

Aegon Asset Management UK ICVC

Annual Report and Financial Statements
for the year ended 31 July 2022

Aegon Asset Management UK ICVC

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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 Hull⁴
Andrew Mack (independent non-executive director)⁵
Bas NieuweWeme (non-executive director)⁶
David Watson (independent non-executive director)⁷
Jane Daniel
Kirstie MacGillivray⁸
Mary Kerrigan (independent non-executive director)
Stephen Jones
Tom Scherer⁹

Secretary of the ACD

Tom Scherer¹⁰

Research Provider

EIRIS Services Limited¹¹
8th Floor
The Tower Building
11 York Road
London
SE1 7NX

Depository

Citibank UK Limited^{2,3}
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
141 Bothwell Street
Glasgow
G2 7EQ

Registrar

Northern Trust Global Services SE UK Branch¹
50 Bank Street
London
E14 5NT

¹ Authorised and regulated by the Financial Conduct Authority.

² Depository changed from Citibank Europe plc, UK Branch to Citibank UK Limited on 2 October 2021.

³ Authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority.

⁴ Adrian Hull was appointed as a Director of Aegon Asset Management UK plc on 1 September 2022.

⁵ Andrew Mack was appointed as a Director of Aegon Asset Management UK plc on 21 September 2022.

⁶ Bas NieuweWeme resigned as a Director of Aegon Asset Management UK plc on 11 November 2021.

⁷ David Watson resigned as a Director of Aegon Asset Management UK plc on 21 September 2022.

⁸ Kirstie MacGillivray was appointed as a Director of Aegon Asset Management UK plc on 1 September 2022.

⁹ Tom Scherer was appointed as a Director of Aegon Asset Management UK plc on 11 November 2021.

¹⁰ Tom Scherer replaced Gordon Syme as the Secretary of the ACD on 1 July 2022.

¹¹ EIRIS Services Limited provides research on investments for the Aegon Ethical Corporate Bond Fund, the Aegon Ethical Cautious Managed Fund and the Aegon Sustainable Equity Fund.

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 live sub-funds trading as at 31 July 2022. Aegon UK Equity Income Fund is no longer open to investors having redeemed all shares in January 2022, and it is the intention of the ACD to terminate the sub-fund at a later date once the residual assets and liabilities are settled. As a result, the financial statements for this sub-fund have been prepared on a basis other than going concern. 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 2022.

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 2022 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 2 October 2021 the Depositary was changed from Citibank Europe plc, UK Branch to Citibank UK Limited. This was necessary as a result of UK regulatory changes brought about by the UK's decision to leave the European Union which prevent a branch of an EU-27 entity (like Citibank Europe PLC, UK Branch) from acting as depositary of a UK domiciled fund.

The Aegon UK Equity Income Fund closed on 31 January 2022 and an update has been made to the prospectus accordingly.

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/>.

Sub-fund name changes

On 28 July 2022, the sub-fund changed its name from Aegon UK Opportunities Fund to Aegon UK Sustainable Opportunities Fund.

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

Sterling Corporate Bond Fund ¹			X			
UK Equity Fund						X
UK Equity Income Fund						X
UK Equity Absolute Return Fund			X			
UK Smaller Companies Fund						X
UK Sustainable Opportunities Fund						X
Strategic Bond Fund				X		
Sustainable Equity Fund						X
High Yield Bond Fund				X		
Investment Grade Bond Fund ²			X			
Ethical Corporate Bond Fund			X			
Ethical Equity Fund						X
Ethical Cautious Managed Fund				X		
Sustainable Diversified Growth Fund				X		
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.

¹On 14/02/2022 the SRRRI rating on Sterling Corporate Bond Fund has changed as the realised volatility of returns on the sub-fund has increased throughout the year.

²On 14/02/2022 the SRRRI rating on Investment Grade Bond 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 2022

It was an extremely challenging period for most asset classes as investors grappled with the onset of the Omicron variant of COVID-19, sharply rising inflation and the decision by major central banks to begin removing the monetary policies that had been in place to support economies. As the period progressed, the Omicron variant proved to be less of a concern than previous strains, which boosted markets to an extent towards the end of 2021.

However, markets came under significant pressure as we moved through 2022, due mainly to the strong inflationary environment. The causes of the higher inflation figures were manifold and included the opening-up of economies following the coronavirus pandemic, ongoing supply chain bottlenecks and, of course, the tragic war in Ukraine which resulted in a spike in food and energy prices.

Central banks acted to combat rising inflation by increasing interest rates, although the clarity of their communications through this period was generally disappointing. During the second half of the period, however, it was clear that inflation was rising rapidly, with the result that both the US Federal Reserve and the Bank of England increased the magnitude of their rate rises.

The extremely challenging conditions were reflected in the major index returns over the period. The FTSE All-Share actually posted a positive return, ending the period up 4.89%. Within that return, however, the mid-cap FTSE 250 index fell -10.37% and FTSE Small Cap index was down by -12.69%. The large-cap FTSE 100, in contrast, was up 8.85% for the period as a whole. The global picture was equally mixed, with the S&P 500 index up 8.93% while the German Dax 30 was down -15.05% (all figures in sterling terms). The challenges facing equity markets was most apparent within sector returns; areas such as telecoms and consumer discretionary fell significantly while energy made strong gains.

Given rates increased over the period to combat inflation, bond market returns were particularly weak. UK government bonds (using the FTSE British Govt All Stocks index) were down -13.17%, while corporate bonds fell -11.84% (Markit iBoxx £ Non gilts Overall index).

Events during the financial year

COVID-19 has lingered throughout the period but with significant improvements, due largely to the availability of vaccines and follow on boosters, effectively lowering hospital admissions. Restrictions began to lift as a result of the efficient rollout of vaccines.

The vaccine rollout, weaker variants of the virus and a gradual return to 'normal' have led to a positive impact on the global economy and markets and the introduction of hybrid working models providing for a more flexible environment. The markets will continue to be monitored in line with the ever-changing guidelines regarding COVID-19 and to identify any residual effects on the economy.

The Investment Manager has noted the recent developments in Ukraine and the sanctions being imposed on Russia by many countries as a result. 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 January 31, 2022 the UK Equity Income Fund fully redeemed all its shares and is no longer open to investors. It is the intention of the ACD to terminate the sub-fund at a later date once the residual assets and liabilities are settled.

There have been no other significant events affecting the Funds during the financial period ended 31 July 2022.

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. Aegon UK Equity Income Fund has been prepared on a basis other than going concern; and
- take reasonable steps for the prevention and detection of fraud, error and non-compliance with law or regulations.

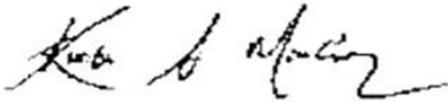
The ACD is required to keep proper accounting records and to manage the Company in accordance with the Regulations and the Instrument of Incorporation.

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
28 November 2022

Aegon Asset Management UK ICVC

Depositary's Report

Statement of the Depositary's Responsibilities in Respect of the Scheme and Report of the Depositary to the Shareholders of Aegon Asset Management UK ICVC (the "Company") for the period ended 31 July 2022.

The Depositary 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 Depositary 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 Depositary 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

28 November 2022

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 2022 and of the net revenue/expense 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 15 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 2022; 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.

Emphasis of matter – financial statements of a sub-fund prepared on a basis other than going concern

In forming our opinion on the financial statements, which is not modified, we draw attention to accounting policy 1a) to the financial statements which describes the Authorised Corporate Director's reasons why the financial statements for Aegon UK Equity Income Fund (the "terminating sub-fund"), a sub-fund of Aegon Asset Management UK ICVC, have been prepared on a basis other than going concern. The financial statements of the remaining sub-funds of the Company (the "continuing sub-funds") have been prepared on a going concern basis.

Conclusions relating to going concern

In respect of the Company as a whole and the continuing sub-funds, 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 and of the continuing 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.

With the exception of the terminating sub-fund, 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 its continuing 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.

Aegon Asset Management UK ICVC

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

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.

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
Glasgow

28 November 2022

Aegon Asset Management UK ICVC

Accounting Policies

1 Accounting Policies

a) Basis of preparation

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

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

The financial statements for Aegon UK Equity Income Fund have been prepared on a basis other than going concern as the Authorised Corporate Director intends to wind up the sub-fund at the earliest opportunity. There has been no impact on the financial statements or disclosure notes to adjust assets or liabilities to realisable value, other than to reclassify Investments as Current Assets. No adjustments were necessary to provide for the costs of terminating the fund as the ACD will bear any related costs.

All of the other 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 2022. 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 2022 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, Aegon UK Equity Income 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, Aegon High Yield Bond Fund and Aegon UK Equity Income Fund.

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

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

h) Underwriting commission

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

i) Cash flow statement

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

j) Derivatives

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

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

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

Forwards

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

Futures

A future is a financial contract obligating the buyer to purchase or sell an asset, at a predetermined future date and price. The holder of a futures contract is obligated to fulfil the terms of 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

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 underlying at exercise date.

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

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

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

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

The ACD will only write call options where we hold the underlying 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, but this policy will not be in place for the year ending July 2023.

b) Indexation

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

c) Expenses

The Aegon High Yield Bond Fund, UK Equity Income Fund and 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.
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 Depository 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 (2021: 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 financial statements for the sub-funds.

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

Security	Composite Rating	Sub-fund exposure	Sub-fund
Dignity Finance 4.6956% 31/12/2049	A-	0.70%	Aegon Sterling Corporate Bond Fund
	A-	0.98%	Aegon Investment Grade Bond Fund
	A-	0.55%	Aegon Ethical Corporate Bond Fund
	A-	0.31%	Aegon Ethical Cautious Managed Fund
Lehman Brothers 6% 25/01/2013 Defaulted	NR	0.65%	Aegon Sterling Corporate Bond Fund
Santander UK 5.875% 14/08/2031	BBB-	0.73%	Aegon Ethical Corporate Bond Fund
Trafford Centre Finance 4.75% 28/04/2024	BB+	1.02%	Aegon Sterling Corporate Bond Fund

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 Fair value of financial assets and financial liabilities

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

6 Related Parties

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

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

Aegon Sterling Corporate Bond Fund

Fund objective*

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

Investment policy

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

Risk profile

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

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

Performance**

The Aegon Sterling Corporate Bond Fund returned (11.71)% compared to the peer group median return of (12.10)%. The peer group is the Investment Association Sterling Corporate Bond sector.

Strategy review***

It was a very volatile period for bond markets, with both government and corporate bonds coming under significant pressure due mainly to the strong inflationary environment, particularly during the second half of the period. The causes of the higher inflation figures were manifold and included the opening-up of economies following the coronavirus pandemic, ongoing supply chain bottlenecks and, of course, the tragic war in Ukraine which resulted in a spike in food and energy prices.

Central banks acted to combat rising inflation by increasing interest rates, although the clarity of their communications through this period was generally disappointing. During the second half of the period, however, it was clear that inflation was rising rapidly, with the result that both the US Federal Reserve and the Bank of England increased the magnitude of their rate rises.

Given the volatile backdrop, the sub-fund's short duration stance (a measure of interest rate risk) added value to relative performance. We reduced our duration position further as the period progressed, taking headline duration from around 7 years to 6.8 years by the end of January. We continued to reduce duration as we moved into 2022 with the overall level reaching a low of around 6.5 years.

The sub-fund was not immune, however, to the broad sell-off in markets over the period, which is reflected in the sub-fund's negative absolute return. During the April/May period, for example, we began to reduce the scale of the sub-fund's short duration position, which was detrimental to performance given the remainder of the period was extremely weak for fixed income markets. The upside pressure in inflation and the subsequent aggressive response from central banks helped push both government and corporate bond yields higher.

In terms of stock selection, the poorest performing assets were typically our longer-dated holdings, including bonds from Zurich Finance (UK), Investec and certain housing associations. This was partially offset by our exposure to short-dated bonds (such as Wellcome Trust Finance), which tended to perform better than their longer-dated counterparts.

Our exposure to corporate hybrids and to subordinated bonds from financial institutions also came under pressure, specifically bonds from Aviva, HSBC Bank, and Goldman Sachs, although these areas of the market had staged a slight recovery by the period-end.

We retain a cautious positioning as we navigate the remainder of what has been a very difficult year for markets.

*Please note that the sub-fund's objective has been updated effective 28 July 2022. 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. 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 2022	Top ten sales	31 July 2022
	£'000		£'000
National Australia Bank VAR 15/09/2031	2,200	General Electric 5.25% 07/12/2028	2,498
IG 3.125% 18/11/2028	1,895	GLH Hotels 7.875% 20/06/2022	2,300
Derwent London 1.875% 17/11/2031	1,591	National Australia Bank VAR 15/09/2031	2,151
Virgin Money UK 8.25% Perpetual	1,200	APT Infrastructure 4.25% 26/11/2024	1,947
Nordea Bank 1.625% 09/12/2032	1,197	Arqiva Financing 5.34% 30/06/2030	1,918
Annington Funding 3.685% 12/07/2034	1,147	BNP Paribas 1.25% 13/07/2031	1,908
Blackstone Property Partners Europe 2.625% 20/10/2028	999	Wm Morrison Supermarkets 2.5% 01/10/2031	1,905
Prologis International Funding II 2.75% 22/02/2032	896	National Express 4.25% Perpetual	1,835
McDonald's 3.75% 31/05/2038	797	Fidelity National Information Services 3.36% 21/05/2031	1,810
Rentokil Initial 5% 27/06/2032	787	Wells Fargo 3.5% 12/09/2029	1,797

Aegon Sterling Corporate Bond Fund

Comparative Tables

A Accumulation shares**	2021	2020
	(p/share)	(p/share)
Change in net assets per share		
Opening net asset value per share	86.39	81.92
Return before operating charges*	2.55	5.34
Operating charges	(0.84)	(0.87)
Return after operating charges*	1.71	4.47
Distributions	(1.31)	(1.89)
Retained distributions on accumulation shares	1.31	1.89
Redemption value	(88.10)	-
Closing net asset value per share	-	86.39
*after direct transaction costs of	-	-
Performance		
Return after charges	1.98%	5.46%
Other information		
Closing net asset value (£'000)	-	9,405
Closing number of shares	-	10,885,608
Operating charges	-	1.05%
Direct transaction costs	-	-
Prices		
Highest share price	89.90	86.49
Lowest share price	85.71	75.32

A Income shares***	2021	2020
	(p/share)	(p/share)
Change in net assets per share		
Opening net asset value per share	34.37	33.33
Return before operating charges*	0.89	2.15
Operating charges	(0.33)	(0.35)
Return after operating charges*	0.56	1.80
Distributions	(0.52)	(0.76)
Retained distributions on accumulation shares	-	-
Redemption value	(34.41)	-
Closing net asset value per share	-	34.37
*after direct transaction costs of	-	-
Performance		
Return after charges	1.63%	5.40%
Other information		
Closing net asset value (£'000)	-	268
Closing number of shares	-	780,152
Operating charges	-	1.05%
Direct transaction costs	-	-
Prices		
Highest share price	35.59	34.60
Lowest share price	33.78	30.30

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

**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	2022	2021	2020
	(p/share)	(p/share)	(p/share)
Change in net assets per share			
Opening net asset value per share	96.84	93.61	88.25
Return before operating charges*	(10.55)	3.61	5.78
Operating charges	(0.37)	(0.38)	(0.42)
Return after operating charges*	(10.92)	3.23	5.36
Distributions	(2.55)	(2.52)	(2.57)
Retained distributions on accumulation shares	2.55	2.52	2.57
Closing net asset value per share	85.92	96.84	93.61
*after direct transaction costs of	-	-	-
Performance			
Return after charges	(11.28)%	3.45%	6.07%
Other information			
Closing net asset value (£'000)	103,100	138,516	141,081
Closing number of shares	119,988,927	143,037,057	150,714,609
Operating charges	0.40%	0.39%	0.40%
Direct transaction costs	-	-	-
Prices			
Highest share price	97.31	97.68	93.71
Lowest share price	82.37	92.92	81.41

B Income shares	2022	2021	2020
	(p/share)	(p/share)	(p/share)
Change in net assets per share			
Opening net asset value per share	35.25	34.99	33.92
Return before operating charges*	(3.79)	1.33	2.21
Operating charges	(0.13)	(0.14)	(0.16)
Return after operating charges*	(3.92)	1.19	2.05
Distributions	(0.92)	(0.93)	(0.98)
Retained distributions on accumulation shares	-	-	-
Closing net asset value per share	30.41	35.25	34.99
*after direct transaction costs of	-	-	-
Performance			
Return after charges	(11.12)%	3.40%	6.04%
Other information			
Closing net asset value (£'000)	33,391	44,609	51,005
Closing number of shares	109,809,067	126,531,416	145,780,268
Operating charges	0.40%	0.39%	0.40%
Direct transaction costs	-	-	-
Prices			
Highest share price	35.43	36.27	35.27
Lowest share price	29.38	34.41	30.86

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.

Aegon Sterling Corporate Bond Fund

Comparative Tables (continued)

D Accumulation shares****	2020 (p/share)
Change in net assets per share	
Opening net asset value per share	135.43
Return before operating charges*	6.89
Operating charges	(0.60)
Return after operating charges*	6.29
Distributions	(1.76)
Retained distributions on accumulation shares	1.76
Redemption value	(141.72)
Closing net asset value per share	-
*after direct transaction costs of	-
Performance	
Return after charges	4.64%
Other information	
Closing net asset value (£'000)	-
Closing number of shares	-
Operating charges	-
Direct transaction costs	-
Prices	
Highest share price	141.56
Lowest share price	135.44

D Income shares****	2020 (p/share)
Change in net assets per share	
Opening net asset value per share	113.24
Return before operating charges*	5.75
Operating charges	(0.50)
Return after operating charges*	5.25
Distributions	(1.47)
Retained distributions on accumulation shares	-
Redemption value	(117.02)
Closing net asset value per share	-
*after direct transaction costs of	-
Performance	
Return after charges	4.64%
Other information	
Closing net asset value (£'000)	-
Closing number of shares	-
Operating charges	-
Direct transaction costs	-
Prices	
Highest share price	117.62
Lowest share price	112.77

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

****Share classes closed on 3 February 2020.

Aegon Sterling Corporate Bond Fund

Comparative Tables (continued)

G Accumulation shares*****	2020
	(p/share)
Change in net assets per share	
Opening net asset value per share	197.78
Return before operating charges*	3.54
Operating charges	(0.35)
Return after operating charges*	3.19
Distributions	-
Retained distributions on accumulation shares	-
Redemption value	(200.97)
Closing net asset value per share	-
*after direct transaction costs of	-
Performance	
Return after charges	1.61%
Other information	
Closing net asset value (£'000)	-
Closing number of shares	-
Operating charges	-
Direct transaction costs	-
Prices	
Highest share price	200.70
Lowest share price	197.89

S Accumulation shares	2022	2021	2020
	(p/share)	(p/share)	(p/share)
Change in net assets per share			
Opening net asset value per share	116.60	112.59	106.02
Return before operating charges*	(12.70)	4.35	6.94
Operating charges	(0.34)	(0.34)	(0.37)
Return after operating charges*	(13.04)	4.01	6.57
Distributions	(3.18)	(3.14)	(3.22)
Retained distributions on accumulation shares	3.18	3.14	3.22
Closing net asset value per share	103.56	116.60	112.59
*after direct transaction costs of	-	-	-
Performance			
Return after charges	(11.18)%	3.56%	6.20%
Other information			
Closing net asset value (£'000)	1,016	1,613	2,059
Closing number of shares	981,620	1,383,915	1,828,969
Operating charges	0.30%	0.29%	0.30%
Direct transaction costs	-	-	-
Prices			
Highest share price	117.17	117.54	112.72
Lowest share price	99.27	111.77	103.55

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 31 October 2019.

Aegon Sterling Corporate Bond Fund

Comparative Tables (continued)

S Income shares	2022	2021	2020
	(p/share)	(p/share)	(p/share)
Change in net assets per share			
Opening net asset value per share	104.87	104.08	100.92
Return before operating charges*	(11.29)	3.98	6.54
Operating charges	(0.30)	(0.31)	(0.35)
Return after operating charges*	(11.59)	3.67	6.19
Distributions	(2.83)	(2.88)	(3.03)
Retained distributions on accumulation shares	-	-	-
Closing net asset value per share	90.45	104.87	104.08
*after direct transaction costs of			
	-	-	-
Performance			
Return after charges	(11.05)%	3.53%	6.13%
Other information			
Closing net asset value (£'000)	31,331	53,307	65,472
Closing number of shares	34,637,504	50,830,403	62,907,727
Operating charges	0.30%	0.29%	0.30%
Direct transaction costs	-	-	-
Prices			
Highest share price	105.39	107.90	104.94
Lowest share price	87.41	102.35	97.13

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 2022

Holding	Investment	Market valuation £'000	Total net assets %
Sterling Denominated Bonds 97.88% (31 July 2021 98.78%)			
Asset Backed Security 9.28% (31 July 2021 8.23%)			
1,500,000	Arqiva Financing 4.882% 31/12/2032	1,116	0.66
2,040,000	Canary Wharf Finance II 6.8% 22/04/2030	1,154	0.68
1,500,000	Channel Link Enterprises Finance 3.848% 30/06/2050	1,346	0.80
1,700,000	Dignity Finance 3.5456% 31/12/2034*	1,188	0.70
2,000,000	Income Contingent Student Loans 2 2007-2009 2.5% 24/07/2058	1,436	0.85
2,100,000	Intu Debenture 5.562% 31/12/2027 Defaulted**	699	0.42
3,300,000	Telereal Secured Finance 4.01% 10/12/2031	2,041	1.21
4,000,000	Telereal Securitisation 4.9741% 10/09/2027	1,963	1.16
2,600,000	Telereal Securitisation 6.1645% 10/12/2031	2,502	1.48
2,600,000	Tesco Property Finance 2 6.0517% 13/10/2039	2,220	1.32
		15,665	9.28
Corporate Bonds 87.87% (31 July 2021 89.62%)			
300,000	AA 3.25% 31/07/2028	254	0.15
1,500,000	Anchor Hanover 2% 21/07/2051	1,029	0.61
1,200,000	Anglian Water Osprey Financing 2% 31/07/2028	1,060	0.63
1,400,000	Anheuser-Busch InBev 2.25% 24/05/2029	1,310	0.78
1,100,000	Annington Funding 3.685% 12/07/2034	1,014	0.60
600,000	Annington Funding 4.75% 09/08/2033	600	0.36
2,100,000	APT Infrastructure 3.5% 22/03/2030	1,999	1.18
1,500,000	AT&T 4.375% 14/09/2029	1,567	0.93
1,200,000	Athene Global Funding 1.75% 24/11/2027	1,073	0.64
2,100,000	Aviva 6.875% 20/05/2058	2,415	1.43
1,900,000	AXA 5.453% Perpetual	1,898	1.12
1,300,000	Banco Bilbao Vizcaya Argentaria 3.104% 15/07/2031	1,181	0.70
1,700,000	Bank of America 7% 31/07/2028	2,043	1.21
2,000,000	Bank of America 8.125% 02/06/2028	2,354	1.39
700,000	Barclays 8.875% Perpetual	733	0.43
1,700,000	BAT International Finance 2.25% 26/06/2028	1,452	0.86
1,100,000	Bellis Acquisition 3.25% 16/02/2026	891	0.53
1,000,000	Berkshire Hathaway Finance 2.375% 19/06/2039	853	0.50
1,000,000	Blackstone Property Partners Europe 2.625% 20/10/2028	867	0.51
2,000,000	BP Capital Markets 4.25% Perpetual	1,844	1.09
2,100,000	Cadent Finance 2.125% 22/09/2028	1,949	1.15
2,300,000	Channel Link Enterprises Finance 3.043% 30/06/2050	2,156	1.28
1,400,000	Citigroup 1.75% 23/10/2026	1,300	0.77
1,600,000	Citigroup 6.8% 25/06/2038	2,206	1.31
1,700,000	Comcast 1.5% 20/02/2029	1,547	0.92
900,000	Comcast 1.875% 20/02/2036	748	0.44
1,700,000	Coventry Building Society 2% 20/12/2030	1,474	0.87
1,300,000	CPUK Finance 6.5% 28/08/2026	1,229	0.73
1,800,000	CPUK Finance 7.239% 28/02/2024	1,880	1.11
1,800,000	Credit Suisse 1.125% 15/12/2025	1,632	0.97
1,600,000	Danske Bank 2.25% 14/01/2028	1,476	0.87
1,600,000	Derwent London 1.875% 17/11/2031	1,344	0.80
1,900,000	Deutsche Bank 1.875% 22/12/2028	1,626	0.96
1,900,000	Deutsche Bank 2.625% 16/12/2024	1,818	1.08
2,000,000	Direct Line Insurance 4% 05/06/2032	1,813	1.07
2,400,000	DS Smith 2.875% 26/07/2029	2,207	1.31
2,200,000	DWR Cymru Financing UK 1.375% 31/03/2033	1,836	1.09
1,800,000	DWR Cymru Financing UK 1.625% 31/03/2026	1,723	1.02
1,300,000	E.ON International Finance 4.75% 31/01/2034	1,378	0.82
1,200,000	E.ON International Finance 6.375% 07/06/2032	1,449	0.86
1,100,000	Electricite de France 5.875% 18/07/2031	1,267	0.75
1,800,000	Electricite de France 6% Perpetual	1,678	0.99

Aegon Sterling Corporate Bond Fund

Portfolio Statement (continued)

Holding	Investment	Market valuation £'000	Total net assets %
Corporate Bonds (continued)			
1,650,000	Esure 6.75% 19/12/2024	1,677	0.99
1,600,000	Ford Motor Credit 4.535% 06/03/2025	1,528	0.90
1,300,000	GlaxoSmithKline Capital 1.625% 12/05/2035	1,080	0.64
2,000,000	Goldman Sachs 6.875% 18/01/2038	2,425	1.44
800,000	Grainger 3% 03/07/2030	689	0.41
1,300,000	Grainger 3.375% 24/04/2028	1,192	0.71
500,000	GSK Consumer Healthcare Capital UK 2.875% 29/10/2028	493	0.29
2,300,000	Heathrow Funding 4.625% 31/10/2046	2,275	1.35
2,100,000	HSBC Bank 4.75% 24/03/2046	2,113	1.25
2,300,000	HSBC Bank Capital Funding Sterling 1 5.844% Perpetual	2,709	1.60
1,900,000	IG 3.125% 18/11/2028	1,644	0.97
1,200,000	Imperial Brands Finance 5.5% 28/09/2026	1,236	0.73
1,200,000	Incommunities Treasury 3.25% 21/03/2049	1,108	0.66
1,400,000	Intesa Sanpaolo 2.5% 15/01/2030	1,209	0.72
1,400,000	Intesa Sanpaolo 5.148% 10/06/2030	1,276	0.76
1,800,000	Investec 1.875% 16/07/2028	1,549	0.92
1,500,000	KFW 5.75% 07/06/2032	1,956	1.16
5,000,000	Lehman Brothers 6% 25/01/2013 Defaulted* **	30	0.02
1,290,000	Lloyds Banking 2.707% 03/12/2035	1,090	0.65
1,200,000	Logicor 2019-1 UK 1.875% 17/11/2026	1,137	0.67
2,100,000	M&G 6.34% 19/12/2063	2,070	1.23
1,800,000	McDonald's 2.95% 15/03/2034	1,704	1.01
800,000	McDonald's 3.75% 31/05/2038	796	0.47
1,700,000	MPT Operating Partnership 3.692% 05/06/2028	1,487	0.88
2,100,000	Nestle 1.375% 23/06/2033	1,791	1.06
1,000,000	NGG Finance 5.625% 18/06/2073	956	0.57
1,200,000	Nordea Bank 1.625% 09/12/2032	1,036	0.61
2,000,000	Northern Powergrid Yorkshire 4.375% 05/07/2032	2,163	1.28
1,300,000	Onward Homes 2.125% 25/03/2053	923	0.55
759,000	Orange 5.75% Perpetual	762	0.45
1,900,000	Orsted 5.75% 09/04/2040	2,351	1.39
1,100,000	Paragon Treasury 2% 07/05/2036	905	0.54
900,000	Pension Insurance 5.625% 20/09/2030	898	0.53
1,000,000	Phoenix 6.625% 18/12/2025	1,043	0.62
900,000	Prologis International Funding II 2.75% 22/02/2032	827	0.49
1,500,000	RAC 4.87% 06/05/2026	1,475	0.87
1,600,000	Realty Income 1.625% 15/12/2030	1,372	0.81
800,000	Rentokil Initial 5% 27/06/2032	852	0.50
1,900,000	Rothesay Life 3.375% 12/07/2026	1,793	1.06
1,400,000	Sainsbury's Bank 6% 23/11/2027	1,383	0.82
700,000	Sanctuary Capital 2.375% 14/04/2050	517	0.31
1,200,000	Scottish Hydro Electric Transmission 2.25% 27/09/2035	988	0.58
2,000,000	Scottish Widows 5.5% 16/06/2023	2,021	1.20
1,700,000	SP Manweb 4.875% 20/09/2027	1,835	1.09
1,900,000	Stagecoach 4% 29/09/2025	1,864	1.10
2,800,000	Thames Water Utilities Finance 2.625% 24/01/2032	2,559	1.52
1,900,000	Trafford Centre Finance 4.75% 28/04/2024*	1,720	1.02
1,900,000	Verizon Communications 1.875% 19/09/2030	1,692	1.00
1,500,000	Verizon Communications 2.5% 08/04/2031	1,382	0.82
1,300,000	Vinci 2.75% 15/09/2034	1,202	0.71
900,000	Virgin Money UK 5.125% 11/12/2030	884	0.52
1,900,000	Virgin Money UK 7.875% 14/12/2028	1,948	1.15
1,200,000	Virgin Money UK 8.25% Perpetual	1,159	0.69
1,020,000	Vodafone 3% 12/08/2056	792	0.47
1,700,000	Western Power Distribution 3.5% 16/10/2026	1,710	1.01
1,500,000	Western Power Distribution 3.625% 06/11/2023	1,507	0.89
1,500,000	Westfield Stratford City Finance No.2 1.642% 04/08/2026	1,427	0.85
500,000	Whitbread 2.375% 31/05/2027	452	0.27

Aegon Sterling Corporate Bond Fund

Portfolio Statement (continued)

Holding	Investment	Market valuation £'000	Total net assets %
Corporate Bonds (continued)			
650,000	Whitbread 3% 31/05/2031	559	0.33
500,000	Yorkshire Building Society 3.511% 11/10/2030	477	0.28
2,500,000	Yorkshire Water Finance 3.75% 22/03/2046	2,498	1.48
2,000,000	Zurich Finance (UK) 6.625% Perpetual	1,988	1.18
		148,357	87.87
Government Bonds 0.73% (31 July 2021 0.93%)			
1,000,000	European Investment Bank 6% 07/12/2028	1,233	0.73
		1,233	0.73
Derivatives and Futures Contracts 0.01% (31 July 2021 (0.06%))			
Futures Contracts 0.01% (31 July 2021 (0.06%))			
37	Long Gilt Future Contract September 2022	19	0.01
		19	0.01
Portfolio of investments		165,274	97.89
Net other assets		3,564	2.11
Total net assets attributable to shareholders		168,838	100.00

Analysis of investments by asset class

	Market value £'000	Value of investments %
Bonds	165,255	97.88
Derivatives	19	0.01
Portfolio of investments	165,274	97.89
Net other assets	3,564	2.11
Total net assets attributable to shareholders	168,838	100.00

The comparative percentage figures in brackets are at 31 July 2021.

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

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

**Unlisted, suspended, delisted or defaulted securities classified as Level 3 (see Fair Value Disclosure table on page 35).

Aegon Sterling Corporate Bond Fund

Statement of Total Return for the year ended 31 July 2022

	Note	£'000	2022 £'000	£'000	2021 £'000
Income					
Net capital (losses)/gains	2		(29,735)		1,722
Revenue	3	6,475		7,723	
Expenses	4	(772)		(992)	
Interest payable & similar charges	5	<u>(38)</u>		<u>-</u>	
Net revenue before taxation		5,665		6,731	
Taxation	6	<u>-</u>		<u>-</u>	
Net revenue after taxation			<u>5,665</u>		<u>6,731</u>
Total return before distributions			(24,070)		8,453
Distributions	7		<u>(5,665)</u>		<u>(6,735)</u>
Change in net assets attributable to shareholders from investment activities			(29,735)		1,718

Statement of Change in Net Assets Attributable to Shareholders for the year ended 31 July 2022

	£'000	2022 £'000	£'000	2021 £'000
Opening net assets attributable to shareholders		238,045		269,290
Amounts receivable on issue of shares	15,304		24,936	
Amounts payable on cancellation of shares	<u>(58,295)</u>		<u>(61,873)</u>	
		(42,991)		(36,937)
Dilution adjustment		161		162
Change in net assets attributable to shareholders from investment activities		(29,735)		1,718
Retained distribution on accumulation shares		3,354		3,808
Unclaimed distributions		<u>4</u>		<u>4</u>
Closing net assets attributable to shareholders		168,838		238,045

Aegon Sterling Corporate Bond Fund

Balance Sheet as at 31 July 2022

	Note	£'000	2022 £'000	£'000	2021 £'000
Assets					
Fixed assets:					
Investments			165,274		235,119
Current assets:					
Debtors	8	2,126		2,843	
Cash and bank balances	9	<u>3,294</u>		<u>1,621</u>	
			<u>5,420</u>		<u>4,464</u>
Total assets			170,694		239,583
Liabilities					
Investment liabilities			-		132
Creditors					
Distributions payable		518		654	
Other creditors	10	<u>1,338</u>		<u>752</u>	
Total liabilities			<u>1,856</u>		<u>1,538</u>
Net assets attributable to shareholders			168,838		238,045

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)/gains

Net capital (losses)/gains comprise:

	2022	2021
	£'000	£'000
(Losses)/gains on non-derivative securities	(30,363)	2,607
Currency exchange gains/(losses)	5	(1)
Gains/(losses) on derivative securities	623	(884)
Net capital (losses)/gains	(29,735)	1,722

3 Revenue

	2022	2021
	£'000	£'000
Interest on debt securities	6,448	7,706
Derivative revenue	-	16
Bank interest	2	-
Stock lending income*	25	1
Total revenue	6,475	7,723

*The sub-fund received 72% of the revenue returns from stock lending activities. The gross earnings for the year are £34,000 (2021: £1,000) and expenses paid of £9,000 (2021: Nil).

4 Expenses*

	2022	2021
	£'000	£'000
Payable to the ACD, associates of the ACD and agents of either of them:		
ACD's periodic charge	672	878
Payable to the Depository, associates of the Depository and agents of either of them:		
Depository fee	25	34
Other expenses:		
Audit fee**	13	11
FT publishing fee	3	3
KIID fee	1	1
PRIPs fees	3	6
Registrar's fee	47	49
Safe custody charge	8	10
Total expenses	772	992

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

**The audit fee (excluding VAT) incurred during the year was £11,132 (2021: £10,282).

5 Interest payable & similar charges

	2022	2021
	£'000	£'000
Futures expense	38	-
Interest payable & similar charges	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 (2021: lower than) the standard rate of corporation tax for Open Ended Investment Companies 'OEICs' (20%).

The differences are explained below:

	0	0
	£'000	£'000
Net revenue before taxation	5,665	6,731
Corporation tax 20% (2021: 20%)	1,133	1,346
Effects of:		
Tax deductible interest distributions	(1,133)	(1,346)
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

a) Distributions

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

	2022	2021
	£'000	£'000
Interim distributions	4,185	5,063
Final distribution	1,332	1,565
	5,517	6,628
Add: amounts deductible on cancellation of shares	198	195
Less: amounts receivable on creation of shares	(50)	(88)
Distributions	5,665	6,735

Details of the distributions are set out in the tables on pages 36 to 37.

b) Movement between net revenue and distribution

	2022	2021
	£'000	£'000
Net revenue after taxation	5,665	6,731
Equalisation on conversions	-	4
Distributions	5,665	6,735

8 Debtors

	2022	2021
	£'000	£'000
Accrued revenue	2,087	2,579
Amounts receivable for the issue of shares	39	264
Debtors	2,126	2,843

9 Cash and bank balances

	2022	2021
	£'000	£'000
Amounts held at futures clearing houses and brokers	95	331
Cash and bank balances	3,199	1,290
Cash and bank balances	3,294	1,621

Aegon Sterling Corporate Bond Fund

Notes to the Financial Statements (continued)

10 Other creditors

	2022	2021
	£'000	£'000
Accrued ACD periodic charge	94	132
Accrued other expenses	73	72
Amounts payable for cancellation of shares	571	548
Purchases awaiting settlement	600	-
Other creditors	1,338	752

11 Related parties

Related party interests in the sub-fund are disclosed in Note 6 of the Accounting Policies on page 17. Amounts due to the ACD as at year end for the ACD periodic charge and amounts due to the ACD for outstanding cancellations are disclosed in Note 10. Amounts receivable from the ACD as at year end for outstanding issue of shares are disclosed in Note 8. At the year-end 12.05% (2021: 10.81%) 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 2022 (2021: 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

	2022		2021	
	Market value £'000	Value of investments %	Market value £'000	Value of investments %
Investment grade	140,511	83.22	201,042	84.47
Below investment grade	12,162	7.20	17,656	7.41
Unrated	12,582	7.46	16,421	6.90
Derivatives	19	0.01	(132)	(0.06)
Portfolio of investments	165,274	97.89	234,987	98.72
Net other assets	3,564	2.11	3,058	1.28
Total net assets attributable to shareholders	168,838	100.00	238,045	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% (2021: 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% (2021: 14.10%). As at the balance sheet date, the sub-fund's value at risk is 3.07% (2021: 2.19%).

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

	Lowest Utilisation	Highest Utilisation	Average Utilisation
	(%)	(%)	(%)
31 July 2022	1.84	3.08	2.28
31 July 2021	2.08	2.47	2.24

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 2022 the average leverage was 2.04% (2021: 2.92%).

Aegon Sterling Corporate 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.

At 31 July 2022, the market value of the exchange traded derivatives held by the sub-fund was £19,000 (2021: £(132,000)).

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

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	-	-

As at 31 July 2021

Counterparty	Stock on loan	Futures	Collateral pledge	
	£'000	Exposure £'000	Stock £'000	Cash £'000
BNP Paribas	839	-	867	-
Credit Suisse	705	-	753	-
HSBC	2,811	-	2,996	-
UBS	-	-	-	-

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

Aegon Sterling Corporate Bond Fund

Notes to the Financial Statements (continued)

14 Portfolio transaction costs

Purchases

31 July 2022	Value £'000	Commissions £'000	%	Other Costs* £'000	%
Debt securities	16,103	-	-	-	-
Total	16,103	-		-	
Total purchases including transaction costs	16,103				
31 July 2021					
Debt securities	50,471	-	-	-	-
Total	50,471	-		-	
Total purchases including transaction costs	50,471				

Sales

31 July 2022	Value £'000	Commissions £'000	%	Other Costs* £'000	%
Debt securities	53,797	-	-	-	-
Corporate actions	795	-	-	-	-
Total	54,592	-		-	
Total sales net of transaction costs	54,592				
31 July 2021					
Debt securities	80,275	-	-	-	-
Corporate actions	857	-	-	-	-
Total	81,132	-		-	
Total sales net of transaction costs	81,132				

Derivatives

31 July 2022	Commissions £'000
Futures	1
31 July 2021	
Futures	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 0.81% (2021: 0.75%), being the difference between the respective bid and offer prices for the sub-fund's investments.

Aegon Sterling Corporate Bond 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	2022		2021	
	Assets	Liabilities	Assets	Liabilities
	£'000	£'000	£'000	£'000
1 - Unadjusted quoted prices	19	-	-	(132)
2 - Observable market data	164,526	-	234,308	-
3 - Unobservable data*	729	-	811	-
	165,274	-	235,119	(132)

*Level 3 unobservable data includes the 2 defaulted securities as indicated on the portfolio statement on pages 25 to 27.

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 24. The distribution per share class is given in the distribution tables on pages 36 to 37. All share classes have the same rights on winding up.

Share class movement reconciliation

31 July 2022	Opening	Creations	Cancellations	Converted	Closing
B Accumulation	143,037,057	13,319,566	(36,358,730)	(8,966)	119,988,927
B Income	126,531,416	5,412,355	(22,208,503)	73,799	109,809,067
S Accumulation	1,383,915	69,478	(486,998)	15,225	981,620
S Income	50,830,403	978,248	(17,137,467)	(33,680)	34,637,504

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 24 November 2022 and the percentage movement in that period:

Net assets per share

	31 July 2022	24 November 2022	% Movement
B Accumulation	85.92	81.08	(5.63)
B Income	30.41	28.44	(6.48)
S Accumulation	103.56	97.75	(5.61)
S Income	90.45	84.60	(6.47)

During the period from the balance sheet date to 24 November 2022, the net asset value of the sub-fund decreased by 11.57%. This decrease is primarily driven by overall levels of net redemptions within the sub-fund.

Aegon Sterling Corporate Bond Fund

Distribution Tables

Share Class A Accumulation**

Period end	Pay date		Net Revenue	Equalisation*	Total Payable	2020/21 Total Paid
31/10/21	31/12/21	Group 1	-	-	-	0.4356
		Group 2	-	-	-	
31/01/22	31/03/22	Group 1	-	-	-	0.4471
		Group 2	-	-	-	
30/04/22	30/06/22	Group 1	-	-	-	0.4281
		Group 2	-	-	-	

Share Class A Income***

Period end	Pay date		Net Revenue	Equalisation*	Total Payable	2020/21 Total Paid
31/10/21	31/12/21	Group 1	-	-	-	0.1734
		Group 2	-	-	-	
31/01/22	31/03/22	Group 1	-	-	-	0.1772
		Group 2	-	-	-	
30/04/22	30/06/22	Group 1	-	-	-	0.1687
		Group 2	-	-	-	

Share Class B Accumulation

Period end	Pay date		Net Revenue	Equalisation*	Total Payable	2020/21 Total Paid
31/10/21	31/12/21	Group 1	0.6357	N/A	0.6357	0.6266
		Group 2	0.3362	0.2995		
31/01/22	31/03/22	Group 1	0.6164	N/A	0.6164	0.6441
		Group 2	0.3050	0.3114		
30/04/22	30/06/22	Group 1	0.6239	N/A	0.6239	0.6169
		Group 2	0.3234	0.3005		
31/07/22	30/09/22	Group 1	0.6717	N/A	0.6717	0.6291
		Group 2	0.3703	0.3014		

Share Class B Income

Period end	Pay date		Net Revenue	Equalisation*	Total Payable	2020/21 Total Paid
31/10/21	31/12/21	Group 1	0.2315	N/A	0.2315	0.2342
		Group 2	0.1241	0.1074		
31/01/22	31/03/22	Group 1	0.2229	N/A	0.2229	0.2391
		Group 2	0.0851	0.1378		
30/04/22	30/06/22	Group 1	0.2241	N/A	0.2241	0.2275
		Group 2	0.1173	0.1068		
31/07/22	30/09/22	Group 1	0.2396	N/A	0.2396	0.2306
		Group 2	0.0939	0.1457		

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

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

**Share class closed on 30 June 2021.

***Share class closed on 22 June 2021.

Aegon Sterling Corporate Bond Fund

Distribution Tables (continued)

Share Class S Accumulation

Period end	Pay date		Net Revenue	Equalisation*	Total Payable	2020/21 Total Paid
31/10/21	31/12/21	Group 1	0.7946	N/A	0.7946	0.7823
		Group 2	0.5302	0.2644		
31/01/22	31/03/22	Group 1	0.7714	N/A	0.7714	0.8042
		Group 2	0.7714	0.0000		
30/04/22	30/06/22	Group 1	0.7790	N/A	0.7790	0.7704
		Group 2	0.5424	0.2366		
31/07/22	30/09/22	Group 1	0.8353	N/A	0.8353	0.7865
		Group 2	0.3568	0.4785		

Share Class S Income

Period end	Pay date		Net Revenue	Equalisation*	Total Payable	2020/21 Total Paid
31/10/21	31/12/21	Group 1	0.7148	N/A	0.7148	0.7231
		Group 2	0.3905	0.3243		
31/01/22	31/03/22	Group 1	0.6890	N/A	0.6890	0.7384
		Group 2	0.4085	0.2805		
30/04/22	30/06/22	Group 1	0.6905	N/A	0.6905	0.7023
		Group 2	0.3745	0.3160		
31/07/22	30/09/22	Group 1	0.7356	N/A	0.7356	0.7123
		Group 2	0.2960	0.4396		

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 (7.83)% compared to the peer group median return of (3.06)%. The peer group is the IA UK All Companies sector.

Strategy review***

It was an extremely challenging period for the UK equity market as investors grappled initially with the onset of the Omicron variant of COVID-19 and the decision by major central banks to begin removing the monetary policies that had been in place to support economies. As the period progressed, the Omicron variant proved to be less of a concern than previous strains, which boosted markets to an extent towards the end of 2021. However, markets came under significant pressure as we moved through 2022, due mainly to the strong inflationary environment. The causes of the higher inflation figures were manifold and included the opening-up of economies following the coronavirus pandemic, ongoing supply chain bottlenecks and, of course, the tragic war in Ukraine which resulted in a spike in food and energy prices.

Central banks acted to combat rising inflation by increasing interest rates, although the clarity of their communications through this period was generally disappointing. During the second half of the period, however, it was clear that inflation was rising rapidly, with the result that both the US Federal Reserve and the Bank of England increased the magnitude of their rate rises.

The sub-fund came under pressure in the difficult environment, with both sector allocation and stock selection detracting. A distinct feature of the six-month period was rotation out of 'growth' stocks and into 'value' stocks. Growth stocks (companies whose stock prices are predominantly based on expected increases in future revenues and earnings) struggled in the 'risk-off' environment. In contrast, 'value' stocks (companies whose stock prices depend less on future growth and which often trade at valuations below their real value) performed better.

This feature of the market was a significant contributor to the sub-fund's underperformance over the period. It is important to note, however, that the market sell-off was very indiscriminate, with many of the sub-fund's growth stocks falling back despite a lack of negative company news or any change in the investment case. For example, our holding in GB Group, a global identity verification, location intelligence and fraud prevention business, lost ground after it announced the acquisition of US competitor Acuant. At the same time, the company also issued interim results which showed continued positive trading momentum, with double digit underlying growth in all three divisions.

However, S4 Capital detracted after being derated, despite having strong performance for the early part of the period. It appeared to be overly punished after increasing costs to fuel further growth. Trustpilot (a consumer review platform) also detracted. The company issued a trading update which beat consensus and underlined continued strong momentum in the growth of the business. Despite this, the shares declined on the news, underlining the difficult market environment. Gamma Communications also performed poorly as a result of the market rotation and ended up among the top detractors.

The top contributors came from a mixed bag of sectors. Pharmaceutical names AstraZeneca and GSK were both among the top ten names, with the former ending the period as the top contributor overall. Energy names Shell and BP were also among the top performers after the sector rallied over the period due to rising oil and gas prices. American mining name Glencore was the second greatest positive contributor.

*Please note that the sub-fund's objective has been updated effective 28 July 2022. 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. 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 2022	Top ten sales	31 July 2022
	£'000		£'000
Shell	3,388	Secure Income REIT	2,947
LXI REIT	2,756	Rio Tinto	2,824
Tesco	2,423	S4 Capital	2,657
HSBC	2,246	Ferguson	2,376
BT	1,770	Coca-Cola	2,341
Unilever	1,668	Barclays	1,914
Urban Logistics REIT	1,476	Anglo American	1,861
NatWest	1,316	Aveva	1,798
Oxford Nanopore Technologies	1,293	Avast	1,778
Smart Metering Systems	1,155	Sthree	1,610

Aegon UK Equity Fund

Comparative Tables

A Accumulation shares**	2021	2020
	(p/share)	(p/share)
Change in net assets per share		
Opening net asset value per share	246.08	274.77
Return before operating charges*	65.00	(24.55)
Operating charges	(3.87)	(4.14)
Return after operating charges*	61.13	(28.69)
Distributions	-	(3.49)
Retained distributions on accumulation shares	-	3.49
Redemption value	(307.21)	-
Closing net asset value per share	-	246.08
*after direct transaction costs of	0.33	0.37
Performance		
Return after charges	24.84%	(10.44)%
Other information		
Closing net asset value (£'000)	-	488
Closing number of shares	-	198,333
Operating charges	-	1.55%
Direct transaction costs	-	0.14%
Prices		
Highest share price	313.00	293.67
Lowest share price	242.33	187.59

A Income shares***	2020
	(p/share)
Change in net assets per share	
Opening net asset value per share	148.70
Return before operating charges*	(22.15)
Operating charges	(1.66)
Return after operating charges*	(23.81)
Distributions	-
Retained distributions on accumulation shares	-
Redemption value	(124.89)
Closing net asset value per share	-
*after direct transaction costs of	0.20
Performance	
Return after charges	(16.01)%
Other information	
Closing net asset value (£'000)	-
Closing number of shares	-
Operating charges	-
Direct transaction costs	-
Prices	
Highest share price	158.93
Lowest share price	101.52

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 24 April 2020.

Aegon UK Equity Fund

Comparative Tables (continued)

B Accumulation shares	2022	2021	2020
	(p/share)	(p/share)	(p/share)
Change in net assets per share			
Opening net asset value per share	371.96	284.31	314.61
Return before operating charges*	(25.74)	89.78	(28.33)
Operating charges	(2.34)	(2.13)	(1.97)
Return after operating charges*	(28.08)	87.65	(30.30)
Distributions	(9.15)	(5.66)	(6.72)
Retained distributions on accumulation shares	9.15	5.66	6.72
Closing net asset value per share	343.88	371.96	284.31
*after direct transaction costs of	0.32	0.39	0.42
Performance			
Return after charges	(7.55)%	30.83%	(9.63)%
Other information			
Closing net asset value (£'000)	168,205	197,603	162,020
Closing number of shares	48,914,231	53,125,243	56,986,888
Operating charges	0.65%	0.65%	0.65%
Direct transaction costs	0.09%	0.12%	0.14%
Prices			
Highest share price	391.12	372.30	337.67
Lowest share price	323.53	280.61	216.03

B Income shares	2022	2021	2020
	(p/share)	(p/share)	(p/share)
Change in net assets per share			
Opening net asset value per share	1,611.57	1,250.89	1,417.26
Return before operating charges*	(111.73)	394.93	(127.32)
Operating charges	(10.14)	(9.37)	(8.83)
Return after operating charges*	(121.87)	385.56	(136.15)
Distributions	(39.64)	(24.88)	(30.22)
Retained distributions on accumulation shares	-	-	-
Closing net asset value per share	1,450.06	1,611.57	1,250.89
*after direct transaction costs of	1.40	1.70	1.89
Performance			
Return after charges	(7.56)%	30.82%	(9.61)%
Other information			
Closing net asset value (£'000)	1,329	1,562	1,345
Closing number of shares	91,687	96,900	107,541
Operating charges	0.65%	0.65%	0.65%
Direct transaction costs	0.09%	0.12%	0.14%
Prices			
Highest share price	1,694.58	1,638.01	1,521.10
Lowest share price	1,401.75	1,234.61	973.16

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

Comparative Tables (continued)

D Accumulation shares****	2020 (p/share)
Change in net assets per share	
Opening net asset value per share	159.56
Return before operating charges*	6.34
Operating charges	(0.91)
Return after operating charges*	5.43
Distributions	-
Retained distributions on accumulation shares	-
Redemption value	(164.99)
Closing net asset value per share	-
*after direct transaction costs of	0.23
Performance	
Return after charges	3.40%
Other information	
Closing net asset value (£'000)	-
Closing number of shares	-
Operating charges	-
Direct transaction costs	-
Prices	
Highest share price	170.93
Lowest share price	150.62

D Income shares****	2020 (p/share)
Change in net assets per share	
Opening net asset value per share	139.87
Return before operating charges*	5.56
Operating charges	(0.80)
Return after operating charges*	4.76
Distributions	-
Retained distributions on accumulation shares	-
Redemption value	(144.63)
Closing net asset value per share	-
*after direct transaction costs of	0.20
Performance	
Return after charges	3.40%
Other information	
Closing net asset value (£'000)	-
Closing number of shares	-
Operating charges	-
Direct transaction costs	-
Prices	
Highest share price	149.84
Lowest share price	132.03

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 3 February 2020.

Aegon UK Equity Fund

Comparative Tables (continued)

E Accumulation shares*****	2020
	(p/share)
Change in net assets per share	
Opening net asset value per share	163.68
Return before operating charges*	(0.81)
Operating charges	(0.69)
Return after operating charges*	(1.50)
Distributions	-
Retained distributions on accumulation shares	-
Redemption value	(162.18)
Closing net asset value per share	-
*after direct transaction costs of	0.22
Performance	
Return after charges	(0.92)%
Other information	
Closing net asset value (£'000)	-
Closing number of shares	-
Operating charges	-
Direct transaction costs	-
Prices (Euros)	(c/share)
Highest share price	188.16
Lowest share price	167.47

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 31 October 2019.

Aegon UK Equity Fund

Portfolio Statement

The sub-fund's investments as at 31 July 2022

Holding	Investment	Market valuation £'000	Total net assets %
Equities 94.92% (31 July 2021 98.98%)			
Basic Materials 11.03% (31 July 2021 14.59%)			
116,120	Anglo American	3,425	2.02
1,626,377	Glencore	7,511	4.43
165,538	Hill & Smith	2,175	1.28
59,510	Rio Tinto	2,930	1.73
1,142,546	Synthomer	2,664	1.57
		18,705	11.03
Consumer Discretionary 8.08% (31 July 2021 15.49%)			
82,126	Bellway	2,008	1.18
141,384	Jet2	1,296	0.77
245,376	RELX	5,950	3.51
832,232	Taylor Wimpey	1,057	0.62
200,589	Team17	882	0.52
283,310	Watches of Switzerland	2,511	1.48
		13,704	8.08
Consumer Staples 11.95% (31 July 2021 8.03%)			
247,969	Diageo	9,625	5.68
169,916	Hilton Food	1,873	1.11
40,686	Reckitt Benckiser	2,703	1.59
835,440	Tesco	2,193	1.29
96,507	Unilever	3,863	2.28
		20,257	11.95
Energy 7.43% (31 July 2021 3.99%)			
780,099	BP	3,120	1.84
1,461,474	Diversified Energy	1,806	1.06
131,602	Indus Gas	320	0.19
337,637	Shell	7,356	4.34
		12,602	7.43
Financials 15.04% (31 July 2021 14.96%)			
1,440,574	Barclays	2,264	1.34
337,910	Conduit	1,181	0.70
818,702	HSBC	4,205	2.48
110,314	Intermediate Capital	1,678	0.99
8,656	Jackson Financial 'A'	195	0.11
2,122,079	Just	1,510	0.89
19,882	London Stock Exchange	1,590	0.94
755,913	NatWest	1,879	1.11
528,234	Phoenix	3,400	2.01
257,519	Prudential	2,589	1.53
559,617	Standard Chartered	3,156	1.86
1,271,905	Triam Investors 1	1,825	1.08
		25,472	15.04
Health Care 14.20% (31 July 2021 11.14%)			
682,098	Angle	473	0.28
134,840	AstraZeneca	14,619	8.62
37,252	Dechra Pharmaceuticals	1,372	0.81
127,222	Ergomed	1,532	0.90
164,492	GSK	2,842	1.68
205,615	Haleon	600	0.35
108,368	HIKMA Pharmaceutical	1,874	1.11
241,200	Oxford Nanopore Technologies	767	0.45
		24,079	14.20

Aegon UK Equity Fund

Portfolio Statement (continued)

Holding	Investment	Market valuation	Total net assets
		£'000	%
Industrials 17.78% (31 July 2021 16.67%)			
110,384	Ashtead	5,067	2.99
412,868	BAE Systems	3,178	1.87
731,912	Balfour Beatty	2,052	1.21
338,484	Chemring	1,170	0.69
72,502	Clarkson	2,487	1.47
130,550	Euromoney Institutional Investor	1,890	1.12
27,560	Ferguson	2,835	1.67
559,876	Forterra	1,646	0.97
349,406	Ienergizer	1,686	0.99
120,000	Marlowe	955	0.56
327,450	QinetiQ	1,246	0.74
377,395	Rentokil Initial	2,042	1.20
78,219	Smurfit Kappa	2,321	1.37
985,161	Strix	1,572	0.93
634,447	TMO Renewables*	-	-
		30,147	17.78
Real Estate 3.06% (31 July 2021 2.54%)			
1,976,016	LXI REIT**	2,928	1.73
1,272,179	Urban Logistics REIT**	2,252	1.33
		5,180	3.06
Technology 5.45% (31 July 2021 9.81%)			
516,139	Ascential	1,506	0.89
121,695	Auction Technology	1,209	0.71
45,256	Aveva	1,066	0.63
1,190,004	Baltic Classifieds	1,949	1.15
305,154	Big Technologies	790	0.46
502,455	GB Group	2,540	1.50
239,602	Trustpilot	183	0.11
		9,243	5.45
Telecommunications 0.90% (31 July 2021 1.76%)			
944,100	BT	1,527	0.90
		1,527	0.90
Portfolio of investments		160,916	94.92
Net other assets		8,618	5.08
Total net assets attributable to shareholders		169,534	100.00

The comparative percentage figures in brackets are at 31 July 2021.

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 or delisted.

**Real Estate Investment Trust.

Aegon UK Equity Fund

Statement of Total Return for the year ended 31 July 2022

	Note	£'000	2022 £'000	£'000	2021 £'000
Income					
Net capital (losses)/gains	2		(19,013)		45,656
Revenue	3	5,975		4,382	
Expenses	4	(1,196)		(1,189)	
Interest payable and similar charges		-		(1)	
Net revenue before taxation		4,779		3,192	
Taxation	5	(61)		(41)	
Net revenue after taxation			4,718		3,151
Total return before distributions			(14,295)		48,807
Distributions	6		(4,718)		(3,154)
Change in net assets attributable to shareholders from investment activities			(19,013)		45,653

Statement of Change in Net Assets Attributable to Shareholders for the year ended 31 July 2022

	£'000	2022 £'000	£'000	2021 £'000
Opening net assets attributable to shareholders		199,165		163,853
Amounts receivable on issue of shares	4,158		3,643	
Amounts payable on cancellation of shares	(19,280)		(17,015)	
		(15,122)		(13,372)
Dilution adjustment		28		27
Change in net assets attributable to shareholders from investment activities		(19,013)		45,653
Retained distribution on accumulation shares		4,476		3,004
Closing net assets attributable to shareholders		169,534		199,165

Aegon UK Equity Fund

Balance Sheet as at 31 July 2022

	Note	£'000	2022 £'000	£'000	2021 £'000
Assets					
Fixed assets:					
Investments			160,916		197,127
Current assets:					
Debtors	7	246		311	
Cash and bank balances	8	8,983		2,297	
			9,229		2,608
Total assets			170,145		199,735
Liabilities					
Creditors					
Distributions payable		36		24	
Other creditors	9	575		546	
Total liabilities			611		570
Net assets attributable to shareholders			169,534		199,165

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)/gains

Net capital (losses)/gains comprise:

	2022	2021
	£'000	£'000
(Losses)/gains on non-derivative securities	(19,011)	45,594
Currency exchange losses	(1)	(1)
Gains on derivative securities	-	65
Transaction charges	(1)	(2)
Net capital (losses)/gains	(19,013)	45,656

3 Revenue

	2022	2021
	£'000	£'000
UK dividends	5,648	4,137
Non-taxable overseas dividends	183	76
Property income from REITs	125	168
Bank interest	8	-
Stock lending income*	11	1
Total revenue	5,975	4,382

*The sub-fund received 72% of the revenue returns from stock lending activities. The gross earnings for the year are £15,000 (2021: £1,000) and expenses paid of £4,000 (2021: Nil).

4 Expenses*

	2022	2021
	£'000	£'000
Payable to the ACD, associates of the ACD and agents of either of them:		
ACD's periodic charge	1,113	1,098
Payable to the Depositary, associates of the Depositary and agents of either of them:		
Depositary fee	27	24
Other expenses:		
Audit fee**	12	10
FT publishing fee	2	3
KIID fees	1	1
PRIPs fees	3	6
Registrar's fee	34	34
Safe custody charge	4	4
Tax services fees	-	9
	56	67
Total expenses	1,196	1,189

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

**The audit fee (excluding VAT) incurred during the year was £10,093 (2021: £9,010).

5 Taxation

a) Analysis of charge in the year

	2022	2021
	£'000	£'000
Current tax:		
Overseas tax suffered	61	41
Total tax charge for the year (see note 5 (b))	61	41

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 (2021: lower than) the standard rate of corporation tax for Open Ended Investment Companies 'OEICs' (20%).

The differences are explained below:

	2022	2021
	£'000	£'000
Net revenue before taxation	4,779	3,192
Corporation tax 20% (2021: 20%)	956	638
Effects of:		
Movement in excess expenses	210	204
Overseas tax suffered	61	41
Revenue not subject to taxation	(1,166)	(842)
Total tax charge for the year (see note 5 (a))	61	41

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 £66,886,000 (2021: £65,836,000). 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 £13,377,000 (2021: £13,167,000) 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:

	2022	2021
	£'000	£'000
Final distribution	4,512	3,028
	4,512	3,028
Add: amounts deductible on cancellation of shares	281	164
Less: amounts receivable on creation of shares	(75)	(38)
Distributions	4,718	3,154

Details of the distributions are set out in the tables on page 53.

b) Movement between net revenue and distribution

	2022	2021
	£'000	£'000
Net revenue after taxation	4,718	3,151
Equalisation on conversions	-	3
Distributions	4,718	3,154

7 Debtors

	2022	2021
	£'000	£'000
Accrued revenue	196	287
Amounts receivable for the issue of shares	28	18
Reclaimable overseas tax	22	6
Debtors	246	311

8 Cash and bank balances

	2022	2021
	£'000	£'000
Cash and bank balances	172	2,297
Money market deposits	8,811	-
Cash and bank balances	8,983	2,297

Aegon UK Equity Fund

Notes to the Financial Statements (continued)

9 Other creditors

	2022	2021
	£'000	£'000
Accrued ACD periodic charge	167	196
Accrued other expenses	56	56
Amounts payable for cancellation of shares	352	294
Other creditors	575	546

10 Related parties

Related party interests in the sub-fund are disclosed in Note 6 of the Accounting Policies on page 17. Amounts due to the ACD as at year end for the ACD periodic charge and amounts due to the ACD for outstanding cancellations are disclosed in Note 9. Amounts receivable from the ACD as at year end for outstanding issue of shares are disclosed in Note 7. At the year-end 38.30% (2021: 77.80%) 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 2022 (2021: 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 (2021: same). As at the balance sheet date, the sub-fund's value at risk is 5.63% (2021: 5.03%).

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

	Lowest Utilisation (%)	Highest Utilisation (%)	Average Utilisation (%)
31 July 2022	4.93	5.72	5.30
31 July 2021	4.84	6.16	5.54

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.

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

As at 31 July 2022

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

As at 31 July 2022

Counterparty	Collateral pledge	
	Stock on loan £'000	Stock £'000
UBS	1,077	1,162

Aegon UK Equity Fund

Notes to the Financial Statements (continued)

13 Portfolio transaction costs

Purchases

31 July 2022	Value	Commissions	Other Costs*	
	£'000	£'000	%	£'000
Equities	33,588	19	0.06	114
Total	33,588	19		114
Total purchases including transaction costs	33,721			
31 July 2021				
Equities	42,050	29	0.07	148
Corporate actions	1,258	-	-	-
Total	43,308	29		148
Total purchases including transaction costs	43,485			

Sales

31 July 2022	Value	Commissions	Other Costs*	
	£'000	£'000	%	£'000
Equities	47,597	(32)	0.07	-
Corporate actions	3,357	-	-	-
Total	50,954	(32)		-
Total sales net of transaction costs	50,922			
31 July 2021				
Equities	53,525	(37)	0.07	-
Corporate actions	455	-	-	-
Total	53,980	(37)		-
Total sales net of transaction costs	53,943			

*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 0.13% (2021: 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	2022		2021	
	Assets £'000	Liabilities £'000	Assets £'000	Liabilities £'000
1 - Unadjusted quoted prices	160,916	-	197,127	-
2 - Observable market data	-	-	-	-
3 - Non-observable data	-	-	-	-
	160,916	-	197,127	-

Aegon UK Equity Fund

Notes to the Financial Statements (continued)

15 Share classes

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

B share class: 0.60%

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 40 to 43. The distribution per share class is given in the distribution tables on page 53. All share classes have the same rights on winding up.

Share class movement reconciliation

31 July 2022	Opening	Creations	Cancellations	Converted	Closing
B Accumulation	53,125,243	1,144,392	(5,355,404)	-	48,914,231
B Income	96,900	12,704	(17,917)	-	91,687

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 24 November 2022 and the percentage movement in that period:

Net assets per share

	31 July 2022	24 November 2022	% Movement
B Accumulation	343.88	338.32	(1.62)
B Income	1,450.06	1,426.62	(1.62)

Aegon UK Equity Fund

Distribution Tables

Share Class B Accumulation

Period end	Pay date		Net Revenue	Equalisation*	Total Payable	2021 Total Paid
31/07/22	30/11/22	Group 1	9.1498	N/A	9.1498	5.6553
		Group 2	2.6956	6.4542		

Share Class B Income

Period end	Pay date		Net Revenue	Equalisation*	Total Payable	2021 Total Paid
31/07/22	30/11/22	Group 1	39.6438	N/A	39.6438	24.8822
		Group 2	14.0074	25.6364		

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 Income Fund

Fund objective*

The investment objective is to achieve an income return along with the potential for some long-term (more than 7 years) capital growth.

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 seeks to invest in UK companies that can offer growing dividends and an income return in excess of the weighted market average. Emphasis will be placed on companies which the ACD believes have good financial strength and fundamentals that are likely to sustain dividends in the future. 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 other transferable securities, bonds, 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 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 Income Fund returned 4.57% over the six months to 31 January 2022, compared to the peer group median return of 3.89%. The peer group is the Investment Association UK Equity Income sector

Note: the sub-fund was closed on 31 January 2022.

Strategy review***

It was an extremely challenging six-month period for the UK equity market as investors grappled with the onset of the Omicron variant of COVID-19 and the decision by major central banks to begin removing the monetary policies that had been in place to support economies. As the period progressed, the Omicron variant proved to be less of a concern than previous strains, which boosted markets to an extent towards the end of 2020. However, the more hawkish approach from central banks, which included interest rate rises from the Bank of England, led to a sell-off in equity markets. At the same time, geopolitical tension in Ukraine also fuelled the decline in equity markets, particularly towards the end of the period.

A distinct feature of the six-month period was rotation out of 'growth' stocks and into 'value' stocks. Growth stocks (companies whose stock prices are predominantly based on expected increases in future revenues and earnings) struggled in the 'risk-off' environment. In contrast, 'value' stocks (companies whose stock prices depend less on future growth and which often trade at valuations below their real value) performed better. In this environment, the sub-fund performed well with disciplined stock selection the main driver of the positive returns.

The top contributors included BP (energy), Ferguson (industrials) and Beazley (financials). Ferguson rallied in the second half of the period due to strong revenue growth, and BP benefited from the positive performance of energy stocks overall. Our slight overweight in technology benefited the sub-fund, but it was the stock selection within this sector that contributed to performance. Financials also ended the period with positive returns overall, and again it was stock selection that acted as the support.

As the period progressed the fund managers began to sell the assets within the portfolio in preparation for the sub-fund closure.

*Please note that the sub-fund's objective has been updated effective 28 July 2022. 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.

Investors are invited to compare the sub-fund's performance against the performance of other funds within the Investment Association UK Equity Income 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 Income Fund

Material portfolio changes

Top purchases*	31 July 2022	Top ten sales	31 July 2022
	£'000		£'000
Harmony Energy Income Trust	536	Anglo American	3,028
		BP	2,350
		GlaxoSmithKline	2,027
		Rio Tinto	1,995
		AstraZeneca	1,910
		Shell	1,864
		Ferguson	1,816
		Ashtead	1,700
		Phoenix	1,697
		RELX	1,618

* There was 1 security purchased during the year.

Aegon UK Equity Income Fund

Comparative Tables

A Accumulation shares*	2020 (p/share)
Change in net assets per share	
Opening net asset value per share	250.30
Return before operating charges**	(46.33)
Operating charges	(2.90)
Return after operating charges**	(49.23)
Distributions	(4.87)
Retained distributions on accumulation shares	4.87
Redemption value	(201.07)
Closing net asset value per share	-
**after direct transaction costs of	0.47
Performance	
Return after charges	(19.67)%
Other information	
Closing net asset value (£'000)	-
Closing number of shares	-
Operating charges	-
Direct transaction costs	-
Prices	
Highest share price	268.00
Lowest share price	168.39

A Income shares*	2020 (p/share)
Change in net assets per share	
Opening net asset value per share	163.45
Return before operating charges**	(29.65)
Operating charges	(1.88)
Return after operating charges**	(31.53)
Distributions	(3.17)
Retained distributions on accumulation shares	-
Redemption value	(128.75)
Closing net asset value per share	-
**after direct transaction costs of	0.30
Performance	
Return after charges	(19.29)%
Other information	
Closing net asset value (£'000)	-
Closing number of shares	-
Operating charges	-
Direct transaction costs	-
Prices	
Highest share price	172.37
Lowest share price	107.83

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

*Share classes closed on 26 April 2020.

Aegon UK Equity Income Fund

Comparative Tables (continued)

B Accumulation shares***	2022	2021	2020
	(p/share)	(p/share)	(p/share)
Change in net assets per share			
Opening net asset value per share	289.33	224.13	267.27
Return before operating charges**	15.52	66.93	(41.39)
Operating charges	(0.97)	(1.73)	(1.75)
Return after operating charges**	14.55	65.20	(43.14)
Distributions	(5.71)	(10.09)	(9.80)
Retained distributions on accumulation shares	5.71	10.09	9.80
Redemption value	(303.88)	-	-
Closing net asset value per share	-	289.33	224.13
**after direct transaction costs of	0.70	0.06	0.48
Performance			
Return after charges	5.03%	29.09%	(16.14)%
Other information			
Closing net asset value (£'000)	-	45,267	35,022
Closing number of shares	-	15,645,404	15,625,476
Operating charges	-	0.68%	0.69%
Direct transaction costs	-	0.02%	0.19%
Prices			
Highest share price	311.68	291.11	287.43
Lowest share price	282.51	211.80	180.84

B Income shares***	2022	2021	2020
	(p/share)	(p/share)	(p/share)
Change in net assets per share			
Opening net asset value per share	174.25	140.56	174.55
Return before operating charges**	9.84	40.98	(26.57)
Operating charges	(0.58)	(1.06)	(1.11)
Return after operating charges**	9.26	39.92	(27.68)
Distributions	(3.43)	(6.23)	(6.31)
Retained distributions on accumulation shares	-	-	-
Redemption value	(180.08)	-	-
Closing net asset value per share	-	174.25	140.56
**after direct transaction costs of	0.42	0.04	0.31
Performance			
Return after charges	5.31%	28.40%	(15.86)%
Other information			
Closing net asset value (£'000)	-	9,264	8,902
Closing number of shares	-	5,316,365	6,333,284
Operating charges	-	0.68%	0.69%
Direct transaction costs	-	0.02%	0.19%
Prices			
Highest share price	184.71	176.12	184.89
Lowest share price	170.14	132.40	115.82

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 31 January 2022.

Aegon UK Equity Income Fund

Portfolio Statement

The sub-fund's investments as at 31 July 2022

Holding	Investment	Market valuation £'000	Total net assets %
	Equities 0.00% (31 July 2021 98.02%)		
	Basic Materials 0.00% (31 July 2021 9.59%)		
	Consumer Discretionary 0.00% (31 July 2021 7.25%)		
	Consumer Staples 0.00% (31 July 2021 16.17%)		
	Energy 0.00% (31 July 2021 6.25%)		
	Financials 0.00% (31 July 2021 21.62%)		
	Health Care 0.00% (31 July 2021 7.30%)		
	Industrials 0.00% (31 July 2021 20.10%)		
	Real Estate 0.00% (31 July 2021 5.86%)		
	Technology 0.00% (31 July 2021 1.73%)		
	Utilities 0.00% (31 July 2021 2.15%)		
	Portfolio of investments	-	-
	Net other assets	-	-
	Total net assets attributable to shareholders	-	-

The comparative percentage figures in brackets are at 31 July 2021.

Aegon UK Equity Income Fund

Statement of Total Return for the year ended 31 July 2022

	Note	£'000	2022 £'000	£'000	2021 £'000
Income					
Net capital gains	2		1,719		10,861
Revenue	3	1,074		1,942	
Expenses	4	(183)		(331)	
Interest payable and similar charges		-		(1)	
Net revenue before taxation		891		1,610	
Taxation	5	(4)		(9)	
Net revenue after taxation			887		1,601
Total return before distributions			2,606		12,462
Distributions	6		(1,070)		(1,933)
Change in net assets attributable to shareholders from investment activities			1,536		10,529

Statement of Change in Net Assets Attributable to Shareholders for the year ended 31 July 2022

	£'000	2022 £'000	£'000	2021 £'000
Opening net assets attributable to shareholders		54,531		43,924
Amounts payable to shareholders on closure of sub-fund	(54,794)		-	
Amounts receivable on issue of shares	59		620	
Amounts payable on cancellation of shares	(2,225)		(2,121)	
		(56,960)		(1,501)
Dilution adjustment		2		1
Change in net assets attributable to shareholders from investment activities		1,536		10,529
Retained distribution on accumulation shares		891		1,578
Closing net assets attributable to shareholders		-		54,531

Aegon UK Equity Income Fund

Balance Sheet as at 31 July 2022

	Note	£'000	2022 £'000	£'000	2021 £'000
Assets					
Current assets:					
Investments*		-		53,451	
Debtors	7	-		87	
Cash and bank balances	8	19		1,121	
			19		54,659
Total assets			19		54,659
Liabilities					
Creditors					
Distributions payable		-		42	
Other creditors	9	19		86	
Total liabilities			19		128
Net assets attributable to shareholders			-		54,531

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

Aegon UK Equity Income Fund

Notes to the Financial Statements

1 Accounting policies

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

2 Net capital gains

Net capital gains comprise:

	2022	2021
	£'000	£'000
Gains on non-derivative securities	1,719	10,863
Currency exchange losses	-	(2)
Net capital gains	1,719	10,861

3 Revenue

	2022	2021
	£'000	£'000
UK dividends	1,022	1,845
Non-taxable overseas dividends	13	22
Property income from REITs	39	75
Total revenue	1,074	1,942

4 Expenses*

	2022	2021
	£'000	£'000
Payable to the ACD, associates of the ACD and agents of either of them:		
ACD's periodic charge	166	294
Payable to the Depositary, associates of the Depositary and agents of either of them:		
Depositary fee	4	6
Other expenses:		
Audit fee**	11	7
FT publishing fee	1	3
PRIPs fees	2	6
Registrar's fee	(2)	14
Safe custody charge	1	1
	13	31
Total expenses	183	331

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

**The audit fee (excluding VAT) incurred during the year was £9,370 (2021: £9,010).

5 Taxation

a) Analysis of charge in the year

	2022	2021
	£'000	£'000
Current tax:		
Overseas tax suffered	4	9
Total tax charge for the year (see note 5 (b))	4	9

Aegon UK Equity Income 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 (2021: lower than) the standard rate of corporation tax for Open Ended Investment Companies 'OEICs' (20%).

The differences are explained below:

	2022	2021
	£'000	£'000
Net revenue before taxation	891	1,610
Corporation tax 20% (2021: 20%)	178	322
Effects of:		
Movement in excess expenses	29	51
Overseas tax suffered	4	9
Revenue not subject to taxation	(207)	(373)
Total tax charge for the year (see note 5 (a))	4	9

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 £3,748,000 (2021: £3,605,000). 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 £750,000 (2021: £721,000) 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:

	2022	2021
	£'000	£'000
Interim distributions	1,052	1,679
Final distribution	-	249
	1,052	1,928
Add: amounts deductible on cancellation of shares	18	8
Less: amounts receivable on creation of shares	-	(3)
Distributions	1,070	1,933

Details of the distributions are set out in the tables on page 65.

b) Movement between net revenue and distribution

	2022	2021
	£'000	£'000
Net revenue after taxation	887	1,601
Expenses transferred to capital	183	332
Distributions	1,070	1,933

7 Debtors

	2022	2021
	£'000	£'000
Accrued revenue	-	79
Amounts receivable for the issue of shares	-	8
Debtors	-	87

8 Cash and bank balances

	2022	2021
	£'000	£'000
Cash and bank balances	19	1,121
Cash and bank balances	19	1,121

Aegon UK Equity Income Fund

Notes to the Financial Statements (continued)

9 Other creditors

	2022	2021
	£'000	£'000
Accrued ACD periodic charge	-	54
Accrued other expenses	19	32
Other creditors	19	86

10 Related Parties

Related party interests in the sub-fund are disclosed in Note 6 of the Accounting Policies on page 17. Amounts due to the ACD as at year end for the ACD periodic charge and amounts due to the ACD for outstanding cancellations are disclosed in Note 9. Amounts receivable from the ACD as at year end for outstanding issue of shares are disclosed in Note 7. At the year-end 0.00% (2021: 95.13%) 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 2022 (2021: 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 (2021: same). As at the balance sheet date, the sub-fund's value at risk is N/A (2021: 5.46%).

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

	Lowest Utilisation	Highest Utilisation	Average Utilisation
	(%)	(%)	(%)
31 July 2022	5.28	5.74	5.51
31 July 2021	5.46	6.37	5.87

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 2022	Value £'000	Commissions £'000	%	Other Costs* £'000	%
Equities	536	-	-	-	-
Total	536	-		-	
Total purchases including transaction costs	536				
31 July 2021					
Equities	3,275	1	0.03	10	0.31
Total	3,275	1		10	
Total purchases including transaction costs	3,286				

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

Aegon UK Equity Income Fund

Notes to the Financial Statements (continued)

13 Portfolio transaction costs (continued)

Sales

31 July 2022	Value	Commissions	%	Other Costs*	%
	£'000	£'000		£'000	
Equities	54,335	(64)	0.12	-	-
Corporate actions	1,436	-	-	-	-
Total	55,771	(64)		-	
Total sales net of transaction costs	55,707				
31 July 2021					
Equities	2,769	(1)	0.04	-	-
Corporate actions	527	-	-	-	-
Total	3,296	(1)		-	
Total sales net of transaction costs	3,295				

*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 0.00% (2021: 0.09%), 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	2022		2021	
	Assets	Liabilities	Assets	Liabilities
	£'000	£'000	£'000	£'000
1 - Unadjusted quoted prices	-	-	53,451	-
2 - Observable market data	-	-	-	-
3 - Unobservable data	-	-	-	-
	-	-	53,451	-

15 Share classes

The sub-fund currently has one share class; B (Institutional). The ACD's periodic charge on this 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 56 and 57. The distribution per share class is given in the distribution tables on page 65. All share classes have the same rights on winding up.

Share class movement reconciliation

31 July 2022	Opening	Creations	Cancellations	Converted	Closing
B Accumulation*	15,645,404	8,354	(15,653,758)	-	-
B Income*	5,316,365	19,649	(5,336,014)	-	-

*The sub-fund closed on 31 January 2022.

Aegon UK Equity Income Fund

Distribution Tables

Share Class B Accumulation**

Period end	Pay date		Net Revenue	Equalisation*	Total Payable	2020/21 Total Paid
31/10/21	31/12/21	Group 1	4.7205	N/A	4.7205	3.3258
		Group 2	2.8234	1.8971		
28/01/22	31/03/22	Group 1	0.9877	N/A	0.9877	1.0807
		Group 2	0.9711	0.0166		
30/04/22	30/06/22	Group 1	-	-	-	4.3633
		Group 2	-	-		
31/07/22	30/09/22	Group 1	-	-	-	1.3203
		Group 2	-	-		

Share Class B Income**

Period end	Pay date		Net Revenue	Equalisation*	Total Payable	2020/21 Total Paid
31/10/21	31/12/21	Group 1	2.8435	N/A	2.8435	2.0855
		Group 2	1.6286	1.2149		
28/01/22	31/03/22	Group 1	0.5853	N/A	0.5853	0.6671
		Group 2	0.5853	0.0000		
30/04/22	30/06/22	Group 1	-	-	-	2.6822
		Group 2	-	-		
31/07/22	30/09/22	Group 1	-	-	-	0.7988
		Group 2	-	-		

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.

**The sub-fund closed on 31 January 2022.

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 (2.90)% compared to the Sterling Over Night Index Average (SONIA) 1 month return of 0.40%.

Strategy review***

It was an extremely challenging period for the UK equity market as investors grappled initially with the onset of the Omicron variant of COVID-19 and the decision by major central banks to begin removing the monetary policies that had been in place to support economies. As the period progressed, the Omicron variant proved to be less of a concern than previous strains, which boosted markets to an extent towards the end of 2021. However, markets came under significant pressure as we moved through 2022, due mainly to the strong inflationary environment. The causes of the higher inflation figures were manifold and included the opening-up of economies following the coronavirus pandemic, ongoing supply chain bottlenecks and, of course, the tragic war in Ukraine which resulted in a spike in food and energy prices.

Central banks acted to combat rising inflation by increasing interest rates, although the clarity of their communications through this period was generally disappointing. During the second half of the period, however, it was clear that inflation was rising rapidly, with the result that both the US Federal Reserve and the Bank of England increased the magnitude of their rate rises.

The sub-fund came under pressure in the difficult environment, with the long book struggling while the short book fared better. A distinct feature of the 12-month period was the rotation out of 'growth' stocks and into 'value' stocks. Growth stocks (companies whose stock prices are predominantly based on expected increases in future revenues and earnings) struggled in the 'risk-off' environment. In contrast, 'value' stocks (companies whose stock prices depend less on future growth and which often trade at valuations below their real value) performed better.

This feature of the market was a significant contributor to the sub-fund's underperformance over the period, particularly through our Best Ideas module. It is important to note, however, that the market sell-off was very indiscriminate, with many of the module's growth stocks falling back despite a lack of negative company news.

The Themes module performed relatively well considering the turbulent backdrop. Some of our themes, such as Pharma Outsourcing and Construction were quite volatile – adding value initially but falling back during the second half of the period as they were caught up in the market rotation. In contrast, our Contrarian theme struggled to begin with but benefited later in the period from short position two beverage companies, both of which struggled in the difficult conditions. Elsewhere, our short Expensive Software basket performed well as rising rate expectations hampered long duration stocks. Our long Defence Spend theme also did well with the rise in global defence budgets.

Our Pair Trades module performed well, driven by bidding activity and good outcomes in our online pair, given negative sentiment towards the UK housing market.

*Please note that the sub-fund's objective has been updated effective 28 July 2022. 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. 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 2022	Top sales**	31 July 2022
	£'000		£'000
Kornit Digital	300	Brickability	430
LXI REIT	272	Secure Income REIT	354
Big Technologies	22	Ideagen	344
		Euromoney Institutional Investor	256
		S4 Capital	214
		LXI REIT	160
		Strix	42

* There were three securities purchased during the year.

** There were seven securities sold during the year.

Aegon UK Equity Absolute Return Fund

Comparative Tables

A Accumulation shares**	2021	2020
	(p/share)	(p/share)
Change in net assets per share		
Opening net asset value per share	113.56	108.28
Return before operating charges*	5.56	7.09
Operating charges	(1.71)	(1.81)
Return after operating charges*	3.85	5.28
Distributions	-	-
Retained distributions on accumulation shares	-	-
Redemption value	(117.41)	-
Closing net asset value per share	-	113.56
*after direct transaction costs of	0.01	0.01
Performance		
Return after charges	3.39%	4.88%
Other information		
Closing net asset value (£'000)	-	384
Closing number of shares	-	338,195
Operating charges	-	1.62%
Direct transaction costs	-	0.01%
Prices		
Highest share price	117.93	114.56
Lowest share price	112.48	107.49

B Accumulation shares	2022	2021	2020
	(p/share)	(p/share)	(p/share)
Change in net assets per share			
Opening net asset value per share	129.11	122.49	115.92
Return before operating charges*	(2.55)	7.74	7.63
Operating charges	(1.13)	(1.12)	(1.06)
Return after operating charges*	(3.68)	6.62	6.57
Distributions	-	-	-
Retained distributions on accumulation shares	-	-	-
Closing net asset value per share	125.43	129.11	122.49
*after direct transaction costs of	0.01	0.01	0.02
Performance			
Return after charges	(2.85)%	5.40%	5.67%
Other information			
Closing net asset value (£'000)	30,295	33,819	30,886
Closing number of shares	24,152,994	26,194,029	25,214,979
Operating charges	0.89%	0.89%	0.87%
Direct transaction costs	0.01%	0.01%	0.01%
Prices			
Highest share price	131.22	128.96	123.24
Lowest share price	122.95	121.36	115.08

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

Comparative Tables (continued)

D Accumulation shares***	2020 (p/share)
Change in net assets per share	
Opening net asset value per share	103.90
Return before operating charges*	4.68
Operating charges	(0.65)
Return after operating charges*	4.03
Distributions	-
Retained distributions on accumulation shares	-
Redemption value	(107.93)
Closing net asset value per share	-
*after direct transaction costs of	0.01
Performance	
Return after charges	3.88%
Other information	
Closing net asset value (£'000)	-
Closing number of shares	-
Operating charges	-
Direct transaction costs	-
Prices	
Highest share price	107.89
Lowest share price	103.15

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 3 February 2020.

Aegon UK Equity Absolute Return Fund

Portfolio Statement

The sub-fund's investments as at 31 July 2022

Holding	Investment	Market Valuation £'000	Total net assets %
	Equities 3.06% (31 July 2021 9.06%)		
	Consumer Discretionary 0.00% (31 July 2021 1.95%)		
	Financials 1.08% (31 July 2021 0.88%)		
227,872	Triam Investors 1	327	1.08
		327	1.08
	Industrials 0.77% (31 July 2021 3.37%)		
2,294	Kornit Digital	51	0.17
113,182	Strix	181	0.60
		232	0.77
	Real Estate 0.73% (31 July 2021 1.45%)		
149,936	LXI REIT*	222	0.73
		222	0.73
	Technology 0.48% (31 July 2021 1.41%)		
56,030	Big Technologies	145	0.48
		145	0.48
	Derivatives and Futures Contracts 0.45% (31 July 2021 0.46%)		
	Contracts for Difference 0.69% (31 July 2021 0.32%)		
(4,859)	Altria	(7)	(0.02)
126,513	Angle	(14)	(0.05)
7,099	Anglo American	28	0.09
108,330	Ascential	(2)	(0.01)
9,823	Ashthead	74	0.26
4,263	AstraZeneca	(13)	(0.04)
11,612	Auction Technology	12	0.04
34,203	Auto Trader	13	0.04
10,685	Aveva	9	0.03
30,462	BAE Systems	(7)	(0.02)
158,384	Baltic Classifieds	58	0.19
8,826	Bellway	25	0.08
(14,019)	Bunzl	(21)	(0.07)
67,757	Chemring	10	0.03
53,050	Conduit	13	0.04
174,530	ConvaTec	17	0.06
8,041	CRH	19	0.06
3,866	Croda International	29	0.10
(4,813)	DCC	(6)	(0.02)
6,395	Dechra Pharmaceuticals	4	0.01
(31,660)	Dignity	(11)	(0.04)
9,607	Diploma	34	0.11
17,512	Ergomed	42	0.14
(12,867)	Experian	(31)	(0.10)
(12,093)	Fever-Tree Drinks	30	0.10
63,219	GB Group	46	0.15
101,877	Glencore	56	0.19
15,259	Grafton	12	0.04
(4,547)	GS Expensive Software Custom Index Future Contract December 2022	(48)	(0.16)
17,141	HIKMA Pharmaceuticals	3	0.01
(9,616)	Intel	18	0.06
(7,439)	Intertek	(8)	(0.03)
(137)	IShares FTSE 250	(182)	(0.60)
49,060	ITM Power	12	0.04
(111,502)	IWG	(6)	(0.02)
25,362	Jet2	33	0.11

Aegon UK Equity Absolute Return Fund

Portfolio Statement (continued)

Holding	Investment	Market Valuation	Total net assets
		£'000	%
Contracts for Difference (continued)			
14,081	Johnson Matthey	36	0.12
240,593	Just	17	0.06
(6,000)	Kikkoman	(4)	(0.01)
116,944	Kin & Carta	18	0.06
(139,426)	Kingfisher	(13)	(0.04)
50,146	Meggitt	-	-
(48,281)	Naked Wines	1	-
(15,705)	Ocado	(13)	(0.04)
38,448	Oxford Nanopore Technologies	3	0.01
(2,883)	PayPal	(38)	(0.13)
60,680	QinetiQ	(2)	(0.01)
(35,328)	Rightmove	(17)	(0.05)
(30,925)	RS	(39)	(0.13)
(30,385)	Segro	(20)	(0.07)
(32,957)	Shaftesbury	6	0.02
(15,498)	Shell	(23)	(0.08)
(2,477)	Spirax-Sarco Engineering	(31)	(0.10)
130,500	Spire Healthcare	4	0.01
(24,047)	St James's Place	(21)	(0.07)
39,583	Standard Chartered	(8)	(0.03)
77,696	Synthomer	4	0.01
61,819	Team17	29	0.10
(111,296)	Tesco	(3)	(0.01)
(2,033)	United Parcel Service	(21)	(0.07)
(2,056)	Upstart	5	0.01
38,455	Watches of Switzerland	41	0.14
20,364	Weir	57	0.19
		209	0.69
Forward Foreign Exchange Contracts 0.00% (31 July 2021 0.00%)			
	Bought GBP 47,385 Sold USD 57,200 31/08/2022	1	-
		1	-
Futures Contracts (0.24)% (31 July 2021 0.14%)			
(27)	FTSE 100 Future Contract September 2022	(72)	(0.24)
		(72)	(0.24)
Portfolio of investments**			
	Net other assets	29,231	96.49
	Total net assets attributable to shareholders	30,295	100.00

Analysis of investments by asset class

	Market Value £'000	Value of investments %
Equities	926	3.06
Derivatives	138	0.45
Portfolio of investments**	1,064	3.51
Net other assets	29,231	96.49
Total net assets attributable to shareholders	30,295	100.00

The comparative percentage figures in brackets are at 31 July 2021.

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 2022

	Note	£'000	2022 £'000	£'000	2021 £'000
Income					
Net capital (losses)/gains	2		(743)		2,172
Revenue	3	352		318	
Expenses	4	(290)		(320)	
Interest payable and similar charges	5	(341)		(344)	
Net expense before taxation		(279)		(346)	
Taxation	6	-		-	
Net expense after taxation			(279)		(346)
Total return before distributions			(1,022)		1,826
Distributions	7		-		-
Change in net assets attributable to shareholders from investment activities			(1,022)		1,826

Statement of Change in Net Assets Attributable to Shareholders for the year ended 31 July 2022

	£'000	2022 £'000	£'000	2021 £'000
Opening net assets attributable to shareholders		33,819		31,270
Amounts receivable on issue of shares	14,020		15,778	
Amounts payable on cancellation of shares	(16,524)		(15,072)	
		(2,504)		706
Dilution adjustment		2		17
Change in net assets attributable to shareholders from investment activities		(1,022)		1,826
Closing net assets attributable to shareholders		30,295		33,819

Aegon UK Equity Absolute Return Fund

Balance Sheet as at 31 July 2022

	Note	£'000	2022 £'000	£'000	2021 £'000
Assets					
Fixed assets:					
Investments			1,745		3,684
Current assets:					
Debtors	8	28		159	
Cash and bank balances	9	30,847		33,783	
			30,875		33,942
Total assets			32,620		37,626
Liabilities					
Investment liabilities					
			681		462
Creditors					
Bank overdrafts	10	190		7	
Other creditors	11	1,454		3,338	
Total liabilities			2,325		3,807
Net assets attributable to shareholders			30,295		33,819

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)/gains

Net capital (losses)/gains comprise:

	2022	2021
	£'000	£'000
(Losses)/gains on non-derivative securities	(811)	1,322
Gains on derivative securities	92	850
Losses on forward currency contracts	(13)	-
Currency exchange losses	(11)	-
Net capital (losses)/gains	(743)	2,172

3 Revenue

	2022	2021
	£'000	£'000
UK dividends	11	21
Property income from REITs	13	22
Bank interest	99	7
Contracts for difference	229	268
Total revenue	352	318

4 Expenses*

	2022	2021
	£'000	£'000
Payable to the ACD, associates of the ACD and agents of either of them:		
ACD's periodic charge	261	288
Payable to the Depositary, associates of the Depositary and agents of either of them:		
Depositary fee	4	5
Other expenses:		
Audit fee**	16	14
FT publishing fee	3	3
PRIPs fees	3	6
Registrar's fee	3	4
Total expenses	290	320

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

**The audit fee (excluding VAT) incurred during the year was £13,369 (2021: £12,190).

5 Interest payable and similar charges

	2022	2021
	£'000	£'000
Dividends payable on contracts for difference	180	200
Interest payable on derivatives	161	144
Interest payable and similar charges	341	344

Aegon UK Equity Absolute Return 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.

a) Factors affecting tax charge for the year

The tax assessed for the year is higher than (2021: higher than) the standard rate of corporation tax for Open Ended Investment Companies 'OEICs' (20%).

The differences are explained below:

	2022	2021
	£'000	£'000
Net expense before taxation	(279)	(346)
Corporation tax 20% (2021: 20%)	(56)	(69)
Effects of:		
Movement in excess expenses	60	73
Expenses not subject to taxation	(4)	(4)
Total tax charge for the year	-	-

b) Factors that may affect future tax charges

After claiming relief against accrued revenue taxable on receipt, the sub-fund has unrelieved excess expenses of £17,433,000 (2021: £17,135,000). 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 £3,487,000 (2021: £3,427,000) 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:

	2022	2021
	£'000	£'000
Final distribution	-	-
Add: amounts deductible on cancellation of shares	-	-
Less: amounts receivable on creation of shares	-	-
Distributions	-	-

Details of the distributions are set out in the tables on page 79.

b) Movement between net expense and distribution

	2022	2021
	£'000	£'000
Net expense after taxation	(279)	(346)
Capital reimbursement of revenue deficit	279	346
Distributions	-	-

8 Debtors

	2022	2021
	£'000	£'000
Accrued revenue	7	6
Amounts receivable for the issue of shares	21	153
Debtors	28	159

9 Cash and bank balances

	2022	2021
	£'000	£'000
Amounts held at futures clearing houses and brokers	161	211
Cash and bank balances	4,024	3,118
Money market deposits	26,662	30,454
Cash and bank balances	30,847	33,783

Aegon UK Equity Absolute Return Fund

Notes to the Financial Statements (continued)

10 Bank overdrafts

	2022	2021
	£'000	£'000
Amounts held at futures clearing houses and brokers	190	7
Bank overdrafts	190	7

11 Other creditors

	2022	2021
	£'000	£'000
Accrued ACD periodic charge	42	49
Accrued other expenses	22	21
Amounts payable for cancellation of shares	1,370	3,245
Purchases awaiting settlement	20	23
Other creditors	1,454	3,338

12 Related parties

Related party interests in the sub-fund are disclosed in Note 6 of the Accounting Policies on page 17. Amounts due to the ACD as at year end for the ACD periodic charge and amounts due to the ACD for outstanding cancellations are disclosed in Note 11. Amounts receivable from the ACD as at year end for outstanding issue of shares are disclosed in Note 8. At the year-end 54.67% (2021: 40.51%) 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 2022 (2021: 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% (2021: 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% (2021: 3.50%). As at the balance sheet date, the sub-fund's value at risk is 0.99% (2021: 1.25%).

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

	Lowest Utilisation (%)	Highest Utilisation (%)	Average Utilisation (%)
31 July 2022	0.88	1.51	1.10
31 July 2021	0.93	1.53	1.18

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 2022 the average leverage was 75.90% (2021: 79.89%).

Aegon UK Equity Absolute Return Fund

Notes to the Financial Statements (continued)

14 Financial instruments and risk (continued)

Counterparty risk

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

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

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

At 31 July 2022, the market value of the exchange traded derivatives held by the sub-fund was £Nil (2021: £Nil).

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

As at 31 July 2022

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

As at 31 July 2021

Counterparty	Forward Foreign		Contracts for Difference Exposure £'000	Collateral Pledge Cash £'000
	Futures	Exchange Contracts		
	Exposure £'000	Exposure £'000		
Goldman Sachs	-	-	55	-
Merrill Lynch	-	-	54	-
UBS	47	-	-	-

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

15 Portfolio transaction costs

Purchases

31 July 2022	Value £'000	Commissions £'000	%	Other Costs*	
				£'000	%
Equities	594	-	-	-	-
Total	594	-		-	
Total purchases including transaction costs	594				

31 July 2021

Equities	862	-	-	-	-
Total	862	-		-	
Total purchases including transaction costs	862				

Sales

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

31 July 2021

Equities	1,617	(2)	0.12	-	-
Total	1,617	(2)		-	
Total sales net of transaction costs	1,615				

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

Aegon UK Equity Absolute Return Fund

Notes to the Financial Statements (continued)

15 Portfolio transaction costs (continued)

Derivatives

31 July 2022	Commissions £'000
Futures	1
31 July 2021	
Futures	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 0.74% (2021: 0.53%), 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	2022		2021	
	Assets £'000	Liabilities £'000	Assets £'000	Liabilities £'000
1 - Unadjusted quoted prices	926	(72)	3,113	-
2 - Observable market data	819	(609)	571	(462)
3 - Unobservable data	-	-	-	-
	1,745	(681)	3,684	(462)

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 pages 68 and 69. The distribution per share class is given in the distribution tables on page 79. All share classes have the same rights on winding up.

Share class movement reconciliation

31 July 2022	Opening	Creations	Cancellations	Converted	Closing
B Accumulation	26,194,029	11,011,458	(13,052,493)	-	24,152,994

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 24 November 2022 and the percentage movement in that period:

Net assets per share

	31 July 2022	24 November 2022	% Movement
B Accumulation	125.43	126.87	1.15

Aegon UK Equity Absolute Return Fund

Distribution Tables

Share Class B Accumulation

Period end	Pay date		Net Revenue	Equalisation*	Total Payable	2021 Total Paid
31/07/22	30/11/22	Group 1	0.0000	N/A	0.0000	0.0000
		Group 2	0.0000	0.0000		

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

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

Aegon UK Smaller Companies Fund

Fund objective*

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

Investment policy

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

Risk profile

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

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

Performance**

The Aegon UK Smaller Companies Fund returned (27.02)% compared to the peer group median return of (20.47)%. The peer group is the Investment Association UK Smaller Companies sector.

Strategy review***

It was an extremely challenging period for the UK equity market as investors grappled initially with the onset of the Omicron variant of COVID-19 and the decision by major central banks to begin removing the monetary policies that had been in place to support economies. As the period progressed, the Omicron variant proved to be less of a concern than previous strains, which boosted markets to an extent towards the end of 2021. However, markets came under significant pressure as we moved through 2022, due mainly to the strong inflationary environment. The causes of the higher inflation figures were manifold and included the opening-up of economies following the coronavirus pandemic, ongoing supply chain bottlenecks and, of course, the tragic war in Ukraine which resulted in a spike in food and energy prices.

Central banks acted to combat rising inflation by increasing interest rates, although the clarity of their communications through this period was generally disappointing. During the second half of the period, however, it was clear that inflation was rising rapidly, with the result that both the US Federal Reserve and the Bank of England increased the magnitude of their rate rises.

The sub-fund came under pressure in the difficult environment, with both sector allocation and stock selection detracting. A distinct feature of the six-month period was rotation out of 'growth' stocks and into 'value' stocks. Growth stocks (companies whose stock prices are predominantly based on expected increases in future revenues and earnings) struggled in the 'risk-off' environment. In contrast, 'value' stocks (companies whose stock prices depend less on future growth and which often trade at valuations below their perceived real value) performed better.

This feature of the market was a significant contributor to the sub-fund's underperformance over the period. It is important to note, however, that the market sell-off was very indiscriminate, with many of the sub-fund's growth stocks falling back despite a lack of negative company news. For example, our holding in GB Group, a global identity verification, location intelligence and fraud prevention business, lost ground after it announced the acquisition of US competitor Acuant. At the same time, the company also issued interim results which showed continued positive trading momentum, with double digit underlying growth in all three divisions.

Other detractors included our position in Gamma Communications, Joules and Playtech. Gamma Communications derated in the risk-off environment alongside GB Group. S4 Capital was also a detractor despite having strong performance after being re-rated. It appeared to be overly punished after increasing costs to fuel further growth.

The main positive contributors included Hotel Chocolat, Watches of Switzerland and Keystone Law. Watches of Switzerland rose sharply after successfully managing an online transition as well as expanding in the US market.

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 do not react to short-term market rotations when there is no change to the underlying investment cases for our holdings.

*Please note that the sub-fund's objective has been updated effective 28 July 2022. 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.

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 2022	Top ten sales	31 July 2022
	£'000		£'000
Marlowe	5,311	Sanne	6,720
JTC	4,388	Watches of Switzerland	5,090
Smart Metering Systems	3,462	Robert Walters	4,559
Ashtead Technology	3,448	J D Wetherspoon	4,508
Chemring	3,364	Victrex	3,889
LSL Property Services	3,323	Dechra Pharmaceuticals	3,629
QinetiQ	2,881	Dotdigital	3,463
Solid State	2,628	Bodycote	3,221
Uniphar	2,582	Gamma Communications	2,996
Hilton Food	2,478	S4 Capital	2,945

Aegon UK Smaller Companies Fund

Comparative Tables

A Accumulation shares**	2021	2020
	(p/share)	(p/share)
Change in net assets per share		
Opening net asset value per share	335.21	347.45
Return before operating charges*	139.02	(6.81)
Operating charges	(5.15)	(5.43)
Return after operating charges*	133.87	(12.24)
Distributions	-	(0.31)
Retained distributions on accumulation shares	-	0.31
Redemption value	(469.08)	-
Closing net asset value per share	-	335.21
*after direct transaction costs of	0.70	0.66
Performance		
Return after charges	39.94%	(3.52)%
Other information		
Closing net asset value (£'000)	-	261
Closing number of shares	-	77,902
Operating charges	-	1.53%
Direct transaction costs	-	0.19%
Prices		
Highest share price	473.45	407.00
Lowest share price	333.45	251.37

B Accumulation shares	2022	2021	2020
	(p/share)	(p/share)	(p/share)
Change in net assets per share			
Opening net asset value per share	545.51	366.13	376.67
Return before operating charges*	(143.46)	182.88	(7.55)
Operating charges	(3.79)	(3.50)	(2.99)
Return after operating charges*	(147.25)	179.38	(10.54)
Distributions	(3.97)	(3.15)	(3.21)
Retained distributions on accumulation shares	3.97	3.15	3.21
Closing net asset value per share	398.26	545.51	366.13
*after direct transaction costs of	0.58	0.83	0.71
Performance			
Return after charges	(26.99)%	48.99%	(2.80)%
Other information			
Closing net asset value (£'000)	217,573	323,610	239,524
Closing number of shares	54,631,430	59,322,015	65,420,497
Operating charges	0.78%	0.77%	0.78%
Direct transaction costs	0.12%	0.18%	0.19%
Prices			
Highest share price	578.48	544.00	443.09
Lowest share price	364.40	364.23	273.81

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

Comparative Tables (continued)

D Accumulation shares***	2020 (p/share)
Change in net assets per share	
Opening net asset value per share	210.13
Return before operating charges*	32.05
Operating charges	(1.21)
Return after operating charges*	30.84
Distributions	-
Retained distributions on accumulation shares	-
Redemption value	(240.97)
Closing net asset value per share	-
*after direct transaction costs of	0.41
Performance	
Return after charges	14.68%
Other information	
Closing net asset value (£'000)	-
Closing number of shares	-
Operating charges	-
Direct transaction costs	-
Prices	
Highest share price	244.33
Lowest share price	198.65

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 3 February 2020.

Aegon UK Smaller Companies Fund

Portfolio Statement

The sub-fund's investments as at 31 July 2022

Holding	Investment	Market valuation £'000	Total net assets %
Equities 97.18% (31 July 2021 99.52%)			
Basic Materials 2.75% (31 July 2021 4.81%)			
326,253	Bodycote	1,954	0.90
250,251	Hill & Smith	3,289	1.51
319,014	Synthomer	744	0.34
		5,987	2.75
Consumer Discretionary 14.11% (31 July 2021 28.28%)			
132,132	4imprint	4,208	1.93
845,000	Crest Nicholson	2,327	1.07
354,395	Dianomi	652	0.30
255,625	Dunelm	2,173	1.00
465,092	Fuller Smith & Turner	2,958	1.36
616,807	Inspects	1,480	0.68
215,983	J D Wetherspoon	1,201	0.55
76,641	Moonpig	159	0.07
702,250	On the Beach	778	0.36
904,263	Patisserie*	-	-
3,569,237	Pebble	3,373	1.55
968,668	Team17	4,257	1.96
804,687	Watches of Switzerland	7,134	3.28
		30,700	14.11
Consumer Staples 4.38% (31 July 2021 2.91%)			
493,651	Hilton Food	5,440	2.50
1,381,544	Hotel Chocolat	1,899	0.87
805,000	Uniphar	2,194	1.01
		9,533	4.38
Energy 3.48% (31 July 2021 1.22%)			
1,807,280	Ashtead Technology	3,922	1.80
290,382	Capricorn Energy	638	0.29
930,371	Diversified Energy	1,150	0.53
89,049	Indus Gas	216	0.10
3,204,806	Tullow Oil	1,645	0.76
		7,571	3.48
Financials 18.95% (31 July 2021 15.49%)			
379,143	Alpha FX	6,882	3.16
1,244,299	Brewin Dolphin	6,358	2.92
593,236	Conduit	2,073	0.95
841,925	Foresight	3,561	1.64
517,500	Impax Asset Management	3,705	1.70
1,028,989	IntegraFin	2,813	1.29
567,132	JTC	4,214	1.94
118,531	Mortgage Advice Bureau	1,097	0.51
642,406	Paragon Banking	3,434	1.58
168,724	Secure Trust Bank	2,101	0.97
1,226,915	Tatton Asset Management	4,987	2.29
		41,225	18.95
Health Care 5.42% (31 July 2021 3.80%)			
1,391,281	Advanced Medical Solutions	3,889	1.79
1,176,135	Angle	816	0.38
126,519	Craneware	2,372	1.09
347,680	Ergomed	4,186	1.92
1,404,231	Ondine Biomedical	537	0.24
		11,800	5.42

Aegon UK Smaller Companies Fund

Portfolio Statement (continued)

Holding	Investment	Market valuation £'000	Total net assets %
Industrials 28.76% (31 July 2021 22.28%)			
85,552	Avon Protection	908	0.42
1,002,000	Chemring	3,462	1.59
97,813	Clarkson	3,355	1.54
170,028	Diploma	4,669	2.15
577,617	Eneraqua Technologies	1,490	0.68
128,500	Euromoney Institutional Investor	1,861	0.86
637,524	FDM	5,872	2.70
735,140	Forterra	2,161	0.99
597,003	Genuit	2,528	1.16
253,341	Grafton	2,141	0.98
704,511	Keystone Law	3,649	1.68
1,050,675	Knights	1,416	0.65
548,043	Marlowe	4,362	2.01
465,848	Marshalls	2,305	1.06
162,500	Oxford Instruments	3,705	1.70
825,000	QinetiQ	3,140	1.44
571,032	Robert Walters	3,084	1.42
386,000	Smart Metering Systems	3,625	1.67
255,320	Solid State	2,821	1.30
1,206,492	Strix	1,926	0.88
65,771	TMO Renewables*	-	-
982,462	Volution	4,087	1.88
		62,567	28.76
Real Estate 3.74% (31 July 2021 3.25%)			
450,232	LSL Property Services	1,445	0.66
1,670,957	LXI REIT**	2,477	1.14
717,533	Workspace REIT**	4,212	1.94
		8,134	3.74
Technology 13.33% (31 July 2021 13.65%)			
305,000	Acal	2,306	1.06
310,111	Auction Technology	3,079	1.42
2,463,203	Baltic Classifieds	4,035	1.85
489,441	Big Technologies	1,267	0.58
1,115,512	Bytes Technology	5,031	2.31
1,430,702	GB Group	7,232	3.32
2,475,960	Kin & Carta	4,630	2.13
653,857	TPXImpact	847	0.39
761,125	Trustpilot	582	0.27
		29,009	13.33
Telecommunications 2.26% (31 July 2021 3.83%)			
444,304	Gamma Communications	4,914	2.26
		4,914	2.26
Portfolio of investments		211,440	97.18
Net other assets		6,133	2.82
Total net assets attributable to shareholders		217,573	100.00

The comparative percentage figures in brackets are at 31 July 2021.

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 or delisted.

**Real Estate Investment Trust.

Aegon UK Smaller Companies Fund

Statement of Total Return for the year ended 31 July 2022

	Note	£'000	2022 £'000	£'000	2021 £'000
Income					
Net capital (losses)/gains	2		(85,387)		108,905
Revenue	3	4,405		4,125	
Expenses	4	(2,152)		(2,165)	
Interest payable and similar charges		-		(2)	
Net revenue before taxation		2,253		1,958	
Taxation	5	(27)		(22)	
Net revenue after taxation			2,226		1,936
Total return before distributions			(83,161)		110,841
Distributions	6		(2,226)		(1,936)
Change in net assets attributable to shareholders from investment activities			(85,387)		108,905

Statement of Change in Net Assets Attributable to Shareholders for the year ended 31 July 2022

	£'000	2022 £'000	£'000	2021 £'000
Opening net assets attributable to shareholders		323,610		239,785
Amounts receivable on issue of shares	7,042		8,005	
Amounts payable on cancellation of shares	(30,033)		(35,108)	
		(22,991)		(27,103)
Dilution adjustment		172		156
Change in net assets attributable to shareholders from investment activities		(85,387)		108,905
Retained distribution on accumulation shares		2,169		1,867
Closing net assets attributable to shareholders		217,573		323,610

Aegon UK Smaller Companies Fund

Balance Sheet as at 31 July 2022

	Note	£'000	2022 £'000	£'000	2021 £'000
Assets					
Fixed assets:					
Investments			211,440		322,063
Current assets:					
Debtors	7	622		3,164	
Cash and bank balances	8	6,986		4,809	
			<u>7,608</u>		<u>7,973</u>
Total assets			219,048		330,036
Liabilities					
Creditors					
Other creditors	9	1,475		6,426	
Total liabilities			<u>1,475</u>		<u>6,426</u>
Net assets attributable to shareholders			217,573		323,610

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)/gains

Net capital (losses)/gains comprise:

	2022	2021
	£'000	£'000
(Losses)/gains on non-derivative securities	(85,384)	108,909
Currency exchange gains	1	-
Transaction charges	(4)	(4)
Net capital (losses)/gains	(85,387)	108,905

3 Revenue

	2022	2021
	£'000	£'000
UK dividends	3,880	3,674
Non-taxable overseas dividends	260	170
Property income from REITs	256	271
Bank interest	3	-
Stock lending income*	6	10
Total revenue	4,405	4,125

*The sub-fund received 72% of the revenue returns from stock lending activities. The gross earnings for the year are £8,000 (2021: £14,000) and expenses paid of £2,000 (2021: £4,000).

4 Expenses*

	2022	2021
	£'000	£'000
Payable to the ACD, associates of the ACD and agents of either of them:		
ACD's periodic charge	2,085	2,099
Payable to the Depositary, associates of the Depositary and agents of either of them:		
Depositary fee	40	37
Other expenses:		
Audit fee**	11	10
FT publishing fee	3	3
Legal fees	-	1
PRIPs fees	3	6
Registrar's fee	3	3
Safe custody charge	7	6
	27	29
Total expenses	2,152	2,165

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

**The audit fee (excluding VAT) incurred during the year was £9,551 (2021: £9,010).

5 Taxation

a) Analysis of charge in the year

	2022	2021
	£'000	£'000
Current tax:		
Overseas tax suffered	27	22
Total tax charge for the year (see note 5 (b))	27	22

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 (2021: lower than) the standard rate of corporation tax for Open Ended Investment Companies 'OEICs' (20%).

The differences are explained below:

	2022	2021
	£'000	£'000
Net revenue before taxation	2,253	1,958
Corporation tax 20% (2021: 20%)	451	391
Effects of:		
Movement in excess expenses	378	377
Overseas tax suffered	27	22
Revenue not subject to taxation	(829)	(768)
Total tax charge for the year (see note 5 (a))	27	22

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 £14,599,000 (2021: £12,711,000). 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 £2,920,000 (2021: £2,542,000) 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:

	2022	2021
	£'000	£'000
Final distribution	2,169	1,867
	2,169	1,867
Add: amounts deductible on cancellation of shares	86	92
Less: amounts receivable on creation of shares	(29)	(23)
Distributions	2,226	1,936

Details of the distributions are set out in the tables on page 92.

7 Debtors

	2022	2021
	£'000	£'000
Accrued revenue	459	195
Amounts receivable for the issue of shares	2	39
Sales awaiting settlement	161	2,930
Debtors	622	3,164

8 Cash and bank balances

	2022	2021
	£'000	£'000
Cash and bank balances	6,986	4,809
Cash and bank balances	6,986	4,809

9 Other creditors

	2022	2021
	£'000	£'000
Accrued ACD periodic charge	268	392
Accrued other expenses	26	29
Amounts payable for cancellation of shares	242	657
Purchases awaiting settlement	939	5,348
Other creditors	1,475	6,426

10 Related parties

Related party interests in the sub-fund are disclosed in Note 6 of the Accounting Policies on page 17. Amounts due to the ACD as at year end for the ACD periodic charge and amounts due to the ACD for outstanding cancellations are disclosed in Note 9. Amounts receivable from the ACD as at year end for outstanding issue of shares are disclosed in Note 7. At the year-end 97.79% (2021: 97.13%) 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 2022 (2021: 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 (2021: same). As at the balance sheet date, the sub-fund's value at risk is 9.13% (2021: 6.29%).

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

	Lowest Utilisation (%)	Highest Utilisation (%)	Average Utilisation (%)
31 July 2022	5.73	9.27	7.33
31 July 2021	5.65	8.06	7.28

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 2022

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

As at 31 July 2022

Counterparty	Stock on loan £'000	Collateral pledge Stock £'000
Citigroup	263	277
HSBC	182	226
JPMorgan	544	626

13 Portfolio transaction costs

Purchases

31 July 2022	Value £'000	Commissions £'000	%	Other Costs* £'000	%
Equities	78,304	63	0.08	170	0.22
Corporate actions	193	-	-	-	-
Total	78,497	63		170	
Total purchases including transaction costs	78,730				
31 July 2021					
Equities	115,595	84	0.07	314	0.27
Total	115,595	84		314	
Total purchases including transaction costs	115,993				

*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 2022	Value	Commissions	%	Other Costs*	%
	£'000	£'000		£'000	
Equities	100,718	(96)	0.10	-	-
Corporate actions	3,348	-	-	-	-
Total	104,066	(96)		-	
Total sales net of transaction costs	103,970				
31 July 2021					
Equities	141,783	(116)	0.08	(1)	-
Corporate actions	522	-	-	-	-
Total	142,305	(116)		(1)	
Total sales net of transaction costs	142,188				

*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 0.37% (2021: 0.36%), 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	2022		2021	
	Assets	Liabilities	Assets	Liabilities
	£'000	£'000	£'000	£'000
1 - Unadjusted quoted prices	211,440	-	322,063	-
2 - Observable market data	-	-	-	-
3 - Unobservable data	-	-	-	-
	211,440	-	322,063	-

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 83 and 83. The distribution per share class is given in the distribution tables on page 92. All share classes have the same rights on winding up.

Share class movement reconciliation

31 July 2022	Opening	Creations	Cancellations	Converted	Closing
B Accumulation	59,322,015	1,515,202	(6,205,787)	-	54,631,430

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 24 November 2022 and the percentage movement in that period:

Net assets per share

	31 July 2022	24 November 2022	% Movement
B Accumulation	398.26	376.96	(5.35)

Aegon UK Smaller Companies Fund

Distribution Tables

Share Class B Accumulation

Period end	Pay date		Net Revenue	Equalisation*	Total Payable	2021 Total Paid
31/07/22	30/11/22	Group 1	3.9701	N/A	3.9701	3.1469
		Group 2	2.0156	1.9545		

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 (18.28)% compared to the peer group median return of (3.06)%. The peer group is the Investment Association UK All Companies sector.

Strategy review***

It was an extremely challenging period for the UK equity market as investors grappled initially with the onset of the Omicron variant of COVID-19 and the decision by major central banks to begin removing the monetary policies that had been in place to support economies. As the period progressed, the Omicron variant proved to be less of a concern than previous strains, which boosted markets to an extent towards the end of 2021. However, markets came under significant pressure as we moved through 2022, due mainly to the strong inflationary environment. The causes of the higher inflation figures were manifold and included the opening-up of economies following the coronavirus pandemic, ongoing supply chain bottlenecks and, of course, the tragic war in Ukraine which resulted in a spike in food and energy prices.

Central banks acted to combat rising inflation by increasing interest rates, although the clarity of their communications through this period was generally disappointing. During the second half of the period, however, it was clear that inflation was rising rapidly, with the result that both the US Federal Reserve and the Bank of England increased the magnitude of their rate rises.

A distinct feature of the twelve-month period was a rotation out of 'growth' stocks and into 'value' stocks. Growth stocks (companies whose stock prices are predominantly based on expected increases in future revenues and earnings) struggled in the 'risk-off' environment. In contrast, 'value' stocks (companies whose stock prices depend less on future growth and which often trade at valuations below their perceived real value) performed better.

In sector allocation, technology was the largest negative detractor from sub-fund performance in absolute terms, followed by our underweight to energy. It is unsurprising that technology was the largest detractor, given it contains many high growth names and therefore struggled in the risk-off period. The underperformance of our exposure to energy was due to the sustainable nature of the sub-fund, which prevented us from holding positions in some of the large oil and gas names that performed well over the period. Health care and financials were the top positive contributors, with the financial services sector in particular being of benefit to the sub-fund.

Within stock selection, a number of the most significant detractors were high growth, high valuation tech names which were caught up in the indiscriminate market volatility. Prime examples include GB Group and Aveva, where there was nothing to suggest the investment case had changed. For example, our holding in GB Group, a global identity verification, location intelligence and fraud prevention business, lost ground after it announced the acquisition of US competitor Acuant. At the same time, the company also issued positive results throughout the period, yet continued to derate. Trustpilot and Gamma Communications also performed poorly as a result of the market rotation and both were among the top detractors. However, the top detractor for the period was Hotel Chocolat. The name struggled in the second half of the period after holding the position of top positive contributor over the first six months of the period.

The best performing names included pharmaceutical company AstraZeneca and Ideagen. The latter was subject to a cash bid from a private equity, was also in the top contributors. SSE also performed well, demonstrating the resilience that one would expect from a utility in tough market conditions. The company upgraded earnings guidance, in part thanks to improved output from its renewables generation. Our overweight position in medical equipment company ConvaTec was also beneficial to performance over the period.

We continued to adhere to disciplined, bottom-up stock selection as a means of adding value to the sub-fund.

*Please note that the sub-fund's objective has been updated effective 28 July 2022. 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.

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

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

Aegon UK Sustainable Opportunities Fund

Material portfolio changes

Top ten purchases	31 July 2022	Top ten sales	31 July 2022
	£'000		£'000
SSE	5,225	Rio Tinto	6,944
Glencore	5,084	Glencore	5,377
ConvaTec	5,079	Coca-Cola	4,881
Anglo American	4,249	Avast	4,851
Marlowe	4,197	Standard Chartered	4,625
Genuit	3,956	S4 Capital	4,360
Grainger	3,739	Grafton	3,946
Unite REIT	3,649	Baltic Classifieds	3,659
Strix	3,287	Gamma Communications	3,629
Smart Metering Systems	3,253	Weir	3,260

Aegon UK Sustainable Opportunities Fund

Comparative Tables

A Accumulation shares**	2021	2020
	(p/share)	(p/share)
Change in net assets per share		
Opening net asset value per share	190.55	189.55
Return before operating charges*	52.65	3.95
Operating charges	(2.99)	(2.95)
Return after operating charges*	49.66	1.00
Distributions	-	(0.69)
Retained distributions on accumulation shares	-	0.69
Redemption value	(240.21)	-
Closing net asset value per share	-	190.55
*after direct transaction costs of	0.43	0.61
Performance		
Return after charges	26.06%	0.53%
Other information		
Closing net asset value (£'000)	-	205
Closing number of shares	-	107,660
Operating charges	-	1.54%
Direct transaction costs	-	0.32%
Prices		
Highest share price	243.41	216.99
Lowest share price	191.69	138.62

B Accumulation shares	2022	2021	2020
	(p/share)	(p/share)	(p/share)
Change in net assets per share			
Opening net asset value per share	275.23	207.59	204.98
Return before operating charges*	(47.98)	69.54	4.26
Operating charges	(1.99)	(1.90)	(1.65)
Return after operating charges*	(49.97)	67.64	2.61
Distributions	(3.91)	(1.77)	(2.32)
Retained distributions on accumulation shares	3.91	1.77	2.32
Closing net asset value per share	225.26	275.23	207.59
*after direct transaction costs of	0.59	0.48	0.66
Performance			
Return after charges	(18.16)%	32.58%	1.27%
Other information			
Closing net asset value (£'000)	131,377	161,227	123,255
Closing number of shares	58,323,175	58,578,526	59,373,133
Operating charges	0.79%	0.78%	0.79%
Direct transaction costs	0.23%	0.20%	0.32%
Prices			
Highest share price	290.35	275.59	235.47
Lowest share price	207.71	208.86	150.62

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

Comparative Tables (continued)

D Accumulation shares***	2020 (p/share)
Change in net assets per share	
Opening net asset value per share	164.23
Return before operating charges*	18.68
Operating charges	(0.93)
Return after operating charges*	17.75
Distributions	-
Retained distributions on accumulation shares	-
Redemption value	(181.98)
Closing net asset value per share	-
*after direct transaction costs of	0.54
Performance	
Return after charges	10.81%
Other information	
Closing net asset value (£'000)	-
Closing number of shares	-
Operating charges	-
Direct transaction costs	-
Prices	
Highest share price	188.45
Lowest share price	157.57

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 3 February 2020.

Aegon UK Sustainable Opportunities Fund

Portfolio Statement

The sub-fund's investments as at 31 July 2022

Holding	Investment	Market valuation £'000	Total net assets %
Equities 94.11% (31 July 2021 96.34%)			
Basic Materials 7.87% (31 July 2021 8.70%)			
103,000	Anglo American	3,038	2.31
195,000	Hill & Smith	2,562	1.95
151,427	Johnson Matthey	3,234	2.46
643,918	Synthomer	1,502	1.15
		10,336	7.87
Consumer Discretionary 9.33% (31 July 2021 19.38%)			
469,019	Countryside Properties	1,360	1.04
229,489	Jet2	2,103	1.60
267,203	RELX	6,480	4.93
261,415	Watches of Switzerland	2,317	1.76
		12,260	9.33
Consumer Staples 0.67% (31 July 2021 5.65%)			
641,758	Hotel Chocolat	883	0.67
		883	0.67
Energy 0.54% (31 July 2021 0.59%)			
332,835	ITM Power	709	0.54
		709	0.54
Financials 11.17% (31 July 2021 13.51%)			
126,355	Alpha FX	2,293	1.75
541,064	Conduit	1,891	1.44
175,686	Impax Asset Management	1,258	0.96
437,605	IntegraFin	1,196	0.91
219,061	Intermediate Capital	3,332	2.54
58,726	London Stock Exchange	4,696	3.57
		14,666	11.17
Health Care 19.04% (31 July 2021 9.45%)			
178,202	Abcam	2,181	1.66
968,000	Angle	672	0.51
59,901	AstraZeneca	6,495	4.94
2,374,087	ConvaTec	5,413	4.12
86,107	Dechra Pharmaceuticals	3,170	2.41
181,838	Ergomed	2,189	1.67
216,204	HIKMA Pharmaceutical	3,739	2.85
363,181	Oxford Nanopore Technologies	1,155	0.88
		25,014	19.04
Industrials 21.75% (31 July 2021 14.21%)			
157,660	Diploma	4,329	3.29
685,000	DS Smith	1,994	1.52
38,827	Ferguson	3,993	3.04
676,965	Genuit	2,867	2.18
438,920	Marlowe	3,494	2.66
133,601	Oxford Instruments	3,046	2.32
363,300	Smart Metering Systems	3,412	2.60
984,103	Strix	1,571	1.19
930,786	Volusion	3,872	2.95
		28,578	21.75

Aegon UK Sustainable Opportunities Fund

Portfolio Statement (continued)

Holding	Investment	Market valuation	Total net assets
		£'000	%
	Real Estate 7.78% (31 July 2021 2.28%)		
1,260,000	Grainger	3,730	2.84
1,743,855	LXI REIT*	2,584	1.97
336,008	UNITE REIT*	3,911	2.97
		10,225	7.78
	Technology 11.65% (31 July 2021 19.16%)		
1,187,929	Ascential	3,467	2.64
220,167	Auction Technology	2,186	1.66
143,096	Aveva	3,371	2.57
744,843	GB Group	3,765	2.87
1,201,936	Kin & Carta	2,248	1.71
348,192	Trustpilot	266	0.20
		15,303	11.65
	Telecommunications 0.00% (31 July 2021 3.41%)		
	Utilities 4.31% (31 July 2021 0.00%)		
320,367	SSE	5,663	4.31
		5,663	4.31
	Portfolio of investments	123,637	94.11
	Net other assets	7,740	5.89
	Total net assets attributable to shareholders	131,377	100.00

The comparative percentage figures in brackets are at 31 July 2021.

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 2022

	Note	£'000	2022 £'000	£'000	2021 £'000
Income					
Net capital (losses)/gains	2		(31,441)		38,836
Revenue	3	3,438		2,161	
Expenses	4	<u>(1,152)</u>		<u>(1,119)</u>	
Net revenue before taxation		2,286		1,042	
Taxation	5	<u>-</u>		<u>-</u>	
Net revenue after taxation			<u>2,286</u>		<u>1,042</u>
Total return before distributions			(29,155)		39,878
Distributions	6		<u>(2,286)</u>		<u>(1,043)</u>
Change in net assets attributable to shareholders from investment activities			(31,441)		38,835

Statement of Change in Net Assets Attributable to Shareholders for the year ended 31 July 2022

	£'000	2022 £'000	£'000	2021 £'000
Opening net assets attributable to shareholders		161,227		123,460
Amounts receivable on issue of shares	3,976		5,209	
Amounts payable on cancellation of shares	<u>(4,667)</u>		<u>(7,315)</u>	
		(691)		(2,106)
Dilution adjustment		-		-
Change in net assets attributable to shareholders from investment activities		(31,441)		38,835
Retained distribution on accumulation shares		<u>2,282</u>		<u>1,038</u>
Closing net assets attributable to shareholders		131,377		161,227

Aegon UK Sustainable Opportunities Fund

Balance Sheet as at 31 July 2022

	Note	£'000	2022 £'000	£'000	2021 £'000
Assets					
Fixed assets:					
Investments			123,637		155,321
Current assets:					
Debtors	7	511		331	
Cash and bank balances	8	<u>7,501</u>		<u>5,943</u>	
			<u>8,012</u>		<u>6,274</u>
Total assets			131,649		161,595
Liabilities					
Creditors					
Other creditors	9	<u>272</u>		<u>368</u>	
Total liabilities			<u>272</u>		<u>368</u>
Net assets attributable to shareholders			131,377		161,227

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)/gains

Net capital (losses)/gains comprise:

	2022	2021
	£'000	£'000
(Losses)/gains on non-derivative securities	(31,404)	38,839
Losses on derivative securities	(35)	-
Currency exchange losses	-	(1)
Transaction charges	(2)	(2)
Net capital (losses)/gains	(31,441)	38,836

3 Revenue

	2022	2021
	£'000	£'000
UK dividends	3,079	1,780
Non-taxable overseas dividends	176	240
Property income from REITs	159	140
Bank Interest	6	-
Stock lending income*	18	1
Total revenue	3,438	2,161

*The sub-fund received 72% of the revenue returns from stock lending activities. The gross earnings for the year are £25,000 (2021: £1,000) and expenses paid of £7,000 (2021: Nil).

4 Expenses*

	2022	2021
	£'000	£'000
Payable to the ACD, associates of the ACD and agents of either of them:		
ACD's periodic charge	1,106	1,074
Payable to the Depositary, associates of the Depositary and agents of either of them:		
Depositary fee	21	20
Other expenses:		
Audit fee**	12	10
FT publishing fee	3	3
PRIPs fees	3	6
Registrar's fee	3	3
Safe custody charge	4	3
Total expenses	1,152	1,119

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

**The audit fee (excluding VAT) incurred during the year was £9,642 (2021: £9,010).

5 Taxation

a) Analysis of charge in the year

	2022	2021
	£'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 (2021: lower than) than the standard rate of corporation tax for Open Ended Investment Companies 'OEICs' (20%).

The differences are explained below:

	2022	2021
	£'000	£'000
Net revenue before taxation	2,286	1,042
Corporation tax 20% (2021: 20%)	457	208
Effects of:		
Movement in excess expenses	193	196
Revenue not subject to taxation	(650)	(404)
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 £10,776,000 (2021: £9,808,000). 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 £2,155,000 (2021: £1,962,000) 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:

	2022	2021
	£'000	£'000
Final distribution	2,282	1,038
	2,282	1,038
Add: amounts deductible on cancellation of shares	42	18
Less: amounts receivable on creation of shares	(38)	(13)
Distributions	2,286	1,043

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

b) Movement between net revenue and distribution

	2022	2021
	£'000	£'000
Net revenue after taxation	2,286	1,042
Equalisation on conversion	-	1
Distributions	2,286	1,043

7 Debtors

	2022	2021
	£'000	£'000
Accrued revenue	489	318
Amounts receivable for the issue of shares	22	13
Debtors	511	331

8 Cash and bank balances

	2022	2021
	£'000	£'000
Cash and bank balances	7,501	5,943
Cash and bank balances	7,501	5,943

9 Other creditors

	2022	2021
	£'000	£'000
Accrued ACD periodic charge	159	197
Accrued other expenses	23	23
Amounts payable for cancellation of shares	90	148
Other creditors	272	368

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 6 of the Accounting Policies on page 17. Amounts due to the ACD as at year end for the ACD periodic charge and amounts due to the ACD for outstanding cancellations are disclosed in Note 9. Amounts receivable from the ACD as at year end for outstanding issue of shares are disclosed in Note 7. At the year-end 97.72% (2021: 97.09%) 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 2022 (2021: 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 (2021: same). As at the balance sheet date, the sub-fund's value at risk is 7.91% (2021: 5.12%).

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

	Lowest Utilisation (%)	Highest Utilisation (%)	Average Utilisation (%)
31 July 2022	5.05	8.08	6.52
31 July 2021	5.10	7.37	6.29

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 2022	Value £'000	Commissions £'000	%	Other Costs* £'000	%
Equities	77,038	51	0.07	239	0.31
Total	77,038	51		239	
Total purchases including transaction costs	77,328				
31 July 2021					
Equities	58,251	45	0.08	195	0.33
Corporate actions	1,346	-	-	-	-
Total	59,597	45		195	
Total purchases including transaction costs	59,837				

Sales

31 July 2022	Value £'000	Commissions £'000	%	Other Costs* £'000	%
Equities	74,732	(53)	0.07	-	-
Corporate actions	2,930	-	-	-	-
Total	77,662	(53)		-	
Total sales net of transaction costs	77,609				
31 July 2021					
Equities	65,068	(43)	0.07	-	-
Corporate actions	541	-	-	-	-
Total	65,609	(43)		-	
Total sales net of transaction costs	65,566				

*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 0.17% (2021: 0.20%), 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	2022		2021	
	Assets £'000	Liabilities £'000	Assets £'000	Liabilities £'000
1 - Unadjusted quoted prices	123,637	-	155,321	-
2 - Observable market data	-	-	-	-
3 - Unobservable data	-	-	-	-
	123,637	-	155,321	-

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 95 and 96. The distribution per share class is given in the distribution tables on page 105. All share classes have the same rights on winding up.

Share class movement

reconciliation

31 July 2022	Opening	Creations	Cancellations	Converted	Closing
B Accumulation	58,578,526	1,653,381	(1,908,732)	-	58,323,175

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 24 November 2022 and the percentage movement in that period:

Net assets per share

	31 July 2022	24 November 2022	% Movement
B Accumulation	225.26	212.35	(5.73)

Aegon UK Sustainable Opportunities Fund

Distribution Tables

Share Class B Accumulation

Period end	Pay date		Net Revenue	Equalisation*	Total Payable	2021 Total Paid
31/07/22	30/11/22	Group 1	3.9133	N/A	3.9133	1.7710
		Group 2	1.5191	2.3942		

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 (9.43)% compared to the peer group median return of (9.24)%. The peer group is the Investment Association Sterling Strategic Bond sector.

Strategy review***

It was a very volatile period for bond markets, with both government and corporate bonds coming under significant pressure due mainly to the strong inflationary environment, particularly during the second half of the period. The causes of the higher inflation figures were manifold and included the opening-up of economies following the coronavirus pandemic, ongoing supply chain bottlenecks and, of course, the tragic war in Ukraine which resulted in a spike in food and energy prices.

Central banks acted to combat rising inflation by increasing interest rates, although the clarity of their communications through this period was generally disappointing. During the second half of the period, however, it was clear that inflation was rising rapidly, with the result that both the US Federal Reserve and the Bank of England increased the magnitude of their rate rises.

The sub-fund performed relatively well in the first half of the period, with disciplined issue selection and favourable regional allocation within corporate bond markets adding value. Our allocation to the high yield bond sector, which outperformed its investment grade counterpart, also performed well, as did our yield curve positioning across regional markets.

The sub-fund came under pressure, however, as we moved into 2022. We started the year with a cautious positioning across most risk markets as we believed that upcoming inflationary risks were not properly reflected in asset classes prices. As these risks materialised - and grew in magnitude - bond markets declined, and we took this opportunity to remove our short interest rate risk stance and adopt a neutral positioning. During March and April, we also added back some corporate bond risk to the sub-fund and lifted our credit hedges. At this stage, corporate bond valuations had opened up and became much more attractive.

In adopting this view, we did not expect to time the peak in inflation to perfection; rather we aimed to find a good medium-term entry point that would serve the sub-fund well in the long term. Nevertheless, our timing was not perfect and given the bond markets continued to come under significant pressure, our decision to add some risk to the sub-fund was the key driver of the relative underperformance over the period as a whole.

Bond markets recovered some of their previous losses as the period came to an end, which benefited our interest rate risk positioning, and our yield curve trades in the US. However, this move was not enough to push the sub-fund above median in what was a very difficult period for markets overall.

We retain a cautious positioning in the sub-fund overall and continue to look for tactical opportunities to add value using the full, global remit of the sub-fund.

*Please note that the sub-fund's objective has been updated effective 28 July 2022. 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. 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 2022	Top ten sales	31 July 2022
	£'000		£'000
United Kingdom Gilt 4.75% 07/12/2030	24,516	United Kingdom Gilt 4.75% 07/12/2030	38,038
Intesa Sanpaolo 5.875% Perpetual	18,774	US Treasury Bond 2.375% 15/05/2051	17,802
United Kingdom Gilt 0.875% 31/07/2033	17,325	New Zealand Government Bond 4.5% 15/04/2027	14,581
Banco Santander 3.625% Perpetual	15,280	German Government Bond Inflation Linked 0.5% 04/15/2030	14,581
Erste 4.25% Perpetual	15,082	Banco de Sabadell 6.125% Perpetual	14,178
New Zealand Government Bond 4.5% 15/04/2027	14,828	German Government Bond 0% 15/08/2031	13,734
German Government Bond 0% 15/08/2031	14,647	United Kingdom Gilt 0.875% 31/07/2033	13,628
German Government Bond Inflation Linked 0.5% 04/15/2030	14,447	Intesa Sanpaolo 5.875% Perpetual	13,231
UniCredit 4.45% Perpetual	14,393	Stichting AK Rabobank Certificaten 6.5% Perpetual	12,282
Heathrow Funding 5.875% 13/05/2041	12,852	UniCredit 4.45% Perpetual	11,277

Aegon Strategic Bond Fund

Comparative Tables

A Accumulation shares**	2021	2020
	(p/share)	(p/share)
Change in net assets per share		
Opening net asset value per share	222.20	203.81
Return before operating charges*	22.02	21.05
Operating charges	(2.77)	(2.66)
Return after operating charges*	19.25	18.39
Distributions	(2.83)	(3.70)
Retained distributions on accumulation shares	2.83	3.70
Redemption value	(241.45)	-
Closing net asset value per share	-	222.20
*after direct transaction costs of	-	-
Performance		
Return after charges	8.66%	9.02%
Other information		
Closing net asset value (£'000)	-	8,280
Closing number of shares	-	3,726,390
Operating charges	-	1.29%
Direct transaction costs	-	-
Prices		
Highest share price	242.22	222.70
Lowest share price	222.20	181.97

A Income shares***	2021	2020
	(p/share)	(p/share)
Change in net assets per share		
Opening net asset value per share	135.12	126.10
Return before operating charges*	12.99	12.94
Operating charges	(1.65)	(1.64)
Return after operating charges*	11.34	11.30
Distributions	(1.72)	(2.28)
Retained distributions on accumulation shares	-	-
Redemption value	(144.74)	-
Closing net asset value per share	-	135.12
*after direct transaction costs of	-	-
Performance		
Return after charges	8.39%	8.96%
Other information		
Closing net asset value (£'000)	-	56
Closing number of shares	-	41,851
Operating charges	-	1.29%
Direct transaction costs	-	-
Prices		
Highest share price	146.00	136.43
Lowest share price	135.12	111.88

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	2022	2021	2020
	(p/share)	(p/share)	(p/share)
Change in net assets per share			
Opening net asset value per share	156.85	142.70	130.09
Return before operating charges*	(14.06)	15.04	13.51
Operating charges	(0.88)	(0.89)	(0.90)
Return after operating charges*	(14.94)	14.15	12.61
Distributions	(3.72)	(2.93)	(3.19)
Retained distributions on accumulation shares	3.72	2.93	3.19
Closing net asset value per share	141.91	156.85	142.70
*after direct transaction costs of	-	-	-
Performance			
Return after charges	(9.53)%	9.92%	9.69%
Other information			
Closing net asset value (£'000)	238,932	240,624	138,916
Closing number of shares	168,367,791	153,409,828	97,348,612
Operating charges	0.58%	0.59%	0.59%
Direct transaction costs	-	-	-
Prices			
Highest share price	158.62	157.72	143.00
Lowest share price	135.99	142.71	116.57

B Income shares	2022	2021	2020
	(p/share)	(p/share)	(p/share)
Change in net assets per share			
Opening net asset value per share	144.14	133.70	124.77
Return before operating charges*	(12.82)	13.99	12.84
Operating charges	(0.80)	(0.83)	(0.87)
Return after operating charges*	(13.62)	13.16	11.97
Distributions	(3.39)	(2.72)	(3.04)
Retained distributions on accumulation shares	-	-	-
Closing net asset value per share	127.13	144.14	133.70
*after direct transaction costs of	-	-	-
Performance			
Return after charges	(9.45)%	9.84%	9.59%
Other information			
Closing net asset value (£'000)	74,039	66,003	45,079
Closing number of shares	58,238,106	45,789,997	33,716,798
Operating charges	0.58%	0.58%	0.59%
Direct transaction costs	-	-	-
Prices			
Highest share price	145.46	145.23	135.21
Lowest share price	123.32	133.71	110.81

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)

D Accumulation shares****	2020 (p/share)
Change in net assets per share	
Opening net asset value per share	124.22
Return before operating charges*	6.97
Operating charges	(0.70)
Return after operating charges*	6.27
Distributions	(0.96)
Retained distributions on accumulation shares	0.96
Redemption value	(130.49)
Closing net asset value per share	-
*after direct transaction costs of	-
Performance	
Return after charges	5.05%
Other information	
Closing net asset value (£'000)	-
Closing number of shares	-
Operating charges	-
Direct transaction costs	-
Prices	
Highest share price	130.05
Lowest share price	124.27

D Income shares****	2020 (p/share)
Change in net assets per share	
Opening net asset value per share	108.77
Return before operating charges*	6.09
Operating charges	(0.61)
Return after operating charges*	5.48
Distributions	(0.84)
Retained distributions on accumulation shares	-
Redemption value	(113.41)
Closing net asset value per share	-
*after direct transaction costs of	-
Performance	
Return after charges	5.04%
Other information	
Closing net asset value (£'000)	-
Closing number of shares	-
Operating charges	-
Direct transaction costs	-
Prices	
Highest share price	113.43
Lowest share price	108.81

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 3 February 2020.

Aegon Strategic Bond Fund

Comparative Tables (continued)

S Accumulation shares	2022	2021	2020
	(p/share)	(p/share)	(p/share)
Change in net assets per share			
Opening net asset value per share	129.27	117.49	106.94
Return before operating charges*	(11.60)	12.39	11.12
Operating charges	(0.60)	(0.61)	(0.57)
Return after operating charges*	(12.20)	11.78	10.55
Distributions	(3.19)	(2.54)	(2.81)
Retained distributions on accumulation shares	3.19	2.54	2.81
Closing net asset value per share	117.07	129.27	117.49
*after direct transaction costs of	-	-	-
Performance			
Return after charges	(9.44)%	10.03%	9.87%
Other information			
Closing net asset value (£'000)	63,901	48,661	17,534
Closing number of shares	54,580,966	37,643,402	14,923,437
Operating charges	0.48%	0.49%	0.49%
Direct transaction costs	-	-	-
Prices			
Highest share price	130.77	129.98	117.74
Lowest share price	112.18	117.50	95.94

S Income shares	2022	2021	2020
	(p/share)	(p/share)	(p/share)
Change in net assets per share			
Opening net asset value per share	119.99	111.30	103.86
Return before operating charges*	(10.67)	11.64	10.70
Operating charges	(0.55)	(0.57)	(0.55)
Return after operating charges*	(11.22)	11.07	10.15
Distributions	(2.94)	(2.38)	(2.71)
Retained distributions on accumulation shares	-	-	-
Closing net asset value per share	105.83	119.99	111.30
*after direct transaction costs of	-	-	-
Performance			
Return after charges	(9.35)%	9.95%	9.77%
Other information			
Closing net asset value (£'000)	79,826	35,823	10,323
Closing number of shares	75,428,330	29,854,193	9,274,945
Operating charges	0.48%	0.49%	0.49%
Direct transaction costs	-	-	-
Prices			
Highest share price	121.10	120.92	112.58
Lowest share price	102.67	111.31	92.25

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 2022

Holding	Investment	Market valuation £'000	Total net assets %
Australian Dollar Denominated Bonds 0.00% (31 July 2021 1.95%)			
Government Bonds 0.00% (31 July 2021 1.95%)			
Euro Denominated Bonds 30.33% (31 July 2021 27.68%)			
Corporate Bonds 30.33% (31 July 2021 27.68%)			
6,000,000	Abanca Corp Bancaria 6% Perpetual	4,541	0.99
3,400,000	Alpha Services 4.25% 13/02/2030	2,284	0.50
10,800,000	Alpha Services 5.5% 11/06/2031	7,151	1.57
4,100,000	Ardagh Packaging Finance 2.125% 15/08/2026	2,915	0.64
3,500,000	AT&S Austria Technologie & Systemtechnik 5% Perpetual	2,555	0.56
2,200,000	Banco Bilbao Vizcaya Argentaria 6% Perpetual	1,774	0.39
8,800,000	Banco de Sabadell 5% Perpetual	5,788	1.27
6,800,000	Banco Santander 3.625% Perpetual	4,165	0.91
4,100,000	Bayer 3.125% 12/11/2079	2,914	0.64
7,000,000	CaixaBank 3.625% Perpetual	4,349	0.95
6,300,000	Castellum 3.125% Perpetual	3,516	0.77
4,400,000	Commerzbank 4.25% Perpetual	2,959	0.65
2,400,000	Cooperatieve Rabobank 4.875% Perpetual	1,814	0.40
3,500,000	CPI Property Group 4.875% Perpetual	2,102	0.46
6,600,000	easyJet 1.875% 03/03/2028	4,766	1.04
7,600,000	Erste 3.375% Perpetual	5,132	1.12
9,800,000	Erste 4.25% Perpetual	6,810	1.49
1,700,000	Gamma Bondco 8.125% 15/11/2026	1,211	0.26
7,500,000	Heimstaden Bostad 2.625% Perpetual	4,464	0.98
6,600,000	Intesa Sanpaolo 5.875% Perpetual	4,565	1.00
3,300,000	Intesa Sanpaolo 6.375% Perpetual	2,478	0.54
4,300,000	Logicor Financing 0.875% 14/01/2031	2,784	0.61
1,620,000	National Bank of Greece 8.25% 07/18/2029	1,330	0.29
4,400,000	Pinnacle Bidco 5.5% 15/02/2025	3,467	0.76
12,700,000	Piraeus Financial 8.75% Perpetual	7,861	1.72
5,400,000	Piraeus Financial 9.75% 26/06/2029	4,303	0.94
2,000,000	Sarens Finance 5.75% 21/02/2027	1,125	0.25
1,500,000	SIG 5.25% 30/11/2026	986	0.22
4,250,079	Stichting AK Rabobank Certificaten 6.5% Perpetual	3,819	0.84
7,600,000	Teva Pharmaceutical Finance Netherlands II 1.625% 15/10/2028	5,016	1.10
5,800,000	Teva Pharmaceutical Finance Netherlands II 3.75% 09/05/2027	4,518	0.99
4,400,000	Unicaja Banco 4.875% Perpetual	2,945	0.64
6,100,000	UniCredit 3.875% Perpetual	3,939	0.86
4,700,000	UniCredit 4.45% Perpetual	3,154	0.69
8,300,000	VMED O2 UK Financing I 3.25% 31/01/2031	5,936	1.30
3,700,000	Volkswagen International Finance 4.375% Perpetual	2,731	0.60
5,200,000	Volkswagen International Finance 4.625% Perpetual	4,101	0.90
4,000,000	Vonovia SE 1.625% 01/09/2051	2,236	0.49
		138,504	30.33
New Zealand Dollar Denominated Bonds 0.00% (31 July 2021 1.93%)			
Government Bonds 0.00% (31 July 2021 1.93%)			
Sterling Denominated Bonds 37.45% (31 July 2021 28.11%)			
Asset Backed Security 0.19% (31 July 2021 0.67%)			
1,200,000	Income Contingent Student Loans 2 2007-2009 2.5% 24/07/2058	862	0.19
		862	0.19

Aegon Strategic Bond Fund

Portfolio Statement (continued)

Holding	Investment	Market valuation	Total net assets
		£'000	%
Corporate Bonds 32.82% (31 July 2021 22.17%)			
2,200,000	AA 3.25% 31/07/2028	1,863	0.41
2,200,000	abrdrn 5.25% Perpetual	1,888	0.41
2,200,000	Annington Funding 3.685% 12/07/2034	2,029	0.45
4,400,000	Annington Funding 3.935% 12/07/2047	3,816	0.84
2,100,000	Annington Funding 4.75% 09/08/2033	2,099	0.46
2,550,000	Aviva 6.875% 20/05/2058	2,933	0.64
3,900,000	Barclays 8.875% Perpetual	4,084	0.89
5,300,000	Bellis Acquisition 4.5% 16/02/2026	4,381	0.96
5,500,000	Blackstone Property Partners Europe 4.875% 29/04/2032	5,292	1.16
5,167,000	British Telecommunications 3.625% 21/11/2047	4,312	0.94
4,100,000	British Telecommunications 6.375% 23/06/2037	4,674	1.02
6,600,000	Canary Wharf 3.375% 23/04/2028	5,945	1.30
4,800,000	Castle UK Finco 7% 15/05/2029	3,917	0.86
2,200,000	Credit Agricole 7.5% Perpetual	2,218	0.49
5,500,000	Deuce Finco 5.5% 15/06/2027	4,632	1.01
3,400,000	Electricite de France 6% 23/01/2114	3,956	0.87
3,500,000	GSK Consumer Healthcare Capital UK 3.375% 29/03/2038	3,300	0.72
3,000,000	Hammerson 3.5% 27/10/2025	2,619	0.57
4,500,000	Hammerson 6% 23/02/2026	4,205	0.92
4,200,000	Heathrow Funding 5.875% 13/05/2041	4,841	1.06
1,800,000	HSBC 6% 29/03/2040	1,910	0.42
4,100,000	HSBC 7% 07/04/2038	4,790	1.05
2,600,000	Hurricane Finance 8% 15/10/2025	2,531	0.55
4,400,000	IG 3.125% 18/11/2028	3,808	0.83
1,700,000	Inspired Entertainment Financing 7.875% 01/06/2026	1,635	0.36
4,600,000	Legal & General 5.5% 27/06/2064	4,463	0.98
1,300,000	Lloyds Banking 11.75% Perpetual	2,405	0.53
4,600,000	M&G 6.25% 20/10/2068	4,441	0.97
6,100,000	M&G 6.34% 19/12/2063	6,012	1.32
2,300,000	McDonald's 3.75% 31/05/2038	2,290	0.50
506,000	Nationwide Building Society 6.25% Perpetual	538	0.12
24,888	Nationwide Building Society 10.25% Perpetual	3,459	0.76
129,000	NatWest 11.5% Perpetual	242	0.05
4,120,000	Pension Insurance 7.375% Perpetual	4,082	0.89
3,200,000	RAC 4.87% 06/05/2026	3,146	0.69
4,200,000	RAC 5.25% 04/11/2027	3,368	0.74
2,800,000	Rentokil Initial 5% 27/06/2032	2,982	0.65
3,400,000	RL Finance No.4 4.875% 07/10/2049	2,959	0.65
5,000,000	Rothsay Life 5% Perpetual	3,805	0.83
4,500,000	Rothsay Life 6.875% Perpetual	4,322	0.95
2,200,000	Santander UK 10.0625% Perpetual	3,718	0.81
3,200,000	Time Warner Cable 5.25% 15/07/2042	3,013	0.66
3,300,000	Virgin Money UK 8.25% Perpetual	3,186	0.70
4,400,000	Whitbread 3% 31/05/2031	3,784	0.83
		149,893	32.82
Government Bonds 4.44% (31 July 2021 5.27%)			
2,700,000	United Kingdom Gilt 0.875% 31/07/2033	2,396	0.53
10,800,000	United Kingdom Gilt 4.25% 07/06/2032	13,109	2.87
3,850,000	United Kingdom Gilt 4.75% 07/12/2030	4,756	1.04
		20,261	4.44
Swedish Krona Denominated Bonds 1.31% (31 July 2021 0.00%)			
Government Bonds 1.31% (31 July 2021 0.00%)			
71,000,000	Sweden Government Bond 1.75% 11/11/2033	5,981	1.31
		5,981	1.31

Aegon Strategic Bond Fund

Portfolio Statement (continued)

Holding	Investment	Market valuation £'000	Total net assets %
United States Dollar Denominated Bonds 26.67% (31 July 2021 36.26%)			
Corporate Bonds 22.77% (31 July 2021 31.60%)			
3,800,000	AerCap Global Aviation Trust 6.5% 15/06/2045	2,985	0.65
5,236,000	Ascot Group 4.25% 15/12/2030	3,994	0.87
6,500,000	AT&T 3.65% 15/09/2059	4,168	0.91
3,400,000	Athene 6.15% 03/04/2030	2,894	0.63
4,800,000	Boeing 5.805% 01/05/2050	3,927	0.86
6,200,000	Boeing 5.93% 01/05/2060	5,050	1.11
6,400,000	Citadel Finance 3.375% 09/03/2026	4,862	1.06
3,800,000	CSI Compressco Finance 7.5% 01/04/2025	2,886	0.63
3,304,000	Dell International 8.1% 15/07/2036	3,300	0.72
3,989,000	Dell International 8.35% 15/07/2046	4,197	0.92
2,800,000	Exterran Energy Solutions 8.125% 01/05/2025	2,185	0.48
3,800,000	Fidelity National Information Services 5.625% 15/07/2052	3,264	0.72
3,900,000	General Motors 5.15% 01/04/2038	2,893	0.63
3,900,000	General Motors 6.25% 02/10/2043	3,171	0.69
3,287,897	Global Aircraft Leasing 6.5% 15/09/2024	2,078	0.46
3,900,000	Goodyear Tire & Rubber 5% 15/07/2029	2,920	0.64
3,900,000	HCA 4.625% 15/03/2052	2,796	0.61
3,700,000	HTA 7% 18/12/2025	2,688	0.59
4,400,000	IHS 6.25% 29/11/2028	2,948	0.65
4,100,000	ING Groep 3.875% Perpetual	2,592	0.57
4,300,000	Iron Mountain 4.5% 15/02/2031	3,097	0.68
4,400,000	Iron Mountain 5.25% 15/07/2030	3,368	0.74
3,400,000	JBS USA Finance 4.375% 02/02/2052	2,114	0.46
3,500,000	Magallanes 5.391% 15/03/2062	2,532	0.55
7,500,000	Prosus 3.061% 13/07/2031	4,794	1.05
4,400,000	Prosus 4.987% 19/01/2052	2,861	0.63
2,700,000	Teva Pharmaceutical Finance 6.15% 01/02/2036	2,028	0.44
3,900,000	Total Play Telecomunicaciones 6.375% 20/09/2028	2,500	0.55
5,985,715	Tullow Oil 10.25% 15/05/2026	4,643	1.02
5,100,000	UniCredit 3.127% 03/06/2032	3,333	0.73
4,000,000	UnitedHealth 4.95% 15/05/2062	3,551	0.78
4,500,000	VMED O2 UK Financing I 4.75% 15/07/2031	3,371	0.74
		103,990	22.77
Government Bonds 3.90% (31 July 2021 4.66%)			
3,500,000	US Treasury Bond 1.875% 15/02/2032	2,682	0.59
7,900,000	US Treasury Bond 2.25% 15/08/2027	6,334	1.39
2,800,000	US Treasury Bond 2.375% 15/05/2051	1,994	0.43
7,950,000	US Treasury Bond 3.375% 15/11/2048	6,805	1.49
		17,815	3.90
Derivatives and Futures Contracts 1.47% (31 July 2021 (3.07%))			
Credit Default Swaps 0.00% (31 July 2021 (3.07%))			
Forward Foreign Exchange Contracts 1.04% (31 July 2021 0.00%)			
	Bought EUR 1,300,000 Sold GBP 1,122,450 15/09/2022	(27)	(0.01)
	Bought EUR 1,800,000 Sold GBP 1,553,202 15/09/2022	(37)	(0.01)
	Bought EUR 2,600,000 Sold GBP 2,243,147 15/09/2022	(52)	(0.01)
	Bought EUR 2,500,000 Sold GBP 2,170,753 15/09/2022	(64)	(0.01)
	Bought EUR 2,800,000 Sold GBP 2,425,539 15/09/2022	(66)	(0.01)
	Bought EUR 16,600,000 Sold GBP 14,412,150 15/09/2022	(425)	(0.09)
	Bought GBP 148,567,841 Sold EUR 171,100,000 15/09/2022	4,401	0.96
	Bought GBP 5,134,140 Sold EUR 6,000,000 15/09/2022	79	0.02
	Bought GBP 2,576,106 Sold EUR 3,000,000 15/09/2022	48	0.01
	Bought GBP 2,040,640 Sold EUR 2,400,000 15/09/2022	19	-
	Bought GBP 1,764,640 Sold EUR 2,100,000 15/09/2022	(5)	-
	Bought GBP 5,785,528 Sold SEK 71,000,000 15/09/2022	40	0.01
	Bought GBP 147,740,093 Sold USD 178,750,000 15/09/2022	1,166	0.25

Aegon Strategic Bond Fund

Portfolio Statement (continued)

Holding	Investment	Market valuation £'000	Total net assets %
	Forward Foreign Exchange Contracts 1.04% (31 July 2021 0.00%)		
	Bought GBP 3,253,413 Sold USD 4,000,000 15/09/2022	(27)	(0.01)
	Bought USD 1,600,000 Sold GBP 1,339,068 15/09/2022	(27)	(0.01)
	Bought USD 4,500,000 Sold GBP 3,756,508 15/09/2022	(67)	(0.01)
	Bought USD 25,400,000 Sold GBP 21,028,901 15/09/2022	(201)	(0.04)
		4,755	1.04
	Futures Contracts 0.43% (31 July 2021 0.00%)		
(120)	EURO BOBL Future Contract September 2022	(366)	(0.08)
(50)	EURO Bund Future Contract September 2022	(265)	(0.06)
(200)	Long Gilt Future Contract September 2022	(582)	(0.13)
1,400	US 5 Year Note Future Contract September 2022	1,775	0.39
875	US 10 Year Note Future Contract September 2022	635	0.14
345	US 10 Year Ultra Future Contract September 2022	947	0.21
(433)	US Ultra Bond (CBT) Future Contract September 2022	(179)	(0.04)
		1,965	0.43
	Portfolio of investments*	444,026	97.23
	Net other assets	12,672	2.77
	Total net assets attributable to shareholders	456,698	100.00

Analysis of investments by asset class

	Market value £'000	Value of investments %
Bonds	437,306	95.76
Derivatives	6,720	1.47
Portfolio of investments*	444,026	97.23
Net other assets	12,672	2.77
Total net assets attributable to shareholders	456,698	100.00

The comparative percentage figures in brackets are at 31 July 2021.

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 2022

	Note	£'000	2022 £'000	£'000	2021 £'000
Income					
Net capital (losses)/gains	2		(61,472)		19,624
Revenue	3	28,277		14,136	
Expenses	4	(2,559)		(1,724)	
Interest payable and similar charges	5	<u>(13,809)</u>		<u>(7,232)</u>	
Net revenue before taxation		11,909		5,180	
Taxation	6	<u>-</u>		<u>-</u>	
Net revenue after taxation			<u>11,909</u>		<u>5,180</u>
Total return before distributions			(49,563)		24,804
Distributions	7		<u>(11,909)</u>		<u>(5,186)</u>
Change in net assets attributable to shareholders from investment activities			(61,472)		19,618

Statement of Change in Net Assets Attributable to Shareholders for the year ended 31 July 2022

	£'000	2022 £'000	£'000	2021 £'000
Opening net assets attributable to shareholders		391,111		220,188
Amounts receivable on issue of shares	309,993		273,596	
Amounts payable on cancellation of shares	<u>(191,319)</u>		<u>(126,972)</u>	
		118,674		146,624
Dilution adjustment		322		292
Change in net assets attributable to shareholders from investment activities		(61,472)		19,618
Retained distribution on accumulation shares		8,063		4,387
Unclaimed distributions		<u>-</u>		<u>2</u>
Closing net assets attributable to shareholders		456,698		391,111

Aegon Strategic Bond Fund

Balance Sheet as at 31 July 2022

	Note	£'000	2022 £'000	£'000	2021 £'000
Assets					
Fixed assets:					
Investments			446,416		378,827
Current assets:					
Debtors	8	7,262		13,064	
Cash and bank balances	9	<u>19,140</u>		<u>25,799</u>	
			<u>26,402</u>		<u>38,863</u>
Total assets			472,818		417,690
Liabilities					
Investment liabilities					
			2,390		15,643
Creditors					
Bank overdrafts	10	7,261		-	
Distributions payable		1,907		210	
Other creditors	11	<u>4,562</u>		<u>10,726</u>	
Total liabilities			<u>16,120</u>		<u>26,579</u>
Net assets attributable to shareholders			456,698		391,111

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)/gains

Net capital (losses)/gains comprise:

	2022	2021
	£'000	£'000
(Losses)/gains on non-derivative securities	(68,318)	7,276
(Losses)/gains on forward currency contracts	(18,028)	10,974
Currency exchange gains/(losses)	229	(130)
Gains on derivative securities	24,647	1,506
Transaction charges	(2)	(2)
Net capital (losses)/gains	(61,472)	19,624

3 Revenue

	2022	2021
	£'000	£'000
Interest on debt securities	19,385	9,930
Bank interest	29	-
Derivative revenue	8,814	4,205
Stock lending income*	49	1
Total revenue	28,277	14,136

*The sub-fund received 72% of the revenue returns from stock lending activities. The gross earnings for the year are £68,000 (2021: £1,000) and expenses paid of £19,000 (2021: Nil).

4 Expenses*

	2022	2021
	£'000	£'000
Payable to the ACD, associates of the ACD and agents of either of them:		
ACD's periodic charge	2,435	1,624
Payable to the Depositary, associates of the Depositary and agents of either of them:		
Depositary fee	60	39
Other expenses:		
Audit fee**	18	13
FT publishing fee	3	3
KIID fee	-	1
PRIPs fees	2	6
Registrar's fee	28	30
Safe custody charge	13	8
Total expenses	2,559	1,724

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

**The audit fee (excluding VAT) incurred during the year was £14,815 (2021: £12,190).

5 Interest payable and similar charges

	2022	2021
	£'000	£'000
Interest	117	62
Swaps expense	13,692	7,170
Interest payable and similar charges	13,809	7,232

Aegon Strategic Bond Fund

Notes to the Financial Statements (continued)

6 Taxation

a) Analysis of charge in the year

	2022	2021
	£'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 (2021: lower than) the standard rate of corporation tax for Open Ended Investment Companies 'OEICs' (20%).

The differences are explained below:

	2022	2021
	£'000	£'000
Net revenue before taxation	11,909	5,180
Corporation tax 20% (2021: 20%)	2,382	1,036
Effects of:		
Tax deductible interest distributions	(2,382)	(1,036)
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:

	2022	2021
	£'000	£'000
Interim distributions	6,442	4,859
Final distribution	5,591	797
	12,033	5,656
Add: amounts deductible on cancellation of shares	676	326
Less: amounts receivable on creation of shares	(800)	(796)
Distributions	11,909	5,186

Details of the distributions are set out in the tables on page 124 and 125.

b) Movement between net revenue and distribution

	2022	2021
	£'000	£'000
Net revenue after taxation	11,909	5,180
Equalisation on conversions	-	2
Capital reimbursement of revenue deficit	-	4
Distributions	11,909	5,186

8 Debtors

	2022	2021
	£'000	£'000
Accrued revenue	5,457	3,564
Amounts receivable for the issue of shares	1,445	9,500
Amounts receivable from clearing houses and brokers	360	-
Debtors	7,262	13,064

Aegon Strategic Bond Fund

Notes to the Financial Statements (continued)

9 Cash and bank balances

	2022	2021
	£'000	£'000
Amounts held at futures clearing houses and brokers*	4,063	18,825
Cash and bank balances	3,791	6,974
Money market deposits	11,286	-
Cash and bank balances	19,140	25,799

*Includes cash pledged as collateral of £Nil (2021: £2,230,000).

10 Bank overdrafts

	2022	2021
	£'000	£'000
Amounts held at futures clearing houses and brokers*	7,261	-
Bank overdrafts	7,261	-

*Includes cash pledged as collateral of £4,860,000 (2021: £Nil).

11 Other creditors

	2022	2021
	£'000	£'000
Accrued ACD periodic charge	393	321
Accrued other expenses	74	62
Amounts payable for cancellation of shares	1,996	1,121
Purchases awaiting settlement	2,099	9,222
Other creditors	4,562	10,726

12 Related parties

Related party interests in the sub-fund are disclosed in Note 6 of the Accounting Policies on page 17. Amounts due to the ACD as at year end for the ACD periodic charge and amounts due to the ACD for outstanding cancellations are disclosed in Note 11. Amounts receivable from the ACD as at year end for outstanding issue of shares are disclosed in Note 8. At the year-end 5.34% (2021: 6.18%) 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 2022 (2021: 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

	2022		2021	
	Market value £'000	Value of investments %	Market value £'000	Value of investments %
Investment grade	224,060	49.05	213,149	54.51
Below investment grade	163,073	35.73	136,018	34.77
Unrated	50,173	10.98	26,038	6.65
Derivatives	6,720	1.47	(12,021)	(3.07)
Portfolio of investments	444,026	97.23	363,184	92.86
Net other assets	12,672	2.77	27,927	7.14
Total net assets attributable to shareholders	456,698	100.00	391,111	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 Strategic Bond Fund

Notes to the Financial Statements (continued)

14 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% (2021: 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% (2021: 14.10%). As at the balance sheet date, the sub-fund's value at risk is 4.15% (2021: 1.49%).

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

	Lowest Utilisation (%)	Highest Utilisation (%)	Average Utilisation (%)
31 July 2022	1.25	4.35	2.36
31 July 2021	0.86	2.68	1.72

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 2022 the average leverage was 144.56% (2021: 159.39%).

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 2022, the market value of the exchange traded derivatives held by the sub-fund was £1,965,000 (2021: £Nil).

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

As at 31 July 2022

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

As at 31 July 2021

Counterparty	Futures		Credit default swaps	Forward Foreign Exchange Contracts	Collateral pledge	
	Stock on loan £'000	Exposure £'000	Exposure £'000	Exposure £'000	Stock £'000	Cash £'000
Barclays	-	-	-	-	-	210
BNP Paribas	707	-	-	229	742	140
Deutsche Bank	-	-	-	148	-	-
JPMorgan	-	-	-	-	-	1,880
Morgan Stanley	-	-	1,267	-	-	-

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

Aegon Strategic Bond Fund

Notes to the Financial Statements (continued)

15 Portfolio transaction costs

Purchases

31 July 2022	Value £'000	Commissions £'000	%	Other Costs* £'000	%
Debt securities	1,073,085	-	-	-	-
Total	1,073,085	-		-	
Total purchases including transaction costs	1,073,085				
31 July 2021					
Debt securities	854,033	-	-	-	-
Total	854,033	-		-	
Total purchases including transaction costs	854,033				

Sales

31 July 2022	Value £'000	Commissions £'000	%	Other Costs* £'000	%
Debt securities	940,421	-	-	-	-
Corporate actions	120	-	-	-	-
Total	940,541	-		-	
Total sales net of transaction costs	940,541				
31 July 2021					
Debt securities	694,013	-	-	-	-
Corporate actions	184	-	-	-	-
Total	694,197	-		-	
Total sales net of transaction costs	694,197				

Derivatives

31 July 2022	Commissions £'000
Futures	123
31 July 2021	
Futures	44

*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 1.09% (2021: 0.48%), being the difference between the respective bid and offer prices for the sub-fund's investments.

Aegon Strategic Bond Fund

Notes to the Financial Statements (continued)

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	2022		2021	
	Assets £'000	Liabilities £'000	Assets £'000	Liabilities £'000
1 - Unadjusted quoted prices	41,433	(1,392)	39,635	(784)
2 - Observable market data	404,983	(998)	339,192	(14,859)
3 - Unobservable data	-	-	-	-
	446,416	(2,390)	378,827	(15,643)

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 108 to 111. The distribution per share class is given in the distribution tables on pages 124 and 125. All share classes have the same rights on winding up.

Share class movement reconciliation

31 July 2022	Opening	Creations	Cancellations	Converted	Closing
B Accumulation	153,409,828	94,930,412	(79,774,654)	(197,795)	168,367,791
B Income	45,789,997	28,472,705	(15,957,969)	(66,627)	58,238,106
S Accumulation	37,643,402	42,192,862	(25,328,212)	72,914	54,580,966
S Income	29,854,193	62,040,220	(16,727,075)	260,992	75,428,330

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 24 November 2022 and the percentage movement in that period:

Net assets per share

	31 July 2022	24 November 2022	% Movement
B Accumulation	141.91	135.27	(4.68)
B Income	127.13	119.50	(6.00)
S Accumulation	117.07	111.63	(4.64)
S Income	105.83	99.48	(6.00)

Aegon Strategic Bond Fund

Distribution Tables

Share Class A Accumulation**

Period end	Pay date		Net Revenue	Equalisation*	Total Payable	2020/21 Total Paid
31/10/21	31/12/21	Group 1	-	-	-	1.4298
		Group 2				
31/01/22	31/03/22	Group 1	-	-	-	1.1050
		Group 2				
30/04/22	30/06/22	Group 1	-	-	-	0.2989
		Group 2				

Share Class A Income***

Period end	Pay date		Net Revenue	Equalisation*	Total Payable	2020/21 Total Paid
31/10/21	31/12/21	Group 1	-	-	-	0.8703
		Group 2				
31/01/22	31/03/22	Group 1	-	-	-	0.6680
		Group 2				
30/04/22	30/06/22	Group 1	-	-	-	0.1802
		Group 2				

Share Class B Accumulation

Period end	Pay date		Net Revenue	Equalisation*	Total Payable	2020/21 Total Paid
31/10/21	31/12/21	Group 1	0.5491	N/A	0.5491	1.1757
		Group 2	0.2076	0.3415		
31/01/22	31/03/22	Group 1	0.4300	N/A	0.4300	0.9816
		Group 2	0.1502	0.2798		
30/04/22	30/06/22	Group 1	1.0197	N/A	1.0197	0.4571
		Group 2	0.6447	0.3750		
31/07/22	30/09/22	Group 1	1.7187	N/A	1.7187	0.3109
		Group 2	0.7641	0.9546		

Share Class B Income

Period end	Pay date		Net Revenue	Equalisation*	Total Payable	2020/21 Total Paid
31/10/21	31/12/21	Group 1	0.5047	N/A	0.5047	1.1016
		Group 2	0.2129	0.2918		
31/01/22	31/03/22	Group 1	0.3948	N/A	0.3948	0.9122
		Group 2	0.0308	0.3640		
30/04/22	30/06/22	Group 1	0.9311	N/A	0.9311	0.4224
		Group 2	0.5462	0.3849		
31/07/22	30/09/22	Group 1	1.5586	N/A	1.5586	0.2848
		Group 2	1.0340	0.5246		

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

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

**Share class closed on 30 June 2021.

***Share class closed on 23 June 2021.

Aegon Strategic Bond Fund

Distribution Tables (continued)

Share Class S Accumulation

Period end	Pay date		Net Revenue	Equalisation*	Total Payable	2020/21 Total Paid
31/10/21	31/12/21	Group 1	0.4853	N/A	0.4853	0.9983
		Group 2	0.2235	0.2618		
31/01/22	31/03/22	Group 1	0.3890	N/A	0.3890	0.8413
		Group 2	0.2475	0.1415		
30/04/22	30/06/22	Group 1	0.8711	N/A	0.8711	0.4090
		Group 2	0.5677	0.3034		
31/07/22	30/09/22	Group 1	1.4472	N/A	1.4472	0.2902
		Group 2	0.6265	0.8207		

Share Class S Income

Period end	Pay date		Net Revenue	Equalisation*	Total Payable	2020/21 Total Paid
31/10/21	31/12/21	Group 1	0.4504	N/A	0.4504	0.9457
		Group 2	0.2268	0.2236		
31/01/22	31/03/22	Group 1	0.3596	N/A	0.3596	0.7891
		Group 2	0.2403	0.1193		
30/04/22	30/06/22	Group 1	0.8031	N/A	0.8031	0.3802
		Group 2	0.5233	0.2798		
31/07/22	30/09/22	Group 1	1.3247	N/A	1.3247	0.2679
		Group 2	0.7977	0.5270		

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 (24.01)% compared to the peer group median return of (1.97)%. The peer group is the Investment Association Global sector.

Strategy review***

It was an extremely challenging period for the UK equity market as investors grappled initially with the onset of the Omicron variant of COVID-19 and the decision by major central banks to begin removing the monetary policies that had been in place to support economies. As the period progressed, the Omicron variant proved to be less of a concern than previous strains, which boosted markets to an extent towards the end of 2021. However, markets came under significant pressure as we moved through 2022, due mainly to the strong inflationary environment. The causes of the higher inflation figures were manifold and included the opening-up of economies following the coronavirus pandemic, ongoing supply chain bottlenecks and, of course, the tragic war in Ukraine which resulted in a spike in food and energy prices.

Central banks acted to combat rising inflation by increasing interest rates, although the clarity of their communications through this period was generally disappointing. During the second half of the period, however, it was clear that inflation was rising rapidly, with the result that both the US Federal Reserve and the Bank of England increased the magnitude of their rate rises.

A distinct feature of the twelve-month period was a rotation out of 'growth' stocks and into 'value' stocks. Growth stocks (companies whose stock prices are predominantly based on expected increases in future revenues and earnings) struggled in the 'risk-off' environment. In contrast, 'value' stocks (companies whose stock prices depend less on future growth and which often trade at valuations below their perceived real value) performed better.

This feature of the market was a significant contributor to the sub-fund's relative underperformance over the period. Given the sustainable nature of the sub-fund, many of the companies we hold are growth stocks as a result of the developing opportunities in this area. A number of these stocks detracted from performance as the rotation in markets took hold. It is important to note, however, that the market sell-off was very indiscriminate, with many of the sub-fund's growth stocks falling back despite a lack of negative company news or any change in the investment case. Companies like Keyence and Endava struggled throughout much of the period due to the unfavourable rotation as opposed to actual company performance. In the second half of the period, both companies fell despite trading on high multiples and delivering reassuring results showing strong growth.

That said, a small number of stocks have hit a bump in the road in terms of their near-term growth and, in an unforgiving market, this has caused significant share price weakness. A prime example of this is the top negative contributor Kornit Digital, the maker of digital garment printing machines which remove the use of water from the production process. Whilst second-quarter revenues grew 26% year-on-year, forward guidance disappointed, as the company noted a handful of customers deferring orders due to macro uncertainty. Kornit Digital is heavily exposed to e-commerce trends, which worsened over the period and caused many industry players to reduce capex levels.

It was a similar picture for cloud-based regulatory software provider Workiva. Revenues and earnings in the second quarter of 2022 exceeded expectations, but this was not enough to appease the market. Everbridge was also a detractor, after falling sharply in November following an earnings release which showed good absolute growth but a deceleration from the record growth achieved earlier in the year. This was then compounded in early December when the company announced the resignation of its CEO, and a guidance downgrade for 2022. However, by July 2022, the company had appointed a new CEO which should help relieve some of the pressure.

SolarEdge Technologies was a top positive contributor. The company reported strong results on the back of solid demand. Alfen Beheer, the maker of electricity smart grid, EV charging and battery storage solutions posted record quarter-one 2022 revenues, in part thanks to a 185% increase in the EV charging segment. Environmental engineering consultancy Tetra Tech was another positive contributor. In the first quarter of 2022 revenues, earnings, cash flow and the order backlog all hit record levels, while margins also expanded.

Within sector allocation, our exposure to the energy sector was the greatest detractor. The sub-fund's sustainable criteria prevents us from investing in oil and gas companies. This sector rallied over the period and in relative terms it explains some of the sub-fund's underperformance. Our allocation to communication services was the largest positive contributor in absolute terms, followed by healthcare.

We continued to adhere to disciplined, bottom-up stock selection as a means of adding value to the sub-fund.

*Please note that the sub-fund's objective has been updated effective 28 July 2022. 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.

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 2022	Top ten sales	31 July 2022
	£'000		£'000
Workiva	7,309	Badger Infrastructure Solutions	4,357
Everbridge	6,971	Basic-Fit	3,952
Keyence	6,733	Bandwidth	3,481
M3	6,696	Endava ADR	3,296
Dynatrace	6,622	Disco	3,270
Kornit Digital	6,515	Teradyne	3,061
Advanced Drainage Systems	6,330	Alfen Beheer	2,916
IDP Education	5,937	STAAR Surgical	2,432
Eurofins Scientific	5,907	Trustpilot	2,417
Trustpilot	5,654	Zur Rose	2,357

Aegon Sustainable Equity Fund

Comparative Tables

A Accumulation shares*		2020
		(p/share)
Change in net assets per share		
Opening net asset value per share		210.05
Return before operating charges**		(21.20)
Operating charges		(3.15)
Return after operating charges**		(24.35)
Distributions		-
Retained distributions on accumulation shares		-
Redemption value		(185.70)
Closing net asset value per share		-
**after direct transaction costs of		0.40
Performance		
Return after charges		(11.59)%
Other information		
Closing net asset value (£'000)		-
Closing number of shares		-
Operating charges		-
Direct transaction costs		-
Prices		
Highest share price		224.95
Lowest share price		159.88

B Accumulation shares	2022	2021	2020
	(p/share)	(p/share)	(p/share)
Change in net assets per share			
Opening net asset value per share	345.37	249.97	244.10
Return before operating charges**	(79.68)	97.94	7.79
Operating charges	(2.37)	(2.54)	(1.92)
Return after operating charges**	(82.05)	95.40	5.87
Distributions	-	-	-
Retained distributions on accumulation shares	-	-	-
Closing net asset value per share	263.32	345.37	249.97
**after direct transaction costs of		0.18	0.27
Performance			
Return after charges	(23.76)%	38.16%	2.40%
Other information			
Closing net asset value (£'000)	179,691	112,473	82,384
Closing number of shares	68,240,696	32,566,390	32,958,436
Operating charges	0.79%	0.82%	0.81%
Direct transaction costs	0.06%	0.09%	0.15%
Prices			
Highest share price	381.61	354.78	262.52
Lowest share price	222.76	252.00	186.68

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 24 April 2020.

Aegon Sustainable Equity Fund

Comparative Tables (continued)

D Accumulation shares***	2020 (p/share)
Change in net assets per share	
Opening net asset value per share	230.93
Return before operating charges**	2.37
Operating charges	(1.29)
Return after operating charges**	1.08
Distributions	-
Retained distributions on accumulation shares	-
Redemption value	(232.01)
Closing net asset value per share	-
**after direct transaction costs of	0.33
Performance	
Return after charges	0.47%
Other information	
Closing net asset value (£'000)	-
Closing number of shares	-
Operating charges	-
Direct transaction costs	-
Prices	
Highest share price	242.28
Lowest share price	213.38

E Accumulation shares****	2020 (p/share)
Change in net assets per share	
Opening net asset value per share	118.48
Return before operating charges**	(7.01)
Operating charges	(0.50)
Return after operating charges**	(7.51)
Distributions	-
Retained distributions on accumulation shares	-
Redemption value	(110.97)
Closing net asset value per share	-
**after direct transaction costs of	0.17
Performance	
Return after charges	(6.34)%
Other information	
Closing net asset value (£'000)	-
Closing number of shares	-
Operating charges	-
Direct transaction costs	-
Prices (Euros)	
Highest share price	131.15
Lowest share price	121.50

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 3 February 2020.

****Share class closed on 31 October 2019.

Aegon Sustainable Equity Fund

Comparative Tables (continued)

S Accumulation shares	2022	2021	2020
	(p/share)	(p/share)	(p/share)
Change in net assets per share			
Opening net asset value per share	152.75	110.17	107.21
Return before operating charges**	(35.29)	43.22	3.44
Operating charges	(0.59)	(0.64)	(0.48)
Return after operating charges**	(35.88)	42.58	2.96
Distributions	-	-	(0.11)
Retained distributions on accumulation shares	-	-	0.11
Closing net asset value per share	116.87	152.75	110.17
**after direct transaction costs of	0.08	0.12	0.15
Performance			
Return after charges	(23.49)%	38.65%	2.76%
Other information			
Closing net asset value (£'000)	1,596	2,006	1,568
Closing number of shares	1,365,670	1,313,509	1,423,100
Operating charges	0.44%	0.47%	0.46%
Direct transaction costs	0.06%	0.09%	0.15%
Prices			
Highest share price	168.93	156.65	115.52
Lowest share price	98.83	111.07	99.20

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 2022

Holding	Investment	Market valuation £'000	Total net assets %
	Equities 94.56% (31 July 2021 98.16%)		
	Australia 4.00% (31 July 2021 3.29%)		
452,648	IDP Education	7,252	4.00
		7,252	4.00
	Canada 0.00% (31 July 2021 2.18%)		
	Denmark 2.88% (31 July 2021 3.03%)		
17,796	Genmab	5,216	2.88
		5,216	2.88
	Germany 1.57% (31 July 2021 2.67%)		
20,241	Adidas	2,841	1.57
		2,841	1.57
	Hong Kong 0.00% (31 July 2021 0.00%)		
128,000	China High Precision Automation*	-	-
		-	-
	Ireland 3.55% (31 July 2021 2.84%)		
32,473	ICON	6,431	3.55
		6,431	3.55
	Israel 5.90% (31 July 2021 6.87%)		
112,040	Kornit Digital	2,497	1.38
27,715	SolarEdge Technologies	8,189	4.52
		10,686	5.90
	Italy 3.21% (31 July 2021 3.42%)		
215,183	Amplifon	5,827	3.21
		5,827	3.21
	Japan 6.81% (31 July 2021 8.09%)		
20,687	Keyence	6,668	3.68
200,000	M3	5,682	3.13
		12,350	6.81
	Luxembourg 3.48% (31 July 2021 2.46%)		
98,793	Eurofins Scientific	6,314	3.48
		6,314	3.48
	Netherlands 6.42% (31 July 2021 6.52%)		
80,332	Alfen Beheer	7,665	4.23
119,686	Basic-Fit	3,973	2.19
		11,638	6.42
	Norway 2.57% (31 July 2021 2.49%)		
244,342	Tomra Systems	4,662	2.57
		4,662	2.57
	Switzerland 0.00% (31 July 2021 2.22%)		
	Taiwan 5.20% (31 July 2021 5.18%)		
571,000	Chroma ATE	2,693	1.48
483,939	Taiwan Semiconductor Manufacturing	6,740	3.72
		9,433	5.20

Aegon Sustainable Equity Fund

Portfolio Statement (continued)

Holding	Investment	Market valuation £'000	Total net assets %
United Kingdom 11.91% (31 July 2021 14.83%)			
113,868	Dechra Pharmaceuticals	4,193	2.31
66,390	Endava ADR	5,559	3.07
548,226	ITM Power	1,167	0.64
560,927	Oxford Nanopore Technologies	1,784	0.98
326,617	RELX	7,920	4.37
68,000	TMO Renewables*	-	-
1,273,216	Trustpilot	973	0.54
		21,596	11.91
United States 37.06% (31 July 2021 32.07%)			
16,553	ABIOMED	3,981	2.20
63,623	Advanced Drainage Systems	6,194	3.42
22,760	Danaher	5,446	3.00
155,690	DermTech	1,045	0.58
161,158	Dynatrace	4,977	2.75
125,866	Everbridge	2,597	1.43
54,676	First Republic Bank	7,303	4.03
14,550	Illumina	2,588	1.43
20,351	Insulet	4,137	2.28
23,008	NVIDIA	3,430	1.89
16,827	Penumbra	1,925	1.06
88,111	Planet Fitness	5,700	3.14
98,859	Plug Power	1,730	0.95
22,579	Teradyne	1,869	1.03
56,316	Tetra Tech	7,085	3.91
19,656	Universal Display	1,862	1.03
128,573	Veracyte	2,779	1.53
47,166	Workiva	2,533	1.40
		67,181	37.06
Portfolio of investments		171,427	94.56
Net other assets		9,860	5.44
Total net assets attributable to shareholders		181,287	100.00

The comparative percentage figures in brackets are at 31 July 2021.

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 or delisted.

Aegon Sustainable Equity Fund

Statement of Total Return for the year ended 31 July 2022

	Note	£'000	2022 £'000	£'000	2021 £'000
Income					
Net capital (losses)/gains	2		(59,747)		32,734
Revenue	3	940		543	
Expenses	4	(1,448)		(855)	
Interest payable and similar charges		(4)		(1)	
Net expense before taxation		(512)		(313)	
Taxation	5	(130)		(59)	
Net expense after taxation			(642)		(372)
Total return before distributions			(60,389)		32,362
Distributions	6		-		-
Change in net assets attributable to shareholders from investment activities			(60,389)		32,362

Statement of Change in Net Assets Attributable to Shareholders for the year ended 31 July 2022

	£'000	2022 £'000	£'000	2021 £'000
Opening net assets attributable to shareholders		114,479		83,952
Amounts transferred from Aegon Global Sustainable Equity Fund	99,351		-	
Amounts receivable on issue of shares	63,791		22,845	
Amounts payable on cancellation of shares	(36,007)		(24,687)	
		127,135		(1,842)
Dilution adjustment		62		7
Change in net assets attributable to shareholders from investment activities		(60,389)		32,362
Retained distribution on accumulation shares		-		-
Closing net assets attributable to shareholders		181,287		114,479

Aegon Sustainable Equity Fund

Balance Sheet as at 31 July 2022

	Note	£'000	2022 £'000	£'000	2021 £'000
Assets					
Fixed assets:					
Investments			171,427		112,375
Current assets:					
Debtors	7	2,414		2,391	
Cash and bank balances	8	<u>7,908</u>		<u>1,947</u>	
			<u>10,322</u>		<u>4,338</u>
Total assets			181,749		116,713
Liabilities					
Creditors					
Other creditors	9	<u>462</u>		<u>2,234</u>	
Total liabilities			<u>462</u>		<u>2,234</u>
Net assets attributable to shareholders			181,287		114,479

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)/gains

Net capital (losses)/gains comprise:

	2022	2021
	£'000	£'000
(Losses)/gains on non-derivative securities	(59,829)	32,838
Currency exchange gains/(losses)	86	(100)
Transaction charges	(4)	(4)
Net capital (losses)/gains	(59,747)	32,734

3 Revenue

	2022	2021
	£'000	£'000
UK dividends	176	105
Non-taxable overseas dividends	729	438
Bank interest	35	-
Total revenue	940	543

4 Expenses*

	2022	2021
	£'000	£'000
Payable to the ACD, associates of the ACD and agents of either of them:		
ACD's periodic charge	1,381	784
Payable to the Depositary, associates of the Depositary and agents of either of them:		
Depositary fee	22	14
Other expenses:		
Audit fee**	11	9
FT publishing fee	3	5
Legal fees	-	16
PRIPs fees	3	6
Registrar's fee	15	15
Safe custody charge	13	6
Total expenses	1,448	855

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

**The audit fee (excluding VAT) incurred during the year was £9,551 (2021: £9,010).

5 Taxation

a) Analysis of charge in the year

	2022	2021
	£'000	£'000
Current tax:		
Overseas tax suffered	130	59
Total tax charge for the year (see note 5 (b))	130	59

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 (2021: higher than) the standard rate of corporation tax for Open Ended Investment Companies 'OEICs' (20%)

The differences are explained below:

	2022	2021
	£'000	£'000
Net expense before taxation	(512)	(313)
Corporation tax 20% (2021: 20%)	(102)	(63)
Effects of:		
Movement in excess expenses	283	172
Overseas tax suffered	130	59
Revenue not subject to taxation	(181)	(109)
Total tax charge for the year (see note 5 (a))	130	59

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 £9,440,000 (2021: £8,021,000). 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 £1,888,000 (2021: £1,604,000) 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:

	2022	2021
	£'000	£'000
Final distribution	-	-
Add: amounts deductible on cancellation of shares	-	-
Less: amounts receivable on creation of shares	-	-
Distributions	-	-

Details of the distributions are set out in the tables on page 140.

b) Movement between net expense and distribution

	2022	2021
	£'000	£'000
Net expense after taxation	(642)	(372)
Capital reimbursement of revenue deficit	642	372
Distributions	-	-

7 Debtors

	2022	2021
	£'000	£'000
Accrued revenue	95	15
Amounts receivable for the issue of shares	2,302	12
Reclaimable overseas tax	17	11
Sales awaiting settlement	-	2,353
Debtors	2,414	2,391

8 Cash and bank balances

	2022	2021
	£'000	£'000
Cash and bank balances	9	1,947
Money market deposits	7,899	-
Cash and bank balances	7,908	1,947

Aegon Sustainable Equity Fund

Notes to the Financial Statements (continued)

9 Other creditors

	2022	2021
	£'000	£'000
Accrued ACD periodic charge	208	140
Accrued other expenses	33	38
Amounts payable for cancellation of shares	221	193
Purchases awaiting settlement	-	1,863
Other creditors	462	2,234

10 Related parties

Related party interests in the sub-fund are disclosed in Note 6 of the Accounting Policies on page 17. Amounts due to the ACD as at year end for the ACD periodic charge and amounts due to the ACD for outstanding cancellations are disclosed in Note 9. Amounts receivable from the ACD as at year end for outstanding issue of shares are disclosed in Note 7. At the year-end 89.24% (2021: 82.33%) 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 2022 (2021: 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 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% (2021: 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 2 times the benchmark VaR. As at the balance sheet date, the sub-fund's value at risk is 9.75% (2021: 7.39%).

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

	Lowest Utilisation (%)	Highest Utilisation (%)	Average Utilisation (%)
31 July 2022	6.82	10.03	8.44
31 July 2021	5.26	7.91	6.37

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 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				
31 July 2021	Value £'000	Commission £'000	%	Other Costs* £'000	%
Equities	70,641	25	0.04	38	0.05
Total	70,641	25		38	
Total purchases including transaction costs	70,704				

*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 2022	Value	Commissions		Other Costs*	
	£'000	£'000	%	£'000	%
Equities	69,956	(25)	0.04	(10)	0.01
Total	69,956	(25)		(10)	
Total sales net of transaction costs	69,921				
31 July 2021					
Equities	72,865	(24)	0.03	(6)	0.01
Total	72,865	(24)		(6)	
Total sales net of transaction costs	72,835				

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

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

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

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

At the balance sheet date, the portfolio dealing spread was 0.25% (2021: 0.31%), 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	2022		2021	
	Assets	Liabilities	Assets	Liabilities
	£'000	£'000	£'000	£'000
1 - Unadjusted quoted prices	171,427	-	112,375	-
2 - Observable market data	-	-	-	-
3 - Unobservable data	-	-	-	-
	171,427	-	112,375	-

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 pages 128 to 130. The distribution per share class is given in the distribution tables on page 140. All share classes have the same rights on winding up.

Share class movement reconciliation

31 July 2022	Opening	Creations	Cancellations	Converted	Closing
B Accumulation	32,566,390	47,815,169	(12,140,863)	-	68,240,696
S Accumulation	1,313,509	154,479	(102,318)	-	1,365,670

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 24 November 2022 and the percentage movement in that period:

Net assets per share	31 July 2022	24 November 2022	% Movement
B Accumulation	263.32	248.76	(5.53)
S Accumulation	116.87	110.53	(5.42)

Aegon Sustainable Equity Fund

Distribution Tables

Share Class B Accumulation

Period end	Pay date		Net Revenue	Equalisation*	Total Payable	2021 Total Paid
31/07/22	30/11/22	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	2021 Total Paid
31/07/22	30/11/22	Group 1	0.0029	N/A	0.0029	0.0000
		Group 2	0.0000	0.0029		

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 (8.44)% over the year, against a sector median peer return of (8.91)%. The peer group is the Investment Association Sterling High Yield sector.

Strategy review***

It was a very volatile period for bond markets, with both government and corporate bonds coming under significant pressure due mainly to the strong inflationary environment, particularly during the second half of the period. The high yield sector performed relatively well up to the end of 2021 but it was not immune to the sell-off in markets as we moved further into 2022, which is reflected in the sub-fund's absolute negative return for the period as a whole.

The causes of the higher inflation figures were manifold and including the opening-up of economies following the coronavirus pandemic, ongoing supply chain bottlenecks and, of course, the tragic war in Ukraine which resulted in a spike in food and energy prices.

Central banks acted to combat rising inflation by increasing interest rates, the clarity of their communication through this period was generally disappointing. During the second half of the period, however, it was clear that inflation was rising rapidly, with the result that both the US Federal Reserve and the Bank of England increased the magnitude of their rate rises.

We retained a cautious approach to markets throughout the period, given higher rates/inflation, supply-chain issues, and hawkish central banks. Our cautious positioning was manifested in our bias towards shorter-dated bonds coupled with a low amount of interest rate risk. Within this view, we retained an overweight to lower-rated credit, primarily in the single B space, with the aforementioned focus on short-dated assets. Our overweight allocation to single B rated bonds and our underweight to BB rated bonds helped in relative terms against the peer group median.

In terms of issue selection, our position in energy operator EnQuest was a reliable positive contributor to performance. Not holding energy name Petroleos Mexicanos also helped in relative terms, as the company struggled throughout the period. In terms of detractors, our position in Avaya had the largest negative impact on an individual stock level as earnings were weak during the period. This was followed by our positions in Ado Properties and Diamond Sports.

Overall, our cautious positioning and disciplined stock selection helped the sub-fund to out perform the per group median in what was very challenging market conditions.

*Please note that the sub-fund's objective has been updated effective 28 July 2022. 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. 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 2022	Top ten sales	31 July 2022
	£'000		£'000
Alpha Bank 3% 14/02/2024	6,507	Alpha Bank 3% 14/02/2024	6,508
Castle UK Finco 7% 15/05/2029	5,514	Sally Capital 8.75% 30/04/2025	6,025
Virgin Money UK 8.25% Perpetual	4,400	EC Finance 2.375% 15/11/2022	5,819
Virgin Media Finance 3.75% 15/07/2030	4,289	Macy's 8.375% 15/06/2025	5,665
Summit Midstream 8.5% 15/10/2026	4,208	MPT Operating Partnership 5.25% 01/08/2026	5,182
Eagle Intermediate Global 5.375% 01/05/2023	4,194	McLaren Finance 5% 01/08/2022	4,600
CrowdStrike 3% 15/02/2029	4,132	Cooper-Standard Automotive 13% 01/06/2024	4,026
AT&S Austria Technologie & Systemtechnik 5% Perpetual	4,089	Cidron Aida Finco 5% 01/04/2028	4,016
Cooper-Standard Automotive 13% 01/06/2024	4,022	Miller Homes 5.5% 15/10/2024	3,718
Harbour Energy 5.5% 15/10/2026	3,964	Mileage Plus Intellectual Property Assets 6.5% 20/06/2027	3,696

Aegon High Yield Bond Fund

Comparative Tables

A Accumulation shares**	2021	2020
	(p/share)	(p/share)
Change in net assets per share		
Opening net asset value per share	132.29	134.43
Return before operating charges*	19.97	(0.41)
Operating charges	(1.69)	(1.73)
Return after operating charges*	18.28	(2.14)
Distributions	(6.59)	(7.40)
Retained distributions on accumulation shares	6.59	7.40
Redemption value	(150.57)	-
Closing net asset value per share	-	132.29
*after direct transaction costs of	-	-
Performance		
Return after charges	13.82%	(1.59)%
Other information		
Closing net asset value (£'000)	-	6,026
Closing number of shares	-	4,555,490
Operating charges	-	1.29%
Direct transaction costs	-	-
Prices		
Highest share price	150.26	141.14
Lowest share price	132.27	105.89

A Income shares**	2021	2020
	(p/share)	(p/share)
Change in net assets per share		
Opening net asset value per share	47.45	51.02
Return before operating charges*	7.03	(0.20)
Operating charges	(0.60)	(0.64)
Return after operating charges*	6.43	(0.84)
Distributions	(2.32)	(2.73)
Retained distributions on accumulation shares	-	-
Redemption value	(51.56)	-
Closing net asset value per share	-	47.45
*after direct transaction costs of	-	-
Performance		
Return after charges	13.55%	(1.65)%
Other information		
Closing net asset value (£'000)	-	132
Closing number of shares	-	277,795
Operating charges	-	1.29%
Direct transaction costs	-	-
Prices		
Highest share price	51.46	52.38
Lowest share price	47.44	38.99

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	2022	2021	2020
	(p/share)	(p/share)	(p/share)
Change in net assets per share			
Opening net asset value per share	331.26	289.24	292.17
Return before operating charges*	(27.21)	43.90	(0.95)
Operating charges	(1.98)	(1.88)	(1.98)
Return after operating charges*	(29.19)	42.02	(2.93)
Distributions	(19.53)	(17.51)	(16.11)
Retained distributions on accumulation shares	19.53	17.51	16.11
Closing net asset value per share	302.07	331.26	289.24
*after direct transaction costs of	-	-	-
Performance			
Return after charges	(8.81)%	14.53%	(1.00)%
Other information			
Closing net asset value (£'000)	244,253	269,056	244,393
Closing number of shares	80,858,938	81,221,189	84,495,317
Operating charges	0.61%	0.59%	0.59%
Direct transaction costs	-	-	-
Prices			
Highest share price	336.51	332.00	307.68
Lowest share price	291.30	289.22	230.99

B Income shares	2022	2021	2020
	(p/share)	(p/share)	(p/share)
Change in net assets per share			
Opening net asset value per share	99.14	91.49	97.79
Return before operating charges*	(7.81)	13.63	(0.39)
Operating charges	(0.58)	(0.58)	(0.65)
Return after operating charges*	(8.39)	13.05	(1.04)
Distributions	(5.69)	(5.40)	(5.26)
Retained distributions on accumulation shares	-	-	-
Closing net asset value per share	85.06	99.14	91.49
*after direct transaction costs of	-	-	-
Performance			
Return after charges	(8.46)%	14.26%	(1.06)%
Other information			
Closing net asset value (£'000)	100,339	106,875	100,986
Closing number of shares	117,956,477	107,804,989	110,373,161
Operating charges	0.61%	0.59%	0.59%
Direct transaction costs	-	-	-
Prices			
Highest share price	99.97	99.86	100.65
Lowest share price	82.48	91.49	75.01

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)

D Accumulation shares***	2020 (p/share)
Change in net assets per share	
Opening net asset value per share	130.50
Return before operating charges*	6.60
Operating charges	(0.74)
Return after operating charges*	5.86
Distributions	(3.42)
Retained distributions on accumulation shares	3.42
Redemption value	(136.36)
Closing net asset value per share	-
*after direct transaction costs of	-
Performance	
Return after charges	4.49%
Other information	
Closing net asset value (£'000)	-
Closing number of shares	-
Operating charges	-
Direct transaction costs	-
Prices	
Highest share price	137.03
Lowest share price	129.67

D Income shares***	2020 (p/share)
Change in net assets per share	
Opening net asset value per share	95.43
Return before operating charges*	4.78
Operating charges	(0.54)
Return after operating charges*	4.24
Distributions	(2.48)
Retained distributions on accumulation shares	-
Redemption value	(97.19)
Closing net asset value per share	-
*after direct transaction costs of	-
Performance	
Return after charges	4.44%
Other information	
Closing net asset value (£'000)	-
Closing number of shares	-
Operating charges	-
Direct transaction costs	-
Prices	
Highest share price	98.09
Lowest share price	94.82

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 3 February 2020.

Aegon High Yield Bond Fund

Comparative Tables (continued)

S Accumulation shares	2022	2021	2020
	(p/share)	(p/share)	(p/share)
Change in net assets per share			
Opening net asset value per share	122.34	106.71	107.63
Return before operating charges*	(10.04)	16.21	(0.41)
Operating charges	(0.61)	(0.58)	(0.51)
Return after operating charges*	(10.65)	15.63	(0.92)
Distributions	(7.22)	(6.47)	(5.95)
Retained distributions on accumulation shares	7.22	6.47	5.95
Closing net asset value per share	111.69	122.34	106.71
*after direct transaction costs of	-	-	-
Performance			
Return after charges	(8.71)%	14.65%	(0.85)%
Other information			
Closing net asset value (£'000)	2,261	1,645	1,323
Closing number of shares	2,024,229	1,344,498	1,239,929
Operating charges	0.51%	0.49%	0.49%
Direct transaction costs	-	-	-
Prices			
Highest share price	124.33	122.61	113.47
Lowest share price	107.70	106.71	88.26

S Income shares	2022	2021	2020
	(p/share)	(p/share)	(p/share)
Change in net assets per share			
Opening net asset value per share	100.70	92.85	99.08
Return before operating charges*	(7.96)	13.82	(0.43)
Operating charges	(0.49)	(0.49)	(0.48)
Return after operating charges*	(8.45)	13.33	(0.91)
Distributions	(5.79)	(5.48)	(5.32)
Retained distributions on accumulation shares	-	-	-
Closing net asset value per share	86.46	100.70	92.85
*after direct transaction costs of	-	-	-
Performance			
Return after charges	(8.39)%	14.36%	(0.92)%
Other information			
Closing net asset value (£'000)	11,434	9,096	9,181
Closing number of shares	13,225,457	9,032,366	9,887,862
Operating charges	0.51%	0.49%	0.49%
Direct transaction costs	-	-	-
Prices			
Highest share price	101.57	101.43	102.09
Lowest share price	83.83	92.84	78.35

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 High Yield Bond Fund

Portfolio Statement

The sub-fund's investments as at 31 July 2022

Holding	Investment	Market Valuation £'000	Total net assets %
Euro Denominated Bonds 33.60% (31 July 2021 30.12%)			
Corporate Bonds 33.60% (31 July 2021 30.12%)			
2,300,000	888 Acquisitions 7.558% 15/07/2027	1,701	0.47
2,800,000	Abanca Corp Bancaria 7.5% Perpetual	2,370	0.66
5,800,000	Adler 2.25% 14/01/2029	2,488	0.69
2,400,000	Alpha Services 5.5% 11/06/2031	1,589	0.44
4,200,000	ARD Finance 5% 30/06/2027	2,627	0.73
4,900,000	AT&S Austria Technologie & Systemtechnik 5% Perpetual	3,577	1.00
2,400,000	Banco BPM 8.75% Perpetual	2,037	0.57
3,000,000	Banco de Sabadell 5% Perpetual	1,973	0.55
2,200,000	Banijay 6.5% 01/03/2026	1,643	0.46
2,000,000	BCP V Modular Services Finance II 4.75% 30/11/2028	1,397	0.39
3,800,000	British American Tobacco 3% Perpetual	2,512	0.70
2,700,000	Chrome Bidco 3.5% 31/05/2028	2,012	0.56
2,300,000	Cirsa Finance International 4.5% 15/03/2027	1,613	0.45
4,400,000	CT Investment 5.5% 15/04/2026	3,136	0.87
4,400,000	C-TEC II 5.25% 15/02/2030	2,796	0.78
2,400,000	Deuce Finco 4.75% 15/06/2027	1,776	0.50
2,750,000	DKT Finance 7% 17/06/2023	2,173	0.61
3,400,000	Douglas 6% 08/04/2026	2,385	0.67
4,500,000	Dufry 3.375% 15/04/2028	3,232	0.90
5,100,000	Eagle Intermediate Global 5.375% 01/05/2023	3,215	0.90
2,300,000	eDreams 5.5% 15/07/2027	1,644	0.46
1,600,000	Gamma Bidco 6.25% 15/07/2025	1,278	0.36
3,400,000	Gamma Bondco 8.125% 15/11/2026	2,422	0.68
4,500,000	Grifols Escrow Issuer 3.875% 15/10/2028	3,284	0.92
600,000	Grunenthal 4.125% 15/05/2028	455	0.13
4,550,000	Guala Closures 3.25% 15/06/2028	3,136	0.87
1,100,000	Heimstaden Bostad 2.625% Perpetual	655	0.18
3,800,000	Iliad 5.125% 15/10/2026	3,078	0.86
2,100,000	INEOS Quattro Finance 1 3.75% 15/07/2026	1,509	0.42
2,200,000	Kleopatra 4.25% 01/03/2026	1,572	0.44
1,200,000	Kleopatra 6.5% 01/09/2026	691	0.19
4,100,000	Kongsberg Actuation Systems 5% 15/07/2025	2,062	0.57
4,100,000	Motion Finco 7% 15/05/2025	3,332	0.93
5,400,000	NH Hotels 4% 02/07/2026	4,178	1.17
3,000,000	Nidda Healthcare 3.5% 30/09/2024	2,343	0.65
2,700,000	Nobian Finance 3.625% 15/07/2026	1,809	0.50
3,300,000	Novelis Sheet Ingot 3.375% 15/04/029	2,319	0.65
3,400,000	PeopleCert Wisdom 5.75% 15/09/2026	2,698	0.75
2,400,000	Pinnacle Bidco 5.5% 15/02/2025	1,891	0.53
3,800,000	Piraeus Financial 8.75% Perpetual	2,352	0.66
1,100,000	Piraeus Financial 9.75% 26/06/2029	876	0.24
4,900,000	Sarens Finance 5.75% 21/02/2027	2,757	0.77
4,300,000	SIG 5.25% 30/11/2026	2,827	0.79
981,275	Stichting AK Rabobank Certificaten 6.5% Perpetual	882	0.25
3,300,000	Teva Pharmaceutical Finance Netherlands II 3.75% 09/05/2027	2,571	0.72
3,400,000	Teva Pharmaceutical Finance Netherlands II 6% 31/01/2025	2,930	0.82
4,000,000	Transcom 5.25% 15/12/2026	3,021	0.84
2,600,000	Unicaja Banco 4.875% Perpetual	1,740	0.49
2,500,000	UniCredit 3.875% Perpetual	1,614	0.45
3,800,000	Vallourec 8.5% 30/06/2026	3,050	0.85
3,300,000	Verisure 3.25% 15/02/2027	2,433	0.68
5,200,000	Virgin Media Finance 3.75% 15/07/2030	3,508	0.98
4,300,000	WP/AP Telecom 3.75% 15/01/2029	3,214	0.90
		120,383	33.60

Aegon High Yield Bond Fund

Portfolio Statement (continued)

Holding	Investment	Market valuation £'000	Total net assets %
Sterling Denominated Bonds 13.94% (31 July 2021 9.73%)			
Corporate Bonds 13.94% (31 July 2021 9.73%)			
4,900,000	Arqiva Broadcast Finance 6.75% 30/09/2023	4,760	1.33
2,000,000	B&M European Value Retail 4% 15/11/2028	1,640	0.46
2,900,000	Barclays 8.875% Perpetual	3,037	0.85
2,200,000	Bellis Acquisition 3.25% 16/02/2026	1,782	0.50
3,600,000	Bellis Acquisition 4.5% 16/02/2026	2,976	0.83
5,900,000	Castle UK Finco 7% 15/05/2029	4,815	1.34
2,600,000	CPUK Finance 6.5% 28/08/2026	2,457	0.69
3,500,000	Deuce Finco 5.5% 15/06/2027	2,947	0.82
2,500,000	Ford Motor Credit 2.748% 14/06/2024	2,345	0.65
2,400,000	Inspired Entertainment Financing 7.875% 01/06/2026	2,309	0.64
3,100,000	Kane Bidco 6.5% 15/02/2027	2,729	0.76
10,400	Nationwide Building Society 10.25% Perpetual	1,446	0.40
2,250,000	Paymentsense 8% 15/10/2025	2,190	0.61
5,500,000	Pinnacle Bidco 6.375% 15/02/2025	5,137	1.43
3,300,000	RAC 5.25% 04/11/2027	2,647	0.74
4,400,000	Virgin Money UK 8.25% Perpetual	4,248	1.19
3,000,000	Wheel Bidco 6.75% 15/07/2026	2,489	0.70
		49,954	13.94
United States Dollar Denominated Bonds 47.93% (31 July 2021 56.31%)			
Asset Backed Security 0.00% (31 July 2021 0.93%)			
Corporate Bonds 47.93% (31 July 2021 55.41%)			
7,200,000	Adient US 9% 15/04/2025	6,121	1.71
7,390,000	AerCap 5.875% 10/10/2079	5,384	1.50
3,200,000	Allianz 3.2% Perpetual	2,022	0.56
2,400,000	ASP Unifrax 5.25% 30/09/2028	1,645	0.46
1,400,000	ASP Unifrax 7.5% 30/09/2029	908	0.25
3,000,000	ATP Tower 4.05% 27/04/2026	2,155	0.60
6,300,000	Avaya 6.125% 15/09/2028	2,431	0.68
400,000	Avient 7.125% 01/08/2030	338	0.09
2,400,000	Boeing 5.93% 01/05/2060	1,955	0.55
2,400,000	Camelot Return Merger 8.75% 01/08/2028	1,837	0.51
2,500,000	Carnival 4% 01/08/2028	1,792	0.50
2,200,000	Coca-Cola Icecek 4.215% 19/09/2024	1,684	0.47
4,500,000	CommScope 7.125% 01/07/2028	3,066	0.86
400,000	Community Health Systems 5.25% 15/05/2030	276	0.08
2,600,000	Community Health Systems 8% 15/12/2027	2,028	0.57
2,300,000	Constellium 5.625% 15/06/2028	1,710	0.48
3,700,000	Coty 5% 15/04/2026	2,971	0.83
4,200,000	Crestwood Midstream Partners 8% 01/04/2029	3,411	0.95
5,800,000	CrowdStrike 3% 15/02/2029	4,332	1.21
8,100,000	CSI Compressco Finance 7.5% 01/04/2025	6,152	1.72
7,100,000	Diamond Sports 5.375% 15/08/2026	1,282	0.36
1,800,000	DKT Finance 9.375% 17/06/2023	1,417	0.40
2,700,000	ENDO Luxembourg Finance 6.125% 01/04/2029	1,791	0.50
1,550,000	Energizer 6.5% 31/12/2027	1,185	0.33
5,654,462	EnQuest 7% 15/10/2023	4,421	1.23
3,650,000	EQM Midstream Partners 7.5% 01/06/2030	3,080	0.86
3,200,000	Exterran Energy Solutions 8.125% 01/05/2025	2,497	0.70
4,100,000	Ferroglobe 9.375% 31/12/2025	3,366	0.94
1,442,000	Frontier Communications 5% 01/05/2028	1,111	0.31
2,100,000	Frontier Communications 5.875% 15/10/2027	1,704	0.48
782,000	Frontier Communications 6.75% 01/05/2029	571	0.16
3,675,000	Gartner 4.5% 01/07/2028	2,911	0.81

Aegon High Yield Bond Fund

Portfolio Statement (continued)

Holding	Investment	Market valuation	Total net assets
		£'000	%
Corporate Bonds (continued)			
3,600,000	GEMS MENASA Cayman 7.125% 31/07/2026	2,778	0.78
8,497,250	Global Aircraft Leasing 6.5% 15/09/2024	5,371	1.50
3,500,000	GPC Merger 7.125% 15/08/2028	2,432	0.68
5,100,000	Guitar Center 8.5% 15/01/2026	3,836	1.07
3,500,000	Harbour Energy 5.5% 15/10/2026	2,614	0.73
4,100,000	Helios Software 4.625% 01/05/2028	2,692	0.75
5,100,000	HTA 7% 18/12/2025	3,705	1.03
3,800,000	IHS 6.25% 29/11/2028	2,546	0.71
4,300,000	IHS Netherlands 8% 18/09/2027	3,164	0.88
1,300,000	INEOS Quattro Finance 2 3.375% 15/01/2026	935	0.26
4,800,000	Iron Mountain 4.5% 15/02/2031	3,458	0.97
5,400,000	Ithaca Energy North Sea 9% 15/07/2026	4,305	1.20
2,700,000	Kronos Acquisition 5% 31/12/2026	1,934	0.54
2,338,000	Kronos Acquisition 7% 31/12/2027	1,454	0.41
3,600,000	LogMeln 5.5% 01/09/2027	2,157	0.60
4,100,000	NCL 5.875% 15/02/2027	3,093	0.86
1,350,000	NCL 7.75% 15/02/2029	888	0.25
6,700,000	NGL Energy Operating 7.5% 01/02/2026	5,025	1.40
4,100,000	Nielsen Finance 4.75% 15/07/2031	3,194	0.89
3,650,000	Owens-Brockway Glass Container 6.625% 13/05/2027	2,876	0.80
2,400,000	PRA 7.375% 01/09/2025	1,970	0.55
4,600,000	Prime Security Services Borrower 6.25% 15/01/2028	3,502	0.98
2,400,000	Rolls-Royce 5.75% 15/10/2027	1,866	0.52
3,000,000	SBA Communications 3.125% 01/02/2029	2,155	0.60
5,700,000	Summit Midstream 8.5% 15/10/2026	4,433	1.24
3,500,000	Teva Pharmaceutical Finance Netherlands III 4.1% 01/10/2046	2,052	0.57
2,800,000	Total Play Telecomunicaciones 6.375% 20/09/2028	1,795	0.50
2,722,000	Total Play Telecomunicaciones 7.5% 12/11/2025	1,902	0.53
2,600,000	Triumph 6.25% 15/09/2024	2,022	0.56
2,898,000	Triumph 8.875% 01/06/2024	2,482	0.69
10,014,286	Tullow Oil 10.25% 15/05/2026	7,767	2.17
2,600,000	VICI Properties 3.875% 15/02/2029	1,950	0.54
2,100,000	Viking Cruises 13% 15/05/2025	1,826	0.51
		171,733	47.93
Derivatives and Futures Contracts 1.52% (31 July 2021 (0.34)%)			
Forward Foreign Exchange Contracts 1.52% (31 July 2021 (0.34)%)			
	Bought EUR 2,500,000 Sold GBP 2,157,882 15/09/2022	(51)	(0.01)
	Bought EUR 2,600,000 Sold GBP 2,246,379 15/09/2022	(56)	(0.02)
	Bought EUR 4,300,000 Sold GBP 3,697,770 15/09/2022	(75)	(0.02)
	Bought EUR 11,700,000 Sold GBP 10,185,309 15/09/2022	(327)	(0.09)
	Bought GBP 148,020,805 Sold EUR 170,470,000 15/09/2022	4,385	1.22
	Bought GBP 190,595,051 Sold USD 230,600,000 15/09/2022	1,505	0.42
	Bought GBP 2,925,636 Sold USD 3,500,000 15/09/2022	56	0.02
	Bought USD 6,800,000 Sold GBP 5,505,689 15/09/2022	70	0.02
	Bought USD 5,800,000 Sold GBP 4,764,056 15/09/2022	(8)	-
	Bought USD 5,100,000 Sold GBP 4,208,865 15/09/2022	(27)	(0.01)
	Bought USD 3,400,000 Sold GBP 2,835,023 15/09/2022	(47)	(0.01)
		5,425	1.52
Portfolio of investments*		347,495	96.99
Net other assets		10,792	3.01
Total net assets attributable to shareholders		358,287	100.00

Aegon High Yield Bond Fund

Portfolio Statement (continued)

Analysis of investments by asset class

	Market value £'000	Value of investments %
Bonds	342,070	95.47
Derivatives	5,425	1.52
Portfolio of investments*	347,495	96.99
Net other assets	10,792	3.01
Total net assets attributable to shareholders	358,287	100.00

The comparative percentage figures in bracket are at 31 July 2021.

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 High Yield Bond Fund

Statement of Total Return for the year ended 31 July 2022

	Note	£'000	2022 £'000	£'000	2021 £'000
Income					
Net capital (losses)/gains	2		(57,365)		31,669
Revenue	3	23,663		21,071	
Expenses	4	(2,314)		(2,253)	
Interest payable and similar charges	5	(18)		(282)	
Net revenue before taxation		21,331		18,536	
Taxation	6	-		-	
Net revenue after taxation			21,331		18,536
Total return before distributions			(36,034)		50,205
Distributions	7		(23,730)		(20,823)
Change in net assets attributable to shareholders from investment activities			(59,764)		29,382

Statement of Change in Net Assets Attributable to Shareholders for the year ended 31 July 2022

	£'000	2022 £'000	£'000	2021 £'000
Opening net assets attributable to shareholders		386,672		362,041
Amounts receivable on issue of shares	117,376		85,255	
Amounts payable on cancellation of shares	(102,514)		(104,545)	
		14,862		(19,290)
Dilution adjustment		(6)		95
Change in net assets attributable to shareholders from investment activities		(59,764)		29,382
Retained distribution on accumulation shares		16,515		14,443
Unclaimed distributions		8		1
Closing net assets attributable to shareholders		358,287		386,672

Aegon High Yield Bond Fund

Balance Sheet as at 31 July 2022

	Note	£'000	2022 £'000	£'000	2021 £'000
Assets					
Fixed assets:					
Investments			348,086		373,358
Current assets:					
Debtors	8	8,225		6,408	
Cash and bank balances	9	<u>10,633</u>		<u>14,489</u>	
			<u>18,858</u>		<u>20,897</u>
Total assets			366,944		394,255
Liabilities					
Investment liabilities					
			591		2,735
Creditors					
Bank overdrafts	10	5,470		361	
Distributions payable		614		504	
Other creditors	11	<u>1,982</u>		<u>3,983</u>	
Total liabilities			<u>8,657</u>		<u>7,583</u>
Net assets attributable to shareholders			358,287		386,672

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 (losses)/gains

Net capital (losses)/gains comprise:

	2022	2021
	£'000	£'000
(Losses)/gains on non-derivative securities	(32,237)	12,650
(Losses)/gains on forward currency contracts	(25,812)	19,479
Currency exchange gains/(losses)	679	(277)
Gains/(losses) on derivative securities	6	(182)
Transaction charges	(1)	(1)
Net capital (losses)/gains	(57,365)	31,669

3 Revenue

	2022	2021
	£'000	£'000
Interest on debt securities	23,453	21,071
Bank interest	25	(4)
Stock lending income	185	4
Total revenue	23,663	21,071

*The sub-fund received 72% of the revenue returns from stock lending activities. The gross earnings for the year are £257,000 (2021: £5,000) and expenses paid of £72,000 (2021: £1,000).

4 Expenses*

	2022	2021
	£'000	£'000
Payable to the ACD, associates of the ACD and agents of either of them:		
ACD's periodic charge	2,153	2,090
Payable to the Depository, associates of the Depository and agents of either of them:		
Depository fee	46	47
Other expenses:		
Audit fee**	21	16
FT publishing fee	3	3
PRIPs fees	3	6
Registrar's fee	78	83
Safe custody charge	10	8
	115	116
Total expenses	2,314	2,253

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

**The audit fee (excluding VAT) incurred during the year was £17,552 (2021: £15,900).

5 Interest payable and similar charges

	2022	2021
	£'000	£'000
Derivative expense	4	249
Interest	14	33
Interest payable and similar charges	18	282

6 Taxation

a) Analysis of charge in the year

	2022	2021
	£'000	£'000
Current tax:		
Overseas tax suffered	-	-
Total tax charge for the year (see note 6 (b))	-	-

Aegon High Yield Bond Fund

Notes to the Financial Statements (continued)

6 Taxation (continued)

b) Factors affecting tax charge for the year

The tax assessed for the year is lower (2021: lower than) than the standard rate of corporation tax for Open Ended Investment Companies 'OEICs' (20^c

The differences are explained below:

	2022	2021
	£'000	£'000
Net revenue before taxation	21,331	18,536
Corporation tax 20% (2021: 20%)	4,266	3,707
Effects of:		
Tax deductible interest distributions	(4,266)	(3,707)
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:

	2022	2021
	£'000	£'000
Interim distributions	21,812	19,091
Final distribution	1,960	1,676
	23,772	20,767
Add: amounts deductible on cancellation of shares	263	250
Less: amounts receivable on creation of shares	(305)	(194)
Distributions	23,730	20,823

Details of the distributions are set out in the tables on pages 158 to 160.

b) Movement between net revenue and distribution

	2022	2021
	£'000	£'000
Net revenue after taxation	21,331	18,536
Expenses transferred to capital	2,328	2,286
Stock lending expenses transferred to capital	71	1
Distributions	23,730	20,823

8 Debtors

	2022	2021
	£'000	£'000
Accrued revenue	6,215	5,443
Amounts receivable for the issue of shares	510	965
Amounts receivable from clearing houses and brokers	560	-
Sales awaiting settlement	940	-
Debtors	8,225	6,408

9 Cash and bank balances

	2022	2021
	£'000	£'000
Amounts held at futures clearing houses and brokers*	-	1,380
Cash and bank balances	7,452	13,109
Money market deposits	3,181	-
Cash and bank balances	10,633	14,489

*Includes cash pledged as collateral of £Nil (2021: £1,020,000).

10 Bank overdrafts

	2022	2021
	£'000	£'000
Amounts held at futures clearing houses and brokers*	5,470	361
Bank overdrafts	5,470	361

*Includes cash pledged as collateral of £5,470,000 (2021: £Nil).

Aegon High Yield Bond Fund

Notes to the Financial Statements (continued)

11 Other creditors

	2022	2021
	£'000	£'000
Accrued ACD periodic charge	329	356
Accrued other expenses	122	100
Amounts payable for cancellation of shares	1,202	995
Purchases awaiting settlement	329	2,532
Other creditors	1,982	3,983

12 Related Parties

Related party interests in the sub-fund are disclosed in Note 6 of the Accounting Policies on page 17. Amounts due to the ACD as at year end for the ACD periodic charge and amounts due to the ACD for outstanding cancellations are disclosed in Note 11. Amounts receivable from the ACD as at year end for outstanding issue of shares are disclosed in Note 8. At the year-end 13.01% (2021: 15.32%) 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 2022 (2021: 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

	2022		2021	
	Market value £'000	Value of investments %	Market value £'000	Value of investments %
Investment grade	8,439	2.35	17,236	4.47
Below investment grade	318,566	88.91	351,084	90.79
Unrated	15,065	4.21	3,622	0.93
Derivatives	5,425	1.52	(1,319)	(0.34)
Portfolio of investments	347,495	96.99	370,623	95.85
Net other assets	10,792	3.01	16,049	4.15
Total net assets attributable to shareholders	358,287	100.00	386,672	100.00

Note - Investment grade bonds are defined as bonds 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% (2021: 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% (2021: 14.10%). As at the balance sheet date, the sub-fund's value at risk is 3.76% (2021: 1.75%).

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

	Lowest Utilisation (%)	Highest Utilisation (%)	Average Utilisation (%)
31 July 2022	1.72	4.22	2.50
31 July 2021	1.44	2.50	1.87

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 2022 the average leverage was 97.32% (2021: 94.47%).

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

Aegon High Yield Bond Fund

Notes to the Financial Statements (continued)

14 Financial instruments and risk (continued)

Counterparty risk

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

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

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

As at 31 July 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	-

As at 31 July 2021

Counterparty	Forward Foreign			
	Stock on loan	Exchange Contracts	Collateral pledge	
		Exposure	Stock	Cash
£'000	£'000	£'000	£'000	
Barclays	-	-	-	1,020
HSBC	757	-	783	-

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 2022	Value	Commissions	Other Costs*	
	£'000	£'000	%	£'000
Debt securities	216,182	-	-	-
Total	216,182	-	-	-
Total purchases including transaction costs	216,182			
31 July 2021				
Debt securities	279,145	-	-	-
Total	279,145	-	-	-
Total purchases including transaction costs	279,145			

Sales

31 July 2022	Value	Commissions	Other Costs*	
	£'000	£'000	%	£'000
Debt securities	211,251	-	-	-
Corporate actions	1,193	-	-	-
Equities	489	-	-	-
Total	212,933	-	-	-
Total sales net of transaction costs	212,933			
31 July 2021				
Debt securities	245,111	-	-	-
Corporate actions	3,683	-	-	-
Total	248,794	-	-	-
Total sales net of transaction costs	248,794			

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

Aegon High Yield Bond 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 0.39% (2021: 0.45%), 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	2022		2021	
	Assets £'000	Liabilities £'000	Assets £'000	Liabilities £'000
1 - Unadjusted quoted prices	-	-	-	-
2 - Observable market data	348,086	(591)	373,358	(2,735)
3 - Unobservable data	-	-	-	-
	348,086	(591)	373,358	(2,735)

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 143 to 146. The distribution per share class is given in the distribution tables on pages 158 to 160. All share classes have the same rights on winding up.

17 Share classes (continued)

Share class movement reconciliation

31 July 2022	Opening	Creations	Cancellations	Converted	Closing
B Accumulation	81,221,189	24,238,289	(24,586,400)	(14,140)	80,858,938
B Income	107,804,989	32,268,613	(21,823,956)	(293,169)	117,956,477
S Accumulation	1,344,498	1,176,393	(516,925)	20,263	2,024,229
S Income	9,032,366	6,867,317	(2,985,744)	311,518	13,225,457

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 24 November 2022 and the percentage movement in that period:

Net assets per share

	31 July 2022	24 November 2022	% Movement
B Accumulation	302.07	306.16	1.35
B Income	85.06	84.59	(0.56)
S Accumulation	111.69	113.24	1.38
S Income	86.46	86.00	(0.54)

Aegon High Yield Bond Fund

Distribution Tables

Share Class A Accumulation**

Period end	Pay date		Net Revenue	Equalisation*	Total Payable	2020/21 Total Paid
31/08/21	30/09/21	Group 1 Group 2	-	-	-	0.6102
30/09/21	31/10/21	Group 1 Group 2	-	-	-	0.6773
31/10/21	30/11/21	Group 1 Group 2	-	-	-	0.7155
30/11/21	31/12/21	Group 1 Group 2	-	-	-	0.6435
31/12/21	31/01/22	Group 1 Group 2	-	-	-	0.6289
31/01/22	28/02/22	Group 1 Group 2	-	-	-	0.6849
28/02/22	31/03/22	Group 1 Group 2	-	-	-	0.5941
31/03/22	30/04/22	Group 1 Group 2	-	-	-	0.6938
30/04/22	31/05/22	Group 1 Group 2	-	-	-	0.7591
31/05/22	30/06/22	Group 1 Group 2	-	-	-	0.5810

Share Class A Income**

Period end	Pay date		Net Revenue	Equalisation*	Total Payable	2020/21 Total Paid
31/08/21	30/09/21	Group 1 Group 2	-	-	-	0.2188
30/09/21	31/10/21	Group 1 Group 2	-	-	-	0.2419
31/10/21	30/11/21	Group 1 Group 2	-	-	-	0.2542
30/11/21	31/12/21	Group 1 Group 2	-	-	-	0.2276
31/12/21	31/01/22	Group 1 Group 2	-	-	-	0.2213
31/01/22	28/02/22	Group 1 Group 2	-	-	-	0.2400
28/02/22	31/03/22	Group 1 Group 2	-	-	-	0.2073
31/03/22	30/04/22	Group 1 Group 2	-	-	-	0.2418
30/04/22	31/05/22	Group 1 Group 2	-	-	-	0.2624
31/05/22	30/06/22	Group 1 Group 2	-	-	-	0.2039

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

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

**Share classes closed on 30 June 2021.

Aegon High Yield Bond Fund

Distribution Tables (continued)

Share Class B Accumulation

Period end	Pay date		Net Revenue	Equalisation*	Total Payable	2020/21 Total Paid
31/08/21	30/09/21	Group 1	1.5033	N/A	1.5033	1.3346
		Group 2	0.6508	0.8525		
30/09/21	31/10/21	Group 1	1.6555	N/A	1.6555	1.4821
		Group 2	0.7680	0.8875		
31/10/21	30/11/21	Group 1	1.4400	N/A	1.4400	1.5666
		Group 2	0.9054	0.5346		
30/11/21	31/12/21	Group 1	1.7859	N/A	1.7859	1.4098
		Group 2	0.9782	0.8077		
31/12/21	31/01/22	Group 1	1.4785	N/A	1.4785	1.3787
		Group 2	0.6954	0.7831		
31/01/22	28/02/22	Group 1	1.4866	N/A	1.4866	1.5023
		Group 2	0.6689	0.8177		
28/02/22	31/03/22	Group 1	1.4923	N/A	1.4923	1.3041
		Group 2	0.6212	0.8711		
31/03/22	30/04/22	Group 1	1.7406	N/A	1.7406	1.5210
		Group 2	1.6505	0.0901		
30/04/22	31/05/22	Group 1	1.8102	N/A	1.8102	1.6680
		Group 2	1.0741	0.7361		
31/05/22	30/06/22	Group 1	1.6698	N/A	1.6698	1.3037
		Group 2	0.4674	1.2024		
30/06/22	31/07/22	Group 1	1.8183	N/A	1.8183	1.6079
		Group 2	0.7056	1.1127		
31/07/22	31/08/22	Group 1	1.6495	N/A	1.6495	1.4340
		Group 2	0.7936	0.8559		

Share Class B Income

Period end	Pay date		Net Revenue	Equalisation*	Total Payable	2020/21 Total Paid
31/08/21	30/09/21	Group 1	0.4499	N/A	0.4499	0.4222
		Group 2	0.2185	0.2314		
30/09/21	31/10/21	Group 1	0.4932	N/A	0.4932	0.4667
		Group 2	0.2594	0.2338		
31/10/21	30/11/21	Group 1	0.4270	N/A	0.4270	0.4909
		Group 2	0.2092	0.2178		
30/11/21	31/12/21	Group 1	0.5273	N/A	0.5273	0.4397
		Group 2	0.3111	0.2162		
31/12/21	31/01/22	Group 1	0.4347	N/A	0.4347	0.4278
		Group 2	0.2144	0.2203		
31/01/22	28/02/22	Group 1	0.4348	N/A	0.4348	0.4643
		Group 2	0.2106	0.2242		
28/02/22	31/03/22	Group 1	0.4341	N/A	0.4341	0.4011
		Group 2	0.2457	0.1884		
31/03/22	30/04/22	Group 1	0.5043	N/A	0.5043	0.4659
		Group 2	0.1933	0.3110		
30/04/22	31/05/22	Group 1	0.5215	N/A	0.5215	0.5084
		Group 2	0.2783	0.2432		
31/05/22	30/06/22	Group 1	0.4786	N/A	0.4786	0.3953
		Group 2	0.1773	0.3013		
30/06/22	31/07/22	Group 1	0.5182	N/A	0.5182	0.4856
		Group 2	0.2058	0.3124		
31/07/22	31/08/22	Group 1	0.4671	N/A	0.4671	0.4312
		Group 2	0.1826	0.2845		

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	2020/21 Total Paid
31/08/21	30/09/21	Group 1	0.5552	N/A	0.5552	0.4924
		Group 2	0.0805	0.4747		
30/09/21	31/10/21	Group 1	0.6113	N/A	0.6113	0.5468
		Group 2	0.0322	0.5791		
31/10/21	30/11/21	Group 1	0.5319	N/A	0.5319	0.5777
		Group 2	0.5036	0.0283		
30/11/21	31/12/21	Group 1	0.6603	N/A	0.6603	0.5204
		Group 2	0.4774	0.1829		
31/12/21	31/01/22	Group 1	0.5530	N/A	0.5530	0.5089
		Group 2	0.1115	0.4415		
31/01/22	28/02/22	Group 1	0.5492	N/A	0.5492	0.5543
		Group 2	0.2366	0.3126		
28/02/22	31/03/22	Group 1	0.5513	N/A	0.5513	0.4814
		Group 2	0.2857	0.2656		
31/03/22	30/04/22	Group 1	0.6434	N/A	0.6434	0.5632
		Group 2	0.1772	0.4662		
30/04/22	31/05/22	Group 1	0.6690	N/A	0.6690	0.6157
		Group 2	0.2399	0.4291		
31/05/22	30/06/22	Group 1	0.6170	N/A	0.6170	0.4810
		Group 2	0.2782	0.3388		
30/06/22	31/07/22	Group 1	0.6721	N/A	0.6721	0.5937
		Group 2	0.2400	0.4321		
31/07/22	31/08/22	Group 1	0.6098	N/A	0.6098	0.5296
		Group 2	0.3495	0.2603		

Share Class S Income

Period end	Pay date		Net Revenue	Equalisation*	Total Payable	2020/21 Total Paid
31/08/21	30/09/21	Group 1	0.4570	N/A	0.4570	0.4284
		Group 2	0.2217	0.2353		
30/09/21	31/10/21	Group 1	0.5011	N/A	0.5011	0.4737
		Group 2	0.1850	0.3161		
31/10/21	30/11/21	Group 1	0.4338	N/A	0.4338	0.4983
		Group 2	0.3564	0.0774		
30/11/21	31/12/21	Group 1	0.5354	N/A	0.5354	0.4462
		Group 2	0.1340	0.4014		
31/12/21	31/01/22	Group 1	0.4454	N/A	0.4454	0.4343
		Group 2	0.3208	0.1246		
31/01/22	28/02/22	Group 1	0.4417	N/A	0.4417	0.4713
		Group 2	0.2744	0.1673		
28/02/22	31/03/22	Group 1	0.4413	N/A	0.4413	0.4070
		Group 2	0.2911	0.1502		
31/03/22	30/04/22	Group 1	0.5124	N/A	0.5124	0.4752
		Group 2	0.2687	0.2437		
30/04/22	31/05/22	Group 1	0.5300	N/A	0.5300	0.5163
		Group 2	0.3667	0.1633		
31/05/22	30/06/22	Group 1	0.4864	N/A	0.4864	0.4017
		Group 2	0.1533	0.3331		
30/06/22	31/07/22	Group 1	0.5266	N/A	0.5266	0.4934
		Group 2	0.1738	0.3528		
31/07/22	31/08/22	Group 1	0.4747	N/A	0.4747	0.4379
		Group 2	0.2819	0.1928		

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.

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 (12.03)% compared with the peer group median return of (12.10)%. The peer group is the Investment Association Sterling Corporate Bond sector.

Strategy review***

It was a very volatile period for bond markets, with both government and corporate bonds coming under significant pressure due mainly to the strong inflationary environment, particularly during the second half of the period. The causes of the higher inflation figures were manifold and including the opening-up of economies following the coronavirus pandemic, ongoing supply chain bottlenecks and, of course, the tragic war in Ukraine which resulted in a spike in food and energy prices.

Central banks acted to combat rising inflation by increasing interest rates, the clarity of their communication through this period was generally disappointing. During the second half of the period, however, it was clear that inflation was rising rapidly, with the result that both the US Federal Reserve and the Bank of England increased the magnitude of their rate rises.

The sub-fund's marginal outperformance against the peer group median was mainly due to actively managing interest rate risk. The sub-fund was not immune, however, to the very challenging conditions, which is highlighted by its negative absolute return over the period.

While we actively managed the level of interest rate risk throughout the period, we typically maintained a short position in the sub-fund. This position was beneficial, given the rise in yields witnessed over the period as a whole. As we moved into 2022, we continued adjust the sub-fund's overall risk positioning through the selective use of CDS indices. This made a small positive contribution to overall performance and was an effective method of quickly and cost-effectively adjusting the overall risk in the sub-fund.

Having de-risked the sub-fund further in early 2022, we believed the market had fallen far enough to offer an opportunity to add some credit risk back into the sub-fund in March and April. This move subsequently cost some performance as we were too early into this trade. In particular, our overweight exposure to BBB-rated credit – and cyclical names especially – detracted from performance.

In terms of stock selection, our continued lack of enthusiasm for generic valuations led us to limit trading activity to selective involvement in global primary markets (new issuance). Early in the period, we added value by taking profits in some of the higher-risk names that had benefited from the post-COVID-19 recovery, including sales of AerCap (in dollars) and Aeroporti di Roma (in euros). As the period progressed, however, our select exposure to the REITS sector and to hybrids and callable financials came under pressure, although these asset recovered some of their losses as the period came to an end.

The weakness was most apparent in subordinated financials which, given their higher-risk nature, tend to be hardest hit in such periods. Our holdings in Prudential and AXA, for example, subsequently suffered as corporate bond markets sold-off. There was nothing material at a stock-specific level behind the decline, but the somewhat indiscriminate sell-off in our bank and insurance holdings accounted for the majority of the sub-fund's underperformance.

Having benefited from our short position in interest rate risk, we added duration towards the end of the period (after the marked rise in gilt yields) in an effort to reduce the scale of the duration underweight.

We retain our cautious positioning as we enter a global interest rate tightening cycle and will continue to target individual market opportunities in this environment.

*Please note that the sub-fund's objective has been updated effective 28 July 2022. 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.

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 2022	Top ten sales	31 July 2022
	£'000		£'000
British American Tobacco 3% Perpetual	3,847	European Investment Bank 2.5% 31/10/2022	5,531
LCR Finance 5.1% 07/03/2051	3,587	Danske Bank 2.25% 14/01/2028	4,543
National Australia Bank 1.699% 15/09/2031	3,400	Wm Morrison Supermarkets 2.5% 01/10//2031	4,111
IG 3.125% 18/11/2028	3,390	Telereal Securitisation 5.9478% 10/12/2031	3,934
Prudential 2.95% 03/11/2033	3,063	MPT Operating Partnership 3.692% 05/06/2028	3,718
Enstar 3.1% 01/09/2031	2,975	Bishopsgate Asset Finance 4.808% 14/08/2044	3,614
RWE 2.75% 24/05/2030	2,433	Quadgas Finance 3.375% 17/09/2029	3,550
Teva Pharmaceutical Finance Netherlands II 3.75% 09/05/2027	2,382	Fairfax Financial 3.375% 03/03/2031	3,481
Virgin Money UK 8.25% Perpetual	2,200	National Australia Bank 1.699% 15/09/2031	3,329
Groupe des Assurances du Credit Mutuel 1.85% 21/04/2042	2,028	Santander 2.92% 08/05/2026	3,122

Aegon Investment Grade Bond Fund

Comparative Tables

A Accumulation shares**	2021	2020
	(p/share)	(p/share)
Change in net assets per share		
Opening net asset value per share	197.24	187.00
Return before operating charges*	6.96	12.66
Operating charges	(2.30)	(2.42)
Return after operating charges*	4.66	10.24
Distributions	(2.33)	(3.31)
Retained distributions on accumulation shares	2.33	3.31
Redemption value	(201.90)	-
Closing net asset value per share	-	197.24
*after direct transaction costs of	-	-
Performance		
Return after charges	2.36%	5.48%
Other information		
Closing net asset value (£'000)	-	3,736
Closing number of shares	-	1,893,837
Operating charges	-	1.28%
Direct transaction costs	-	-
Prices		
Highest share price	204.86	197.47
Lowest share price	195.90	171.66

A Income shares***	2021	2020
	(p/share)	(p/share)
Change in net assets per share		
Opening net asset value per share	130.30	125.68
Return before operating charges*	5.08	8.44
Operating charges	(1.60)	(1.62)
Return after operating charges*	3.48	6.82
Distributions	(1.55)	(2.20)
Retained distributions on accumulation shares	-	-
Redemption value	(132.23)	-
Closing net asset value per share	-	130.30
*after direct transaction costs of	-	-
Performance		
Return after charges	2.67%	5.43%
Other information		
Closing net asset value (£'000)	-	1
Closing number of shares	-	607
Operating charges	-	1.28%
Direct transaction costs	-	-
Prices		
Highest share price	134.70	130.98
Lowest share price	128.91	114.38

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 22 June 2021.

***Share class closed on 30 June 2021.

Aegon Investment Grade Bond Fund

Comparative Tables (continued)

B Accumulation shares	2022	2021	2020
	(p/share)	(p/share)	(p/share)
Change in net assets per share			
Opening net asset value per share	219.06	210.16	197.97
Return before operating charges*	(24.39)	10.04	13.49
Operating charges	(1.12)	(1.14)	(1.30)
Return after operating charges*	(25.51)	8.90	12.19
Distributions	(5.43)	(4.93)	(4.81)
Retained distributions on accumulation shares	5.43	4.93	4.81
Closing net asset value per share	193.55	219.06	210.16
*after direct transaction costs of	-	-	-
Performance			
Return after charges	(11.65)%	4.23%	6.16%
Other information			
Closing net asset value (£'000)	179,536	287,959	338,377
Closing number of shares	92,759,709	131,451,156	161,009,583
Operating charges	0.53%	0.53%	0.53%
Direct transaction costs	-	-	-
Prices			
Highest share price	220.07	219.65	210.40
Lowest share price	186.10	208.85	182.40

B Income shares	2022	2021	2020
	(p/share)	(p/share)	(p/share)
Change in net assets per share			
Opening net asset value per share	132.89	130.44	125.79
Return before operating charges*	(14.64)	6.18	8.50
Operating charges	(0.67)	(0.70)	(0.82)
Return after operating charges*	(15.31)	5.48	7.68
Distributions	(3.26)	(3.03)	(3.03)
Retained distributions on accumulation shares	-	-	-
Closing net asset value per share	114.32	132.89	130.44
*after direct transaction costs of	-	-	-
Performance			
Return after charges	(11.52)%	4.20%	6.11%
Other information			
Closing net asset value (£'000)	41,539	59,024	67,952
Closing number of shares	36,336,236	44,416,922	52,095,631
Operating charges	0.53%	0.53%	0.53%
Direct transaction costs	-	-	-
Prices			
Highest share price	133.49	135.07	131.36
Lowest share price	110.77	129.24	114.60

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)

D Accumulation shares****	2020 (p/share)
Change in net assets per share	
Opening net asset value per share	137.66
Return before operating charges*	6.79
Operating charges	(0.76)
Return after operating charges*	6.03
Distributions	(1.38)
Retained distributions on accumulation shares	1.38
Redemption value	(143.69)
Closing net asset value per share	-
*after direct transaction costs of	-
Performance	
Return after charges	4.38%
Other information	
Closing net asset value (£'000)	-
Closing number of shares	-
Operating charges	-
Direct transaction costs	-
Prices	
Highest share price	143.50
Lowest share price	137.70

D Income shares****	2020 (p/share)
Change in net assets per share	
Opening net asset value per share	116.03
Return before operating charges*	5.70
Operating charges	(0.64)
Return after operating charges*	5.06
Distributions	(1.16)
Retained distributions on accumulation shares	-
Redemption value	(119.93)
Closing net asset value per share	-
*after direct transaction costs of	-
Performance	
Return after charges	4.36%
Other information	
Closing net asset value (£'000)	-
Closing number of shares	-
Operating charges	-
Direct transaction costs	-
Prices	
Highest share price	120.40
Lowest share price	115.82

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 3 February 2020.

Aegon Investment Grade Bond Fund

Comparative Tables (continued)

S Accumulation shares	2022	2021	2020
	(p/share)	(p/share)	(p/share)
Change in net assets per share			
Opening net asset value per share	116.08	111.25	104.63
Return before operating charges*	(12.94)	5.32	7.14
Operating charges	(0.48)	(0.49)	(0.52)
Return after operating charges*	(13.42)	4.83	6.62
Distributions	(2.99)	(2.72)	(2.72)
Retained distributions on accumulation shares	2.99	2.72	2.72
Closing net asset value per share	102.66	116.08	111.25
*after direct transaction costs of	-	-	-
Performance			
Return after charges	(11.56)%	4.34%	6.33%
Other information			
Closing net asset value (£'000)	4,970	10,708	15,875
Closing number of shares	4,840,665	9,224,933	14,269,774
Operating charges	0.43%	0.43%	0.43%
Direct transaction costs	-	-	-
Prices			
Highest share price	116.61	116.39	111.38
Lowest share price	98.70	110.57	102.00

S Income shares	2022	2021	2020
	(p/share)	(p/share)	(p/share)
Change in net assets per share			
Opening net asset value per share	105.73	103.78	100.08
Return before operating charges*	(11.64)	4.92	6.78
Operating charges	(0.44)	(0.45)	(0.50)
Return after operating charges*	(12.08)	4.47	6.28
Distributions	(2.70)	(2.52)	(2.58)
Retained distributions on accumulation shares	-	-	-
Closing net asset value per share	90.95	105.73	103.78
*after direct transaction costs of	-	-	-
Performance			
Return after charges	(11.43)%	4.31%	6.27%
Other information			
Closing net asset value (£'000)	15,360	28,195	34,334
Closing number of shares	16,888,591	26,667,463	33,083,869
Operating charges	0.43%	0.43%	0.43%
Direct transaction costs	-	-	-
Prices			
Highest share price	106.21	107.48	104.54
Lowest share price	88.14	102.84	96.37

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 2022

Holding	Investment	Market valuation £'000	Total net assets %
Euro Denominated Bonds 8.02% (31 July 2021 10.19%)			
Asset Backed Security 0.61% (31 July 2021 0.45%)			
1,800,000	Channel Link Enterprises Finance 2.706% 30/06/2050	1,478	0.61
		1,478	0.61
Corporate Bonds 7.41% (31 July 2021 9.74%)			
1,600,000	BPCE 2.125% 13/10/2046	1,068	0.44
2,000,000	British American Tobacco 3% Perpetual	1,322	0.55
2,600,000	CaixaBank 6.75% Perpetual	2,176	0.90
1,300,000	Deutsche Bank 4% 24/06/2032	1,044	0.43
1,600,000	easyJet 1.875% 03/03/2028	1,155	0.48
2,100,000	Groupe des Assurances du Credit Mutuel 1.85% 21/04/2042	1,455	0.60
1,700,000	JPMorgan Chase 1.047% 04/11/2032	1,244	0.52
2,900,000	RWE 2.75% 24/05/2030	2,448	1.01
2,500,000	Teva Pharmaceutical Finance Netherlands II 3.75% 09/05/2027	1,948	0.81
1,300,000	VIA Outlets 1.75% 15/11/2028	954	0.40
1,900,000	Volkswagen International Finance 3.5% Perpetual	1,528	0.63
2,100,000	Volkswagen International Finance 4.375% Perpetual	1,550	0.64
		17,892	7.41
Sterling Denominated Bonds 76.69% (31 July 2021 75.81%)			
Asset Backed Security 8.06% (31 July 2021 8.60%)			
3,600,000	Arqiva Financing 4.882% 31/12/2032	2,679	1.11
1,500,000	Canary Wharf Finance II 6.8% 22/04/2030	849	0.35
2,700,000	Dignity Finance 4.6956% 31/12/2049*	2,369	0.98
3,300,000	Income Contingent Student Loans 2 2007-2009 2.5% 24/07/2058	2,370	0.98
4,200,000	Longstone Finance 4.791% 19/04/2030	1,921	0.80
1,305,000	Meadowhall Finance 4.986% 12/01/2032	798	0.33
6,100,000	Mitchells & Butlers Finance 5.574% 15/12/2030	1,902	0.79
6,200,000	Telereal Secured Finance 4.01% 10/12/2031	3,834	1.59
3,200,000	Tesco Property Finance No.2 6.0517% 13/10/2039	2,732	1.13
		19,454	8.06
Corporate Bonds 67.75% (31 July 2021 64.20%)			
300,000	AA 3.25% 31/07/2028	254	0.11
2,700,000	AMP Finance Services 6.875% 23/08/2022	2,690	1.11
3,300,000	Anchor Hanover 2% 21/07/2051	2,263	0.94
2,600,000	Anglian Water Osprey Financing 2% 31/07/2028	2,297	0.95
2,600,000	Anglian Water Services Financing 2.625% 15/06/2027	2,558	1.06
800,000	Annington Funding 4.75% 09/08/2033	800	0.33
1,300,000	APA Infrastructure 3.5% 22/03/2030	1,238	0.51
1,000,000	Assura Financing 1.5% 15/09/2030	854	0.35
1,300,000	AT&T 4.25% 01/06/2043	1,263	0.52
900,000	AT&T 5.2% 18/11/2033	993	0.41
1,800,000	Aviva 6.875% 20/05/2058	2,070	0.86
1,800,000	AXA 5.453% Perpetual	1,798	0.74
3,100,000	Bank of America 8.125% 02/06/2028	3,649	1.51
2,400,000	Bellis Acquisition 3.25% 16/02/2026	1,944	0.81
1,700,000	Blackstone Property Partners Europe 2.625% 20/10/2028	1,474	0.61
2,800,000	BNP Paribas 1.25% 13/07/2031	2,294	0.95
1,700,000	BNP Paribas 2% 24/05/2031	1,535	0.64
1,400,000	CaixaBank 1.5% 03/12/2026	1,276	0.53
1,655,000	Channel Link Enterprises Finance 3.043% 30/06/2050	1,551	0.64
2,400,000	Comcast 1.5% 20/02/2029	2,184	0.90
2,500,000	Coventry Building Society 2% 20/12/2030	2,167	0.90
1,000,000	CPUK Finance 4.5% 28/08/2027	897	0.37

Aegon Investment Grade Bond Fund

Portfolio Statement (continued)

Holding	Investment	Market valuation	Total net assets
		£'000	%
	Corporate Bonds (continued)		
2,700,000	CPUK Finance 6.5% 28/08/2026	2,552	1.06
3,200,000	Credit Suisse 2.25% 09/06/2028	2,820	1.17
3,300,000	Deutsche Bank 1.875% 22/12/2028	2,823	1.17
600,000	Direct Line Insurance 4% 05/06/2032	544	0.23
2,200,000	DS Smith 2.875% 26/07/2029	2,023	0.84
2,700,000	DWR Cymru Financing UK 1.375% 31/03/2033	2,253	0.93
3,200,000	DWR Cymru Financing UK 1.625% 31/03/2026	3,063	1.27
1,800,000	E.ON International Finance 5.875% 30/10/2037	2,098	0.87
900,000	E.ON International Finance 6.375% 07/06/2032	1,087	0.45
1,800,000	Electricite de France 6% Perpetual	1,678	0.69
3,200,000	Esure 6.75% 19/12/2024	3,251	1.35
2,200,000	Fidelity National Information Services 3.36% 21/05/2031	2,103	0.87
2,900,000	Goldman Sachs 1.5% 07/12/2027	2,595	1.07
1,600,000	Grainger 3% 03/07/2030	1,378	0.57
500,000	GSK Consumer Healthcare Capital UK 2.875% 29/10/2028	493	0.20
500,000	GSK Consumer Healthcare Capital UK 3.375% 29/03/2038	472	0.20
1,300,000	Heathrow Funding 6.45% 10/12/2031	1,538	0.64
2,200,000	HSBC 6% 29/03/2040	2,334	0.97
1,400,000	HSBC Capital 5.844% Perpetual	1,649	0.68
3,000,000	IG 3.125% 18/11/2028	2,596	1.08
1,800,000	Imperial Brands Finance 5.5% 28/09/2026	1,854	0.77
2,200,000	Intesa Sanpaolo 2.5% 15/01/2030	1,900	0.79
2,700,000	Investec 4.25% 24/07/2028	2,656	1.10
3,100,000	KFW 5.75% 07/06/2032	4,043	1.67
2,500,000	Korian 4.125% Perpetual	1,910	0.79
1,600,000	LCR Finance 5.1% 07/03/2051	2,332	0.97
2,700,000	Legal & General 3.75% 26/11/2049	2,467	1.02
2,400,000	Legal & General 5.125% 14/11/2048	2,411	1.00
2,342,000	Lloyds Banking 2.707% 03/12/2035	1,978	0.82
2,200,000	Logicor 1.875% 17/11/2026	2,084	0.86
3,100,000	M&G 5.56% 20/07/2055	2,953	1.22
1,300,000	McDonald's 3.75% 31/05/2038	1,294	0.54
2,000,000	National Express 4.25% Perpetual	1,787	0.74
1,100,000	Nats En Route 1.75% 30/09/2033	951	0.39
1,700,000	NatWest 2.105% 28/11/2031	1,511	0.63
1,300,000	NatWest 3.622% 14/08/2030	1,250	0.52
1,000,000	NatWest 5.125% Perpetual	888	0.37
3,000,000	Orsted 2.5% 16/05/2033	2,749	1.14
1,600,000	Paragon Treasury 2% 07/05/2036	1,317	0.55
1,500,000	Pension Insurance 6.5% 03/07/2024	1,552	0.64
1,500,000	Pension Insurance 8% 23/11/2026	1,668	0.69
1,600,000	Phoenix 6.625% 18/12/2025	1,669	0.69
1,000,000	Prologis International Funding II 2.75% 22/02/2032	919	0.38
2,500,000	RAC 4.87% 06/05/2026	2,458	1.02
1,700,000	Realty Income 1.75% 13/07/2033	1,371	0.57
1,200,000	Rentokil Initial 5% 27/06/2032	1,278	0.53
3,700,000	Rothsay Life 3.375% 12/07/2026	3,491	1.45
3,600,000	Sage 1.625% 25/02/2031	3,057	1.27
2,300,000	Sainsbury's Bank 6% 23/11/2027	2,272	0.94
1,400,000	Sanctuary Capital 2.375% 14/04/2050	1,035	0.43
1,400,000	Scottish Hydro Electric Transmission 2.25% 27/09/2035	1,152	0.48
1,200,000	South Eastern Power Networks 1.75% 30/09/2034	977	0.40
1,300,000	SSE 6.25% 27/08/2038	1,608	0.67
1,800,000	Thames Water Utilities Finance 2.375% 22/04/2040	1,385	0.57
1,800,000	Thames Water Utilities Finance 2.625% 24/01/2032	1,645	0.68
2,200,000	UBS Jersey 8.75% 18/12/2025	2,525	1.05
700,000	Vattenfall 2.5% 29/06/2083	565	0.23
3,500,000	Verizon Communications 1.875% 19/09/2030	3,117	1.29

Aegon Investment Grade Bond Fund

Portfolio Statement (continued)

Holding	Investment	Market valuation £'000	Total net assets %
Corporate Bonds (continued)			
1,400,000	Virgin Money UK 7.875% 14/12/2028	1,435	0.59
2,200,000	Virgin Money UK 8.25% Perpetual	2,124	0.88
3,100,000	Western Power Distribution 3.5% 16/10/2026	3,117	1.29
1,850,000	Whitbread 3% 31/05/2031	1,591	0.66
5,800,000	Yorkshire Water Finance 3.75% 22/03/2046	5,795	2.40
		163,540	67.75
Government Bonds 0.88% (31 July 2021 3.01%)			
2,450,000	United Kingdom Gilt 1.75% 22/07/2057	2,114	0.88
		2,114	0.88
United States Dollar Denominated Bonds 11.02% (31 July 2021 11.95%)			
Corporate Bonds 11.02% (31 July 2021 11.95%)			
2,700,000	AerCap 5.875% 10/10/2079	1,967	0.81
2,000,000	Allianz 3.2% Perpetual	1,264	0.52
700,000	APA Infrastructure 4.25% 15/07/2027	569	0.24
3,100,000	AXA 6.379% Perpetual	2,893	1.20
600,000	Barclays 4.375% Perpetual	401	0.17
5,000,000	Electricite de France 4.5% 04/12/2069	3,410	1.41
1,800,000	Enstar 3.1% 01/09/2031	1,191	0.49
1,200,000	HSBC 4.95% 31/03/2030	997	0.41
3,238,000	JPMorgan Chase 6.27586% Perpetual	2,651	1.10
3,800,000	Prudential 2.95% 03/11/2033	2,603	1.08
1,500,000	Prudential 3.125% 14/04/2030	1,141	0.47
4,000,000	QBE Insurance 6.75% 02/12/2044	3,323	1.38
1,400,000	Santos Finance 3.649% 29/04/2031	995	0.41
1,400,000	Standard Chartered 4.644% 01/04/2031	1,117	0.46
3,200,000	UniCredit 3.127% 03/06/2032	2,092	0.87
		26,614	11.02
Derivatives and Futures Contracts (0.09)% (31 July 2021 (0.10)%)			
Forward Foreign Exchange Contracts 0.31% (31 July 2021 (0.01)%)			
	Bought EUR 1,000,000 Sold GBP 862,556 15/09/2022	(20)	(0.01)
	Bought GBP 19,580,390 Sold EUR 22,550,000 15/09/2022	580	0.24
	Bought GBP 28,266,915 Sold USD 34,200,000 15/09/2022	223	0.09
	Bought GBP 730,605 Sold USD 900,000 15/09/2022	(7)	-
	Bought USD 1,000,000 Sold GBP 824,560 15/09/2022	(5)	-
	Bought USD 1,500,000 Sold GBP 1,255,262 15/09/2022	(25)	(0.01)
		746	0.31
Futures Contracts (0.40)% (31 July 2021 (0.09)%)			
(140)	EURO Bund Future Contract September 2022	(658)	(0.27)
485	Long Gilt Future Contract September 2022	19	0.01
(240)	US 10 Year Ultra Future Contract September 2022	(328)	(0.14)
		(967)	(0.40)
Portfolio of investments**			
	Net other assets	230,871	95.64
		10,534	4.36
	Total net assets attributable to shareholders	241,405	100.00

Aegon Investment Grade Bond Fund

Portfolio Statement (continued)

Analysis of investments by asset class

	Market value £'000	Value of investments %
Bonds	231,092	95.73
Derivatives	(221)	(0.09)
Portfolio of investments**	230,871	95.64
Net other assets	10,534	4.36
Total net assets attributable to shareholders	241,405	100.00

Comparative percentage figures in brackets are at 31 July 2021.

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

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

** Includes investment liabilities.

Aegon Investment Grade Bond Fund

Statement of Total Return for the year ended 31 July 2022

	Note	£'000	2022 £'000	£'000	2021 £'000
Income					
Net capital (losses)/gains	2		(46,370)		7,663
Revenue	3	9,978		11,900	
Expenses	4	(1,666)		(2,200)	
Interest payable and similar charges		(7)		(13)	
Net revenue before taxation		8,305		9,687	
Taxation	5	(11)		(15)	
Net revenue after taxation			8,294		9,672
Total return before distributions			(38,076)		17,335
Distributions	6		(8,294)		(9,676)
Change in net assets attributable to shareholders from investment activities			(46,370)		7,659

Statement of Change in Net Assets Attributable to Shareholders for the year ended 31 July 2022

	£'000	2022 £'000	£'000	2021 £'000
Opening net assets attributable to shareholders		385,886		460,275
Amounts receivable on issue of shares	20,957		51,815	
Amounts payable on cancellation of shares	(125,451)		(141,574)	
		(104,494)		(89,759)
Dilution adjustment		325		463
Change in net assets attributable to shareholders from investment activities		(46,370)		7,659
Retained distribution on accumulation shares		6,058		7,248
Closing net assets attributable to shareholders		241,405		385,886

Aegon Investment Grade Bond Fund

Balance Sheet as at 31 July 2022

	Note	£'000	2022 £'000	£'000	2021 £'000
Assets					
Fixed assets:					
Investments			231,914		379,267
Current assets:					
Debtors	7	2,959		5,612	
Cash and bank balances	8	<u>10,996</u>		<u>6,742</u>	
			<u>13,955</u>		<u>12,354</u>
Total assets			245,869		391,621
Liabilities					
Investment liabilities					
			1,043		1,672
Creditors					
Bank overdrafts	9	1,039		247	
Distributions payable		446		501	
Other creditors	10	<u>1,936</u>		<u>3,315</u>	
Total liabilities			<u>4,464</u>		<u>5,735</u>
Net assets attributable to shareholders			241,405		385,886

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)/gains

Net capital (losses)/gains comprise:

	2022	2021
	£'000	£'000
(Losses)/gains on non-derivative securities	(41,686)	3,308
(Losses)/gains on forward currency contracts	(4,578)	5,502
Currency exchange gains	169	64
Losses on derivative securities	(275)	(1,211)
Net capital (losses)/gains	(46,370)	7,663

3 Revenue

	2022	2021
	£'000	£'000
Interest on debt securities	9,687	11,848
Bank interest	16	-
Derivative revenue	246	52
Stock lending income*	29	-
Total revenue	9,978	11,900

*The sub-fund received 72% of the revenue returns from stock lending activities. The gross earnings for the year are £41,000 (2021: Nil) and expenses paid of £12,000 (2021: Nil).

4 Expenses*

	2022	2021
	£'000	£'000
Payable to the ACD, associates of the ACD and agents of either of them:		
ACD's periodic charge	1,568	2,078
Payable to the Depositary, associates of the Depositary and agents of either of them:		
Depositary fee	37	56
Other expenses:		
Audit fee**	16	12
FT publishing fee	3	3
KIID fee	-	1
PRIPs fees	3	6
Registrar's fee	27	29
Safe custody charge	12	15
	61	66
Total expenses	1,666	2,200

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

**The audit fee (excluding VAT) incurred during the year was £13,731 (2021: £12,190).

5 Taxation

a) Analysis of charge in the year

	2022	2021
	£'000	£'000
Current tax:		
Overseas tax suffered	11	15
Total tax charge for the year (see note 5 (b))	11	15

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 (2021: lower than) the standard rate of corporation tax for Open Ended Investment Companies 'OEICs' (20%).

The differences are explained below:

	2022	2021
	£'000	£'000
Net revenue before taxation	8,305	9,687
Corporation tax 20% (2021: 20%)	1,661	1,938
Effects of:		
Overseas tax suffered	11	15
Relief on overseas tax suffered	(2)	(3)
Tax deductible interest distributions	(1,659)	(1,935)
Total tax charge for the year (see note 5 (a))	11	15

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:

	2022	2021
	£'000	£'000
Interim distributions	6,042	7,233
Final distribution	1,869	2,187
	7,911	9,420
Add: amounts deductible on cancellation of shares	451	403
Less: amounts receivable on creation of shares	(68)	(147)
Distributions	8,294	9,676

Details of the distributions are set out in the tables on pages 179 and 180.

b) Movement between net revenue and distribution

	2022	2021
	£'000	£'000
Net revenue after taxation	8,294	9,672
Equalisation on conversions	-	4
Distributions	8,294	9,676

7 Debtors

	2022	2021
	£'000	£'000
Accrued revenue	2,672	3,680
Amounts receivable for the issue of shares	129	219
Sales awaiting settlement	158	1,713
Debtors	2,959	5,612

8 Cash and bank balances

	2022	2021
	£'000	£'000
Amounts held at futures clearing houses and brokers	3,992	2,380
Cash and bank balances	1,185	4,362
Money market deposits	5,819	-
Cash and bank balances	10,996	6,742

Aegon Investment Grade Bond Fund

Notes to the Financial Statements (continued)

9 Bank overdrafts

	2022	2021
	£'000	£'000
Amounts held at futures clearing houses and brokers*	1,039	247
Bank overdrafts	1,039	247

*Includes cash pledged as collateral of £670,000 (2021: Nil).

10 Other creditors

	2022	2021
	£'000	£'000
Accrued ACD periodic charge	200	320
Accrued other expenses	55	53
Amounts payable for cancellation of shares	881	1,002
Purchases awaiting settlement	800	1,940
Other creditors	1,936	3,315

11 Related parties

Related party interests in the sub-fund are disclosed in Note 6 of the Accounting Policies on page 17. Amounts due to the ACD as at year end for the ACD periodic charge and amounts due to the ACD for outstanding cancellations are disclosed in Note 10. Amounts receivable from the ACD as at year end for outstanding issue of shares are disclosed in Note 7. At the year-end 10.41% (2021: 8.76%) 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 2022 (2021: 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

	2022		2021	
	Market value £'000	Value of investments %	Market value £'000	Value of investments %
Investment grade	177,761	73.64	302,200	78.30
Below investment grade	29,226	12.10	48,397	12.55
Unrated	24,105	9.99	27,402	7.10
Derivatives	(221)	(0.09)	(404)	(0.10)
Portfolio of investments	230,871	95.64	377,595	97.85
Net other assets	10,534	4.36	8,291	2.15
Total net assets attributable to shareholders	241,405	100.00	385,886	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% (2021: 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% (2021: 14.10%). As at the balance sheet date, the sub-fund's value at risk is 3.00% (2021: 2.00%).

Aegon Investment Grade Bond Fund

Notes to the Financial Statements (continued)

13 Financial instruments and risk (continued)

VaR Disclosure (continued)

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

	Lowest Utilisation (%)	Highest Utilisation (%)	Average Utilisation (%)
31 July 2022	1.76	3.17	2.23
31 July 2021	1.79	2.35	2.07

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 2022 date the average leverage was 53.64% (2021: 42.72%).

Counterparty risk

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

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

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 2022

Counterparty	Forward Foreign				
	Stock on loan	Futures Exposure	Exchange Contracts Exposure	Collateral pledge Stock	Cash
	£'000	£'000	£'000	£'000	£'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	-

As at 31 July 2021

Counterparty	Forward Foreign				
	Stock on loan	Futures Exposure	Exchange Contracts Exposure	Collateral pledge Stock	Cash
	£'000	£'000	£'000	£'000	£'000
Barclays	-	-	7	-	-
BNP Paribas	415	-	-	434	-
HSBC	207	-	-	220	-

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 2022	Value	Commissions	Other Costs*	
	£'000	£'000	%	£'000
Debt securities	62,896	-	-	-
Total	62,896	-	-	-
Total purchases including transaction costs	62,896			
31 July 2021				
Debt securities	200,874	-	-	-
Total	200,874	-	-	-
Total purchases including transaction costs	200,874			

*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)

Sales

31 July 2022	Value	Commissions	%	Other Costs*	%
	£'000	£'000		£'000	
Debt securities	164,711	-	-	-	-
Corporate actions	1,680	-	-	-	-
Total	166,391	-		-	
Total sales net of transaction costs	166,391				
31 July 2021					
Debt securities	258,091	-	-	-	-
Corporate actions	1,929	-	-	-	-
Total	260,020	-		-	
Total sales net of transaction costs	260,020				

Derivatives

31 July 2022	Commissions
	£'000
Futures	16
31 July 2021	
Futures	8

*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 0.83% (2021: 0.58%), 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	2022		2021	
	Assets £'000	Liabilities £'000	Assets £'000	Liabilities £'000
1 - Unadjusted quoted prices	2,133	(986)	6,646	(1,062)
2 - Observable market data	229,781	(57)	372,621	(610)
3 - Unobservable data	-	-	-	-
	231,914	(1,043)	379,267	(1,672)

Aegon Investment Grade Bond Fund

Notes to the Financial Statements (continued)

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 163 to 166. The distribution per share class is given in the distribution tables on pages 179 and 180. All share classes have the same rights on winding up.

Share class movement reconciliation

31 July 2022	Opening	Creations	Cancellations	Converted	Closing
B Accumulation	131,451,156	8,114,514	(46,711,442)	(94,519)	92,759,709
B Income	44,416,922	2,026,953	(10,197,508)	89,869	36,336,236
S Accumulation	9,224,933	1,186,813	(5,630,654)	59,573	4,840,665
S Income	26,667,463	414,145	(10,210,737)	17,720	16,888,591

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 24 November 2022 and the percentage movement in that period:

Net assets per share

	31 July 2022	24 November 2022	% Movement
B Accumulation	193.55	183.07	(5.42)
B Income	114.32	107.21	(6.22)
S Accumulation	102.66	97.13	(5.39)
S Income	90.95	85.30	(6.21)

During the period from the balance sheet date to 24 November 2022, the net asset value of the sub-fund decreased by 13.73%. This decrease is primarily driven by overall levels of net redemptions within the sub-fund.

The table below shows net redemptions between 31 July 2022 and 24 November 2022 as a percentage of the balance sheet date NAV for share classes with significant movements. This change is reflective of conditions that arose after the year end and hence is considered a non-adjusting event.

Share class

	% Movement
S Income	(27.37)

Aegon Investment Grade Bond Fund

Distribution Tables

Share Class A Accumulation**

Period end	Pay date		Net Revenue	Equalisation*	Total Payable	2020/21 Total Paid
31/10/21	31/12/21	Group 1	-	-	-	0.8631
		Group 2				
31/01/22	31/03/22	Group 1	-	-	-	0.7490
		Group 2				
30/04/22	30/06/22	Group 1	-	-	-	0.7203
		Group 2				

Share Class A Income***

Period end	Pay date		Net Revenue	Equalisation*	Total Payable	2020/21 Total Paid
31/10/21	31/12/21	Group 1	-	-	-	0.5738
		Group 2				
31/01/22	31/03/22	Group 1	-	-	-	0.5012
		Group 2				
30/04/22	30/06/22	Group 1	-	-	-	0.4716
		Group 2				

Share Class B Accumulation

Period end	Pay date		Net Revenue	Equalisation*	Total Payable	2020/21 Total Paid
31/10/21	31/12/21	Group 1	1.2960	N/A	1.2960	1.3206
		Group 2	0.6717	0.6243		
31/01/22	31/03/22	Group 1	1.3337	N/A	1.3337	1.2101
		Group 2	0.6945	0.6392		
30/04/22	30/06/22	Group 1	1.3092	N/A	1.3092	1.1631
		Group 2	0.6730	0.6362		
31/07/22	30/09/22	Group 1	1.4915	N/A	1.4915	1.2343
		Group 2	0.7312	0.7603		

Share Class B Income

Period end	Pay date		Net Revenue	Equalisation*	Total Payable	2020/21 Total Paid
31/10/21	31/12/21	Group 1	0.7862	N/A	0.7862	0.8196
		Group 2	0.5169	0.2693		
31/01/22	31/03/22	Group 1	0.8042	N/A	0.8042	0.7467
		Group 2	0.3812	0.4230		
30/04/22	30/06/22	Group 1	0.7847	N/A	0.7847	0.7134
		Group 2	0.3133	0.4714		
31/07/22	30/09/22	Group 1	0.8878	N/A	0.8878	0.7531
		Group 2	0.4388	0.4490		

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

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

**Share class closed on 22 June 2021.

***Share class closed on 30 June 2021.

Aegon Investment Grade Bond Fund

Distribution Tables (continued)

Share Class S Accumulation

Period end	Pay date		Net Revenue	Equalisation*	Total Payable	2020/21 Total Paid
31/10/21	31/12/21	Group 1	0.7160	N/A	0.7160	0.7274
		Group 2	0.3686	0.3474		
31/01/22	31/03/22	Group 1	0.7358	N/A	0.7358	0.6699
		Group 2	0.2294	0.5064		
30/04/22	30/06/22	Group 1	0.7207	N/A	0.7207	0.6428
		Group 2	0.3828	0.3379		
31/07/22	30/09/22	Group 1	0.8158	N/A	0.8158	0.6828
		Group 2	0.4292	0.3866		

Share Class S Income

Period end	Pay date		Net Revenue	Equalisation*	Total Payable	2020/21 Total Paid
31/10/21	31/12/21	Group 1	0.6521	N/A	0.6521	0.6785
		Group 2	0.5386	0.1135		
31/01/22	31/03/22	Group 1	0.6661	N/A	0.6661	0.6209
		Group 2	0.2326	0.4335		
30/04/22	30/06/22	Group 1	0.6484	N/A	0.6484	0.5929
		Group 2	0.1884	0.4600		
31/07/22	30/09/22	Group 1	0.7294	N/A	0.7294	0.6258
		Group 2	0.1746	0.5548		

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 (11.16)% compared to the peer group median return of (12.10)%. The peer group is the Investment Association Sterling Corporate Bond sector.

Strategy review***

It was a very volatile period for bond markets, with both government and corporate bonds coming under significant pressure due mainly to the strong inflationary environment, particularly during the second half of the period. The causes of the higher inflation figures were manifold and included the opening-up of economies following the coronavirus pandemic, ongoing supply chain bottlenecks and, of course, the tragic war in Ukraine which resulted in a spike in food and energy prices.

Central banks acted to combat rising inflation by increasing interest rates, although the clarity of their communications through this period was generally disappointing. During the second half of the period, however, it was clear that inflation was rising rapidly, with the result that both the US Federal Reserve and the Bank of England increased the magnitude of their rate rises.

While the sub-fund outperformed its peer group median it was not immune to the significant sell-off in bond markets, which is reflected in the sub-fund's negative absolute return for the period as a whole.

In general, we held a relatively defensive position, particularly during the second half of the period, which can be partially attributed to the impact of the ethical screen. This positioning added some relative value given the extent to which markets came under pressure.

Unsurprisingly, given the move higher in yields, the best performing holdings in the sub-fund were predominantly short-dated in nature, including bonds from Center Parcs and Esure. In terms of interest rate risk positioning, at the start of the period we were generally positioned for higher yields. We subsequently reduced our exposure to interest rate risk further as we moved into 2022, which was also beneficial to relative performance.

During the April/May period, however, we began to increase slightly the level of corporate bond risk in the sub-fund, which was detrimental to performance given the remainder of the period was extremely weak for fixed income markets. At the same time we reduced our short duration position, mainly by purchasing green gilts, which was motivated by our belief that the significant move in expectations for rate hikes was unwarranted given our reading of the domestic economic fundamentals.

Given the sell-off seen in bond markets, the sub-fund's exposure to subordinated financial bonds also came under pressure, given their higher-risk nature. Our holdings in NatWest, Nationwide Building Society and M&G were the notable underperformers in this area. In general, the poorest performing assets were typically the sub-fund's longer-dated holdings, and included bonds from Vodafone and Legal & General, as well as select long-dated bonds issued by Housing Associations.

By the end of the period bond markets recovered some of their previous losses and we subsequently increased our exposure to overall credit risk by reducing our position in UK green gilts.

We retain a cautious positioning as we navigate the remainder of what has been a very difficult year for markets.

*Please note that the sub-fund's objective has been updated effective 28 July 2022. 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.

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 2022	Top ten sales	31 July 2022
	£'000		£'000
United Kingdom Gilt 0.875% 31/07/2033	42,106	United Kingdom Gilt 0.875% 31/07/2033	33,111
Nordea Bank 1.625% 09/12/2032	7,285	QBE Insurance 6.115% 24/05/2042	5,800
QBE Insurance 6.115% 24/05/2042	5,889	Muenchener Rueckversicherungs 6.625% 26/05/2042	5,600
Yorkshire Building Society 1.5% 15/09/2029	5,858	Fiserv 3% 01/07/2031	5,225
South Eastern Power Networks 1.75% 30/09/2034	5,803	Metropolitan Housing Trust 1.875% 28/07/2036	5,138
Cooperatieve Rabobank 1.875% 12/07/2028	5,493	AXA 5.625% 16/01/2054	4,962
Derwent London 1.875% 17/11/2031	4,874	American International 5% 26/04/2023	4,121
Omnicom Capital 2.25% 22/11/2033	4,576	Vodafone 4.875% 03/10/2078	3,965
Zurich Finance (UK) 6.625% Perpetual	4,374	Southern Gas Networks 4.875% 05/10/2023	3,718
Aviva 6.125% Perpetual	4,339	United Kingdom Gilt 1.5% 31/07/2053	3,612

Aegon Ethical Corporate Bond Fund

Comparative Tables

A Accumulation shares**	2021	2020
	(p/share)	(p/share)
Change in net assets per share		
Opening net asset value per share	238.15	226.97
Return before operating charges*	6.75	13.55
Operating charges	(2.27)	(2.37)
Return after operating charges*	4.48	11.18
Distributions	-	(5.06)
Retained distributions on accumulation shares	-	5.06
Redemption value	(242.63)	-
Closing net asset value per share	-	238.15
*after direct transaction costs of	-	-
Performance		
Return after charges	1.88%	4.93%
Other information		
Closing net asset value (£'000)	-	10,331
Closing number of shares	-	4,337,793
Operating charges	-	1.03%
Direct transaction costs	-	-
Prices		
Highest share price	247.47	239.65
Lowest share price	237.35	212.76

A Income shares***	2021	2020
	(p/share)	(p/share)
Change in net assets per share		
Opening net asset value per share	119.98	116.85
Return before operating charges*	1.13	6.92
Operating charges	(1.11)	(1.21)
Return after operating charges*	0.02	5.71
Distributions	-	(2.58)
Retained distributions on accumulation shares	-	-
Redemption value	(120.00)	-
Closing net asset value per share	-	119.98
*after direct transaction costs of	-	-
Performance		
Return after charges	0.02%	4.89%
Other information		
Closing net asset value (£'000)	-	299
Closing number of shares	-	248,899
Operating charges	-	1.03%
Direct transaction costs	-	-
Prices		
Highest share price	124.01	122.05
Lowest share price	118.61	108.35

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.

**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	2022	2021	2020
	(p/share)	(p/share)	(p/share)
Change in net assets per share			
Opening net asset value per share	218.42	211.45	200.46
Return before operating charges*	(22.56)	8.00	12.03
Operating charges	(0.99)	(1.03)	(1.04)
Return after operating charges*	(23.55)	6.97	10.99
Distributions	(4.92)	(5.36)	(5.56)
Retained distributions on accumulation shares	4.92	5.36	5.56
Closing net asset value per share	194.87	218.42	211.45
*after direct transaction costs of	-	-	-
Performance			
Return after charges	(10.78)%	3.30%	5.48%
Other information			
Closing net asset value (£'000)	316,454	323,257	251,610
Closing number of shares	162,394,688	147,995,074	118,995,297
Operating charges	0.48%	0.48%	0.48%
Direct transaction costs	-	-	-
Prices			
Highest share price	221.03	220.24	212.66
Lowest share price	188.47	210.82	188.53

B Income shares	2022	2021	2020
	(p/share)	(p/share)	(p/share)
Change in net assets per share			
Opening net asset value per share	108.43	107.61	104.80
Return before operating charges*	(11.09)	4.04	6.23
Operating charges	(0.49)	(0.52)	(0.54)
Return after operating charges*	(11.58)	3.52	5.69
Distributions	(2.42)	(2.70)	(2.88)
Retained distributions on accumulation shares	-	-	-
Closing net asset value per share	94.43	108.43	107.61
*after direct transaction costs of	-	-	-
Performance			
Return after charges	(10.68)%	3.27%	5.43%
Other information			
Closing net asset value (£'000)	165,005	233,224	193,187
Closing number of shares	174,742,238	215,087,978	179,525,858
Operating charges	0.48%	0.48%	0.48%
Direct transaction costs	-	-	-
Prices			
Highest share price	109.73	111.34	109.53
Lowest share price	91.93	106.42	97.25

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

Comparative Tables (continued)

D Accumulation shares****	2020 (p/share)
Change in net assets per share	
Opening net asset value per share	131.32
Return before operating charges*	5.98
Operating charges	(0.56)
Return after operating charges*	5.42
Distributions	(1.63)
Retained distributions on accumulation shares	1.63
Redemption value	(136.74)
Closing net asset value per share	-
*after direct transaction costs of	-
Performance	
Return after charges	4.12%
Other information	
Closing net asset value (£'000)	-
Closing number of shares	-
Operating charges	-
Direct transaction costs	-
Prices	
Highest share price	136.98
Lowest share price	131.91

D Income shares****	2020 (p/share)
Change in net assets per share	
Opening net asset value per share	109.01
Return before operating charges*	4.94
Operating charges	(0.46)
Return after operating charges*	4.48
Distributions	(1.35)
Retained distributions on accumulation shares	-
Redemption value	(112.14)
Closing net asset value per share	-
*after direct transaction costs of	-
Performance	
Return after charges	4.11%
Other information	
Closing net asset value (£'000)	-
Closing number of shares	-
Operating charges	-
Direct transaction costs	-
Prices	
Highest share price	113.02
Lowest share price	109.03

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 3 February 2020.

Aegon Ethical Corporate Bond Fund

Portfolio Statement

The sub-fund's investments as at 31 July 2022

Holding	Investment	Market Valuation £'000	Total net assets %
Sterling Denominated Bonds 98.40% (31 July 2021 93.38%)			
Asset Backed Security 8.63% (31 July 2021 10.41%)			
3,750,000	Arqiva Financing 4.882% 31/12/2032	2,791	0.58
3,505,000	Canary Wharf Finance II 6.8% 22/04/2030	1,983	0.41
3,400,000	Channel Link Enterprises Finance 3.848% 30/06/2050	3,052	0.63
3,000,000	Dignity Finance 4.6956% 31/12/2049*	2,632	0.55
3,900,000	Greater Gabbard 4.137% 29/11/2032	2,989	0.62
2,000,000	High Speed Rail Finance No.1 4.375% 01/11/2038	2,152	0.45
3,233,000	Income Contingent Student Loans 2 2007-2009 2.5% 24/07/2058	2,322	0.48
1,540,000	Meadowhall Finance 4.986% 12/01/2032	942	0.19
1,800,000	Swan Housing Capital 3.625% 05/03/2048	1,650	0.34
2,900,000	TC Dudgeon Ofto 3.158% 12/11/2038	2,638	0.55
4,900,000	Telereal Secured Finance 4.01% 10/12/2031	3,030	0.63
3,000,000	Telereal Securitisation 6.1645% 10/12/2031	2,887	0.60
3,000,000	Trafford Centre Finance 6.5% 28/07/2033	2,327	0.48
1,200,000	Trafford Centre Finance 7.03% 28/01/2029	476	0.10
5,300,000	Transport for London 5% 31/03/2035	5,827	1.21
4,300,000	White City Property Finance 5.1202% 17/04/2035	3,882	0.81
		41,580	8.63
Corporate Bonds 87.19% (31 July 2021 82.30%)			
600,000	AA 3.25% 31/07/2028	508	0.11
4,000,000	ABP Finance 6.25% 14/12/2026	4,469	0.93
2,500,000	AMP Finance Services 6.875% 23/08/2022*	2,491	0.52
5,800,000	Anchor Hanover 2% 21/07/2051	3,977	0.83
4,100,000	Anglian Water Osprey Financing 2% 31/07/2028	3,623	0.75
3,000,000	Anglian Water Services Financing 1.625% 10/08/2025	2,888	0.60
1,200,000	APA Infrastructure 3.5% 22/03/2030	1,143	0.24
4,000,000	APA Infrastructure 4.25% 26/11/2024	4,061	0.84
5,000,000	Aroundtown 3.625% 10/04/2031	4,319	0.90
1,500,000	Arqiva Financing 5.34% 30/06/2030	1,664	0.35
4,500,000	Assura Financing 1.5% 15/09/2030	3,841	0.80
2,700,000	Aster Treasury 1.405% 27/01/2036	2,074	0.43
4,200,000	Aviva 6.125% Perpetual	4,193	0.87
3,900,000	Aviva 6.875% 20/05/2058	4,486	0.93
4,000,000	Bank of Montreal 1.5% 18/12/2024	3,842	0.80
3,700,000	Bank of Nova Scotia 1.375% 05/12/2023	3,616	0.75
3,500,000	Bazalgette Finance 2.375% 29/11/2027	3,397	0.71
2,600,000	Beyond Housing 2.125% 17/05/2051	1,860	0.39
1,900,000	Blend Funding 3.459% 21/09/2047	1,763	0.37
3,900,000	BPCE 1% 22/12/2025	3,606	0.75
4,100,000	BPCE 5.25% 16/04/2029	4,257	0.88
2,500,000	British Land REIT 5.357% 31/03/2028	2,749	0.57
3,100,000	Cadent Finance 2.125% 22/09/2028	2,877	0.60
3,000,000	Cadent Finance 2.625% 22/09/2038	2,419	0.50
6,000,000	CaixaBank 1.5% 03/12/2026	5,470	1.14
3,800,000	Canadian Imperial Bank of Commerce 1.625% 25/09/2025	3,609	0.75
4,500,000	Clarion Funding 1.875% 22/01/2035	3,696	0.77
1,600,000	Close Brothers 2.75% 26/04/2023	1,587	0.33
5,500,000	Cooperatieve Rabobank 1.875% 12/07/2028	5,110	1.06
5,400,000	Cooperatieve Rabobank 5.25% 14/09/2027	5,658	1.17
5,800,000	Coventry Building Society 1.875% 24/10/2023	5,702	1.18
3,700,000	Coventry Building Society 2% 20/12/2030	3,207	0.67
1,800,000	Coventry Building Society 6.875% Perpetual	1,763	0.37
1,100,000	CPUK Finance 4.5% 28/08/2027	986	0.20
3,000,000	CPUK Finance 6.5% 28/08/2026	2,835	0.59
3,700,000	CPUK Finance 7.239% 28/02/2024	3,863	0.80
4,900,000	Derwent London 1.875% 17/11/2031	4,117	0.85
2,300,000	Deutsche Telekom International Finance 7.625% 15/06/2030	2,985	0.62

Aegon Ethical Corporate Bond Fund

Portfolio Statement (continued)

Holding	Investment	Market Valuation	Total net assets
		£'000	%
Corporate Bonds (continued)			
3,500,000	Digital Stout 3.75% 17/10/2030	3,334	0.69
4,700,000	Direct Line Insurance 4% 05/06/2032	4,261	0.88
5,200,000	DS Smith 2.875% 26/07/2029	4,781	0.99
2,400,000	DWR Cymru Financing UK 1.375% 31/03/2033	2,003	0.42
3,300,000	DWR Cymru Financing UK 1.625% 31/03/2026	3,159	0.66
2,000,000	DWR Cymru Financing UK 2.375% 31/03/2034	1,713	0.36
1,900,000	Esure 6.75% 19/12/2024	1,931	0.40
3,500,000	Euroclear Bank 1.25% 30/09/2024	3,355	0.70
3,000,000	Freshwater Finance 4.607% 17/10/2036	3,040	0.63
3,000,000	Grainger 3.375% 24/04/2028	2,752	0.57
1,500,000	Incommunities 3.25% 21/03/2049	1,386	0.29
6,500,000	ING Groep 1.125% 07/12/2028	5,635	1.17
2,900,000	ING Groep 3% 18/02/2026	2,842	0.59
3,400,000	International Bank for Reconstruction & Development 0.25% 23/09/2027	3,100	0.64
3,000,000	Intesa Sanpaolo 2.5% 15/01/2030	2,591	0.54
2,700,000	Intesa Sanpaolo 5.148% 10/06/2030	2,462	0.51
3,900,000	Investec 4.25% 24/07/2028	3,837	0.80
4,000,000	KBC 1.25% 21/09/2027	3,641	0.76
3,600,000	Land Securities Capital Markets 1.974% 08/02/2024	3,544	0.74
3,000,000	LCR Finance 5.1% 07/03/2051	4,372	0.91
4,000,000	Leeds Building Society 1.5% 16/03/2027	3,674	0.76
2,400,000	Legal & General 5.125% 14/11/2048	2,411	0.50
2,500,000	Legal & General 5.5% 27/06/2064	2,425	0.50
2,600,000	Liberty Living Finance 3.375% 28/11/2029	2,477	0.51
5,478,000	Lloyds Banking 2.707% 03/12/2035	4,628	0.96
1,600,000	Lloyds Banking 6.5% 17/09/2040	2,184	0.45
2,400,000	Lloyds Banking 7.625% Perpetual	2,455	0.51
3,800,000	Logicor 1.875% 17/11/2026	3,600	0.75
2,300,000	Lunar Funding I 5.75% 18/10/2033	2,797	0.58
5,200,000	M&G 5.625% 20/10/2051	5,215	1.08
1,800,000	M&G 6.34% 19/12/2063	1,774	0.37
3,800,000	Motability Operations 1.5% 20/01/2041	2,800	0.58
2,030,000	Motability Operations 3.625% 10/03/2036	2,110	0.44
4,000,000	MPT Operating Partnership 3.375% 24/04/2030	3,247	0.67
2,800,000	National Express 2.375% 20/11/2028	2,539	0.53
3,600,000	National Express 4.25% Perpetual	3,216	0.67
2,200,000	National Grid Gas 1.375% 07/02/2031	1,821	0.38
1,100,000	Nationwide Building Society 5.75% Perpetual	1,015	0.21
2,500,000	Nationwide Building Society 5.769% Perpetual	2,599	0.54
3,900,000	NatWest 2.057% 09/11/2028	3,537	0.73
3,300,000	NatWest 3.622% 14/08/2030	3,174	0.66
3,600,000	NatWest 5.125% Perpetual	3,196	0.66
2,500,000	NGG Finance 5.625% 18/06/2073	2,390	0.50
4,500,000	Nordea Bank 1.625% 09/12/2032	3,885	0.81
4,100,000	Northern Powergrid Yorkshire 4.375% 05/07/2032	4,434	0.92
2,700,000	Notting Hill Genesis 3.25% 12/10/2048	2,402	0.50
1,900,000	Notting Hill Genesis 3.75% 20/12/2032	1,973	0.41
4,600,000	Omnicom Capital 2.25% 22/11/2033	3,925	0.81
2,800,000	Onward Homes 2.125% 25/03/2053	1,989	0.41
4,100,000	Orange 3.25% 15/01/2032	4,052	0.84
3,200,000	Orsted 2.5% 16/05/2033	2,932	0.61
4,000,000	Paradigm Homes Charitable Housing Association 2.25% 20/05/2051	2,999	0.62
2,500,000	Paragon 4.375% 25/09/2031	2,449	0.51
4,400,000	Paragon Treasury 2% 07/05/2036	3,621	0.75
5,100,000	Pearson Funding 3.75% 04/06/2030	4,970	1.03
2,500,000	Pension Insurance 3.625% 21/10/2032	2,070	0.43
1,500,000	Pension Insurance 4.625% 07/05/2031	1,376	0.29
2,400,000	Places for People Homes 2.5% 26/01/2036	2,055	0.43
3,200,000	Places for People Homes 3.625% 22/11/2028	3,266	0.68
2,400,000	Prologis International Funding II 2.75% 22/02/2032	2,207	0.46
2,200,000	RAC 4.565% 06/05/2023	2,199	0.46

Aegon Ethical Corporate Bond Fund

Portfolio Statement (continued)

Holding	Investment	Market Valuation	Total net assets
		£'000	%
Corporate Bonds (continued)			
4,800,000	RAC 4.87% 06/05/2026	4,719	0.98
5,300,000	Realty Income 1.625% 15/12/2030	4,546	0.94
1,400,000	RL Finance No.2 6.125% 30/11/2043	1,429	0.30
4,000,000	Rothsay Life 3.375% 12/07/2026	3,774	0.78
5,400,000	Sage 1.625% 25/02/2031	4,586	0.95
3,400,000	Sainsbury's Bank 6% 23/11/2027	3,358	0.70
3,300,000	Santander UK 5.875% 14/08/2031*	3,521	0.73
2,200,000	Santander UK 6.75% Perpetual	2,149	0.45
4,400,000	Scottish Hydro Electric Transmission 2.25% 27/09/2035	3,622	0.75
1,800,000	Severn Trent Utilities Finance 2% 02/06/2040	1,376	0.29
1,200,000	Severn Trent Utilities Finance 2.625% 22/02/2033	1,110	0.23
6,000,000	Skipton Building Society 2% 02/10/2026	5,671	1.18
5,900,000	South Eastern Power Networks 1.75% 30/09/2034	4,806	1.00
5,000,000	Southern Water Services Finance 2.375% 28/05/2028	4,744	0.98
4,000,000	Stagecoach 4% 29/09/2025	3,925	0.81
1,500,000	Thames Water Utilities Finance 2.375% 22/04/2040	1,154	0.24
1,600,000	Thames Water Utilities Finance 2.625% 24/01/2032	1,462	0.30
3,000,000	Travis Perkins 3.75% 17/02/2026	2,630	0.55
5,500,000	Tritax Big Box REIT 1.5% 27/11/2033	4,283	0.89
2,600,000	UNITE 3.5% 15/10/2028	2,506	0.52
1,700,000	UNITE USAF II 3.921% 30/06/2025	1,740	0.36
5,500,000	United Utilities Water Finance 0.875% 28/10/2029	4,734	0.98
3,000,000	Vicinity Centres 3.375% 07/04/2026	2,954	0.61
4,100,000	Virgin Money UK 4% 03/09/2027	3,955	0.82
5,400,000	Virgin Money UK 5.125% 11/12/2030	5,302	1.10
2,000,000	Virgin Money UK 9.25% Perpetual	2,016	0.42
1,830,000	Vodafone 3% 12/08/2056	1,421	0.29
2,100,000	Wales & West Utilities Finance 3% 03/08/2038	1,877	0.39
5,800,000	Whitbread 3% 31/05/2031	4,988	1.04
5,900,000	Yorkshire Building Society 1.5% 15/09/2029	5,056	1.05
1,900,000	Yorkshire Building Society 3.5% 21/04/2026	1,919	0.40
1,200,000	Yorkshire Building Society 3.511% 11/10/2030	1,145	0.24
2,800,000	Yorkshire Water Finance 1.75% 27/10/2032	2,405	0.50
1,250,000	Yorkshire Water Finance 3.625% 01/08/2029	1,283	0.27
2,900,000	Yorkshire Water Finance 3.75% 22/03/2046	2,897	0.60
4,200,000	Zurich Finance (UK) 6.625% Perpetual	4,176	0.87
		419,777	87.19
Government Bonds 2.58% (31 July 2021 0.67%)			
3,800,000	Asian Infrastructure Investment Bank 0.2% 15/12/2025	3,541	0.74
10,000,000	United Kingdom Gilt 0.875% 31/07/2033	8,873	1.84
		12,414	2.58
Portfolio of investments			
		473,771	98.40
	Net other assets	7,688	1.60
Total net assets attributable to shareholders		481,459	100.00

The comparative percentage figures in brackets are at 31 July 2021.

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

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

Aegon Ethical Corporate Bond Fund

Statement of Total Return for the year ended 31 July 2022

	Note	£'000	2022 £'000	£'000	2021 £'000
Income					
Net capital (losses)/gains	2		(77,640)		3,373
Revenue	3	15,693		14,923	
Expenses	4	(2,628)		(2,451)	
Interest payable & similar charges		(1)		-	
Net revenue before taxation		13,064		12,472	
Taxation	5	-		-	
Net revenue after taxation			13,064		12,472
Total return before distributions			(64,576)		15,845
Distributions	6		(13,064)		(12,476)
Change in net assets attributable to shareholders from investment activities			(77,640)		3,369

Statement of Change in Net Assets Attributable to Shareholders for the year ended 31 July 2022

	£'000	2022 £'000	£'000	2021 £'000
Opening net assets attributable to shareholders		556,481		455,427
Amounts receivable on issue of shares	176,064		203,891	
Amounts payable on cancellation of shares	(181,741)		(113,788)	
		(5,677)		90,103
Dilution adjustment		252		332
Change in net assets attributable to shareholders from investment activities		(77,640)		3,369
Retained distribution on accumulation shares		8,043		7,250
Closing net assets attributable to shareholders		481,459		556,481

Aegon Ethical Corporate Bond Fund

Balance Sheet as at 31 July 2022

	Note	£'000	2022 £'000	£'000	2021 £'000
Assets					
Fixed assets:					
Investments			473,771		519,658
Current assets:					
Debtors	7	7,279		8,554	
Cash and bank balances	8	<u>2,661</u>		<u>30,869</u>	
			<u>9,940</u>		<u>39,423</u>
Total assets			483,711		559,081
Liabilities					
Creditors					
Distributions payable		1,101		1,371	
Other creditors	9	<u>1,151</u>		<u>1,229</u>	
Total liabilities			<u>2,252</u>		<u>2,600</u>
Net assets attributable to shareholders			481,459		556,481

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)/gains

Net capital (losses)/gains comprise:

	2022	2021
	£'000	£'000
(Losses)/gains on non-derivative securities	(77,640)	3,373
Net capital (losses)/gains	(77,640)	3,373

3 Revenue

	2022	2021
	£'000	£'000
Interest on debt securities	15,646	14,920
Bank interest	47	3
Total revenue	15,693	14,923

4 Expenses*

	2022	2021
	£'000	£'000
Payable to the ACD, associates of the ACD and agents of either of them:		
ACD's periodic charge	2,486	2,312
Payable to the Depositary, associates of the Depositary and agents of either of them:		
Depositary fee	75	71
Other expenses:		
Audit fee**	13	11
FT publishing fee	3	3
KIID fees	-	1
PRIPs fees	3	6
Registrar's fee	25	27
Safe custody charge	23	20
	67	68
Total expenses	2,628	2,451

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

**The audit fee (excluding VAT) incurred during the year was £10,952 (2021: £10,282).

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 (2021: lower than) the standard rate of corporation tax for Open Ended Investment Companies 'OEICs' (20%).

The differences are explained below:

	2022	2021
	£'000	£'000
Net revenue before taxation	13,064	12,472
Corporation tax 20% (2021: 20%)	2,613	2,495
Effects of:		
Tax deductible interest distributions	(2,613)	(2,495)
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

a) Distributions

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

	2022	2021
	£'000	£'000
Interim distributions	9,855	9,553
Final distribution	3,196	3,258
	13,051	12,811
Add: amounts deductible on cancellation of shares	479	340
Less: amounts receivable on creation of shares	(466)	(675)
Distributions	13,064	12,476

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

b) Movement between net revenue and distribution

	2022	2021
	£'000	£'000
Net revenue after taxation	13,064	12,472
Equalisation on conversions	-	4
Distributions	13,064	12,476

7 Debtors

	2022	2021
	£'000	£'000
Accrued revenue	6,095	5,440
Amounts receivable for the issue of shares	1,184	3,114
Debtors	7,279	8,554

8 Cash and bank balances

	2022	2021
	£'000	£'000
Cash and bank balances	2,661	4,232
Money market deposits	-	26,637
Cash and bank balances	2,661	30,869

9 Other creditors

	2022	2021
	£'000	£'000
Accrued ACD periodic charge	366	407
Accrued other expenses	68	63
Amounts payable for cancellation of shares	717	759
Other creditors	1,151	1,229

10 Related parties

Related party interests in the sub-fund are disclosed in Note 6 of the Accounting Policies on page 17. Amounts due to the ACD as at year end for the ACD periodic charge and amounts due to the ACD for outstanding cancellations are disclosed in Note 9. Amounts receivable from the ACD as at year end for outstanding issue of shares are disclosed in Note 7. At the year-end 14.44% (2021: 13.95%) 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 2022 (2021: Nil).

Aegon Ethical Corporate Bond Fund

Notes to the Financial Statements (continued)

12 Financial instruments and risk

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

Analysis of investments by credit ratings

	2022		2021	
	Market value £'000	Value of investments %	Market value £'000	Value of investments %
Investment grade	396,766	82.40	436,418	78.42
Below investment grade	33,856	7.04	42,278	7.60
Unrated	43,149	8.96	40,962	7.36
Portfolio of investments	473,771	98.40	519,658	93.38
Net other assets	7,688	1.60	36,823	6.62
Total net assets attributable to shareholders	481,459	100.00	556,481	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 (2021: same). As at the balance sheet date, the sub-fund's value at risk is 2.92% (2021: 2.12%).

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

	Lowest Utilisation (%)	Highest Utilisation (%)	Average Utilisation (%)
31 July 2022	1.97	2.93	2.27
31 July 2021	2.00	2.30	2.13

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 2022	Value £'000	Commissions £'000	%	Other Costs* £'000	%
Debt securities	147,380	-	-	-	-
Total	147,380	-	-	-	-
Total purchases including transaction costs	147,380				
31 July 2021					
Debt securities	190,297	-	-	-	-
Total	190,297	-	-	-	-
Total purchases including transaction costs	190,297				

Sales

31 July 2022	Value £'000	Commissions £'000	%	Other Costs* £'000	%
Debt securities	112,014	-	-	-	-
Corporate actions	1,650	-	-	-	-
Total	113,664	-	-	-	-
Total sales net of transaction costs	113,664				
31 July 2021					
Debt securities	109,924	-	-	-	-
Corporate actions	2,250	-	-	-	-
Total	112,174	-	-	-	-
Total sales net of transaction costs	112,174				

*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 Corporate Bond Fund

Notes to the Financial Statements (continued)

13 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 0.78% (2021: 0.74%), 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	2022		2021	
	Assets £'000	Liabilities £'000	Assets £'000	Liabilities £'000
1 - Unadjusted quoted prices	8,873	-	-	-
2 - Observable market data	464,898	-	519,658	-
3 - Unobservable data	-	-	-	-
	473,771	-	519,658	-

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 183 to 185. 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 2022	Opening	Creations	Cancellations	Converted	Closing
B Accumulation	147,995,074	54,825,100	(40,406,987)	(18,499)	162,394,688
B Income	215,087,978	59,690,121	(100,073,126)	37,265	174,742,238

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 24 November 2022 and the percentage movement in that period:

Net assets per share	31 July 2022	24 November 2022	% Movement
B Accumulation	194.87	183.03	(6.08)
B Income	94.43	87.99	(6.82)

Aegon Ethical Corporate Bond Fund

Distribution Tables

Share Class A Accumulation**

Period end	Pay date		Net Revenue	Equalisation*	Total Payable	2020/21 Total Paid
31/10/21	31/12/21	Group 1	-	-	-	1.2725
		Group 2				
31/01/22	31/03/22	Group 1	-	-	-	1.2202
		Group 2				
30/04/22	30/06/22	Group 1	-	-	-	1.0981
		Group 2				

Share Class A Income***

Period end	Pay date		Net Revenue	Equalisation*	Total Payable	2020/21 Total Paid
31/10/21	31/12/21	Group 1	-	-	-	0.6411
		Group 2				
31/01/22	31/03/22	Group 1	-	-	-	0.6117
		Group 2				
30/04/22	30/06/22	Group 1	-	-	-	0.5494
		Group 2				

Share Class B Accumulation

Period end	Pay date		Net Revenue	Equalisation*	Total Payable	2020/21 Total Paid
31/10/21	31/12/21	Group 1	1.2174	N/A	1.2174	1.4250
		Group 2	0.6632	0.5542		
31/01/22	31/03/22	Group 1	1.1902	N/A	1.1902	1.3871
		Group 2	0.6500	0.5402		
30/04/22	30/06/22	Group 1	1.2229	N/A	1.2229	1.2680
		Group 2	0.6971	0.5258		
31/07/22	30/09/22	Group 1	1.2904	N/A	1.2904	1.2757
		Group 2	0.6461	0.6443		

Share Class B Income

Period end	Pay date		Net Revenue	Equalisation*	Total Payable	2020/21 Total Paid
31/10/21	31/12/21	Group 1	0.6044	N/A	0.6044	0.7252
		Group 2	0.3006	0.3038		
31/01/22	31/03/22	Group 1	0.5876	N/A	0.5876	0.7014
		Group 2	0.3654	0.2222		
30/04/22	30/06/22	Group 1	0.6004	N/A	0.6004	0.6371
		Group 2	0.3344	0.2660		
31/07/22	30/09/22	Group 1	0.6296	N/A	0.6296	0.6372
		Group 2	0.3168	0.3128		

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

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

**Share class closed on 30 June 2021.

***Share class closed on 22 June 2021.

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 (15.95)% compared to the peer group median return of (3.06)%. The peer group is the Investment Association UK All Companies sector.

Strategy review***

It was an extremely challenging period for the UK equity market as investors grappled initially with the onset of the Omicron variant of COVID-19 and the decision by major central banks to begin removing the monetary policies that had been in place to support economies. As the period progressed, the Omicron variant proved to be less of a concern than previous strains, which boosted markets to an extent towards the end of 2021. However, markets came under significant pressure as we moved through 2022, due mainly to the strong inflationary environment. The causes of the higher inflation figures were manifold and included the opening-up of economies following the coronavirus pandemic, ongoing supply chain bottlenecks and, of course, the tragic war in Ukraine which resulted in a spike in food and energy prices.

Central banks acted to combat rising inflation by increasing interest rates, although the clarity of their communications through this period was generally disappointing. During the second half of the period, however, it was clear that inflation was rising rapidly, with the result that both the US Federal Reserve and the Bank of England increased the magnitude of their rate rises.

A distinct feature of the twelve-month period was a rotation out of 'growth' stocks and into 'value' stocks. Growth stocks (companies whose stock prices are predominantly based on expected increases in future revenues and earnings) struggled in the 'risk-off' environment. In contrast, 'value' stocks (companies whose stock prices depend less on future growth and which often trade at valuations below their perceived real value) performed better.

This feature of the market was a significant contributor to the sub-fund's underperformance over the period. It is important to note, however, that the market sell-off was very indiscriminate, with many of the module's growth stocks falling back despite a lack of negative company news. For example, our holding in GB Group, a global identity verification, location intelligence and fraud prevention business, lost ground after it announced the acquisition of US competitor Acuant. At the same time, the company also issued positive results throughout the period, yet continued to de-rate. Trustpilot and Gamma Communications also performed poorly as a result of the market rotation and both subsequently hampered the sub-fund's progress.

Due to the ethical nature of the sub-fund, not holding oil and gas names such as Shell also detracted from performance, particularly in the second half of the period when the oil & gas sector rallied as energy prices increased sharply following the Russian invasion of Ukraine.

Positive contributors came from within a mixed bag of sectors. The top contributor for the period was book publishing company RELX, followed by utilities name SSE. A number of financial names also added value, including Brewin Dolphin, NatWest, Sanne and London Stock Exchange.

Within sector allocation, only telecommunication, financials and basic materials were positive in absolute terms. The rest of the sector allocations were negative, with the areas detracting the most including technology, energy, and health care. Technology was the largest detractor, a fact which is unsurprising given the number of high growth names included in this area which would have been negatively impacted by the market rotation.

We continued to adhere to disciplined, bottom-up stock selection as a means of adding value to the sub-fund.

*Please note that the sub-fund's objective has been updated effective 28 July 2022. 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. 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 2022	Top ten sales	31 July 2022
	£'000		£'000
Marlowe	9,896	Avast	16,503
JTC	9,379	Sanne	14,917
SSE	7,737	Coca-Cola	12,687
Smart Metering Systems	6,959	Tate & Lyle	9,201
LXI REIT	5,477	Secure Income REIT	8,056
Legal & General	5,161	Just Eat	7,057
Oxford Nanopore Technologies	4,989	Gamma Communications	6,522
Intermediate Capital	4,682	Jet2	5,503
Volution	4,568	Robert Walters	5,148
NatWest	4,482	Trainline	5,005

Aegon Ethical Equity Fund

Comparative Tables

A Accumulation shares**	2021	2020
	(p/share)	(p/share)
Change in net assets per share		
Opening net asset value per share	184.19	193.65
Return before operating charges*	53.43	(6.49)
Operating charges	(2.92)	(2.97)
Return after operating charges*	50.51	(9.46)
Distributions	-	(1.40)
Retained distributions on accumulation shares	-	1.40
Redemption value	(234.70)	-
Closing net asset value per share	-	184.19
*after direct transaction costs of	0.15	0.26
Performance		
Return after charges	27.42%	(4.89)%
Other information		
Closing net asset value (£'000)	-	7,257
Closing number of shares	-	3,939,769
Operating charges	-	1.53%
Direct transaction costs	-	0.13%
Prices		
Highest share price	236.96	224.43
Lowest share price	184.16	140.47

B Accumulation shares	2022	2021	2020
	(p/share)	(p/share)	(p/share)
Change in net assets per share			
Opening net asset value per share	286.62	215.18	224.55
Return before operating charges*	(43.34)	73.38	(7.62)
Operating charges	(2.05)	(1.94)	(1.75)
Return after operating charges*	(45.39)	71.44	(9.37)
Distributions	(3.75)	(2.71)	(3.32)
Retained distributions on accumulation shares	3.75	2.71	3.32
Closing net asset value per share	241.23	286.62	215.18
*after direct transaction costs of	0.21	0.17	0.30
Performance			
Return after charges	(15.84)%	33.20%	(4.17)%
Other information			
Closing net asset value (£'000)	493,035	590,590	434,018
Closing number of shares	204,382,102	206,050,692	201,700,572
Operating charges	0.77%	0.77%	0.78%
Direct transaction costs	0.08%	0.07%	0.13%
Prices			
Highest share price	305.26	286.33	261.34
Lowest share price	216.80	215.38	163.67

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

**Share class closed on 30 June 2021.

Aegon Ethical Equity Fund

Comparative Tables (continued)

B Income shares	2022	2021	2020
	(p/share)	(p/share)	(p/share)
Change in net assets per share			
Opening net asset value per share	193.16	146.40	155.15
Return before operating charges*	(29.20)	49.92	(5.25)
Operating charges	(1.39)	(1.32)	(1.21)
Return after operating charges*	(30.59)	48.60	(6.46)
Distributions	(2.53)	(1.84)	(2.29)
Retained distributions on accumulation shares	-	-	-
Closing net asset value per share	160.04	193.16	146.40
*after direct transaction costs of	0.15	0.12	0.21
Performance			
Return after charges	(15.84)%	33.20%	(4.16)%
Other information			
Closing net asset value (£'000)	38,518	56,143	44,203
Closing number of shares	24,068,356	29,064,844	30,193,062
Operating charges	0.77%	0.77%	0.78%
Direct transaction costs	0.08%	0.07%	0.13%
Prices			
Highest share price	205.72	194.81	180.56
Lowest share price	146.11	146.53	113.08

D Accumulation shares***	2020
	(p/share)
Change in net assets per share	
Opening net asset value per share	171.30
Return before operating charges*	20.78
Operating charges	(0.96)
Return after operating charges*	19.82
Distributions	-
Retained distributions on accumulation shares	-
Redemption value	(191.12)
Closing net asset value per share	-
*after direct transaction costs of	0.24
Performance	
Return after charges	11.57%
Other information	
Closing net asset value (£'000)	-
Closing number of shares	-
Operating charges	-
Direct transaction costs	-
Prices	
Highest share price	196.11
Lowest share price	161.39

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 3 February 2020.

Aegon Ethical Equity Fund

Portfolio Statement

The sub-fund's investments as at 31 July 2022

Holding	Investment	Market valuation £'000	Total net assets %
Equities 95.73% (31 July 2021 99.88%)			
Basic Materials 1.21% (31 July 2021 1.36%)			
332,470	Victrex	6,407	1.21
		6,407	1.21
Consumer Discretionary 18.38% (31 July 2021 21.04%)			
124,440	4imprint	3,964	0.75
340,637	Bellway	8,329	1.57
2,546,899	Countryside Properties	7,386	1.39
772,000	Dunelm	6,562	1.23
700,000	Howden Joinery	4,733	0.89
1,898,207	Informa	11,275	2.12
168,402	Moonpig	349	0.07
1,109,076	RELX	26,895	5.06
736,000	Team17	3,235	0.61
1,692,193	Watches of Switzerland	15,001	2.82
383,000	Whitbread	9,947	1.87
		97,676	18.38
Consumer Staples 0.00% (31 July 2021 4.19%)			
Energy 0.40% (31 July 2021 0.45%)			
1,006,496	ITM Power	2,143	0.40
		2,143	0.40
Financials 22.72% (31 July 2021 18.34%)			
1,896,717	Brewin Dolphin	9,692	1.82
1,059,590	Conduit	3,703	0.70
700,000	Foresight	2,961	0.56
184,304	Hargreaves Lansdown	1,563	0.30
1,573,731	Impax Environmental Markets	7,192	1.35
506,277	IntegraFin	1,384	0.26
334,000	Intermediate Capital	5,080	0.96
1,200,669	JTC	8,921	1.68
4,880,838	Just	3,473	0.65
6,055,142	Legal & General	15,798	2.97
205,000	London Stock Exchange	16,392	3.08
4,735,443	NatWest	11,768	2.21
1,322,234	Paragon Banking	7,067	1.33
1,634,371	Phoenix	10,519	1.98
1,187,862	Prudential	11,944	2.25
111,705	Schroders	3,315	0.62
		120,772	22.72
Health Care 1.60% (31 July 2021 1.22%)			
2,035,000	Angle	1,412	0.27
216,370	Craneware	4,057	0.76
946,517	Oxford Nanopore Technologies	3,010	0.57
		8,479	1.60
Industrials 24.31% (31 July 2021 22.67%)			
210,000	Ashtead	9,639	1.81
219,325	Clarkson	7,523	1.42
700,835	Diploma	19,245	3.62
2,729,509	DS Smith	7,945	1.50
477,543	FDM	4,398	0.83
152,000	Ferguson	15,633	2.94

Aegon Ethical Equity Fund

Portfolio Statement (continued)

Holding	Investment	Market valuation £'000	Total net assets %
Industrials (continued)			
1,779,314	Genuit	7,535	1.42
1,080,000	Grafton	9,127	1.72
1,041,827	Marlowe	8,293	1.56
521,718	Oxford Instruments	11,895	2.24
693,312	Robert Walters	3,744	0.70
777,400	Smart Metering Systems	7,300	1.37
170,000	Spectris	5,284	0.99
1,297,630	Strix	2,071	0.39
710,400	TMO Fund Raising*	-	-
2,305,000	Volution	9,589	1.80
		129,221	24.31
Real Estate 6.35% (31 July 2021 4.73%)			
207,606	Derwent London REIT**	5,950	1.12
2,875,000	Grainger	8,510	1.60
4,051,116	LXI REIT**	6,004	1.13
1,143,910	UNITE REIT**	13,315	2.50
		33,779	6.35
Technology 15.06% (31 July 2021 20.46%)			
3,260,936	Ascential	9,515	1.79
1,370,282	Auto Trader	8,625	1.62
590,000	Aveva	13,900	2.61
3,418,270	Baltic Classifieds	5,599	1.05
2,994,463	GB Group	15,137	2.85
3,256,000	Kin & Carta	6,089	1.15
940,000	Sage	6,620	1.25
925,476	Softcat	12,901	2.43
2,178,394	Trustpilot	1,665	0.31
		80,051	15.06
Telecommunications 2.16% (31 July 2021 4.08%)			
3,250,000	BT	5,257	0.99
564,011	Gamma Communications	6,238	1.17
		11,495	2.16
Utilities 3.54% (31 July 2021 1.34%)			
1,065,146	SSE	18,826	3.54
		18,826	3.54
Portfolio of investments		508,849	95.73
Net other assets		22,704	4.27
Total net assets attributable to shareholders		531,553	100.00

The comparative percentage figures in brackets are at 31 July 2021.

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 or delisted.

**Real Estate Investment Trust.

Aegon Ethical Equity Fund

Statement of Total Return for the year ended 31 July 2022

	Note	£'000	2022 £'000	£'000	2021 £'000
Income					
Net capital (losses)/gains	2		(111,937)		155,778
Revenue	3	13,067		10,531	
Expenses	4	(4,625)		(4,440)	
Interest payable and similar charges		(1)		-	
Net revenue before taxation		8,441		6,091	
Taxation	5	-		-	
Net revenue after taxation			8,441		6,091
Total return before distributions			(103,496)		161,869
Distributions	6		(8,441)		(6,137)
Change in net assets attributable to shareholders from investment activities			(111,937)		155,732

Statement of Change in Net Assets Attributable to Shareholders for the year ended 31 July 2022

	£'000	2022 £'000	£'000	2021 £'000
Opening net assets attributable to shareholders		646,733		485,478
Amounts receivable on issue of shares	97,756		124,714	
Amounts payable on cancellation of shares	(108,667)		(124,773)	
		(10,911)		(59)
Dilution adjustment		-		-
Change in net assets attributable to shareholders from investment activities		(111,937)		155,732
Retained distribution on accumulation shares		7,668		5,582
Closing net assets attributable to shareholders		531,553		646,733

Aegon Ethical Equity Fund

Balance Sheet as at 31 July 2022

	Note	£'000	2022 £'000	£'000	2021 £'000
Assets					
Fixed assets:					
Investments			508,849		645,948
Current assets:					
Debtors	7	2,015		2,541	
Cash and bank balances	8	<u>22,943</u>		<u>1,437</u>	
			<u>24,958</u>		<u>3,978</u>
Total assets			533,807		649,926
Liabilities					
Creditors					
Distributions payable		609		536	
Other creditors	9	<u>1,645</u>		<u>2,657</u>	
Total liabilities			<u>2,254</u>		<u>3,193</u>
Net assets attributable to shareholders			531,553		646,733

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)/gains

Net capital (losses)/gains comprise:

	2022	2021
	£'000	£'000
(Losses)/gains on non-derivative securities	(111,946)	155,781
Other gains	12	-
Transaction charges	(3)	(3)
Net capital (losses)/gains	(111,937)	155,778

3 Revenue

	2022	2021
	£'000	£'000
UK dividends	11,726	9,121
Non-taxable overseas dividends	660	859
Property income from REITs	580	551
Bank interest	101	-
Total revenue	13,067	10,531

4 Expenses*

	2022	2021
	£'000	£'000
Payable to the ACD, associates of the ACD and agents of either of them:		
ACD's periodic charge	4,488	4,310
Payable to the Depositary, associates of the Depositary and agents of either of them:		
Depositary fee	86	80
Other expenses:		
Audit fee**	12	10
FT publishing fee	3	3
PRIPs fees	3	7
Registrar's fee	18	18
Safe custody charge	15	12
Total expenses	4,625	4,440

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

**The audit fee (excluding VAT) incurred during the year was £9,732 (2021: £9,010).

5 Taxation

a) Analysis of charge in the year

	2022	2021
	£'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 (2021: lower than) the standard rate of corporation tax for Open Ended Investment Companies 'OEICs' (20%).

The differences are explained below:

	2022	2021
	£'000	£'000
Net revenue before taxation	8,441	6,091
Corporation tax 20% (2021: 20%)	1,688	1,218
Effects of:		
Movement in excess expenses	789	778
Revenue not subject to taxation	(2,477)	(1,996)
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 £60,765,000 (2021: £56,821,000). 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 £12,153,000 (2021: £11,364,000) 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:

	2022	2021
	£'000	£'000
Final distribution	8,277	6,118
	8,277	6,118
Add: amounts deductible on cancellation of shares	752	592
Less: amounts receivable on creation of shares	(588)	(573)
Distributions	8,441	6,137

Details of the distributions are set out in the tables on page 209.

b) Movement between net revenue and distribution

	2022	2021
	£'000	£'000
Net revenue after taxation	8,441	6,091
Equalisation on conversions	-	46
Distributions	8,441	6,137

7 Debtors

	2022	2021
	£'000	£'000
Accrued revenue	1,163	1,266
Amounts receivable for the issue of shares	499	1,157
Sales awaiting settlement	353	118
Debtors	2,015	2,541

8 Cash and bank balances

	2022	2021
	£'000	£'000
Cash and bank balances	22,943	1,437
Cash and bank balances	22,943	1,437

Aegon Ethical Equity Fund

Notes to the Financial Statements (continued)

9 Other creditors

	2022	2021
	£'000	£'000
Accrued ACD periodic charge	635	799
Accrued other expenses	47	50
Amounts payable for cancellation of shares	897	837
Purchases awaiting settlement	66	971
Other creditors	1,645	2,657

10 Related parties

Related party interests in the sub-fund are disclosed in Note 6 of the Accounting Policies on page 17. Amounts due to the ACD as at year end for the ACD periodic charge and amounts due to the ACD for outstanding cancellations are disclosed in Note 9. Amounts receivable from the ACD as at year end for outstanding issue of shares are disclosed in Note 7. At the year-end 14.28% (2021: 13.94%) 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 2022 (2021: 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 (2021: same). As at the balance sheet date, the sub-fund's value at risk is 8.18% (2021: 5.93%).

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

	Lowest Utilisation (%)	Highest Utilisation (%)	Average Utilisation (%)
31 July 2022	5.62	8.22	6.76
31 July 2021	5.52	7.35	6.56

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 2022	Value £'000	Commissions £'000	%	Other Costs* £'000	%
Equities	107,016	67	0.06	312	0.29
Total	107,016	67		312	
Total purchases including transaction costs	107,395				
31 July 2021					
Equities	90,240	52	0.06	279	0.31
Corporate actions	6,314	-	-	-	-
Total	96,554	52		279	
Total purchases including transaction costs	96,885				

*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)

Sales

31 July 2022	Value	Commissions	Other Costs*		
	£'000	£'000	%	£'000	%
Equities	130,071	(103)	0.08	-	-
Corporate actions	2,579	-	-	-	-
Total	132,650	(103)		-	
Total sales net of transaction costs	132,547				
31 July 2021					
Equities	89,089	(62)	0.07	-	-
Corporate actions	222	-	-	-	-
Total	89,311	(62)		-	
Total sales net of transaction costs	89,249				

*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% (2021: 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	2022		2021	
	Assets	Liabilities	Assets	Liabilities
	£'000	£'000	£'000	£'000
1 - Unadjusted quoted prices	508,849	-	645,948	-
2 - Observable market data	-	-	-	-
3 - Unobservable data	-	-	-	-
	508,849	-	645,948	-

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 198 and 199. The distribution per share class is given in the distribution tables on page 209. All share classes have the same rights on winding up.

Share class movement reconciliation

31 July 2022	Opening	Creations	Cancellations	Converted	Closing
B Accumulation	206,050,692	33,165,120	(34,830,393)	(3,317)	204,382,102
B Income	29,064,844	5,213,425	(10,214,834)	4,921	24,068,356

Aegon Ethical 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 24 November 2022 and the percentage movement in that period:

Net assets per share	31 July 2022	24 November 2022	% Movement
B Accumulation	241.23	234.10	(2.96)
B Income	160.04	155.30	(2.96)

Aegon Ethical Equity Fund

Distribution Tables

Share Class B Accumulation

Period end	Pay date		Net Revenue	Equalisation*	Total Payable	2021 Total Paid
31/07/22	30/11/22	Group 1	3.7519	N/A	3.7519	2.7090
		Group 2	2.1335	1.6184		

Share Class B Income

Period end	Pay date		Net Revenue	Equalisation*	Total Payable	2021 Total Paid
31/07/22	30/11/22	Group 1	2.5286	N/A	2.5286	1.8431
		Group 2	1.4753	1.0533		

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 (13.87)% compared to the peer group median return of (5.28)%. The peer group is the Investment Association Mixed Investment 20-60% Shares sector.

Strategy review***

It was an extremely challenging period for both equity and bond markets as investors grappled with the onset of the Omicron variant of COVID-19, sharply rising inflation and the decision by major central banks to begin removing the monetary policies that had been in place to support economies. As the period progressed, the Omicron variant proved to be less of a concern than previous strains, which boosted markets to an extent towards the end of 2021.

However, markets came under significant pressure as we moved through 2022, due mainly to the strong inflationary environment. The causes of the higher inflation figures were manifold and included the opening-up of economies following the coronavirus pandemic, ongoing supply chain bottlenecks and, of course, the tragic war in Ukraine which resulted in a spike in food and energy prices.

Central banks acted to combat rising inflation by increasing interest rates, although the clarity of their communications through this period was generally disappointing. During the second half of the period, however, it was clear that inflation was rising rapidly, with the result that both the US Federal Reserve and the Bank of England increased the magnitude of their rate rises.

Within the equity portfolio, both sector allocation and stock selection detracted. A distinct feature of the six-month period was rotation out of 'growth' stocks and into 'value' stocks. Growth stocks (companies that tend to be mid-cap or smaller in size and are expected to grow strongly over time) struggled in the 'risk-off' environment. In contrast, 'value' stocks (companies that tend to be larger in size and often trade at valuations below their perceived real value) performed better. This feature of the market was a significant contributor to the sub-fund's underperformance over the period. It is important to note, however, that the market sell-off was very indiscriminate, with many of the sub-fund's growth stocks falling back despite a lack of negative company news.

In general, we held a relatively defensive position within the bonds portfolio, particularly during the second half of the period, which can be partially attributed to the impact of the ethical screen. Unsurprisingly, given the move higher in yields, the best performing holdings in the sub-fund were predominantly short-dated in nature, including bonds from Center Parcs and Esure. In terms of interest rate risk positioning, at the start of the period we were generally positioned for higher yields. We subsequently reduced our exposure to interest rate risk further as we moved into 2022, which was also beneficial to relative performance.

Given the sell-off seen in bond markets, particularly in the second half of the period, the portfolio's exposure to subordinated financial bonds came under pressure, given their higher-risk nature. Our holdings in NatWest, Nationwide Building Society and M&G were the notable underperformers in this area. In general, the poorest performing assets were typically the sub-fund's longer-dated holdings, and included bonds from Vodafone and Legal & General, as well as select long-dated bonds issued by Housing Associations.

*Please note that the sub-fund's objective has been updated effective 28 July 2022. 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. Investors are invited to compare the sub-fund's performance against the performance of other funds within the Investment Association All UK Companies Sector. Comparison of the sub-fund against this Sector will give investors an indication of how sub-fund Fund is performing compared with funds investing in a similar but not identical investment universe and comprising ethical and non-ethically screened funds, demonstrating the value of the sub-fund's ethical screen against non-ethically screened funds. This comparison should be performed over at least a 7 year period to provide the most useful long term comparison.

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

Aegon Ethical Cautious Managed Fund

Material portfolio changes

Top ten purchases	31 July 2022	Top ten sales	31 July 2022
	£'000		£'000
Marlowe	3,078	Avast	6,163
JTC	2,702	Sanne	5,152
LXI REIT	2,401	Coca-Cola	4,701
Smart Metering Systems	2,367	Deutsche Bahn Finance 2.75% 20/06/2022	3,626
SSE	1,876	Tate & Lyle	2,829
Oxford Nanopore Technologies	1,671	Just Eat	2,514
Nordea Bank 1.625% 09/12/2032	1,595	Gamma Communications	2,490
Yorkshire Building Society 1.5% 15/09/2029	1,589	Secure Income REIT	2,401
Paragon Treasury 2% 07/05/2036	1,481	BPHA Finance 4.816% 11/04/2044	2,129
NatWest	1,476	Robert Walters	2,088

Aegon Ethical Cautious Managed Fund

Comparative Tables

A Accumulation shares**	2021	2020
	(p/share)	(p/share)
Change in net assets per share		
Opening net asset value per share	183.03	184.00
Return before operating charges*	29.93	1.41
Operating charges	(2.30)	(2.38)
Return after operating charges*	27.63	(0.97)
Distributions	(1.41)	(2.21)
Retained distributions on accumulation shares	1.41	2.21
Redemption value	(210.66)	-
Closing net asset value per share	-	183.03
*after direct transaction costs of	0.07	0.10
Performance		
Return after charges	15.10%	(0.53)%
Other information		
Closing net asset value (£'000)	-	3,867
Closing number of shares	-	2,112,585
Operating charges	-	1.29%
Direct transaction costs	-	0.06%
Prices		
Highest share price	211.30	200.50
Lowest share price	182.68	153.53

A Income shares***	2021	2020****
	(p/share)	(p/share)
Change in net assets per share		
Opening net asset value per share	140.74	142.92
Return before operating charges*	13.33	1.29
Operating charges	(0.61)	(1.84)
Return after operating charges*	12.72	(0.55)
Distributions	(0.73)	(1.63)
Retained distributions on accumulation shares	-	-
Redemption value	(152.73)	-
Closing net asset value per share	-	140.74
*after direct transaction costs of	0.05	0.08
Performance		
Return after charges	9.04%	(0.38)%
Other information		
Closing net asset value (£'000)	-	-
Closing number of shares	-	27
Operating charges	-	1.29%
Direct transaction costs	-	0.06%
Prices		
Highest share price	155.18	154.83
Lowest share price	140.24	118.56

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.

**Share class closed on 30 June 2021.

***Share class closed on 25 March 2021.

****The unrounded amount for the closing net asset value is £39.

Aegon Ethical Cautious Managed Fund

Comparative Tables (continued)

B Accumulation shares	2022	2021	2020
	(p/share)	(p/share)	(p/share)
Change in net assets per share			
Opening net asset value per share	161.94	136.50	136.68
Return before operating charges*	(21.01)	26.59	0.90
Operating charges	(1.18)	(1.15)	(1.08)
Return after operating charges*	(22.19)	25.44	(0.18)
Distributions	(2.42)	(2.06)	(2.18)
Retained distributions on accumulation shares	2.42	2.06	2.18
Closing net asset value per share	139.75	161.94	136.50
*after direct transaction costs of	0.05	0.05	0.08
Performance			
Return after charges	(13.70)%	18.64%	(0.13)%
Other information			
Closing net asset value (£'000)	271,626	336,075	322,194
Closing number of shares	194,361,186	207,533,350	236,041,795
Operating charges	0.78%	0.78%	0.79%
Direct transaction costs	0.04%	0.04%	0.06%
Prices			
Highest share price	168.03	161.96	149.27
Lowest share price	130.01	136.32	114.33

B Income shares	2022	2021	2020
	(p/share)	(p/share)	(p/share)
Change in net assets per share			
Opening net asset value per share	138.46	118.31	120.36
Return before operating charges*	(17.84)	22.93	0.81
Operating charges	(1.01)	(1.00)	(0.95)
Return after operating charges*	(18.85)	21.93	(0.14)
Distributions	(2.06)	(1.78)	(1.91)
Retained distributions on accumulation shares	-	-	-
Closing net asset value per share	117.55	138.46	118.31
*after direct transaction costs of	0.05	0.05	0.07
Performance			
Return after charges	(13.61)%	18.54%	(0.12)%
Other information			
Closing net asset value (£'000)	40,278	51,868	52,334
Closing number of shares	34,264,168	37,461,030	44,234,116
Operating charges	0.78%	0.78%	0.79%
Direct transaction costs	0.04%	0.04%	0.06%
Prices			
Highest share price	143.67	138.62	130.42
Lowest share price	109.78	117.94	99.89

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

Comparative Tables (continued)

D Accumulation shares*****	2020 (p/share)
Change in net assets per share	
Opening net asset value per share	151.48
Return before operating charges*	11.61
Operating charges	(0.85)
Return after operating charges*	10.76
Distributions	(1.07)
Retained distributions on accumulation shares	1.07
Redemption value	(162.24)
Closing net asset value per share	-
 *after direct transaction costs of	 0.09
Performance	
Return after charges	7.10%
Other information	
Closing net asset value (£'000)	-
Closing number of shares	-
Operating charges	-
Direct transaction costs	-
Prices	
Highest share price	163.87
Lowest share price	147.38

D Income shares*****	2020 (p/share)
Change in net assets per share	
Opening net asset value per share	133.86
Return before operating charges*	10.22
Operating charges	(0.75)
Return after operating charges*	9.47
Distributions	(0.94)
Retained distributions on accumulation shares	-
Redemption value	(142.39)
Closing net asset value per share	-
 *after direct transaction costs of	 0.08
Performance	
Return after charges	7.07%
Other information	
Closing net asset value (£'000)	-
Closing number of shares	-
Operating charges	-
Direct transaction costs	-
Prices	
Highest share price	144.19
Lowest share price	130.24

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 classes closed on 3 February 2020.

Aegon Ethical Cautious Managed Fund

Portfolio Statement

The sub-fund's investments as at 31 July 2022

Holding	Investment	Market Valuation £'000	Total net assets %
Sterling Denominated Bonds 38.64% (31 July 2021 37.81%)			
Asset Backed Security 3.40% (31 July 2021 3.64%)			
1,700,000	Arqiva Financing 4.882% 31/12/2032	1,265	0.40
152,000	Dignity Finance 3.5456% 31/12/2034	106	0.03
1,100,000	Dignity Finance 4.6956% 31/12/2049*	965	0.31
1,350,000	Greater Gabbard 4.137% 29/11/2032	1,035	0.33
1,500,000	High Speed Rail Finance No.1 4.375% 01/11/2038	1,614	0.52
1,800,000	Quadrant Housing Finance 7.93% 10/02/2033	1,864	0.60
500,000	TC Dudgeon Ofto 3.158% 12/11/2038	455	0.15
1,500,000	Telereal Secured Finance 4.01% 10/12/2031	928	0.30
800,000	Telereal Securitisation 4.9741% 10/09/2027	393	0.13
160,000	Telereal Securitisation 6.1645% 10/12/2031	154	0.05
700,000	Trafford Centre Finance 6.5% 28/07/2033	543	0.17
720,000	Trafford Centre Finance 7.03% 28/01/2029	285	0.09
1,300,000	Wods Transmission 3.446% 24/08/2034	1,002	0.32
		10,609	3.40
Corporate Bonds 35.24% (31 July 2021 34.17%)			
1,100,000	ABP Finance 6.25% 14/12/2026	1,229	0.39
650,000	AMP Finance Services 6.875% 23/08/2022	648	0.21
1,600,000	Anchor Hanover 2% 21/07/2051	1,097	0.35
1,500,000	Anglian Water Osprey Financing 2% 31/07/2028	1,325	0.43
700,000	APT Infrastructure 3.5% 22/03/2030	666	0.21
800,000	APT Infrastructure 4.25% 26/11/2024	812	0.26
1,600,000	Assura Financing 1.5% 15/09/2030	1,366	0.44
1,600,000	Aster Treasury 1.405% 27/01/2036	1,229	0.39
1,000,000	Aviva 6.125% Perpetual	998	0.32
1,000,000	Bazalgette Finance 2.375% 29/11/2027	971	0.31
700,000	Beyond Housing 2.125% 17/05/2051	501	0.16
1,800,000	Blend Funding 3.459% 21/09/2047	1,670	0.54
1,700,000	BPCE 5.25% 16/04/2029	1,765	0.57
488,000	British Land REIT 5.357% 31/03/2028	537	0.17
1,200,000	Cadent Finance 2.625% 22/09/2038	967	0.31
1,500,000	CaixaBank 1.5% 03/12/2026	1,367	0.44
900,000	Clarion Funding 1.875% 22/01/2035	739	0.24
800,000	Close Brothers Finance 2.75% 19/10/2026	774	0.25
900,000	Cooperatieve Rabobank 5.25% 14/09/2027	943	0.30
900,000	Coventry Building Society 1.875% 24/10/2023	885	0.28
900,000	Coventry Building Society 2% 20/12/2030	780	0.25
800,000	CPUK Finance 6.5% 28/08/2026	756	0.24
1,400,000	CPUK Finance 7.239% 28/02/2024	1,462	0.47
1,300,000	Derwent London 1.875% 17/11/2031	1,092	0.35
4,100,000	Deutsche Bahn Finance 3.125% 24/07/2026	4,193	1.34
656,000	Deutsche Telekom International Finance 7.625% 15/06/2030	851	0.27
300,000	Direct Line Insurance 4% 05/06/2032	272	0.09
1,400,000	DWR Cymru Financing UK 1.625% 31/03/2026	1,340	0.43
800,000	Electricity North West 8.875% 25/03/2026	960	0.31
2,000,000	EMH Treasury 4.5% 29/01/2044	2,193	0.70
800,000	Esure 6.75% 19/12/2024	813	0.26
500,000	Fiserv 3% 01/07/2031	467	0.15
1,200,000	Freshwater Finance 4.607% 17/10/2036	1,216	0.39
1,800,000	Hammerson 3.5% 27/10/2025	1,571	0.50
2,000,000	ING Groep 1.125% 07/12/2028	1,734	0.56
900,000	International Bank for Reconstruction & Development 0.25% 23/09/2027	821	0.26

Aegon Ethical Cautious Managed Fund

Portfolio Statement (continued)

Holding	Investment	Market valuation £'000	Total net assets %
Corporate Bonds (continued)			
3,700,000	International Bank for Reconstruction & Development 1% 19/12/2022	3,683	1.18
200,000	International Bank for Reconstruction & Development 5.75% 07/06/2032	260	0.08
1,200,000	Investec 4.25% 24/07/2028	1,181	0.38
1,100,000	KBC 1.25% 21/09/2027	1,001	0.32
200,000	KFW 4.875% 15/03/2037	253	0.08
1,000,000	KFW 5% 10/09/2024	1,056	0.34
2,000,000	KFW 6% 07/12/2028	2,465	0.79
1,800,000	Land Securities Capital Markets 1.974% 08/02/2024	1,772	0.57
1,000,000	Legal & General 5.5% 27/06/2064	970	0.31
1,300,000	Liberty Living Finance 3.375% 28/11/2029	1,239	0.40
1,100,000	Lloyds Banking 2.25% 16/10/2024	1,071	0.34
812,000	Lunar Funding I 5.75% 18/10/2033	988	0.32
300,000	M&G 5.56% 20/07/2055	286	0.09
700,000	M&G 5.625% 20/10/2051	702	0.23
500,000	M&G 6.34% 19/12/2063	493	0.16
900,000	Martlet Homes 3% 09/05/2052	767	0.25
1,500,000	Metropolitan Housing Trust 1.875% 28/07/2036	1,210	0.39
700,000	Motability Operations 3.625% 10/03/2036	728	0.23
600,000	National Express 2.5% 11/11/2023	591	0.19
1,000,000	National Grid Gas 1.375% 07/02/2031	828	0.27
800,000	NatWest 2.057% 09/11/2028	726	0.23
1,400,000	NatWest 2.875% 19/09/2026	1,351	0.43
600,000	NatWest 5.125% Perpetual	533	0.17
6,300,000	Network Rail Infrastructure Finance 3% 07/09/2023	6,359	2.04
1,600,000	Nordea Bank 1.625% 09/12/2032	1,382	0.44
700,000	Northern Powergrid Northeast 1.875% 16/06/2062	444	0.14
400,000	Northern Powergrid Yorkshire 4.375% 05/07/2032	433	0.14
800,000	Omnicom Capital 2.25% 22/11/2033	683	0.22
810,000	Orange 5.75% Perpetual	813	0.26
700,000	Orsted 4.875% 12/01/2032	783	0.25
1,000,000	Orsted 5.75% 09/04/2040	1,237	0.40
1,500,000	Paradigm Homes Charitable Housing Association 2.25% 20/05/2051	1,125	0.36
1,500,000	Paragon Treasury 2% 07/05/2036	1,235	0.40
500,000	Places for People Homes 2.5% 26/01/2036	428	0.14
800,000	Places for People Homes 3.625% 22/11/2028	817	0.26
600,000	Prologis International Funding II 2.75% 22/02/2032	552	0.18
1,400,000	RAC 4.87% 06/05/2026	1,376	0.44
1,500,000	Sainsbury's Bank 6% 23/11/2027	1,481	0.48
1,000,000	Santander 3.625% 14/01/2026	991	0.32
800,000	Scottish Hydro Electric Transmission 2.25% 27/09/2035	659	0.21
300,000	Severn Trent Utilities Finance 2.625% 22/02/2033	277	0.09
900,000	Severn Trent Utilities Finance 3.625% 16/01/2026	918	0.29
1,100,000	Skipton Building Society 2% 02/10/2026	1,040	0.33
1,100,000	South Eastern Power Networks 1.75% 30/09/2034	896	0.29
800,000	Southern Gas Networks 2.5% 03/02/2025	790	0.25
900,000	Southern Gas Networks 4.875% 05/10/2023	918	0.29
2,000,000	Stagecoach 4% 29/09/2025	1,962	0.63
600,000	Thames Water Utilities Finance 3.5% 25/02/2028	603	0.19
1,000,000	THFC Funding No.3 5.2% 11/10/2043	1,190	0.38
6,200,000	Transport for London 2.125% 24/04/2025	6,014	1.93
1,900,000	Transport for London 3.875% 23/07/2042	1,836	0.59
600,000	UNITE USAF II 3.921% 30/06/2025	614	0.20
1,100,000	United Utilities Water Finance 0.875% 28/10/2029	947	0.30
500,000	Wales & West Utilities Finance 3% 03/08/2038	447	0.14
295,000	Wales & West Utilities Finance 4.625% 13/12/2023	301	0.10
600,000	Whitbread 3% 31/05/2031	516	0.17
1,600,000	Yorkshire Building Society 1.5% 15/09/2029	1,371	0.44
2,100,000	Yorkshire Building Society 3.5% 21/04/2026	2,122	0.68
1,400,000	Yorkshire Water Finance 2.75% 18/04/2041	1,182	0.38
		109,906	35.24

Aegon Ethical Cautious Managed Fund

Portfolio Statement (continued)

Holding	Investment	Market valuation £'000	Total net assets %
	Equities 55.04% (31 July 2021 60.06%)		
	Basic Materials 0.77% (31 July 2021 0.85%)		
124,587	Victrex	2,401	0.77
		2,401	0.77
	Consumer Discretionary 10.31% (31 July 2021 12.07%)		
40,829	4imprint	1,300	0.42
126,540	Bellway	3,094	0.99
783,451	Countryside Properties	2,272	0.73
261,000	Dunelm	2,218	0.71
230,000	Howden Joinery	1,555	0.50
640,425	Informa	3,804	1.22
61,174	Moonpig	127	0.04
362,498	RELX	8,791	2.82
249,600	Team17	1,097	0.35
557,977	Watches of Switzerland	4,946	1.58
114,176	Whitbread	2,965	0.95
		32,169	10.31
	Consumer Staples 0.00% (31 July 2021 2.41%)		
	Energy 0.24% (31 July 2021 0.27%)		
346,499	ITM Power	738	0.24
		738	0.24
	Financials 13.18% (31 July 2021 11.06%)		
663,316	Brewin Dolphin	3,390	1.09
407,253	Conduit	1,423	0.46
205,000	Foresight	867	0.28
67,987	Hargreaves Lansdown	577	0.18
324,843	Impax Environmental Markets	1,485	0.47
179,648	IntegraFin	491	0.16
110,000	Intermediate Capital	1,673	0.54
348,563	JTC	2,590	0.83
1,954,666	Just	1,391	0.45
1,754,094	Legal & General	4,576	1.47
62,750	London Stock Exchange	5,017	1.61
1,511,076	NatWest	3,755	1.20
425,532	Paragon Banking	2,274	0.73
570,670	Phoenix	3,673	1.18
454,198	Prudential	4,567	1.46
39,342	Schroders	1,168	0.37
539,166	Tatton Asset Management	2,192	0.70
		41,109	13.18
	Health Care 0.86% (31 July 2021 0.70%)		
605,000	Angle	420	0.13
67,348	Craneware	1,263	0.41
317,324	Oxford Nanopore Technologies	1,009	0.32
		2,692	0.86
	Industrials 14.18% (31 July 2021 14.04%)		
80,000	Ashtead	3,672	1.18
79,494	Clarkson	2,727	0.87
224,103	Diploma	6,154	1.97
956,218	DS Smith	2,784	0.89
189,972	FDM	1,750	0.56
51,000	Ferguson	5,245	1.68
580,985	Genuit	2,460	0.79
346,000	Grafton	2,924	0.94
317,767	Marlowe	2,529	0.81

Aegon Ethical Cautious Managed Fund

Portfolio Statement (continued)

Holding	Investment	Market valuation	Total net assets
		£'000	%
	Industrials (continued)		
182,928	Oxford Instruments	4,171	1.34
237,863	Robert Walters	1,284	0.41
264,311	Smart Metering Systems	2,482	0.80
53,000	Spectris	1,647	0.53
941,848	Strix	1,503	0.48
22,000	TMO Renewables**	-	-
696,000	Volution	2,895	0.93
		44,227	14.18
	Real Estate 3.73% (31 July 2021 3.07%)		
82,394	Derwent London REIT***	2,361	0.76
900,000	Grainger	2,664	0.85
1,743,942	LXI REIT***	2,585	0.83
345,264	Unite REIT***	4,019	1.29
		11,629	3.73
	Technology 8.60% (31 July 2021 12.29%)		
1,034,205	Ascential	3,018	0.97
440,366	Auto Trader	2,772	0.89
195,588	Aveva	4,608	1.48
1,197,528	Baltic Classifieds	1,962	0.63
1,042,238	GB Group	5,269	1.69
1,095,000	Kin & Carta	2,048	0.65
310,000	Sage	2,183	0.70
317,970	Softcat	4,432	1.42
701,480	Trustpilot	536	0.17
		26,828	8.60
	Telecommunications 1.24% (31 July 2021 2.45%)		
1,110,000	BT	1,795	0.58
187,052	Gamma Communications	2,069	0.66
		3,864	1.24
	Utilities 1.93% (31 July 2021 0.85%)		
341,295	SSE	6,032	1.93
		6,032	1.93
	Portfolio of investments	292,204	93.68
	Net other assets	19,700	6.32
	Total net assets attributable to shareholders	311,904	100.00

Analysis of investments by asset class

	Market	Value of
	value	investments
	£'000	%
Equities	171,689	55.04
Bonds	120,515	38.64
Portfolio of investments	292,204	93.68
Net other assets	19,700	6.32
Total net assets attributable to shareholders	311,904	100.00

The comparative percentage figures in brackets are at 31 July 2021.

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

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

**Unlisted, suspended or delisted.

***Real Estate Investment Trust.

Aegon Ethical Cautious Managed Fund

Statement of Total Return for the year ended 31 July 2022

	Note	£'000	2022 £'000	£'000	2021 £'000
Income					
Net capital (losses)/gains	2		(58,230)		59,513
Revenue	3	8,781		8,556	
Expenses	4	<u>(2,774)</u>		<u>(2,970)</u>	
Net revenue before taxation		6,007		5,586	
Taxation	5	<u>(330)</u>		<u>(361)</u>	
Net revenue after taxation			<u>5,677</u>		<u>5,225</u>
Total return before distributions			(52,553)		64,738
Distributions	6		<u>(5,677)</u>		<u>(5,226)</u>
Change in net assets attributable to shareholders from investment activities			(58,230)		59,512

Statement of Change in Net Assets Attributable to Shareholders for the year ended 31 July 2022

	£'000	2022 £'000	£'000	2021 £'000
Opening net assets attributable to shareholders		387,943		378,395
Amounts receivable on issue of shares	44,096		39,204	
Amounts payable on cancellation of shares	<u>(66,856)</u>		<u>(93,776)</u>	
		(22,760)		(54,572)
Dilution adjustment		58		155
Change in net assets attributable to shareholders from investment activities		(58,230)		59,512
Retained distribution on accumulation shares		<u>4,893</u>		<u>4,453</u>
Closing net assets attributable to shareholders		311,904		387,943

Aegon Ethical Cautious Managed Fund

Balance Sheet as at 31 July 2022

	Note	£'000	2022 £'000	£'000	2021 £'000
Assets					
Fixed assets:					
Investments			292,204		379,692
Current assets:					
Debtors	7	2,737		3,182	
Cash and bank balances	8	<u>18,199</u>		<u>6,985</u>	
			<u>20,936</u>		<u>10,167</u>
Total assets			313,140		389,859
Liabilities					
Creditors					
Distributions payable		157		185	
Other creditors	9	<u>1,079</u>		<u>1,731</u>	
Total liabilities			<u>1,236</u>		<u>1,916</u>
Net assets attributable to shareholders			311,904		387,943

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)/gains

Net capital (losses)/gains comprise:

	2022	2021
	£'000	£'000
(Losses)/gains on non-derivative securities	(58,238)	59,515
Other gains	10	-
Transaction charges	(2)	(2)
Net capital (losses)/gains	(58,230)	59,513

3 Revenue

	2022	2021
	£'000	£'000
UK dividends	4,130	3,781
Property income from REITs	221	224
Overseas dividends	228	-
Interest on debt securities	4,144	4,551
Bank interest	58	-
Total revenue	8,781	8,556

4 Expenses*

	2022	2021
	£'000	£'000
Payable to the ACD, associates of the ACD and agents of either of them:		
ACD's periodic charge	2,672	2,863
Payable to the Depositary, associates of the Depositary and agents of either of them:		
Depositary fee	49	52
Other expenses:		
Audit fee**	13	12
FT publishing fee	3	3
KIID fees	1	-
PRIPs fees	3	6
Registrar's fee	22	24
Safe custody charge	11	10
	53	55
Total expenses	2,774	2,970

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

**The audit fee (excluding VAT) incurred during the year was £11,132 (2021: £10,282).

5 Taxation

a) Analysis of charge in the year

	2022	2021
	£'000	£'000
Current tax:		
UK corporation tax on profits in the year	330	361
Total tax charge for the year (see note 5 (b))	330	361

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 (2021: lower than) the standard rate of corporation tax for Open Ended Investment Companies 'OEICs' (20%).

The differences are explained below:

	2022	2021
	£'000	£'000
Net revenue before taxation	6,007	5,586
Corporation tax 20% (2021: 20%)	1,201	1,117
Effects of:		
Revenue not subject to taxation	(871)	(756)
Total tax charge for the year (see note 5 (a))	330	361

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:

	2022	2021
	£'000	£'000
Interim distributions	4,416	3,775
Final distribution	1,213	1,378
	5,629	5,153
Add: amounts deductible on cancellation of shares	119	140
Less: amounts receivable on creation of shares	(71)	(67)
Distributions	5,677	5,226

Details of the distributions are set out in the tables on page 226.

b) Movement between net revenue and distribution

	2022	2021
	£'000	£'000
Net revenue after taxation	5,677	5,225
Equalisation on conversions	-	1
Distributions	5,677	5,226

7 Debtors

	2022	2021
	£'000	£'000
Accrued revenue	2,056	2,227
Amounts receivable for the issue of shares	525	297
Corporation tax recoverable	28	50
Sales awaiting settlement	128	608
Debtors	2,737	3,182

8 Cash and bank balances

	2022	2021
	£'000	£'000
Cash and bank balances	18,199	6,985
Cash and bank balances	18,199	6,985

Aegon Ethical Cautious Managed Fund

Notes to the Financial Statements (continued)

9 Other creditors

	2022	2021
	£'000	£'000
Accrued ACD periodic charge	381	480
Accrued other expenses	57	52
Amounts payable for cancellation of shares	620	835
Purchases awaiting settlement	21	364
Other creditors	1,079	1,731

10 Related parties

Related party interests in the sub-fund are disclosed in Note 6 of the Accounting Policies on page 17. Amounts due to the ACD as at year end for the ACD periodic charge and amounts due to the ACD for outstanding cancellations are disclosed in Note 9. Amounts receivable from the ACD as at year end for outstanding issue of shares are disclosed in Note 7. At the year-end 0.00% (2021: 0.00%) 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 2022 (2021: 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

	2022		2021	
	Market value £'000	Value of investments %	Market value £'000	Value of investments %
Investment grade	110,483	35.41	132,615	34.17
Below investment grade	2,902	0.93	5,533	1.44
Unrated	7,130	2.30	8,520	2.20
Other investments and derivatives	171,689	55.04	233,024	60.06
Portfolio of investments	292,204	93.68	379,692	97.87
Net other assets	19,700	6.32	8,251	2.13
Total net assets attributable to shareholders	311,904	100.00	387,943	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 (2021: same). As at the balance sheet date, the sub-fund's value at risk is 5.42% (2021: 3.95%).

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

	Lowest Utilisation (%)	Highest Utilisation (%)	Average Utilisation (%)
31 July 2022	3.81	5.42	4.59
31 July 2021	3.71	4.52	4.03

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.

Aegon Ethical Cautious Managed Fund

Notes to the Financial Statements (continued)

13 Portfolio transaction costs

Purchases

31 July 2022	Value £'000	Commissions £'000	%	Other Costs* £'000	%
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				
31 July 2021					
Debt securities	16,548	-	-	-	-
Equities	29,005	16	0.06	88	0.30
Corporate actions	2,376	-	-	-	-
Total	47,929	16		88	
Total purchases including transaction costs	48,033				

Sales

31 July 2022	Value £'000	Commissions £'000	%	Other Costs* £'000	%
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				
31 July 2021					
Debt securities	42,823	-	-	-	-
Equities	47,078	(35)	0.07	-	-
Corporate actions	636	-	-	-	-
Total	90,537	(35)		-	
Total sales net of transaction costs	90,502				

*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 0.39% (2021: 0.35%), 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	2022		2021	
	Assets £'000	Liabilities £'000	Assets £'000	Liabilities £'000
1 - Unadjusted quoted prices	179,539	-	233,024	-
2 - Observable market data	112,665	-	146,668	-
3 - Unobservable data	-	-	-	-
	292,204	-	379,692	-

Aegon Ethical Cautious Managed Fund

Notes to the Financial Statements (continued)

15 Share classes

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

B share class: 0.75%

The net asset value of each share class, the net asset value per share, and the number of shares in each class are given in the comparative tables on pages 212 to 214. The distribution per share class is given in the distribution tables on page 226. All share classes have the same rights on winding up.

Share class movement reconciliation

31 July 2022	Opening	Creations	Cancellation	Converted	Closing
B Accumulation	207,533,350	26,424,279	(39,511,556)	(84,887)	194,361,186
B Income	37,461,030	2,740,408	(6,036,657)	99,387	34,264,168

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 24 November 2022 and the percentage movement in that period:

Net assets per share

	31 July 2022	24 November 2022	% Movement
B Accumulation	139.75	133.83	(4.24)
B Income	117.55	111.96	(4.76)

During the period from the balance sheet date to 24 November 2022, the net asset value of the sub-fund decreased by 10.78%. This decrease is primarily driven by overall levels of net redemptions within the sub-fund.

Aegon Ethical Cautious Managed Fund

Distribution Tables

Share Class A Accumulation**

Period end	Pay date		Net Revenue	Equalisation*	Total Payable	2020/21 Total Paid
31/10/21	31/12/21	Group 1	-	-	-	0.3962
		Group 2				
31/01/22	31/03/22	Group 1	-	-	-	0.4589
		Group 2				
30/04/22	30/06/22	Group 1	-	-	-	0.5531
		Group 2				

Share Class A Income***

Period end	Pay date		Net Revenue	Equalisation*	Total Payable	2020/21 Total Paid
31/10/21	31/12/21	Group 1	-	-	-	0.4072
		Group 2				
31/01/22	31/03/22	Group 1	-	-	-	0.3196
		Group 2				

Share Class B Accumulation

Period end	Pay date		Net Revenue	Equalisation*	Total Payable	2020/21 Total Paid
31/10/21	31/12/21	Group 1	0.6342	N/A	0.6342	0.4360
		Group 2	0.2902	0.3440	0.6342	0.4360
31/01/22	31/03/22	Group 1	0.4985	N/A	0.4985	0.4902
		Group 2	0.2990	0.1995	0.4985	0.4902
30/04/22	30/06/22	Group 1	0.7490	N/A	0.7490	0.5586
		Group 2	0.5467	0.2023	0.7490	0.5586
31/07/22	30/09/22	Group 1	0.5431	N/A	0.5431	0.5750
		Group 2	0.3018	0.2413	0.5431	0.5750

Share Class B Income

Period end	Pay date		Net Revenue	Equalisation*	Total Payable	2020/21 Total Paid
31/10/21	31/12/21	Group 1	0.5423	N/A	0.5423	0.3780
		Group 2	0.2903	0.2520	0.5423	0.3780
31/01/22	31/03/22	Group 1	0.4245	N/A	0.4245	0.4235
		Group 2	0.3208	0.1037	0.4245	0.4235
30/04/22	30/06/22	Group 1	0.6359	N/A	0.6359	0.4811
		Group 2	0.4159	0.2200	0.6359	0.4811
31/07/22	30/09/22	Group 1	0.4585	N/A	0.4585	0.4934
		Group 2	0.2335	0.2250	0.4585	0.4934

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

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

**Share class closed on 30 June 2021.

***Share class closed on 25 March 2021.

Aegon Sustainable Diversified Growth Fund

Fund objective*

The investment objective is to deliver a total return (capital growth plus income) that exceeds the UK Retail Prices Index by at least 4% 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 (8.66)% (based on net and noon prices) compared to the benchmark return of 15.91%. The target benchmark is the UK Retail Price Index +4%.

Strategy review***

It was an extremely challenging period for most asset classes as investors grappled with the onset of the Omicron variant of COVID-19, sharply rising inflation and the decision by major central banks to begin removing the monetary policies that had been in place to support economies. As the period progressed, the Omicron variant proved to be less of a concern than previous strains, which boosted markets to an extent towards the end of 2021.

However, markets came under significant pressure as we moved through 2022, due mainly to the strong inflationary environment. The causes of the higher inflation figures were manifold and included the opening-up of economies following the coronavirus pandemic, ongoing supply chain bottlenecks and, of course, the tragic war in Ukraine which resulted in a spike in food and energy prices.

Central banks acted to combat rising inflation by increasing interest rates, although the clarity of their communications through this period was generally disappointing. During the second half of the period, however, it was clear that inflation was rising rapidly, with the result that both the US Federal Reserve and the Bank of England increased the magnitude of their rate rises.

The sub-fund came under pressure in the difficult environment, with the allocation to equities and fixed income the main detractors. A distinct feature of the period was the rotation out of equity 'growth' stocks and into 'value' stocks. Growth stocks (companies whose stock prices are predominantly based on expected increases in future revenues and earnings) struggled in the 'risk-off' environment. In contrast, 'value' stocks (companies whose stock prices depend less on future growth, and which often trade at valuations below their perceived real value) performed better.

This feature of the market was a significant contributor to the sub-fund's underperformance. It is important to note, however, that the market sell-off was very indiscriminate, with many of the sub-fund's growth stocks falling back despite a lack of negative company news. For example, Trustpilot (a consumer review platform) issued a trading update which beat consensus and underlined continued strong momentum in the growth of the business. Despite this, the shares declined on the news, underlining the difficult market conditions. Some holdings, such as Everbridge, did suffer from negative news. The company, which provides critical emergency mass communications, suffered after its shares declined sharply following the surprise resignation of its CEO.

The exposure to fixed income markets performed well early in the period although the subsequent hawkish comments (and actions) from central banks led to our weighting in government bonds, bank credit, investment grade and high yield all detracting over the period as a whole.

The allocation to alternatives, while volatile, was a positive contributor to performance. In particular, renewable energy investments performed strongly following the Russian invasion of Ukraine due to higher global energy prices, and a greater perceived urgency to build out renewable energy in an effort to reduce dependence on energy sourced from politically unstable regions. Our exposure to infrastructure also performed well although rising bond yields negatively impacted the performance of our REIT investments, with our holding in Leg Immobilien (German residential), for example, detracting.

We expect the volatile conditions to remain for the remainder of the year, given geopolitical crises and the higher inflation/base rate backdrop. Securities that offer some resilience to this environment will be sought after.

*Please note that the sub-fund's objective has been updated effective 28 July 2022. 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 2022	Top ten sales	31 July 2022
	£'000		£'000
US Treasury Bond 2.875% 15/05/2049	58,282	US Treasury Bond 2.875% 30/11/2023	47,838
US Treasury Bond 2.875% 30/11/2023	46,674	US Treasury Bond 2% 30/11/2022	34,011
US Treasury Bond 2.375% 15/05/2051	45,632	US Treasury Bond 0.625% 15/08/2030	30,538
US Treasury Bond 3.375% 15/11/2048	36,197	US Treasury Bond 1.625% 15/11/2022	27,801
US Treasury Bond 0.625% 15/08/2030	31,631	US Treasury Bond 1.125% 31/08/2021	27,449
German Government Bond 4.75% 04/07/2034	30,731	US Treasury Bond 2.875% 15/05/2049	23,585
US Treasury Bond 1.75% 30/06/2024	30,213	US Treasury Bond 2.375% 15/05/2051	18,920
Virgin Media Finance 3.75% 15/07/2030	9,151	Omega Healthcare Investors REIT	10,045
US Treasury Bond 2% 30/11/2022	6,451	EDP Renovaveis	7,097
Pinnacle Bidco 5.5% 15/02/2025	6,337	Acciona	6,496

Aegon Sustainable Diversified Growth Fund

Comparative Tables

A Accumulation shares**	2021	2020
	(p/share)	(p/share)
Change in net assets per share		
Opening net asset value per share	157.67	151.90
Return before operating charges*	20.96	7.34
Operating charges	(1.56)	(1.57)
Return after operating charges*	19.40	5.77
Distributions	(1.56)	(3.09)
Retained distributions on accumulation shares	1.56	3.09
Redemption value	(177.07)	-
Closing net asset value per share	-	157.67
*after direct transaction costs of	0.16	0.21
Performance		
Return after charges	12.30%	3.80%
Other information		
Closing net asset value (£'000)	-	214
Closing number of shares	-	135,803
Operating charges	-	1.04%
Direct transaction costs	-	0.14%
Prices		
Highest share price	178.56	162.67
Lowest share price	156.57	128.06

B Accumulation shares	2022	2021	2020
	(p/share)	(p/share)	(p/share)
Change in net assets per share			
Opening net asset value per share	195.67	170.36	163.53
Return before operating charges*	(15.84)	26.29	7.76
Operating charges	(1.00)	(0.98)	(0.93)
Return after operating charges*	(16.84)	25.31	6.83
Distributions	(4.09)	(3.40)	(3.93)
Retained distributions on accumulation shares	4.09	3.40	3.93
Closing net asset value per share	178.83	195.67	170.36
*after direct transaction costs of	0.06	0.18	0.22
Performance			
Return after charges	(8.61)%	14.86%	4.18%
Other information			
Closing net asset value (£'000)	633,941	601,254	476,962
Closing number of shares	354,494,302	307,272,617	279,972,829
Operating charges	0.53%	0.53%	0.59%
Direct transaction costs	0.03%	0.10%	0.14%
Prices			
Highest share price	201.29	196.03	175.48
Lowest share price	169.30	169.29	138.18

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

Comparative Tables (continued)

D Accumulation shares***	2020 (p/share)
Change in net assets per share	
Opening net asset value per share	128.58
Return before operating charges*	5.91
Operating charges	(0.55)
Return after operating charges*	5.36
Distributions	(1.36)
Retained distributions on accumulation shares	1.36
Redemption value	(133.94)
Closing net asset value per share	-
*after direct transaction costs of	0.18
Performance	
Return after charges	4.17%
Other information	
Closing net asset value (£'000)	-
Closing number of shares	-
Operating charges	-
Direct transaction costs	-
Prices	
Highest share price	136.11
Lowest share price	125.25

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 3 February 2020.

Aegon Sustainable Diversified Growth Fund

Portfolio Statement

The sub-fund's investments as at 31 July 2022

Holding	Investment	Market Valuation £'000	Total net assets %
Euro Denominated Bonds 9.68% (31 July 2021 3.64%)			
Corporate Bonds 4.71% (31 July 2021 3.64%)			
6,500,000	American Tower 1% 15/01/2032	4,449	0.70
7,500,000	Pinnacle Bidco 5.5% 15/02/2025	5,909	0.93
12,708,486	Stichting AK Rabobank Certificaten 6.5% Perpetual	11,420	1.80
12,000,000	Virgin Media Finance 3.75% 15/07/2030	8,096	1.28
		29,874	4.71
Government Bonds 4.97% (31 July 2021 0.00%)			
26,000,000	German Government Bond 4.75% 04/07/2034	31,500	4.97
		31,500	4.97
Sterling Denominated Bonds 0.81% (31 July 2021 1.79%)			
Corporate Bonds 0.81% (31 July 2021 1.79%)			
5,500,000	Pinnacle Bidco 6.375% 15/02/2025	5,137	0.81
		5,137	0.81
United States Dollar Denominated Bonds 26.39% (31 July 2021 19.35%)			
Corporate Bonds 6.68% (31 July 2021 5.76%)			
9,200,000	American Water Capital 2.8% 01/05/2030	6,994	1.10
6,500,000	Amgen 3.375% 21/02/2050	4,351	0.69
10,400,000	Avaya 6.125% 15/09/2028	4,012	0.63
7,670,000	CommScope 7.125% 01/07/2028	5,226	0.83
6,500,000	Digital Realty Trust 3.7% 15/08/2027	5,211	0.82
6,000,000	GEMS MENASA Cayman 7.125% 31/07/2026	4,630	0.73
2,000,000	HTA 7% 18/12/2025	1,453	0.23
6,900,000	IHS Netherlands 8% 18/09/2027	5,078	0.80
7,500,000	SBA Communications 3.125% 01/02/2029	5,387	0.85
		42,342	6.68
Government Bonds 19.71% (31 July 2021 13.59%)			
38,000,000	US Treasury Bond 1.75% 30/06/2024	30,521	4.81
34,600,000	US Treasury Bond 2.375% 15/05/2051	24,635	3.89
42,000,000	US Treasury Bond 2.875% 15/05/2049	33,015	5.21
43,000,000	US Treasury Bond 3.375% 15/11/2048	36,806	5.80
		124,977	19.71
Equities 57.61% (31 July 2021 68.82%)			
Basic Materials 0.41% (31 July 2021 0.46%)			
12,829	Air Products & Chemicals	2,614	0.41
		2,614	0.41
Consumer Discretionary 2.32% (31 July 2021 3.77%)			
6,290	Adidas	883	0.14
35,638	Basic-Fit	1,183	0.19
19,851	Garmin	1,591	0.25
175,234	Hanesbrands	1,607	0.25
128,081	IDP Education	2,052	0.32
26,871	Planet Fitness	1,738	0.28
90,467	RELX	2,194	0.35
118,400	Sekisui House	1,718	0.27
1,362,587	Taylor Wimpey	1,731	0.27
		14,697	2.32

Aegon Sustainable Diversified Growth Fund

Portfolio Statement (continued)

Holding	Investment	Market Valuation	Total net assets
		£'000	%
Consumer Staples 0.23% (31 July 2021 1.20%)			
65,458	Koninklijke Ahold Delhaize	1,476	0.23
		1,476	0.23
Energy 0.52% (31 July 2021 0.71%)			
171,619	ITM Power	365	0.06
29,386	Plug Power	514	0.08
8,067	SolarEdge Technologies	2,384	0.38
		3,263	0.52
Financials 23.87% (31 July 2021 22.58%)			
4,114,183	3i Infrastructure	13,762	2.17
5,302,267	BBGI Global Infrastructure SICAV*	9,470	1.49
4,211,284	Bluefield Solar Income Fund	5,664	0.89
86,192	Citizens Financial	2,687	0.43
16,269	CME	2,663	0.42
5,521,146	Cordiant Digital Infrastructure	5,880	0.93
16,489	First Republic Bank	2,202	0.35
2,925,291	Foresight Solar Fund	3,581	0.57
4,137,637	GCP Infrastructure Investments	4,709	0.74
9,423,677	Greencoat Renewables	9,586	1.51
8,957,374	Greencoat UK Wind	13,785	2.18
1,808,359	Gresham House Energy Storage Fund	2,884	0.46
8,648,062	HICL Infrastructure	14,978	2.36
9,185,984	International Public Partnerships	14,955	2.36
4,581,890	JLEN Environmental Assets	5,691	0.90
5,020,864	NextEnergy Solar Fund	5,664	0.89
3,558,664	Octopus Renewables Infrastructure Trust	4,057	0.64
12,022,868	Renewables Infrastructure	16,567	2.61
1,978,935	SDCL Energy Efficiency Income Trust	2,430	0.38
35,994	State Street	2,099	0.33
2,475,925	Syncona	5,088	0.80
8,166	Zurich Insurance	2,923	0.46
		151,325	23.87
Health Care 5.57% (31 July 2021 7.01%)			
4,967	ABIOMED	1,195	0.19
65,053	Amplifon	1,762	0.28
29,556	AstraZeneca	3,204	0.51
27,910	Bristol-Myers Squibb	1,691	0.27
6,624	Danaher	1,585	0.25
34,394	Dechra Pharmaceuticals	1,266	0.20
49,826	DermTech	334	0.05
4,680	Elevance Health	1,833	0.29
28,801	Eurofins Scientific	1,841	0.29
5,180	Genmab	1,518	0.24
35,959	Gilead Sciences	1,764	0.28
135,667	HIKMA Pharmaceuticals	2,346	0.37
9,451	ICON	1,872	0.29
4,250	Illumina	756	0.12
6,058	Insulet	1,231	0.19
7,146	Lonza	3,552	0.56
60,900	M3	1,730	0.27
40,541	Novo Nordisk	3,906	0.62
165,941	Oxford Nanopore Technologies	528	0.08
5,106	Penumbra	584	0.09
37,182	Veracyte	804	0.13
		35,302	5.57

Aegon Sustainable Diversified Growth Fund

Portfolio Statement (continued)

Holding	Investment	Market Valuation	Total net assets
		£'000	%
Industrials 4.61% (31 July 2021 7.41%)			
29,900	Acciona	5,043	0.79
19,504	Advanced Drainage Systems	1,899	0.30
22,397	Alfen Beheer	2,137	0.34
18,009	Automatic Data Processing	3,564	0.56
271,000	Chroma ATE	1,278	0.20
8,077	Cummins	1,467	0.23
19,051	Emerson Electric	1,409	0.22
6,021	Keyence	1,941	0.31
33,520	Kornit Digital	747	0.12
15,485	Schneider Electric	1,752	0.28
8,780	Stanley Black & Decker	701	0.11
17,052	Tetra Tech	2,145	0.34
109,762	Tomra Systems	2,094	0.33
16,453	Union Pacific	3,072	0.48
		29,249	4.61
Real Estate 4.87% (31 July 2021 8.35%)			
56,438	Digital Realty Trust REIT**	6,134	0.97
1,838,778	Grainger	5,443	0.86
196,775	Healthpeak Properties REIT**	4,461	0.70
1,795	Kenedix Residential Next Investment REIT**	2,471	0.39
70,172	Leg Immobilien	5,218	0.82
77,106	Nexity	1,553	0.25
1,657	Nippon Prologis REIT**	3,517	0.55
70,063	Weyerhaeuser REIT**	2,087	0.33
		30,884	4.87
Technology 3.20% (31 July 2021 4.97%)			
317,296	Delta Electronics	2,244	0.35
48,854	Dynatrace	1,509	0.24
19,877	Endava ADR	1,664	0.26
37,983	Everbridge	784	0.12
15,564	Microsoft	3,587	0.57
7,029	NVIDIA	1,048	0.17
138,355	Taiwan Semiconductor Manufacturing	1,927	0.30
25,777	Taiwan Semiconductor Manufacturing ADR	1,871	0.30
18,615	Teradyne	1,541	0.24
7,447	Tokyo Electron	2,105	0.33
483,377	Trustpilot	370	0.06
9,093	Universal Display	861	0.14
14,472	Workiva	777	0.12
		20,288	3.20
Telecommunications 0.23% (31 July 2021 0.00%)			
38,050	Verizon Communications	1,443	0.23
		1,443	0.23
Utilities 11.78% (31 July 2021 12.36%)			
105,450	AES	1,923	0.30
370,835	Atlantica Sustainable Infrastructure	10,855	1.71
211,824	EDP Renovaveis	4,505	0.71
273,138	Essential Utilities	11,646	1.84
1,112,156	National Grid	12,578	1.99
92,641	Orsted	8,879	1.40
343,744	Pennon	3,448	0.54
12,600	Republic Services	1,434	0.23
741,096	SSE	13,099	2.07
999,828	Terna	6,284	0.99
		74,651	11.78

Aegon Sustainable Diversified Growth Fund

Portfolio Statement (continued)

Holding	Investment	Market Valuation	Total net assets
		£'000	%
Derivatives and Futures Contracts (0.31)% (31 July 2021 0.32%)			
Forward Foreign Exchange Contracts 0.25% (31 July 2021 0.32%)			
	Bought DKK 21,000,000 Sold GBP 2,453,611 27/09/2022	(75)	(0.01)
	Bought GBP 1,758,166 Sold AUD 3,100,000 27/09/2022	(21)	-
	Bought GBP 6,095,885 Sold CHF 7,100,000 27/09/2022	(48)	(0.01)
	Bought GBP 15,613,066 Sold DKK 133,900,000 27/09/2022	446	0.07
	Bought GBP 71,482,501 Sold EUR 82,450,000 27/09/2022	1,970	0.31
	Bought GBP 30,720,168 Sold EUR 36,000,000 27/09/2022	369	0.06
	Bought GBP 3,545,543 Sold EUR 4,200,000 27/09/2022	4	-
	Bought GBP 12,718,668 Sold JPY 2,107,000,000 27/09/2022	(307)	(0.05)
	Bought GBP 2,523,023 Sold KRW 4,000,000,000 26/09/2022	3	-
	Bought GBP 28,526,322 Sold KRW 45,300,000,000 26/09/2022	(15)	-
	Bought GBP 35,948,344 Sold TWD 1,300,000,000 26/09/2022	278	0.04
	Bought GBP 2,257,331 Sold TWD 81,500,000 26/09/2022	21	-
	Bought GBP 6,460,301 Sold USD 7,800,000 27/09/2022	66	0.01
	Bought GBP 30,287,852 Sold USD 36,900,000 27/09/2022	39	0.01
	Bought GBP 2,406,261 Sold USD 2,900,000 27/09/2022	29	0.01
	Bought GBP 253,805,863 Sold USD 311,000,000 27/09/2022	(1,138)	(0.18)
	Bought NOK 491,000,000 Sold GBP 41,047,506 27/09/2022	678	0.11
	Bought NZD 35,400,000 Sold GBP 18,112,512 27/09/2022	142	0.02
	Bought USD 37,400,000 Sold GBP 31,518,200 27/09/2022	(859)	(0.14)
		1,582	0.25
	Futures Contracts (0.56)% (31 July 2021 0.00%)		
(611)	EURO STOXX 50 Future Contract September 2022	(662)	(0.11)
(192)	S&P 500 INDEX EMINI 16/09/2022	(2,868)	(0.45)
		(3,530)	(0.56)
	Portfolio of investments***	597,074	94.18
	Net other assets	36,867	5.82
	Total net assets attributable to shareholders	633,941	100.00

Analysis of investments by asset class

	Market Value	Value of investments
	£'000	%
Equities	365,192	57.61
Bonds	233,830	36.88
Derivatives	(1,948)	(0.31)
Portfolio of investments***	597,074	94.18
Net other assets	36,867	5.82
Total net assets attributable to shareholders	633,941	100.00

The comparative percentage figures in brackets are at 31 July 2021.

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.

**Real Estate Investment Trust.

***Includes investment liabilities.

Aegon Sustainable Diversified Growth Fund

Statement of Total Return for the year ended 31 July 2022

	Note	£'000	2022 £'000	£'000	2021 £'000
Income					
Net capital (losses)/gains	2		(70,060)		63,331
Revenue	3	17,817		13,447	
Expenses	4	(3,283)		(2,825)	
Interest payable and similar charges		(9)		(16)	
Net revenue before taxation		14,525		10,606	
Taxation	5	(967)		(653)	
Net revenue after taxation			13,558		9,953
Total return before distributions			(56,502)		73,284
Distributions	6		(13,558)		(9,953)
Change in net assets attributable to shareholders from investment activities			(70,060)		63,331

Statement of Change in Net Assets Attributable to Shareholders for the year ended 31 July 2022

	£'000	2022 £'000	£'000	2021 £'000
Opening net assets attributable to shareholders		601,254		477,176
Amounts receivable on issue of shares	99,446		69,251	
Amounts payable on cancellation of shares	(10,815)		(18,739)	
		88,631		50,512
Dilution adjustment		230		144
Change in net assets attributable to shareholders from investment activities		(70,060)		63,331
Retained distribution on accumulation shares		13,886		10,091
Closing net assets attributable to shareholders		633,941		601,254

Aegon Sustainable Diversified Growth Fund

Balance Sheet as at 31 July 2022

	Note	£'000	2022 £'000	£'000	2021 £'000
Assets					
Fixed assets:					
Investments			603,067		566,530
Current assets:					
Debtors	7	3,505		5,622	
Cash and bank balances	8	34,226		42,006	
			<u>37,731</u>		<u>47,628</u>
Total assets			640,798		614,158
Liabilities					
Investment liabilities					
			5,993		1,845
Creditors					
Bank overdrafts	9	2		1,971	
Other creditors	10	862		9,088	
Total liabilities			<u>6,857</u>		<u>12,904</u>
Net assets attributable to shareholders			633,941		601,254

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)/gains

Net capital (losses)/gains comprise:

	2022	2021
	£'000	£'000
(Losses)/gains on non-derivative securities	(27,620)	47,435
(Losses)/gains on forward currency contracts	(38,564)	18,698
Currency exchange losses	(336)	(600)
Losses on derivative securities	(3,533)	(2,193)
Transaction charges	(7)	(9)
Net capital (losses)/gains	(70,060)	63,331

3 Revenue

	2022	2021
	£'000	£'000
UK dividends	7,485	5,820
Non-taxable overseas dividends	4,272	3,529
Taxable overseas dividends	379	255
US REIT dividends	493	817
Interest on debt securities	5,039	2,999
Bank interest	149	2
Derivative revenue	-	25
Total revenue	17,817	13,447

4 Expenses*

	2022	2021
	£'000	£'000
Payable to the ACD, associates of the ACD and agents of either of them:		
ACD's periodic charge	3,130	2,676
Payable to the Depositary, associates of the Depositary and agents of either of them:		
Depositary fee	73	73
Other expenses:		
Audit fee**	19	12
FT publishing fee	3	3
Legal fees	-	1
PRIIIPs fees	3	6
Registrar's fee	9	11
Safe custody charge	27	24
Tax service fees	19	19
Total expenses	3,283	2,825

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

**The audit fee (excluding VAT) incurred during the year was £15,628 (2021: £12,190).

5 Taxation

a) Analysis of charge in the year

	2022	2021
	£'000	£'000
Current tax:		
UK corporation tax on profits in the year	554	251
	554	251
Double taxation relief	(107)	(156)
Overseas tax suffered	520	558
Total tax charge for the year (see note 5 (b))	967	653

Aegon Sustainable Diversified Growth 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 (2021: lower than) than the standard rate of corporation tax for Open Ended Investment Companies 'OEICs' (20%).

The differences are explained below:

	2022	2021
	£'000	£'000
Net revenue before taxation	14,525	10,606
Corporation tax 20% (2021: 20%)	2,905	2,121
Effects of:		
Double taxation relief	(107)	(156)
Overseas tax suffered	520	558
Revenue not subject to taxation	(2,351)	(1,870)
Total tax charge for the year (see note 5 (a))	967	653

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:

	2022	2021
	£'000	£'000
Interim distributions	8,715	6,493
Final distribution	5,171	3,598
	13,886	10,091
Add: amounts deductible on cancellation of shares	29	40
Less: amounts receivable on creation of shares	(357)	(178)
Distributions	13,558	9,953

Details of the distributions are set out in the tables on page 243.

7 Debtors

	2022	2021
	£'000	£'000
Accrued revenue	3,216	2,646
Amounts receivable for the issue of shares	8	27
Corporation tax recoverable	-	246
Sales awaiting settlement	-	2,410
Reclaimable overseas tax	281	293
Debtors	3,505	5,622

8 Cash and bank balances

	2022	2021
	£'000	£'000
Amounts held at futures clearing houses and brokers	5,792	-
Cash and bank balances	2,663	9,078
Money market deposits	25,771	32,928
Cash and bank balances	34,226	42,006

9 Bank overdrafts

	2022	2021
	£'000	£'000
Amounts held at futures clearing houses and brokers*	2	1,971
Bank overdrafts	2	1,971

*Includes cash pledged as collateral of £Nil (2021: £1,970,000).

Aegon Sustainable Diversified Growth Fund

Notes to the Financial Statements (continued)

10 Other creditors

	2022	2021
	£'000	£'000
Accrued ACD periodic charge	505	496
Accrued other expenses	48	45
Amounts payable for cancellation of shares	223	152
Corporation tax payable	86	-
Purchases awaiting settlement	-	8,395
Other creditors	862	9,088

11 Related parties

Related party interests in the sub-fund are disclosed in Note 6 of the Accounting Policies on page 17. Amounts due to the ACD as at year end for the ACD periodic charge and amounts due to the ACD for outstanding cancellations are disclosed in Note 10. Amounts receivable from the ACD as at year end for outstanding issue of shares are disclosed in Note 7. At the year-end 38.39% (2021: 40.92%) 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 2022 (2021: 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

	2022		2021	
	Market value £'000	Value of investments %	Market value £'000	Value of investments %
Investment grade	152,847	24.10	104,924	17.45
Below investment grade	44,928	7.09	33,860	5.63
Unrated	36,055	5.69	10,204	1.70
Other investments and derivatives	363,244	57.30	415,697	69.14
Portfolio of investments	597,074	94.18	564,685	93.92
Net other assets	36,867	5.82	36,569	6.08
Total net assets attributable to shareholders	633,941	100.00	601,254	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% (2021: 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% (2021: 14.10%). As at the balance sheet date, the sub-fund's value at risk is 3.75% (2021: 2.76%).

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

	Lowest Utilisation (%)	Highest Utilisation (%)	Average Utilisation (%)
31 July 2022	2.69	4.26	3.50
31 July 2021	2.44	4.59	3.06

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 2022 the average leverage was 93.83% (2021: 101.15%).

Aegon Sustainable Diversified Growth 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.

At 31 July 2022, the market value of the exchange traded derivatives held by the sub-fund was £(3,530,000) (2021: £Nil).

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

As at 31 July 2022

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

As at 31 July 2021

Counterparty	Forward Foreign	Futures	Options	Collateral
	Exchange Contracts	Exposure	Exposure	Pledge
	Exposure	£'000	£'000	£'000
Barclays	47	-	-	-
BNP Paribas	1,883	-	-	(1,970)

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 2022	Value	Commissions	Other Costs*	
	£'000	£'000	%	£'000
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			
31 July 2021				
Debt securities	230,701	-	-	-
Equities	353,740	112	0.03	276
Collective Investments Schemes	10,073	5	0.05	-
Corporate actions	884	-	-	-
Total	595,398	117		276
Total purchases including transaction costs	595,791			

*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)

14 Portfolio transaction costs (continued)

Sales

31 July 2022	Value	Commissions	%	Other Costs*	%
	£'000	£'000		£'000	
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				
31 July 2021					
Debt securities	204,426	-	-	-	-
Equities	304,050	(95)	0.03	(25)	0.01
Collective Investments Schemes	8,283	(4)	0.05	-	-
Corporate actions	1,756	-	-	-	-
Total	518,515	(99)		(25)	
Total sales net of transaction costs	518,391				

Derivatives

31 July 2022	Commissions
	£'000
Futures	2
Total	2
31 July 2021	
Futures	5
Total	5

*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 0.24% (2021: 0.21%), 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	2022		2021	
	Assets	Liabilities	Assets	Liabilities
	£'000	£'000	£'000	£'000
1 - Unadjusted quoted prices	521,669	(3,530)	495,452	-
2 - Observable market data	81,398	(2,463)	71,078	(1,845)
3 - Unobservable data	-	-	-	-
	603,067	(5,993)	566,530	(1,845)

Aegon Sustainable Diversified Growth Fund

Notes to the Financial Statements (continued)

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: 0.50%

The net asset value of each share class, the net asset value per share, and the number of shares in each class are given in the comparative tables on pages 229 and 230. The distribution per share class is given in the distribution tables on page 243. All share classes have the same rights on winding up.

Share class movement reconciliation

31 July 2022	Opening	Creations	Cancellations	Converted	Closing
B Accumulation	307,272,617	52,821,700	(5,600,015)	-	354,494,302

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 24 November 2022 and the percentage movement in that period:

Net assets per share

	31 July 2022	24 November 2022	% Movement
B Accumulation	178.83	174.60	(2.36)

Aegon Sustainable Diversified Growth Fund

Distribution Tables

Share Class A Accumulation**

Period end	Pay date		Net Revenue	Equalisation*	Total Payable	2020/21 Total Paid
31/10/21	31/12/21	Group 1	-	-	-	0.4049
		Group 2				
31/01/22	31/03/22	Group 1	-	-	-	0.4690
		Group 2				
30/04/22	30/06/22	Group 1	-	-	-	0.6849
		Group 2				

Share Class B Accumulation

Period end	Pay date		Net Revenue	Equalisation*	Total Payable	2020/21 Total Paid
31/10/21	31/12/21	Group 1	0.6644	N/A	0.6644	0.6118
		Group 2	0.2700	0.3944		
31/01/22	31/03/22	Group 1	0.9574	N/A	0.9574	0.6926
		Group 2	0.2714	0.6860		
30/04/22	30/06/22	Group 1	1.0079	N/A	1.0079	0.9219
		Group 2	0.3702	0.6377		
31/07/22	30/09/22	Group 1	1.4588	N/A	1.4588	1.1711
		Group 2	0.3576	1.1012		

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

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

**Share class closed on 22 June 2021.

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 (3.82)%, compared to (5.28)% 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 0.4849 pence. The historic yield, based on the 12 most recent monthly distributions, was 5.83% compared to the target yield of 5%.

Strategy review***

It was an extremely challenging period for most asset classes as investors grappled with the onset of the Omicron variant of COVID-19, sharply rising inflation and the decision by major central banks to begin removing the monetary policies that had been in place to support economies. As the period progressed, the Omicron variant proved to be less of a concern than previous strains, which boosted markets to an extent towards the end of 2021.

However, markets came under significant pressure as we moved through 2022, due mainly to the strong inflationary environment. The causes of the higher inflation figures were manifold and included the opening-up of economies following the coronavirus pandemic, ongoing supply chain bottlenecks and, of course, the tragic war in Ukraine which resulted in a spike in food and energy prices.

Central banks acted to combat rising inflation by increasing interest rates, although the clarity of their communications through this period was generally disappointing. During the second half of the period, however, it was clear that inflation was rising rapidly, with the result that both the US Federal Reserve and the Bank of England increased the magnitude of their rate rises.

The sub-fund's allocation to global equity income was the largest positive contributor to performance, with pharmaceutical names Pfizer and AstraZenca both finding themselves among the top performing securities. Other names of note were technology company Broadcom, and financials names Macquarie and DNB Bank.

Real assets were mixed over the course of the 12-month period; both listed infrastructure and renewable energy returned positively, with only listed real estate posting negative. Real estate came under pressure as the sector was impacted negatively by rising bond yields and concerns for European economies flowing from the war in Ukraine, resulting in a fall in share prices for residential exposures in Germany, France and UK. Asian and US exposures were less impacted and helped to offset some but not all of the European weakness. Alternatives performed well, with Greencoat UK Wind and SSE being two names that remained notable throughout. In infrastructure, European integrated utilities were weak, but the grid operators and UK-based utilities performed well in the second half of the period.

Our allocation to fixed income struggled, which was unsurprising given the difficult market background for the sector. All segments of the fixed income strategy returned negatively. Government and investment grade bonds were negatively impacted throughout, while high yield remained buoyant initially, but was hit hard in the second half of the period due to inflationary impacts and the effects of central banks hiking interest rates. Overall, the high yield allocation was the least negative contributor to sub-fund performance within fixed income.

*Please note that the sub-fund's objective has been updated effective 28 July 2022. 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.

***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 2022	Top ten sales	31 July 2022
	£'000		£'000
US Treasury Bond 2.875% 30/11/2023	22,388	US Treasury Bond 2% 30/11/2022	34,258
Nordea Bank	18,828	US Treasury Bond 1.625% 15/11/2022	22,166
US Treasury Bond 1.25% 31/08/2024	14,306	Nordea Bank	17,937
Alpha Bank 3% 14/02/2024	14,112	Eiffage	13,926
ING Groep	11,557	Muenchener Rueckversicherungs	10,241
Vonovia	11,504	Takeda Pharmaceutical	10,214
US Treasury Bond 2% 30/11/2022	10,247	Endesa	9,234
Nexity	8,978	National Grid	9,139
DNB Bank	7,509	Renewables Infrastructure	8,978
Novartis	7,308	Greencoat UK Wind	8,778

Aegon Diversified Monthly Income Fund

Comparative Tables

A Accumulation shares**	2021	2020
	(p/share)	(p/share)
Change in net assets per share		
Opening net asset value per share	134.80	142.04
Return before operating charges*	18.84	(5.46)
Operating charges	(1.66)	(1.78)
Return after operating charges*	17.18	(7.24)
Distributions	(4.80)	(6.77)
Retained distributions on accumulation shares	4.80	6.77
Redemption value	(151.98)	-
Closing net asset value per share	-	134.80
*after direct transaction costs of	0.13	0.11
Performance		
Return after charges	12.74%	(5.10)%
Other information		
Closing net asset value (£'000)	-	1,483
Closing number of shares	-	1,100,222
Operating charges	-	1.29%
Direct transaction costs	-	0.08%
Prices		
Highest share price	153.63	152.96
Lowest share price	132.84	110.16

A Income shares***	2020
	(p/share)
Change in net assets per share	
Opening net asset value per share	106.49
Return before operating charges*	(11.47)
Operating charges	(1.00)
Return after operating charges*	(12.47)
Distributions	(2.92)
Retained distributions on accumulation shares	-
Redemption value	(91.10)
Closing net asset value per share	-
*after direct transaction costs of	0.09
Performance	
Return after charges	(11.71)%
Other information	
Closing net asset value (£'000)	-
Closing number of shares	-
Operating charges	-
Direct transaction costs	-
Prices	
Highest share price	112.49
Lowest share price	80.69

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 24 April 2020.

Aegon Diversified Monthly Income Fund

Comparative Tables (continued)

B Accumulation shares	2022	2021	2020
	(p/share)	(p/share)	(p/share)
Change in net assets per share			
Opening net asset value per share	158.99	139.50	146.18
Return before operating charges*	(4.97)	20.37	(5.84)
Operating charges	(0.94)	(0.88)	(0.84)
Return after operating charges*	(5.91)	19.49	(6.68)
Distributions	(8.66)	(6.78)	(6.77)
Retained distributions on accumulation shares	8.66	6.78	6.77
Closing net asset value per share	153.08	158.99	139.50
*after direct transaction costs of	0.09	0.13	0.12
Performance			
Return after charges	(3.72)%	13.97%	(4.57)%
Other information			
Closing net asset value (£'000)	427,883	465,566	450,242
Closing number of shares	279,509,773	292,830,393	322,749,416
Operating charges	0.59%	0.59%	0.59%
Direct transaction costs	0.06%	0.09%	0.08%
Prices			
Highest share price	167.29	159.85	157.92
Lowest share price	146.59	137.59	113.79

B Income shares	2022	2021	2020
	(p/share)	(p/share)	(p/share)
Change in net assets per share			
Opening net asset value per share	109.16	100.15	110.11
Return before operating charges*	(3.24)	14.40	(4.34)
Operating charges	(0.63)	(0.62)	(0.62)
Return after operating charges*	(3.87)	13.78	(4.96)
Distributions	(5.82)	(4.77)	(5.00)
Retained distributions on accumulation shares	-	-	-
Closing net asset value per share	99.47	109.16	100.15
*after direct transaction costs of	0.06	0.09	0.09
Performance			
Return after charges	(3.55)%	13.76%	(4.50)%
Other information			
Closing net asset value (£'000)	423,401	437,353	366,804
Closing number of shares	425,670,957	400,650,425	366,270,241
Operating charges	0.59%	0.59%	0.59%
Direct transaction costs	0.06%	0.09%	0.08%
Prices			
Highest share price	112.98	110.95	116.67
Lowest share price	95.98	98.56	83.73

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

Comparative Tables (continued)

D Accumulation shares****	2020 (p/share)
Change in net assets per share	
Opening net asset value per share	144.84
Return before operating charges*	8.09
Operating charges	(0.67)
Return after operating charges*	7.42
Distributions	(2.88)
Retained distributions on accumulation shares	2.88
Redemption value	(152.26)
Closing net asset value per share	-
 *after direct transaction costs of	 0.12
Performance	
Return after charges	5.12%
Other information	
Closing net asset value (£'000)	-
Closing number of shares	-
Operating charges	-
Direct transaction costs	-
Prices	
Highest share price	155.57
Lowest share price	141.88

D Income shares****	2020 (p/share)
Change in net assets per share	
Opening net asset value per share	108.84
Return before operating charges*	6.01
Operating charges	(0.49)
Return after operating charges*	5.52
Distributions	(2.14)
Retained distributions on accumulation shares	-
Redemption value	(112.22)
Closing net asset value per share	-
 *after direct transaction costs of	 0.09
Performance	
Return after charges	5.07%
Other information	
Closing net asset value (£'000)	-
Closing number of shares	-
Operating charges	-
Direct transaction costs	-
Prices	
Highest share price	115.09
Lowest share price	106.61

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 classes closed on 3 February 2020.

Aegon Diversified Monthly Income Fund

Portfolio Statement

The sub-fund's investments as at 31 July 2022

Holding	Investment	Market Valuation £'000	Total net assets %
Euro Denominated Bonds 10.01% (31 July 2021 6.96%)			
Corporate Bonds 10.01% (31 July 2021 6.96%)			
3,800,000	888 Acquisitions 7.558% 15/07/2027	2,810	0.33
8,300,000	Alpha Bank 3% 14/02/2024	6,864	0.81
7,200,000	Alpha Services 5.5% 11/06/2031	4,767	0.56
2,600,000	ARD Finance 5% 30/06/2027	1,626	0.19
7,000,000	Banco de Sabadell 5% Perpetual	4,604	0.54
6,800,000	Banco de Sabadell 6.125% Perpetual	5,541	0.65
6,000,000	Banco Santander 5.25% Perpetual	4,981	0.59
2,600,000	BP Capital Markets 3.625% Perpetual	1,994	0.23
4,100,000	CT Investment 5.5% 15/04/2026	2,922	0.34
5,600,000	Deuce Finco 4.75% 15/06/2027	4,145	0.49
900,000	DKT Finance 7% 17/06/2023	711	0.08
5,400,000	Erste 4.25% Perpetual	3,752	0.44
3,600,000	Iliad 5.125% 15/10/2026	2,916	0.34
3,000,000	Kleopatra 4.25% 01/03/2026	2,143	0.25
6,600,000	National Bank of Greece 8.25% 18/07/2029	5,417	0.64
2,700,000	Novelis Sheet Ingot 3.375% 15/04/2029	1,897	0.22
5,600,000	Piraeus Financial 8.75% Perpetual	3,467	0.41
6,400,000	Piraeus Financial 9.75% 26/06/2029	5,100	0.60
7,570,460	Stichting AK Rabobank Certificaten 6.5% Perpetual	6,803	0.80
5,000,000	Teva Pharmaceutical Finance Netherlands II 3.75% 09/05/2027	3,895	0.46
5,600,000	Unicaja Banco 4.875% Perpetual	3,748	0.44
3,300,000	UniCredit 7.5% Perpetual	2,715	0.32
3,200,000	WP/AP Telecom 3.75% 15/01/2029	2,392	0.28
		85,210	10.01
Sterling Denominated Bonds 10.05% (31 July 2021 8.95%)			
Asset Backed Security 0.07% (31 July 2021 0.07%)			
900,000	Telereal Secured Finance 4.01% 10/12/2031	557	0.07
		557	0.07
Corporate Bonds 9.98% (31 July 2021 8.88%)			
700,000	AA 3.25% 31/07/2028	593	0.07
2,400,000	abrdrn 5.25% Perpetual	2,059	0.24
6,800,000	Arqiva Broadcast Finance 6.75% 30/09/2023	6,606	0.78
2,200,000	Aviva 6.875% 20/05/2058	2,530	0.30
3,100,000	AXA 5.453% Perpetual	3,097	0.36
3,200,000	Barclays 7.125% Perpetual	3,184	0.37
5,800,000	Barclays 8.875% Perpetual	6,073	0.71
2,600,000	Bellis Acquisition 4.5% 16/02/2026	2,149	0.25
6,800,000	Castle UK Finco 7% 15/05/2029	5,550	0.65
1,400,000	CPUK Finance 4.5% 28/08/2027	1,255	0.15
3,700,000	CPUK Finance 6.5% 28/08/2026	3,497	0.41
3,800,000	Deuce Finco 5.5% 15/06/2027	3,200	0.38
3,800,000	Intesa Sanpaolo 5.148% 10/06/2030	3,464	0.41
2,107,000	Legal & General 5.5% 27/06/2064	2,044	0.24
3,486,000	Lloyds Banking 2.707% 03/12/2035	2,945	0.35
550,000	Lloyds Banking 11.75% Perpetual	1,018	0.12
1,800,000	M&G 5.56% 20/07/2055	1,715	0.20
1,807,000	M&G 5.625% 20/10/2051	1,812	0.21
1,700,000	MPT Operating Partnership 3.692% 05/06/2028	1,487	0.18
37,000	Nationwide Building Society 10.25% Perpetual	5,143	0.60
2,200,000	Pension Insurance 7.375% Perpetual	2,180	0.26
3,450,000	Pinnacle Bidco 6.375% 15/02/2025	3,222	0.38
3,600,000	RAC 4.87% 06/05/2026	3,540	0.42
3,600,000	Rentokil Initial 5% 27/06/2032	3,834	0.45

Aegon Diversified Monthly Income Fund

Portfolio Statement (continued)

Holding	Investment	Market Valuation £'000	Total net assets %
Corporate Bonds (continued)			
3,700,000	Rothsay Life 3.375% 12/07/2026	3,491	0.41
7,000,000	Virgin Money UK 8.25% Perpetual	6,758	0.79
2,900,000	Whitbread 3% 31/05/2031	2,494	0.29
		84,940	9.98
United States Dollar Denominated Bonds 18.07% (31 July 2021 19.36%)			
Corporate Bonds 13.70% (31 July 2021 12.98%)			
5,000,000	AerCap 5.875% 10/10/2079	3,643	0.43
4,100,000	Ardagh Packaging Finance 5.25% 15/08/2027	2,614	0.31
3,200,000	ASP Unifrax 5.25% 30/09/2028	2,193	0.26
3,100,000	ASP Unifrax 7.5% 30/09/2029	2,010	0.24
5,000,000	Athene Global Funding 3.205% 08/03/2027	3,801	0.45
4,000,000	Avaya 6.125% 15/09/2028	1,543	0.18
3,000,000	Banco Bilbao Vizcaya Argentaria 6.5% Perpetual	2,372	0.28
2,400,000	Barclays 4.375% Perpetual	1,605	0.19
4,500,000	BP Capital Markets 4.375% Perpetual	3,647	0.43
2,100,000	CNAC HK Finbridge 4.625% 14/03/2023	1,735	0.20
1,800,000	Commerzbank 7% Perpetual	1,403	0.17
4,100,000	CommScope 7.125% 01/07/2028	2,794	0.33
11,100,000	Credit Suisse 6.375% Perpetual	7,724	0.91
3,200,000	Credit Suisse 7.5% Perpetual	2,607	0.31
4,900,000	CrowdStrike 3% 15/02/2029	3,660	0.43
1,600,000	Deutsche Bank 6% Perpetual	1,142	0.13
7,400,000	Deutsche Bank New York 3.547% 18/09/2031	5,190	0.61
2,500,000	DKT Finance 9.375% 17/06/2023	1,968	0.23
2,970,000	DP World 6.85% 02/07/2037	2,690	0.32
3,620,000	Dresdner Funding Trust I 8.151% 30/06/2031	3,272	0.38
1,938,000	Frontier Communications 5% 01/05/2028	1,493	0.18
4,300,000	Frontier Communications 5.875% 15/10/2027	3,490	0.41
5,625,000	Gartner 4.5% 01/07/2028	4,456	0.52
5,400,000	GEMS MENASA Cayman 7.125% 31/07/2026	4,167	0.49
1,300,000	HTA 7% 18/12/2025	944	0.11
4,900,000	Iron Mountain 4.5% 15/02/2031	3,530	0.41
4,600,000	Kronos Acquisition 5% 31/12/2026	3,295	0.39
3,407,000	MPT Operating Partnership 5.25% 01/08/2026	2,737	0.32
4,400,000	Nielsen Finance 4.75% 15/07/2031	3,428	0.40
11,300,000	Petroleos Mexicanos 6.5% 13/03/2027	8,381	0.98
3,600,000	Phoenix 5.625% Perpetual	2,841	0.33
5,400,000	Prime Security Services Borrower 6.25% 15/01/2028	4,111	0.48
5,000,000	SBA Communications 3.125% 01/02/2029	3,591	0.42
4,200,000	Swiss Re Finance Luxembourg 4.25% Perpetual	3,215	0.38
2,649,000	Teva Pharmaceutical Finance 2.95% 18/12/2022	2,159	0.25
4,214,000	UBS Funding Switzerland 7% Perpetual	3,608	0.42
4,800,000	VICI Properties 3.875% 15/02/2029	3,601	0.42
		116,660	13.70
Government Bonds 4.37% (31 July 2021 6.38%)			
18,000,000	US Treasury Bond 1.25% 31/08/2024	14,278	1.67
28,000,000	US Treasury Bond 2.875% 30/11/2023	22,962	2.70
		37,240	4.37
Equities 53.64% (31 July 2021 61.47%)			
Basic Materials 2.45% (31 July 2021 1.66%)			
48,371	Air Products & Chemicals	9,857	1.16
154,135	Anglo American	4,546	0.53
131,318	Rio Tinto	6,466	0.76
		20,869	2.45

Aegon Diversified Monthly Income Fund

Portfolio Statement (continued)

Holding	Investment	Market Valuation £'000	Total net assets %
Consumer Discretionary 0.58% (31 July 2021 1.14%)			
61,959	Garmin	4,964	0.58
		4,964	0.58
Consumer Staples 2.26% (31 July 2021 2.40%)			
225,288	Koninklijke Ahold Delhaize	5,082	0.60
51,660	Nestle	5,188	0.61
3,421,082	Tesco	8,980	1.05
		19,250	2.26
Energy 0.00% (31 July 2021 0.33%)			
Financials 18.29% (31 July 2021 18.45%)			
1,736,553	3i Infrastructure	5,809	0.68
62,748	Allianz	9,354	1.10
1,386,694	Ashmore	2,990	0.35
3,507,176	BBGI Global Infrastructure SICAV*	6,264	0.74
5,701,267	Cordiant Digital Infrastructure	6,072	0.71
638,592	DNB Bank	10,291	1.21
7,887,162	Greencoat Renewables	8,023	0.94
6,658,933	Greencoat UK Wind	10,248	1.20
5,789,969	HICL Infrastructure	10,028	1.18
1,137,622	Infratil	4,877	0.57
475,978	ING Groep	3,798	0.45
6,274,233	International Public Partnerships	10,214	1.20
4,075,391	JLEN Environmental Assets	5,061	0.60
3,759,159	Legal & General	9,808	1.15
84,654	Macquarie	8,796	1.03
113,759	Morgan Stanley	7,872	0.93
11,384	Muenchener Rueckversicherungs	2,115	0.25
3,134,839	Phoenix	20,176	2.37
6,874,001	Renewables Infrastructure	9,472	1.11
12,455	Zurich Insurance	4,458	0.52
		155,726	18.29
Health Care 3.31% (31 July 2021 4.36%)			
68,367	AstraZeneca	7,412	0.87
48,804	Gilead Sciences	2,394	0.28
218,620	GSK	3,776	0.44
273,276	Haleon	797	0.10
332,226	Pfizer	13,778	1.62
		28,157	3.31
Industrials 6.12% (31 July 2021 5.10%)			
40,100	Automatic Data Processing	7,936	0.93
83,514	Ball	5,031	0.59
64,073	Cummins	11,640	1.37
4,041,563	DP Aircraft I	83	0.01
63,281	Eaton	7,711	0.91
96,144	Schneider Electric	10,875	1.28
1,218,000	Simplo Technology	8,799	1.03
		52,075	6.12

Aegon Diversified Monthly Income Fund

Portfolio Statement (continued)

Holding	Investment	Market Valuation	Total net assets
		£'000	%
Real Estate 7.45% (31 July 2021 11.02%)			
2,029,045	Ascendas REIT**	3,576	0.42
40,864	Digital Realty Trust REIT**	4,442	0.52
8,560	GLP J-REIT**	9,204	1.08
334,800	Grand City Properties	3,741	0.44
4,463	Kenedix Residential Next Investment REIT**	6,143	0.72
114,187	Leg Immobilien	8,490	1.00
2,493,044	LXI REIT**	3,695	0.44
317,007	Nexity	6,385	0.75
2,712,036	Urban Logistics REIT**	4,800	0.56
310,278	Vonovia	8,457	0.99
151,375	Weyerhaeuser REIT**	4,509	0.53
		63,442	7.45
Technology 5.66% (31 July 2021 3.93%)			
26,035	Broadcom	11,444	1.34
711,185	Delta Electronics	5,030	0.59
29,770	Microsoft	6,861	0.81
114,669	Samsung Electronics	4,441	0.52
167,147	Taiwan Semiconductor Manufacturing ADR	12,135	1.43
42,214	Texas Instruments	6,198	0.73
7,187	Tokyo Electron	2,031	0.24
		48,140	5.66
Telecommunications 1.24% (31 July 2021 2.54%)			
20,674,800	Telekomunikasi Indonesia	4,840	0.57
433,166	Telenet	5,685	0.67
		10,525	1.24
Utilities 6.28% (31 July 2021 10.54%)			
522,762	Endesa	7,871	0.93
2,441,468	Enel	10,076	1.18
1,851,195	Energias de Portugal	7,687	0.90
663,759	Iberdrola	5,820	0.68
96,232	NextEra Energy	6,677	0.79
474,502	SSE	8,387	0.99
1,100,985	Terna	6,920	0.81
		53,438	6.28
Derivatives and Futures Contracts 1.52% (31 July 2021 0.74%)			
Forward Foreign Exchange Contracts 1.50% (31 July 2021 0.74%)			
	Bought BRL 107,300,000 Sold EUR 19,760,589 16/09/2022	91	0.01
	Bought EUR 3,800,000 Sold GBP 3,239,625 09/09/2022	(39)	-
	Bought EUR 14,500,000 Sold GBP 12,453,978 09/09/2022	(240)	(0.03)
	Bought EUR 20,355,908 Sold IDR 318,000,000,000 16/09/2022	(376)	(0.04)
	Bought EUR 20,593,579 Sold INR 1,700,000,000 16/09/2022	(157)	(0.02)
	Bought EUR 18,641,721 Sold PLN 89,300,000 20/09/2022	(10)	-
	Bought GBP 8,379,530 Sold AUD 14,700,000 09/09/2022	(57)	(0.01)
	Bought GBP 9,971,524 Sold CHF 11,500,000 09/09/2022	28	-
	Bought GBP 86,319,933 Sold EUR 99,600,000 20/09/2022	2,378	0.28
	Bought GBP 3,205,083 Sold EUR 3,800,000 09/09/2022	4	-
	Bought GBP 5,625,034 Sold IDR 103,000,000,000 30/09/2022	(47)	(0.01)
	Bought GBP 16,496,230 Sold JPY 2,652,000,000 09/09/2022	120	0.01
	Bought GBP 4,515,352 Sold KRW 7,200,000,000 30/09/2022	(21)	-
	Bought GBP 11,287,925 Sold NOK 135,700,000 09/09/2022	(246)	(0.03)
	Bought GBP 4,340,529 Sold NZD 8,400,000 09/09/2022	6	-

Aegon Diversified Monthly Income Fund

Portfolio Statement (continued)

Holding	Investment	Market Valuation	Total net assets
		£'000	%
Forward Foreign Exchange Contracts (continued)			
	Bought GBP 7,228,748 Sold SGD 12,100,000 09/09/2022	31	-
	Bought GBP 50,707,092 Sold TWD 1,843,000,000 30/09/2022	129	0.02
	Bought GBP 4,155,491 Sold TWD 150,000,000 30/09/2022	39	-
	Bought GBP 351,006,260 Sold USD 418,430,000 09/09/2022	7,847	0.92
	Bought GBP 6,843,611 Sold USD 8,260,000 09/09/2022	70	0.01
	Bought IDR 318,000,000,000 Sold EUR 20,483,092 16/09/2022	267	0.03
	Bought INR 1,700,000,000 Sold EUR 20,395,921 16/09/2022	322	0.04
	Bought MXN 206,000,000 Sold EUR 9,342,404 20/09/2022	386	0.05
	Bought NOK 199,400,000 Sold EUR 19,028,987 20/09/2022	906	0.11
	Bought PLN 89,300,000 Sold EUR 18,749,869 20/09/2022	(81)	(0.01)
	Bought TWD 145,000,000 Sold GBP 4,105,904 30/09/2022	(127)	(0.01)
	Bought USD 79,800,000 Sold EUR 76,233,929 20/09/2022	1,175	0.14
	Bought USD 29,900,000 Sold EUR 28,589,705 20/09/2022	419	0.05
	Bought USD 2,900,000 Sold GBP 2,444,526 09/09/2022	(66)	(0.01)
		12,751	1.50
Futures Contracts 0.02% (31 July 2021 0.00%)			
514	US 5 Year Note Future Contract September 2022	204	0.02
		204	0.02
Portfolio of investments***		794,148	93.29
Net other assets		57,136	6.71
Total net assets attributable to shareholders		851,284	100.00

Analysis of investments by asset class

	Market Value £'000	Value of investments %
Equities	456,586	53.64
Bonds	324,607	38.13
Derivatives	12,955	1.52
Portfolio of investments***	794,148	93.29
Net other assets	57,136	6.71
Total net assets attributable to shareholders	851,284	100.00

The comparative percentage figures in brackets are at 31 July 2021.

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.

**Real Estate Investment Trust.

***Includes investment liabilities.

Aegon Diversified Monthly Income Fund

Statement of Total Return for the year ended 31 July 2022

	Note	£'000	2022 £'000	£'000	2021 £'000
Income					
Net capital (losses)/gains	2		(76,139)		78,932
Revenue	3	54,240		43,890	
Expenses	4	(5,214)		(5,102)	
Interest payable and similar charges		<u>(23)</u>		<u>(28)</u>	
Net revenue before taxation		49,003		38,760	
Taxation	5	<u>(5,807)</u>		<u>(4,782)</u>	
Net revenue after taxation			<u>43,196</u>		<u>33,978</u>
Total return before distributions			(32,943)		112,910
Distributions	6		<u>(48,457)</u>		<u>(39,111)</u>
Change in net assets attributable to shareholders from investment activities			(81,400)		73,799

Statement of Change in Net Assets Attributable to Shareholders for the year ended 31 July 2022

	£'000	2022 £'000	£'000	2021 £'000
Opening net assets attributable to shareholders		902,919		818,529
Amounts receivable on issue of shares	91,795		121,514	
Amounts payable on cancellation of shares	<u>(86,599)</u>		<u>(131,438)</u>	
		5,196		(9,924)
Dilution adjustment		-		81
Change in net assets attributable to shareholders from investment activities		(81,400)		73,799
Retained distribution on accumulation shares		<u>24,569</u>		<u>20,434</u>
Closing net assets attributable to shareholders		851,284		902,919

Aegon Diversified Monthly Income Fund

Balance Sheet as at 31 July 2022

		2022		2021	
	Note	£'000	£'000	£'000	£'000
Assets					
Fixed assets:					
Investments			795,615		880,806
Current assets:					
Debtors	7	17,234		11,550	
Cash and bank balances	8	<u>56,926</u>		<u>22,406</u>	
			<u>74,160</u>		<u>33,956</u>
Total assets			869,775		914,762
Liabilities					
Investment liabilities					
			1,467		670
Creditors					
Bank overdrafts	9	11,840		6,820	
Distributions payable		3,276		2,643	
Other creditors	10	<u>1,908</u>		<u>1,710</u>	
Total liabilities			<u>18,491</u>		<u>11,843</u>
Net assets attributable to shareholders			851,284		902,919

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)/gains

Net capital (losses)/gains comprise:

	2022	2021
	£'000	£'000
(Losses)/gains on non-derivative securities	(35,040)	41,685
(Losses)/gains on forward currency contracts	(30,873)	37,555
Currency exchange gains/(losses)	611	(2,450)
(Losses)/gains on derivative securities	(10,829)	2,151
Transaction charges	(8)	(9)
Net capital (losses)/gains	(76,139)	78,932

3 Revenue

	2022	2021
	£'000	£'000
UK dividends	10,972	7,650
Non-taxable overseas dividends	19,189	15,933
Taxable overseas dividends	1,352	1,325
Property income from REITs	158	199
US REIT dividends	348	645
Interest on debt securities	14,910	13,389
Bank interest	99	5
Derivative revenue	7,152	4,734
Stock lending income*	60	10
Total revenue	54,240	43,890

*The sub-fund received 72% of the revenue returns from stock lending activities. The gross earnings for the year are £83,000 (2021: £14,000) and expenses paid of £23,000 (2021: £4,000).

4 Expenses*

	2022	2021
	£'000	£'000
Payable to the ACD, associates of the ACD and agents of either of them:		
ACD's periodic charge	4,897	4,806
Payable to the Depositary, associates of the Depositary and agents of either of them:		
Depositary fee	104	120
Other expenses:		
Audit fee**	23	16
FT publishing fee	3	2
PRIPs fees	3	6
Registrar's fee	53	59
Safe custody charge	62	65
Tax services fees	69	28
	213	176
Total expenses	5,214	5,102

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

**The audit fee (excluding VAT) incurred during the year was £19,178 (2021: £15,900).

5 Taxation

a) Analysis of charge in the year

	2022	2021
	£'000	£'000
Current tax:		
UK corporation tax on profits in the year	3,765	3,031
	3,765	3,031
Double taxation relief	(155)	(296)
Overseas tax suffered	2,197	2,047
Total tax charge for the year (see note 5 (b))	5,807	4,782

Aegon Diversified Monthly Income 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 (2021: lower than) the standard rate of corporation tax for Open Ended Investment Companies 'OEICs' (20%).

The differences are explained below:

	2022	2021
	£'000	£'000
Net revenue before taxation	49,003	38,760
Corporation tax 20% (2021: 20%)	9,801	7,752
Effects of:		
Double taxation relief	(155)	(296)
Overseas tax suffered	2,197	2,047
Relief on overseas tax suffered	(4)	(5)
Revenue not subject to taxation	(6,032)	(4,716)
Total tax charge for the year (see note 5 (a))	5,807	4,782

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:

	2022	2021
	£'000	£'000
Interim distributions	42,004	33,692
Final distribution	6,487	5,402
	48,491	39,094
Add: amounts deductible on cancellation of shares	454	466
Less: amounts receivable on creation of shares	(488)	(449)
Distributions	48,457	39,111

Details of the distributions are set out in the tables on pages 262 and 263.

b) Movement between net revenue and distribution

	2022	2021
	£'000	£'000
Net revenue after taxation	43,196	33,978
Expenses transferred to capital	5,237	5,130
Equalisation on conversions	-	(2)
Stock lending expenses transferred to capital	24	4
Undistributed revenue brought forward	-	1
Distributions	48,457	39,111

7 Debtors

	2022	2021
	£'000	£'000
Accrued revenue	5,801	5,315
Amounts receivable for the issue of shares	1,045	1,528
Corporation tax recoverable	126	116
Reclaimable overseas tax	2,594	1,339
Sales awaiting settlement	7,668	3,252
Debtors	17,234	11,550

8 Cash and bank balances

	2022	2021
	£'000	£'000
Amounts held at futures clearing houses and brokers	391	-
Cash and bank balances	3,670	5,167
Money market deposits	52,865	17,239
Cash and bank balances	56,926	22,406

Aegon Diversified Monthly Income Fund

Notes to the Financial Statements (continued)

9 Bank overdrafts

	2022	2021
	£'000	£'000
Amounts held at futures clearing houses and brokers*	11,840	6,820
Bank overdrafts	11,840	6,820

*Includes cash pledged as collateral of £11,840,000 (2021: £6,820,000).

10 Other creditors

	2022	2021
	£'000	£'000
Accrued ACD periodic charge	771	829
Accrued other expenses	139	115
Amounts payable for the cancellation of shares	998	766
Other creditors	1,908	1,710

11 Related parties

Related party interests in the sub-fund are disclosed in Note 6 of the Accounting Policies on page 17. Amounts due to the ACD as at year end for the ACD periodic charge and amounts due to the ACD for outstanding cancellations are disclosed in Note 10. Amounts receivable from the ACD as at year end for outstanding issue of shares are disclosed in Note 7. At the year-end 38.68% (2021: 38.06%) 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 2022 (2021: 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

	2022		2021	
	Market value £'000	Value of investments %	Market value £'000	Value of investments %
Investment grade	105,214	12.36	129,531	14.36
Below investment grade	192,693	22.64	165,119	18.28
Unrated	26,700	3.13	23,814	2.63
Other investments and derivatives	469,541	55.16	561,672	62.21
Portfolio of investments	794,148	93.29	880,136	97.48
Net other assets	57,136	6.71	22,783	2.52
Total net assets attributable to shareholders	851,284	100.00	902,919	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% (2021: 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 3.47% (2021: 14.10%). As at the balance sheet date, the sub-fund's value at risk is 3.47% (2021: 2.52%).

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

	Lowest Utilisation (%)	Highest Utilisation (%)	Average Utilisation (%)
31 July 2022	2.56	3.71	3.09
31 July 2021	2.52	3.36	2.86

Aegon Diversified Monthly Income Fund

Notes to the Financial Statements (continued)

13 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 2022 the average leverage was 138.64% (2021: 126.65%).

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 2022, the market value of the exchange traded derivatives held by the sub-fund was £204,000 (2021: £Nil).

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

As at 31 July 2022

Counterparty	Futures		Forward Foreign		Collateral pledge	Cash
	Stock on loan	Exposure	Exchange Contracts	Exposure		
	£'000	£'000	£'000	£'000	£'000	£'000
Barclays	3,131	-	46	3,310	270	-
BNP Paribas	-	-	12,705	-	(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	-	-	-	-

As at 31 July 2021

Counterparty	Futures		Forward Foreign		Collateral pledge	Cash
	Stock on loan	Exposure	Exchange Contracts	Exposure		
	£'000	£'000	£'000	£'000	£'000	£'000
Barclays	-	-	810	-	(640)	-
BNP Paribas	-	-	5,845	-	(6,180)	-
Citigroup	13,948	-	-	14,706	-	-
HSBC	106	-	-	131	-	-

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 2022	Value	Commissions	%	Other Costs*	
	£'000	£'000		£'000	%
Debt securities	193,595	-	-	-	-
Equities	199,935	119	0.06	178	0.09
Total	393,530	119		178	
Total purchases including transaction costs	393,827				
31 July 2021					
Debt securities	203,341	-	-	-	-
Equities	330,876	188	0.06	350	0.11
Corporate actions	1,187	-	-	-	-
Total	535,404	188		350	
Total purchases including transaction costs	535,942				

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

Aegon Diversified Monthly Income Fund

Notes to the Financial Statements (continued)

14 Portfolio transaction costs (continued)

Sales

31 July 2022	Value	Commissions	%	Other Costs*	%
	£'000	£'000		£'000	
Debt securities	159,944	-	-	-	-
Equities	286,941	(179)	0.06	(37)	0.01
Corporate actions	2,643	-	-	-	-
Total	449,528	(179)		(37)	
Total sales net of transaction costs	449,312				
31 July 2021					
Debt securities	243,174	-	-	-	-
Equities	227,210	(134)	0.06	(82)	0.04
Corporate actions	2,785	-	-	-	-
Total	473,169	(134)		(82)	
Total sales net of transaction costs	472,953				

Derivatives

31 July 2022	Commissions
	£'000
Futures	10
31 July 2021	
Futures	8

*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 0.44% (2021: 0.25%), 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	2022		2021	
	Assets £'000	Liabilities £'000	Assets £'000	Liabilities £'000
1 - Unadjusted quoted prices	494,030	-	612,590	-
2 - Observable market data	301,585	(1,467)	268,216	(670)
3 - Unobservable data	-	-	-	-
	795,615	(1,467)	880,806	(670)

Aegon Diversified Monthly Income Fund

Notes to the Financial Statements (continued)

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 246 to 248. The distribution per share class is given in the distribution tables on pages 262 and 263. All share classes have the same rights on winding up.

Share class movement reconciliation

31 July 2022	Opening	Creations	Cancellations	Converted	Closing
B Accumulation	292,830,393	14,801,085	(27,977,928)	(143,777)	279,509,773
B Income	400,650,425	63,893,691	(39,089,887)	216,728	425,670,957

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 24 November 2022 and the percentage movement in that period:

Net assets per share

	31 July 2022	24 November 2022	% Movement
B Accumulation	153.08	151.72	(0.89)
B Income	99.47	97.46	(2.02)

Aegon Diversified Monthly Income Fund

Distribution Tables

Share Class A Accumulation**

Period end	Pay date		Net Revenue	Equalisation*	Total Payable	2020/21 Total Paid
31/08/21	30/09/21	Group 1	-	-	-	0.2929
		Group 2				
30/09/21	31/10/21	Group 1	-	-	-	0.3364
		Group 2				
31/10/21	30/11/21	Group 1	-	-	-	0.3978
		Group 2				
30/11/21	31/12/21	Group 1	-	-	-	0.4156
		Group 2				
31/12/21	31/01/22	Group 1	-	-	-	0.4657
		Group 2				
31/01/22	28/02/22	Group 1	-	-	-	0.4824
		Group 2				
28/02/22	31/03/22	Group 1	-	-	-	0.4985
		Group 2				
31/03/22	30/04/22	Group 1	-	-	-	0.5793
		Group 2				
30/04/22	31/05/22	Group 1	-	-	-	0.6055
		Group 2				
31/05/22	30/06/22	Group 1	-	-	-	0.7299
		Group 2				

Share Class B Accumulation

Period end	Pay date		Net Revenue	Equalisation*	Total Payable	2020/21 Total Paid
31/08/21	30/09/21	Group 1	0.4429	N/A	0.4429	0.3032
		Group 2	0.0000	0.4429		
30/09/21	31/10/21	Group 1	0.4864	N/A	0.4864	0.3484
		Group 2	0.0000	0.4864		
31/10/21	30/11/21	Group 1	0.5478	N/A	0.5478	0.4122
		Group 2	0.0000	0.5478		
30/11/21	31/12/21	Group 1	0.5783	N/A	0.5783	0.4308
		Group 2	0.0000	0.5783		
31/12/21	31/01/22	Group 1	0.6223	N/A	0.6223	0.4830
		Group 2	0.0000	0.6223		
31/01/22	28/02/22	Group 1	0.6402	N/A	0.6402	0.5005
		Group 2	0.0000	0.6402		
28/02/22	31/03/22	Group 1	0.6618	N/A	0.6618	0.5175
		Group 2	0.0408	0.6210		
31/03/22	30/04/22	Group 1	0.7317	N/A	0.7317	0.6016
		Group 2	0.1551	0.5766		
30/04/22	31/05/22	Group 1	0.8363	N/A	0.8363	0.6292
		Group 2	0.0332	0.8031		
31/05/22	30/06/22	Group 1	0.9003	N/A	0.9003	0.7587
		Group 2	0.0000	0.9003		
30/06/22	31/07/22	Group 1	1.0621	N/A	1.0621	0.8487
		Group 2	0.0000	1.0621		
31/07/22	31/08/22	Group 1	1.1491	N/A	1.1491	0.9420
		Group 2	0.2918	0.8573		

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

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

**Share class closed on 22 June 2021.

Aegon Diversified Monthly Income Fund

Distribution Tables (continued)

Share Class B Income

Period end	Pay date		Net Revenue	Equalisation*	Total Payable	2020/21 Total Paid
31/08/21	30/09/21	Group 1	0.3041	N/A	0.3041	0.2176
		Group 2	0.0000	0.3041		
30/09/21	31/10/21	Group 1	0.3330	N/A	0.3330	0.2496
		Group 2	0.0000	0.3330		
31/10/21	30/11/21	Group 1	0.3739	N/A	0.3739	0.2945
		Group 2	0.0000	0.3739		
30/11/21	31/12/21	Group 1	0.3934	N/A	0.3934	0.3069
		Group 2	0.0000	0.3934		
31/12/21	31/01/22	Group 1	0.4218	N/A	0.4218	0.3431
		Group 2	0.0000	0.4218		
31/01/22	28/02/22	Group 1	0.4323	N/A	0.4323	0.3544
		Group 2	0.0000	0.4323		
28/02/22	31/03/22	Group 1	0.4451	N/A	0.4451	0.3652
		Group 2	0.0547	0.3904		
31/03/22	30/04/22	Group 1	0.4902	N/A	0.4902	0.4231
		Group 2	0.0321	0.4581		
30/04/22	31/05/22	Group 1	0.5577	N/A	0.5577	0.4408
		Group 2	0.0361	0.5216		
31/05/22	30/06/22	Group 1	0.5972	N/A	0.5972	0.5294
		Group 2	0.0000	0.5972		
30/06/22	31/07/22	Group 1	0.7005	N/A	0.7005	0.5894
		Group 2	0.0000	0.7005		
31/07/22	31/08/22	Group 1	0.7695	N/A	0.7695	0.6598
		Group 2	0.1629	0.6066		

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 investors or existing shareholders who wish to purchase shares may do so by contacting their IFA, stockbroker, banker or solicitor who will provide you with an application form or alternatively telephone our dealing team on 0800 358 3009 and place your order. No remittance is required at this stage; a contract note will be sent to you on the same day or the following business day after receipt of the purchase instructions.

Selling

You can sell your shares back to the Manager at the next quoted price, on the dealing day following receipt of your instructions. You will then receive your contract note, and within 3 business days of our receipt of the completed statement of renunciation you will receive a cheque for the amount due.

Shares may normally be bought or sold on any working day between 9am and 5pm.

You may also save on a regular basis from as little as £50 a month. Contributions will be made by direct debit.

A share exchange service may, at the ACD's discretion, be available in respect of investment amounts of £1,000 or more.

You may also choose to invest through the AEGON ISA.

Further details on our services and products are available from our Customer Services Team whom you can call free on 0800 358 3009.

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

The Securities Financing Transaction Regulation ("SFTR") introduces reporting requirements for securities financing transactions ("SFTs") and total return swaps (TRS). A SFT is defined as per Article 3(11) of the SFTR as:

- a repurchase/reverse repurchase agreement;
- securities or commodities lending (stock lending) and securities or commodities borrowing;
- a buy-sell back transaction or sell-buy back transaction; or
- a margin lending transaction.

As at 31 July 2022 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	17,056,322	10.10
Aegon UK Equity Fund	Stock lending	251,740	0.15
Aegon UK Smaller Companies Fund	Stock lending	1,618,120	0.74
Aegon Strategic Bond Fund	Stock lending	8,760,980	1.92
Aegon High Yield Bond	Stock lending	36,369,259	10.15
Aegon Investment Grade Bond Fund	Stock lending	18,510,564	7.67
Aegon Diversified Monthly Income Fund	Stock lending	30,404,760	3.57

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 2022.

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 £119.1xm.

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 2022.

Sub-fund	Type of asset	Counterparty	Unrealised gain and loss in the portfolio base currency and in absolute value	
			(£)	% of Net Assets
Aegon Sterling Corporate Bond Fund	Stock lending	Barclays	2,305,966	
Aegon Sterling Corporate Bond Fund	Stock lending	BNP Paribas	434,660	
Aegon Sterling Corporate Bond Fund	Stock lending	Credit Suisse	4,927,646	
Aegon Sterling Corporate Bond Fund	Stock lending	HSBC	9,388,050	
Aegon UK Equity Fund	Stock lending	HSBC	251,740	
Aegon UK Smaller Companies Fund	Stock lending	Citigroup	1,319,220	
Aegon UK Smaller Companies Fund	Stock lending	HSBC	298,900	
Aegon Strategic Bond Fund	Stock lending	Barclays	5,084,296	
Aegon Strategic Bond Fund	Stock lending	BNP Paribas	1,828,824	
Aegon Strategic Bond Fund	Stock lending	Credit Suisse	1,208,474	
Aegon Strategic Bond Fund	Stock lending	JPMorgan	639,386	
Aegon High Yield Bond	Stock lending	Barclays	8,674,673	
Aegon High Yield Bond	Stock lending	BNP Paribas	5,254,543	
Aegon High Yield Bond	Stock lending	Credit Suisse	2,679,178	
Aegon High Yield Bond	Stock lending	HSBC	11,687,157	
Aegon High Yield Bond	Stock lending	JPMorgan	7,217,072	
Aegon High Yield Bond	Stock lending	Merrill Lynch	856,636	
Aegon Investment Grade Bond Fund	Stock lending	Barclays	1,078,000	
Aegon Investment Grade Bond Fund	Stock lending	BNP Paribas	1,117,050	
Aegon Investment Grade Bond Fund	Stock lending	Credit Suisse	9,486,383	
Aegon Investment Grade Bond Fund	Stock lending	HSBC	4,490,815	
Aegon Investment Grade Bond Fund	Stock lending	JPMorgan	2,338,316	
Aegon Diversified Monthly Income Fund	Stock lending	Barclays	3,130,707	
Aegon Diversified Monthly Income Fund	Stock lending	Credit Suisse	13,997,661	
Aegon Diversified Monthly Income Fund	Stock lending	HSBC	8,941,624	
Aegon Diversified Monthly Income Fund	Stock lending	JPMorgan	1,616,804	
Aegon Diversified Monthly Income Fund	Stock lending	Merrill Lynch	2,717,964	

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 2022 is as follows:

Sub-fund	Type of collateral	Counterparty	Currency of collateral	Amount of collateral (£)
Aegon Strategic Bond Fund	Cash	Barclays	GBP	(4,860,000)
Aegon High Yield Bond	Cash	Barclays	GBP	(5,470,000)
Aegon Investment Grade Bond Fund	Cash	Barclays	GBP	(670,000)
Aegon Diversified Monthly Income Fund	Cash	Barclays	GBP	270,000
Aegon Diversified Monthly Income Fund	Cash	BNP Paribas	GBP	(12,110,000)

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	EUR	Matured	UK	Bilateral	Investment grade
Aegon Sterling Corporate Bond Fund	Bond	Matured	GBP	Matured	UK	Bilateral	Investment grade
Aegon UK Equity Fund	Bond	Matured	USD	Matured	UK	Bilateral	Investment grade
Aegon UK Smaller Companies Fund	Bond	Matured	USD	Matured	UK	Bilateral	Investment grade
Aegon Strategic Bond Fund	Bond	Matured	DKK	Matured	UK	Bilateral	Investment grade
Aegon Strategic Bond Fund	Bond	Matured	EUR	Matured	UK	Bilateral	Investment grade
Aegon Strategic Bond Fund	Bond	Matured	NOK	Matured	UK	Bilateral	Investment grade
Aegon High Yield Bond	Bond	Matured	DKK	Matured	UK	Bilateral	Investment grade
Aegon High Yield Bond	Bond	Matured	EUR	Matured	UK	Bilateral	Investment grade
Aegon High Yield Bond	Bond	Matured	GBP	Matured	UK	Bilateral	Investment grade
Aegon High Yield Bond	Bond	Matured	NOK	Matured	UK	Bilateral	Investment grade
Aegon Investment Grade Bond Fund	Bond	Matured	DKK	Matured	UK	Bilateral	Investment grade
Aegon Investment Grade Bond Fund	Bond	Matured	EUR	Matured	UK	Bilateral	Investment grade
Aegon Investment Grade Bond Fund	Bond	Matured	GBP	Matured	UK	Bilateral	Investment grade
Aegon Investment Grade Bond Fund	Bond	Matured	NOK	Matured	UK	Bilateral	Investment grade
Aegon Diversified Monthly Income Fund	Bond	Matured	DKK	Matured	UK	Bilateral	Investment grade
Aegon Diversified Monthly Income Fund	Bond	Matured	EUR	Matured	UK	Bilateral	Investment grade
Aegon Diversified Monthly Income Fund	Bond	Matured	GBP	Matured	UK	Bilateral	Investment grade
Aegon Diversified Monthly Income Fund	Bond	Matured	JPY	Matured	UK	Bilateral	Investment grade
Aegon Diversified Monthly Income Fund	Bond	Matured	NOK	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 2022 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	EUR	2,366,869	1.40
Aegon Sterling Corporate Bond Fund	Bond	BNP Paribas	EUR	456,786	0.27
Aegon Sterling Corporate Bond Fund	Bond	Credit Suisse	EUR	5,177,710	3.07
Aegon Sterling Corporate Bond Fund	Bond	HSBC	EUR	1,539,851	0.91
Aegon Sterling Corporate Bond Fund	Bond	HSBC	GBP	8,750,705	5.18
		Total		18,291,921	10.83
Aegon UK Equity Fund	Bond	HSBC	USD	278,016	0.16
		Total		278,016	0.16
Aegon UK Smaller Companies Fund	Bond	Citigroup	USD	1,406,506	0.65
Aegon UK Smaller Companies Fund	Bond	HSBC	USD	330,099	0.15
		Total		1,736,605	0.80
Aegon Strategic Bond Fund	Bond	Barclays	EUR	5,218,582	1.14
Aegon Strategic Bond Fund	Bond	BNP Paribas	EUR	1,883,644	0.41
Aegon Strategic Bond Fund	Bond	Credit Suisse	EUR	1,232,817	0.27
Aegon Strategic Bond Fund	Bond	JPMorgan	DKK	197,068	0.04
Aegon Strategic Bond Fund	Bond	JPMorgan	EUR	293,756	0.06
Aegon Strategic Bond Fund	Bond	JPMorgan	NOK	192,271	0.04
		Total		9,018,138	1.96
Aegon High Yield Bond	Bond	Barclays	EUR	8,997,001	2.51
Aegon High Yield Bond	Bond	BNP Paribas	EUR	5,398,937	1.51
Aegon High Yield Bond	Bond	Credit Suisse	EUR	2,733,145	0.76
Aegon High Yield Bond	Bond	HSBC	EUR	1,870,935	0.52
Aegon High Yield Bond	Bond	HSBC	GBP	10,632,198	2.97
Aegon High Yield Bond	Bond	JPMorgan	DKK	2,159,619	0.60
Aegon High Yield Bond	Bond	JPMorgan	EUR	3,219,178	0.90
Aegon High Yield Bond	Bond	JPMorgan	NOK	2,107,051	0.59
Aegon High Yield Bond	Bond	Merrill Lynch	EUR	873,794	0.24
		Total		37,991,858	10.60
Aegon Investment Grade Bond Fund	Bond	Barclays	EUR	1,121,165	0.46
Aegon Investment Grade Bond Fund	Bond	BNP Paribas	EUR	1,173,930	0.49
Aegon Investment Grade Bond Fund	Bond	Credit Suisse	EUR	9,844,105	4.08
Aegon Investment Grade Bond Fund	Bond	HSBC	EUR	736,918	0.31
Aegon Investment Grade Bond Fund	Bond	HSBC	GBP	4,187,777	1.73
Aegon Investment Grade Bond Fund	Bond	JPMorgan	DKK	714,752	0.30
Aegon Investment Grade Bond Fund	Bond	JPMorgan	EUR	1,065,427	0.44
Aegon Investment Grade Bond Fund	Bond	JPMorgan	NOK	697,354	0.29
		Total		19,541,428	8.10
Aegon Diversified Monthly Income Fund	Bond	Barclays	EUR	3,309,795	0.39
Aegon Diversified Monthly Income Fund	Bond	Credit Suisse	EUR	366,035	0.04
Aegon Diversified Monthly Income Fund	Bond	Credit Suisse	JPY	14,416,717	1.69
Aegon Diversified Monthly Income Fund	Bond	HSBC	EUR	1,398,946	0.16
Aegon Diversified Monthly Income Fund	Bond	HSBC	GBP	7,949,965	0.93
Aegon Diversified Monthly Income Fund	Bond	HSBC	USD	270,957	0.03
Aegon Diversified Monthly Income Fund	Bond	JPMorgan	DKK	483,808	0.06
Aegon Diversified Monthly Income Fund	Bond	JPMorgan	EUR	721,175	0.08
Aegon Diversified Monthly Income Fund	Bond	JPMorgan	NOK	472,032	0.06
Aegon Diversified Monthly Income Fund	Bond	Merrill Lynch	EUR	2,855,577	0.34
		Total		32,245,008	3.78

Return/Costs

Return and costs of stock lending transactions for the year ended 31 July 2022 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 2021 was published.

Further information with respect to Aegon Asset Management UK Plc remuneration policy is available in Aegon Asset Management UK Plc Annual Report and Accounts and in Aegon Asset Management UK Plc regulatory Pillar III disclosure (which are available on the responsible investing part of the Aegon Asset Management website).

Employee Remuneration Disclosure

The table below provides an overview of the following:

- Aggregate total remuneration paid by Aegon Asset Management UK plc to all Aegon Asset Management UK plc staff; and
- Aggregate total remuneration paid by Aegon Asset Management UK plc to Remuneration Code Staff

	Headcount	Total Remuneration (£'000s)
Aegon Asset Management UK plc Staff	343	40,680
of which		
Fixed remuneration	326	24,681
Variable remuneration	343	15,999

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	8	2,914
of which		
Remuneration Code Staff	8	2,914

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	31	34,129,614	100.00%
of which			
Alternative Investment Funds	4	176,442	0.52%
UCITS Funds	12	1,947,540	5.70%
Other Funds			
Money managed on behalf of other clients		28,784,138	84.34%
Aegon Asset Management UK ICVC	15	3,221,494	9.44%

* These figures are stated as at 30 June 2022. 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 2021 – 31 December 2021.

Who to contact

Investors

 aegonam@ntrs.com

 **0800 358 3009**

Our investor helpdesk is open from 8.30am to 5.30pm (Monday to Friday)

To improve customer service, and for training purposes, call may be recorded.