58	4.29
31 July 2022	1.84	3.08	2.28

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 2023 the average leverage was 7.72% (2022: 2.04%).

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 2023, the market value of the exchange traded derivatives held by the sub-fund was £(36,000) (2022: £19,000).

Aegon Sterling Corporate Bond Fund

Notes to the Financial Statements (continued)

13 Financial instruments and risk (continued)

Counterparty risk (continued)

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

As at 31 July 2023

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

As at 31 July 2022

Counterparty	Stock on loan	Futures	Collateral pledge	
	£'000	Exposure £'000	Stock £'000	Cash £'000
Barclays	2,306	-	2,367	-
BNP Paribas	435	-	457	-
Credit Suisse	4,927	-	5,178	-
HSBC	9,388	-	10,290	-
UBS	-	19	-	-

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

31 July 2022

Debt securities	16,103	-	-	-
Total	16,103	-		
Total purchases including transaction costs	16,103			

Sales

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			

31 July 2022

Debt securities	53,797	-	-	-
Corporate actions	795	-	-	-
Total	54,592	-		
Total sales net of transaction costs	54,592			

*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 2023	Commissions £'000
Futures	1
Total	1
31 July 2022	
Futures	1
Total	1

The purchases and sales are not subject to portfolio transaction costs.

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 0.84% (2022: 0.81%), 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	2023		2022	
	Assets	Liabilities	Assets	Liabilities
	£'000	£'000	£'000	£'000
1 - Unadjusted quoted prices	-	(36)	19	-
2 - Observable market data	122,804	-	164,526	-
3 - Unobservable data*	606	-	729	-
	123,410	(36)	165,274	-

*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 to 22. The distribution per share class is given in the distribution tables on page 34. All share classes have the same rights on winding up.

Share class movement reconciliation

31 July 2023	Opening	Creations	Cancellations	Converted	Closing
B Accumulation	119,988,927	8,876,003	(28,928,729)	(109,025)	99,827,176
B Income	109,809,067	7,266,894	(22,131,805)	(1,551,393)	93,392,763
S Accumulation	981,620	9,748	(448,131)	33,511	576,748
S Income	34,637,504	332,885	(10,511,595)	587,545	25,046,339

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 16 November 2023 and the percentage movement in that period. The net asset values per share were reviewed again on 23 November 2023 with no material movements noted since 16 November.

Net assets per share

	31 July 2023	16 November 2023	% Movement
B Accumulation	80.18	82.60	3.02
B Income	27.41	27.97	2.06
S Accumulation	96.73	99.68	3.05
S Income	81.53	83.22	2.07

The table below shows net redemptions between 31 July 2023 and 16 November 2023 as a percentage of the balance sheet date NAV for share classes with significant movements. The net redemptions were reviewed again on 23 November with no material movements noted since 16 November. 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	(10.26)

Aegon Sterling Corporate Bond Fund

Distribution Tables

Share Class B Accumulation

Period end	Pay date		Net Revenue	Equalisation*	Total Payable	2021/22 Total Paid
31/10/22	31/12/22	Group 1	0.6864	N/A	0.6864	0.6357
		Group 2	0.2756	0.4108		
31/01/23	31/03/23	Group 1	0.6871	N/A	0.6871	0.6164
		Group 2	0.3129	0.3742		
30/04/23	30/06/23	Group 1	0.6919	N/A	0.6919	0.6239
		Group 2	0.3271	0.3648		
31/07/23	30/09/23	Group 1	0.7090	N/A	0.7090	0.6717
		Group 2	0.3503	0.3587		

Share Class B Income

Period end	Pay date		Net Revenue	Equalisation*	Total Payable	2021/22 Total Paid
31/10/22	31/12/22	Group 1	0.2429	N/A	0.2429	0.2315
		Group 2	0.1107	0.1322		
31/01/23	31/03/23	Group 1	0.2410	N/A	0.2410	0.2229
		Group 2	0.1039	0.1371		
30/04/23	30/06/23	Group 1	0.2407	N/A	0.2407	0.2241
		Group 2	0.1367	0.1040		
31/07/23	30/09/23	Group 1	0.2446	N/A	0.2446	0.2396
		Group 2	0.0540	0.1906		

Share Class S Accumulation

Period end	Pay date		Net Revenue	Equalisation*	Total Payable	2021/22 Total Paid
31/10/22	31/12/22	Group 1	0.8515	N/A	0.8515	0.7946
		Group 2	0.3122	0.5393		
31/01/23	31/03/23	Group 1	0.8530	N/A	0.8530	0.7714
		Group 2	0.8530	0.0000		
30/04/23	30/06/23	Group 1	0.8584	N/A	0.8584	0.7790
		Group 2	0.6483	0.2101		
31/07/23	30/09/23	Group 1	0.8796	N/A	0.8796	0.8353
		Group 2	0.3730	0.5066		

Share Class S Income

Period end	Pay date		Net Revenue	Equalisation*	Total Payable	2021/22 Total Paid
31/10/22	31/12/22	Group 1	0.7438	N/A	0.7438	0.7148
		Group 2	0.3217	0.4221		
31/01/23	31/03/23	Group 1	0.7383	N/A	0.7383	0.6890
		Group 2	0.3527	0.3856		
30/04/23	30/06/23	Group 1	0.7367	N/A	0.7367	0.6905
		Group 2	0.2718	0.4649		
31/07/23	30/09/23	Group 1	0.7482	N/A	0.7482	0.7356
		Group 2	0.3173	0.4309		

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 (0.39)% compared to the peer group median return of 4.63%. The peer group is the IA UK All Companies sector.

Strategy review**

Over the 12-month period inflation and central bank rhetoric remained key drivers of market volatility with the UK seeing higher inflation and steeper rate rises than most other developed economies. Volatility was exacerbated in September, when the UK government announced a 'mini-budget', which was not well received by markets or sterling, with the latter moving to an all-time low against the US dollar. However, the subsequent reversal of the government's fiscal package boosted sentiment and UK equities recovered to be one of the best performing regions in 2022.

The picture was different over the second half of the year, however, with UK equities struggling for momentum in 2023. Market composition was a factor here; technology makes up a tiny proportion of UK indices, so the artificial intelligence-led global tech rally has largely bypassed the UK. Another notable factor over the review period has been the divergence between the large-cap, internationally focused FTSE 100 and the mid-cap FTSE 250, which is a better gauge of domestic UK companies. In 2022, the former registered its largest outperformance against the latter over a calendar year since the early 1980s. Whilst that divergence has not been as extreme in 2023, the FTSE 100 has again been well ahead of the FTSE 250.

The sub-fund's underperformance over the year reflected a challenging market environment for active stock pickers, with the median stock in the FTSE All-Share materially underperforming the index, which was held up by the outperformance of its largest constituents. The sub-fund carries a higher weighting in mid-caps and growth stocks (companies whose stock prices are predominantly based on expected increases in future revenues and earnings) compared to the index and this was a prominent driver of the sub-fund's underperformance, given both of these areas of the market underperformed significantly. This was particularly true over the first half of the year when defensive sectors generally outperformed more cyclical areas of the market.

In addition to the tough market backdrop, stock selection was also weak over the period and the sub-fund suffered from sharp falls in some of its holdings as their operational performance deteriorated, causing forecasts to be downgraded.

On a brighter note, sector allocation added value. The largest positive contributions came from technology and industrials, where we held overweight positions. Our underweights to utilities and telecommunications also added value. In contrast, underweights to financials, consumer discretionary and energy all detracted from performance.

We continue to focus on disciplined stock selection as a means of adding value to the sub-fund and our long-term approach means we look to not overreact to short-term market rotations when there is no change to the underlying investment cases for our holdings. That said we recognize that the market backdrop is significantly different now, compared to the start of the year, so we have looked to take sensible action to adapt the portfolio to this backdrop. This has mainly consisted of looking to flatten the style risk of the portfolio and reducing exposure to some of the riskier, high growth holdings in favour of more established, steady growth names.

*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 2023	Top ten sales	31 July 2023
	£'000		£'000
Unilever	6,360	Diageo	5,041
Experian	5,035	RELX	3,631
Reckitt Benckiser	2,281	Ferguson	3,097
London Stock Exchange	2,224	Prudential	2,298
Intermediate Capital	2,202	Barclays	1,929
Persimmon	2,132	Baltic Classifieds	1,792
Whitbread	2,110	Experian	1,654
National Grid	1,564	Jet2	1,381
Dunelm	1,444	Auction Technology	1,289
NatWest	1,415	BT	1,153

Aegon UK Equity Fund

Comparative Tables

A Accumulation shares**	2021 (p/share)
Change in net assets per share	
Opening net asset value per share	246.08
Return before operating charges*	65.00
Operating charges	(3.87)
Return after operating charges*	61.13
Distributions	-
Retained distributions on accumulation shares	-
Redemption value	(307.21)
Closing net asset value per share	-
 *after direct transaction costs of	 0.33
Performance	
Return after charges	24.84%
Other information	
Closing net asset value (£'000)	-
Closing number of shares	-
Operating charges	-
Direct transaction costs	-
Prices	
Highest share price	313.00
Lowest share price	242.33

B Accumulation shares	2023 (p/share)	2022 (p/share)	2021 (p/share)
Change in net assets per share			
Opening net asset value per share	343.88	371.96	284.31
Return before operating charges*	(0.73)	(25.74)	89.78
Operating charges	(2.12)	(2.34)	(2.13)
Return after operating charges*	(2.85)	(28.08)	87.65
Distributions	(9.90)	(9.15)	(5.66)
Retained distributions on accumulation shares	9.90	9.15	5.66
Closing net asset value per share	341.03	343.88	371.96
 *after direct transaction costs of	 0.41	 0.32	 0.39
Performance			
Return after charges	(0.83)%	(7.55)%	30.83%
Other information			
Closing net asset value (£'000)	157,933	168,205	197,603
Closing number of shares	46,310,059	48,914,231	53,125,243
Operating charges	0.63%	0.65%	0.65%
Direct transaction costs	0.12%	0.09%	0.12%
Prices			
Highest share price	354.60	391.12	372.30
Lowest share price	307.59	323.53	280.61

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.

**Share class closed on 30 June 2021.

Aegon UK Equity Fund

Comparative Tables (continued)

B Income shares	2023	2022	2021
	(p/share)	(p/share)	(p/share)
Change in net assets per share			
Opening net asset value per share	1,450.06	1,611.57	1,250.89
Return before operating charges*	(3.06)	(111.73)	394.93
Operating charges	(8.96)	(10.14)	(9.37)
Return after operating charges*	(12.02)	(121.87)	385.56
Distributions	(41.75)	(39.64)	(24.88)
Retained distributions on accumulation shares	-	-	-
Closing net asset value per share	1,396.29	1,450.06	1,611.57
*after direct transaction costs of	1.72	1.40	1.70
Performance			
Return after charges	(0.83)%	(7.56)%	30.82%
Other information			
Closing net asset value (£'000)	1,230	1,329	1,562
Closing number of shares	88,073	91,687	96,900
Operating charges	0.63%	0.65%	0.65%
Direct transaction costs	0.12%	0.09%	0.12%
Prices			
Highest share price	1,495.29	1,694.58	1,638.01
Lowest share price	1,297.03	1,401.75	1,234.61

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 2023

Holding	Investment	Market valuation	
		£'000	Total net assets %
Equities 95.05% (31 July 2022 94.92%)			
Basic Materials 10.80% (31 July 2022 11.03%)			
116,120	Anglo American	2,779	1.75
1,563,696	Glencore	7,404	4.65
165,538	Hill & Smith	2,609	1.64
74,916	Rio Tinto	3,858	2.42
651,267	Synthomer	543	0.34
		17,193	10.80
Consumer Discretionary 8.94% (31 July 2022 8.08%)			
82,126	Bellway	1,818	1.14
172,091	Dunelm	1,978	1.24
116,351	Howden Joinery	857	0.54
151,391	Persimmon	1,754	1.10
97,450	RELX	2,552	1.61
293,048	Team17	923	0.58
283,310	Watches of Switzerland	2,133	1.34
63,251	Whitbread	2,213	1.39
		14,228	8.94
Consumer Staples 13.12% (31 July 2022 11.95%)			
108,859	Diageo	3,698	2.32
169,682	Hilton Food	1,094	0.69
75,839	Reckitt Benckiser	4,426	2.78
497,762	Tesco	1,284	0.81
247,751	Unilever	10,382	6.52
		20,884	13.12
Energy 8.11% (31 July 2022 7.43%)			
738,743	BP	3,568	2.24
1,501,093	Diversified Energy	1,422	0.89
131,602	Indus Gas	184	0.12
326,989	Shell	7,735	4.86
		12,909	8.11
Financials 16.59% (31 July 2022 15.04%)			
337,910	Conduit	1,639	1.03
744,757	HSBC	4,813	3.02
289,399	Intermediate Capital	4,065	2.55
2,122,079	Just	1,744	1.10
46,529	London Stock Exchange	3,936	2.47
1,275,753	NatWest	3,115	1.96
528,234	Phoenix	2,905	1.82
559,617	Standard Chartered	4,182	2.63
7,023	Triam Investors 1	13	0.01
		26,412	16.59
Health Care 13.70% (31 July 2022 14.20%)			
127,337	AstraZeneca	14,241	8.95
37,252	Dechra Pharmaceuticals	1,383	0.87
67,094	Ergomed	727	0.46
230,407	GSK	3,190	2.00
108,368	HIKMA Pharmaceutical	2,263	1.42
		21,804	13.70
Industrials 17.70% (31 July 2022 17.78%)			
99,569	Ashtead	5,735	3.60
463,932	BAE Systems	4,320	2.71
731,912	Balfour Beatty	2,556	1.61

Aegon UK Equity Fund

Portfolio Statement (continued)

Holding	Investment	Market valuation	Total net assets
		£'000	%
	Industrials (continued)		
426,092	Chemring	1,206	0.76
57,299	Clarkson	1,596	1.00
117,001	Experian	3,519	2.21
18,700	Ferguson	2,338	1.47
375,836	QinetiQ	1,211	0.76
377,395	Rentokil Initial	2,396	1.51
85,459	RS Group	670	0.42
84,569	Smurfit Kappa	2,622	1.65
634,447	TMO Renewables*	-	-
		28,169	17.70
	Real Estate 2.15% (31 July 2022 3.06%)		
1,976,016	LXI REIT**	1,879	1.18
1,272,179	Urban Logistics REIT**	1,547	0.97
		3,426	2.15
	Technology 2.97% (31 July 2022 5.45%)		
516,139	Ascential	1,079	0.68
305,154	Big Technologies	800	0.50
148,496	Bytes Technology	765	0.48
175,486	DiscoverIE	1,404	0.88
272,118	GB Group	682	0.43
		4,730	2.97
	Telecommunications 0.00% (31 July 2022 0.90%)		
	Utilities 0.97% (31 July 2022 0.00%)		
149,184	National Grid	1,538	0.97
		1,538	0.97
	Derivatives and Futures Contracts 0.04% (31 July 2022 0.00%)		
	Futures Contracts 0.04% (31 July 2022 0.00%)		
67	FTSE 100 Future Contract September 2023	58	0.04
		58	0.04
	Portfolio of investments	151,351	95.09
	Net other assets	7,812	4.91
	Total net assets attributable to shareholders	159,163	100.00

Analysis of investments by asset class

	Market value	Value of investments
	£'000	%
Equities	151,293	95.05
Derivatives	58	0.04
Portfolio of investments	151,351	95.09
Net other assets	7,812	4.91
Total net assets attributable to shareholders	159,163	100.00

The comparative percentage figures in brackets are at 31 July 2022.

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 47).

**Real Estate Investment Trust.

Aegon UK Equity Fund

Statement of Total Return for the year ended 31 July 2023

	Note	£'000	2023 £'000	£'000	2022 £'000
Income					
Net capital losses	2		(5,931)		(19,013)
Revenue	3	5,891		5,975	
Expenses	4	<u>(1,026)</u>		<u>(1,196)</u>	
Net revenue before taxation		4,865		4,779	
Taxation	5	<u>(64)</u>		<u>(61)</u>	
Net revenue after taxation			<u>4,801</u>		<u>4,718</u>
Total return before distributions			(1,130)		(14,295)
Distributions	6		<u>(4,801)</u>		<u>(4,718)</u>
Change in net assets attributable to shareholders from investment activities			(5,931)		(19,013)

Statement of Change in Net Assets Attributable to Shareholders for the year ended 31 July 2023

	£'000	2023 £'000	£'000	2022 £'000
Opening net assets attributable to shareholders		169,534		199,165
Amounts receivable on issue of shares	6,667		4,158	
Amounts payable on cancellation of shares	<u>(15,752)</u>		<u>(19,280)</u>	
		(9,085)		(15,122)
Dilution adjustment		61		28
Change in net assets attributable to shareholders from investment activities		(5,931)		(19,013)
Retained distribution on accumulation shares		<u>4,584</u>		<u>4,476</u>
Closing net assets attributable to shareholders		159,163		169,534

Aegon UK Equity Fund

Balance Sheet as at 31 July 2023

	Note	£'000	2023 £'000	£'000	2022 £'000
Assets					
Fixed assets:					
Investments			151,351		160,916
Current assets:					
Debtors	7	273		246	
Cash and bank balances	8	8,474		8,983	
			8,747		9,229
Total assets			160,098		170,145
Liabilities					
Creditors					
Distributions payable		37		36	
Other creditors	9	898		575	
Total liabilities			935		611
Net assets attributable to shareholders			159,163		169,534

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 losses

Net capital losses comprise:

	2023	2022
	£'000	£'000
Losses on non-derivative securities	(6,022)	(19,011)
Currency exchange losses	(9)	(1)
Gains on derivative securities	101	-
Transaction charges	(1)	(1)
Net capital losses	(5,931)	(19,013)

3 Revenue

	2023	2022
	£'000	£'000
UK dividends	5,238	5,648
Non-taxable overseas dividends	204	183
Property income from REITs	221	125
Bank interest	222	8
Derivative revenue	3	-
Stock lending income*	3	11
Total revenue	5,891	5,975

*The sub-fund received 72% of the revenue returns from stock lending activities. The gross earnings for the year are £4,000 (2022: £15,000) and expenses paid of £1,000 (2022: £4,000).

4 Expenses*

	2023	2022
	£'000	£'000
Payable to the ACD, associates of the ACD and agents of either of them:		
ACD's periodic charge	978	1,113
Payable to the Depositary, associates of the Depositary and agents of either of them:		
Depositary fee	23	27
Other expenses:		
Audit fee**	11	12
FT publishing fee	2	2
KIID fees	-	1
Legal fees	2	-
PRIPs fees	3	3
Registrar's fee	3	34
Safe custody charge	4	4
	25	56
Total expenses	1,026	1,196

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

**The audit fee (excluding VAT) incurred during the year was £10,093 (2022: £10,093).

5 Taxation

a) Analysis of charge in the year

	2023	2022
	£'000	£'000
Current tax:		
Overseas tax suffered	64	61
Total tax charge for the year (see note 5 (b))	64	61

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 (2022: lower than) the standard rate of corporation tax for Open Ended Investment Companies 'OEICs' (20%).

The differences are explained below:

	2023	2022
	£'000	£'000
Net revenue before taxation	4,865	4,779
Corporation tax 20% (2022: 20%)	973	956
Effects of:		
Movement in excess expenses	115	210
Overseas tax suffered	64	61
Revenue not subject to taxation	(1,088)	(1,166)
Total tax charge for the year (see note 5 (a))	64	61

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 £67,461,000 (2022: £66,886,000). 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 £13,492,000 (2022: £13,377,000) 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:

	2023	2022
	£'000	£'000
Final distribution	4,621	4,512
	4,621	4,512
Add: amounts deductible on cancellation of shares	245	281
Less: amounts receivable on creation of shares	(65)	(75)
Distributions	4,801	4,718

Details of the distributions are set out in the tables on page 48.

7 Debtors

	2023	2022
	£'000	£'000
Accrued revenue	224	196
Amounts receivable for the issue of shares	4	28
Reclaimable overseas tax	45	22
Debtors	273	246

8 Cash and bank balances

	2023	2022
	£'000	£'000
Amounts held at futures clearing houses and brokers	214	-
Cash and bank balances	89	172
Money market deposits	8,171	8,811
Cash and bank balances	8,474	8,983

9 Other creditors

	2023	2022
	£'000	£'000
Accrued ACD periodic charge	157	167
Accrued other expenses	26	56
Amounts payable for cancellation of shares	128	352
Purchases awaiting settlement	587	-
Other creditors	898	575

Aegon UK Equity Fund

Notes to the Financial Statements (continued)

10 Related parties

Related party interests in the sub-fund are disclosed in Note 5 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 37.80% (2022: 38.30%) 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 2023 (2022: £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 (2022: same). As at the balance sheet date, the sub-fund's value at risk is 5.53% (2022: 5.63%).

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

	Lowest Utilisation (%)	Highest Utilisation (%)	Average Utilisation (%)
31 July 2023	5.18	5.92	5.47
31 July 2022	4.93	5.72	5.30

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 2023, the market value of the exchange traded derivatives held by the sub-fund was £58,000 (2022: £Nil).

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

As at 31 July 2023

Counterparty	Stock on loan	Futures	Collateral pledge
	£'000	Exposure £'000	Stock £'000
UBS	-	58	-

As at 31 July 2022

Counterparty	Stock on loan	Futures	Collateral pledge
	£'000	Exposure £'000	Stock £'000
HSBC	252	-	278

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

Aegon UK Equity Fund

Notes to the Financial Statements (continued)

13 Portfolio transaction costs

Purchases

31 July 2023	Value £'000	Commissions £'000	%	Other Costs* £'000	%
Equities	35,759	22	0.06	152	0.42
Total	35,759	22		152	
Total purchases including transaction costs	35,933				
31 July 2022					
Equities	33,588	19	0.06	114	0.34
Total	33,588	19		114	
Total purchases including transaction costs	33,721				

Sales

31 July 2023	Value £'000	Commissions £'000	%	Other Costs* £'000	%
Equities	35,115	(23)	0.07	-	-
Corporate actions	4,442	-	-	-	-
Total	39,557	(23)		-	
Total sales net of transaction costs	39,534				
31 July 2022					
Equities	47,597	(32)	0.07	-	-
Corporate actions	3,357	-	-	-	-
Total	50,954	(32)		-	
Total sales net of transaction costs	50,922				

Derivatives

31 July 2023	Commissions £'000
Futures	1
Total	1
31 July 2022	
Futures	-
Total	-

*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 0.09% (2022: 0.13%), 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)

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	2023		2022	
	Assets £'000	Liabilities £'000	Assets £'000	Liabilities £'000
1 - Unadjusted quoted prices	151,351	-	160,916	-
2 - Observable market data	-	-	-	-
3 - Non-observable data*	-	-	-	-
	151,351	-	160,916	-

*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: 0.60%

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 and 38. The distribution per share class is given in the distribution tables on page 48. All share classes have the same rights on winding up.

Share class movement reconciliation

31 July 2023	Opening	Creations	Cancellations	Converted	Closing
B Accumulation	48,914,231	2,056,617	(4,664,369)	3,580	46,310,059
B Income	91,687	12,051	(14,816)	(849)	88,073

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 16 November 2023 and the percentage movement in that period. The net asset values per share were reviewed again on 23 November 2023 with no material movements noted since 16 November.

Net assets per share

	31 July 2023	16 November 2023	% Movement
B Accumulation	341.03	330.93	(2.96)
B Income	1,396.29	1,354.92	(2.96)

The table below shows net redemptions between 31 July 2023 and 23 November 2023 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

Share class	% Movement
B Income	(10.15)

Aegon UK Equity Fund

Distribution Tables

Share Class B Accumulation

Period end	Pay date		Net Revenue	Equalisation*	Total Payable	2022 Total Paid
31/07/23	30/11/23	Group 1	9.8986	N/A	9.8986	9.1498
		Group 2	6.8601	3.0385		

Share Class B Income

Period end	Pay date		Net Revenue	Equalisation*	Total Payable	2022 Total Paid
31/07/23	30/11/23	Group 1	41.7453	N/A	41.7453	39.6438
		Group 2	20.3407	21.4046		

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 1.69% compared to the Sterling Over Night Index Average (SONIA) 1 month return of 3.26%.

Strategy review**

Inflation and central bank rhetoric remained key drivers of market volatility. Among the more prominent macro events in the UK over the year took place in September, when the then Liz Truss-led UK government announced a 'mini-budget', which was not well received by the markets or sterling, with the latter moving to an all-time low against the US dollar. However, the subsequent reversal of the government's fiscal package – and confirmation of the new administration's commitment to a more conservative budget – helped to bolster market sentiment.

While the market remained relatively positive up to the end of 2022, it was clear that the future path of inflation – and therefore interest rates - was the dominant concern among investors. Throughout the remainder of the year sentiment towards this issue swung from expectations of a slowdown in the rate of interest rate hikes – which boosted markets - to concerns that inflation remained 'sticky', with central banks retaining a hawkish stance as a result. In fact, stronger-than-expected inflation towards the end of the year resulted in the Bank of England hiking rates by 0.5% in June alone, which hurt interest rate sensitive sectors and mid-cap stocks.

From a style and sector perspective, there was a continued rotation out of growth (growth companies' stock prices are predominantly based on expected increases in future revenues and earnings) and into value stocks (companies whose stock prices depend less on future growth and which often trade at valuations below their perceived real value) during the first half of the year, with defensive sectors generally outperforming more cyclical areas of the market.

As we moved through 2023, however, growth started to make something of a comeback - although this was less pronounced in the UK than it was in most other developed markets.

In this volatile environment, it was pleasing that the sub-fund managed to preserve capital and post a positive absolute return, whilst exhibiting much lower volatility than broad equity markets. That said, it did finish behind the cash benchmark. The sub-fund's underperformance against the benchmark arrived in the second half of the year, given it outperformed up to the end of 2022. As we moved into 2023, the Long book came under pressure while the Short book performed well. Within the Long Book, our Long Mining Theme detracted. This theme had performed well over the first half of the year as China re-opening moved in the sub-fund's favour. This move reversed, however, early in 2023 as the China recovery story did not come through as a strong as expected.

Also detracting was our Best Ideas module; in the second half of the year the general trend of mid-cap growth names underperforming during the outperformance of cyclicals hurt relative performance.

We continue to focus on keeping the beta of the sub-fund close to zero in order to deliver returns that are uncorrelated to equity markets and driven by our stock selection, rather than factor risks.

*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 2023	Top sales**	31 July 2023
	£'000		£'000
AES	338	Strix	144
Kornit Digital	211	Ferguson	103
Energy Recovery	174	AES	54
Strix	48	Triam Investor 1	3

* There were 4 equity securities purchased during the year.

** There were 4 equity securities sold during the year.

Aegon UK Equity Absolute Return Fund

Comparative Tables

A Accumulation shares**	2021 (p/share)
Change in net assets per share	
Opening net asset value per share	113.56
Return before operating charges*	5.56
Operating charges	(1.71)
Return after operating charges*	3.85
Distributions	-
Retained distributions on accumulation shares	-
Redemption value	(117.41)
Closing net asset value per share	-
 *after direct transaction costs of	 0.01
Performance	
Return after charges	3.39%
Other information	
Closing net asset value (£'000)	-
Closing number of shares	-
Operating charges	-
Direct transaction costs	-
Prices	
Highest share price	117.93
Lowest share price	112.48

B Accumulation shares	2023 (p/share)	2022 (p/share)	2021 (p/share)
Change in net assets per share			
Opening net asset value per share	125.43	129.11	122.49
Return before operating charges*	3.19	(2.55)	7.74
Operating charges	(1.10)	(1.13)	(1.12)
Return after operating charges*	2.09	(3.68)	6.62
Distributions	(2.46)	-	-
Retained distributions on accumulation shares	2.46	-	-
Closing net asset value per share	127.52	125.43	129.11
 *after direct transaction costs of	 -	 0.01	 0.01
Performance			
Return after charges	1.67%	(2.85)%	5.40%
Other information			
Closing net asset value (£'000)	29,084	30,295	33,819
Closing number of shares	22,807,780	24,152,994	26,194,029
Operating charges	0.87%	0.89%	0.89%
Direct transaction costs	-	0.01%	0.01%
Prices			
Highest share price	127.42	131.22	128.96
Lowest share price	124.10	122.95	121.36

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.

**Share class closed on 22 June 2021.

Aegon UK Equity Absolute Return Fund

Portfolio Statement

The sub-fund's investments as at 31 July 2023

Holding	Investment	Market valuation	Total net assets
		£'000	%
	Equities 4.64% (31 July 2022 3.06%)		
	Consumer Staples 0.13% (31 July 2022 0.00%)		
917	Unilever	38	0.13
		38	0.13
	Financials 0.01% (31 July 2022 1.08%)		
1,259	Triam Investors 1	2	0.01
		2	0.01
	Industrials 2.75% (31 July 2022 0.77%)		
8,349	Energy Recovery	198	0.68
2,420	Ferguson	302	1.04
12,210	Kornit Digital	300	1.03
		800	2.75
	Real Estate 0.49% (31 July 2022 0.73%)		
149,936	LXI REIT*	143	0.49
		143	0.49
	Technology 0.51% (31 July 2022 0.48%)		
56,030	Big Technologies	147	0.51
		147	0.51
	Utilities 0.75% (31 July 2022 0.00%)		
12,997	AES	218	0.75
		218	0.75
	Derivatives and Futures Contracts 0.26% (31 July 2022 0.45%)		
	Contracts for Difference 0.40% (31 July 2022 0.69%)		
(205,581)	abrdrn	(35)	(0.12)
8,275	Anglo American	9	0.03
108,330	Ascential	(9)	(0.03)
6,839	Ashtead	27	0.09
4,263	AstraZeneca	43	0.15
25,293	Auction Technology	(2)	(0.01)
34,203	Auto Trader	17	0.06
78,537	Babcock	(11)	(0.04)
31,960	BAE Systems	4	0.01
170,930	Baltic Classifieds	6	0.02
358,454	Barclays	(4)	(0.01)
(53,114)	Bodycote	(31)	(0.11)
(7,618)	Bunzl	(8)	(0.03)
55,974	Bytes Technology	-	-
(1,835)	CDW	-	-
56,765	Chemring	3	0.01
53,050	Conduit	18	0.06
174,530	ConvaTec	1	-
10,052	CRH	45	0.15
4,800	Croda International	14	0.05
11,253	Diploma	28	0.10
(12,093)	Fever-Tree Drinks	(12)	(0.04)
67,460	GB Group	25	0.09
65,432	Glencore	13	0.04
21,336	Grafton	26	0.09
(841)	GS Expensive Software Custom Index Future Contract December 2050	(1)	-
42,482	GSK	21	0.07
19,018	HIKMA Pharmaceuticals	44	0.15
72,174	Howden Joinery	47	0.16
(9,616)	Intel	(11)	(0.04)

Aegon UK Equity Absolute Return Fund

Portfolio Statement (continued)

Holding	Investment	Market valuation £'000	Total net assets %
Contracts for Difference (continued)			
(7,439)	Intertek	(26)	(0.09)
(111)	iShares FTSE 250	(124)	(0.43)
(79,995)	IWG	(9)	(0.03)
25,362	Jet2	(3)	(0.01)
15,190	Johnson Matthey	16	0.05
240,593	Just	12	0.04
111,500	Kin & Carta	8	0.03
(139,426)	Kingfisher	(18)	(0.06)
(1,269,147)	Lloyds Banking	(1)	-
(48,281)	Naked Wines	2	0.01
(15,705)	Ocado	(56)	(0.19)
38,448	Oxford Nanopore Technologies	19	0.07
(1,919)	PayPal	(10)	(0.03)
(26,657)	Persimmon	(30)	(0.10)
(3,482)	Procter & Gamble	(20)	(0.07)
67,560	QinetiQ	(13)	(0.05)
4,574	Reckitt Benckiser	3	0.01
5,849	Rio Tinto	4	0.01
39,760	RS	2	0.01
(15,498)	Shell	(10)	(0.03)
(2,477)	Spirax-Sarco Engineering	(28)	(0.09)
130,500	Spire Healthcare	5	0.02
(24,047)	St James's Place	32	0.11
31,125	Standard Chartered	25	0.08
77,696	Synthomer	3	0.01
416,419	Taylor Wimpey	57	0.20
71,677	Team17	(17)	(0.06)
(140,639)	Tesco	(16)	(0.06)
6,569	Unilever	11	0.04
43,311	Watches of Switzerland	17	0.06
16,312	Weir	16	0.05
		118	0.40
Forward Foreign Exchange Contracts 0.00% (31 July 2022 0.00%)			
Bought GBP 683,665 Sold USD 880,000 31/08/2023		-	-
		-	-
Futures Contracts (0.14)% (31 July 2022 (0.24)%)			
(45)	FTSE 100 Future Contract September 2023	(40)	(0.14)
		(40)	(0.14)
Portfolio of investments**		1,426	4.90
Net other assets		27,658	95.10
Total net assets attributable to shareholders		29,084	100.00

Analysis of investments by asset class

	Market value £'000	Value of investments %
Equities	1,348	4.64
Derivatives	78	0.26
Portfolio of investments**	1,426	4.90
Net other assets	27,658	95.10
Total net assets attributable to shareholders	29,084	100.00

The comparative percentage figures in brackets are at 31 July 2022.

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 2023

	Note	£'000	2023 £'000	£'000	2022 £'000
Income					
Net capital losses	2		(130)		(743)
Revenue	3	1,305		352	
Expenses	4	(281)		(290)	
Interest payable and similar charges	5	(396)		(341)	
Net revenue/(expense) before taxation		628		(279)	
Taxation	6	(1)		-	
Net revenue/(expense) after taxation			627		(279)
Total return before distributions			497		(1,022)
Distributions	7		(627)		-
Change in net assets attributable to shareholders from investment activities			(130)		(1,022)

Statement of Change in Net Assets Attributable to Shareholders for the year ended 31 July 2023

	£'000	2023 £'000	£'000	2022 £'000
Opening net assets attributable to shareholders		30,295		33,819
Amounts receivable on issue of shares	11,969		14,020	
Amounts payable on cancellation of shares	(13,619)		(16,524)	
		(1,650)		(2,504)
Dilution adjustment		7		2
Change in net assets attributable to shareholders from investment activities		(130)		(1,022)
Retained distribution on accumulation shares		562		-
Closing net assets attributable to shareholders		29,084		30,295

Aegon UK Equity Absolute Return Fund

Balance Sheet as at 31 July 2023

	Note	£'000	2023 £'000	£'000	2022 £'000
Assets					
Fixed assets:					
Investments			1,971		1,745
Current assets:					
Debtors	8	2		28	
Cash and bank balances	9	27,885		30,847	
			<u>27,887</u>	<u>30,875</u>	
Total assets			29,858		32,620
Liabilities					
Investment liabilities					
			545		681
Creditors					
Bank overdrafts	10	4		190	
Other creditors	11	225		1,454	
			<u>774</u>	<u>2,325</u>	
Total liabilities			774		2,325
Net assets attributable to shareholders			29,084		30,295

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 losses

Net capital losses comprise:

	2023	2022
	£'000	£'000
Losses on non-derivative securities	(43)	(811)
(Losses)/gains on derivative securities	(148)	92
Gains/(losses) on forward currency contracts	74	(13)
Currency exchange losses	(13)	(11)
Net capital losses	(130)	(743)

3 Revenue

	2023	2022
	£'000	£'000
UK dividends	13	11
Property income from REITs	9	13
Non-taxable overseas dividends	8	-
Interest on debt securities	65	-
Bank interest	957	99
Contracts for difference	253	229
Total revenue	1,305	352

4 Expenses*

	2023	2022
	£'000	£'000
Payable to the ACD, associates of the ACD and agents of either of them:		
ACD's periodic charge	260	261
Payable to the Depositary, associates of the Depositary and agents of either of them:		
Depositary fee	3	4
Other expenses:		
Audit fee**	15	16
FT publishing fee	1	3
PRIPs fees	3	3
Registrar's fee	(1)	3
	18	25
Total expenses	281	290

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

**The audit fee (excluding VAT) incurred during the year was £13,369 (2022: £13,369).

5 Interest payable and similar charges

	2023	2022
	£'000	£'000
Dividends payable on contracts for difference	174	180
Interest payable on derivatives	222	161
Interest payable and similar charges	396	341

Aegon UK Equity Absolute Return Fund

Notes to the Financial Statements (continued)

6 Taxation

a) Analysis of charge in the year

	2023	2022
	£'000	£'000
Current tax:		
Overseas tax suffered	1	-
Total tax charge for the year (see note 6 (b))	1	-

b) Factors affecting tax charge for the year

The tax assessed for the year is higher than (2022: higher than) the standard rate of corporation tax for Open Ended Investment Companies 'OEICs' (20%).

The differences are explained below:

	2023	2022
	£'000	£'000
Net revenue/(expense) before taxation	628	(279)
Corporation tax 20% (2022: 20%)	126	(56)
Effects of:		
Movement in excess expenses	(122)	60
Overseas tax suffered	1	-
Expenses not subject to taxation	(4)	(4)
Total tax charge for the year	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 £16,825,000 (2022: £17,433,000). 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 £3,365,000 (2022: £3,487,000) has not been recognised.

7 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:

	2023	2022
	£'000	£'000
Final distribution	562	-
	562	-
Add: amounts deductible on cancellation of shares	113	-
Less: amounts receivable on creation of shares	(48)	-
Distributions	627	-

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

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

	2023	2022
	£'000	£'000
Net revenue/(expense) after taxation	627	(279)
Capital reimbursement of revenue deficit	-	279
Distributions	627	-

8 Debtors

	2023	2022
	£'000	£'000
Accrued revenue	1	7
Amounts receivable for the issue of shares	1	21
Debtors	2	28

9 Cash and bank balances

	2023	2022
	£'000	£'000
Amounts held at futures clearing houses and brokers	179	161
Cash and bank balances	1,380	4,024
Money market deposits	26,326	26,662
Cash and bank balances	27,885	30,847

Aegon UK Equity Absolute Return Fund

Notes to the Financial Statements (continued)

10 Bank overdrafts

	2023	2022
	£'000	£'000
Amounts held at futures clearing houses and brokers	4	190
Bank overdrafts	4	190

11 Other creditors

	2023	2022
	£'000	£'000
Accrued ACD periodic charge	40	42
Accrued other expenses	15	22
Amounts payable for cancellation of shares	167	1,370
Purchases awaiting settlement	3	20
Other creditors	225	1,454

12 Related parties

Related party interests in the sub-fund are disclosed in Note 5 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 63.34% (2022: 54.67%) 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 2023 (2022: £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 95.00% (2022: 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 3.50% (2022: 3.50%). As at the balance sheet date, the sub-fund's value at risk is 1.06% (2022: 0.99%).

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

	Lowest Utilisation (%)	Highest Utilisation (%)	Average Utilisation (%)
31 July 2023	0.52	1.43	0.88
31 July 2022	0.88	1.51	1.10

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 2023 the average leverage was 68.08% (2022: 75.90%).

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.

Aegon UK Equity Absolute Return Fund

Notes to the Financial Statements (continued)

14 Financial instruments and risk (continued)

Counterparty risk (continued)

At 31 July 2023, the market value of the exchange traded derivatives held by the sub-fund was £Nil (2022: £Nil).

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

As at 31 July 2023

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

As at 31 July 2022

Counterparty	Forward Foreign		Contracts for Difference Exposure £'000	Collateral Pledge Cash £'000
	Exchange	Contracts		
	Exposure £'000			
BNP Paribas	1	-	-	-
Goldman Sachs	-	-	215	-

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 2023	Value	Commissions	%	Other Costs*	%
	£'000	£'000		£'000	
Debt securities	54,998	-	-	-	-
Equities	771	-	0.03	-	-
Total	55,769	-		-	
Total purchases including transaction costs	55,769				
31 July 2022					
Equities	594	-	-	-	-
Total	594	-		-	
Total purchases including transaction costs	594				

Sales

31 July 2023	Value	Commissions	%	Other Costs*	%
	£'000	£'000		£'000	
Debt securities	55,000	-	-	-	-
Equities	304	-	0.11	-	-
Total	55,304	-		-	
Total sales net of transaction costs	55,304				
31 July 2022					
Equities	1,800	(2)	0.11	-	-
Corporate actions	124	-	-	-	-
Total	1,924	(2)		-	
Total sales net of transaction costs	1,922				

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

Derivatives

31 July 2023	Commissions
	£'000
Futures	1
Total	1
31 July 2022	
Futures	1
Total	1

Aegon UK Equity Absolute Return Fund

Notes to the Financial Statements (continued)

15 Portfolio transaction costs (continued)

The purchases and sales are not subject to portfolio transaction costs.

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 0.19% (2022: 0.74%), 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	2023		2022	
	Assets £'000	Liabilities £'000	Assets £'000	Liabilities £'000
1 - Unadjusted quoted prices	1,348	(40)	926	(72)
2 - Observable market data	623	(505)	819	(609)
3 - Unobservable data	-	-	-	-
	1,971	(545)	1,745	(681)

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 51. 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 2023	Opening	Creations	Cancellations	Converted	Closing
B Accumulation	24,152,994	9,522,166	(10,867,380)	-	22,807,780

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 16 November 2023 and the percentage movement in that period. The net asset values per share were reviewed again on 23 November 2023 with no material movements noted since 16 November.

Net assets per share

	31 July 2023	16 November 2023	% Movement
B Accumulation	127.52	128.88	1.07

Aegon UK Equity Absolute Return Fund

Distribution Tables

Share Class B Accumulation

Period end	Pay date		Net Revenue	Equalisation*	Total Payable	2022 Total Paid
31/07/23	30/11/23	Group 1	2.4619	N/A	2.4619	0.0000
		Group 2	1.9149	0.5470		

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 profiled 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 (10.34)% compared to the peer group median return of (9.15)%. The peer group is the Investment Association UK Smaller Companies sector.

Strategy review**

Over the 12-month period to 31 July 2023, the sub-fund posted a significant negative return and underperformed the benchmark and Investment Association peer group sector median.

Over the year, inflation and central bank rhetoric remained key drivers of market volatility, with the UK seeing higher inflation and steeper rate rises than most other developed economies. Volatility was exacerbated in September, when the UK government announced a 'mini-budget', which was not well received by markets or sterling, with the latter moving to an all-time low against the US dollar. These factors had a particularly profound effect on the smaller-cap and domestically focused areas of the UK market.

The struggle faced by small and mid-caps over the review period can be illustrated by the divergence between the large-cap, internationally focused FTSE 100 and the mid-cap FTSE 250, which is a better gauge of domestic UK companies. In 2022, the former registered its largest outperformance versus the latter over a calendar year since the early 1980s. Whilst that divergence has not been as extreme in 2023, the FTSE 100 has again been well ahead of the FTSE 250.

The sub-fund's underperformance over the year reflected a challenging market environment – due mainly to the difficult UK inflationary and interest rate backdrop. The sub-fund struggled against this backdrop given its focus on smaller companies and its strong growth tilt (growth companies' stock prices are predominantly based on expected increases in future revenues and earnings). This was particularly the case over the first half of the year when defensive sectors - which we tended to be underweight - generally outperformed more cyclical areas of the market.

While growth recovered somewhat in the first half of 2023, benefiting the sub-fund, the rally was mainly led by large-cap growth. The benefit to sub-fund performance was therefore limited given our small-cap focus.

In addition to the tough market backdrop, stock selection was also weak and the sub-fund suffered from sharp falls in some of its holdings as their operational performance deteriorated, causing forecasts to be downgraded.

On a brighter note, sector allocation added value, with our overweight position in technology, and underweights in real estate and basic materials the main positives. In contrast, our underweight to consumer discretionary held the fund back, as the sector saw a strong bounce in the second half of the review period.

We continue to focus on disciplined stock selection as a means of adding value to the sub-fund and our long-term approach means we look to not overreact to short-term market rotations when there is no change to the underlying investment cases for our holdings. That said we recognize that the market backdrop is significantly different now, compared to the start of the year, so we have looked to take sensible action to adapt the portfolio to this 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 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 2023	Top ten sales	31 July 2023
	£'000		£'000
Moneysupermarket.com	4,412	Marlowe	3,154
Urban Logistics REIT	2,824	Alpha	2,904
Keywords Studios	2,637	Keystone Law	2,904
Grainger	2,266	Bytes Technology	2,380
Redrow	2,220	Ashtead Technology	2,167
Crest Nicholson	2,094	Watches of Switzerland	1,991
Energiean	1,955	Hotel Chocolat Group	1,881
Craneware	1,953	Euromoney Institutional Investor	1,867
Workspace REIT	1,924	FDM	1,853
Victrex	1,917	Bodycote	1,745

Aegon UK Smaller Companies Fund

Comparative Tables

A Accumulation shares**	2021 (p/share)
Change in net assets per share	
Opening net asset value per share	335.21
Return before operating charges*	139.02
Operating charges	(5.15)
Return after operating charges*	133.87
Distributions	-
Retained distributions on accumulation shares	-
Redemption value	(469.08)
Closing net asset value per share	-
 *after direct transaction costs of	 0.70
Performance	
Return after charges	39.94%
Other information	
Closing net asset value (£'000)	-
Closing number of shares	-
Operating charges	-
Direct transaction costs	-
Prices	
Highest share price	473.45
Lowest share price	333.45

B Accumulation shares	2023 (p/share)	2022 (p/share)	2021 (p/share)
Change in net assets per share			
Opening net asset value per share	398.26	545.51	366.13
Return before operating charges*	(40.08)	(143.46)	182.88
Operating charges	(2.85)	(3.79)	(3.50)
Return after operating charges*	(42.93)	(147.25)	179.38
Distributions	(6.78)	(3.97)	(3.15)
Retained distributions on accumulation shares	6.78	3.97	3.15
Closing net asset value per share	355.33	398.26	545.51
 *after direct transaction costs of	 0.56	 0.58	 0.83
Performance			
Return after charges	(10.78)%	(26.99)%	48.99%
Other information			
Closing net asset value (£'000)	177,642	217,573	323,610
Closing number of shares	49,993,346	54,631,430	59,322,015
Operating charges	0.78%	0.78%	0.77%
Direct transaction costs	0.15%	0.12%	0.18%
Prices			
Highest share price	397.56	578.48	544.00
Lowest share price	328.82	364.40	364.23

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.

**Share class closed on 22 June 2021.

Aegon UK Smaller Companies Fund

Portfolio Statement

The sub-fund's investments as at 31 July 2023

Holding	Investment	Market valuation	Total net assets
		£'000	%
Equities 98.63% (31 July 2022 97.18%)			
Basic Materials 3.18% (31 July 2022 2.75%)			
245,251	Hill & Smith	3,865	2.18
115,469	Victrex	1,782	1.00
		5,647	3.18
Consumer Discretionary 17.89% (31 July 2022 14.11%)			
107,332	4imprint	4,755	2.68
1,334,992	Crest Nicholson	2,846	1.60
388,307	Dunelm	4,462	2.51
585,092	Fuller Smith & Turner	3,475	1.96
93,000	Keywords Studios	1,638	0.92
1,411,427	On the Beach	1,255	0.71
904,263	Patisserie*	-	-
3,508,834	Pebble	3,210	1.81
449,148	Redrow	2,320	1.30
1,093,593	Team17	3,445	1.94
579,687	Watches of Switzerland	4,365	2.46
		31,771	17.89
Consumer Staples 3.24% (31 July 2022 4.38%)			
523,513	Hilton Food	3,376	1.90
942,621	Uniphar	2,385	1.34
		5,761	3.24
Energy 4.86% (31 July 2022 3.48%)			
1,419,080	Ashtead Technology	5,534	3.11
1,529,361	Diversified Energy	1,449	0.82
132,000	Energiean	1,527	0.86
89,049	Indus Gas	125	0.07
		8,635	4.86
Financials 20.14% (31 July 2022 18.95%)			
247,143	Alpha	5,536	3.12
593,236	Conduit	2,877	1.62
1,083,208	Foresight	5,189	2.92
545,500	Impax Asset Management	2,989	1.68
1,028,989	IntegraFin	2,519	1.42
827,276	JTC	5,952	3.35
752,341	Paragon Banking	3,969	2.24
1,112,915	Tatton Asset Management	5,264	2.96
775,000	XPS Pensions	1,480	0.83
		35,775	20.14
Health Care 4.50% (31 July 2022 5.42%)			
948,281	Advanced Medical Solutions	2,352	1.32
237,034	Craneware	3,236	1.82
206,311	Ergomed	2,236	1.26
1,129,231	Ondine Biomedical	171	0.10
		7,995	4.50
Industrials 22.06% (31 July 2022 28.76%)			
350,000	Babcock	1,310	0.74
1,067,000	Chemring	3,020	1.70
87,513	Clarkson	2,437	1.37
170,028	Diploma	5,502	3.10
367,524	FDM	2,003	1.13
627,003	Genuit	1,959	1.10

Aegon UK Smaller Companies Fund

Portfolio Statement (continued)

Holding	Investment	Market valuation £'000	Total net assets %
	Industrials (continued)		
253,341	Grafton	2,219	1.25
415,703	Marshalls	1,116	0.63
172,500	Oxford Instruments	4,131	2.32
875,000	QinetiQ	2,819	1.59
680,243	Robert Walters	2,796	1.57
396,479	Smart Metering Systems	2,760	1.55
210,320	Solid State	2,776	1.56
65,771	TMO Renewables*	-	-
1,082,462	Volution	4,345	2.45
		39,193	22.06
	Real Estate 5.28% (31 July 2022 3.74%)		
916,281	Grainger	2,305	1.30
1,970,074	Urban Logistics REIT**	2,396	1.35
942,526	Workspace REIT**	4,679	2.63
		9,380	5.28
	Technology 14.61% (31 July 2022 13.33%)		
590,000	Ascential	1,233	0.69
344,700	Auction Technology	2,441	1.37
1,963,203	Baltic Classifieds	3,883	2.19
489,441	Big Technologies	1,282	0.72
773,418	Bytes Technology	3,987	2.24
482,000	DiscoverIE	3,856	2.17
974,702	GB Group	2,445	1.38
2,017,860	Kin & Carta	1,362	0.77
1,752,585	Moneysupermarket.com	4,806	2.71
761,125	Trustpilot	666	0.37
		25,961	14.61
	Telecommunications 2.87% (31 July 2022 2.26%)		
460,304	Gamma Communications	5,091	2.87
		5,091	2.87
	Portfolio of investments	175,209	98.63
	Net other assets	2,433	1.37
	Total net assets attributable to shareholders	177,642	100.00

The comparative percentage figures in brackets are at 31 July 2022.

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 72).

**Real Estate Investment Trust.

Aegon UK Smaller Companies Fund

Statement of Total Return for the year ended 31 July 2023

	Note	£'000	2023 £'000	£'000	2022 £'000
Income					
Net capital losses	2		(26,725)		(85,387)
Revenue	3	5,082		4,405	
Expenses	4	(1,488)		(2,152)	
Interest payable and similar charges		(1)		-	
Net revenue before taxation		3,593		2,253	
Taxation	5	(64)		(27)	
Net revenue after taxation			3,529		2,226
Total return before distributions			(23,196)		(83,161)
Distributions	6		(3,529)		(2,226)
Change in net assets attributable to shareholders from investment activities			(26,725)		(85,387)

Statement of Change in Net Assets Attributable to Shareholders for the year ended 31 July 2023

	£'000	2023 £'000	£'000	2022 £'000
Opening net assets attributable to shareholders		217,573		323,610
Amounts receivable on issue of shares	2,111		7,042	
Amounts payable on cancellation of shares	(18,827)		(30,033)	
		(16,716)		(22,991)
Dilution adjustment		120		172
Change in net assets attributable to shareholders from investment activities		(26,725)		(85,387)
Retained distribution on accumulation shares		3,390		2,169
Closing net assets attributable to shareholders		177,642		217,573

Aegon UK Smaller Companies Fund

Balance Sheet as at 31 July 2023

	Note	£'000	2023 £'000	£'000	2022 £'000
Assets					
Fixed assets:					
Investments			175,209		211,440
Current assets:					
Debtors	7	542		622	
Cash and bank balances	8	<u>3,831</u>		<u>6,986</u>	
			<u>4,373</u>		<u>7,608</u>
Total assets			179,582		219,048
Liabilities					
Creditors					
Other creditors	9	<u>1,940</u>		<u>1,475</u>	
Total liabilities			<u>1,940</u>		<u>1,475</u>
Net assets attributable to shareholders			177,642		217,573

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 losses

Net capital losses comprise:

	2023	2022
	£'000	£'000
Losses on non-derivative securities	(26,713)	(85,384)
Currency exchange (losses)/gains	(9)	1
Transaction charges	(3)	(4)
Net capital losses	(26,725)	(85,387)

3 Revenue

	2023	2022
	£'000	£'000
UK dividends	4,322	3,880
Non-taxable overseas dividends	280	260
Property income from REITs	397	256
Bank interest	73	3
Stock lending income*	10	6
Total revenue	5,082	4,405

*The sub-fund received 72% of the revenue returns from stock lending activities. The gross earnings for the year are £14,000 (2022: £8,000) and expenses paid of £4,000 (2022: £2,000).

4 Expenses*

	2023	2022
	£'000	£'000
Payable to the ACD, associates of the ACD and agents of either of them:		
ACD's periodic charge	1,439	2,085
Payable to the Depositary, associates of the Depositary and agents of either of them:		
Depositary fee	27	40
Other expenses:		
Audit fee**	11	11
FT publishing fee	3	3
PRIPs fees	3	3
Registrar's fee	-	3
Safe custody charge	5	7
	22	27
Total expenses	1,488	2,152

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

**The audit fee (excluding VAT) incurred during the year was £9,551 (2022: £9,551).

5 Taxation

a) Analysis of charge in the year

	2023	2022
	£'000	£'000
Current tax:		
Overseas tax suffered	64	27
Total tax charge for the year (see note 5 (b))	64	27

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 (2022: lower than) the standard rate of corporation tax for Open Ended Investment Companies 'OEICs' (20%).

The differences are explained below:

	2023	2022
	£'000	£'000
Net revenue before taxation	3,593	2,253
Corporation tax 20% (2022: 20%)	719	451
Effects of:		
Movement in excess expenses	201	378
Overseas tax suffered	64	27
Revenue not subject to taxation	(920)	(829)
Total tax charge for the year (see note 5 (a))	64	27

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 £15,602,000 (2022: £14,599,000). 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 £3,120,000 (2022: £2,920,000) 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:

	2023	2022
	£'000	£'000
Final distribution	3,390	2,169
Add: amounts deductible on cancellation of shares	152	86
Less: amounts receivable on creation of shares	(13)	(29)
Distributions	3,529	2,226

Details of the distributions are set out in the tables on page 73.

7 Debtors

	2023	2022
	£'000	£'000
Accrued revenue	489	459
Amounts receivable for the issue of shares	3	2
Sales awaiting settlement	50	161
Debtors	542	622

8 Cash and bank balances

	2023	2022
	£'000	£'000
Cash and bank balances	3,831	6,986
Cash and bank balances	3,831	6,986

9 Other creditors

	2023	2022
	£'000	£'000
Accrued ACD periodic charge	225	268
Accrued other expenses	20	26
Amounts payable for cancellation of shares	426	242
Purchases awaiting settlement	1,269	939
Other creditors	1,940	1,475

10 Related parties

Related party interests in the sub-fund are disclosed in Note 5 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 97.60% (2022: 97.79%) of the shares in issue were owned by AEGON Group or AEGON UK companies.

Aegon UK Smaller Companies 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 2023 (2022: £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 (2022: same). As at the balance sheet date, the sub-fund's value at risk is 8.48% (2022: 9.13%).

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

	Lowest Utilisation (%)	Highest Utilisation (%)	Average Utilisation (%)
31 July 2023	8.23	9.49	8.97
31 July 2022	5.73	9.27	7.33

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

As at 31 July 2022

Counterparty	Stock on loan	Collateral pledge
	£'000	Stock £'000
Citigroup	1,319	1,407
HSBC	299	330

13 Portfolio transaction costs

Purchases

31 July 2023	Value	Commissions	Other Costs*	
	£'000	£'000	%	£'000
Equities	49,715	46	0.09	183
Total	49,715	46		183
Total purchases including transaction costs	49,944			
31 July 2022				
Equities	78,304	63	0.08	170
Corporate actions	193	-	-	-
Total	78,497	63		170
Total purchases including transaction costs	78,730			

*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 Smaller Companies Fund

Notes to the Financial Statements (continued)

13 Portfolio transaction costs (continued)

Sales

31 July 2023	Value	Commissions	Other Costs*	
	£'000	£'000	%	£'000
Equities	54,586	(63)	0.12	-
Corporate actions	4,940	-	-	-
Total	59,526	(63)		-
Total sales net of transaction costs	59,463			
31 July 2022				
Equities	100,718	(96)	0.10	-
Corporate actions	3,348	-	-	-
Total	104,066	(96)		-
Total sales net of transaction costs	103,970			

*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% (2022: 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	2023		2022	
	Assets	Liabilities	Assets	Liabilities
	£'000	£'000	£'000	£'000
1 - Unadjusted quoted prices	175,209	-	211,440	-
2 - Observable market data	-	-	-	-
3 - Unobservable data*	-	-	-	-
	175,209	-	211,440	-

*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 64. The distribution per share class is given in the distribution tables on page 73. All share classes have the same rights on winding up.

Share class movement reconciliation

31 July 2023	Opening	Creations	Cancellations	Converted	Closing
B Accumulation	54,631,430	575,422	(5,213,506)	-	49,993,346

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 16 November 2023 and the percentage movement in that period. The net asset values per share were reviewed again on 23 November 2023 with no material movements noted since 16 November.

Net assets per share

	31 July 2023	16 November 2023	% Movement
B Accumulation	355.33	352.74	(0.73)

Aegon UK Smaller Companies Fund

Distribution Tables

Share Class B Accumulation

Period end	Pay date		Net Revenue	Equalisation*	Total Payable	2022 Total Paid
31/07/23	30/11/23	Group 1	6.7815	N/A	6.7815	3.9701
		Group 2	4.4347	2.3468		

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 (7.40)% compared to the peer group median return of 4.63%. The peer group is the Investment Association UK All Companies sector.

Strategy review**

Over the 12-month period, inflation and central bank rhetoric remained key drivers of market volatility, with the UK seeing higher inflation and steeper rate rises than most other developed economies. Volatility was exacerbated in September, when the UK government announced a 'mini-budget', which was not well received by markets or sterling, with the latter moving to an all-time low against the US dollar. However, the subsequent reversal of the government's fiscal package boosted sentiment and UK equities recovered to be one of the best performing regions in 2022.

The picture was different over the second half of the year though with UK equities struggling for momentum in 2023. Market composition was a factor here; technology makes up a tiny proportion of UK indices, so the artificial intelligence-led global tech rally largely bypassed the UK.

Another notable factor over the review period was the divergence between the large-cap, internationally focused FTSE 100 and the mid-cap FTSE 250, which is a better gauge of domestic UK companies. In 2022, the former registered its largest outperformance versus the latter over a calendar year since the early 1980s. Whilst that divergence has not been as extreme in 2023, the FTSE 100 has again been well ahead of the FTSE 250.

The sub-fund's underperformance over the year reflected a challenging market environment for active stock pickers, with the median stock in the FTSE All-Share materially underperforming the index, which was held up by the outperformance of its largest constituents. Most of these index heavyweights are energy companies, miners or big banks and therefore do not pass our sustainable screening, which proved to be detrimental to the sub-fund over the year.

Due to the aforementioned ethical criteria and our preference to search for ideas in less researched areas of the market, the sub-fund has a bias towards small and mid-cap names, as well as growth stocks (companies whose stock prices are predominantly based on expected increases in future revenues and earnings). This was a key driver of the underperformance over the year, as growth stocks suffered a sharp sell-off in 2022 and small and mid-caps lagged large-caps for the duration of the year. This was most prominent over the first half of the year, when defensive sectors generally outperformed more cyclical areas of the market.

In addition to the tough market backdrop, stock selection was also weak over the year and the sub-fund suffered from sharp falls in some of its holdings as their operational performance deteriorated, causing forecasts to be downgraded.

The sub-fund's underweight to energy, particularly up to the end of 2022, was a key source of negative performance given the rally seen in the sector. The sub-fund does not hold oil & gas names due to its sustainability criteria. This was partially offset by the sub-fund's large overweight to industrials, while our overweight to technology and underweight to consumer staples also aided returns and meant that sector allocation added value over the year.

We continue to focus on disciplined stock selection as a means of adding value to the sub-fund and our long-term approach means we look to not overreact to short-term market rotations when there is no change to the underlying investment cases for our holdings. That said we recognize that the market backdrop is significantly different now, compared to the start of the year, so we have looked to take sensible action to adapt the portfolio to this 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 Sustainable Opportunities Fund

Material portfolio changes

Top ten purchases	31 July 2023	Top ten sales	31 July 2023
	£'000		£'000
National Grid	4,929	Dechra Pharmaceuticals	3,793
Haleon	4,180	Anglo American	2,945
Experian	4,154	LXI REIT	2,611
Ashtead	4,101	Marlowe	2,384
NatWest	4,044	Watches of Switzerland	2,288
GSK	3,415	Aveva	2,262
Phoenix	3,396	Abcam ADS	2,175
SolarEdge Technologies	3,190	Jet2	2,066
Taylor Wimpey	2,911	Ferguson	1,995
FDM	2,559	Conduit	1,887

Aegon UK Sustainable Opportunities Fund

Comparative Tables

A Accumulation shares**	2021 (p/share)
Change in net assets per share	
Opening net asset value per share	190.55
Return before operating charges*	52.65
Operating charges	(2.99)
Return after operating charges*	49.66
Distributions	-
Retained distributions on accumulation shares	-
Redemption value	(240.21)
Closing net asset value per share	-
 *after direct transaction costs of	 0.43
Performance	
Return after charges	26.06%
Other information	
Closing net asset value (£'000)	-
Closing number of shares	-
Operating charges	-
Direct transaction costs	-
Prices	
Highest share price	243.41
Lowest share price	191.69

B Accumulation shares	2023 (p/share)	2022 (p/share)	2021 (p/share)
Change in net assets per share			
Opening net asset value per share	225.26	275.23	207.59
Return before operating charges*	(15.83)	(47.98)	69.54
Operating charges	(1.62)	(1.99)	(1.90)
Return after operating charges*	(17.45)	(49.97)	67.64
Distributions	(3.62)	(3.91)	(1.77)
Retained distributions on accumulation shares	3.62	3.91	1.77
Closing net asset value per share	207.81	225.26	275.23
 *after direct transaction costs of	 0.51	 0.59	 0.48
Performance			
Return after charges	(7.75)%	(18.16)%	32.58%
Other information			
Closing net asset value (£'000)	119,699	131,377	161,227
Closing number of shares	57,598,811	58,323,175	58,578,526
Operating charges	0.78%	0.79%	0.78%
Direct transaction costs	0.24%	0.23%	0.20%
Prices			
Highest share price	224.65	290.35	275.59
Lowest share price	186.87	207.71	208.86

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.

**Share class closed on 22 June 2021.

Aegon UK Sustainable Opportunities Fund

Portfolio Statement

The sub-fund's investments as at 31 July 2023

Holding	Investment	Market valuation	Total net assets
		£'000	%
Equities 95.90% (31 July 2022 94.11%)			
Basic Materials 2.78% (31 July 2022 7.87%)			
86,340	Hill & Smith	1,360	1.14
109,125	Johnson Matthey	1,965	1.64
		3,325	2.78
Consumer Discretionary 7.03% (31 July 2022 9.33%)			
216,974	RELX	5,682	4.75
2,387,365	Taylor Wimpey	2,729	2.28
		8,411	7.03
Consumer Staples 1.53% (31 July 2022 0.67%)			
246,025	Tate & Lyle	1,835	1.53
		1,835	1.53
Energy 1.09% (31 July 2022 0.54%)			
6,975	SolarEdge Technologies	1,309	1.09
		1,309	1.09
Financials 17.81% (31 July 2022 11.17%)			
123,843	Alpha	2,774	2.32
476,339	Foresight	2,282	1.91
175,686	Impax Asset Management	963	0.80
214,127	Intermediate Capital	3,008	2.51
66,326	London Stock Exchange	5,611	4.69
1,406,718	NatWest	3,435	2.87
589,681	Phoenix	3,243	2.71
		21,316	17.81
Health Care 20.30% (31 July 2022 19.04%)			
59,901	AstraZeneca	6,699	5.60
1,819,958	ConvaTec	3,793	3.17
131,582	Craneware	1,796	1.50
235,921	GSK	3,266	2.73
1,268,902	Haleon	4,267	3.56
214,334	HIKMA Pharmaceuticals	4,475	3.74
		24,296	20.30
Industrials 26.67% (31 July 2022 21.75%)			
20,000	Alfen	1,082	0.91
64,014	Ashtead	3,687	3.08
141,997	Diploma	4,595	3.84
979,431	DS Smith	3,031	2.53
112,885	Experian	3,396	2.84
145,396	FDM	792	0.66
18,840	Ferguson	2,355	1.97
520,685	Genuit	1,627	1.36
100,807	Halma	2,253	1.88
133,601	Oxford Instruments	3,200	2.67
55,113	RS Group	432	0.36
313,208	Smart Metering Systems	2,180	1.82
820,814	Volusion	3,295	2.75
		31,925	26.67
Real Estate 5.19% (31 July 2022 7.78%)			
721,654	Grainger	1,816	1.52
452,008	Unite REIT*	4,398	3.67
		6,214	5.19

Aegon UK Sustainable Opportunities Fund

Portfolio Statement (continued)

Holding	Investment	Market valuation	Total net assets
		£'000	%
	Technology 4.80% (31 July 2022 11.65%)		
658,128	Ascential	1,375	1.15
288,000	DiscoverIE	2,304	1.92
414,105	GB Group	1,039	0.87
1,081,436	Kin & Carta	730	0.61
348,192	Trustpilot	305	0.25
		5,753	4.80
	Utilities 8.70% (31 July 2022 4.31%)		
456,911	National Grid	4,711	3.94
338,403	SSE	5,702	4.76
		10,413	8.70
	Portfolio of investments	114,797	95.90
	Net other assets	4,902	4.10
	Total net assets attributable to shareholders	119,699	100.00

The comparative percentage figures in brackets are at 31 July 2022.

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 2023

	Note	£'000	2023 £'000	£'000	2022 £'000
Income					
Net capital losses	2		(12,304)		(31,441)
Revenue	3	3,032		3,438	
Expenses	4	<u>(937)</u>		<u>(1,152)</u>	
Net revenue before taxation		2,095		2,286	
Taxation	5	<u>-</u>		<u>-</u>	
Net revenue after taxation			<u>2,095</u>		<u>2,286</u>
Total return before distributions			(10,209)		(29,155)
Distributions	6		<u>(2,095)</u>		<u>(2,286)</u>
Change in net assets attributable to shareholders from investment activities			(12,304)		(31,441)

Statement of Change in Net Assets Attributable to Shareholders for the year ended 31 July 2023

	£'000	2023 £'000	£'000	2022 £'000
Opening net assets attributable to shareholders		131,377		161,227
Amounts receivable on issue of shares	746		3,976	
Amounts payable on cancellation of shares	<u>(2,205)</u>		<u>(4,667)</u>	
		(1,459)		(691)
Change in net assets attributable to shareholders from investment activities		(12,304)		(31,441)
Retained distribution on accumulation shares		<u>2,085</u>		<u>2,282</u>
Closing net assets attributable to shareholders		119,699		131,377

Aegon UK Sustainable Opportunities Fund

Balance Sheet as at 31 July 2023

			2023		2022
	Note	£'000	£'000	£'000	£'000
Assets					
Fixed assets:					
Investments			114,797		123,637
Current assets:					
Debtors	7	650		511	
Cash and bank balances	8	<u>5,097</u>		<u>7,501</u>	
			<u>5,747</u>		<u>8,012</u>
Total assets			120,544		131,649
Liabilities					
Creditors					
Other creditors	9	<u>845</u>		<u>272</u>	
Total liabilities			<u>845</u>		<u>272</u>
Net assets attributable to shareholders			119,699		131,377

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 losses

Net capital losses comprise:

	2023	2022
	£'000	£'000
Losses on non-derivative securities	(12,293)	(31,404)
Losses on derivative securities	-	(35)
Currency exchange losses	(10)	-
Transaction charges	(1)	(2)
Net capital losses	(12,304)	(31,441)

3 Revenue

	2023	2022
	£'000	£'000
UK dividends	2,750	3,079
Non-taxable overseas dividends	-	176
Property income from REITs	144	159
Bank Interest	138	6
Stock lending income*	-	18
Total revenue	3,032	3,438

*The gross earnings for the year are £Nil (2022: £25,000) and expenses paid of £Nil (2022: £7,000).

4 Expenses*

	2023	2022
	£'000	£'000
Payable to the ACD, associates of the ACD and agents of either of them:		
ACD's periodic charge	900	1,106
Payable to the Depositary, associates of the Depositary and agents of either of them:		
Depositary fee	17	21
Other expenses:		
Audit fee**	11	12
FT publishing fee	3	3
PRIPs fees	3	3
Registrar's fee	-	3
Safe custody charge	3	4
Total expenses	937	1,152

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

**The audit fee (excluding VAT) incurred during the year was £9,642 (2022: £9,642).

5 Taxation

a) Analysis of charge in the year

	2023	2022
	£'000	£'000
Current tax:		
Overseas tax suffered	-	-
Total tax charge for the year (see note 5 (b))	-	-

Aegon UK Sustainable Opportunities 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 (2022: lower than) than the standard rate of corporation tax for Open Ended Investment Companies 'OEICs' (20%).

The differences are explained below:

	2023	2022
	£'000	£'000
Net revenue before taxation	2,095	2,286
Corporation tax 20% (2022: 20%)	419	457
Effects of:		
Movement in excess expenses	131	193
Revenue not subject to taxation	(550)	(650)
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 £11,431,000 (2022: £10,776,000). 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 £2,286,000 (2022: £2,155,000) 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:

	2023	2022
	£'000	£'000
Final distribution	2,085	2,282
	2,085	2,282
Add: amounts deductible on cancellation of shares	13	42
Less: amounts receivable on creation of shares	(3)	(38)
Distributions	2,095	2,286

Details of the distributions are set out in the tables on page 85.

7 Debtors

	2023	2022
	£'000	£'000
Accrued revenue	649	489
Amounts receivable for the issue of shares	1	22
Debtors	650	511

8 Cash and bank balances

	2023	2022
	£'000	£'000
Cash and bank balances	5,097	7,501
Cash and bank balances	5,097	7,501

9 Other creditors

	2023	2022
	£'000	£'000
Accrued ACD periodic charge	148	159
Accrued other expenses	17	23
Amounts payable for cancellation of shares	1	90
Purchases awaiting settlement	679	-
Other creditors	845	272

Aegon UK Sustainable Opportunities Fund

Notes to the Financial Statements (continued)

10 Related parties

Related party interests in the sub-fund are disclosed in Note 5 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 98.11% (2022: 97.72%) 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 2023 (2022: £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 (2022: same). As at the balance sheet date, the sub-fund's value at risk is 7.07% (2022: 7.91%).

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

	Lowest Utilisation (%)	Highest Utilisation (%)	Average Utilisation (%)
31 July 2023	6.97	8.24	7.59
31 July 2022	5.05	8.08	6.52

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

	Value £'000	Commissions £'000	%	Other Costs* £'000	%
31 July 2023					
Equities	57,377	42	0.07	213	0.37
Total	<u>57,377</u>	<u>42</u>		<u>213</u>	
Total purchases including transaction costs	<u>57,632</u>				
31 July 2022					
Equities	77,038	51	0.07	239	0.31
Total	<u>77,038</u>	<u>51</u>		<u>239</u>	
Total purchases including transaction costs	<u>77,328</u>				

Sales

	Value £'000	Commissions £'000	%	Other Costs* £'000	%
31 July 2023					
Equities	51,907	(38)	0.07	-	-
Corporate actions	2,309	-	-	-	-
Total	<u>54,216</u>	<u>(38)</u>		<u>-</u>	
Total sales net of transaction costs	<u>54,178</u>				
31 July 2022					
Equities	74,732	(53)	0.07	-	-
Corporate actions	2,930	-	-	-	-
Total	<u>77,662</u>	<u>(53)</u>		<u>-</u>	
Total sales net of transaction costs	<u>77,609</u>				

*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 Sustainable Opportunities 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 0.15% (2022: 0.17%), 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	2023		2022	
	Assets £'000	Liabilities £'000	Assets £'000	Liabilities £'000
1 - Unadjusted quoted prices	114,797	-	123,637	-
2 - Observable market data	-	-	-	-
3 - Unobservable data	-	-	-	-
	114,797	-	123,637	-

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 76. The distribution per share class is given in the distribution tables on page 85. All share classes have the same rights on winding up.

Share class movement reconciliation

31 July 2023	Opening	Creations	Cancellations	Converted	Closing
B Accumulation	58,323,175	360,801	(1,085,165)	-	57,598,811

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 16 November 2023 and the percentage movement in that period. The net asset values per share were reviewed again on 23 November 2023 with no material movements noted since 16 November.

Net assets per share

	31 July 2023	16 November 2023	% Movement
B Accumulation	207.81	204.17	(1.75)

Aegon UK Sustainable Opportunities Fund

Distribution Tables

Share Class B Accumulation

Period end	Pay date		Net Revenue	Equalisation*	Total Payable	2022 Total Paid
31/07/23	30/11/23	Group 1	3.6198	N/A	3.6198	3.9133
		Group 2	2.7138	0.9060		

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 (6.24)% compared to the peer group median return of (0.64)%. The peer group is the Investment Association Sterling Strategic Bond sector.

Strategy review**

Fixed income markets were volatile over the 12-month period, with core government bonds coming under significant pressure. Investment grade bonds struggled initially although they rallied as we moved into 2023 and increased over the year as a whole. High yield bonds, however, were the strongest performers, buoyed mainly by robust corporate earnings.

The main drivers of the volatile conditions were the persistence of inflation - with central banks raising rates as a consequence - and fears over the extent of a consumer-led slowdown. Political volatility was also the fore, particularly in the UK where the short-lived Truss-led government announced unfunded tax cuts at the start of the year. This move led to concerns over the UK government's fiscal credibility and caused borrowing costs to move higher, leading to a sharp sell-off in gilts and a wave of forced selling in UK corporate bonds. However, the subsequent reversal of the government's expansionary fiscal policy - and confirmation of the new administration's commitment to a more conservative budget - bolstered confidence in gilts.

As we moved into 2023, most markets were generally more positive in terms of inflation expectations, given a decline in energy prices and weaker economic data. At the same time, fears over stresses in the banking system, which ultimately led to the demise of Credit Suisse, proved to be short-lived with no signs of wider contagion.

Given the more positive backdrop, any signs of a peak in inflation data were greeted by a rally in markets. Central banks, however, were careful to highlight that the battle to control inflation was far from over. This was particularly the case towards the end of the year, where the US Federal Reserve, the European Central Bank and the Bank of England all raised rates, with the latter reacting to stronger than expected inflation data.

Throughout the year we were very active in managing duration (a measure of interest rate risk). Initially, we reduced UK duration following the sharp rise in gilt yields due to the emergence of political and fiscal risks. However, we subsequently added UK duration as the political risk premium subsided and sold some US duration to take advantage of the relative value opportunity. These moves contributed positively to the sub-fund as UK gilts benefited from the more positive environment as we moved into October. We then reduced our exposure to UK interest rate risk once again and instead rotated back into the US, and also into some additional European interest rate risk. This left the sub-fund with a relative long duration position, which continued to add value.

As the rally in government bonds matured, we reduced the level of duration again and, for the remainder of the year, we fluctuated between a relatively neutral to long stance. As inflationary pressures continued to increase, particularly in the UK, we shifted the sub-fund's duration exposure from the UK into German and Italian government bonds towards the end of the year. We also continued to maintain an overweight position in US government bonds. Given core government bond yields subsequently increased, our duration stance detracted from performance, although our decision to increase our exposure to European markets was beneficial.

By the end of the year, we reacted to the extreme rate expectations in the UK by adding duration via UK gilts – this was further increased after the lower-than-expected CPI print. This saw UK gilt yields fall sharply, outperforming other core rates markets.

Corporate bond markets were not immune to the volatility witnessed in their government bond counterparts, and as a result our exposure to both investment grade and high yield bonds struggled at the beginning of the year. We subsequently took advantage of this weakness to increase our exposure to these assets as we believed much of the potential downside was already reflected in the price. We therefore benefited from the subsequent recovery seen in both yields and credit, with financial debt and the high yield market leading the rally.

The positive tone to corporate bond markets continued over the second half of the year, albeit with periods of significant volatility, particularly due to the temporary stresses seen in the banks sector. In general, our bias towards European investment grade and high yield markets (at the expense of the US) worked well as moved through 2023. We felt the market was over-estimating both the extent as well as we moved through 2023.

*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 2023	Top ten sales	31 July 2023
	£'000		£'000
New Zealand Government Bond 2.75% 15/04/2037	26,063	United Kingdom Gilt 4.25% 07/06/2032	28,631
United Kingdom Gilt 4.25% 07/06/2032	25,549	US Treasury Bond 1.875% 15/02/2032	20,764
US Treasury Bond 1.875% 15/02/2032	19,095	New Zealand Government Bond 2.75% 15/04/2037	17,588
United Kingdom Gilt 1.25% 31/07/2051	14,084	United Kingdom Gilt 1.25% 31/07/2051	12,788
UBS 7.375% 07/09/2033	10,476	US Treasury Bond 2.25% 15/08/2027	12,251
Erste 4.25% Perpetual	9,417	United Kingdom Gilt 0.875% 31/07/2033	11,402
United Kingdom Gilt 0.875% 31/07/2033	9,106	Erste 4.25% Perpetual	10,021
Virgin Money UK 2.625% 19/08/2031	8,819	Alpha Services 5.5% 11/06/2031	9,177
CaixaBank 8.25% Perpetual	8,789	Erste 3.375% Perpetual	9,109
BNP Paribas 6.875% Perpetual	8,760	Virgin Money UK 8.25% Perpetual	9,018

Aegon Strategic Bond Fund

Comparative Tables

A Accumulation shares**	2021 (p/share)
Change in net assets per share	
Opening net asset value per share	222.20
Return before operating charges*	22.02
Operating charges	(2.77)
Return after operating charges*	19.25
Distributions	(2.83)
Retained distributions on accumulation shares	2.83
Redemption value	(241.45)
Closing net asset value per share	-
 *after direct transaction costs of	 -
Performance	
Return after charges	8.66%
Other information	
Closing net asset value (£'000)	-
Closing number of shares	-
Operating charges	-
Direct transaction costs	-
Prices	
Highest share price	242.22
Lowest share price	222.20

A Income shares***	2021 (p/share)
Change in net assets per share	
Opening net asset value per share	135.12
Return before operating charges*	12.99
Operating charges	(1.65)
Return after operating charges*	11.34
Distributions	(1.72)
Retained distributions on accumulation shares	-
Redemption value	(144.74)
Closing net asset value per share	-
 *after direct transaction costs of	 -
Performance	
Return after charges	8.39%
Other information	
Closing net asset value (£'000)	-
Closing number of shares	-
Operating charges	-
Direct transaction costs	-
Prices	
Highest share price	146.00
Lowest share price	135.12

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.

**Share class closed on 30 June 2021.

***Share class closed on 23 June 2021.

Aegon Strategic Bond Fund

Comparative Tables (continued)

B Accumulation shares	2023	2022	2021
	(p/share)	(p/share)	(p/share)
Change in net assets per share			
Opening net asset value per share	141.91	156.85	142.70
Return before operating charges*	(6.86)	(14.06)	15.04
Operating charges	(0.77)	(0.88)	(0.89)
Return after operating charges*	(7.63)	(14.94)	14.15
Distributions	(6.57)	(3.72)	(2.93)
Retained distributions on accumulation shares	6.57	3.72	2.93
Closing net asset value per share	134.28	141.91	156.85
*after direct transaction costs of	-	-	-
Performance			
Return after charges	(5.38)%	(9.53)%	9.92%
Other information			
Closing net asset value (£'000)	196,355	238,932	240,624
Closing number of shares	146,223,394	168,367,791	153,409,828
Operating charges	0.57%	0.58%	0.59%
Direct transaction costs	-	-	-
Prices			
Highest share price	144.84	158.62	157.72
Lowest share price	123.41	135.99	142.71

B Income shares	2023	2022	2021
	(p/share)	(p/share)	(p/share)
Change in net assets per share			
Opening net asset value per share	127.13	144.14	133.70
Return before operating charges*	(6.12)	(12.82)	13.99
Operating charges	(0.68)	(0.80)	(0.83)
Return after operating charges*	(6.80)	(13.62)	13.16
Distributions	(5.78)	(3.39)	(2.72)
Retained distributions on accumulation shares	-	-	-
Closing net asset value per share	114.55	127.13	144.14
*after direct transaction costs of	-	-	-
Performance			
Return after charges	(5.35)%	(9.45)%	9.84%
Other information			
Closing net asset value (£'000)	58,013	74,039	66,003
Closing number of shares	50,646,644	58,238,106	45,789,997
Operating charges	0.57%	0.58%	0.58%
Direct transaction costs	-	-	-
Prices			
Highest share price	129.76	145.46	145.23
Lowest share price	110.56	123.32	133.71

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 Strategic Bond Fund

Comparative Tables (continued)

S Accumulation shares	2023	2022	2021
	(p/share)	(p/share)	(p/share)
Change in net assets per share			
Opening net asset value per share	117.07	129.27	117.49
Return before operating charges*	(5.65)	(11.60)	12.39
Operating charges	(0.53)	(0.60)	(0.61)
Return after operating charges*	(6.18)	(12.20)	11.78
Distributions	(5.53)	(3.19)	(2.54)
Retained distributions on accumulation shares	5.53	3.19	2.54
Closing net asset value per share	110.89	117.07	129.27
*after direct transaction costs of	-	-	-
Performance			
Return after charges	(5.28)%	(9.44)%	10.03%
Other information			
Closing net asset value (£'000)	53,544	63,901	48,661
Closing number of shares	48,283,587	54,580,966	37,643,402
Operating charges	0.47%	0.48%	0.49%
Direct transaction costs	-	-	-
Prices			
Highest share price	119.49	130.77	129.98
Lowest share price	101.83	112.18	117.50

S Income shares	2023	2022	2021
	(p/share)	(p/share)	(p/share)
Change in net assets per share			
Opening net asset value per share	105.83	119.99	111.30
Return before operating charges*	(5.10)	(10.67)	11.64
Operating charges	(0.47)	(0.55)	(0.57)
Return after operating charges*	(5.57)	(11.22)	11.07
Distributions	(4.91)	(2.94)	(2.38)
Retained distributions on accumulation shares	-	-	-
Closing net asset value per share	95.35	105.83	119.99
*after direct transaction costs of	-	-	-
Performance			
Return after charges	(5.26)%	(9.35)%	9.95%
Other information			
Closing net asset value (£'000)	53,266	79,826	35,823
Closing number of shares	55,861,831	75,428,330	29,854,193
Operating charges	0.47%	0.48%	0.49%
Direct transaction costs	-	-	-
Prices			
Highest share price	108.02	121.10	120.92
Lowest share price	92.05	102.67	111.31

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 2023

Holding	Investment	Market Value	
		£'000	%
Euro Denominated Bonds 36.22% (31 July 2022 30.33%)			
Corporate Bonds 35.76% (31 July 2022 30.33%)			
2,600,000	Abanca Corp Bancaria 8.375% 23/09/2033	2,262	0.63
3,800,000	Abanca Corp Bancaria 10.625% Perpetual	3,327	0.92
3,000,000	Aeroporti di Roma 4.875% 10/07/2033	2,543	0.70
2,400,000	Alpha Services 4.25% 13/02/2030	1,846	0.51
3,200,000	Alpha Services 5.5% 11/06/2031	2,486	0.69
5,000,000	Alpha Services 11.875% Perpetual	4,329	1.20
2,600,000	Banca Transilvania 8.875% 27/04/2027	2,307	0.64
4,800,000	Banco de Sabadell 5% Perpetual	3,210	0.89
4,800,000	Banco de Sabadell 5.75% Perpetual	3,608	1.00
4,200,000	Banco de Sabadell 9.375% Perpetual	3,583	0.99
4,200,000	Banco Santander 3.625% Perpetual	2,457	0.68
5,000,000	Banco Santander 4.375% Perpetual	3,669	1.02
3,100,000	Benteler International 9.375% 15/05/2028	2,694	0.75
4,200,000	CaixaBank 5.25% Perpetual	3,136	0.87
3,200,000	CaixaBank 6.125% 30/05/2034	2,766	0.77
2,100,000	CPI Property 4.875% Perpetual	717	0.20
9,600,000	Erste 4.25% Perpetual	6,480	1.79
5,800,000	Eurobank Ergasias 10% 06/12/2032	5,210	1.44
2,900,000	Fiber Bidco 11% 25/10/2027	2,677	0.74
7,500,000	Heimstaden Bostad 2.625% Perpetual	2,904	0.80
3,500,000	Iliad 5.625% 15/10/2028	2,839	0.79
250,000	Intesa Sanpaolo 5.875% Perpetual	178	0.05
3,100,000	Intesa Sanpaolo 6.375% Perpetual	2,373	0.66
3,900,000	Italmatch Chemicals 10% 06/02/2028	3,228	0.89
2,100,000	JAB 5% 12/06/2033	1,830	0.51
4,900,000	Logicor Financing 1.625% 15/07/2027	3,588	0.99
7,800,000	Logicor Financing 3.25% 13/11/2028	5,916	1.64
3,200,000	Nova Ljubljanska Banka 7.125% 27/06/2027	2,813	0.78
4,500,000	Novo Banco 9.875% 01/12/2033	4,000	1.11
5,600,000	Piraeus Bank 7.25% 13/07/2028	4,813	1.33
4,000,000	Piraeus Financial 5.5% 19/02/2030	3,162	0.87
7,850,000	Piraeus Financial 8.75% Perpetual	6,082	1.68
4,200,000	SCIL IV 9.5% 15/07/2028	3,660	1.01
79	Stichting AK Rabobank Certificaten 6.5% Perpetual	-	-
7,000,000	Tritax EuroBox 0.95% 02/06/2026	5,188	1.44
3,000,000	UBS 2.875% 02/04/2032	2,261	0.63
400,000	Unicaja Banco 4.875% Perpetual	249	0.07
2,300,000	UniCredit 3.875% Perpetual	1,570	0.43
2,700,000	UniCredit 4.45% Perpetual	1,898	0.52
4,300,000	VIA Outlets 1.75% 15/11/2028	3,087	0.85
6,000,000	Volkswagen International Finance 4.375% Perpetual	4,324	1.20
4,400,000	Vonovia 1.5% 14/06/2041	2,172	0.60
4,000,000	Vonovia 1.625% 01/09/2051	1,728	0.48
		129,170	35.76
Government Bonds 0.46% (31 July 2022 0.00%)			
5,000,000	Republic of Austria Government Bond 0.85% Perpetual	1,655	0.46
		1,655	0.46
New Zealand Dollar Denominated Bonds 2.39% (31 July 2022 0.00%)			
Government Bonds 2.39% (31 July 2022 0.00%)			
22,500,000	New Zealand Government Bond 2.75% 15/04/2037	8,617	2.39
		8,617	2.39

Aegon Strategic Bond Fund

Portfolio Statement (continued)

Holding	Investment	Market valuation	Total net assets
		£'000	%
Sterling Denominated Bonds 24.55% (31 July 2022 37.45%)			
Asset Backed Security 0.00% (31 July 2022 0.19%)			
Corporate Bonds 20.18% (31 July 2022 32.82%)			
2,200,000	AA 3.25% 31/07/2028	1,729	0.48
2,000,000	abrdrn 5.25% Perpetual	1,638	0.45
3,000,000	Admiral 8.5% 06/01/2034	3,089	0.86
3,600,000	Aroundtown 4.75% Perpetual	1,331	0.37
2,350,000	Aviva 6.875% 20/05/2058	2,311	0.64
4,800,000	Bellis Acquisition 4.5% 16/02/2026	4,209	1.17
2,200,000	Bellis Finco 4% 16/02/2027	1,694	0.47
2,000,000	Blackstone Property Partners Europe 4.875% 29/04/2032	1,540	0.43
2,700,000	British Telecommunications 5.75% 13/02/2041	2,540	0.70
3,200,000	Castle UK Finco 7% 15/05/2029	2,492	0.69
2,400,000	CPUK Finance 6.136% 28/08/2031	2,296	0.64
2,700,000	Deuce Finco 5.5% 15/06/2027	2,314	0.64
5,400,000	Direct Line Insurance 4% 05/06/2032	3,947	1.09
3,400,000	Electricite de France 5.625% 25/01/2053	3,027	0.84
1,600,000	Esure 12% 20/12/2033	1,633	0.45
3,000,000	Hammerson 3.5% 27/10/2025	2,690	0.74
2,705,000	Hammerson 6% 23/02/2026	2,512	0.70
2,200,000	HSBC 8.201% 16/11/2034	2,297	0.64
3,800,000	IG 3.125% 18/11/2028	2,969	0.82
2,900,000	M&G 5.625% 20/10/2051	2,618	0.72
3,120,000	Pension Insurance 7.375% Perpetual	2,713	0.75
2,600,000	Principality Building Society 8.625% 12/07/2028	2,674	0.74
3,600,000	RAC 5.25% 04/11/2027	2,826	0.78
4,800,000	Rothesay Life 5% Perpetual	3,088	0.85
6,000,000	Rothesay Life 6.875% Perpetual	5,014	1.39
2,050,000	Santander UK 10.0625% Perpetual	2,911	0.81
2,400,000	Spectrum 5.25% 15/07/2042	1,930	0.53
3,600,000	VMED O2 UK Financing I 4.5% 15/07/2031	2,845	0.79
		72,877	20.18
Government Bonds 4.37% (31 July 2022 4.44%)			
8,344,144	United Kingdom Gilt 4.25% 07/06/2032	8,370	2.32
7,200,000	United Kingdom Gilt 4.75% 07/12/2030	7,429	2.05
		15,799	4.37
Swedish Krona Denominated Bonds 0.00% (31 July 2022 1.31%)			
Government Bonds 0.00% (31 July 2022 1.31%)			
United States Dollar Denominated Bonds 30.44% (31 July 2022 26.67%)			
Asset Backed Security 0.69% (31 July 2022 0.00%)			
3,900,000	Mexico Remittances 4.875% 15/01/2028	2,487	0.69
		2,487	0.69
Corporate Bonds 26.98% (31 July 2022 22.77%)			
3,300,000	AT&T 5.45% 01/03/2047	2,438	0.67
3,500,000	Bayer US Finance II 4.625% 25/06/2038	2,371	0.66
3,400,000	Benteler International 10.5% 15/05/2028	2,693	0.75
2,000,000	Boeing 5.805% 01/05/2050	1,564	0.43
4,400,000	Citadel Finance 3.375% 09/03/2026	3,091	0.86
2,400,000	CSI Compressco Finance 7.5% 01/04/2025	1,826	0.51
4,604,000	Dell International 8.1% 15/07/2036	4,173	1.16
3,900,000	Deutsche Bank / New York 7.079% 10/02/2034	2,912	0.81
1,500,000	Ecopetrol 8.875% 13/01/2033	1,195	0.33
3,200,000	Electricite de France 6% Perpetual	2,226	0.62
2,100,000	Electricite de France 6.9% 23/05/2053	1,723	0.48

Aegon Strategic Bond Fund

Portfolio Statement (continued)

Holding	Investment	Market valuation	Total net assets
		£'000	%
Corporate Bonds (continued)			
3,400,000	Electricite de France 9.125% Perpetual	2,788	0.77
2,600,000	Enel Finance International 5.5% 15/06/2052	1,843	0.51
4,100,000	Energear Israel Finance 8.5% 30/09/2033	3,195	0.88
4,600,000	EnQuest 11.625% 01/11/2027	3,404	0.94
2,400,000	Fidelity National Information Services 5.625% 15/07/2052	1,821	0.50
3,207,083	Global Aircraft Leasing 6.5% 15/09/2024	2,349	0.65
3,300,000	HTA 7% 18/12/2025	2,449	0.68
3,700,000	Intel 5.9% 10/02/2063	2,976	0.82
5,200,000	Intesa Sanpaolo 7.778% 20/06/2054	4,092	1.13
5,571,000	Intesa Sanpaolo 8.248% 21/11/2033	4,614	1.28
5,100,000	Level 3 Financing 10.5% 15/05/2030	4,107	1.14
3,400,000	LKQ 6.25% 15/06/2033	2,659	0.74
4,900,000	Oracle 6.9% 09/11/2052	4,229	1.17
2,700,000	Penske Truck Leasing 6.2% 15/06/2030	2,109	0.58
2,400,000	Rand Parent 8.5% 15/02/2030	1,753	0.49
4,500,000	Societe Generale 7.367% 10/01/2053	3,504	0.97
6,000,000	Time Warner Cable 5.5% 01/09/2041	3,875	1.07
3,700,000	Total Play Telecomunicaciones 6.375% 20/09/2028	1,639	0.45
4,000,000	Triumph 9% 15/03/2028	3,190	0.88
2,864,000	Tullow Oil 10.25% 15/05/2026	1,827	0.51
4,100,000	UniCredit 7.296% 02/04/2034	3,053	0.84
4,400,000	Verizon Communications Secured Financing 5% 15/01/2032	2,790	0.77
4,500,000	Viterra Finance 3.2% 21/04/2031	2,918	0.81
6,400,000	WarnerMedia 5.391% 15/03/2062	4,046	1.12
		97,442	26.98
Government Bonds 2.77% (31 July 2022 3.90%)			
7,000,000	US Treasury Bond 2.375% 15/05/2051	3,930	1.09
8,300,000	US Treasury Bond 2.75% 15/02/2028	6,059	1.68
		9,989	2.77
Derivatives and Futures Contracts (1.37)% (31 July 2022 1.47%)			
Credit Default Swaps (1.02)% (31 July 2022 0.00%)			
(50,000,000)	Citigroup Buy Protection Cdx Hy Cdsi USD 3-yr June 2028	(1,626)	(0.45)
(48,000,000)	Citigroup Sell Protection Itraxx EUR Snr S39 5-yr June 2028	450	0.12
(20,000,000)	Citigroup Sell Protection Itraxx EUR Sub S39 5-yr June 2028	(300)	(0.08)
(43,100,000)	Deutsche Bank Buy Protection Itraxx EUR Xover S39 5-yr June 2028	(1,999)	(0.55)
(48,000,000)	Merrill Lynch Buy Protection Itraxx EUR Snr S39 5-yr June 2028	(487)	(0.14)
(20,000,000)	Morgan Stanley Buy Protection Itraxx EUR Sub S39 5-yr June 2028	285	0.08
		(3,677)	(1.02)
Forward Foreign Exchange Contracts 0.87% (31 July 2022 1.04%)			
	Bought EUR 4,000,000 Sold GBP 3,433,856 14/09/2023	1	-
	Bought EUR 11,500,000 Sold GBP 9,964,185 14/09/2023	(89)	(0.02)
	Bought GBP 121,558,821 Sold EUR 141,000,000 14/09/2023	479	0.13
	Bought GBP 8,702,363 Sold EUR 10,000,000 14/09/2023	115	0.03
	Bought GBP 1,082,759 Sold EUR 1,250,000 14/09/2023	9	-
	Bought GBP 3,439,451 Sold EUR 4,000,000 14/09/2023	5	-
	Bought GBP 2,573,926 Sold EUR 3,000,000 14/09/2023	(2)	-
	Bought GBP 1,369,262 Sold EUR 1,600,000 14/09/2023	(5)	-
	Bought GBP 5,488,996 Sold EUR 6,400,000 14/09/2023	(7)	-
	Bought GBP 5,131,996 Sold EUR 6,000,000 14/09/2023	(20)	(0.01)
	Bought GBP 8,175,994 Sold NZD 17,000,000 14/09/2023	(46)	(0.01)
	Bought GBP 147,014,497 Sold USD 185,000,000 14/09/2023	3,259	0.90
	Bought GBP 1,562,948 Sold USD 2,000,000 14/09/2023	9	-
	Bought GBP 6,864,876 Sold USD 9,000,000 14/09/2023	(129)	(0.04)
	Bought JPY 200,000,000 Sold GBP 1,154,478 14/09/2023	(52)	(0.01)
	Bought USD 13,250,000 Sold GBP 10,266,511 14/09/2023	30	0.01
	Bought USD 2,500,000 Sold GBP 1,961,666 14/09/2023	(19)	-
	Bought USD 11,000,000 Sold GBP 8,573,631 14/09/2023	(26)	(0.01)

Aegon Strategic Bond Fund

Portfolio Statement (continued)

Holding	Investment	Market valuation	Total net assets
		£'000	%
Forward Foreign Exchange Contracts (continued)			
	Bought USD 2,600,000 Sold GBP 2,051,415 14/09/2023	(31)	(0.01)
	Bought USD 3,500,000 Sold GBP 2,751,719 14/09/2023	(32)	(0.01)
	Bought USD 5,500,000 Sold GBP 4,327,679 14/09/2023	(54)	(0.01)
	Bought USD 17,000,000 Sold GBP 13,285,182 14/09/2023	(75)	(0.02)
	Bought USD 12,500,000 Sold GBP 9,883,816 14/09/2023	(171)	(0.05)
		3,149	0.87
Futures Contracts (1.22)% (31 July 2022 0.43%)			
400	Australia 10 Year Bond Future Contract September 2023	(249)	(0.07)
464	EURO-BTP Future Contract September 2023	139	0.04
(61)	Japan 10 Year Bond Future Contract September 2023	388	0.11
277	Long Gilt Future Contract September 2023	(331)	(0.09)
1,987	US 5 Year Note (CBT) Future Contract September 2023	(2,957)	(0.82)
1,059	US 10 Year Note (CBT) Future Contract September 2023	(1,626)	(0.45)
349	US 10 Year Ultra Future Contract September 2023	(176)	(0.05)
(351)	US Ultra Bond (CBT) Future Contract September 2023	422	0.11
		(4,390)	(1.22)
Portfolio of investments*		333,118	92.23
Net other assets		28,060	7.77
Total net assets attributable to shareholders		361,178	100.00

Analysis of investments by asset class

	Market value	Value of investments
	£'000	%
Bonds	338,036	93.60
Derivatives	(4,918)	(1.37)
Portfolio of investments*	333,118	92.23
Net other assets	28,060	7.77
Total net assets attributable to shareholders	361,178	100.00

The comparative percentage figures in brackets are at 31 July 2022.

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 2023

	Note	£'000	2023 £'000	£'000	2022 £'000
Income					
Net capital losses	2		(45,512)		(61,472)
Revenue	3	32,297		28,277	
Expenses	4	(2,211)		(2,559)	
Interest payable and similar charges	5	(9,768)		(13,809)	
Net revenue before taxation		20,318		11,909	
Taxation	6	-		-	
Net revenue after taxation			20,318		11,909
Total return before distributions			(25,194)		(49,563)
Distributions	7		(20,318)		(11,909)
Change in net assets attributable to shareholders from investment activities			(45,512)		(61,472)

Statement of Change in Net Assets Attributable to Shareholders for the year ended 31 July 2023

	£'000	2023 £'000	£'000	2022 £'000
Opening net assets attributable to shareholders		456,698		391,111
Amounts receivable on issue of shares	117,617		309,993	
Amounts payable on cancellation of shares	(181,008)		(191,319)	
		(63,391)		118,674
Dilution adjustment		16		322
Change in net assets attributable to shareholders from investment activities		(45,512)		(61,472)
Retained distribution on accumulation shares		13,367		8,063
Closing net assets attributable to shareholders		361,178		456,698

Aegon Strategic Bond Fund

Balance Sheet as at 31 July 2023

	Note	£'000	2023 £'000	£'000	2022 £'000
Assets					
Fixed assets:					
Investments			343,627		446,416
Current assets:					
Debtors	8	6,146		7,262	
Cash and bank balances	9	39,459		19,140	
			45,605		26,402
Total assets			389,232		472,818
Liabilities					
Investment liabilities					
			10,509		2,390
Creditors					
Bank overdrafts	10	13,140		7,261	
Distributions payable		1,162		1,907	
Other creditors	11	3,243		4,562	
Total liabilities			28,054		16,120
Net assets attributable to shareholders			361,178		456,698

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 losses

Net capital losses comprise:

	2023	2022
	£'000	£'000
Losses on non-derivative securities	(42,530)	(68,318)
Gains/(losses) on forward currency contracts	7,570	(18,028)
Currency exchange (losses)/gains	(1,752)	229
(Losses)/gains on derivative securities	(8,798)	24,647
Transaction charges	(2)	(2)
Net capital losses	(45,512)	(61,472)

3 Revenue

	2023	2022
	£'000	£'000
Interest on debt securities	26,337	19,385
Bank interest	251	29
Derivative revenue	5,662.00	8,814
Stock lending income*	47	49
Total revenue	32,297	28,277

*The sub-fund received 72% of the revenue returns from stock lending activities. The gross earnings for the year are £65,000 (2022: £68,000) and expenses paid of £18,000 (2022: £19,000).

4 Expenses*

	2023	2022
	£'000	£'000
Payable to the ACD, associates of the ACD and agents of either of them:		
ACD's periodic charge	2,135	2,435
Payable to the Depositary, associates of the Depositary and agents of either of them:		
Depositary fee	50	60
Other expenses:		
Audit fee**	14	18
FT publishing fee	3	3
KIID fees	1	-
PRIPs fees	3	2
Registrar's fee	(10)	28
Safe custody charge	15	13
	26	64
Total expenses	2,211	2,559

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

**The audit fee (excluding VAT) incurred during the year was £14,815 (2022: £14,815).

5 Interest payable and similar charges

	2023	2022
	£'000	£'000
Interest	99	117
Swaps expense	9,669	13,692
Interest payable and similar charges	9,768	13,809

Aegon Strategic Bond Fund

Notes to the Financial Statements (continued)

6 Taxation

a) Analysis of charge in the year

	2023	2022
	£'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 (2022: lower than) the standard rate of corporation tax for Open Ended Investment Companies 'OEICs' (20%).

The differences are explained below:

	2023	2022
	£'000	£'000
Net revenue before taxation	20,318	11,909
Corporation tax 20% (2022: 20%)	4,064	2,382
Effects of:		
Tax deductible interest distributions	(4,064)	(2,382)
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:

	2023	2022
	£'000	£'000
Interim distributions	16,134	6,442
Final distribution	3,729	5,591
	19,863	12,033
Add: amounts deductible on cancellation of shares	1,143	676
Less: amounts receivable on creation of shares	(688)	(800)
Distributions	20,318	11,909

Details of the distributions are set out in the tables on page 103.

8 Debtors

	2023	2022
	£'000	£'000
Accrued revenue	5,304	5,457
Amounts receivable for the issue of shares	842	1,445
Amounts receivable from clearing houses and brokers	-	360
Debtors	6,146	7,262

9 Cash and bank balances

	2023	2022
	£'000	£'000
Amounts held at futures clearing houses and brokers	29,588	4,063
Cash and bank balances	9,871	3,791
Money market deposits	-	11,286
Cash and bank balances	39,459	19,140

10 Bank overdrafts

	2023	2022
	£'000	£'000
Amounts held at futures clearing houses and brokers*	13,140	7,261
Bank overdrafts	13,140	7,261

*Includes cash pledged as collateral of £3,460,000 (2022: £4,860,000).

Aegon Strategic Bond Fund

Notes to the Financial Statements (continued)

11 Other creditors

	2023	2022
	£'000	£'000
Accrued ACD periodic charge	327	393
Accrued other expenses	32	74
Amounts payable for cancellation of shares	2,884	1,996
Purchases awaiting settlement	-	2,099
Other creditors	3,243	4,562

12 Related parties

Related party interests in the sub-fund are disclosed in Note 5 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 5.83% (2022: 5.34%) 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 2023 (2022: £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

	2023		2022	
	Market value £'000	Value of investments %	Market value £'000	Value of investments %
Investment grade	162,814	45.09	224,060	49.05
Below investment grade	136,141	37.69	163,073	35.73
Unrated	39,081	10.82	50,173	10.98
Derivatives	(4,918)	(1.37)	6,720	1.47
Portfolio of investments	333,118	92.23	444,026	97.23
Net other assets	28,060	7.77	12,672	2.77
Total net assets attributable to shareholders	361,178	100.00	456,698	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 95.00% (2022: 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 14.10% (2022: 14.10%). As at the balance sheet date, the sub-fund's value at risk is 6.41% (2022: 4.15%).

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

	Lowest Utilisation (%)	Highest Utilisation (%)	Average Utilisation (%)
31 July 2023	3.40	6.50	5.30
31 July 2022	1.25	4.35	2.36

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 2023 the average leverage was 199.36% (2022: 144.56%).

Aegon Strategic Bond 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 2023, the market value of the exchange traded derivatives held by the sub-fund was £(8,067,000) (2022: £1,965,000).

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

As at 31 July 2023

Counterparty	Futures		Credit default	Forward Foreign		Collateral pledge	Cash
	Stock on loan	Exposure	swaps	Exchange	Contracts	Stock	
	£'000	£'000	Exposure	Exposure	Exposure	£'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)

As at 31 July 2022

Counterparty	Futures		Credit default	Forward Foreign		Collateral pledge	Cash
	Stock on loan	Exposure	swaps	Exchange	Contracts	Stock	
	£'000	£'000	Exposure	Exposure	Exposure	£'000	
Barclays	5,084	-	-	-	4,715	5,218	(4,860)
BNP Paribas	1,829	-	-	-	-	1,884	-
Credit Suisse	1,209	-	-	-	-	1,233	-
Deutsche Bank	-	-	-	-	40	-	-
JPMorgan	639	-	-	-	-	683	-
UBS	-	1,965	-	-	-	-	-

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 2023	Value	Commissions	Other Costs*	
	£'000	£'000	%	£'000
Debt securities	940,585	-	-	-
Total	940,585	-	-	-
Total purchases including transaction costs	940,585			
31 July 2022				
Debt securities	1,073,085	-	-	-
Total	1,073,085	-	-	-
Total purchases including transaction costs	1,073,085			

*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 2023	Value	Commissions	%	Other Costs*	%
	£'000	£'000		£'000	
Debt securities	999,251	-	-	-	-
Corporate actions	313	-	-	-	-
Total	999,564	-		-	
Total sales net of transaction costs	999,564				
31 July 2022					
Debt securities	940,421	-	-	-	-
Corporate actions	120	-	-	-	-
Total	940,541	-		-	
Total sales net of transaction costs	940,541				

Derivatives

31 July 2023	Commissions
	£'000
Futures	137
Total	137
31 July 2022	
Futures	123
Total	123

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

The purchases and sales are not subject to portfolio transaction costs.

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 0.81% (2022: 1.09%), 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	2023		2022	
	Assets	Liabilities	Assets	Liabilities
	£'000	£'000	£'000	£'000
1 - Unadjusted quoted prices	28,392	(5,339)	41,433	(1,392)
2 - Observable market data	315,235	(5,170)	404,983	(998)
3 - Unobservable data	-	-	-	-
	343,627	(10,509)	446,416	(2,390)

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 88 to 90. The distribution per share class is given in the distribution tables on page 103. All share classes have the same rights on winding up.

Share class movement reconciliation

31 July 2023	Opening	Creations	Cancellations	Converted	Closing
B Accumulation	168,367,791	43,277,856	(65,326,939)	(95,314.00)	146,223,394
B Income	58,238,106	14,774,713	(22,400,770)	34,595.00	50,646,644
S Accumulation	54,580,966	23,350,565	(29,623,123)	(24,821.00)	48,283,587
S Income	75,428,330	17,129,293	(36,814,422)	118,630	55,861,831

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 16 November 2023 and the percentage movement in that period. The net asset values per share were reviewed again on 23 November 2023 with no material movements noted since 16 November.

Net assets per share

	31 July 2023	16 November 2023	% Movement
B Accumulation	134.28	134.72	0.33
B Income	114.55	113.40	(1.00)
S Accumulation	110.89	111.29	0.36
S Income	95.35	94.40	(0.99)

During the period from the balance sheet date to 16 November 2023, the net asset value of the sub-fund decreased by 18.09%. This decrease is primarily driven by overall levels of net redemptions within the sub-fund. The net asset values were reviewed again on 23 November 2023 with no material movements noted since 16 November.

The table below shows net redemptions between 31 July 2023 and 16 November 2023 as a percentage of the balance sheet date NAV for share classes with significant movements. The net redemptions were reviewed again on 23 November with no material movements noted since 16 November. 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	(18.08)
S Accumulation	(13.37)
S Income	(29.38)

Aegon Strategic Bond Fund

Distribution Tables

Share Class B Accumulation

Period end	Pay date		Net Revenue	Equalisation*	Total Payable	2021/22 Total Paid
31/10/22	31/12/22	Group 1	1.7948	N/A	1.7948	0.5491
		Group 2	0.9582	0.8366		
31/01/23	31/03/23	Group 1	1.8707	N/A	1.8707	0.4300
		Group 2	0.9730	0.8977		
30/04/23	30/06/23	Group 1	1.5298	N/A	1.5298	1.0197
		Group 2	0.7845	0.7453		
31/07/23	30/09/23	Group 1	1.3718	N/A	1.3718	1.7187
		Group 2	0.6366	0.7352		

Share Class B Income

Period end	Pay date		Net Revenue	Equalisation*	Total Payable	2021/22 Total Paid
31/10/22	31/12/22	Group 1	1.6079	N/A	1.6079	0.5047
		Group 2	0.7040	0.9039		
31/01/23	31/03/23	Group 1	1.6527	N/A	1.6527	0.3948
		Group 2	0.8886	0.7641		
30/04/23	30/06/23	Group 1	1.3335	N/A	1.3335	0.9311
		Group 2	0.8290	0.5045		
31/07/23	30/09/23	Group 1	1.1817	N/A	1.1817	1.5586
		Group 2	0.7419	0.4398		

Share Class S Accumulation

Period end	Pay date		Net Revenue	Equalisation*	Total Payable	2021/22 Total Paid
31/10/22	31/12/22	Group 1	1.5086	N/A	1.5086	0.4853
		Group 2	0.8166	0.6920		
31/01/23	31/03/23	Group 1	1.5720	N/A	1.5720	0.3890
		Group 2	0.9258	0.6462		
30/04/23	30/06/23	Group 1	1.2902	N/A	1.2902	0.8711
		Group 2	0.7181	0.5721		
31/07/23	30/09/23	Group 1	1.1611	N/A	1.1611	1.4472
		Group 2	0.4361	0.7250		

Share Class S Income

Period end	Pay date		Net Revenue	Equalisation*	Total Payable	2021/22 Total Paid
31/10/22	31/12/22	Group 1	1.3637	N/A	1.3637	0.4504
		Group 2	0.7594	0.6043		
31/01/23	31/03/23	Group 1	1.4011	N/A	1.4011	0.3596
		Group 2	0.8828	0.5183		
30/04/23	30/06/23	Group 1	1.1341	N/A	1.1341	0.8031
		Group 2	0.5568	0.5773		
31/07/23	30/09/23	Group 1	1.0095	N/A	1.0095	1.3247
		Group 2	0.4484	0.5611		

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 (2.72)% compared to the peer group median return of 6.03%. The peer group is the Investment Association Global sector.

Strategy review**

Over the 12-month period, inflation and central bank rhetoric remained key drivers of market volatility worldwide. Over the first half of the period, this resulted in growth stocks coming under significant pressure and materially underperforming their value counterparts.

The picture was different over the second half of the period though, as signs that inflation and interest rate expectations had peaked and were beginning to moderate in most developed markets spurred a comeback in growth stocks. Notably though, this has been very much focused in a small number of large-cap, US-listed, tech-related stocks, which have accounted for a sizable proportion of the market's 2023 gains. In contrast, small and mid-cap stocks have continued to struggle for traction, having suffered a torrid time in 2022.

Another notable factor over the review period has been weakness in Chinese equities. The world's second largest economy was held back by COVID-19-related lockdowns which lasted for much longer than in other countries. When regulations were eventually loosened at the end of 2022, many predicted a sharp rebound but this has failed to materialise. Serious worries about the state of the country's all-important property sector have also weighed on sentiment, meaning Chinese indices have significantly underperformed their global counterparts.

The sub-fund's style was a major headwind over the year. Our bias towards small and mid-cap growth companies meant the sub-fund was heavily exposed to the areas of the market that fared worst in 2022 and have struggle to regain momentum in 2023. While growth has recovered somewhat in the first half of 2023, this has been of limited benefit to the sub-fund as it has been overwhelmingly driven by a handful of mega-cap US-listed stocks - an area where we have little exposure.

In addition to the tough market backdrop, stock selection was also weak over the year and the sub-fund suffered from sharp falls in some of its holdings as their operational performance deteriorated, causing forecasts to be downgraded.

On a brighter note, the sub-fund's sector weightings added value over the year. Our heavy weightings in tech and industrials were beneficial, as was the lack of exposure to consumer staples. In contrast, our large weighting in healthcare was detrimental to performance as the sector failed to keep pace with the market rally.

We continue to focus on disciplined stock selection as a means of adding value to the sub-fund and our long-term approach means we look to not overreact to short-term market rotations when there is no change to the underlying investment cases for our holdings. That said we recognize that the market backdrop is significantly different now, compared to the start of the year, so we have looked to take sensible action to adapt the portfolio to this backdrop, whilst retaining its distinctive style. This action has largely consisted of reducing exposure to some of the very high growth, higher risk positions in the portfolio in favour of more established, steady growth companies, which we think are better placed in the current 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 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 2023	Top ten sales	31 July 2023
	£'000		£'000
HDFC Bank ADR	5,990	M3	4,392
Samsung SDI	5,650	First Republic Bank	3,973
Terna	5,173	Danaher	3,774
Valmont Industries	4,932	Basic-Fit	3,704
TransUnion	4,791	SolarEdge Technologies	3,647
American Tower REIT	4,347	Everbridge	3,603
Marvell Technology	3,715	Dechra Pharmaceuticals	3,563
Flywire	3,624	NVIDIA	3,330
Energy Recovery	3,016	RELX	3,328
Certara	2,915	Eurofins Scientific	3,178

Aegon Sustainable Equity Fund

Comparative Tables

B Accumulation shares	2023	2022	2021
	(p/share)	(p/share)	(p/share)
Change in net assets per share			
Opening net asset value per share	263.32	345.37	249.97
Return before operating charges**	(5.92)	(79.68)	97.94
Operating charges	(1.97)	(2.37)	(2.54)
Return after operating charges**	(7.89)	(82.05)	95.40
Distributions	-	-	-
Retained distributions on accumulation shares	-	-	-
Closing net asset value per share	255.43	263.32	345.37
**after direct transaction costs of	0.12	0.18	0.27
Performance			
Return after charges	(3.00)%	(23.76)%	38.16%
Other information			
Closing net asset value (£'000)	172,926	179,691	112,473
Closing number of shares	67,700,373	68,240,696	32,566,390
Operating charges	0.79%	0.79%	0.82%
Direct transaction costs	0.05%	0.06%	0.09%
Prices			
Highest share price	277.60	381.61	354.78
Lowest share price	228.31	222.76	252.00

S Accumulation shares	2023	2022	2021
	(p/share)	(p/share)	(p/share)
Change in net assets per share			
Opening net asset value per share	116.87	152.75	110.17
Return before operating charges**	(2.61)	(35.29)	43.22
Operating charges	(0.49)	(0.59)	(0.64)
Return after operating charges**	(3.10)	(35.88)	42.58
Distributions	(0.28)	-	-
Retained distributions on accumulation shares	0.28	-	-
Closing net asset value per share	113.77	116.87	152.75
**after direct transaction costs of	0.05	0.08	0.12
Performance			
Return after charges	(2.65)%	(23.49)%	38.65%
Other information			
Closing net asset value (£'000)	1,610	1,596	2,006
Closing number of shares	1,414,956	1,365,670	1,313,509
Operating charges	0.44%	0.44%	0.47%
Direct transaction costs	0.05%	0.06%	0.09%
Prices			
Highest share price	123.22	168.93	156.65
Lowest share price	101.41	98.83	111.07

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 2023

Holding	Investment	Market valuation	Total net assets
		£'000	%
	Equities 95.14% (31 July 2022 94.56%)		
	Australia 3.29% (31 July 2022 4.00%)		
451,825	IDP Education	5,741	3.29
		5,741	3.29
	Denmark 2.32% (31 July 2022 2.88%)		
12,665	Genmab	4,051	2.32
		4,051	2.32
	Germany 0.00% (31 July 2022 1.57%)		
	India 3.41% (31 July 2022 0.00%)		
112,178	HDFC Bank ADR	5,952	3.41
		5,952	3.41
	Ireland 3.75% (31 July 2022 3.55%)		
33,529	ICON	6,551	3.75
		6,551	3.75
	Israel 3.44% (31 July 2022 5.90%)		
144,446	Kornit Digital	3,548	2.03
13,127	SolarEdge Technologies	2,463	1.41
		6,011	3.44
	Italy 6.10% (31 July 2022 3.21%)		
210,730	Amplifon	5,560	3.18
773,180	Terna	5,094	2.92
		10,654	6.10
	Japan 3.82% (31 July 2022 6.81%)		
19,139	Keyence	6,662	3.82
		6,662	3.82
	Luxembourg 1.42% (31 July 2022 3.48%)		
46,253	Eurofins Scientific	2,479	1.42
		2,479	1.42
	Netherlands 1.78% (31 July 2022 6.42%)		
57,487	Alfen	3,108	1.78
		3,108	1.78
	Norway 0.77% (31 July 2022 2.57%)		
111,461	Tomra Systems	1,337	0.77
		1,337	0.77
	South Korea 3.11% (31 July 2022 0.00%)		
13,403	Samsung SDI	5,426	3.11
		5,426	3.11
	Taiwan 7.27% (31 July 2022 5.20%)		
742,293	Chroma ATE	5,058	2.90
547,201	Taiwan Semiconductor Manufacturing	7,632	4.37
		12,690	7.27
	United Kingdom 6.89% (31 July 2022 11.91%)		
62,693	Endava ADR	2,556	1.46
646,219	Oxford Nanopore Technologies	1,703	0.98
243,401	RELX	6,375	3.65
68,000	TMO Renewables*	-	-
1,587,556	Trustpilot	1,390	0.80
		12,024	6.89

Aegon Sustainable Equity Fund

Portfolio Statement (continued)

Holding	Investment	Market valuation £'000	Total net assets %
United States 47.77% (31 July 2022 37.06%)			
12,667	ABIOMED (Rights)*	-	-
52,636	Advanced Drainage Systems	4,991	2.86
27,038	American Tower REIT**	4,000	2.29
178,217	Certara	2,697	1.54
13,017	Danaher	2,581	1.48
154,300	Dynatrace	6,557	3.76
150,577	Energy Recovery	3,567	2.04
155,642	Flywire	4,130	2.37
20,835	Insulet	4,482	2.57
99,411	Marvell Technology	5,033	2.88
25,911	NVIDIA	9,412	5.39
18,562	Penumbra	4,375	2.51
97,238	Planet Fitness	5,103	2.92
47,423	Tetra Tech	6,232	3.57
77,959	TransUnion	4,828	2.77
42,310	Universal Display	4,794	2.75
18,557	Valmont Industries	3,815	2.19
127,530	Veracyte	2,721	1.56
49,571	Workiva	4,055	2.32
		83,373	47.77
	Portfolio of investments	166,059	95.14
	Net other assets	8,477	4.86
	Total net assets attributable to shareholders	174,536	100.00

The comparative percentage figures in brackets are at 31 July 2022.

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 114).

**Real Estate Investment Trust.

Aegon Sustainable Equity Fund

Statement of Total Return for the year ended 31 July 2023

	Note	£'000	2023 £'000	£'000	2022 £'000
Income					
Net capital losses	2		(4,567)		(59,747)
Revenue	3	1,326		940	
Expenses	4	(1,338)		(1,448)	
Interest payable and similar charges		(5)		(4)	
Net expense before taxation		(17)		(512)	
Taxation	5	(151)		(130)	
Net expense after taxation			(168)		(642)
Total return before distributions			(4,735)		(60,389)
Distributions	6		(4)		-
Change in net assets attributable to shareholders from investment activities			(4,739)		(60,389)

Statement of Change in Net Assets Attributable to Shareholders for the year ended 31 July 2023

	£'000	2023 £'000	£'000	2022 £'000
Opening net assets attributable to shareholders		181,287		114,479
Amounts transferred from Aegon Global Sustainable Equity Fund	-		99,351	
Amounts receivable on issue of shares	37,887		63,791	
Amounts payable on cancellation of shares	(39,914)		(36,007)	
		(2,027)		127,135
Dilution adjustment		11		62
Change in net assets attributable to shareholders from investment activities		(4,739)		(60,389)
Retained distribution on accumulation shares		4		-
Closing net assets attributable to shareholders		174,536		181,287

Aegon Sustainable Equity Fund

Balance Sheet as at 31 July 2023

			2023		2022
	Note	£'000	£'000	£'000	£'000
Assets					
Fixed assets:					
Investments			166,059		171,427
Current assets:					
Debtors	7	19		2,414	
Cash and bank balances	8	8,711		7,908	
			<u>8,730</u>	<u>10,322</u>	
Total assets			174,789		181,749
Liabilities					
Creditors					
Other creditors	9	253		462	
Total liabilities			<u>253</u>	<u>462</u>	
Net assets attributable to shareholders			174,536		181,287

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 losses

Net capital losses comprise:

	2023	2022
	£'000	£'000
Losses on non-derivative securities	(4,389)	(59,829)
Currency exchange (losses)/gains	(174)	86
Transaction charges	(4)	(4)
Net capital losses	(4,567)	(59,747)

3 Revenue

	2023	2022
	£'000	£'000
UK dividends	211	176
Non-taxable overseas dividends	900	729
Bank interest	215	35
Total revenue	1,326	940

4 Expenses*

	2023	2022
	£'000	£'000
Payable to the ACD, associates of the ACD and agents of either of them:		
ACD's periodic charge	1,278	1,381
Payable to the Depositary, associates of the Depositary and agents of either of them:		
Depositary fee	20	22
Other expenses:		
Audit fee**	11	11
FT publishing fee	3	3
PRIPs fees	3	3
Registrar's fee	4	15
Safe custody charge	16	13
Tax services fees	3	-
Total expenses	1,338	1,448

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

**The audit fee (excluding VAT) incurred during the year was £9,551 (2022: £9,551).

5 Taxation

a) Analysis of charge in the year

	2023	2022
	£'000	£'000
Current tax:		
Overseas tax suffered	151	130
Total tax charge for the year (see note 5 (b))	151	130

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 (2022: higher than) the standard rate of corporation tax for Open Ended Investment Companies 'OEICs' (20%).

The differences are explained below:

	2023	2022
	£'000	£'000
Net expense before taxation	(17)	(512)
Corporation tax 20% (2022: 20%)	(3)	(102)
Effects of:		
Movement in excess expenses	219	283
Overseas tax suffered	151	130
Overseas tax expensed	(1)	-
Revenue not subject to taxation	(215)	(181)
Total tax charge for the year (see note 5 (a))	151	130

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 £10,538,000 (2022: £9,440,000). 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 £2,108,000 (2022: £1,888,000) 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:

	2023	2022
	£'000	£'000
Final distribution	4	-
	4	-
Add: amounts deductible on cancellation of shares	-	-
Less: amounts receivable on creation of shares	-	-
Distributions	4	-

Details of the distributions are set out in the tables on page 116.

b) Movement between net expense and distribution

	2023	2022
	£'000	£'000
Net expense after taxation	(168)	(642)
Capital reimbursement of revenue deficit	172	642
Distributions	4	-

7 Debtors

	2023	2022
	£'000	£'000
Accrued revenue	-	95
Amounts receivable for the issue of shares	1	2,302
Reclaimable overseas tax	18	17
Debtors	19	2,414

8 Cash and bank balances

	2023	2022
	£'000	£'000
Cash and bank balances	8,711	9
Money market deposits	-	7,899
Cash and bank balances	8,711	7,908

Aegon Sustainable Equity Fund

Notes to the Financial Statements (continued)

9 Other creditors

	2023	2022
	£'000	£'000
Accrued ACD periodic charge	214	208
Accrued other expenses	25	33
Amounts payable for cancellation of shares	14	221
Other creditors	253	462

10 Related parties

Related party interests in the sub-fund are disclosed in Note 5 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 89.86% (2022: 89.24%) 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 2023 (2022: £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. Previously the Manager assessed the market risk of the sub-fund's investments, including any derivative exposure, using a value at risk methodology. This process provided 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. As at the balance sheet date, the sub-fund's value at risk is 8.11% (2022: 9.75%).

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

	Lowest Utilisation (%)	Highest Utilisation (%)	Average Utilisation (%)
31 July 2023	7.45	10.12	8.86
31 July 2022	6.82	10.03	8.44

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 2023	Value £'000	Commission £'000	%	Other Costs* £'000	%
Equities	74,435	26	0.04	19	0.03
Total	74,435	26		19	
Total purchases including transaction costs	74,480				
31 July 2022	Value £'000	Commission £'000	%	Other Costs* £'000	%
Equities	188,729	19	0.01	52	0.03
Total	188,729	19		52	
Total purchases including transaction costs	188,800				

*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 2023	Value	Commissions	%	Other Costs*	%
	£'000	£'000		£'000	
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				
31 July 2022					
Equities	69,956	(25)	0.04	(10)	0.01
Total	69,956	(25)		(10)	
Total sales net of transaction costs	69,921				

*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 0.16% (2022: 0.25%), 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	2023		2022	
	Assets	Liabilities	Assets	Liabilities
	£'000	£'000	£'000	£'000
1 - Unadjusted quoted prices	166,059	-	171,427	-
2 - Observable market data	-	-	-	-
3 - Unobservable data*	-	-	-	-
	166,059	-	171,427	-

*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 106. The distribution per share class is given in the distribution tables on page 116. All share classes have the same rights on winding up.

Share class movement reconciliation

31 July 2023	Opening	Creations	Cancellations	Converted	Closing
B Accumulation	68,240,696	15,295,090	(15,835,413)	-	67,700,373
S Accumulation	1,365,670	49,797	(511)	-	1,414,956

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 16 November 2023 and the percentage movement in that period. The net asset values per share were reviewed again on 23 November 2023 with no material movements noted since 16 November.

Net assets per share

	31 July 2023	16 November 2023	% Movement
B Accumulation	255.43	235.59	(7.77)
S Accumulation	113.77	105.04	(7.68)

Aegon Sustainable Equity Fund

Distribution Tables

Share Class B Accumulation

Period end	Pay date		Net Revenue	Equalisation*	Total Payable	2022 Total Paid
31/07/23	30/11/23	Group 1	0.0000	N/A	0.0000	0.0000
		Group 2	0.0000	0.0000		

Share Class S Accumulation

Period end	Pay date		Net Revenue	Equalisation*	Total Payable	2022 Total Paid
31/07/23	30/11/23	Group 1	0.2785	N/A	0.2785	0.0029
		Group 2	0.1812	0.0973		

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 7.93% over the year, against a sector median peer return of 3.42%. The peer group is the Investment Association Sterling High Yield sector.

Strategy review**

Fixed income markets were volatile over the 12-month period, with core government bonds coming under significant pressure. Investment grade bonds also struggled initially although they rallied somewhat as we moved into 2023 and increased over the year as a whole. High yield bonds, however, were the strongest performers, buoyed mainly by robust corporate earnings.

The main drivers of the volatile conditions were the persistence of inflation - with central banks raising rates as a consequence - and fears over the extent of a consumer-led slowdown. Political volatility was also to the fore, particularly in the UK where the short-lived Truss-led government announced unfunded tax cuts at the start of the year. This move led to concerns over the UK government's fiscal credibility and caused borrowing costs to move higher, leading to a sharp sell-off in gilts and a wave of forced selling in UK corporate bonds. However, the subsequent reversal of the government's expansionary fiscal policy - and confirmation of the new administration's commitment to a more conservative budget - bolstered confidence in gilts.

As we moved into 2023, most markets were generally more positive in terms of inflation expectations, given a decline in energy prices and weaker economic data. At the same time, fears over stresses in the banking system, which ultimately led to the demise of Credit Suisse, proved to be short-lived with no signs of wider contagion.

Given the more positive tone, any signs of a peak in inflation data were greeted by a rally in markets. Central banks, however, were careful to highlight that the battle to control inflation was far from over. This was particularly the case towards the end of the year, where the US Federal Reserve, the European Central Bank and the Bank of England all raised rates, with the latter reacting to stronger than expected inflation data.

As we entered 2023 we held an overweight position to lower risk bonds, particularly issues that were trading to near term call dates. However, as we moved through the first half of the year, we began to increase the quality of the bonds in the sub-fund, notably towards BB-rated bonds. After prices fell and yields reached levels we viewed as attractive, we identified good total return opportunities from this part of the market. We also focussed on moving from unsecured to secured bonds (bonds secured against an underlying asset). This strategy also meant we lowered our exposure to the riskier CCC-rated sector within the high yield bond arena, which detracted from performance.

In sector terms, our overweight positions in banking, financial services and leisure outperformed, in contrast to our overweight positions in retail and technology which cost some relative performance. Within stock selection, top and bottom contributors contained a mixed bag, with financials name Global Aircraft Leasing being the top positive contributor and real estate name Ado Properties being the main negative. Petroleum exploration company EnQuest also added value, as did Greek banking name Piraeus after posting good profits throughout the year.

*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 2023	Top ten sales	31 July 2023
	£'000		£'000
Level 3 Financing 10.5% 15/05/2030	10,484	Ford Motor Credit 2.748% 14/06/2024	7,078
Royal Caribbean Cruises 8.25% 15/01/2029	9,755	Adient US 9% 15/04/2025	7,001
UniCredit 7.296% 02/04/2034	9,192	Crown European 5% 15/05/2028	5,488
Spirit AeroSystems 9.375% 30/11/2029	7,768	NGL Energy Operating 7.5% 01/02/2026	5,263
LKQ 6.25% 15/06/2033	7,639	SIG 5.25% 30/11/2026	5,251
Rand Parent 8.5% 15/02/2030	7,246	Avaya 6.125% 15/09/2028	5,231
Lottomatica 9.75% 30/09/2027	6,982	EnQuest 7% 15/10/2023	4,998
CCO 7.375% 01/03/2031	6,779	Arqiva Broadcast Finance 6.75% 30/09/2023	4,900
Allwyn Entertainment Financing UK 7.875% 30/04/2029	6,731	Eagle Intermediate Global 5.375% 01/05/2023	4,473
XPO Logistics 7.125% 01/06/2031	6,578	Motion Finco 7% 15/05/2025	4,372

Aegon High Yield Bond Fund

Comparative Tables

A Accumulation shares**	2021 (p/share)
Change in net assets per share	
Opening net asset value per share	132.29
Return before operating charges*	19.97
Operating charges	(1.69)
Return after operating charges*	18.28
Distributions	(6.59)
Retained distributions on accumulation shares	6.59
Redemption value	(150.57)
Closing net asset value per share	-
 *after direct transaction costs of	 -
Performance	
Return after charges	13.82%
Other information	
Closing net asset value (£'000)	-
Closing number of shares	-
Operating charges	-
Direct transaction costs	-
Prices	
Highest share price	150.26
Lowest share price	132.27

A Income shares**	2021 (p/share)
Change in net assets per share	
Opening net asset value per share	47.45
Return before operating charges*	7.03
Operating charges	(0.60)
Return after operating charges*	6.43
Distributions	(2.32)
Retained distributions on accumulation shares	-
Redemption value	(51.56)
Closing net asset value per share	-
 *after direct transaction costs of	 -
Performance	
Return after charges	13.55%
Other information	
Closing net asset value (£'000)	-
Closing number of shares	-
Operating charges	-
Direct transaction costs	-
Prices	
Highest share price	51.46
Lowest share price	47.44

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.

**Share classes closed on 30 June 2021.

Aegon High Yield Bond Fund

Comparative Tables (continued)

B Accumulation shares	2023	2022	2021
	(p/share)	(p/share)	(p/share)
Change in net assets per share			
Opening net asset value per share	302.07	331.26	289.24
Return before operating charges*	26.35	(27.21)	43.90
Operating charges	(1.82)	(1.98)	(1.88)
Return after operating charges*	24.53	(29.19)	42.02
Distributions	(22.37)	(19.53)	(17.51)
Retained distributions on accumulation shares	22.37	19.53	17.51
Closing net asset value per share	326.60	302.07	331.26
*after direct transaction costs of	-	-	-
Performance			
Return after charges	8.12%	(8.81)%	14.53%
Other information			
Closing net asset value (£'000)	253,545	244,253	269,056
Closing number of shares	77,632,447	80,858,938	81,221,189
Operating charges	0.59%	0.61%	0.59%
Direct transaction costs	-	-	-
Prices			
Highest share price	327.40	336.51	332.00
Lowest share price	288.97	291.30	289.22

B Income shares	2023	2022	2021
	(p/share)	(p/share)	(p/share)
Change in net assets per share			
Opening net asset value per share	85.06	99.14	91.49
Return before operating charges*	7.09	(7.81)	13.63
Operating charges	(0.50)	(0.58)	(0.58)
Return after operating charges*	6.59	(8.39)	13.05
Distributions	(6.09)	(5.69)	(5.40)
Retained distributions on accumulation shares	-	-	-
Closing net asset value per share	85.56	85.06	99.14
*after direct transaction costs of	-	-	-
Performance			
Return after charges	7.75%	(8.46)%	14.26%
Other information			
Closing net asset value (£'000)	116,492	100,339	106,875
Closing number of shares	136,160,034	117,956,477	107,804,989
Operating charges	0.59%	0.61%	0.59%
Direct transaction costs	-	-	-
Prices			
Highest share price	87.71	99.97	99.86
Lowest share price	80.32	82.48	91.49

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	2023	2022	2021
	(p/share)	(p/share)	(p/share)
Change in net assets per share			
Opening net asset value per share	111.69	122.34	106.71
Return before operating charges*	9.76	(10.04)	16.21
Operating charges	(0.57)	(0.61)	(0.58)
Return after operating charges*	9.19	(10.65)	15.63
Distributions	(8.28)	(7.22)	(6.47)
Retained distributions on accumulation shares	8.28	7.22	6.47
Closing net asset value per share	120.88	111.69	122.34
*after direct transaction costs of	-	-	-
Performance			
Return after charges	8.23%	(8.71)%	14.65%
Other information			
Closing net asset value (£'000)	136,979	2,261	1,645
Closing number of shares	113,316,162	2,024,229	1,344,498
Operating charges	0.49%	0.51%	0.49%
Direct transaction costs	-	-	-
Prices			
Highest share price	121.18	124.33	122.61
Lowest share price	106.87	107.70	106.71

S Income shares	2023	2022	2021
	(p/share)	(p/share)	(p/share)
Change in net assets per share			
Opening net asset value per share	86.46	100.70	92.85
Return before operating charges*	7.21	(7.96)	13.82
Operating charges	(0.42)	(0.49)	(0.49)
Return after operating charges*	6.79	(8.45)	13.33
Distributions	(6.20)	(5.79)	(5.48)
Retained distributions on accumulation shares	-	-	-
Closing net asset value per share	87.05	86.46	100.70
*after direct transaction costs of	-	-	-
Performance			
Return after charges	7.85%	(8.39)%	14.36%
Other information			
Closing net asset value (£'000)	17,662	11,434	9,096
Closing number of shares	20,290,202	13,225,457	9,032,366
Operating charges	0.49%	0.51%	0.49%
Direct transaction costs	-	-	-
Prices			
Highest share price	89.15	101.57	101.43
Lowest share price	81.65	83.83	92.84

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 2023

Holding	Investment	Market Value		Total net assets	
		£'000	%		%
Euro Denominated Bonds 30.14% (31 July 2022 33.60%)					
Corporate Bonds 30.14% (31 July 2022 33.60%)					
2,700,000	888 Acquisitions 7.558% 15/07/2027	2,162	0.41		
4,700,000	Adler Financing 12.5% 30/06/2025	4,127	0.79		
5,800,000	AGPS Bondco 5% 14/01/2029	1,421	0.27		
2,800,000	Alpha Services 5.5% 11/06/2031	2,175	0.41		
4,500,000	Alpha Services 11.875% Perpetual	3,896	0.74		
6,100,000	Assemblin 8.587% 05/07/2029	5,147	0.98		
2,950,000	Banca Transilvania 8.875% 27/04/2027	2,617	0.50		
3,800,000	Banco de Sabadell 5% Perpetual	2,541	0.48		
3,000,000	Bankinter 7.375% Perpetual	2,472	0.47		
2,000,000	BCP V Modular Services Finance II 4.75% 30/11/2028	1,453	0.28		
3,500,000	Benteler International 9.375% 15/05/2028	3,042	0.58		
9,500,000	CT Investment 5.5% 15/04/2026	7,614	1.45		
5,100,000	C-TEC II 5.25% 15/02/2030	3,638	0.69		
3,000,000	Deuce Finco 8.276% 15/06/2027	2,493	0.48		
8,400,000	Douglas 6% 08/04/2026	6,779	1.29		
4,400,000	Forvia 7.25% 15/06/2026	3,951	0.75		
5,200,000	Grifols Escrow Issuer 3.875% 15/10/2028	3,829	0.73		
5,700,000	Grunenthal 4.125% 15/05/2028	4,620	0.88		
1,500,000	Grunenthal 6.75% 15/05/2030	1,333	0.25		
6,550,000	Guala Closures 3.25% 15/06/2028	4,852	0.93		
3,100,000	Heimstaden Bostad 2.625% Perpetual	1,200	0.23		
2,900,000	Iliad 5.125% 15/10/2026	2,404	0.46		
2,100,000	INEOS Quattro Finance 1 3.75% 15/07/2026	1,547	0.30		
4,900,000	Intrum 9.25% 15/03/2028	3,653	0.70		
4,500,000	Italmatch Chemicals 10% 06/02/2028	3,725	0.71		
7,600,000	Lottomatica 9.75% 30/09/2027	7,052	1.34		
4,900,000	National Bank of Greece 7.25% 22/11/2027	4,351	0.83		
4,800,000	NH Hotels 4% 02/07/2026	3,955	0.75		
3,100,000	Nobian Finance 3.625% 15/07/2026	2,271	0.43		
3,100,000	Nova Ljubljanska Banka 7.125% 27/06/2027	2,725	0.52		
3,300,000	Novelis Sheet Ingot 3.375% 15/04/2029	2,483	0.47		
2,800,000	Ol European 6.25% 15/05/2028	2,472	0.47		
4,000,000	PeopleCert Wisdom 5.75% 15/09/2026	3,308	0.63		
3,000,000	Peu (Fin) 7.25% 01/07/2028	2,568	0.49		
2,900,000	Pinnacle Bidco 5.5% 15/02/2025	2,444	0.47		
4,500,000	Piraeus Financial 8.75% Perpetual	3,487	0.67		
5,700,000	Sarens Finance 5.75% 21/02/2027	4,130	0.79		
6,400,000	SCIL IV 9.5% 15/07/2028	5,577	1.06		
981,275	Stichting AK Rabobank Certificaten 6.5% Perpetual	791	0.15		
5,900,000	Tendam Brands 11.214% 31/03/2028	5,117	0.98		
2,600,000	TI Automotive Finance 3.75% 15/04/2029	1,828	0.35		
4,500,000	Transcom 8.776% 15/12/2026	3,838	0.73		
6,400,000	Tritax EuroBox 0.95% 02/06/2026	4,743	0.90		
2,600,000	Unicaja Banco 4.875% Perpetual	1,620	0.31		
3,000,000	Vallourec 8.5% 30/06/2026	2,578	0.49		
5,700,000	Verisure 9.25% 15/10/2027	5,225	1.00		
3,800,000	WP/AP Telecom 3.75% 15/01/2029	2,897	0.55		
		158,151	30.14		
Sterling Denominated Bonds 17.30% (31 July 2022 13.94%)					
Corporate Bonds 17.30% (31 July 2022 13.94%)					
3,900,000	Admiral 8.5% 06/01/2034	4,016	0.77		
7,000,000	B&M European Value Retail 4% 15/11/2028	5,957	1.14		
4,300,000	Barclays 8.407% 14/11/2032	4,408	0.84		
3,400,000	Barclays 8.875% Perpetual	3,209	0.61		
2,600,000	Bellis Acquisition 3.25% 16/02/2026	2,229	0.42		

Aegon High Yield Bond Fund

Portfolio Statement (continued)

Holding	Investment	Market valuation	Total net assets
		£'000	%
Corporate Bonds (continued)			
7,500,000	Bellis Acquisition 4.5% 16/02/2026	6,577	1.25
5,500,000	Bellis Finco 4% 16/02/2027	4,236	0.81
5,900,000	Castle UK Finco 7% 15/05/2029	4,594	0.88
3,700,000	Clariane 4.125% Perpetual	2,933	0.56
2,800,000	Close Brothers 7.75% 14/06/2028	2,828	0.54
8,600,000	CPUK Finance 6.5% 28/08/2026	8,224	1.57
4,400,000	Deuce Finco 5.5% 15/06/2027	3,770	0.72
2,900,000	Esure 12% 20/12/2033	2,959	0.56
3,100,000	Kane Bidco 6.5% 15/02/2027	2,828	0.54
5,000,000	Lloyds Banking 8.5% Perpetual	4,768	0.91
4,400,000	MPT Operating Partnership 3.692% 05/06/2028	3,157	0.60
21,400	Nationwide Building Society 10.25% Perpetual	2,525	0.48
8,500,000	Pinnacle Bidco 6.375% 15/02/2025	8,291	1.58
3,600,000	Principality Building Society 8.625% 12/07/2028	3,703	0.71
6,500,000	RAC 5.25% 04/11/2027	5,103	0.97
5,100,000	Virgin Money UK 8.25% Perpetual	4,430	0.84
		90,745	17.30
United States Dollar Denominated Bonds 50.50% (31 July 2022 47.93%)			
Asset Backed Security 0.88% (31 July 2022 0.00%)			
8,640,000	American Airlines 2019-1 Class A Pass Through Trust 3.5% 15/02/2032	4,641	0.88
		4,641	0.88
Corporate Bonds 49.62% (31 July 2022 47.93%)			
9,790,000	AerCap 5.875% 10/10/2079	7,358	1.40
5,500,000	Air Canada 2020-1C Pass Through Trust 10.5% 15/07/2026	4,623	0.88
3,800,000	Allianz 3.2% Perpetual	2,277	0.43
8,300,000	Allwyn Entertainment Financing UK 7.875% 30/04/2029	6,606	1.26
370,000	Arsenal AIC Parent 8% 01/10/2030	293	0.06
2,800,000	Ashton Woods Finance 4.625% 01/04/2030	1,866	0.36
4,400,000	ATP Tower 4.05% 27/04/2026	3,016	0.57
666,377	Avaya Exit Term Loan 0% 01/08/2028	429	0.08
7,100,000	Aviation Capital 6.25% 15/04/2028	5,514	1.05
2,200,000	Benteler International 10.5% 15/05/2028	1,743	0.33
5,500,000	Camelot Return Merger 8.75% 01/08/2028	4,183	0.80
8,400,000	CCO 7.375% 01/03/2031	6,474	1.23
3,300,000	Cemex 9.125% Perpetual	2,673	0.51
2,300,000	Constellium 5.625% 15/06/2028	1,707	0.33
3,600,000	Crestwood Midstream Partners 8% 01/04/2029	2,849	0.54
3,800,000	CrowdStrike 3% 15/02/2029	2,550	0.49
6,600,000	CSI Compressco Finance 7.5% 01/04/2025	5,022	0.96
7,100,000	Diamond Sports 5.375% 15/08/2026	166	0.03
4,500,000	Electricite de France 6.25% 23/05/2033	3,604	0.69
3,000,000	Electricite de France 6.9% 23/05/2053	2,461	0.47
1,200,000	Electricite de France 9.125% Perpetual	984	0.19
7,000,000	EnQuest 11.625% 01/11/2027	5,181	0.99
3,500,000	Enviri 5.75% 31/07/2027	2,350	0.45
4,250,000	EQM Midstream Partners 7.5% 01/06/2030	3,413	0.65
7,400,000	Ford Motor Credit 7.2% 10/06/2030	5,896	1.12
3,300,000	Fortrea 7.5% 01/07/2030	2,611	0.50
6,605,275	Global Aircraft Leasing 6.5% 15/09/2024	4,839	0.92
3,100,000	Hanesbrands 9% 15/02/2031	2,465	0.47
5,500,000	Harbour Energy 5.5% 15/10/2026	3,966	0.76
4,100,000	Helios Software 4.625% 01/05/2028	2,768	0.53
9,800,000	HTA 7% 18/12/2025	7,274	1.39
2,700,000	IHS 6.25% 29/11/2028	1,738	0.33
7,500,000	IHS Netherlands 8% 18/09/2027	5,328	1.02
5,400,000	Intesa Sanpaolo 7.778% 20/06/2054	4,250	0.81
5,600,000	Intesa Sanpaolo 8.248% 21/11/2033	4,638	0.88
2,700,000	Iron Mountain 4.5% 15/02/2031	1,808	0.34

Aegon High Yield Bond Fund

Portfolio Statement (continued)

Holding	Investment	Market valuation	Total net assets
		£'000	%
Corporate Bonds (continued)			
7,100,000	Ithaca Energy North Sea 9% 15/07/2026	5,260	1.00
2,900,000	JAB 4.5% 08/04/2052	1,739	0.33
13,300,000	Level 3 Financing 10.5% 15/05/2030	10,709	2.04
3,300,000	Liberty Costa Rica Senior Secured Finance 10.875% 15/01/2031	2,598	0.50
9,600,000	LKQ 6.25% 15/06/2033	7,509	1.43
6,300,000	Millicom International Cellular 4.5% 27/04/2031	3,897	0.74
4,800,000	NCL 5.875% 15/02/2027	3,626	0.69
1,550,000	NCL 7.75% 15/02/2029	1,153	0.22
6,400,000	Newell Brands 6% 01/04/2046	4,027	0.77
2,100,000	Ontario Gaming GTA 8% 01/08/2030	1,648	0.31
4,400,000	Oracle 6.9% 09/11/2052	3,797	0.72
3,650,000	Owens-Brockway Glass Container 6.625% 13/05/2027	2,828	0.54
4,350,000	PRA 8.375% 01/02/2028	3,086	0.59
3,300,000	Prime Security Services Borrower 6.25% 15/01/2028	2,416	0.46
9,400,000	Rand Parent 8.5% 15/02/2030	6,867	1.31
4,200,000	Resorts World Las Vegas 8.45% 27/07/2030	3,255	0.62
11,400,000	Royal Caribbean Cruises 8.25% 15/01/2029	9,248	1.76
6,600,000	Societe Generale 7.367% 10/01/2053	5,139	0.98
3,700,000	Societe Generale 8% Perpetual	2,808	0.54
8,900,000	Spirit AeroSystems 9.375% 30/11/2029	7,423	1.41
3,500,000	SRM Escrow Issuer 6% 01/11/2028	2,596	0.49
3,600,000	Summit Midstream 9% 15/10/2026	2,760	0.53
2,400,000	Telenet Finance Luxembourg 5.5% 01/03/2028	1,712	0.33
2,800,000	Total Play Telecomunicaciones 6.375% 20/09/2028	1,240	0.24
2,722,000	Total Play Telecomunicaciones 7.5% 12/11/2025	1,443	0.28
5,600,000	Triumph 9% 15/03/2028	4,467	0.85
11,014,000	Tullow Oil 10.25% 15/05/2026	7,024	1.34
4,700,000	UBS 4.282% 09/01/2028	3,431	0.65
4,800,000	UBS 6.537% 12/08/2033	3,894	0.74
12,000,000	UniCredit 7.296% 02/04/2034	8,935	1.70
3,700,000	Verizon Communications Secured Financing 5% 15/01/2032	2,346	0.45
8,300,000	XPO Logistics 7.125% 01/06/2031	6,527	1.24
		260,331	49.62
Equities 0.13% (31 July 2022 0.00%)			
Real Estate 0.00% (31 July 2022 0.00%)			
25,932	Adler*	-	-
		-	-
Technology 0.13% (31 July 2022 0.00%)			
68,389	Avaya**	691	0.13
		691	0.13
Derivatives and Futures Contracts 1.14% (31 July 2022 1.52%)			
Forward Foreign Exchange Contracts 1.14% (31 July 2022 1.52%)			
	Bought EUR 4,500,000 Sold GBP 3,868,879 15/09/2023	(4)	-
	Bought GBP 137,919,255 Sold EUR 159,970,000 14/09/2023	550	0.10
	Bought GBP 22,854,907 Sold EUR 26,400,000 14/09/2023	185	0.04
	Bought GBP 3,533,155 Sold EUR 4,100,000 15/09/2023	12	-
	Bought GBP 1,548,392 Sold EUR 1,800,000 15/09/2023	3	-
	Bought GBP 221,406,319 Sold USD 278,600,000 14/09/2023	4,919	0.94
	Bought GBP 10,455,515 Sold USD 13,200,000 14/09/2023	198	0.04
	Bought GBP 5,544,536 Sold USD 7,000,000 15/09/2023	105	0.02
	Bought GBP 34,133,623 Sold USD 43,800,000 14/09/2023	99	0.02
	Bought GBP 3,546,872 Sold USD 4,500,000 15/09/2023	50	0.01
	Bought GBP 1,943,124 Sold USD 2,500,000 14/09/2023	-	-
	Bought GBP 3,331,196 Sold USD 4,300,000 14/09/2023	(10)	-
	Bought GBP 3,203,562 Sold USD 4,200,000 15/09/2023	(60)	(0.01)

Aegon High Yield Bond Fund

Portfolio Statement (continued)

Holding	Investment	Market valuation	Total net assets
		£'000	%
	Forward Foreign Exchange Contracts (continued)		
	Bought USD 3,300,000 Sold GBP 2,555,307 15/09/2023	9	-
	Bought USD 6,100,000 Sold GBP 4,835,823 15/09/2023	(96)	(0.02)
		5,960	1.14
	Portfolio of investments***	520,519	99.21
	Net other assets	4,159	0.79
	Total net assets attributable to shareholders	524,678	100.00

Analysis of investments by asset class

	Market	Value of
	value	investments
	£'000	%
Bonds	513,868	97.94
Equities	691	0.13
Derivatives	5,960	1.14
Portfolio of investments***	520,519	99.21
Net other assets	4,159	0.79
Total net assets attributable to shareholders	524,678	100.00

The comparative percentage figures in bracket are at 31 July 2022.

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.

*This security has been classified as Level 3 (See Fair Value Disclosure table on page 132).

**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 132).

***Includes investment liabilities.

Aegon High Yield Bond Fund

Statement of Total Return for the year ended 31 July 2023

	Note	£'000	2023 £'000	£'000	2022 £'000
Income					
Net capital gains/(losses)	2		5,065		(57,365)
Revenue	3	27,302		23,663	
Expenses	4	(2,111)		(2,314)	
Interest payable and similar charges	5	(26)		(18)	
Net revenue before taxation		25,165		21,331	
Taxation	6	-		-	
Net revenue after taxation			25,165		21,331
Total return before distributions			30,230		(36,034)
Distributions	7		(27,380)		(23,730)
Change in net assets attributable to shareholders from investment activities			2,850		(59,764)

Statement of Change in Net Assets Attributable to Shareholders for the year ended 31 July 2023

	£'000	2023 £'000	£'000	2022 £'000
Opening net assets attributable to shareholders		358,287		386,672
Amounts receivable on issue of shares	261,118		117,376	
Amounts payable on cancellation of shares	(117,909)		(102,514)	
		143,209		14,862
Dilution adjustment		715		(6)
Change in net assets attributable to shareholders from investment activities		2,850		(59,764)
Retained distribution on accumulation shares		19,617		16,515
Unclaimed distributions		-		8
Closing net assets attributable to shareholders		524,678		358,287

Aegon High Yield Bond Fund

Balance Sheet as at 31 July 2023

	Note	£'000	2023 £'000	£'000	2022 £'000
Assets					
Fixed assets:					
Investments			520,689		348,086
Current assets:					
Debtors	8	10,240		8,225	
Cash and bank balances	9	<u>4,258</u>		<u>10,633</u>	
			<u>14,498</u>		<u>18,858</u>
Total assets			535,187		366,944
Liabilities					
Investment liabilities					
			170		591
Creditors					
Bank overdrafts	10	5,680		5,470	
Distributions payable		841		614	
Other creditors	11	<u>3,818</u>		<u>1,982</u>	
Total liabilities			<u>10,509</u>		<u>8,657</u>
Net assets attributable to shareholders			524,678		358,287

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 12 to 14.

2 Net capital gains/(losses)

Net capital gains/(losses) comprise:

	2023	2022
	£'000	£'000
Losses on non-derivative securities	(2,880)	(32,237)
Gains/(losses) on forward currency contracts	10,750	(25,812)
Currency exchange (losses)/gains	(2,804)	679
Gains on derivative securities	-	6
Transaction charges	(1)	(1)
Net capital gains/(losses)	5,065	(57,365)

3 Revenue

	2023	2022
	£'000	£'000
Interest on debt securities	26,799	23,453
Bank interest	303	25
Stock lending income	200	185
Total revenue	27,302	23,663

*The sub-fund received 72% of the revenue returns from stock lending activities. The gross earnings for the year are £278,000 (2022: £257,000) and expenses paid of £78,000 (2022: £72,000).

4 Expenses*

	2023	2022
	£'000	£'000
Payable to the ACD, associates of the ACD and agents of either of them:		
ACD's periodic charge	2,049	2,153
Payable to the Depositary, associates of the Depositary and agents of either of them:		
Depositary fee	46	46
Other expenses:		
Audit fee**	19	21
FT publishing fee	3	3
PRIPs fees	3	3
Registrar's fee	(20)	78
Safe custody charge	11	10
	16	115
Total expenses	2,111	2,314

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

**The audit fee (excluding VAT) incurred during the year was £17,552 (2022: £17,552).

5 Interest payable and similar charges

	2023	2022
	£'000	£'000
Derivative expense	-	4
Interest	26	14
Interest payable and similar charges	26	18

Aegon High Yield Bond Fund

Notes to the Financial Statements (continued)

6 Taxation

a) Analysis of charge in the year

	2023	2022
	£'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 (2022: lower than) than the standard rate of corporation tax for Open Ended Investment Companies 'OEICs' (20%).

The differences are explained below:

	2023	2022
	£'000	£'000
Net revenue before taxation	25,165	21,331
Corporation tax 20% (2022: 20%)	5,033	4,266
Effects of:		
Tax deductible interest distributions	(5,033)	(4,266)
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

a) Distributions

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

	2023	2022
	£'000	£'000
Interim distributions	24,650	21,812
Final distribution	3,271	1,960
	27,921	23,772
Add: amounts deductible on cancellation of shares	363	263
Less: amounts receivable on creation of shares	(904)	(305)
Distributions	27,380	23,730

Details of the distributions are set out in the tables on pages 134 and 135.

b) Movement between net revenue and distribution

	2023	2022
	£'000	£'000
Net revenue after taxation	25,165	21,331
Expenses transferred to capital	2,137	2,328
Stock lending expenses transferred to capital	78	71
Distributions	27,380	23,730

8 Debtors

	2023	2022
	£'000	£'000
Accrued revenue	8,496	6,215
Amounts receivable for the issue of shares	1,744	510
Amounts receivable from clearing houses and brokers	-	560
Sales awaiting settlement	-	940
Debtors	10,240	8,225

9 Cash and bank balances

	2023	2022
	£'000	£'000
Cash and bank balances	396	7,452
Money market deposits	3,862	3,181
Cash and bank balances	4,258	10,633

Aegon High Yield Bond Fund

Notes to the Financial Statements (continued)

10 Bank overdrafts

	2023	2022
	£'000	£'000
Amounts held at futures clearing houses and brokers*	5,680	5,470
Bank overdrafts	5,680	5,470

*Includes cash pledged as collateral of £5,680,000 (2022: £5,470,000).

11 Other creditors

	2023	2022
	£'000	£'000
Accrued ACD periodic charge	400	329
Accrued other expenses	44	122
Amounts payable for cancellation of shares	1,454	1,202
Purchases awaiting settlement	1,920	329
Other creditors	3,818	1,982

12 Related Parties

Related party interests in the sub-fund are disclosed in Note 5 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 8.23% (2022: 13.01%) 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 2023 (2022: £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

	2023		2022	
	Market value £'000	Value of investments %	Market value £'000	Value of investments %
Investment grade	66,558	12.67	8,439	2.35
Below investment grade	424,511	80.93	318,566	88.91
Unrated	22,799	4.34	15,065	4.21
Other investments and derivatives	6,651	1.27	5,425	1.52
Portfolio of investments	520,519	99.21	347,495	96.99
Net other assets	4,159	0.79	10,792	3.01
Total net assets attributable to shareholders	524,678	100.00	358,287	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 95.00% (2022: 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 14.10% (2022: 14.10%). As at the balance sheet date, the sub-fund's value at risk is 3.06% (2022: 3.76%).

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

	Lowest Utilisation (%)	Highest Utilisation (%)	Average Utilisation (%)
31 July 2023	2.96	4.05	3.34
31 July 2022	1.72	4.22	2.50

Aegon High Yield 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 2023 the average leverage was 93.48% (2022: 97.32%).

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.

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 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	-

As at 31 July 2022

Counterparty	Forward Foreign			
	Stock on loan	Exchange Contracts	Collateral pledge	
		Exposure	Stock	Cash
£'000	£'000	£'000	£'000	
Barclays	8,675	5,425	8,997	(5,470)
BNP Paribas	5,254	-	5,399	-
Credit Suisse	2,679	-	2,733	-
HSBC	11,687	-	12,503	-
JPMorgan	7,217	-	7,486	-
Merrill Lynch	857	-	874	-

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 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				
31 July 2022					
Debt securities	216,182	-	-	-	-
Total	216,182	-			
Total purchases including transaction costs	216,182				

*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)

15 Portfolio transaction costs (continued)

Sales

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				
31 July 2022					
Debt securities	211,251	-	-	-	-
Corporate actions	1,193	-	-	-	-
Equities	489	-	-	-	-
Total	212,933	-		-	
Total sales net of transaction costs	212,933				

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

The purchases and sales are not subject to portfolio transaction costs.

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 0.75% (2022: 0.39%), 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	2023		2022	
	Assets	Liabilities	Assets	Liabilities
	£'000	£'000	£'000	£'000
1 - Unadjusted quoted prices	-	-	-	-
2 - Observable market data	519,998	(170)	348,086	(591)
3 - Unobservable data*	691	-	-	-
	520,689	(170)	348,086	(591)

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

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 119 to 121. The distribution per share class is given in the distribution tables on pages 134 and 135. All share classes have the same rights on winding up.

Aegon High Yield Bond Fund

Notes to the Financial Statements (continued)

17 Share classes (continued)

Share class movement reconciliation

31 July 2023	Opening	Creations	Cancellations	Converted	Closing
B Accumulation	80,858,938	23,624,588	(26,656,173)	(194,906)	77,632,447
B Income	117,956,477	47,221,856	(28,824,518)	(193,781)	136,160,034
S Accumulation	2,024,229	116,925,571	(6,173,388)	539,750	113,316,162
S Income	13,225,457	11,007,499	(4,116,468)	173,714	20,290,202

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 16 November 2023 and the percentage movement in that period. The net asset values per share were reviewed again on 23 November 2023 with no material movements noted since 16 November.

Net assets per share

	31 July 2023	16 November 2023	% Movement
B Accumulation	326.60	332.50	1.81
B Income	85.56	85.26	(0.35)
S Accumulation	120.88	123.10	1.84
S Income	87.05	86.77	(0.32)

The table below shows net redemptions between 31 July 2023 and 16 November 2023 as a percentage of the balance sheet date NAV for share classes with significant movements. The net redemptions were reviewed again on 23 November with no material movements noted since 16 November. 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	(12.58)

Aegon High Yield Bond Fund

Distribution Tables

Share Class B Accumulation

Period end	Pay date		Net Revenue	Equalisation*	Total Payable	2021/22 Total Paid
31/08/22	30/09/22	Group 1	1.8747	N/A	1.8747	1.5033
		Group 2	0.9379	0.9368		
30/09/22	31/10/22	Group 1	1.9288	N/A	1.9288	1.6555
		Group 2	0.8600	1.0688		
31/10/22	30/11/22	Group 1	1.8327	N/A	1.8327	1.4400
		Group 2	0.9394	0.8933		
30/11/22	31/12/22	Group 1	1.7756	N/A	1.7756	1.7859
		Group 2	1.0677	0.7079		
31/12/22	31/01/23	Group 1	1.9005	N/A	1.9005	1.4785
		Group 2	1.0683	0.8322		
31/01/23	28/02/23	Group 1	1.6909	N/A	1.6909	1.4866
		Group 2	0.3737	1.3172		
28/02/23	31/03/23	Group 1	1.6196	N/A	1.6196	1.4923
		Group 2	0.9792	0.6404		
31/03/23	30/04/23	Group 1	1.9890	N/A	1.9890	1.7406
		Group 2	0.7892	1.1998		
30/04/23	31/05/23	Group 1	1.8350	N/A	1.8350	1.8102
		Group 2	0.8876	0.9474		
31/05/23	30/06/23	Group 1	1.9700	N/A	1.9700	1.6698
		Group 2	0.9067	1.0633		
30/06/23	31/07/23	Group 1	1.9183	N/A	1.9183	1.8183
		Group 2	1.1615	0.7568		
31/07/23	31/08/23	Group 1	2.0338	N/A	2.0338	1.6495
		Group 2	1.0239	1.0099		

Share Class B Income

Period end	Pay date		Net Revenue	Equalisation*	Total Payable	2021/22 Total Paid
31/08/22	30/09/22	Group 1	0.5279	N/A	0.5279	0.4499
		Group 2	0.2607	0.2672		
30/09/22	31/10/22	Group 1	0.5399	N/A	0.5399	0.4932
		Group 2	0.2428	0.2971		
31/10/22	30/11/22	Group 1	0.5097	N/A	0.5097	0.4270
		Group 2	0.2285	0.2812		
30/11/22	31/12/22	Group 1	0.4906	N/A	0.4906	0.5273
		Group 2	0.1915	0.2991		
31/12/22	31/01/23	Group 1	0.5221	N/A	0.5221	0.4347
		Group 2	0.3149	0.2072		
31/01/23	28/02/23	Group 1	0.4619	N/A	0.4619	0.4348
		Group 2	0.1580	0.3039		
28/02/23	31/03/23	Group 1	0.4400	N/A	0.4400	0.4341
		Group 2	0.2455	0.1945		
31/03/23	30/04/23	Group 1	0.5375	N/A	0.5375	0.5043
		Group 2	0.1857	0.3518		
30/04/23	31/05/23	Group 1	0.4929	N/A	0.4929	0.5215
		Group 2	0.2326	0.2603		
31/05/23	30/06/23	Group 1	0.5257	N/A	0.5257	0.4786
		Group 2	0.3417	0.1840		
30/06/23	31/07/23	Group 1	0.5086	N/A	0.5086	0.5182
		Group 2	0.3610	0.1476		
31/07/23	31/08/23	Group 1	0.5365	N/A	0.5365	0.4671
		Group 2	0.2252	0.3113		

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 Payable	2021/22 Total Paid
31/08/22	30/09/22	Group 1	0.6932	N/A	0.6932	0.5552
		Group 2	0.2934	0.3998		
30/09/22	31/10/22	Group 1	0.7133	N/A	0.7133	0.6113
		Group 2	0.3238	0.3895		
31/10/22	30/11/22	Group 1	0.6776	N/A	0.6776	0.5319
		Group 2	0.3622	0.3154		
30/11/22	31/12/22	Group 1	0.6570	N/A	0.6570	0.6603
		Group 2	0.3270	0.3300		
31/12/22	31/01/23	Group 1	0.7035	N/A	0.7035	0.5530
		Group 2	0.4218	0.2817		
31/01/23	28/02/23	Group 1	0.6262	N/A	0.6262	0.5492
		Group 2	0.0464	0.5798		
28/02/23	31/03/23	Group 1	0.6031	N/A	0.6031	0.5513
		Group 2	0.1714	0.4317		
31/03/23	30/04/23	Group 1	0.7361	N/A	0.7361	0.6434
		Group 2	0.3773	0.3588		
30/04/23	31/05/23	Group 1	0.6809	N/A	0.6809	0.6690
		Group 2	0.2717	0.4092		
31/05/23	30/06/23	Group 1	0.7290	N/A	0.7290	0.6170
		Group 2	0.2661	0.4629		
30/06/23	31/07/23	Group 1	0.7098	N/A	0.7098	0.6721
		Group 2	0.2702	0.4396		
31/07/23	31/08/23	Group 1	0.7508	N/A	0.7508	0.6098
		Group 2	0.2672	0.4836		

Share Class S Income

Period end	Pay date		Net Revenue	Equalisation*	Total Payable	2021/22 Total Paid
31/08/22	30/09/22	Group 1	0.5366	N/A	0.5366	0.4570
		Group 2	0.2045	0.3321		
30/09/22	31/10/22	Group 1	0.5488	N/A	0.5488	0.5011
		Group 2	0.2408	0.3080		
31/10/22	30/11/22	Group 1	0.5180	N/A	0.5180	0.4338
		Group 2	0.2297	0.2883		
30/11/22	31/12/22	Group 1	0.4988	N/A	0.4988	0.5354
		Group 2	0.1914	0.3074		
31/12/22	31/01/23	Group 1	0.5310	N/A	0.5310	0.4454
		Group 2	0.4071	0.1239		
31/01/23	28/02/23	Group 1	0.4697	N/A	0.4697	0.4417
		Group 2	0.2284	0.2413		
28/02/23	31/03/23	Group 1	0.4479	N/A	0.4479	0.4413
		Group 2	0.1278	0.3201		
31/03/23	30/04/23	Group 1	0.5466	N/A	0.5466	0.5124
		Group 2	0.1884	0.3582		
30/04/23	31/05/23	Group 1	0.5016	N/A	0.5016	0.5300
		Group 2	0.2370	0.2646		
31/05/23	30/06/23	Group 1	0.5347	N/A	0.5347	0.4864
		Group 2	0.2193	0.3154		
30/06/23	31/07/23	Group 1	0.5176	N/A	0.5176	0.5266
		Group 2	0.1052	0.4124		
31/07/23	31/08/23	Group 1	0.5457	N/A	0.5457	0.4747
		Group 2	0.2849	0.2608		

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 (5.84)% compared with the peer group median return of (6.58)%. The peer group is the Investment Association Sterling Corporate Bond sector.

Strategy review**

Fixed income markets were volatile over the 12-month period, with core government bonds coming under significant pressure. Investment grade bonds struggled initially although they rallied as we moved into 2023 and increased over the year as a whole. High yield bonds, however, were the strongest performers, buoyed mainly by robust corporate earnings.

The main drivers of the volatile conditions were the persistence of inflation - with central banks raising rates as a consequence - and fears over the extent of a consumer-led slowdown. Political volatility was also to the fore, particularly in the UK where the short-lived Truss-led government announced unfunded tax cuts at the start of the year. This move led to concerns over the UK government's fiscal credibility and caused borrowing costs to move higher, leading to a sharp sell-off in gilts and a wave of forced selling in UK corporate bonds. However, the subsequent reversal of the government's expansionary fiscal policy - and confirmation of the new administration's commitment to a more conservative budget - bolstered confidence in gilts.

As we moved into 2023, most markets were generally more positive in terms of inflation expectations, given a decline in energy prices and weaker economic data. At the same time, fears over stresses in the banking system, which ultimately led to the demise of Credit Suisse, proved to be short-lived with no signs of wider contagion.

Given the more positive backdrop, any signs of a peak in inflation data were greeted by a rally in markets. Central banks, however, were careful to highlight that the battle to control inflation was far from over. This was particularly the case towards the end of the year, where the US Federal Reserve, the European Central Bank and the Bank of England all raised rates, with the latter reacting to stronger than expected inflation data.

The sub-fund came under pressure early in the year, given the political turmoil that engulfed the UK. The hit to the government's fiscal credibility - following the Liz Truss-inspired mini-budget announcement - led to aggressive sell-off in UK government bonds and subsequently a wave of forced selling in corporate bonds. The sub-fund subsequently suffered with the renewed weakness in subordinated financial credit and corporate hybrids - especially insurance paper - detrimental to performance.

As we moved into the final three months of 2022, we became very constructive on the outlook for both the gilt and the corporate bond markets, based on what were very attractive valuations and a belief that inflation pressures would begin to moderate. We increased the sub-fund's duration and sought to add corporate bond risk, mainly through the primary market. The reversal of the UK government's expansionary fiscal policy - and confirmation of the new administration's commitment to a more conservative budget - bolstered confidence in UK government bonds.

Corporate bonds also made a strong recovery, with improved US inflation data easing fears over the extent to which global monetary policy would need to be tightened. As we moved into 2023, the sub-fund was well positioned to benefit from the improved market sentiment, and as the rally continued we began to reduce the level of risk in the sub-fund, both in terms of our exposure to higher risk names and by reducing our level of interest rate risk.

The sub-fund continued to be positioned, however, for corporate bond markets to perform well, and therefore the risk-off tone due to the stresses seen in the banking sector, which began in March, exerted a negative influence on performance, although the subsequent recovery - notably in financial paper - helped the sub-fund regain some performance. Of more lasting impact, however, was the sheer persistence of elevated UK inflation data, which negatively impacted corporate bonds and financial names in particular. In turn, this hampered sub-fund performance due to our long duration position and some of our exposure to financial bonds.

We continue to believe that generic corporate bond valuations are attractive and should be supported as the market gains confidence that central banks (globally) are near the peak in rates.

*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 2023	Top ten sales	31 July 2023
	£'000		£'000
Zurich Finance (Ireland) DAC 5.125% 23/11/2052	2,335	Yorkshire Water Finance 3.75% 22/03/2046	5,795
BPCE 6.125% 24/05/2029	2,096	Bank of America 8.125% 02/06/2028	3,411
Credit Agricole 4.875% 23/10/2029	2,086	AXA 6.379% Perpetual	3,017
Rothesay Life 7.734% 16/05/2033	1,800	National Grid Electricity Distribution 3.5% 16/10/2026	2,923
ING Groep 6.25% 20/05/2033	1,800	Esure 6.75% 19/12/2024	2,896
Morgan Stanley 5.789% 18/11/2033	1,700	JPMorgan Chase 3.6815% Perpetual	2,793
Intesa Sanpaolo 6.5% 14/03/2029	1,546	M&G 5.56% 20/07/2055	2,742
Barclays 8.407% 14/11/2032	1,200	AMP Finance Services 6.875% 23/08/2022	2,700
Intesa Sanpaolo 8.505% 20/09/2032	1,200	Investec 4.25% 24/07/2028	2,687
UBS 6.537% 12/08/2033	1,155	Tesco Property Finance No.2 6.0517% 13/10/2039	2,490

Aegon Investment Grade Bond Fund

Comparative Tables

A Accumulation shares**	2021 (p/share)
Change in net assets per share	
Opening net asset value per share	197.24
Return before operating charges*	6.96
Operating charges	(2.30)
Return after operating charges*	4.66
Distributions	(2.33)
Retained distributions on accumulation shares	2.33
Redemption value	(201.90)
Closing net asset value per share	-
*after direct transaction costs of	-
Performance	
Return after charges	2.36%
Other information	
Closing net asset value (£'000)	-
Closing number of shares	-
Operating charges	-
Direct transaction costs	-
Prices	
Highest share price	204.86
Lowest share price	195.90

A Income shares***	2021 (p/share)
Change in net assets per share	
Opening net asset value per share	130.30
Return before operating charges*	5.08
Operating charges	(1.60)
Return after operating charges*	3.48
Distributions	(1.55)
Retained distributions on accumulation shares	-
Redemption value	(132.23)
Closing net asset value per share	-
*after direct transaction costs of	-
Performance	
Return after charges	2.67%
Other information	
Closing net asset value (£'000)	-
Closing number of shares	-
Operating charges	-
Direct transaction costs	-
Prices	
Highest share price	134.70
Lowest share price	128.91

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.

**Share class closed on 22 June 2021.

***Share class closed on 30 June 2021.

Aegon Investment Grade Bond Fund

Comparative Tables (continued)

B Accumulation shares	2023	2022	2021
	(p/share)	(p/share)	(p/share)
Change in net assets per share			
Opening net asset value per share	193.55	219.06	210.16
Return before operating charges*	(10.67)	(24.39)	10.04
Operating charges	(0.97)	(1.12)	(1.14)
Return after operating charges*	(11.64)	(25.51)	8.90
Distributions	(6.01)	(5.43)	(4.93)
Retained distributions on accumulation shares	6.01	5.43	4.93
Closing net asset value per share	181.91	193.55	219.06
*after direct transaction costs of	-	-	-
Performance			
Return after charges	(6.01)%	(11.65)%	4.23%
Other information			
Closing net asset value (£'000)	140,106	179,536	287,959
Closing number of shares	77,018,895	92,759,709	131,451,156
Operating charges	0.53%	0.53%	0.53%
Direct transaction costs	-	-	-
Prices			
Highest share price	195.31	220.07	219.65
Lowest share price	159.65	186.10	208.85

B Income shares	2023	2022	2021
	(p/share)	(p/share)	(p/share)
Change in net assets per share			
Opening net asset value per share	114.32	132.89	130.44
Return before operating charges*	(6.31)	(14.64)	6.18
Operating charges	(0.56)	(0.67)	(0.70)
Return after operating charges*	(6.87)	(15.31)	5.48
Distributions	(3.51)	(3.26)	(3.03)
Retained distributions on accumulation shares	-	-	-
Closing net asset value per share	103.94	114.32	132.89
*after direct transaction costs of	-	-	-
Performance			
Return after charges	(6.01)%	(11.52)%	4.20%
Other information			
Closing net asset value (£'000)	33,809	41,539	59,024
Closing number of shares	32,526,438	36,336,236	44,416,922
Operating charges	0.53%	0.53%	0.53%
Direct transaction costs	-	-	-
Prices			
Highest share price	115.36	133.49	135.07
Lowest share price	94.29	110.77	129.24

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	2023	2022	2021
	(p/share)	(p/share)	(p/share)
Change in net assets per share			
Opening net asset value per share	102.66	116.08	111.25
Return before operating charges*	(5.65)	(12.94)	5.32
Operating charges	(0.42)	(0.48)	(0.49)
Return after operating charges*	(6.07)	(13.42)	4.83
Distributions	(3.29)	(2.99)	(2.72)
Retained distributions on accumulation shares	3.29	2.99	2.72
Closing net asset value per share	96.59	102.66	116.08
*after direct transaction costs of	-	-	-
Performance			
Return after charges	(5.91)%	(11.56)%	4.34%
Other information			
Closing net asset value (£'000)	5,644	4,970	10,708
Closing number of shares	5,843,822	4,840,665	9,224,933
Operating charges	0.43%	0.43%	0.43%
Direct transaction costs	-	-	-
Prices			
Highest share price	103.60	116.61	116.39
Lowest share price	84.70	98.70	110.57

S Income shares	2023	2022	2021
	(p/share)	(p/share)	(p/share)
Change in net assets per share			
Opening net asset value per share	90.95	105.73	103.78
Return before operating charges*	(5.01)	(11.64)	4.92
Operating charges	(0.36)	(0.44)	(0.45)
Return after operating charges*	(5.37)	(12.08)	4.47
Distributions	(2.88)	(2.70)	(2.52)
Retained distributions on accumulation shares	-	-	-
Closing net asset value per share	82.70	90.95	105.73
*after direct transaction costs of	-	-	-
Performance			
Return after charges	(5.90)%	(11.43)%	4.31%
Other information			
Closing net asset value (£'000)	7,991	15,360	28,195
Closing number of shares	9,662,731	16,888,591	26,667,463
Operating charges	0.43%	0.43%	0.43%
Direct transaction costs	-	-	-
Prices			
Highest share price	91.78	106.21	107.48
Lowest share price	75.03	88.14	102.84

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 2023

Holding	Investment	Market valuation	Total net assets
		£'000	%
Euro Denominated Bonds 7.60% (31 July 2022 8.02%)			
Asset Backed Security 0.75% (31 July 2022 0.61%)			
1,800,000	Channel Link Enterprises Finance 2.706% 30/06/2050	1,401	0.75
		1,401	0.75
Corporate Bonds 6.85% (31 July 2022 7.41%)			
1,600,000	BPCE 2.125% 13/10/2046	1,009	0.54
2,000,000	British American Tobacco 3% Perpetual	1,435	0.77
1,400,000	CaixaBank 6.75% Perpetual	1,183	0.63
800,000	Deutsche Bank 4% 24/06/2032	619	0.33
700,000	Enel 6.375% Perpetual	616	0.33
1,700,000	JPMorgan Chase 1.047% 04/11/2032	1,158	0.62
1,100,000	Medtronic 3.375% 15/10/2034	906	0.48
1,900,000	RWE 2.75% 24/05/2030	1,508	0.80
2,500,000	Teva Pharmaceutical Finance Netherlands II 3.75% 09/05/2027	1,937	1.03
1,300,000	VIA Outlets 1.75% 15/11/2028	933	0.50
1,900,000	Volkswagen International Finance 3.5% Perpetual	1,538	0.82
		12,842	6.85
Sterling Denominated Bonds 79.27% (31 July 2022 76.69%)			
Asset Backed Security 5.49% (31 July 2022 8.06%)			
3,600,000	Arqiva Financing 4.882% 31/12/2032	2,089	1.12
1,500,000	Canary Wharf Finance II 6.8% 22/04/2030	680	0.36
3,300,000	Income Contingent Student Loans 2 2007-2009 2.5% 24/07/2058	1,823	0.97
4,200,000	Longstone Finance 4.791% 19/04/2030	1,514	0.81
1,305,000	Meadowhall Finance 4.986% 12/01/2032	599	0.32
6,100,000	Mitchells & Butlers Finance 5.574% 15/12/2030	1,479	0.79
4,200,000	Telereal Secured Finance 4.01% 10/12/2031	2,108	1.12
		10,292	5.49
Corporate Bonds 73.07% (31 July 2022 67.75%)			
600,000	Admiral 8.5% 06/01/2034	618	0.33
3,300,000	Anchor Hanover 2% 21/07/2051	1,735	0.92
2,600,000	Anglian Water Osprey Financing 2% 31/07/2028	1,953	1.04
1,600,000	Anglian Water Services Financing 2.625% 15/06/2027	1,408	0.75
800,000	Annington Funding 4.75% 09/08/2033	684	0.36
1,300,000	APA Infrastructure 3.5% 22/03/2030	1,098	0.59
1,000,000	Assura Financing 1.5% 15/09/2030	740	0.39
1,300,000	AT&T 4.25% 01/06/2043	997	0.53
1,800,000	Aviva 6.875% 20/05/2058	1,770	0.94
1,800,000	AXA 5.453% Perpetual	1,746	0.93
1,200,000	Barclays 8.407% 14/11/2032	1,230	0.66
2,400,000	Bellis Acquisition 3.25% 16/02/2026	2,058	1.10
1,700,000	Blackstone Property Partners Europe 2.625% 20/10/2028	1,285	0.69
2,000,000	BNP Paribas 1.25% 13/07/2031	1,418	0.76
1,700,000	BNP Paribas 2% 24/05/2031	1,462	0.78
2,100,000	BPCE 6.125% 24/05/2029	2,070	1.10
800,000	British Telecommunications 5.75% 13/02/2041	753	0.40
1,400,000	CaixaBank 1.5% 03/12/2026	1,235	0.66
1,655,000	Channel Link Enterprises Finance 3.043% 30/06/2050	1,380	0.74
2,500,000	Clariane 4.125% Perpetual	1,982	1.06
600,000	Close Brothers 7.75% 14/06/2028	606	0.32
2,400,000	Comcast 1.5% 20/02/2029	1,961	1.05
2,500,000	Coventry Building Society 2% 20/12/2030	1,882	1.00
1,000,000	CPUK Finance 4.5% 28/08/2027	855	0.46
1,000,000	CPUK Finance 6.136% 28/08/2031	957	0.51
2,700,000	CPUK Finance 6.5% 28/08/2026	2,582	1.38
2,100,000	Credit Agricole 4.875% 23/10/2029	2,001	1.07

Aegon Investment Grade Bond Fund

Portfolio Statement (continued)

Holding	Investment	Market valuation	Total net assets
		£'000	%
Corporate Bonds (continued)			
3,300,000	Deutsche Bank 1.875% 22/12/2028	2,676	1.43
600,000	Direct Line Insurance 4% 05/06/2032	438	0.23
2,200,000	DS Smith 2.875% 26/07/2029	1,841	0.98
2,700,000	DWR Cymru Financing UK 1.375% 31/03/2033	1,881	1.00
3,200,000	DWR Cymru Financing UK 1.625% 31/03/2026	2,847	1.52
1,800,000	E.ON International Finance 5.875% 30/10/2037	1,787	0.95
900,000	E.ON International Finance 6.375% 07/06/2032	939	0.50
1,800,000	Electricite de France 6% Perpetual	1,665	0.89
227,000	Esure 6.75% 19/12/2024	224	0.12
2,200,000	Fidelity National Information Services 3.36% 21/05/2031	1,852	0.99
1,800,000	Goldman Sachs 1.5% 07/12/2027	1,504	0.80
1,600,000	Grainger 3% 03/07/2030	1,245	0.66
500,000	Haleon UK Capital 2.875% 29/10/2028	439	0.23
500,000	Haleon UK Capital 3.375% 29/03/2038	386	0.21
1,300,000	Heathrow Funding 6.45% 10/12/2031	1,337	0.71
2,200,000	HSBC 6% 29/03/2040	1,997	1.06
1,400,000	HSBC Capital Funding Sterling 1 5.844% Perpetual	1,403	0.75
2,000,000	IG 3.125% 18/11/2028	1,563	0.83
1,800,000	Imperial Brands Finance 5.5% 28/09/2026	1,745	0.93
1,800,000	ING Groep 6.25% 20/05/2033	1,713	0.91
1,550,000	Intesa Sanpaolo 6.5% 14/03/2029	1,492	0.80
800,000	Intesa Sanpaolo 8.505% 20/09/2032	788	0.42
1,200,000	KFW 1.375% 15/12/2025	1,091	0.58
1,600,000	KFW 5.75% 07/06/2032	1,735	0.93
1,600,000	LCR Finance 5.1% 07/03/2051	1,686	0.90
2,700,000	Legal & General 3.75% 26/11/2049	2,244	1.20
2,400,000	Legal & General 5.125% 14/11/2048	2,212	1.18
2,342,000	Lloyds Banking 2.707% 03/12/2035	1,751	0.93
1,100,000	Lloyds Banking 6.625% 02/06/2033	1,072	0.57
2,200,000	Logicor 2019-1 UK 1.875% 17/11/2026	1,907	1.02
1,300,000	McDonald's 3.75% 31/05/2038	1,058	0.56
2,000,000	Mobico 4.25% Perpetual	1,752	0.93
1,700,000	Morgan Stanley 5.789% 18/11/2033	1,669	0.89
1,000,000	National Grid Electricity Distribution West Midlands 5.75% 16/04/2032	991	0.53
1,000,000	National Grid Electricity Transmission 5.272% 18/01/2043	934	0.50
1,100,000	Nats En Route 1.75% 30/09/2033	782	0.42
1,700,000	NatWest 2.105% 28/11/2031	1,437	0.77
1,300,000	NatWest 3.622% 14/08/2030	1,212	0.65
1,000,000	NatWest 5.125% Perpetual	847	0.45
1,000,000	Northumbrian Water Finance 6.375% 28/10/2034	1,009	0.54
3,000,000	Orsted 2.5% 16/05/2033	2,299	1.23
1,600,000	Paragon Treasury 2% 07/05/2036	1,045	0.56
1,500,000	Pension Insurance 6.5% 03/07/2024	1,490	0.79
1,500,000	Pension Insurance 8% 23/11/2026	1,525	0.81
1,600,000	Phoenix 6.625% 18/12/2025	1,587	0.85
1,000,000	Prologis International Funding II 2.75% 22/02/2032	795	0.42
2,500,000	RAC 4.87% 06/05/2026	2,284	1.22
1,700,000	Realty Income 1.75% 13/07/2033	1,164	0.62
1,200,000	Rentokil Initial 5% 27/06/2032	1,133	0.60
3,700,000	Rothesay Life 3.375% 12/07/2026	3,347	1.78
1,800,000	Rothesay Life 7.734% 16/05/2033	1,771	0.94
3,600,000	Sage 1.625% 25/02/2031	2,706	1.44
1,400,000	Sanctuary Capital 2.375% 14/04/2050	802	0.43
1,400,000	Scottish Hydro Electric Transmission 2.25% 27/09/2035	991	0.53
500,000	Severn Trent Utilities Finance 4.625% 30/11/2034	452	0.24
1,200,000	South Eastern Power Networks 1.75% 30/09/2034	824	0.44
1,000,000	Svenska Handelsbanken 4.625% 23/08/2032	912	0.49
2,900,000	Thames Water Utilities Finance 2.375% 22/04/2040	1,694	0.90
1,800,000	Thames Water Utilities Finance 2.625% 24/01/2032	1,362	0.73
3,200,000	UBS 2.25% 09/06/2028	2,720	1.45
2,200,000	UBS Jersey 8.75% 18/12/2025	2,245	1.20

Aegon Investment Grade Bond Fund

Portfolio Statement (continued)

Holding	Investment	Market valuation	Total net assets
		£'000	%
Corporate Bonds (continued)			
1,800,000	Verizon Communications 1.875% 19/09/2030	1,396	0.74
1,400,000	Virgin Money UK 7.875% 14/12/2028	1,393	0.74
2,200,000	Virgin Money UK 8.25% Perpetual	1,911	1.02
1,850,000	Whitbread 3% 31/05/2031	1,442	0.77
2,400,000	Zurich Finance (Ireland) DAC 5.125% 23/11/2052	2,139	1.14
		137,046	73.07
Government Bonds 0.71% (31 July 2022 0.88%)			
2,450,000	United Kingdom Gilt 1.75% 22/07/2057	1,340	0.71
		1,340	0.71
United States Dollar Denominated Bonds 8.29% (31 July 2022 11.02%)			
Corporate Bonds 8.29% (31 July 2022 11.02%)			
2,700,000	AerCap 5.875% 10/10/2079	2,029	1.08
700,000	APA Infrastructure 4.25% 15/07/2027	521	0.28
1,400,000	Electricite de France 4.5% 04/12/2069	763	0.41
400,000	Electricite de France 9.125% Perpetual	328	0.17
1,200,000	HSBC 4.95% 31/03/2030	907	0.48
600,000	Kenvue 5.05% 22/03/2053	468	0.25
3,800,000	Prudential Funding (Asia) 2.95% 03/11/2033	2,506	1.34
1,500,000	Prudential Funding (Asia) 3.125% 14/04/2030	1,032	0.55
4,000,000	QBE Insurance 6.75% 02/12/2044	3,080	1.64
1,400,000	Santos Finance 3.649% 29/04/2031	910	0.49
1,400,000	Standard Chartered 4.644% 01/04/2031	1,014	0.54
3,200,000	UniCredit 3.127% 03/06/2032	1,992	1.06
		15,550	8.29
Derivatives and Futures Contracts 0.34% (31 July 2022 (0.09%))			
Forward Foreign Exchange Contracts 0.23% (31 July 2022 0.31%)			
	Bought GBP 14,785,992 Sold EUR 17,150,000 14/09/2023	59	0.03
	Bought GBP 17,523,364 Sold USD 22,050,000 14/09/2023	389	0.21
	Bought USD 800,000 Sold GBP 632,746 14/09/2023	(11)	(0.01)
		437	0.23
Futures Contracts 0.11% (31 July 2022 (0.40%))			
(106)	EURO Bund Future Contract September 2023	106	0.06
358	Long Gilt Future Contract September 2023	(104)	(0.06)
(115)	US 10 Year Ultra Future Contract September 2023	198	0.11
		200	0.11
Portfolio of investments*		179,108	95.50
Net other assets		8,442	4.50
Total net assets attributable to shareholders		187,550	100.00

Analysis of investments by asset class

	Market	Value of
	value	investments
	£'000	%
Bonds	178,471	95.16
Derivatives	637	0.34
Portfolio of investments*	179,108	95.50
Net other assets	8,442	4.50
Total net assets attributable to shareholders	187,550	100.00

Comparative percentage figures in brackets are at 31 July 2022.

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 2023

	Note	£'000	2023 £'000	£'000	2022 £'000
Income					
Net capital losses	2		(21,559)		(46,370)
Revenue	3	7,790		9,978	
Expenses	4	(1,054)		(1,666)	
Interest payable and similar charges		(1)		(7)	
Net revenue before taxation		6,735		8,305	
Taxation	5	(12)		(11)	
Net revenue after taxation			6,723		8,294
Total return before distributions			(14,836)		(38,076)
Distributions	6		(6,723)		(8,294)
Change in net assets attributable to shareholders from investment activities			(21,559)		(46,370)

Statement of Change in Net Assets Attributable to Shareholders for the year ended 31 July 2023

	£'000	2023 £'000	£'000	2022 £'000
Opening net assets attributable to shareholders		241,405		385,886
Amounts receivable on issue of shares	25,564		20,957	
Amounts payable on cancellation of shares	(63,110)		(125,451)	
		(37,546)		(104,494)
Dilution adjustment		159		325
Change in net assets attributable to shareholders from investment activities		(21,559)		(46,370)
Retained distribution on accumulation shares		5,091		6,058
Closing net assets attributable to shareholders		187,550		241,405

Aegon Investment Grade Bond Fund

Balance Sheet as at 31 July 2023

		2023		2022	
	Note	£'000	£'000	£'000	£'000
Assets					
Fixed assets:					
Investments			179,223		231,914
Current assets:					
Debtors	7	2,516		2,959	
Cash and bank balances	8	<u>7,264</u>		<u>10,996</u>	
			<u>9,780</u>		<u>13,955</u>
Total assets			189,003		245,869
Liabilities					
Investment liabilities					
			115		1,043
Creditors					
Bank overdrafts	9	270		1,039	
Distributions payable		364		446	
Other creditors	10	<u>704</u>		<u>1,936</u>	
Total liabilities			<u>1,453</u>		<u>4,464</u>
Net assets attributable to shareholders			187,550		241,405

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 losses

Net capital losses comprise:

	2023	2022
	£'000	£'000
Losses on non-derivative securities	(20,261)	(41,686)
Gains/(losses) on forward currency contracts	160	(4,578)
Currency exchange (losses)/gains	(36)	169
Losses on derivative securities	(1,422)	(275)
Net capital losses	(21,559)	(46,370)

3 Revenue

	2023	2022
	£'000	£'000
Interest on debt securities	7,635	9,687
Bank interest	113	16
Derivative revenue	18	246
Stock lending income*	24	29
Total revenue	7,790	9,978

*The sub-fund received 72% of the revenue returns from stock lending activities. The gross earnings for the year are £34,000 (2022: £41,000) and expenses paid of £10,000 (2022: £12,000).

4 Expenses*

	2023	2022
	£'000	£'000
Payable to the ACD, associates of the ACD and agents of either of them:		
ACD's periodic charge	999	1,568
Payable to the Depositary, associates of the Depositary and agents of either of them:		
Depositary fee	25	37
Other expenses:		
Audit fee**	15	16
FT publishing fee	3	3
PRIPs fees	3	3
Registrar's fee	1	27
Safe custody charge	8	12
	30	61
Total expenses	1,054	1,666

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

**The audit fee (excluding VAT) incurred during the year was £13,731 (2022: £13,731).

5 Taxation

a) Analysis of charge in the year

	2023	2022
	£'000	£'000
Current tax:		
Overseas tax suffered	12	11
Total tax charge for the year (see note 5 (b))	12	11

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 (2022: lower than) the standard rate of corporation tax for Open Ended Investment Companies 'OEICs' (20%).

The differences are explained below:

	2023	2022
	£'000	£'000
Net revenue before taxation	6,735	8,305
Corporation tax 20% (2022: 20%)	1,347	1,661
Effects of:		
Overseas tax suffered	12	11
Relief on overseas tax suffered	(2)	(2)
Tax deductible interest distributions	(1,345)	(1,659)
Total tax charge for the year (see note 5 (a))	12	11

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:

	2023	2022
	£'000	£'000
Interim distributions	4,969	6,042
Final distribution	1,616	1,869
	6,585	7,911
Add: amounts deductible on cancellation of shares	253	451
Less: amounts receivable on creation of shares	(115)	(68)
Distributions	6,723	8,294

Details of the distributions are set out in the tables on page 152.

7 Debtors

	2023	2022
	£'000	£'000
Accrued revenue	2,439	2,672
Amounts receivable for the issue of shares	77	129
Sales awaiting settlement	-	158
Debtors	2,516	2,959

8 Cash and bank balances

	2023	2022
	£'000	£'000
Amounts held at futures clearing houses and brokers	2,291	3,992
Cash and bank balances	4,973	1,185
Money market deposits	-	5,819
Cash and bank balances	7,264	10,996

9 Bank overdrafts

	2023	2022
	£'000	£'000
Amounts held at futures clearing houses and brokers*	270	1,039
Bank overdrafts	270	1,039

*Includes cash pledged as collateral of £270,000 (2022: £670,000).

Aegon Investment Grade Bond Fund

Notes to the Financial Statements (continued)

10 Other creditors

	2023	2022
	£'000	£'000
Accrued ACD periodic charge	154	200
Accrued other expenses	27	55
Amounts payable for cancellation of shares	523	881
Purchases awaiting settlement	-	800
Other creditors	704	1,936

11 Related parties

Related party interests in the sub-fund are disclosed in Note 5 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 13.70% (2022: 10.41%) 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 2023 (2022: £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

	2023		2022	
	Market value £'000	Value of investments %	Market value £'000	Value of investments %
Investment grade	139,349	74.32	177,761	73.64
Below investment grade	19,947	10.63	29,226	12.10
Unrated	19,175	10.21	24,105	9.99
Derivatives	637	0.34	(221)	(0.09)
Portfolio of investments	179,108	95.50	230,871	95.64
Net other assets	8,442	4.50	10,534	4.36
Total net assets attributable to shareholders	187,550	100.00	241,405	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 95.00% (2022: 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 14.10% (2022: 14.10%). As at the balance sheet date, the sub-fund's value at risk is 4.01% (2022: 3.00%).

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

	Lowest Utilisation (%)	Highest Utilisation (%)	Average Utilisation (%)
31 July 2023	2.93	5.92	4.32
31 July 2022	1.76	3.17	2.23

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 2023 date the average leverage was 53.22% (2022: 53.64%).

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 2023

Counterparty	Futures		Forward Foreign		Collateral pledge	Cash
	Stock on loan	Exposure	Exchange	Contracts	Stock	
	£'000	£'000	Exposure	Exposure	£'000	
Barclays	7,120	-	-	437	7,290	(270)
BNP Paribas	1,104	-	-	-	1,162	-
HSBC	2,686	-	-	-	2,892	-
JPMorgan	178	-	-	-	183	-
UBS	-	200	-	-	-	-

As at 31 July 2022

Counterparty	Futures		Forward Foreign		Collateral pledge	Cash
	Stock on loan	Exposure	Exchange	Contracts	Stock	
	£'000	£'000	Exposure	Exposure	£'000	
Barclays	1,078	-	-	746	1,121	(670)
BNP Paribas	1,117	-	-	-	1,174	-
Credit Suisse	9,487	-	-	-	9,844	-
HSBC	4,491	-	-	-	4,925	-
JPMorgan	2,338	-	-	-	2,477	-

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 2023	Value	Commissions	Other Costs*		
	£'000	£'000	%	£'000	%
Debt securities	31,854	-	-	-	-
Total	31,854	-			
Total purchases including transaction costs	31,854				
31 July 2022					
Debt securities	62,896	-	-	-	-
Total	62,896	-			
Total purchases including transaction costs	62,896				

Sales

31 July 2023	Value	Commissions	Other Costs*		
	£'000	£'000	%	£'000	%
Debt securities	61,734	-	-	-	-
Corporate actions	1,203	-	-	-	-
Total	62,937	-			
Total sales net of transaction costs	62,937				
31 July 2022					
Debt securities	164,711	-	-	-	-
Corporate actions	1,680	-	-	-	-
Total	166,391	-			
Total sales net of transaction costs	166,391				

*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 2023	Commissions £'000
Futures	11
Total	11
31 July 2022	
Futures	16
Total	16

The purchases and sales are not subject to portfolio transaction costs.

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 0.76% (2022: 0.83%), 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	2023		2022	
	Assets £'000	Liabilities £'000	Assets £'000	Liabilities £'000
1 - Unadjusted quoted prices	1,644	(104)	2,133	(986)
2 - Observable market data	177,579	(11)	229,781	(57)
3 - Unobservable data	-	-	-	-
	179,223	(115)	231,914	(1,043)

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 138 to 140. The distribution per share class is given in the distribution tables on page 152. All share classes have the same rights on winding up.

Share class movement reconciliation

31 July 2023	Opening	Creations	Cancellations	Converted	Closing
B Accumulation	92,759,709	9,954,151	(25,619,110)	(75,855)	77,018,895
B Income	36,336,236	3,051,840	(6,873,731)	12,093	32,526,438
S Accumulation	4,840,665	2,835,612	(1,860,502)	28,047	5,843,822
S Income	16,888,591	2,073,004	(9,374,156)	75,292	9,662,731

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 16 November 2023 and the percentage movement in that period. The net asset values per share were reviewed again on 23 November 2023 with no material movements noted since 16 November.

Net assets per share

	31 July 2023	16 November 2023	% Movement
B Accumulation	181.91	187.45	3.04
B Income	103.94	106.07	2.05
S Accumulation	96.59	99.55	3.07
S Income	82.70	84.39	2.05

The table below shows net redemptions between 31 July 2023 and 16 November 2023 as a percentage of the balance sheet date NAV for share classes with significant movements. The net redemptions were reviewed again on 23 November with no material movements noted since 16 November. 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	(18.01)

Aegon Investment Grade Bond Fund

Distribution Tables

Share Class B Accumulation

Period end	Pay date		Net Revenue	Equalisation*	Total Payable	2021/22 Total Paid
31/10/22	31/12/22	Group 1	1.4706	N/A	1.4706	1.2960
		Group 2	0.5453	0.9253		
31/01/23	31/03/23	Group 1	1.4605	N/A	1.4605	1.3337
		Group 2	0.4628	0.9977		
30/04/23	30/06/23	Group 1	1.5185	N/A	1.5185	1.3092
		Group 2	0.7390	0.7795		
31/07/23	30/09/23	Group 1	1.5616	N/A	1.5616	1.4915
		Group 2	0.7584	0.8032		

Share Class B Income

Period end	Pay date		Net Revenue	Equalisation*	Total Payable	2021/22 Total Paid
31/10/22	31/12/22	Group 1	0.8686	N/A	0.8686	0.7862
		Group 2	0.4151	0.4535		
31/01/23	31/03/23	Group 1	0.8553	N/A	0.8553	0.8042
		Group 2	0.2552	0.6001		
30/04/23	30/06/23	Group 1	0.8826	N/A	0.8826	0.7847
		Group 2	0.4234	0.4592		
31/07/23	30/09/23	Group 1	0.9001	N/A	0.9001	0.8878
		Group 2	0.5250	0.3751		

Share Class S Accumulation

Period end	Pay date		Net Revenue	Equalisation*	Total Payable	2021/22 Total Paid
31/10/22	31/12/22	Group 1	0.8041	N/A	0.8041	0.7160
		Group 2	0.3273	0.4768		
31/01/23	31/03/23	Group 1	0.7980	N/A	0.7980	0.7358
		Group 2	0.4719	0.3261		
30/04/23	30/06/23	Group 1	0.8300	N/A	0.8300	0.7207
		Group 2	0.4550	0.3750		
31/07/23	30/09/23	Group 1	0.8532	N/A	0.8532	0.8158
		Group 2	0.4717	0.3815		

Share Class S Income

Period end	Pay date		Net Revenue	Equalisation*	Total Payable	2021/22 Total Paid
31/10/22	31/12/22	Group 1	0.7124	N/A	0.7124	0.6521
		Group 2	0.3909	0.3215		
31/01/23	31/03/23	Group 1	0.7027	N/A	0.7027	0.6661
		Group 2	0.3532	0.3495		
30/04/23	30/06/23	Group 1	0.7232	N/A	0.7232	0.6484
		Group 2	0.4826	0.2406		
31/07/23	30/09/23	Group 1	0.7370	N/A	0.7370	0.7294
		Group 2	0.6103	0.1267		

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 (8.18)% compared to the peer group median return of (6.58)%. The peer group is the Investment Association Sterling Corporate Bond sector.

Strategy review**

Fixed income markets were volatile over the 12-month period, with core government bonds coming under significant pressure. Investment grade bonds also struggled initially although they rallied as we moved into 2023 and increased over the year as a whole. High yield bonds, however, were the strongest performers, buoyed mainly by robust corporate earnings.

The main drivers of the volatile conditions were the persistence of inflation - with central banks raising rates as a consequence - and fears over the extent of a consumer-led slowdown. Political volatility was also to the fore, particularly in the UK where the short-lived Truss-led government announced unfunded tax cuts at the start of the year. This move led to concerns over the UK government's fiscal credibility and caused borrowing costs to move higher, leading to a sharp sell-off in gilts and a wave of forced selling in UK corporate bonds. However, the subsequent reversal of the government's expansionary fiscal policy - and confirmation of the new administration's commitment to a more conservative budget - bolstered confidence in gilts.

As we moved into 2023, most bond markets were generally more positive in terms of inflation expectations, given a decline in energy prices and, at times, weaker economic data. At the same time, fears over stresses in the banking system, which ultimately led to the demise of Credit Suisse, proved to be short-lived with no signs of wider contagion.

Given the more positive backdrop, any signs of a peak in inflation data were greeted by a rally in markets. Central banks, however, were careful to highlight that the battle to control inflation was far from over. This was particularly the case towards the end of the year, where the US Fed, the ECB and the Bank of England all raised rates, with the latter reacting to stronger than expected inflation data.

As the year began the sub-fund came under pressure, with the renewed weakness in subordinated financial credit and corporate hybrids - especially insurance paper - detrimental to performance. The sub-fund's exposure to Housing Association paper - which is typically long-dated in nature - was also detrimental given the aggressive sell-off in duration (a measure of interest rate risk) we saw at this point.

The UK government changes during the final three months of 2022 resulted in a reversal of the previous administration's expansionary fiscal policy, committing the new administration to a substantially more conservative budget. We therefore added duration through increasing the sub-fund's exposure to green gilts, as we felt there was too much tightening of policy (rate hikes) priced into the gilt market given the more restrictive fiscal policy now being pursued. This move was beneficial as we saw a strong recovery in global credit markets, with the sterling market leading the way.

Credit markets started/continued to rally as we moved into 2023, emboldened by an increasing conviction that moderating inflation would reduce the need for aggressive rate hikes. The sub-fund was well positioned to benefit from the improvement in market sentiment, which went some way to offset what had been a disappointing start to the year under review.

Towards the end of the year, however, the sheer persistence of elevated UK inflation data - as well as growing concern over the (seemingly) slow reaction function of the Bank of England - put pressure on UK corporate bonds. As a result, the sub-fund's modestly long duration position, and its exposure to UK-domiciled financial bonds, detracted from performance. The weakness in REIT paper - exacerbated by thin trading and volatility in rates markets - also weighed on sub-fund performance.

We continue to actively manage the sub-fund's interest rate exposure while focusing on disciplined issue 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 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 nonethically 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 2023	Top ten sales	31 July 2023
	£'000		£'000
United Kingdom Gilt 0.875% 31/07/2033	33,305	United Kingdom Gilt 0.875% 31/07/2033	27,328
United Kingdom Gilt 1.5% 31/07/2053	10,435	Aviva 6.125% Perpetual	4,200
Intesa Sanpaolo 6.625% 31/05/2033	5,029	Zurich Finance (UK) 6.625% Perpetual	4,200
BPCE 6.125% 24/05/2029	4,392	Investec 4.25% 24/07/2028	3,881
ING Groep 6.25% 20/05/2033	3,599	CPUK Finance 7.239% 28/02/2024	3,779
Vodafone 5.125% 12/02/2052	2,663	Bank of Montreal 1.5% 18/12/2024	3,764
ENW Finance 4.893% 24/11/2032	2,450	Bank of Nova Scotia 1.375% 05/12/2023	3,614
Pacific Life Global Funding II 5% 01/12/2028	2,393	BPCE 1% 22/12/2025	3,506
Zurich Finance (Ireland) DAC 5.125% 23/11/2052	2,379	Canadian Imperial Bank of Commerce 1.625% 25/09/2025	3,506
Northumbrian Water Finance 4.5% 14/02/2031	2,290	Sainsbury's Bank 6% 23/11/2027	3,410

Aegon Ethical Corporate Bond Fund

Comparative Tables

A Accumulation shares**	2021 (p/share)
Change in net assets per share	
Opening net asset value per share	238.15
Return before operating charges*	6.75
Operating charges	(2.27)
Return after operating charges*	4.48
Distributions	-
Retained distributions on accumulation shares	-
Redemption value	(242.63)
Closing net asset value per share	-
 *after direct transaction costs of	 -
Performance	
Return after charges	1.88%
Other information	
Closing net asset value (£'000)	-
Closing number of shares	-
Operating charges	-
Direct transaction costs	-
Prices	
Highest share price	247.47
Lowest share price	237.35

A Income shares***	2021 (p/share)
Change in net assets per share	
Opening net asset value per share	119.98
Return before operating charges*	1.13
Operating charges	(1.11)
Return after operating charges*	0.02
Distributions	-
Retained distributions on accumulation shares	-
Redemption value	(120.00)
Closing net asset value per share	-
 *after direct transaction costs of	 -
Performance	
Return after charges	0.02%
Other information	
Closing net asset value (£'000)	-
Closing number of shares	-
Operating charges	-
Direct transaction costs	-
Prices	
Highest share price	124.01
Lowest share price	118.61

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.

**Share class closed on 30 June 2021.

***Share class closed on 22 June 2021.

Aegon Ethical Corporate Bond Fund

Comparative Tables (continued)

B Accumulation shares	2023	2022	2021
	(p/share)	(p/share)	(p/share)
Change in net assets per share			
Opening net asset value per share	194.87	218.42	211.45
Return before operating charges*	(14.76)	(22.56)	8.00
Operating charges	(0.85)	(0.99)	(1.03)
Return after operating charges*	(15.61)	(23.55)	6.97
Distributions	(5.68)	(4.92)	(5.36)
Retained distributions on accumulation shares	5.68	4.92	5.36
Closing net asset value per share	179.26	194.87	218.42
*after direct transaction costs of	-	-	-
Performance			
Return after charges	(8.01)%	(10.78)%	3.30%
Other information			
Closing net asset value (£'000)	292,945	316,454	323,257
Closing number of shares	163,422,569	162,394,688	147,995,074
Operating charges	0.47%	0.48%	0.48%
Direct transaction costs	-	-	-
Prices			
Highest share price	198.33	221.03	220.24
Lowest share price	163.59	188.47	210.82

B Income shares	2023	2022	2021
	(p/share)	(p/share)	(p/share)
Change in net assets per share			
Opening net asset value per share	94.43	108.43	107.61
Return before operating charges*	(7.14)	(11.09)	4.04
Operating charges	(0.41)	(0.49)	(0.52)
Return after operating charges*	(7.55)	(11.58)	3.52
Distributions	(2.72)	(2.42)	(2.70)
Retained distributions on accumulation shares	-	-	-
Closing net asset value per share	84.16	94.43	108.43
*after direct transaction costs of	-	-	-
Performance			
Return after charges	(8.00)%	(10.68)%	3.27%
Other information			
Closing net asset value (£'000)	138,693	165,005	233,224
Closing number of shares	164,793,019	174,742,238	215,087,978
Operating charges	0.47%	0.48%	0.48%
Direct transaction costs	-	-	-
Prices			
Highest share price	96.10	109.73	111.34
Lowest share price	79.27	91.93	106.42

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 2023

Holding	Investment	Market valuation	Total net assets
		£'000	%
Sterling Denominated Bonds 98.11% (31 July 2022 98.40%)			
Asset Backed Security 7.37% (31 July 2022 8.63%)			
3,750,000	Arqiva Financing 4.882% 31/12/2032	2,177	0.50
3,505,000	Canary Wharf Finance II 6.8% 22/04/2030	1,588	0.37
3,400,000	Channel Link Enterprises Finance 3.848% 30/06/2050	2,263	0.52
3,900,000	Greater Gabbard 4.137% 29/11/2032	2,407	0.56
2,000,000	High Speed Rail Finance No.1 4.375% 01/11/2038	1,741	0.40
3,233,000	Income Contingent Student Loans 2 2007-2009 2.5% 24/07/2058	1,786	0.41
1,540,000	Meadowhall Finance 4.986% 12/01/2032	706	0.16
1,800,000	Swan Housing Capital 3.625% 05/03/2048	1,311	0.30
3,300,000	TC Dudgeon Ofto 3.158% 12/11/2038	2,416	0.56
4,900,000	Telereal Secured Finance 4.01% 10/12/2031	2,460	0.57
3,000,000	Telereal Securitisation 6.1645% 10/12/2031	2,481	0.58
3,000,000	Trafford Centre Finance 6.5% 28/07/2033	1,878	0.44
1,200,000	Trafford Centre Finance 7.03% 28/01/2029	379	0.09
5,300,000	Transport for London 5% 31/03/2035	5,077	1.18
4,300,000	White City Property Finance 5.1202% 17/04/2035	3,149	0.73
		31,819	7.37
Corporate Bonds 84.49% (31 July 2022 87.19%)			
4,000,000	ABP Finance 6.25% 14/12/2026	3,967	0.92
1,400,000	Admiral 8.5% 06/01/2034	1,442	0.33
5,800,000	Anchor Hanover 2% 21/07/2051	3,049	0.71
4,100,000	Anglian Water Osprey Financing 2% 31/07/2028	3,080	0.71
3,000,000	Anglian Water Services Financing 1.625% 10/08/2025	2,749	0.64
1,200,000	APA Infrastructure 3.5% 22/03/2030	1,013	0.23
4,000,000	APA Infrastructure 4.25% 26/11/2024	3,888	0.90
5,000,000	Aroundtown 3.625% 10/04/2031	3,153	0.73
1,500,000	Arqiva Financing 5.34% 30/06/2030	1,392	0.32
4,500,000	Assura Financing 1.5% 15/09/2030	3,333	0.77
2,700,000	Aster Treasury 1.405% 27/01/2036	1,753	0.41
3,900,000	Aviva 6.875% 20/05/2058	3,835	0.89
3,500,000	Bazalgette Finance 2.375% 29/11/2027	3,030	0.70
2,600,000	Beyond Housing 2.125% 17/05/2051	1,414	0.33
1,900,000	Blend Funding 3.459% 21/09/2047	1,395	0.32
4,100,000	BPCE 5.25% 16/04/2029	3,767	0.87
4,400,000	BPCE 6.125% 24/05/2029	4,337	1.01
2,500,000	British Land REIT 5.357% 31/03/2028	2,370	0.55
1,800,000	British Telecommunications 5.75% 13/02/2041	1,693	0.39
3,100,000	Cadent Finance 2.125% 22/09/2028	2,585	0.60
3,000,000	Cadent Finance 2.625% 22/09/2038	1,973	0.46
6,000,000	CaixaBank 1.5% 03/12/2026	5,291	1.23
4,500,000	Clarion Funding 1.875% 22/01/2035	3,059	0.71
1,700,000	Close Brothers 7.75% 14/06/2028	1,717	0.40
5,500,000	Cooperatieve Rabobank 1.875% 12/07/2028	4,722	1.09
5,400,000	Cooperatieve Rabobank 5.25% 14/09/2027	5,151	1.19
3,000,000	Coventry Building Society 1.875% 24/10/2023	2,970	0.69
3,700,000	Coventry Building Society 2% 20/12/2030	2,786	0.65
1,800,000	Coventry Building Society 6.875% Perpetual	1,712	0.40
1,100,000	CPUK Finance 4.5% 28/08/2027	941	0.22
2,000,000	CPUK Finance 6.136% 28/08/2031	1,913	0.44
3,000,000	CPUK Finance 6.5% 28/08/2026	2,869	0.67
4,900,000	Derwent London REIT 1.875% 17/11/2031	3,457	0.80
2,300,000	Deutsche Telekom International Finance 7.625% 15/06/2030	2,589	0.60
3,500,000	Digital Stout 3.75% 17/10/2030	2,936	0.68
4,700,000	Direct Line Insurance 4% 05/06/2032	3,435	0.80
5,200,000	DS Smith 2.875% 26/07/2029	4,353	1.01
2,400,000	DWR Cymru Financing UK 1.375% 31/03/2033	1,672	0.39
3,300,000	DWR Cymru Financing UK 1.625% 31/03/2026	2,937	0.68

Aegon Ethical Corporate Bond Fund

Portfolio Statement (continued)

Holding	Investment	Market valuation	Total net assets
		£'000	%
Corporate Bonds (continued)			
2,000,000	DWR Cymru Financing UK 2.375% 31/03/2034	1,385	0.32
2,450,000	ENW Finance 4.893% 24/11/2032	2,301	0.53
196,000	Esure 6.75% 19/12/2024	194	0.05
3,500,000	Euroclear Bank 1.25% 30/09/2024	3,314	0.77
3,000,000	Freshwater Finance 4.607% 17/10/2036	2,458	0.57
3,000,000	Grainger 3.375% 24/04/2028	2,556	0.59
6,500,000	ING Groep 1.125% 07/12/2028	5,272	1.22
3,600,000	ING Groep 6.25% 20/05/2033	3,427	0.79
3,400,000	International Bank for Reconstruction & Development 0.25% 23/09/2027	2,795	0.65
3,000,000	Intesa Sanpaolo 2.5% 15/01/2030	2,371	0.55
2,700,000	Intesa Sanpaolo 5.148% 10/06/2030	2,250	0.52
5,100,000	Intesa Sanpaolo 6.625% 31/05/2033	5,003	1.16
4,000,000	KBC 1.25% 21/09/2027	3,433	0.80
3,600,000	Land Securities Capital Markets 1.974% 08/02/2024	3,519	0.82
3,000,000	LCR Finance 5.1% 07/03/2051	3,161	0.73
4,000,000	Leeds Building Society 1.5% 16/03/2027	3,507	0.81
2,400,000	Legal & General 5.125% 14/11/2048	2,212	0.51
2,500,000	Legal & General 5.5% 27/06/2064	2,323	0.54
2,600,000	Liberty Living Finance 3.375% 28/11/2029	2,160	0.50
5,478,000	Lloyds Banking 2.707% 03/12/2035	4,095	0.95
1,600,000	Lloyds Banking 6.5% 17/09/2040	1,823	0.42
2,100,000	Lloyds Banking 6.625% 02/06/2033	2,047	0.47
3,800,000	Logicor 2019-1 UK 1.875% 17/11/2026	3,295	0.76
2,300,000	Lunar Funding I 5.75% 18/10/2033	2,301	0.53
5,200,000	M&G 5.625% 20/10/2051	4,695	1.09
1,800,000	M&G 6.34% 19/12/2063	1,599	0.37
2,800,000	Mobico 2.375% 20/11/2028	2,320	0.54
3,600,000	Mobico 4.25% Perpetual	3,153	0.73
3,800,000	Motability Operations 1.5% 20/01/2041	2,208	0.51
2,030,000	Motability Operations 3.625% 10/03/2036	1,715	0.40
2,100,000	Motability Operations 4.875% 17/01/2043	1,991	0.46
4,000,000	MPT Operating Partnership 3.375% 24/04/2030	2,652	0.61
2,200,000	National Gas Transmission 1.375% 07/02/2031	1,591	0.37
1,100,000	Nationwide Building Society 5.75% Perpetual	965	0.22
2,500,000	Nationwide Building Society 5.769% Perpetual	2,344	0.54
1,800,000	Nationwide Building Society 6.178% 07/12/2027	1,778	0.41
3,900,000	NatWest 2.057% 09/11/2028	3,265	0.76
3,300,000	NatWest 3.622% 14/08/2030	3,076	0.71
3,600,000	NatWest 5.125% Perpetual	3,051	0.71
2,500,000	NGG Finance 5.625% 18/06/2073	2,382	0.55
4,500,000	Nordea Bank 1.625% 09/12/2032	3,586	0.83
4,100,000	Northern Powergrid Yorkshire 4.375% 05/07/2032	3,728	0.86
2,300,000	Northumbrian Water Finance 4.5% 14/02/2031	2,081	0.48
2,700,000	Notting Hill Genesis 3.25% 12/10/2048	1,806	0.42
1,900,000	Notting Hill Housing Trust 3.75% 20/12/2032	1,637	0.38
4,600,000	Omnicom Capital 2.25% 22/11/2033	3,371	0.78
2,800,000	Onward Homes 2.125% 25/03/2053	1,429	0.33
4,100,000	Orange 3.25% 15/01/2032	3,512	0.81
3,200,000	Orsted 2.5% 16/05/2033	2,453	0.57
2,100,000	Orsted 5.375% 13/09/2042	2,005	0.46
2,400,000	Pacific Life Global Funding II 5% 12/01/2028	2,315	0.54
4,000,000	Paradigm Homes Charitable Housing Association 2.25% 20/05/2051	2,243	0.52
2,500,000	Paragon 4.375% 25/09/2031	2,037	0.47
4,400,000	Paragon Treasury 2% 07/05/2036	2,874	0.67
5,100,000	Pearson Funding 3.75% 04/06/2030	4,401	1.02
2,500,000	Pension Insurance 3.625% 21/10/2032	1,868	0.43
1,500,000	Pension Insurance 4.625% 07/05/2031	1,245	0.29
2,400,000	Places for People Homes 2.5% 26/01/2036	1,660	0.38
3,200,000	Places for People Homes 3.625% 22/11/2028	2,842	0.66
2,400,000	Prologis International Funding II 2.75% 22/02/2032	1,909	0.44
4,800,000	RAC 4.87% 06/05/2026	4,384	1.02

Aegon Ethical Corporate Bond Fund

Portfolio Statement (continued)

Holding	Investment	Market valuation	Total net assets
		£'000	%
Corporate Bonds (continued)			
5,300,000	Realty Income 1.625% 15/12/2030	3,940	0.91
1,400,000	RL Finance No.2 6.125% 30/11/2043	1,392	0.32
4,000,000	Rothsay Life 3.375% 12/07/2026	3,618	0.84
1,600,000	Rothsay Life 7.734% 16/05/2033	1,574	0.37
5,400,000	Sage 1.625% 25/02/2031	4,059	0.94
3,300,000	Santander UK 5.875% 14/08/2031	2,997	0.69
2,200,000	Santander UK 6.75% Perpetual	2,106	0.49
4,400,000	Scottish Hydro Electric Transmission 2.25% 27/09/2035	3,115	0.72
1,800,000	Severn Trent Utilities Finance 2% 02/06/2040	1,067	0.25
1,200,000	Severn Trent Utilities Finance 2.625% 22/02/2033	924	0.21
800,000	Severn Trent Utilities Finance 4.625% 30/11/2034	723	0.17
6,000,000	Skipton Building Society 2% 02/10/2026	5,353	1.24
5,900,000	South Eastern Power Networks 1.75% 30/09/2034	4,053	0.94
5,000,000	Southern Water Services Finance 2.375% 28/05/2028	4,104	0.95
4,000,000	Stagecoach 4% 29/09/2025	3,711	0.86
1,500,000	Thames Water Utilities Finance 2.375% 22/04/2040	876	0.20
1,600,000	Thames Water Utilities Finance 2.625% 24/01/2032	1,211	0.28
3,000,000	Travis Perkins 3.75% 17/02/2026	2,672	0.62
5,500,000	Tritax Big Box REIT 1.5% 27/11/2033	3,578	0.83
2,600,000	Unite REIT 3.5% 15/10/2028	2,255	0.52
1,700,000	UNITE USAF II 3.921% 30/06/2025	1,606	0.37
5,500,000	United Utilities Water Finance 0.875% 28/10/2029	4,110	0.95
3,000,000	Vicinity Centres 3.375% 07/04/2026	2,783	0.65
4,100,000	Virgin Money UK 4% 03/09/2027	3,695	0.86
5,400,000	Virgin Money UK 5.125% 11/12/2030	4,985	1.16
2,000,000	Virgin Money UK 9.25% Perpetual	1,934	0.45
3,830,000	Vodafone 3% 12/08/2056	2,209	0.51
2,700,000	Vodafone 5.125% 02/12/2052	2,343	0.54
2,100,000	Wales & West Utilities Finance 3% 03/08/2038	1,525	0.35
5,800,000	Whitbread 3% 31/05/2031	4,520	1.05
5,900,000	Yorkshire Building Society 1.5% 15/09/2029	4,569	1.06
1,900,000	Yorkshire Building Society 3.5% 21/04/2026	1,773	0.41
1,200,000	Yorkshire Building Society 3.511% 11/10/2030	1,007	0.23
2,800,000	Yorkshire Water Finance 1.75% 27/10/2032	1,968	0.46
1,250,000	Yorkshire Water Finance 3.625% 01/08/2029	1,096	0.25
2,400,000	Zurich Finance (Ireland) DAC 5.125% 23/11/2052	2,139	0.50
		364,691	84.49
Government Bonds 6.25% (31 July 2022 2.58%)			
3,800,000	Asian Infrastructure Investment Bank 0.2% 15/12/2025	3,344	0.78
19,000,000	United Kingdom Gilt 0.875% 31/07/2033	13,781	3.19
18,900,000	United Kingdom Gilt 1.5% 31/07/2053	9,835	2.28
		26,960	6.25
Portfolio of investments		423,470	98.11
Net other assets		8,168	1.89
Total net assets attributable to shareholders		431,638	100.00

The comparative percentage figures in brackets are at 31 July 2022.

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 2023

	Note	£'000	2023 £'000	£'000	2022 £'000
Income					
Net capital losses	2		(51,633)		(77,640)
Revenue	3	16,150		15,693	
Expenses	4	(2,097)		(2,628)	
Interest payable & similar charges		-		(1)	
Net revenue before taxation		14,053		13,064	
Taxation	5	-		-	
Net revenue after taxation			14,053		13,064
Total return before distributions			(37,580)		(64,576)
Distributions	6		(14,053)		(13,064)
Change in net assets attributable to shareholders from investment activities			(51,633)		(77,640)

Statement of Change in Net Assets Attributable to Shareholders for the year ended 31 July 2023

	£'000	2023 £'000	£'000	2022 £'000
Opening net assets attributable to shareholders		481,459		556,481
Amounts receivable on issue of shares	107,477		176,064	
Amounts payable on cancellation of shares	(115,102)		(181,741)	
		(7,625)		(5,677)
Dilution adjustment		78		252
Change in net assets attributable to shareholders from investment activities		(51,633)		(77,640)
Retained distribution on accumulation shares		9,359		8,043
Closing net assets attributable to shareholders		431,638		481,459

Aegon Ethical Corporate Bond Fund

Balance Sheet as at 31 July 2023

	Note	£'000	2023 £'000	£'000	2022 £'000
Assets					
Fixed assets:					
Investments			423,470		473,771
Current assets:					
Debtors	7	8,611		7,279	
Cash and bank balances	8	<u>2,176</u>		<u>2,661</u>	
			<u>10,787</u>		<u>9,940</u>
Total assets			434,257		483,711
Liabilities					
Creditors					
Distributions payable		1,180		1,101	
Other creditors	9	<u>1,439</u>		<u>1,151</u>	
Total liabilities			<u>2,619</u>		<u>2,252</u>
Net assets attributable to shareholders			431,638		481,459

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 losses

Net capital losses

	2023	2022
	£'000	£'000
Losses on non-derivative securities	(51,633)	(77,640)
Net capital losses	(51,633)	(77,640)

3 Revenue

	2023	2022
	£'000	£'000
Interest on debt securities	15,958	15,646
Bank interest	192	47
Total revenue	16,150	15,693

4 Expenses*

	2023	2022
	£'000	£'000
Payable to the ACD, associates of the ACD and agents of either of them:		
ACD's periodic charge	2,010	2,486
Payable to the Depositary, associates of the Depositary and agents of either of them:		
Depositary fee	58	75
Other expenses:		
Audit fee**	13	13
FT publishing fee	3	3
PRIPs fees	3	3
Registrar's fee	(10)	25
Safe custody charge	20	23
	29	67
Total expenses	2,097	2,628

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

**The audit fee (excluding VAT) incurred during the year was £10,952 (2022: £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 (2022: lower than) the standard rate of corporation tax for Open Ended Investment Companies 'OEICs' (20%).

The differences are explained below:

	2023	2022
	£'000	£'000
Net revenue before taxation	14,053	13,064
Corporation tax 20% (2022: 20%)	2,811	2,613
Effects of:		
Tax deductible interest distributions	(2,811)	(2,613)
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:

	2023	2022
	£'000	£'000
Interim distributions	10,401	9,855
Final distribution	3,651	3,196
	14,052	13,051
Add: amounts deductible on cancellation of shares	422	479
Less: amounts receivable on creation of shares	(421)	(466)
Distributions	14,053	13,064

Details of the distributions are set out in the tables on page 166.

7 Debtors

	2023	2022
	£'000	£'000
Accrued revenue	5,616	6,095
Amounts receivable for the issue of shares	2,995	1,184
Debtors	8,611	7,279

8 Cash and bank balances

	2023	2022
	£'000	£'000
Cash and bank balances	2,176	2,661
Cash and bank balances	2,176	2,661

9 Other creditors

	2023	2022
	£'000	£'000
Accrued ACD periodic charge	323	366
Accrued other expenses	33	68
Amounts payable for cancellation of shares	1,083	717
Other creditors	1,439	1,151

10 Related parties

Related party interests in the sub-fund are disclosed in Note 5 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 14.02% (2022: 14.44%) 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 2023 (2022: £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

	2023		2022	
	Market value £'000	Value of investments %	Market value £'000	Value of investments %
Investment grade	346,179	80.20	396,766	82.40
Below investment grade	22,265	5.16	33,856	7.04
Unrated	55,026	12.75	43,149	8.96
Portfolio of investments	423,470	98.11	473,771	98.40
Net other assets	8,168	1.89	7,688	1.60
Total net assets attributable to shareholders	431,638	100.00	481,459	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.

Aegon Ethical Corporate Bond 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 (2022: same). As at the balance sheet date, the sub-fund's value at risk is 4.03% (2022: 2.92%).

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

	Lowest Utilisation (%)	Highest Utilisation (%)	Average Utilisation (%)
31 July 2023	2.85	5.29	3.94
31 July 2022	1.97	2.93	2.27

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 2023					
Debt securities	89,901	-	-	-	-
Total	89,901	-	-	-	-
Total purchases including transaction costs	89,901				
31 July 2022					
Debt securities	147,380	-	-	-	-
Total	147,380	-	-	-	-
Total purchases including transaction costs	147,380				

Sales

	Value £'000	Commissions £'000		Other Costs* £'000	%
31 July 2023					
Debt securities	85,784	-	-	-	-
Corporate actions	1,546	-	-	-	-
Total	87,330	-	-	-	-
Total sales net of transaction costs	87,330				
31 July 2022					
Debt securities	112,014	-	-	-	-
Corporate actions	1,650	-	-	-	-
Total	113,664	-	-	-	-
Total sales net of transaction costs	113,664				

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

The purchases and sales are not subject to portfolio transaction costs.

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 0.76% (2022: 0.78%), being the difference between the respective bid and offer prices for the sub-fund's investments.

Aegon Ethical Corporate Bond 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	2023		2022	
	Assets £'000	Liabilities £'000	Assets £'000	Liabilities £'000
1 - Unadjusted quoted prices	23,616	-	8,873	-
2 - Observable market data	399,854	-	464,898	-
3 - Unobservable data	-	-	-	-
	423,470	-	473,771	-

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 pages 155 and 156. The distribution per share class is given in the distribution tables on page 166. All share classes have the same rights on winding up.

Share class movement reconciliation

31 July 2023	Opening	Creations	Cancellations	Converted	Closing
B Accumulation	162,394,688	42,058,692	(41,002,761)	(28,050)	163,422,569
B Income	174,742,238	37,262,896	(47,271,047)	58,932	164,793,019

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 16 November 2023 and the percentage movement in that period. The net asset values per share were reviewed again on 23 November 2023 with no material movements noted since 16 November.

Net assets per share

	31 July 2023	16 November 2023	% Movement
B Accumulation	179.26	184.98	3.19
B Income	84.16	86.08	2.28

Aegon Ethical Corporate Bond Fund

Distribution Tables

Share Class B Accumulation

Period end	Pay date		Net Revenue	Equalisation*	Total Payable	2021/22 Total Paid
31/10/22	31/12/22	Group 1	1.3730	N/A	1.3730	1.2174
		Group 2	0.6493	0.7237		
31/01/23	31/03/23	Group 1	1.3793	N/A	1.3793	1.1902
		Group 2	0.7140	0.6653		
30/04/23	30/06/23	Group 1	1.4171	N/A	1.4171	1.2229
		Group 2	0.7159	0.7012		
31/07/23	30/09/23	Group 1	1.5119	N/A	1.5119	1.2904
		Group 2	0.6775	0.8344		

Share Class B Income

Period end	Pay date		Net Revenue	Equalisation*	Total Payable	2021/22 Total Paid
31/10/22	31/12/22	Group 1	0.6653	N/A	0.6653	0.6044
		Group 2	0.3500	0.3153		
31/01/23	31/03/23	Group 1	0.6633	N/A	0.6633	0.5876
		Group 2	0.4191	0.2442		
30/04/23	30/06/23	Group 1	0.6763	N/A	0.6763	0.6004
		Group 2	0.3570	0.3193		
31/07/23	30/09/23	Group 1	0.7160	N/A	0.7160	0.6296
		Group 2	0.2860	0.4300		

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 (0.76)% (B Accumulation share class, net of fees) compared to the peer group median return of 4.63%. The peer group is the Investment Association UK All Companies sector.

Strategy review**

Over the 12-month period inflation and central bank rhetoric remained key drivers of market volatility with the UK seeing higher inflation and steeper rate rises than most other developed economies. Volatility was exacerbated in September, when the then UK government announced a 'mini-budget', which was not well received by markets or sterling, with the latter moving to an all-time low against the US dollar. However, the subsequent reversal of the government's fiscal package boosted sentiment and UK equities recovered to be one of the best performing regions in 2022.

The picture was different over the second half of the period, however, with UK equities struggling for momentum in 2023. Market composition was a factor; technology makes up a tiny proportion of UK indices, so the artificial intelligence-led global tech rally largely bypassed the UK. In contrast, energy and basic materials, which the UK is heavily influenced by, lost ground.

Another notable factor over the year was the divergence between the large-cap, internationally focused FTSE 100 and the mid-cap FTSE 250, which is a better gauge of domestic UK companies. In 2022, the former registered its largest outperformance versus the latter over a calendar year since the early 1980s. Whilst that divergence has not been as extreme in 2023, the FTSE 100 has again been well ahead of the FTSE 250.

The sub-fund's underperformance over the year reflected a challenging market environment for active stock pickers, with the median stock in the FTSE All-Share materially underperforming the index, which was held up by the outperformance of its largest constituents. Most of these index heavyweights are energy companies, miners or big banks and therefore do not pass our ethical screening, which proved to be detrimental to the fund over the period.

Due to the aforementioned ethical criteria and our preference to search for ideas in less researched areas of the market, the sub-fund has a bias towards small and mid-cap names, as well as growth stocks (companies whose stock prices are predominantly based on expected increases in future revenues and earnings). This was a key driver of the sub-fund's underperformance over the year as growth stocks suffered a sharp sell-off in 2022 and small and mid-caps lagged large-caps for the duration of the year. This was most prominent over the first half of the year, when defensive sectors generally outperformed more cyclical areas of the market.

Notwithstanding the above, performance did improve in the second half of the year, aided by a slightly more favourable backdrop as growth stocks staged something of a recovery and commodity prices rolled over, dragging down energy and materials stocks, where the sub-fund has little exposure.

In addition to the tough market backdrop, stock selection was also weak over the year and the sub-fund suffered from sharp falls in some of its holdings, as their operational performance deteriorated, causing forecasts to be downgraded.

Unsurprisingly given its rally since the start of 2023, our overweight exposure to technology was the biggest winner on a sectoral level, followed by industrials which experienced a strong start to 2023. In contrast, telecommunications and real estate lagged, particularly in the second half of the year, and holding overweight positions in these areas detracted from performance. Our large underweight exposure to energy also detracted; due to the sub-fund's ethical criteria, we are unable to hold oil & gas names.

We believe that the sub-fund provides value by offering investors a portfolio of companies with strict ethical screening, thus ensuring they do not have exposure to companies with significant negative impacts on the environment or society. This is a key consideration for investors in ethical funds.

*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 2023	Top ten sales	31 July 2023
	£'000		£'000
Experian	15,515	Aveva	8,893
National Grid	9,891	Ferguson	8,628
DiscoverIE	3,867	Marlowe	6,368
Bytes Technology	3,299	Softcat	5,560
London Stock Exchange	3,231	RELX	5,536
Craneware	3,165	Countryside Properties	5,021
Howden Joinery	2,983	Diploma	5,001
JTC	2,178	Spectris	4,937
Volution	1,837	Prudential	4,002
Foresight	1,588	Legal & General	3,418

Aegon Ethical Equity Fund

Comparative Tables

A Accumulation shares**	2021 (p/share)
Change in net assets per share	
Opening net asset value per share	184.19
Return before operating charges*	53.43
Operating charges	(2.92)
Return after operating charges*	50.51
Distributions	-
Retained distributions on accumulation shares	-
Redemption value	(234.70)
Closing net asset value per share	-
 *after direct transaction costs of	 0.15
Performance	
Return after charges	27.42%
Other information	
Closing net asset value (£'000)	-
Closing number of shares	-
Operating charges	-
Direct transaction costs	-
Prices	
Highest share price	236.96
Lowest share price	184.16

B Accumulation shares	2023 (p/share)	2022 (p/share)	2021 (p/share)
Change in net assets per share			
Opening net asset value per share	241.23	286.62	215.18
Return before operating charges*	(0.75)	(43.34)	73.38
Operating charges	(1.78)	(2.05)	(1.94)
Return after operating charges*	(2.53)	(45.39)	71.44
Distributions	(5.33)	(3.75)	(2.71)
Retained distributions on accumulation shares	5.33	3.75	2.71
Closing net asset value per share	238.70	241.23	286.62
 *after direct transaction costs of	 0.14	 0.21	 0.17
Performance			
Return after charges	(1.05)%	(15.84)%	33.20%
Other information			
Closing net asset value (£'000)	429,275	493,035	590,590
Closing number of shares	179,836,927	204,382,102	206,050,692
Operating charges	0.77%	0.77%	0.77%
Direct transaction costs	0.06%	0.08%	0.07%
Prices			
Highest share price	249.80	305.26	286.33
Lowest share price	204.61	216.80	215.38

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.

**Share class closed on 30 June 2021.

Aegon Ethical Equity Fund

Comparative Tables (continued)

B Income shares	2023	2022	2021
	(p/share)	(p/share)	(p/share)
Change in net assets per share			
Opening net asset value per share	160.04	193.16	146.40
Return before operating charges*	(0.51)	(29.20)	49.92
Operating charges	(1.18)	(1.39)	(1.32)
Return after operating charges*	(1.69)	(30.59)	48.60
Distributions	(3.53)	(2.53)	(1.84)
Retained distributions on accumulation shares	-	-	-
Closing net asset value per share	154.82	160.04	193.16
*after direct transaction costs of	0.09	0.15	0.12
Performance			
Return after charges	(1.06)%	(15.84)%	33.20%
Other information			
Closing net asset value (£'000)	30,826	38,518	56,143
Closing number of shares	19,910,439	24,068,356	29,064,844
Operating charges	0.77%	0.77%	0.77%
Direct transaction costs	0.06%	0.08%	0.07%
Prices			
Highest share price	165.72	205.72	194.81
Lowest share price	135.74	146.11	146.53

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 2023

Holding	Investment	Market valuation	
		£'000	%
Equities 98.77% (31 July 2022 95.73%)			
Basic Materials 1.11% (31 July 2022 1.21%)			
332,470	Victrex	5,130	1.11
		5,130	1.11
Consumer Discretionary 20.81% (31 July 2022 18.38%)			
103,947	4imprint	4,605	1.00
402,637	Bellway	8,914	1.94
827,000	Dunelm	9,502	2.07
1,200,000	Howden Joinery	8,842	1.92
1,898,207	Informa	14,388	3.13
884,076	RELX	23,154	5.03
801,744	Team17	2,526	0.55
1,382,193	Watches of Switzerland	10,408	2.26
383,000	Whitbread	13,397	2.91
		95,736	20.81
Energy 0.00% (31 July 2022 0.40%)			
Financials 23.79% (31 July 2022 22.72%)			
1,059,590	Conduit	5,139	1.12
1,078,307	Foresight	5,165	1.12
184,304	Hargreaves Lansdown	1,569	0.34
1,573,731	Impax Environmental Markets	6,555	1.42
455,463	Intermediate Capital	6,397	1.39
1,494,452	JTC	10,752	2.34
4,880,838	Just	4,012	0.87
4,530,142	Legal & General	10,569	2.30
247,000	London Stock Exchange	20,896	4.54
4,397,197	NatWest	10,738	2.33
1,317,139	Paragon Banking	6,948	1.51
1,634,371	Phoenix	8,989	1.95
807,862	Prudential	8,741	1.90
657,088	Schroders	3,017	0.66
		109,487	23.79
Health Care 1.71% (31 July 2022 1.60%)			
392,435	Craneware	5,357	1.17
946,517	Oxford Nanopore Technologies	2,495	0.54
		7,852	1.71
Industrials 25.20% (31 July 2022 24.31%)			
206,667	Ashtead	11,904	2.59
186,825	Clarkson	5,203	1.13
533,835	Diploma	17,275	3.75
2,729,509	DS Smith	8,448	1.84
514,300	Experian	15,470	3.36
477,543	FDM	2,603	0.57
73,082	Ferguson	9,135	1.99
1,854,964	Genuit	5,797	1.26
855,000	Grafton	7,488	1.63
538,218	Oxford Instruments	12,890	2.80
777,293	Robert Walters	3,195	0.69
785,426	Smart Metering Systems	5,467	1.19
710,400	TMO Renewables*	-	-
2,754,000	Volusion	11,054	2.40
		115,929	25.20

Aegon Ethical Equity Fund

Portfolio Statement (continued)

Holding	Investment	Market valuation	Total net assets
		£'000	%
Real Estate 6.25% (31 July 2022 6.35%)			
252,606	Derwent London REIT**	5,340	1.16
3,175,000	Grainger	7,988	1.74
4,051,116	LXI REIT**	3,853	0.84
1,188,910	Unite REIT**	11,568	2.51
		28,749	6.25
Technology 11.70% (31 July 2022 15.06%)			
3,085,936	Ascential	6,450	1.40
1,350,282	Auto Trader	8,720	1.90
3,418,270	Baltic Classifieds	6,761	1.47
651,865	Bytes Technology	3,361	0.73
500,000	DiscoverIE	4,000	0.87
2,200,463	GB Group	5,519	1.20
2,653,600	Kin & Carta	1,791	0.39
940,000	Sage	8,802	1.91
434,165	Softcat	6,508	1.41
2,178,394	Trustpilot	1,907	0.42
		53,819	11.70
Telecommunications 2.22% (31 July 2022 2.16%)			
3,250,000	BT	3,963	0.86
564,011	Gamma Communications	6,238	1.36
		10,201	2.22
Utilities 5.98% (31 July 2022 3.54%)			
929,986	National Grid	9,588	2.08
1,065,146	SSE	17,948	3.90
		27,536	5.98
Portfolio of investments		454,439	98.77
Net other assets		5,662	1.23
Total net assets attributable to shareholders		460,101	100.00

The comparative percentage figures in brackets are at 31 July 2022.

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 178).

**Real Estate Investment Trust.

Aegon Ethical Equity Fund

Statement of Total Return for the year ended 31 July 2023

	Note	£'000	2023 £'000	£'000	2022 £'000
Income					
Net capital losses	2		(18,003)		(111,937)
Revenue	3	14,738		13,067	
Expenses	4	(3,715)		(4,625)	
Interest payable and similar charges		(1)		(1)	
Net revenue before taxation		11,022		8,441	
Taxation	5	-		-	
Net revenue after taxation			11,022		8,441
Total return before distributions			(6,981)		(103,496)
Distributions	6		(11,022)		(8,441)
Change in net assets attributable to shareholders from investment activities			(18,003)		(111,937)

Statement of Change in Net Assets Attributable to Shareholders for the year ended 31 July 2023

	£'000	2023 £'000	£'000	2022 £'000
Opening net assets attributable to shareholders		531,553		646,733
Amounts receivable on issue of shares	42,384		97,756	
Amounts payable on cancellation of shares	(105,427)		(108,667)	
		(63,043)		(10,911)
Dilution adjustment		12		-
Change in net assets attributable to shareholders from investment activities		(18,003)		(111,937)
Retained distribution on accumulation shares		9,582		7,668
Closing net assets attributable to shareholders		460,101		531,553

Aegon Ethical Equity Fund

Balance Sheet as at 31 July 2023

	Note	£'000	2023 £'000	£'000	2022 £'000
Assets					
Fixed assets:					
Investments			454,439		508,849
Current assets:					
Debtors	7	1,950		2,015	
Cash and bank balances	8	8,205		22,943	
			10,155		24,958
Total assets			464,594		533,807
Liabilities					
Creditors					
Distributions payable		704		609	
Other creditors	9	3,789		1,645	
Total liabilities			4,493		2,254
Net assets attributable to shareholders			460,101		531,553

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 losses

Net capital losses comprise:

	2023	2022
	£'000	£'000
Losses on non-derivative securities	(17,997)	(111,946)
Currency exchange (losses)/gains	(5)	12
Transaction charges	(1)	(3)
Net capital losses	(18,003)	(111,937)

3 Revenue

	2023	2022
	£'000	£'000
UK dividends	12,759	11,726
Non-taxable overseas dividends	739	660
Property income from REITs	791	580
Bank interest	449	101
Total revenue	14,738	13,067

4 Expenses*

	2023	2022
	£'000	£'000
Payable to the ACD, associates of the ACD and agents of either of them:		
ACD's periodic charge	3,614	4,488
Payable to the Depositary, associates of the Depositary and agents of either of them:		
Depositary fee	68	86
Other expenses:		
Audit fee**	11	12
FT publishing fee	3	3
PRIPs fees	3	3
Registrar's fee	4	18
Safe custody charge	12	15
	33	51
Total expenses	3,715	4,625

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

**The audit fee (excluding VAT) incurred during the year was £9,732 (2022: £9,732).

5 Taxation

a) Analysis of charge in the year

	2023	2022
	£'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 (2022: lower than) the standard rate of corporation tax for Open Ended Investment Companies 'OEICs' (20%).

The differences are explained below:

	2023	2022
	£'000	£'000
Net revenue before taxation	11,022	8,441
Corporation tax 20% (2022: 20%)	2,204	1,688
Effects of:		
Movement in excess expenses	494	789
Revenue not subject to taxation	(2,698)	(2,477)
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 £63,234,000 (2022: £60,765,000). 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 £12,647,000 (2022: £12,153,000) 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:

	2023	2022
	£'000	£'000
Final distribution	10,286	8,277
	10,286	8,277
Add: amounts deductible on cancellation of shares	1,161	752
Less: amounts receivable on creation of shares	(425)	(588)
Distributions	11,022	8,441

Details of the distributions are set out in the tables on page 179.

7 Debtors

	2023	2022
	£'000	£'000
Accrued revenue	1,543	1,163
Amounts receivable for the issue of shares	407	499
Sales awaiting settlement	-	353
Debtors	1,950	2,015

8 Cash and bank balances

	2023	2022
	£'000	£'000
Cash and bank balances	15	22,943
Money market deposits	8,190	-
Cash and bank balances	8,205	22,943

9 Other creditors

	2023	2022
	£'000	£'000
Accrued ACD periodic charge	578	635
Accrued other expenses	26	47
Amounts payable for cancellation of shares	3,185	897
Purchases awaiting settlement	-	66
Other creditors	3,789	1,645

Aegon Ethical Equity Fund

Notes to the Financial Statements (continued)

10 Related parties

Related party interests in the sub-fund are disclosed in Note 5 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 15.21% (2022: 14.28%) 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 2023 (2022: £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 (2022: same). As at the balance sheet date, the sub-fund's value at risk is 7.97% (2022: 8.18%).

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

	Lowest Utilisation (%)	Highest Utilisation (%)	Average Utilisation (%)
31 July 2023	7.67	8.54	8.12
31 July 2022	5.62	8.22	6.76

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 2023	Value £'000	Commissions £'000	%	Other Costs* £'000	%
Equities	61,927	47	0.08	181	0.29
Total	61,927	47		181	
Total purchases including transaction costs	62,155				
31 July 2022					
Equities	107,016	67	0.06	312	0.29
Total	107,016	67		312	
Total purchases including transaction costs	107,395				

Sales

31 July 2023	Value £'000	Commissions £'000	%	Other Costs* £'000	%
Equities	80,295	(64)	0.08	-	-
Corporate actions	18,338	-	-	-	-
Total	98,633	(64)		-	
Total sales net of transaction costs	98,569				
31 July 2022					
Equities	130,071	(103)	0.08	-	-
Corporate actions	2,579	-	-	-	-
Total	132,650	(103)		-	
Total sales net of transaction costs	132,547				

*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 0.14% (2022: 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	2023		2022	
	Assets £'000	Liabilities £'000	Assets £'000	Liabilities £'000
1 - Unadjusted quoted prices	454,439	-	508,849	-
2 - Observable market data	-	-	-	-
3 - Unobservable data*	-	-	-	-
	454,439	-	508,849	-

*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 pages 169 and 170. The distribution per share class is given in the distribution tables on page 179. All share classes have the same rights on winding up.

Share class movement reconciliation

31 July 2023	Opening	Creations	Cancellations	Converted	Closing
B Accumulation	204,382,102	17,067,174	(41,600,267)	(12,082)	179,836,927
B Income	24,068,356	2,227,110	(6,403,237)	18,210	19,910,439

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 16 November 2023 and the percentage movement in that period. The net asset values per share were reviewed again on 23 November 2023 with no material movements noted since 16 November.

Net assets per share

	31 July 2023	16 November 2023	% Movement
B Accumulation	238.70	236.63	(0.87)
B Income	154.82	153.48	(0.87)

Aegon Ethical Equity Fund

Distribution Tables

Share Class B Accumulation

Period end	Pay date		Net Revenue	Equalisation*	Total Payable	2022 Total Paid
31/07/23	30/11/23	Group 1	5.3279	N/A	5.3279	3.7519
		Group 2	3.0366	2.2913		

Share Class B Income

Period end	Pay date		Net Revenue	Equalisation*	Total Payable	2022 Total Paid
31/07/23	30/11/23	Group 1	3.5346	N/A	3.5346	2.5286
		Group 2	1.9947	1.5399		

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 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 (3.50)% compared to the peer group median return of 0.29%. The peer group is the Investment Association Mixed Investment 20-60% Shares sector.

Strategy review**

Inflation and central bank rhetoric remained key drivers of market volatility. Among the more prominent macro events in the UK over the period took place in September, when the UK government announced a 'mini-budget', which was not well received by markets or sterling, with the latter moving to an all-time low against the US dollar. However, the subsequent reversal of the government's fiscal package - and confirmation of the new administration's commitment to a more conservative budget - helped to bolster market sentiment.

While the market remained relatively positive up to the end of 2022, it was clear that the future path of inflation - and therefore interest rates - was the dominant concern among investors. Throughout the remainder of the period sentiment towards this issue swung from expectations of a slowdown in the rate of interest rate hikes - which boosted markets - to concerns that inflation remained 'sticky', with central banks retaining a hawkish stance as a result. In fact, stronger-than-expected inflation towards the end of the period resulted in the Bank of England hiking rates by 0.5% in June alone, which hurt interest rate sensitive sectors and mid-cap stocks. Overall, the UK market made gains despite the turbulent conditions. However, while the FTSE All-Share increased, the mid-cap sector actually posted a negative return over the year.

Given the inflationary backdrop, fixed income markets were also very volatile, with core government bonds coming under significant pressure. Investment grade bonds also struggled initially although they rallied somewhat as we moved into 2023 and increased over the year as a whole. High yield bonds, however, were the strongest performers, buoyed mainly by robust corporate earnings.

In terms of asset allocation, the sub-fund retained a small overweight position in equities throughout the year with a corresponding underweight in fixed income. This position worked well for the sub-fund although we did reduce our exposure to equities during the second half of the year.

With the sub-fund's equity portfolio, our preference was to search for ideas in less researched areas of the market, which resulted in the sub-fund having a bias towards small and mid-cap names, as well as growth stocks (companies whose stock prices are predominantly based on expected increases in future revenues and earnings). This was a key driver of underperformance over the year, as growth stocks suffered a sharp sell-off in 2022 and small and mid-caps lagged large-caps. This was most prominent over the first half of the year, when defensive sectors generally outperformed more cyclical areas of the market. Notwithstanding the above, performance did improve in the second half of the year, aided by a slightly more favourable backdrop as growth stocks staged something of a recovery and commodity prices rolled over, dragging down energy and materials stocks, where the sub-fund has little exposure.

In addition to the tough market backdrop, stock selection was also weak over the year and the sub-fund suffered from sharp falls in some of its holdings, as their operational performance deteriorated, causing forecasts to be downgraded.

The sub-fund's fixed income portfolio struggled at the beginning of the year, due partly to weakness in financial bonds. The sub-fund's exposure to Housing Association bonds - which are typically long-dated in nature - was also detrimental given the aggressive sell-off in duration (a measure of interest rate risk) we saw at this point. UK political volatility also had an impact on performance although as these concerns dissipated, we increased duration through the purchase of green UK government bonds. This left the sub-fund well positioned to benefit from the improvement in market sentiment which carried through into the first few months of 2023.

Towards the end of the year, however, the sheer persistence of elevated UK inflation data - as well as growing concern over the seemingly slow reaction function of the Bank of England - put pressure on UK corporate bonds. As a result, the sub-fund's modestly long duration position, and its exposure to UK-domiciled financial bonds, detracted from performance. The weakness in REIT paper - exacerbated by thin trading and volatility in rates markets - also weighed on sub-fund performance.

*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 index or indices.

Aegon Ethical Cautious Managed Fund

Material portfolio changes

Top ten purchases	31 July 2023	Top ten sales	31 July 2023
	£'000		£'000
International Bank for Reconstruction & Development 1% 21/12/2029	5,217	Network Rail Infrastructure Finance 3% 07/09/2023	6,278
KFW 5% 09/06/2036	4,557	Transport for London 2.125% 24/04/2025	5,845
Experian	4,332	Ferguson	3,794
National Grid	2,466	International Bank for Reconstruction & Development 1% 19/12/2022	3,700
Intesa Sanpaolo 6.5% 14/03/2029	1,645	RELX	3,177
Pacific Life Global Funding II 5% 01/12/2028	1,395	Aveva	3,168
Land Securities Capital Markets 4.875% 15/09/2032	1,387	Diploma	2,553
British Telecommunications 5.75% 13/02/2041	1,348	Softcat	2,300
DiscoverIE	1,199	Prudential	1,976
Nationwide Building Society 6.178% 12/07/2027	1,104	Marlowe	1,868

Aegon Ethical Cautious Managed Fund

Comparative Tables

A Accumulation shares**	2021 (p/share)
Change in net assets per share	
Opening net asset value per share	183.03
Return before operating charges*	29.93
Operating charges	(2.30)
Return after operating charges*	27.63
Distributions	(1.41)
Retained distributions on accumulation shares	1.41
Redemption value	(210.66)
Closing net asset value per share	-
 *after direct transaction costs of	 0.07
Performance	
Return after charges	15.10%
Other information	
Closing net asset value (£'000)	-
Closing number of shares	-
Operating charges	-
Direct transaction costs	-
Prices	
Highest share price	211.30
Lowest share price	182.68

A Income shares***	2021 (p/share)
Change in net assets per share	
Opening net asset value per share	140.74
Return before operating charges*	13.33
Operating charges	(0.61)
Return after operating charges*	12.72
Distributions	(0.73)
Retained distributions on accumulation shares	-
Redemption value	(152.73)
Closing net asset value per share	-
 *after direct transaction costs of	 0.05
Performance	
Return after charges	9.04%
Other information	
Closing net asset value (£'000)	-
Closing number of shares	-
Operating charges	-
Direct transaction costs	-
Prices	
Highest share price	155.18
Lowest share price	140.24

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.

**Share class closed on 30 June 2021.

***Share class closed on 25 March 2021.

Aegon Ethical Cautious Managed Fund

Comparative Tables (continued)

B Accumulation shares	2023	2022	2021
	(p/share)	(p/share)	(p/share)
Change in net assets per share			
Opening net asset value per share	139.75	161.94	136.50
Return before operating charges*	(4.15)	(21.01)	26.59
Operating charges	(1.02)	(1.18)	(1.15)
Return after operating charges*	(5.17)	(22.19)	25.44
Distributions	(3.07)	(2.42)	(2.06)
Retained distributions on accumulation shares	3.07	2.42	2.06
Closing net asset value per share	134.58	139.75	161.94
*after direct transaction costs of	0.04	0.05	0.05
Performance			
Return after charges	(3.70)%	(13.70)%	18.64%
Other information			
Closing net asset value (£'000)	207,427	271,626	336,075
Closing number of shares	154,126,707	194,361,186	207,533,350
Operating charges	0.77%	0.78%	0.78%
Direct transaction costs	0.03%	0.04%	0.04%
Prices			
Highest share price	140.76	168.03	161.96
Lowest share price	119.13	130.01	136.32

B Income shares	2023	2022	2021
	(p/share)	(p/share)	(p/share)
Change in net assets per share			
Opening net asset value per share	117.55	138.46	118.31
Return before operating charges*	(3.52)	(17.84)	22.93
Operating charges	(0.85)	(1.01)	(1.00)
Return after operating charges*	(4.37)	(18.85)	21.93
Distributions	(2.56)	(2.06)	(1.78)
Retained distributions on accumulation shares	-	-	-
Closing net asset value per share	110.62	117.55	138.46
*after direct transaction costs of	0.03	0.05	0.05
Performance			
Return after charges	(3.72)%	(13.61)%	18.54%
Other information			
Closing net asset value (£'000)	22,445	40,278	51,868
Closing number of shares	20,289,694	34,264,168	37,461,030
Operating charges	0.77%	0.78%	0.78%
Direct transaction costs	0.03%	0.04%	0.04%
Prices			
Highest share price	117.98	143.67	138.62
Lowest share price	100.21	109.78	117.94

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 2023

Holding	Investment	Market valuation	Total net assets
		£'000	%
Sterling Denominated Bonds 44.12% (31 July 2022 38.64%)			
Asset Backed Security 3.39% (31 July 2022 3.40%)			
1,700,000	Arqiva Financing 4.882% 31/12/2032	987	0.43
152,000	Dignity Finance 3.5456% 31/12/2034	86	0.04
1,350,000	Greater Gabbard 4.137% 29/11/2032	833	0.36
1,500,000	High Speed Rail Finance No.1 4.375% 01/11/2038	1,306	0.57
1,800,000	Quadrant Housing Finance 7.93% 10/02/2033	1,521	0.66
500,000	TC Dudgeon Ofto 3.158% 12/11/2038	366	0.16
1,500,000	Telereal Secured Finance 4.01% 10/12/2031	753	0.33
800,000	Telereal Securitisation 4.9741% 10/09/2027	325	0.14
160,000	Telereal Securitisation 6.1645% 10/12/2031	132	0.06
700,000	Trafford Centre Finance 6.5% 28/07/2033	438	0.19
720,000	Trafford Centre Finance 7.03% 28/01/2029	228	0.10
1,300,000	Wods Transmission 3.446% 24/08/2034	820	0.35
		7,795	3.39
Corporate Bonds 40.73% (31 July 2022 35.24%)			
1,100,000	ABP Finance 6.25% 14/12/2026	1,091	0.47
1,600,000	Anchor Hanover 2% 21/07/2051	841	0.37
1,500,000	Anglian Water Osprey Financing 2% 31/07/2028	1,127	0.49
700,000	APA Infrastructure 3.5% 22/03/2030	591	0.26
800,000	APA Infrastructure 4.25% 26/11/2024	778	0.34
1,600,000	Assura Financing 1.5% 15/09/2030	1,185	0.52
1,600,000	Aster Treasury 1.405% 27/01/2036	1,039	0.45
1,000,000	Bazalgette Finance 2.375% 29/11/2027	866	0.38
700,000	Beyond Housing 2.125% 17/05/2051	381	0.17
1,800,000	Blend Funding 3.459% 21/09/2047	1,322	0.58
1,700,000	BPCE 5.25% 16/04/2029	1,562	0.68
488,000	British Land REIT 5.357% 31/03/2028	463	0.20
1,400,000	British Telecommunications 5.75% 13/02/2041	1,317	0.57
1,200,000	Cadent Finance 2.625% 22/09/2038	789	0.34
1,500,000	CaixaBank 1.5% 03/12/2026	1,323	0.58
900,000	Clarion Funding 1.875% 22/01/2035	612	0.27
800,000	Close Brothers Finance 2.75% 19/10/2026	707	0.31
900,000	Cooperatieve Rabobank 5.25% 14/09/2027	858	0.37
900,000	Coventry Building Society 1.875% 24/10/2023	891	0.39
900,000	Coventry Building Society 2% 20/12/2030	678	0.29
800,000	CPUK Finance 6.5% 28/08/2026	765	0.33
1,300,000	Derwent London REIT 1.875% 17/11/2031	917	0.40
4,100,000	Deutsche Bahn Finance 3.125% 24/07/2026	3,848	1.67
656,000	Deutsche Telekom International Finance 7.625% 15/06/2030	738	0.32
300,000	Direct Line Insurance 4% 05/06/2032	219	0.10
1,400,000	DWR Cymru Financing UK 1.625% 31/03/2026	1,246	0.54
800,000	Electricity North West 8.875% 25/03/2026	853	0.37
2,000,000	EMH Treasury 4.5% 29/01/2044	1,734	0.75
100,000	Esure 6.75% 19/12/2024	99	0.04
500,000	Fiserv 3% 01/07/2031	409	0.18
1,200,000	Freshwater Finance 4.607% 17/10/2036	983	0.43
1,800,000	Hammerson 3.5% 27/10/2025	1,614	0.70
2,000,000	ING Groep 1.125% 07/12/2028	1,622	0.71
1,100,000	ING Groep 6.25% 20/05/2033	1,047	0.46
900,000	International Bank for Reconstruction & Development 0.25% 23/09/2027	740	0.32
6,400,000	International Bank for Reconstruction & Development 1% 21/12/2029	5,109	2.22
200,000	International Bank for Reconstruction & Development 5.75% 07/06/2032	216	0.09
1,650,000	Intesa Sanpaolo 6.5% 14/03/2029	1,588	0.69
1,100,000	KBC 1.25% 21/09/2027	944	0.41
200,000	KFW 4.875% 15/03/2037	203	0.09
4,200,000	KFW 5% 09/06/2036	4,345	1.89
1,300,000	KFW 6% 07/12/2028	1,364	0.59

Aegon Ethical Cautious Managed Fund

Portfolio Statement (continued)

Holding	Investment	Market valuation £'000	Total net assets %
Corporate Bonds (continued)			
1,800,000	Land Securities Capital Markets 1.974% 08/02/2024	1,759	0.77
1,400,000	Land Securities Capital Markets 4.875% 15/09/2032	1,342	0.58
1,000,000	Legal & General 5.5% 27/06/2064	929	0.40
1,300,000	Liberty Living Finance 3.375% 28/11/2029	1,080	0.47
1,700,000	Lloyds Banking 2.25% 16/10/2024	1,624	0.71
1,000,000	Lloyds Banking 8.5% Perpetual	954	0.41
812,000	Lunar Funding I 5.75% 18/10/2033	812	0.35
300,000	M&G 5.56% 20/07/2055	262	0.11
700,000	M&G 5.625% 20/10/2051	632	0.27
500,000	M&G 6.34% 19/12/2063	444	0.19
900,000	Martlet Homes 3% 09/05/2052	586	0.25
1,500,000	Metropolitan Housing Trust 1.875% 28/07/2036	974	0.42
600,000	Mobico 2.5% 11/11/2023	593	0.26
700,000	Motability Operations 3.625% 10/03/2036	591	0.26
600,000	Motability Operations 4.875% 17/01/2043	569	0.25
1,000,000	National Gas Transmission 1.375% 07/02/2031	723	0.31
1,100,000	Nationwide Building Society 6.178% 07/12/2027	1,087	0.47
800,000	NatWest 2.057% 09/11/2028	670	0.29
1,400,000	NatWest 2.875% 19/09/2026	1,291	0.56
600,000	NatWest 5.125% Perpetual	508	0.22
1,600,000	Nordea Bank 1.625% 09/12/2032	1,275	0.55
700,000	Northern Powergrid Northeast 1.875% 16/06/2062	327	0.14
400,000	Northern Powergrid Yorkshire 4.375% 05/07/2032	364	0.16
600,000	Northumbrian Water Finance 4.5% 14/02/2031	543	0.24
800,000	Omnicom Capital 2.25% 22/11/2033	586	0.26
700,000	Orsted 4.875% 12/01/2032	660	0.29
1,000,000	Orsted 5.75% 09/04/2040	999	0.43
1,400,000	Pacific Life Global Funding II 5% 12/01/2028	1,350	0.59
1,500,000	Paradigm Homes Charitable Housing Association 2.25% 20/05/2051	841	0.37
1,500,000	Paragon Treasury 2% 07/05/2036	980	0.43
500,000	Places for People Homes 2.5% 26/01/2036	346	0.15
800,000	Places for People Homes 3.625% 22/11/2028	711	0.31
600,000	Prologis International Funding II 2.75% 22/02/2032	477	0.21
1,400,000	RAC 4.87% 06/05/2026	1,279	0.56
1,000,000	Santander UK 3.625% 14/01/2026	930	0.40
800,000	Scottish Hydro Electric Transmission 2.25% 27/09/2035	566	0.25
300,000	Severn Trent Utilities Finance 2.625% 22/02/2033	231	0.10
900,000	Severn Trent Utilities Finance 3.625% 16/01/2026	849	0.37
1,100,000	Skipton Building Society 2% 02/10/2026	981	0.43
1,100,000	South Eastern Power Networks 1.75% 30/09/2034	756	0.33
800,000	Southern Gas Networks 2.5% 03/02/2025	760	0.33
900,000	Southern Gas Networks 4.875% 05/10/2023	898	0.39
2,000,000	Stagecoach 4% 29/09/2025	1,856	0.81
600,000	Thames Water Utilities Finance 3.5% 25/02/2028	527	0.23
1,000,000	THFC Funding No.3 5.2% 11/10/2043	939	0.41
600,000	UNITE USAF II 3.921% 30/06/2025	567	0.25
1,100,000	United Utilities Water Finance 0.875% 28/10/2029	822	0.36
600,000	Vodafone 5.125% 02/12/2052	521	0.23
500,000	Wales & West Utilities Finance 3% 03/08/2038	363	0.16
295,000	Wales & West Utilities Finance 4.625% 13/12/2023	293	0.13
600,000	Whitbread 3% 31/05/2031	468	0.20
1,600,000	Yorkshire Building Society 1.5% 15/09/2029	1,239	0.54
2,100,000	Yorkshire Building Society 3.5% 21/04/2026	1,960	0.85
1,400,000	Yorkshire Water Finance 2.75% 18/04/2041	901	0.39
		93,619	40.73
Equities 53.29% (31 July 2022 55.04%)			
Basic Materials 0.63% (31 July 2022 0.77%)			
94,580	Victrex	1,459	0.63
		1,459	0.63

Aegon Ethical Cautious Managed Fund

Portfolio Statement (continued)

Holding	Investment	Market valuation £'000	Total net assets %
Consumer Discretionary 11.32% (31 July 2022 10.31%)			
27,672	4imprint	1,226	0.53
118,983	Bellway	2,634	1.15
245,414	Dunelm	2,820	1.23
335,681	Howden Joinery	2,473	1.07
460,972	Informa	3,494	1.52
234,544	RELX	6,143	2.67
234,695	Team17	739	0.32
393,017	Watches of Switzerland	2,959	1.29
101,246	Whitbread	3,542	1.54
		26,030	11.32
Energy 0.00% (31 July 2022 0.24%)			
Financials 13.32% (31 July 2022 13.18%)			
303,009	Conduit	1,470	0.64
276,496	Foresight	1,324	0.58
63,927	Hargreaves Lansdown	544	0.24
324,843	Impax Environmental Markets	1,353	0.59
119,664	Intermediate Capital	1,681	0.73
373,754	JTC	2,689	1.17
1,172,023	Just	963	0.42
1,174,503	Legal & General	2,740	1.19
66,008	London Stock Exchange	5,584	2.43
1,197,115	NatWest	2,923	1.27
385,532	Paragon Banking	2,034	0.88
525,670	Phoenix	2,891	1.26
239,615	Prudential	2,593	1.13
189,395	Schroders	870	0.38
201,377	Tatton Asset Management	953	0.41
		30,612	13.32
Health Care 0.91% (31 July 2022 0.86%)			
95,014	Craneware	1,297	0.57
298,375	Oxford Nanopore Technologies	787	0.34
		2,084	0.91
Industrials 13.02% (31 July 2022 14.18%)			
56,399	Ashtead	3,249	1.41
43,694	Clarkson	1,217	0.53
136,822	Diploma	4,428	1.93
636,218	DS Smith	1,969	0.86
136,811	Experian	4,115	1.79
124,972	FDM	681	0.29
16,160	Ferguson	2,020	0.88
586,932	Genuit	1,834	0.80
254,817	Grafton	2,232	0.97
137,928	Oxford Instruments	3,303	1.44
209,109	Robert Walters	860	0.37
185,370	Smart Metering Systems	1,290	0.56
22,000	TMO Renewables* **	-	-
682,646	Volution	2,740	1.19
		29,938	13.02
Real Estate 3.45% (31 July 2022 3.73%)			
77,474	Derwent London REIT***	1,638	0.71
818,047	Grainger	2,058	0.90
998,942	LXI REIT***	950	0.41
338,750	Unite REIT***	3,296	1.43
		7,942	3.45

Aegon Ethical Cautious Managed Fund

Portfolio Statement (continued)

Holding	Investment	Market valuation	Total net assets
		£'000	%
	Technology 6.30% (31 July 2022 8.60%)		
901,925	Ascential	1,885	0.82
320,660	Auto Trader	2,071	0.90
767,528	Baltic Classifieds	1,518	0.66
171,544	Bytes Technology	884	0.38
145,000	DiscoverIE	1,160	0.50
530,238	GB Group	1,330	0.58
839,111	Kin & Carta	566	0.25
291,488	Sage	2,730	1.19
117,362	Softcat	1,759	0.77
659,590	Trustpilot	578	0.25
		14,481	6.30
	Telecommunications 1.31% (31 July 2022 1.24%)		
1,043,715	BT	1,273	0.55
157,076	Gamma Communications	1,737	0.76
		3,010	1.31
	Utilities 3.03% (31 July 2022 1.93%)		
218,481	National Grid	2,253	0.98
279,260	SSE	4,705	2.05
		6,958	3.03
	Portfolio of investments	223,928	97.41
	Net other assets	5,944	2.59
	Total net assets attributable to shareholders	229,872	100.00

Analysis of investments by asset class

	Market value	Value of investments
	£'000	%
Equities	122,514	53.29
Bonds	101,414	44.12
Portfolio of investments	223,928	97.41
Net other assets	5,944	2.59
Total net assets attributable to shareholders	229,872	100.00

The comparative percentage figures in brackets are at 31 July 2022.

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 193).

***Real Estate Investment Trust.

Aegon Ethical Cautious Managed Fund

Statement of Total Return for the year ended 31 July 2023

	Note	£'000	2023 £'000	£'000	2022 £'000
Income					
Net capital losses	2		(18,675)		(58,230)
Revenue	3	8,626		8,781	
Expenses	4	<u>(2,045)</u>		<u>(2,774)</u>	
Net revenue before taxation		6,581		6,007	
Taxation	5	<u>(473)</u>		<u>(330)</u>	
Net revenue after taxation			<u>6,108</u>		<u>5,677</u>
Total return before distributions			(12,567)		(52,553)
Distributions	6		<u>(6,108)</u>		<u>(5,677)</u>
Change in net assets attributable to shareholders from investment activities			(18,675)		(58,230)

Statement of Change in Net Assets Attributable to Shareholders for the year ended 31 July 2023

	£'000	2023 £'000	£'000	2022 £'000
Opening net assets attributable to shareholders		311,904		387,943
Amounts receivable on issue of shares	18,754		44,096	
Amounts payable on cancellation of shares	<u>(87,458)</u>		<u>(66,856)</u>	
		(68,704)		(22,760)
Dilution adjustment		192		58
Change in net assets attributable to shareholders from investment activities		(18,675)		(58,230)
Retained distribution on accumulation shares		<u>5,155</u>		<u>4,893</u>
Closing net assets attributable to shareholders		229,872		311,904

Aegon Ethical Cautious Managed Fund

Balance Sheet as at 31 July 2023

	Note	£'000	2023 £'000	£'000	2022 £'000
Assets					
Fixed assets:					
Investments			223,928		292,204
Current assets:					
Debtors	7	1,909		2,737	
Cash and bank balances	8	5,336		18,199	
			<u>7,245</u>		<u>20,936</u>
Total assets			231,173		313,140
Liabilities					
Creditors					
Distributions payable		131		157	
Other creditors	9	1,170		1,079	
Total liabilities			<u>1,301</u>		<u>1,236</u>
Net assets attributable to shareholders			229,872		311,904

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 losses

Net capital losses comprise:

	2023	2022
	£'000	£'000
Losses on non-derivative securities	(18,672)	(58,238)
Currency exchange (losses)/gains	(2)	10
Transaction charges	(1)	(2)
Net capital losses	(18,675)	(58,230)

3 Revenue

	2023	2022
	£'000	£'000
UK dividends	3,999	4,130
Property income from REITs	269	221
Overseas dividends	220	228
Interest on debt securities	3,877	4,144
Bank interest	261	58
Total revenue	8,626	8,781

4 Expenses*

	2023	2022
	£'000	£'000
Payable to the ACD, associates of the ACD and agents of either of them:		
ACD's periodic charge	1,992	2,672
Payable to the Depositary, associates of the Depositary and agents of either of them:		
Depositary fee	36	49
Other expenses:		
Audit fee**	12	13
FT publishing fee	3	3
KIID fees	-	1
PRIIIPs fees	3	3
Registrar's fee	(10)	22
Safe custody charge	9	11
	17	53
Total expenses	2,045	2,774

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

**The audit fee (excluding VAT) incurred during the year was £11,132 (2022: £11,132).

5 Taxation

a) Analysis of charge in the year

	2023	2022
	£'000	£'000
Current tax:		
UK corporation tax on profits in the year	473	330
Total tax charge for the year (see note 5 (b))	473	330

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 (2022: lower than) the standard rate of corporation tax for Open Ended Investment Companies 'OEICs' (20%).

The differences are explained below:

	2023	2022
	£'000	£'000
Net revenue before taxation	6,581	6,007
Corporation tax 20% (2022: 20%)	1,316	1,201
Effects of:		
Revenue not subject to taxation	(843)	(871)
Total tax charge for the year (see note 5 (a))	473	330

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:

	2023	2022
	£'000	£'000
Interim distributions	4,567	4,416
Final distribution	1,336	1,213
	5,903	5,629
Add: amounts deductible on cancellation of shares	248	119
Less: amounts receivable on creation of shares	(43)	(71)
Distributions	6,108	5,677

Details of the distributions are set out in the tables on page 195.

7 Debtors

	2023	2022
	£'000	£'000
Accrued revenue	1,856	2,056
Amounts receivable for the issue of shares	46	525
Corporation tax recoverable	7	28
Sales awaiting settlement	-	128
Debtors	1,909	2,737

8 Cash and bank balances

	2023	2022
	£'000	£'000
Cash and bank balances	5,336	18,199
Cash and bank balances	5,336	18,199

9 Other creditors

	2023	2022
	£'000	£'000
Accrued ACD periodic charge	301	381
Accrued other expenses	26	57
Amounts payable for cancellation of shares	843	620
Purchases awaiting settlement	-	21
Other creditors	1,170	1,079

10 Related parties

Related party interests in the sub-fund are disclosed in Note 5 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% (2022: 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 2023 (2022: £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

	2023		2022	
	Market value £'000	Value of investments %	Market value £'000	Value of investments %
Investment grade	94,928	41.31	110,483	35.41
Below investment grade	2,227	0.96	2,902	0.93
Unrated	4,259	1.85	7,130	2.30
Other investments and derivatives	122,514	53.29	171,689	55.04
Portfolio of investments	223,928	97.41	292,204	93.68
Net other assets	5,944	2.59	19,700	6.32
Total net assets attributable to shareholders	229,872	100.00	311,904	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 (2022: same). As at the balance sheet date, the sub-fund's value at risk is 5.18% (2022: 5.42%).

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

	Lowest Utilisation (%)	Highest Utilisation (%)	Average Utilisation (%)
31 July 2023	5.09	6.13	5.52
31 July 2022	3.81	5.42	4.59

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

31 July 2023	Value	Commissions	%	Other Costs*	%
	£'000	£'000		£'000	
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				
31 July 2022					
Debt securities	17,614	-	-	-	-
Equities	28,336	16	0.06	70	0.25
Total	45,950	16		70	
Total purchases including transaction costs	46,036				

*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 2023	Value	Commissions	%	Other Costs*	%
	£'000	£'000		£'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				
31 July 2022					
Debt securities	23,950	-	-	-	-
Equities	49,171	(38)	0.08	-	-
Corporate actions	1,647	-	-	-	-
Total	74,768	(38)		-	
Total sales net of transaction costs	74,730				

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

The purchases and sales are not subject to portfolio transaction costs.

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 0.37% (2022: 0.39%), 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	2023		2022	
	Assets £'000	Liabilities £'000	Assets £'000	Liabilities £'000
1 - Unadjusted quoted prices	122,514	-	179,539	-
2 - Observable market data	101,414	-	112,665	-
3 - Unobservable data*	-	-	-	-
	223,928	-	292,204	-

*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 pages 182 and 183. The distribution per share class is given in the distribution tables on page 195. All share classes have the same rights on winding up.

Share class movement reconciliation

31 July 2023	Opening	Creations	Cancellation	Converted	Closing
B Accumulation	194,361,186	13,045,663	(53,242,064)	(38,078)	154,126,707
B Income	34,264,168	1,355,253	(15,375,118)	45,391	20,289,694

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 16 November 2023 and the percentage movement in that period. The net asset values per share were reviewed again on 23 November 2023 with no material movements noted since 16 November.

Net assets per share

	31 July 2023	16 November 2023	% Movement
B Accumulation	134.58	135.49	0.68
B Income	110.62	110.60	(0.02)

Aegon Ethical Cautious Managed Fund

Distribution Tables

Share Class B Accumulation

Period end	Pay date		Net Revenue	Equalisation*	Total Payable	2021/22 Total Paid
31/10/22	31/12/22	Group 1	0.6874	N/A	0.6874	0.6342
		Group 2	0.3141	0.3733		
31/01/23	31/03/23	Group 1	0.6219	N/A	0.6219	0.4985
		Group 2	0.4506	0.1713		
30/04/23	30/06/23	Group 1	0.9838	N/A	0.9838	0.7490
		Group 2	0.5928	0.3910		
31/07/23	30/09/23	Group 1	0.7818	N/A	0.7818	0.5431
		Group 2	0.4235	0.3583		

Share Class B Income

Period end	Pay date		Net Revenue	Equalisation*	Total Payable	2021/22 Total Paid
31/10/22	31/12/22	Group 1	0.5782	N/A	0.5782	0.5423
		Group 2	0.2711	0.3071		
31/01/23	31/03/23	Group 1	0.5202	N/A	0.5202	0.4245
		Group 2	0.2880	0.2322		
30/04/23	30/06/23	Group 1	0.8194	N/A	0.8194	0.6359
		Group 2	0.5406	0.2788		
31/07/23	30/09/23	Group 1	0.6464	N/A	0.6464	0.4585
		Group 2	0.3179	0.3285		

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 (7.80)% (based on net and noon prices) compared to the benchmark return of 13.84%. The benchmark is UK CPI +3%. The sub-fund benchmark changed from UK RPI +4% to the CPI +3% on 1 April 2023.

Strategy review***

Over the 12-month period to 31 July 2023, the sub-fund underperformed both its benchmark and the peer group sector median.

Throughout the year the future path of inflation - and therefore interest rates - was the dominant concern among investors. Sentiment towards this issue swung from initial concern over the strength of inflation to expectations of a slowdown in the rate of interest rate hikes - which boosted markets. Towards the end of the year, sentiment shifted once more to concerns that inflation remained 'sticky', with central banks retaining a hawkish stance as a result.

From a style and sector perspective, there was a rotation in equity markets during the first half of the year out of growth (growth companies' stock prices are predominantly based on expected increases in future revenues and earnings) and into value stocks (companies whose stock prices depend less on future growth and which often trade at valuations below their perceived real value), with defensive sectors generally outperforming more cyclical areas of the market. As we moved through 2023, there was a change in leadership within the market, with growth sectors outperforming their value counterparts. However, in reality the 'growth' rally was driven by a narrow number of large-cap US tech names.

Fixed income markets were volatile over the 12-month period, with core government bonds coming under significant pressure. Investment grade bonds also struggled initially although they rallied somewhat as we moved into 2023 and increased over the year as a whole. High yield bonds, however, were the strongest performers, buoyed mainly by robust corporate earnings.

The sub-fund's asset allocation was principally targeted at a core building block of listed alternative investments which provide stable cash flows and an inflation-linked return profile; sustainable growth and income equities; and US Treasuries and index-linked UK government bonds. Renewable energy tended to be the largest allocation within the alternatives building block. This consisted of renewable energy investment companies and regulated utilities that are transitioning their business models towards renewable energy.

The sub-fund's underperformance over the 12-month period was due to our allocation to both government and corporate bonds, and to alternative investments. In contrast our exposure to equities added value, particularly in the second half of the year.

Throughout the year the inflationary backdrop - and the extent to which central banks would raise interest rates to combat rising prices - was the main influence on sub-fund performance. Initially, hawkish rhetoric (and rate rises) from central banks weighed on sentiment, which resulted in our equity and bond market exposure detracting at the start of the year.

As we approached the end of 2022 and moved into 2023, weaker than expected inflation data in both the US and Europe helped markets to recover. The more positive backdrop did not last, however, as inflation proved to be 'stickier' than expected, particularly in the UK. As a result, our allocation to bonds struggled, given government bond yields moved higher. Our allocation to alternatives also suffered; the sub-fund's infrastructure investments are mostly UK listed and these were generally weak, given UK government bond yields moved higher. The exposure to real estate was also weak although we sold our remaining positions early in 2023.

Within equities, our exposure to growth stocks was relatively buoyant, particularly during the second half of the period. Within the income allocation we switched some of the more economically sensitive holdings into more defensive companies early in 2023, which was also beneficial. Our currency allocation was relatively flat. Throughout the year we favoured defensive currencies over more economically sensitive currencies.

*Please note that the sub-fund's objective has been updated effective 1 April 2023. The latest update can be found in the sub-fund's prospectus at www.aegonam.com.

**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 RPI is selected as a commonly accepted measure of UK inflation. We consider that exceeding RPI by at least 4% 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 2023 £'000	Top ten sales	31 July 2023 £'000
US Treasury Bond 2.875% 30/11/2023	66,053	US Treasury Bond 2.875% 30/11/2023	67,107
US Treasury Bond 1.75% 30/06/2024	32,163	US Treasury Bond 1.75% 30/06/2024	40,081
United Kingdom Gilt Inflation Linked 0.125% 08/10/2041	28,931	US Treasury Bond 3.375% 15/11/2048	37,015
United Kingdom Gilt Inflation Linked 0.125% 08/10/2028	28,315	German Government Bond 4.75% 04/07/2034	29,588
US Treasury Bond 1.25% 31/08/2024	24,410	United Kingdom Gilt Inflation Linked 0.125% 08/10/2028	24,324
US Treasury Bond 2.875% 31/07/2025	24,182	US Treasury Bond 2.875% 15/05/2049	19,991
United Kingdom Gilt Inflation Linked 0.125% 22/03/2039	20,809	US Treasury Bond 1.25% 31/08/2024	11,835
United Kingdom Gilt Inflation Linked 1.25% 22/11/2027	16,824	Avaya 6.125% 15/09/2028	8,562
US Treasury Bond 2.875% 15/05/2049	14,840	Virgin Media Finance 3.75% 15/07/2030	8,131
US Treasury Bond 2.375% 15/05/2051	14,839	Essential Utilities	6,979

Aegon Sustainable Diversified Growth Fund

Comparative Tables

A Accumulation shares**	2021 (p/share)
Change in net assets per share	
Opening net asset value per share	157.67
Return before operating charges*	20.96
Operating charges	(1.56)
Return after operating charges*	19.40
Distributions	(1.56)
Retained distributions on accumulation shares	1.56
Redemption value	(177.07)
Closing net asset value per share	-
 *after direct transaction costs of	 0.16
Performance	
Return after charges	12.30%
Other information	
Closing net asset value (£'000)	-
Closing number of shares	-
Operating charges	-
Direct transaction costs	-
Prices	
Highest share price	178.56
Lowest share price	156.57

B Accumulation shares	2023 (p/share)	2022 (p/share)	2021 (p/share)
Change in net assets per share			
Opening net asset value per share	178.83	195.67	170.36
Return before operating charges*	(12.83)	(15.84)	26.29
Operating charges	(0.89)	(1.00)	(0.98)
Return after operating charges*	(13.72)	(16.84)	25.31
Distributions	(5.57)	(4.09)	(3.40)
Retained distributions on accumulation shares	5.57	4.09	3.40
Closing net asset value per share	165.11	178.83	195.67
 *after direct transaction costs of	 0.05	 0.06	 0.18
Performance			
Return after charges	(7.67)%	(8.61)%	14.86%
Other information			
Closing net asset value (£'000)	563,265	633,941	601,254
Closing number of shares	341,146,422	354,494,302	307,272,617
Operating charges	0.52%	0.53%	0.53%
Direct transaction costs	0.03%	0.03%	0.10%
Prices			
Highest share price	180.97	201.29	196.03
Lowest share price	157.98	169.30	169.29

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.

**Share class closed on 22 June 2021.

Aegon Sustainable Diversified Growth Fund

Portfolio Statement

The sub-fund's investments as at 31 July 2023

Holding	Investment	Market Value £'000	Total net assets %
Euro Denominated Bonds 3.69% (31 July 2022 9.68%)			
Corporate Bonds 3.69% (31 July 2022 4.71%)			
6,500,000	American Tower REIT 1% 15/01/2032	4,203	0.75
7,500,000	Pinnacle Bidco 5.5% 15/02/2025	6,319	1.12
12,708,486	Stichting AK Rabobank Certificaten 6.5% Perpetual	10,245	1.82
		20,767	3.69
Government Bonds 0.00% (31 July 2022 4.97%)			
Sterling Denominated Bonds 14.45% (31 July 2022 0.81%)			
Corporate Bonds 0.95% (31 July 2022 0.81%)			
5,500,000	Pinnacle Bidco 6.375% 15/02/2025	5,365	0.95
		5,365	0.95
Government Bonds 13.50% (31 July 2022 0.00%)			
4,600,000	United Kingdom Gilt Inflation Linked 0.125% 10/08/2028	5,979	1.06
21,000,000	United Kingdom Gilt Inflation Linked 0.125% 22/03/2039	23,467	4.17
25,000,000	United Kingdom Gilt Inflation Linked 0.125% 10/08/2041	28,940	5.14
9,000,000	United Kingdom Gilt Inflation Linked 1.25% 22/11/2027	17,655	3.13
		76,041	13.50
United States Dollar Denominated Bonds 24.09% (31 July 2022 26.39%)			
Corporate Bonds 5.40% (31 July 2022 6.68%)			
9,200,000	American Water Capital 2.8% 01/05/2030	6,244	1.11
6,500,000	Amgen 3.375% 21/02/2050	3,627	0.65
1,100,050	Avaya Exit Term Loan 0% 01/08/2028	709	0.13
3,261,000	CommScope 7.125% 01/07/2028	1,692	0.30
6,500,000	Digital Realty Trust REIT 3.7% 15/08/2027	4,727	0.84
6,000,000	GEMS MENASA Cayman 7.125% 31/07/2026	4,523	0.80
2,000,000	HTA 7% 18/12/2025	1,485	0.26
3,500,000	IHS Netherlands 8% 18/09/2027	2,486	0.44
7,500,000	SBA Communications 3.125% 01/02/2029	4,911	0.87
		30,404	5.40
Government Bonds 18.69% (31 July 2022 19.71%)			
15,086,900	US Treasury Bond 1.25% 31/08/2024	11,228	1.99
31,000,000	US Treasury Bond 1.75% 30/06/2024	23,330	4.14
47,000,000	US Treasury Bond 2.375% 15/05/2051	26,389	4.69
30,000,000	US Treasury Bond 2.875% 31/07/2025	22,440	3.98
35,000,000	US Treasury Bond 2.875% 15/05/2049	21,877	3.89
		105,264	18.69
Equities 53.52% (31 July 2022 57.61%)			
Basic Materials 0.26% (31 July 2022 0.41%)			
6,193	Air Products & Chemicals	1,470	0.26
		1,470	0.26
Consumer Discretionary 1.40% (31 July 2022 2.32%)			
116,561	IDP Education	1,481	0.26
25,652	Planet Fitness	1,346	0.24
62,428	RELX	1,635	0.29
118,400	Sekisui House	1,876	0.33
1,362,587	Taylor Wimpey	1,558	0.28
		7,896	1.40

Aegon Sustainable Diversified Growth Fund

Portfolio Statement (continued)

Holding	Investment	Market valuation £'000	Total net assets %
	Consumer Staples 0.77% (31 July 2022 0.23%)		
22,065	Colgate-Palmolive	1,308	0.23
12,633	Kimberly-Clark	1,268	0.23
65,458	Koninklijke Ahold Delhaize	1,760	0.31
		4,336	0.77
	Energy 0.10% (31 July 2022 0.52%)		
3,131	SolarEdge Technologies	588	0.10
		588	0.10
	Financials 26.22% (31 July 2022 23.87%)		
5,496,553	3i Infrastructure	17,177	3.05
5,302,267	BBGI Global Infrastructure SICAV*	7,211	1.28
4,211,284	Bluefield Solar Income Fund	4,961	0.88
16,269	CME	2,515	0.45
5,521,146	Cordiant Digital Infrastructure	4,505	0.80
2,925,291	Foresight Solar Fund	2,867	0.51
4,137,637	GCP Infrastructure Investments	3,161	0.56
9,423,677	Greencoat Renewables	8,479	1.50
11,264,092	Greencoat UK Wind	16,479	2.93
1,808,359	Gresham House Energy Storage Fund	2,315	0.41
25,217	HDFC Bank ADR	1,338	0.24
12,506,455	HICL Infrastructure	16,383	2.91
13,733,165	International Public Partnerships	18,045	3.20
4,581,890	JLEN Environmental Assets	4,820	0.86
21,451	MetLife	1,050	0.19
5,020,864	NextEnergy Solar Fund	4,694	0.83
3,558,664	Octopus Renewables Infrastructure Trust	3,310	0.59
12,022,868	Renewables Infrastructure	13,682	2.43
2,700,046	SDCL Energy Efficiency Income Trust	2,082	0.37
27,310	State Street	1,538	0.27
2,475,925	Syncona	3,763	0.67
19,328	Zurich Insurance	7,292	1.29
		147,667	26.22
	Health Care 7.11% (31 July 2022 5.57%)		
4,224	ABIOMED (Rights)**	-	-
56,581	Amplifon	1,493	0.27
25,163	AstraZeneca	2,814	0.50
42,055	Bristol-Myers Squibb	2,033	0.36
47,315	Certara	716	0.13
3,091	Danaher	613	0.11
4,680	Elevance Health	1,716	0.30
11,968	Eurofins Scientific	641	0.11
3,407	Genmab	1,090	0.19
29,220	Gilead Sciences	1,729	0.31
480,640	GSK	6,654	1.18
135,667	HIKMA Pharmaceuticals	2,833	0.50
9,100	ICON	1,778	0.32
6,238	Insulet	1,342	0.24
12,932	Lonza	5,858	1.04
40,541	Novo Nordisk	5,077	0.90
181,841	Oxford Nanopore Technologies	479	0.08
4,349	Penumbra	1,025	0.18
14,280	Quest Diagnostics	1,501	0.27
31,526	Veracyte	673	0.12
		40,065	7.11

Aegon Sustainable Diversified Growth Fund

Portfolio Statement (continued)

Holding	Investment	Market valuation	Total net assets
		£'000	%
	Industrials 4.31% (31 July 2022 4.61%)		
12,855	Advanced Drainage Systems	1,219	0.22
15,548	Alfen	841	0.15
14,119	Automatic Data Processing	2,713	0.48
197,542	Chroma ATE	1,346	0.24
6,378	Cummins	1,293	0.23
19,051	Emerson Electric	1,352	0.24
36,985	Energy Recovery	876	0.16
41,060	Flywire	1,090	0.19
4,440	Keyence	1,545	0.27
37,553	Kornit Digital	922	0.16
15,485	Schneider Electric	2,150	0.38
10,954	Tetra Tech	1,440	0.26
37,726	Tomra Systems	452	0.08
19,280	TransUnion	1,194	0.21
26,736	Union Pacific	4,822	0.86
5,013	Valmont Industries	1,031	0.18
		24,286	4.31
	Real Estate 0.52% (31 July 2022 4.87%)		
7,274	American Tower REIT***	1,076	0.19
70,063	Weyerhaeuser REIT***	1,854	0.33
		2,930	0.52
	Technology 4.60% (31 July 2022 3.20%)		
112,897	Avaya****	1,141	0.20
317,296	Delta Electronics	2,864	0.51
35,245	Dynatrace	1,498	0.27
16,289	Endava ADR	664	0.12
24,417	Marvell Technology	1,236	0.22
21,151	Microsoft	5,523	0.98
6,289	NVIDIA	2,284	0.40
3,594	Samsung SDI	1,455	0.26
156,665	Taiwan Semiconductor Manufacturing	2,185	0.39
25,777	Taiwan Semiconductor Manufacturing ADR	1,986	0.35
22,341	Tokyo Electron	2,596	0.46
425,156	Trustpilot	372	0.07
9,502	Universal Display	1,077	0.19
12,768	Workiva	1,045	0.18
		25,926	4.60
	Telecommunications 0.22% (31 July 2022 0.23%)		
88,357	TELUS	1,222	0.22
		1,222	0.22
	Utilities 8.01% (31 July 2022 11.78%)		
105,450	AES	1,772	0.31
370,835	Atlantica Sustainable Infrastructure	6,949	1.23
211,824	EDP Renovaveis	3,153	0.56
110,879	Essential Utilities	3,645	0.65
1,112,156	National Grid	11,466	2.04
40,958	Orsted	2,792	0.50
12,600	Republic Services	1,479	0.26
431,257	SSE	7,266	1.29
999,828	Terna	6,587	1.17
		45,109	8.01

Aegon Sustainable Diversified Growth Fund

Portfolio Statement (continued)

Holding	Investment	Market valuation £'000	Total net assets %
Derivatives and Futures Contracts (0.06)% (31 July 2022 (0.31)%)			
Forward Foreign Exchange Contracts (0.06)% (31 July 2022 0.25%)			
	Bought CAD 48,200,000 Sold GBP 28,803,892 22/09/2023	(329)	(0.06)
	Bought CHF 7,300,000 Sold GBP 6,433,037 22/09/2023	149	0.03
	Bought GBP 2,199,316 Sold AUD 4,100,000 22/09/2023	49	0.01
	Bought GBP 29,809,355 Sold CAD 50,510,000 22/09/2023	(30)	(0.01)
	Bought GBP 7,499,028 Sold CHF 8,300,000 22/09/2023	15	-
	Bought GBP 12,062,295 Sold CHF 13,500,000 22/09/2023	(110)	(0.02)
	Bought GBP 9,369,917 Sold DKK 81,370,000 22/09/2023	(15)	-
	Bought GBP 45,479,995 Sold EUR 53,065,000 22/09/2023	(104)	(0.02)
	Bought GBP 15,979,217 Sold JPY 2,877,000,000 22/09/2023	110	0.02
	Bought GBP 22,100,637 Sold JPY 4,010,000,000 22/09/2023	(18)	-
	Bought GBP 22,441,393 Sold NOK 306,000,000 22/09/2023	(1,102)	(0.20)
	Bought GBP 28,577,207 Sold NZD 59,000,000 22/09/2023	44	0.01
	Bought GBP 36,451,022 Sold TWD 1,397,000,000 22/09/2023	1,798	0.32
	Bought GBP 204,965,172 Sold USD 263,200,000 22/09/2023	448	0.08
	Bought GBP 55,628,421 Sold USD 72,950,000 22/09/2023	(1,057)	(0.19)
	Bought JPY 5,850,000,000 Sold GBP 32,734,091 22/09/2023	(467)	(0.08)
	Bought NOK 300,000,000 Sold GBP 22,247,474 22/09/2023	834	0.15
	Bought NZD 46,600,000 Sold GBP 22,546,943 22/09/2023	(10)	-
	Bought NZD 12,400,000 Sold GBP 6,027,276 22/09/2023	(30)	(0.01)
	Bought TWD 1,037,000,000 Sold GBP 25,778,385 22/09/2023	(55)	(0.01)
	Bought USD 4,400,000 Sold GBP 3,435,109 22/09/2023	(16)	-
	Bought USD 14,500,000 Sold GBP 11,490,218 22/09/2023	(223)	(0.04)
	Bought USD 16,900,000 Sold GBP 13,378,075 22/09/2023	(246)	(0.04)
		(365)	(0.06)
Futures Contracts 0.00% (31 July 2022 (0.56)%)			
	Portfolio of investments*****	538,971	95.69
	Net other assets	24,294	4.31
	Total net assets attributable to shareholders	563,265	100.00

Analysis of investments by asset class

	Market value £'000	Value of investments %
Equities	301,495	53.52
Bonds	237,841	42.23
Derivatives	(365)	(0.06)
Portfolio of investments*****	538,971	95.69
Net other assets	24,294	4.31
Total net assets attributable to shareholders	563,265	100.00

The comparative percentage figures in brackets are at 31 July 2022.

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 209).

*****Includes investment liabilities.

Aegon Sustainable Diversified Growth Fund

Statement of Total Return for the year ended 31 July 2023

	Note	£'000	2023 £'000	£'000	2022 £'000
Income					
Net capital losses	2		(67,483)		(70,060)
Revenue	3	23,910		17,817	
Expenses	4	(3,099)		(3,283)	
Interest payable and similar charges	5	(27)		(9)	
Net revenue before taxation		20,784		14,525	
Taxation	6	(1,328)		(967)	
Net revenue after taxation			19,456		13,558
Total return before distributions			(48,027)		(56,502)
Distributions	7		(19,456)		(13,558)
Change in net assets attributable to shareholders from investment activities			(67,483)		(70,060)

Statement of Change in Net Assets Attributable to Shareholders for the year ended 31 July 2023

	£'000	2023 £'000	£'000	2022 £'000
Opening net assets attributable to shareholders		633,941		601,254
Amounts receivable on issue of shares	3,198		99,446	
Amounts payable on cancellation of shares	(25,734)		(10,815)	
		(22,536)		88,631
Dilution adjustment		18		230
Change in net assets attributable to shareholders from investment activities		(67,483)		(70,060)
Retained distribution on accumulation shares		19,325		13,886
Closing net assets attributable to shareholders		563,265		633,941

Aegon Sustainable Diversified Growth Fund

Balance Sheet as at 31 July 2023

	Note	£'000	2023 £'000	£'000	2022 £'000
Assets					
Fixed assets:					
Investments			542,783		603,067
Current assets:					
Debtors	8	2,432		3,505	
Cash and bank balances	9	29,150		34,226	
			<u>31,582</u>	<u>37,731</u>	
Total assets			574,365		640,798
Liabilities					
Investment liabilities					
			3,812		5,993
Creditors					
Bank overdrafts	10	-		2	
Other creditors	11	7,288		862	
			<u>11,100</u>	<u>6,857</u>	
Total liabilities			11,100		6,857
Net assets attributable to shareholders			563,265		633,941

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 losses

Net capital losses comprise:

	2023	2022
	£'000	£'000
Losses on non-derivative securities	(61,118)	(27,620)
Losses on forward currency contracts	(6,181)	(38,564)
Currency exchange gains/(losses)	882	(336)
Losses on derivative securities	(1,062)	(3,533)
Transaction charges	(4)	(7)
Net capital losses	(67,483)	(70,060)

3 Revenue

	2023	2022
	£'000	£'000
UK dividends	7,522	7,485
Non-taxable overseas dividends	3,196	4,272
Taxable overseas dividends	-	379
US REIT dividends	142	493
Interest on debt securities	12,175	5,039
Bank interest	875	149
Total revenue	23,910	17,817

4 Expenses*

	2023	2022
	£'000	£'000
Payable to the ACD, associates of the ACD and agents of either of them:		
ACD's periodic charge	2,981	3,130
Payable to the Depositary, associates of the Depositary and agents of either of them:		
Depositary fee	73	73
Other expenses:		
Audit fee**	14	19
FT publishing fee	3	3
PRIPs fees	3	3
Registrar's fee	-	9
Safe custody charge	22	27
Tax services fees	3	19
	45	80
Total expenses	3,099	3,283

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

**The audit fee (excluding VAT) incurred during the year was £15,628 (2022: £15,628).

5 Interest payable & similar charges

	2023	2022
	£'000	£'000
Derivative expense	19	-
Interest	8	9
Interest payable & similar charges	27	9

Aegon Sustainable Diversified Growth Fund

Notes to the Financial Statements (continued)

6 Taxation

a) Analysis of charge in the year

	2023	2022
	£'000	£'000
Current tax:		
UK corporation tax on profits in the year	990	554
	990	554
Double taxation relief	(21)	(107)
Overseas tax suffered	359	520
Total tax charge for the year (see note 6 (b))	1,328	967

b) Factors affecting tax charge for the year

The tax assessed for the year is lower (2022: lower than) than the standard rate of corporation tax for Open Ended Investment Companies 'OEICs' (20%).

The differences are explained below:

	2023	2022
	£'000	£'000
Net revenue before taxation	20,784	14,525
Corporation tax 20% (2022: 20%)	4,157	2,905
Effects of:		
Double taxation relief	(21)	(107)
Overseas tax suffered	359	520
Revenue not subject to taxation	(2,147)	(2,351)
UK indexation relief	(1,020)	-
Total tax charge for the year (see note 6 (a))	1,328	967

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:

	2023	2022
	£'000	£'000
Interim distributions	13,568	8,715
Final distribution	5,757	5,171
	19,325	13,886
Add: amounts deductible on cancellation of shares	144	29
Less: amounts receivable on creation of shares	(13)	(357)
Distributions	19,456	13,558

Details of the distributions are set out in the tables on page 211.

8 Debtors

	2023	2022
	£'000	£'000
Accrued revenue	2,242	3,216
Amounts receivable for the issue of shares	-	8
Corporation tax recoverable	32	-
Reclaimable overseas tax	158	281
Debtors	2,432	3,505

9 Cash and bank balances

	2023	2022
	£'000	£'000
Amounts held at futures clearing houses and brokers*	410	5,792
Cash and bank balances	21,430	2,663
Money market deposits	7,310	25,771
Cash and bank balances	29,150	34,226

*Includes cash pledged as collateral of £410,000 (2022: £Nil)

Aegon Sustainable Diversified Growth Fund

Notes to the Financial Statements (continued)

10 Bank overdrafts

	2023	2022
	£'000	£'000
Amounts held at futures clearing houses and brokers	-	2
Bank overdrafts	-	2

11 Other creditors

	2023	2022
	£'000	£'000
Accrued ACD periodic charge	472	505
Accrued other expenses	23	48
Amounts payable for cancellation of shares	56	223
Corporation tax payable	-	86
Purchases awaiting settlement	6,737	-
Other creditors	7,288	862

12 Related parties

Related party interests in the sub-fund are disclosed in Note 5 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 39.78% (2022: 38.39%) 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 2023 (2022: £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

	2023		2022	
	Market value £'000	Value of investments %	Market value £'000	Value of investments %
Investment grade	150,250	26.68	152,847	24.10
Below investment grade	26,781	4.74	44,928	7.09
Unrated	60,810	10.81	36,055	5.69
Other investments and derivatives	301,130	53.46	363,244	57.30
Portfolio of investments	538,971	95.69	597,074	94.18
Net other assets	24,294	4.31	36,867	5.82
Total net assets attributable to shareholders	563,265	100.00	633,941	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 95.00% (2022: 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 14.10% (2022: 14.10%). As at the balance sheet date, the sub-fund's value at risk is 4.30% (2022: 3.75%).

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

	Lowest Utilisation (%)	Highest Utilisation (%)	Average Utilisation (%)
31 July 2023	2.92	4.71	3.84
31 July 2022	2.69	4.26	3.50

Aegon Sustainable Diversified Growth 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 2023 the average leverage was 112.61% (2022: 93.83%).

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 2023, the market value of the exchange traded derivatives held by the sub-fund was £Nil (2022: £(3,530,000)).

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

As at 31 July 2023

Counterparty	Forward Foreign				Collateral Pledge
	Exchange Contracts	Futures	Options		
	Exposure £'000	Exposure £'000	Exposure £'000	£'000	
BNP Paribas	-	-	-		1,150
Deutsche Bank	922	-	-		(740)

As at 31 July 2022

Counterparty	Forward Foreign				Collateral Pledge
	Exchange Contracts	Futures	Options		
	Exposure £'000	Exposure £'000	Exposure £'000	£'000	
BNP Paribas	1,582	-	-		-

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 2023	Value	Commissions	Other Costs*	
	£'000	£'000	%	£'000
Debt securities	275,642	-	-	-
Equities	64,966	32	0.05	77
Total	340,608	32		77
Total purchases including transaction costs	340,717			
31 July 2022				
Debt securities	330,027	-	-	-
Equities	153,589	32	0.02	87
Corporate actions	1,168	-	-	-
Total	484,784	32		87
Total purchases including transaction costs	484,903			

*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 2023	Value	Commissions	%	Other Costs*	%
	£'000	£'000		£'000	
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				
31 July 2022					
Debt securities	230,937	-	-	-	-
Equities	183,866	(63)	0.03	(16)	0.01
Corporate actions	5,182	-	-	-	-
Total	419,985	(63)		(16)	
Total sales net of transaction costs	419,906				

Derivatives

31 July 2023	Commissions
	£'000
Futures	25
Total	25
31 July 2022	
Futures	2
Total	2

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

The purchases and sales are not subject to portfolio transaction costs.

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% (2022: 0.24%), 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	2023		2022	
	Assets	Liabilities	Assets	Liabilities
	£'000	£'000	£'000	£'000
1 - Unadjusted quoted prices	481,659	-	521,669	(3,530)
2 - Observable market data	59,983	(3,812)	81,398	(2,463)
3 - Unobservable data*	1,141	-	-	-
	542,783	(3,812)	603,067	(5,993)

*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 198. The distribution per share class is given in the distribution tables on page 211. All share classes have the same rights on winding up.

Share class movement reconciliation

31 July 2023	Opening	Creations	Cancellations	Converted	Closing
B Accumulation	354,494,302	1,868,159	(15,216,039)	-	341,146,422

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 16 November 2023 and the percentage movement in that period. The net asset values per share were reviewed again on 23 November 2023 with no material movements noted since 16 November.

Net assets per share

	31 July 2023	16 November 2023	% Movement
B Accumulation	165.11	161.78	(2.02)

Aegon Sustainable Diversified Growth Fund

Distribution Table

Share Class B Accumulation

Period end	Pay date		Net Revenue	Equalisation*	Total Payable	2021/22 Paid
31/10/22	31/12/22	Group 1	1.1371	N/A	1.1371	0.6644
		Group 2	0.5807	0.5564		
31/01/23	31/03/23	Group 1	1.3162	N/A	1.3162	0.9574
		Group 2	0.6664	0.6498		
30/04/23	30/06/23	Group 1	1.4333	N/A	1.4333	1.0079
		Group 2	0.7017	0.7316		
31/07/23	30/09/23	Group 1	1.6874	N/A	1.6874	1.4588
		Group 2	0.7580	0.9294		

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 2.42%, compared to 0.29% 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 0.4426 pence. The historic yield, based on the 12 most recent monthly distributions, was 5.50% compared to the target yield of 5%.

Strategy review**

Throughout the 12 month period the future path of inflation - and therefore interest rates - was the dominant concern among investors. Sentiment towards this issue swung from initial concern over the strength of inflation to expectations of a slowdown in the rate of interest rate hikes - which boosted markets. Towards the end of the year, sentiment shifted once more - to concerns that inflation remained 'sticky', with central banks retaining a hawkish stance as a result.

From a style and sector perspective, there was a rotation in equity markets during the first half of the period out of growth (growth companies' stock prices are predominantly based on expected increases in future revenues and earnings) and into value stocks (companies whose stock prices depend less on future growth and which often trade at valuations below their perceived real value), with defensive sectors generally outperforming more cyclical areas of the market. As we moved through 2023 there was a change in leadership within the market, with growth sectors outperforming their value counterparts. However, in reality the 'growth' rally was driven by a narrow number of large-cap US tech names.

Fixed income markets were volatile over the year, with core government bonds coming under significant pressure given the higher interest rate environment. Investment grade bonds also struggled initially although they rallied as we moved into 2023 and increased over the year as a whole. High yield bonds, however, were the strongest performers, buoyed mainly by robust corporate earnings.

Despite a difficult start to the year, we took full advantage of the sub-fund's flexibility to invest across asset classes, with the positive total return achieved over the year as a whole coming from a variety of areas, including global equity income, high yield bonds and bonds issued by banks.

The strongest performing area was our weighting to global equity income, which weathered the volatile conditions better than other areas of the equity market. Having said that, our exposure to high dividend paying equities also contributed positively.

Our exposure to the high yield bond sector added value, as did our exposure to corporate bonds issued by banks. While it was a volatile period for bank bonds, given the stresses seen in US regional banks, the sector had recovered well by the end of the year. We retained a meaningful allocation to European banks as they are financially stronger and more closely regulated than in the past. The high yield sector benefited mainly from robust corporate earnings despite the higher interest rate environment. Our weightings to other investment grade bond sectors, and to government bonds, also added some value but to a lesser extent. It was a very challenging period for government bonds, but the sub-fund's duration (a measure of interest rate risk) was relatively low and this helped ensure the shift up in government bond yields had limited impact.

In contrast our exposure to listed real estate and listed infrastructure came under pressure. In general real assets were weak as the benefits of inflation-linked revenues were more than outweighed by higher input and funding costs. Within the real estate sector, our exposure to German and French residential names struggled. UK listed securities (social infrastructure, REITs and renewable energy) were all weak as higher inflation and higher bond yields negatively impacts demand for some bond proxies.

*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 2023	Top ten sales	31 July 2023
	£'000		£'000
US Treasury Bond 2.25% 31/03/2024	38,732	US Treasury Bond 1.25% 31/08/2024	25,879
US Treasury Bond 2.625% 31/12/2023	26,121	US Treasury Bond 2.625% 31/12/2023	25,250
US Treasury Bond 4.625% 28/02/2025	16,762	US Treasury Bond 2.25% 31/03/2024	22,600
Rio Tinto	11,943	US Treasury Bond 2.875% 30/11/2023	22,470
US Treasury Bond 1.25% 31/08/2024	11,878	Enel	16,212
US Treasury Bond 4.125% 31/01/2025	11,338	US Treasury Bond 4.125% 31/01/2025	10,610
Banco Bilbao Vizcaya Argentaria 8.375% Perpetual	10,455	Tesco	8,812
SSE	10,356	HICL Infrastructure	8,794
UBS 6.537% 12/08/2033	9,572	Petroleos Mexicanos 6.5% 13/03/2027	8,765
Nordea Bank	8,804	Morgan Stanley	8,494

Aegon Diversified Monthly Income Fund

Comparative Tables

A Accumulation shares**	2021 (p/share)
Change in net assets per share	
Opening net asset value per share	134.80
Return before operating charges*	18.84
Operating charges	(1.66)
Return after operating charges*	17.18
Distributions	(4.80)
Retained distributions on accumulation shares	4.80
Redemption value	(151.98)
Closing net asset value per share	-
 *after direct transaction costs of	 0.13
Performance	
Return after charges	12.74%
Other information	
Closing net asset value (£'000)	-
Closing number of shares	-
Operating charges	-
Direct transaction costs	-
Prices	
Highest share price	153.63
Lowest share price	132.84

B Accumulation shares	2023 (p/share)	2022 (p/share)	2021 (p/share)
Change in net assets per share			
Opening net asset value per share	153.08	158.99	139.50
Return before operating charges*	4.27	(4.97)	20.37
Operating charges	(0.86)	(0.94)	(0.88)
Return after operating charges*	3.41	(5.91)	19.49
Distributions	(8.38)	(8.66)	(6.78)
Retained distributions on accumulation shares	8.38	8.66	6.78
Closing net asset value per share	156.49	153.08	158.99
 *after direct transaction costs of	 0.08	 0.09	 0.13
Performance			
Return after charges	2.23%	(3.72)%	13.97%
Other information			
Closing net asset value (£'000)	422,866	427,883	465,566
Closing number of shares	270,225,021	279,509,773	292,830,393
Operating charges	0.57%	0.59%	0.59%
Direct transaction costs	0.05%	0.06%	0.09%
Prices			
Highest share price	157.02	167.29	159.85
Lowest share price	137.98	146.59	137.59

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.

**Share class closed on 22 June 2021.

Aegon Diversified Monthly Income Fund

Comparative Tables (continued)

B Income shares	2023	2022	2021
	(p/share)	(p/share)	(p/share)
Change in net assets per share			
Opening net asset value per share	99.47	109.16	100.15
Return before operating charges*	2.60	(3.24)	14.40
Operating charges	(0.55)	(0.63)	(0.62)
Return after operating charges*	2.05	(3.87)	13.78
Distributions	(5.31)	(5.82)	(4.77)
Retained distributions on accumulation shares	-	-	-
Closing net asset value per share	96.21	99.47	109.16
*after direct transaction costs of	0.05	0.06	0.09
Performance			
Return after charges	2.06%	(3.55)%	13.76%
Other information			
Closing net asset value (£'000)	412,604	423,401	437,353
Closing number of shares	428,862,427	425,670,957	400,650,425
Operating charges	0.57%	0.59%	0.59%
Direct transaction costs	0.05%	0.06%	0.09%
Prices			
Highest share price	101.78	112.98	110.95
Lowest share price	88.85	95.98	98.56

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 2023

Holding	Investment	Market value	
		£'000	%
Euro Denominated Bonds 15.54% (31 July 2022 10.01%)			
Corporate Bonds 15.54% (31 July 2022 10.01%)			
3,800,000	888 Acquisitions 7.558% 15/07/2027	3,043	0.36
7,400,000	Alpha Services 4.25% 13/02/2030	5,691	0.68
7,600,000	Alpha Services 11.875% Perpetual	6,580	0.79
3,800,000	Assicurazioni Generali 4.596% Perpetual	3,184	0.38
10,000,000	Banco Bilbao Vizcaya Argentaria 8.375% Perpetual	8,589	1.03
7,200,000	Banco de Sabadell 5% Perpetual	4,814	0.58
4,400,000	Banco de Sabadell 9.375% Perpetual	3,754	0.45
10,000,000	Banco Santander 3.625% Perpetual	5,851	0.70
6,100,000	Bouygues 4.625% 07/06/2032	5,471	0.66
2,600,000	BP Capital Markets 3.625% Perpetual	1,975	0.24
10,000,000	CaixaBank 3.625% Perpetual	6,091	0.73
3,300,000	Crown European 5% 15/05/2028	2,860	0.34
4,100,000	CT Investment 5.5% 15/04/2026	3,286	0.39
5,600,000	Deuce Finco 8.276% 15/06/2027	4,653	0.56
4,200,000	Deutsche Bank 10% Perpetual	3,662	0.44
4,900,000	Energias de Portugal 5.943% 23/04/2083	4,183	0.50
2,900,000	Ford Motor Credit 6.125% 15/05/2028	2,593	0.31
4,300,000	Grunenthal 4.125% 15/05/2028	3,485	0.42
6,000,000	Haleon Netherlands Capital 2.125% 29/03/2034	4,295	0.51
3,600,000	Iliad 5.125% 15/10/2026	2,984	0.36
3,700,000	Intrum 9.25% 15/03/2028	2,758	0.33
2,200,000	Lottomatica 9.75% 30/09/2027	2,041	0.24
6,600,000	National Bank of Greece 8.25% 18/07/2029	5,692	0.68
4,200,000	NH Hotels 4% 02/07/2026	3,461	0.41
2,700,000	Novelis Sheet Ingot 3.375% 15/04/2029	2,032	0.24
4,800,000	Novo Banco 9.875% 01/12/2033	4,266	0.51
7,300,000	Piraeus Financial 5.5% 19/02/2030	5,772	0.69
5,600,000	Piraeus Financial 8.75% Perpetual	4,339	0.52
4,800,000	Societe Generale 7.875% Perpetual	3,927	0.47
10	Stichting AK Rabobank Certificaten 6.5% Perpetual	-	-
5,500,000	Tritax EuroBox 0.95% 02/06/2026	4,076	0.49
2,300,000	UniCredit 7.5% Perpetual	1,978	0.24
3,200,000	WP/AP Telecom 3.75% 15/01/2029	2,440	0.29
		129,826	15.54
Sterling Denominated Bonds 10.26% (31 July 2022 10.05%)			
Asset Backed Security 0.05% (31 July 2022 0.07%)			
900,000	Telereal Secured Finance 4.01% 10/12/2031	452	0.05
		452	0.05
Corporate Bonds 10.21% (31 July 2022 9.98%)			
2,400,000	abrdn 5.25% Perpetual	1,965	0.24
2,200,000	Aviva 6.875% 20/05/2058	2,164	0.26
3,100,000	AXA 5.453% Perpetual	3,007	0.36
5,800,000	Barclays 8.875% Perpetual	5,322	0.64
8,000,000	Bellis Acquisition 4.5% 16/02/2026	7,016	0.84
2,300,000	Bellis Finco 4% 16/02/2027	1,772	0.21
6,800,000	Castle UK Finco 7% 15/05/2029	5,295	0.63
1,400,000	CPUK Finance 4.5% 28/08/2027	1,197	0.14
2,000,000	CPUK Finance 6.136% 28/08/2031	1,913	0.23
3,700,000	CPUK Finance 6.5% 28/08/2026	3,538	0.42
3,800,000	Deuce Finco 5.5% 15/06/2027	3,256	0.39
3,500,000	Ford Motor Credit 2.748% 14/06/2024	3,363	0.40
4,200,000	General Motors Financial 5.15% 15/08/2026	4,081	0.49
2,107,000	Legal & General 5.5% 27/06/2064	1,958	0.23
1,800,000	M&G 5.56% 20/07/2055	1,571	0.19

Aegon Diversified Monthly Income Fund

Portfolio Statement (continued)

Holding	Investment	Market valuation	Total net assets
		£'000	%
Corporate Bonds (continued)			
1,807,000	M&G 5.625% 20/10/2051	1,631	0.20
1,700,000	MPT Operating Partnership 3.692% 05/06/2028	1,220	0.15
5,300,000	Nationwide Building Society 5.75% Perpetual	4,649	0.56
37,000	Nationwide Building Society 10.25% Perpetual	4,366	0.52
2,200,000	Pension Insurance 7.375% Perpetual	1,913	0.23
4,550,000	Pinnacle Bidco 6.375% 15/02/2025	4,438	0.53
4,500,000	RAC 4.87% 06/05/2026	4,110	0.49
3,600,000	Rentokil Initial 5% 27/06/2032	3,398	0.41
3,700,000	Rothsay Life 3.375% 12/07/2026	3,347	0.40
3,200,000	Virgin Money UK 8.25% Perpetual	2,679	0.32
2,900,000	Whitbread 3% 31/05/2031	2,260	0.27
4,300,000	Zurich Finance (Ireland) DAC 5.125% 23/11/2052	3,833	0.46
		85,262	10.21
United States Dollar Denominated Bonds 24.87% (31 July 2022 18.07%)			
Asset Backed Security 0.41% (31 July 2022 0.00%)			
6,420,000	United Airlines 3.7% 01/03/2030	3,399	0.41
		3,399	0.41
Corporate Bonds 20.79% (31 July 2022 13.70%)			
6,000,000	Adobe 2.3% 01/02/2030	4,088	0.49
5,000,000	AerCap 5.875% 10/10/2079	3,758	0.45
6,600,000	Allianz 3.2% Perpetual	3,956	0.47
4,100,000	Ardagh Packaging Finance 5.25% 15/08/2027	2,741	0.33
6,400,000	Ashtead Capital 5.55% 30/05/2033	4,837	0.58
423,096	Avaya Exit Term Loan 0% 01/08/2028	273	0.03
5,000,000	Bayer US Finance II 4.25% 15/12/2025	3,774	0.45
7,800,000	BNP Paribas 7.75% Perpetual	6,027	0.72
4,500,000	BP Capital Markets 4.375% Perpetual	3,368	0.40
5,200,000	CCO 7.375% 01/03/2031	4,008	0.48
5,300,000	Comcast 4.15% 15/10/2028	3,986	0.48
5,200,000	CRH America 3.875% 18/05/2025	3,910	0.47
9,200,000	CrowdStrike 3% 15/02/2029	6,174	0.74
5,200,000	CVS Health 5% 20/02/2026	4,028	0.48
3,620,000	Dresdner Funding Trust I 8.151% 30/06/2031	3,008	0.36
2,000,000	Electricite de France 9.125% Perpetual	1,640	0.20
5,000,000	Enel Finance International 6.8% 14/10/2025	3,970	0.48
3,100,000	Fortrea 7.5% 01/07/2030	2,453	0.29
8,325,000	Gartner 4.5% 01/07/2028	6,045	0.72
5,400,000	GEMS MENASA Cayman 7.125% 31/07/2026	4,071	0.49
4,300,000	Harbour Energy 5.5% 15/10/2026	3,100	0.37
1,300,000	HTA 7% 18/12/2025	965	0.12
5,000,000	International Business Machines 3.5% 15/05/2029	3,598	0.43
4,900,000	Iron Mountain 4.5% 15/02/2031	3,281	0.39
3,200,000	Lloyds Banking 8% Perpetual	2,331	0.28
3,200,000	Mars 4.65% 20/04/2031	2,455	0.29
3,407,000	MPT Operating Partnership 5.25% 01/08/2026	2,446	0.29
5,000,000	Netflix 4.875% 15/04/2028	3,839	0.46
5,000,000	NXP Funding 4.3% 18/06/2029	3,670	0.44
5,000,000	Oracle 6.15% 09/11/2029	4,076	0.49
3,600,000	Pfizer Investment Enterprises 5.3% 19/05/2053	2,873	0.34
3,600,000	Phoenix 5.625% Perpetual	2,500	0.30
5,400,000	Prime Security Services Borrower 6.25% 15/01/2028	3,953	0.47
4,100,000	Rand Parent 8.5% 15/02/2030	2,995	0.36
5,100,000	Regal Rexnord 6.4% 15/04/2033	3,952	0.47
4,900,000	Royal Caribbean Cruises 8.25% 15/01/2029	3,975	0.48
6,000,000	Royalty Pharma 1.75% 02/09/2027	4,052	0.49
5,000,000	SBA Communications 3.125% 01/02/2029	3,274	0.39
4,700,000	Spirit AeroSystems 9.375% 30/11/2029	3,920	0.47

Aegon Diversified Monthly Income Fund

Portfolio Statement (continued)

Holding	Investment	Market valuation	Total net assets
		£'000	%
Corporate Bonds (continued)			
6,000,000	Stryker 1.95% 15/06/2030	3,886	0.47
4,200,000	Swiss Re Finance Luxembourg 4.25% Perpetual	2,995	0.36
5,100,000	Takeda Pharmaceutical 5% 26/11/2028	3,957	0.47
5,000,000	Target 4.4% 15/01/2033	3,758	0.45
4,800,000	Triton Container International 2.05% 15/04/2026	3,286	0.39
7,400,000	Verizon Communications Secured Financing 5% 15/01/2032	4,693	0.56
4,800,000	VICI Properties 3.875% 15/02/2029	3,316	0.40
5,500,000	WarnerMedia 3.755% 15/03/2027	4,000	0.48
8,400,000	XPO Logistics 6.25% 01/06/2028	6,468	0.77
		173,729	20.79
Government Bonds 3.67% (31 July 2022 4.37%)			
20,000,000	US Treasury Bond 2.25% 31/03/2024	15,236	1.82
20,000,000	US Treasury Bond 4.625% 28/02/2025	15,433	1.85
		30,669	3.67
Equities 45.55% (31 July 2022 53.64%)			
Basic Materials 2.70% (31 July 2022 2.45%)			
28,364	Air Products & Chemicals	6,731	0.81
242,354	Rio Tinto	12,479	1.49
131,737	Shin-Etsu Chemical	3,371	0.40
		22,581	2.70
Consumer Discretionary 1.51% (31 July 2022 0.58%)			
526,900	Sekisui House	8,348	1.00
326,859	Toyota Motor	4,260	0.51
		12,608	1.51
Consumer Staples 1.65% (31 July 2022 2.26%)			
225,288	Koninklijke Ahold Delhaize	6,059	0.72
80,792	Nestle	7,741	0.93
		13,800	1.65
Financials 14.93% (31 July 2022 18.29%)			
3,487,072	3i Infrastructure	10,897	1.30
23,405	Allianz	4,364	0.52
40,273	CME	6,225	0.74
8,137,694	Cordiant Digital Infrastructure	6,640	0.79
138,519	DNB Bank	2,224	0.27
9,840,851	Greencoat Renewables	8,854	1.06
6,658,933	Greencoat UK Wind	9,742	1.17
5,148,166	Hipgnosis Songs Fund	4,016	0.48
1,137,622	Infratil	5,420	0.65
8,328,757	International Public Partnerships	10,944	1.31
6,870,385	Legal & General	16,029	1.92
84,654	Macquarie	7,759	0.93
3,382,759	Phoenix	18,605	2.23
6,874,001	Renewables Infrastructure	7,823	0.94
13,777	Zurich Insurance	5,198	0.62
		124,740	14.93
Health Care 4.47% (31 July 2022 3.31%)			
359,809	Astellas Pharma	4,094	0.49
38,357	AstraZeneca	4,290	0.51
48,804	Gilead Sciences	2,888	0.35
64,400	Johnson & Johnson	8,390	1.01
51,415	Novartis	4,198	0.50
332,226	Pfizer	9,309	1.11
17,126	Roche	4,155	0.50
		37,324	4.47

Aegon Diversified Monthly Income Fund

Portfolio Statement (continued)

Holding	Investment	Market valuation £'000	Total net assets %
Industrials 3.58% (31 July 2022 6.12%)			
22,864	Automatic Data Processing	4,394	0.53
32,196	Cummins	6,528	0.78
4,041,563	DP Aircraft I	157	0.02
46,024	Eaton	7,350	0.88
48,465	Schneider Electric	6,730	0.80
630,829	Simplo Technology	4,789	0.57
		29,948	3.58
Real Estate 4.87% (31 July 2022 7.45%)			
5,114,045	CapitalLand Ascendas REIT*	8,382	1.00
40,864	Digital Realty Trust REIT*	3,960	0.48
6,129	GLP J-REIT*	4,697	0.56
2,493,044	LXI REIT*	2,371	0.28
317,007	Nexity	4,186	0.50
537,117	Segro REIT*	4,097	0.49
2,712,036	Urban Logistics REIT*	3,298	0.40
310,278	Vonovia	5,655	0.68
151,375	Weyerhaeuser REIT*	4,006	0.48
		40,652	4.87
Technology 7.04% (31 July 2022 5.66%)			
43,422	Avaya**	439	0.05
19,031	Broadcom	13,301	1.59
711,185	Delta Electronics	6,420	0.77
41,450	Microsoft	10,823	1.30
58,500	ROHM	4,254	0.51
114,669	Samsung Electronics	4,880	0.58
142,350	Taiwan Semiconductor Manufacturing ADR	10,967	1.31
24,353	Texas Instruments	3,409	0.41
37,180	Tokyo Electron	4,321	0.52
		58,814	7.04
Telecommunications 0.47% (31 July 2022 1.24%)			
20,674,800	Telekomunikasi Indonesia	3,964	0.47
		3,964	0.47
Utilities 4.33% (31 July 2022 6.28%)			
1,851,195	Energias de Portugal	6,742	0.81
225,305	Iberdrola	2,192	0.26
96,232	NextEra Energy	5,481	0.66
1,042,847	SSE	17,572	2.10
630,327	Terna	4,152	0.50
		36,139	4.33
Derivatives and Futures Contracts 1.06% (31 July 2022 1.52%)			
Forward Foreign Exchange Contracts 1.06% (31 July 2022 1.50%)			
	Bought BRL 154,300,000 Sold JPY 4,459,584,772 29/09/2023	326	0.04
	Bought CHF 9,200,000 Sold GBP 8,112,549 11/09/2023	174	0.02
	Bought CHF 3,100,000 Sold GBP 2,768,948 11/09/2023	23	-
	Bought EUR 7,200,000 Sold GBP 6,166,632 11/09/2023	15	-
	Bought EUR 6,137,629 Sold GBP 5,261,386 11/09/2023	9	-
	Bought EUR 11,200,000 Sold GBP 9,728,432 11/09/2023	(112)	(0.01)
	Bought GBP 8,784,629 Sold AUD 16,300,000 11/09/2023	236	0.03
	Bought GBP 16,831,207 Sold CAD 28,200,000 11/09/2023	174	0.02
	Bought GBP 37,402,825 Sold CHF 42,200,000 11/09/2023	(606)	(0.07)
	Bought GBP 40,418,538 Sold EUR 47,000,000 11/09/2023	64	0.01
	Bought GBP 4,795,715 Sold EUR 5,569,896 29/09/2023	10	-
	Bought GBP 87,599,962 Sold EUR 102,100,000 29/09/2023	(132)	(0.02)

Aegon Diversified Monthly Income Fund

Portfolio Statement (continued)

Holding	Investment	Market valuation £'000	Total net assets %
Forward Foreign Exchange Contracts (continued)			
	Bought GBP 4,652,214 Sold IDR 87,000,000,000 12/09/2023	179	0.02
	Bought GBP 17,733,497 Sold JPY 3,200,000,000 15/08/2023	186	0.02
	Bought GBP 3,655,119 Sold JPY 660,000,000 11/09/2023	20	-
	Bought GBP 5,185,203 Sold KRW 8,500,000,000 12/09/2023	(3)	-
	Bought GBP 6,724,459 Sold NOK 91,000,000 11/09/2023	(275)	(0.03)
	Bought GBP 5,022,883 Sold NZD 10,300,000 11/09/2023	42	0.01
	Bought GBP 12,054,409 Sold SGD 20,300,000 11/09/2023	149	0.02
	Bought GBP 53,037,075 Sold TWD 2,017,000,000 12/09/2023	3,050	0.37
	Bought GBP 2,887,514 Sold TWD 113,000,000 12/09/2023	87	0.01
	Bought GBP 384,764,868 Sold USD 484,200,000 11/09/2023	8,512	1.02
	Bought GBP 9,424,414 Sold USD 12,100,000 11/09/2023	22	-
	Bought GBP 5,045,331 Sold USD 6,500,000 11/09/2023	(6)	-
	Bought GBP 3,507,786 Sold USD 4,600,000 11/09/2023	(67)	(0.01)
	Bought IDR 322,400,000,000 Sold JPY 3,014,520,939 29/09/2023	(71)	(0.01)
	Bought INR 1,770,000,000 Sold JPY 3,008,823,000 29/09/2023	75	0.01
	Bought JPY 1,928,000,000 Sold GBP 10,670,068 11/09/2023	(52)	(0.01)
	Bought JPY 2,612,000,000 Sold GBP 14,483,151 11/09/2023	(98)	(0.01)
	Bought JPY 11,200,000,000 Sold GBP 64,773,642 11/09/2023	(3,091)	(0.37)
	Bought MXN 555,000,000 Sold JPY 4,460,123,245 29/09/2023	899	0.11
	Bought NOK 47,229,836 Sold GBP 3,434,041 11/09/2023	199	0.02
	Bought NOK 228,400,000 Sold JPY 2,986,339,136 29/09/2023	1,077	0.13
	Bought TWD 194,000,000 Sold GBP 4,874,617 12/09/2023	(67)	(0.01)
	Bought USD 161,400,000 Sold EUR 147,864,201 29/09/2023	(1,639)	(0.20)
	Bought USD 5,635,856 Sold GBP 4,384,857 29/09/2023	(6)	-
	Bought USD 14,600,000 Sold GBP 11,356,468 11/09/2023	(11)	-
	Bought USD 2,700,000 Sold GBP 2,121,306 11/09/2023	(23)	-
	Bought USD 29,400,000 Sold GBP 23,267,556 11/09/2023	(422)	(0.05)
		8,847	1.06
Futures Contracts 0.00% (31 July 2022 0.02%)			
Portfolio of investments***		812,754	97.28
Net other assets		22,716	2.72
Total net assets attributable to shareholders		835,470	100.00

Analysis of investments by asset class

	Market value £'000	Value of investments %
Bonds	423,337	50.67
Equities	380,570	45.55
Derivatives	8,847	1.06
Portfolio of investments***	812,754	97.28
Net other assets	22,716	2.72
Total net assets attributable to shareholders	835,470	100.00

The comparative percentage figures in brackets are at 31 July 2022.

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 228).

***Includes investment liabilities.

Aegon Diversified Monthly Income Fund

Statement of Total Return for the year ended 31 July 2023

	Note	£'000	2023 £'000	£'000	2022 £'000
Income					
Net capital losses	2		(24,251)		(76,139)
Revenue	3	54,381		54,240	
Expenses	4	(4,789)		(5,214)	
Interest payable and similar charges		(31)		(23)	
Net revenue before taxation		49,561		49,003	
Taxation	5	(7,884)		(5,807)	
Net revenue after taxation			41,677		43,196
Total return before distributions			17,426		(32,943)
Distributions	6		(46,524)		(48,457)
Change in net assets attributable to shareholders from investment activities			(29,098)		(81,400)

Statement of Change in Net Assets Attributable to Shareholders for the year ended 31 July 2023

	£'000	2023 £'000	£'000	2022 £'000
Opening net assets attributable to shareholders		851,284		902,919
Amounts receivable on issue of shares	82,795		91,795	
Amounts payable on cancellation of shares	(92,507)		(86,599)	
		(9,712)		5,196
Dilution adjustment		66		-
Change in net assets attributable to shareholders from investment activities		(29,098)		(81,400)
Retained distribution on accumulation shares		22,930		24,569
Closing net assets attributable to shareholders		835,470		851,284

Aegon Diversified Monthly Income Fund

Balance Sheet as at 31 July 2023

	Note	£'000	2023 £'000	£'000	2022 £'000
Assets					
Fixed assets:					
Investments			819,435		795,615
Current assets:					
Debtors	7	19,046		17,234	
Cash and bank balances	8	<u>29,963</u>		<u>56,926</u>	
			<u>49,009</u>		<u>74,160</u>
Total assets			868,444		869,775
Liabilities					
Investment liabilities					
			6,681		1,467
Creditors					
Bank overdrafts	9	8,270		11,840	
Distributions payable		2,169		3,276	
Other creditors	10	<u>15,854</u>		<u>1,908</u>	
Total liabilities			<u>32,974</u>		<u>18,491</u>
Net assets attributable to shareholders			835,470		851,284

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 losses

Net capital losses comprise:

	2023	2022
	£'000	£'000
Losses on non-derivative securities	(39,877)	(35,040)
Gains/(losses) on forward currency contracts	25,565	(30,873)
Currency exchange gains	1,531	611
Losses on derivative securities	(11,467)	(10,829)
Transaction charges	(3)	(8)
Net capital losses	(24,251)	(76,139)

3 Revenue

	2023	2022
	£'000	£'000
UK dividends	7,438	10,972
Non-taxable overseas dividends	11,274	19,189
Taxable overseas dividends	1,094	1,352
Property income from REITs	363	158
US REIT dividends	40	348
Interest on debt securities	23,954	14,910
Bank interest	1,162	99
Derivative revenue	8,986	7,152
Stock lending income*	70	60
Total revenue	54,381	54,240

*The sub-fund received 72% of the revenue returns from stock lending activities. The gross earnings for the year are £97,000 (2022: £83,000) and expenses paid of £27,000 (2022: £23,000).

4 Expenses*

	2023	2022
	£'000	£'000
Payable to the ACD, associates of the ACD and agents of either of them:		
ACD's periodic charge	4,642	4,897
Payable to the Depositary, associates of the Depositary and agents of either of them:		
Depositary fee	104	104
Other expenses:		
Audit fee**	19	23
FT publishing fee	3	3
PRIPs fees	3	3
Registrar's fee	(37)	53
Safe custody charge	52	62
Tax services fees	3	69
Total expenses	4,789	5,214

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

**The audit fee (excluding VAT) incurred during the year was £19,178 (2022: £19,178).

Aegon Diversified Monthly Income Fund

Notes to the Financial Statements (continued)

5 Taxation

a) Analysis of charge in the year

	2023	2022
	£'000	£'000
Current tax:		
UK corporation tax on profits in the year	6,162	3,765
	6,162	3,765
Double taxation relief	(77)	(155)
Overseas tax suffered	1,799	2,197
Total tax charge for the year (see note 5 (b))	7,884	5,807

b) Factors affecting tax charge for the year

The tax assessed for the year is lower than (2022: lower than) the standard rate of corporation tax for Open Ended Investment Companies 'OEICs' (20%).

The differences are explained below:

	2023	2022
	£'000	£'000
Net revenue before taxation	49,561	49,003
Corporation tax 20% (2022: 20%)	9,912	9,801
Effects of:		
Double taxation relief	(77)	(155)
Overseas tax suffered	1,799	2,197
Relief on overseas tax suffered	(8)	(4)
Revenue not subject to taxation	(3,742)	(6,032)
Total tax charge for the year (see note 5 (a))	7,884	5,807

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:

	2023	2022
	£'000	£'000
Interim distributions	42,101	42,004
Final distribution	4,379	6,487
	46,480	48,491
Add: amounts deductible on cancellation of shares	174	454
Less: amounts receivable on creation of shares	(130)	(488)
Distributions	46,524	48,457

Details of the distributions are set out in the tables on page 229.

b) Movement between net revenue and distribution

	2023	2022
	£'000	£'000
Net revenue after taxation	41,677	43,196
Expenses transferred to capital	4,820	5,237
Stock lending expenses transferred to capital	27	24
Distributions	46,524	48,457

7 Debtors

	2023	2022
	£'000	£'000
Accrued revenue	6,965	5,801
Amounts receivable for the issue of shares	893	1,045
Corporation tax recoverable	-	126
Reclaimable overseas tax	2,624	2,594
Sales awaiting settlement	8,564	7,668
Debtors	19,046	17,234

Aegon Diversified Monthly Income Fund

Notes to the Financial Statements (continued)

8 Cash and bank balances

	2023	2022
	£'000	£'000
Amounts held at futures clearing houses and brokers	-	391
Cash and bank balances	2,630	3,670
Money market deposits	27,333	52,865
Cash and bank balances	29,963	56,926

9 Bank overdrafts

	2023	2022
	£'000	£'000
Amounts held at futures clearing houses and brokers*	8,270	11,840
Bank overdrafts	8,270	11,840

*Includes cash pledged as collateral of £8,270,000 (2022: £11,840,000).

10 Other creditors

	2023	2022
	£'000	£'000
Accrued ACD periodic charge	775	771
Accrued other expenses	47	139
Amounts payable for the cancellation of shares	655	998
Corporation tax payable	24	-
Purchases awaiting settlement	14,353	-
Other creditors	15,854	1,908

11 Related parties

Related party interests in the sub-fund are disclosed in Note 5 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 40.11% (2022: 38.68%) 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 2023 (2022: £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

	2023		2022	
	Market value £'000	Value of investments %	Market value £'000	Value of investments %
Investment grade	152,625	18.28	105,214	12.36
Below investment grade	221,308	26.48	192,693	22.64
Unrated	49,404	5.91	26,700	3.13
Other investments and derivatives	389,417	46.61	469,541	55.16
Portfolio of investments	812,754	97.28	794,148	93.29
Net other assets	22,716	2.72	57,136	6.71
Total net assets attributable to shareholders	835,470	100.00	851,284	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 95.00% (2022: 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 14.10% (2022: 14.10%). As at the balance sheet date, the sub-fund's value at risk is 3.51% (2022: 3.47%).

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

	Lowest Utilisation (%)	Highest Utilisation (%)	Average Utilisation (%)
31 July 2023	3.19	4.32	3.74
31 July 2022	2.56	3.71	3.09

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 2023 the average leverage was 151.48% (2022: 138.64%).

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 2023, the market value of the exchange traded derivatives held by the sub-fund was £Nil (2022: £204,000).

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

As at 31 July 2023

Counterparty	Stock on loan £'000	Futures Exposure £'000	Forward Foreign		Collateral pledge	
			Exchange Contracts Exposure £'000	Cash £'000	Stock £'000	Cash £'000
Barclays	17,692	-	2,849	(2,610)	18,240	(2,610)
BNP Paribas	869	-	5,998	(5,660)	888	(5,660)
Citigroup	17,265	-	-	-	18,195	-
HSBC	2,310	-	-	-	2,427	-
JPMorgan	2,924	-	-	-	2,999	-
Morgan Stanley	1,724	-	-	-	1,768	-

As at 31 July 2022

Counterparty	Stock on loan £'000	Futures Exposure £'000	Forward Foreign		Collateral pledge	
			Exchange Contracts Exposure £'000	Cash £'000	Stock £'000	Cash £'000
Barclays	3,131	-	46	270	3,310	270
BNP Paribas	-	-	12,705	(12,110)	-	(12,110)
Credit Suisse	13,998	-	-	-	14,783	-
HSBC	8,941	-	-	-	9,620	-
JPMorgan	1,617	-	-	-	1,677	-
Merrill Lynch	2,718	-	-	-	2,855	-
UBS	-	204	-	-	-	-

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 2023	Value	Commissions	Other Costs*		
	£'000	£'000	%	£'000	
Debt securities	421,471	-	-	-	
Equities	156,480	104	0.07	196	
Total	577,951	104		196	
Total purchases including transaction costs	578,251				
31 July 2022					
Debt securities	193,595	-	-	-	
Equities	199,935	119	0.06	178	
Total	393,530	119		178	
Total purchases including transaction costs	393,827				

Sales

31 July 2023	Value	Commissions	Other Costs*		
	£'000	£'000	%	£'000	
Debt securities	301,898	-	-	-	
Equities	214,687	(111)	0.05	(14)	
Corporate actions	192	-	-	-	
Total	516,777	(111)		(14)	
Total sales net of transaction costs	516,652				
31 July 2022					
Debt securities	159,944	-	-	-	
Equities	286,941	(179)	0.06	(37)	
Corporate actions	2,643	-	-	-	
Total	449,528	(179)		(37)	
Total sales net of transaction costs	449,312				

Derivatives

31 July 2023	Commissions
	£'000
Futures	3
Total	3
31 July 2022	
Futures	10
Total	10

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

The purchases and sales are not subject to portfolio transaction costs.

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 0.41% (2022: 0.44%), 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	2023		2022	
	Assets	Liabilities	Assets	Liabilities
	£'000	£'000	£'000	£'000
1 - Unadjusted quoted prices	410,800	-	494,030	-
2 - Observable market data	408,196	(6,681)	301,585	(1,467)
3 - Unobservable data*	439	-	-	-
	819,435	(6,681)	795,615	(1,467)

*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 pages 214 and 215. The distribution per share class is given in the distribution tables on page 229. All share classes have the same rights on winding up.

Share class movement reconciliation

31 July 2023	Opening	Creations	Cancellations	Converted	Closing
B Accumulation	279,509,773	8,489,979	(17,675,591)	(99,140)	270,225,021
B Income	425,670,957	72,449,385	(69,415,103)	157,188	428,862,427

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 16 November 2023 and the percentage movement in that period. The net asset values per share were reviewed again on 23 November 2023 with no material movements noted since 16 November.

Net assets per share

	31 July 2023	16 November 2023	% Movement
B Accumulation	156.49	157.47	0.63
B Income	96.21	95.25	(1.00)

Aegon Diversified Monthly Income Fund

Distribution Tables

Share Class B Accumulation

Period end	Pay date		Net Revenue	Equalisation*	Total Payable	2021/22 Total Paid
31/08/22	30/09/22	Group 1	0.8105	N/A	0.8105	0.4429
		Group 2	0.5401	0.2704		
30/09/22	31/10/22	Group 1	0.5137	N/A	0.5137	0.4864
		Group 2	0.2568	0.2569		
31/10/22	30/11/22	Group 1	0.3311	N/A	0.3311	0.5478
		Group 2	0.2026	0.1285		
30/11/22	31/12/22	Group 1	0.5162	N/A	0.5162	0.5783
		Group 2	0.2911	0.2251		
31/12/22	31/01/23	Group 1	0.4510	N/A	0.4510	0.6223
		Group 2	0.2592	0.1918		
31/01/23	28/02/23	Group 1	0.4097	N/A	0.4097	0.6402
		Group 2	0.2253	0.1844		
28/02/23	31/03/23	Group 1	0.4665	N/A	0.4665	0.6618
		Group 2	0.2390	0.2275		
31/03/23	30/04/23	Group 1	0.9031	N/A	0.9031	0.7317
		Group 2	0.4774	0.4257		
30/04/23	31/05/23	Group 1	0.7949	N/A	0.7949	0.8363
		Group 2	0.4835	0.3114		
31/05/23	30/06/23	Group 1	1.5922	N/A	1.5922	0.9003
		Group 2	1.0484	0.5438		
30/06/23	31/07/23	Group 1	0.7735	N/A	0.7735	1.0621
		Group 2	0.5442	0.2293		
31/07/23	31/08/23	Group 1	0.8181	N/A	0.8181	1.1491
		Group 2	0.5742	0.2439		

Share Class B Income

Period end	Pay date		Net Revenue	Equalisation*	Total Payable	2021/22 Total Paid
31/08/22	30/09/22	Group 1	0.5265	N/A	0.5265	0.3041
		Group 2	0.4312	0.0953		
30/09/22	31/10/22	Group 1	0.3321	N/A	0.3321	0.3330
		Group 2	0.1341	0.1980		
31/10/22	30/11/22	Group 1	0.2132	N/A	0.2132	0.3739
		Group 2	0.1256	0.0876		
30/11/22	31/12/22	Group 1	0.3316	N/A	0.3316	0.3934
		Group 2	0.1848	0.1468		
31/12/22	31/01/23	Group 1	0.2888	N/A	0.2888	0.4218
		Group 2	0.1378	0.1510		
31/01/23	28/02/23	Group 1	0.2616	N/A	0.2616	0.4323
		Group 2	0.1385	0.1231		
28/02/23	31/03/23	Group 1	0.2969	N/A	0.2969	0.4451
		Group 2	0.1940	0.1029		
31/03/23	30/04/23	Group 1	0.5732	N/A	0.5732	0.4902
		Group 2	0.2991	0.2741		
30/04/23	31/05/23	Group 1	0.5017	N/A	0.5017	0.5577
		Group 2	0.2572	0.2445		
31/05/23	30/06/23	Group 1	0.9992	N/A	0.9992	0.5972
		Group 2	0.6526	0.3466		
30/06/23	31/07/23	Group 1	0.4805	N/A	0.4805	0.7005
		Group 2	0.3319	0.1486		
31/07/23	31/08/23	Group 1	0.5057	N/A	0.5057	0.7695
		Group 2	0.3004	0.2053		

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 £1000 or more.

Existing shareholders 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.

Aegon Asset Management UK ICVC

Further Information (unaudited) (continued)

Securities Financial Transactions Regulations (unaudited)

The Securities Financing Transaction Regulation ("SFTR") introduced 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 2023 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	13,396,979	10.58
Aegon Strategic Bond Fund	Stock lending	23,533,339	6.52
Aegon High Yield Bond	Stock lending	40,771,454	7.77
Aegon Investment Grade Bond Fund	Stock lending	11,087,568	5.91
Aegon Diversified Monthly Income Fund	Stock lending	42,783,753	5.12

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 2023.

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 £136.3m.

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 2023.

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	9,194,136
Aegon Sterling Corporate Bond Fund	Stock lending	BNP Paribas	432,066
Aegon Sterling Corporate Bond Fund	Stock lending	HSBC	3,108,420
Aegon Sterling Corporate Bond Fund	Stock lending	Jefferies	259,882
Aegon Sterling Corporate Bond Fund	Stock lending	JPMorgan	402,475
Aegon Strategic Bond Fund	Stock lending	Barclays	8,856,160
Aegon Strategic Bond Fund	Stock lending	BNP Paribas	6,289,083
Aegon Strategic Bond Fund	Stock lending	JPMorgan	4,871,457
Aegon Strategic Bond Fund	Stock lending	Morgan Stanley	3,516,639
Aegon High Yield Bond Fund	Stock lending	Barclays	27,048,467
Aegon High Yield Bond Fund	Stock lending	BNP Paribas	6,536,478
Aegon High Yield Bond Fund	Stock lending	HSBC	2,658,942
Aegon High Yield Bond Fund	Stock lending	JPMorgan	4,253,213
Aegon High Yield Bond Fund	Stock lending	Morgan Stanley	274,354
Aegon Investment Grade Bond Fund	Stock lending	Barclays	7,119,880
Aegon Investment Grade Bond Fund	Stock lending	BNP Paribas	1,103,746
Aegon Investment Grade Bond Fund	Stock lending	HSBC	2,685,645
Aegon Investment Grade Bond Fund	Stock lending	JPMorgan	178,297
Aegon Diversified Monthly Income Fund	Stock lending	Barclays	17,691,448
Aegon Diversified Monthly Income Fund	Stock lending	BNP Paribas	868,682
Aegon Diversified Monthly Income Fund	Stock lending	Citigroup	17,265,360
Aegon Diversified Monthly Income Fund	Stock lending	HSBC	2,309,538
Aegon Diversified Monthly Income Fund	Stock lending	JPMorgan	2,924,410
Aegon Diversified Monthly Income Fund	Stock lending	Morgan Stanley	1,724,315

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 UK Limited, London Branch.

The amount of collateral received for stock lending as at 31 July 2023 is as follows:

Sub-fund	Type of collateral	Counterparty	Currency of collateral	Amount of collateral (£)
Aegon Strategic Bond Fund	Cash	Barclays	GBP	(3,050,000)
Aegon Strategic Bond Fund	Cash	Morgan Stanley	GBP	(410,000)
Aegon High Yield Bond Fund	Cash	Barclays	GBP	(5,680,000)
Aegon Investment Grade Bond Fund	Cash	Barclays	GBP	(270,000)
Aegon Sustainable Diversified Growth Fund	Cash	BNP Paribas	GBP	1,150,000
Aegon Sustainable Diversified Growth Fund	Cash	Deutsche Bank	GBP	(740,000)
Aegon Diversified Monthly Income Fund	Cash	Barclays	GBP	(2,610,000)
Aegon Diversified Monthly Income Fund	Cash	BNP Paribas	GBP	(5,660,000)

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	EUR	Matured	UK	Bilateral	Investment grade
Aegon Sterling Corporate Bond Fund	Bond	Matured	GBP	Matured	UK	Bilateral	Investment grade
Aegon Sterling Corporate Bond Fund	Bond	Matured	SEK	Matured	UK	Bilateral	Investment grade
Aegon Strategic Bond Fund	Bond	Matured	CAD	Matured	UK	Bilateral	Investment grade
Aegon Strategic Bond Fund	Bond	Matured	EUR	Matured	UK	Bilateral	Investment grade
Aegon Strategic Bond Fund	Bond	Matured	SEK	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	EUR	Matured	UK	Bilateral	Investment grade
Aegon High Yield Bond Fund	Bond	Matured	GBP	Matured	UK	Bilateral	Investment grade
Aegon High Yield Bond Fund	Bond	Matured	SEK	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	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	SEK	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	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	SEK	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 2023 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	4,086	0.00
Aegon Sterling Corporate Bond Fund	Bond	Barclays	EUR	8,587,231	6.78
Aegon Sterling Corporate Bond Fund	Bond	Barclays	SEK	822,015	0.65
Aegon Sterling Corporate Bond Fund	Bond	BNP Paribas	CAD	1,306	0.00
Aegon Sterling Corporate Bond Fund	Bond	BNP Paribas	EUR	440,483	0.35
Aegon Sterling Corporate Bond Fund	Bond	HSBC	EUR	75,073	0.06
Aegon Sterling Corporate Bond Fund	Bond	HSBC	GBP	3,289,292	2.60
Aegon Sterling Corporate Bond Fund	Bond	Jefferies	EUR	265,475	0.21
Aegon Sterling Corporate Bond Fund	Bond	JPMorgan	EUR	412,663	0.33
		Total		13,897,624	10.98
Aegon Strategic Bond Fund	Bond	Barclays	CAD	3,936	0.00
Aegon Strategic Bond Fund	Bond	Barclays	EUR	8,271,565	2.29
Aegon Strategic Bond Fund	Bond	Barclays	SEK	791,798	0.22
Aegon Strategic Bond Fund	Bond	BNP Paribas	CAD	19,575	0.01
Aegon Strategic Bond Fund	Bond	BNP Paribas	EUR	6,603,960	1.83
Aegon Strategic Bond Fund	Bond	JPMorgan	EUR	4,994,770	1.38
Aegon Strategic Bond Fund	Bond	Morgan Stanley	EUR	3,606,303	1.00
		Total		24,291,907	6.73
Aegon High Yield Bond Fund	Bond	Barclays	CAD	12,122	0.00
Aegon High Yield Bond Fund	Bond	Barclays	EUR	25,475,950	4.86
Aegon High Yield Bond Fund	Bond	Barclays	SEK	2,438,693	0.47
Aegon High Yield Bond Fund	Bond	BNP Paribas	CAD	19,786	0.00
Aegon High Yield Bond Fund	Bond	BNP Paribas	EUR	6,675,011	1.27
Aegon High Yield Bond Fund	Bond	HSBC	EUR	62,347	0.01
Aegon High Yield Bond Fund	Bond	HSBC	GBP	2,731,710	0.52
Aegon High Yield Bond Fund	Bond	JPMorgan	EUR	4,360,876	0.83
Aegon High Yield Bond Fund	Bond	Morgan Stanley	EUR	281,348	0.05
		Total		42,057,843	8.01
Aegon Investment Grade Bond Fund	Bond	Barclays	CAD	3,164	0.00
Aegon Investment Grade Bond Fund	Bond	Barclays	EUR	6,649,897	3.55
Aegon Investment Grade Bond Fund	Bond	Barclays	SEK	636,563	0.34
Aegon Investment Grade Bond Fund	Bond	BNP Paribas	CAD	3,436	0.00
Aegon Investment Grade Bond Fund	Bond	BNP Paribas	EUR	1,159,007	0.62
Aegon Investment Grade Bond Fund	Bond	HSBC	EUR	64,528	0.03
Aegon Investment Grade Bond Fund	Bond	HSBC	GBP	2,827,282	1.51
Aegon Investment Grade Bond Fund	Bond	JPMorgan	EUR	182,810	0.10
		Total		11,526,687	6.15
Aegon Diversified Monthly Income Fund	Bond	Barclays	CAD	7,918	0.00
Aegon Diversified Monthly Income Fund	Bond	Barclays	EUR	16,638,978	1.99
Aegon Diversified Monthly Income Fund	Bond	Barclays	SEK	1,592,771	0.19
Aegon Diversified Monthly Income Fund	Bond	BNP Paribas	CAD	2,625	0.00
Aegon Diversified Monthly Income Fund	Bond	BNP Paribas	EUR	885,608	0.11
Aegon Diversified Monthly Income Fund	Bond	Citigroup	USD	18,195,094	2.18
Aegon Diversified Monthly Income Fund	Bond	HSBC	EUR	54,154	0.01
Aegon Diversified Monthly Income Fund	Bond	HSBC	GBP	2,372,742	0.28
Aegon Diversified Monthly Income Fund	Bond	JPMorgan	EUR	2,998,439	0.36
Aegon Diversified Monthly Income Fund	Bond	Morgan Stanley	EUR	1,768,278	0.21
		Total		44,516,607	5.33

Return/Costs

Return and costs of stock lending transactions for the year ended 31 July 2023 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 2022 was published.

Further information with respect to Aegon Asset Management UK Plc remuneration policy is available on request 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	314	37,187
of which		
Fixed remuneration	314	23,810
Variable remuneration	314	13,377

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	9	4,458
of which		
Remuneration Code Staff	9	4,458

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	29	31,297,889	100.00%
of which			
Alternative Investment Funds	4	19,713	0.06%
UCITS Funds	11	2,122,669	6.78%
Other Funds			
Money managed on behalf of other clients		26,241,704	83.85%
Aegon Asset Management UK ICVC	14	2,913,803	9.31%

* These figures are stated as at 30 June 2023. 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 2022 – 31 December 2022.

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