DCP Lifestyle Fund (2020)

Defined Contributions

Fund information

Benchmark	No Benchmark
Fund launch date	23 March 2010
ABI sector	Unclassified (Pen)
Aegon fund size (£ million)*	£0.4
Total charge per annum**	0.21%

*The fund size is the total sum of assets held within the fund. **This is the total charge deducted from your plan. We reserve the right to change it.

About fund performance

Investors should always consider performance in relation to the objective of the fund and over periods of at least five years. If a fund has risen in value, it doesn't mean it is meeting its objective – especially if the fund is aiming to outperform a particular benchmark or meet a risk target. The same applies if the fund has fallen in value.

Our risk rating

Below average risk

Below average risk funds will generally see some change in day-to-day value, both positive and negative, and these changes will typically be larger than those of a cash deposit. They may hold a broad range of investment types, including equities (shares), but a significant proportion may also be invested in investments that aim to provide a reliable source of income (like government and corporate bonds) and, with that, greater stability than would typically be available from equities. They try to provide better long-term growth prospects than a cash deposit, but are lower risk than funds investing largely in equities.

Fund objective

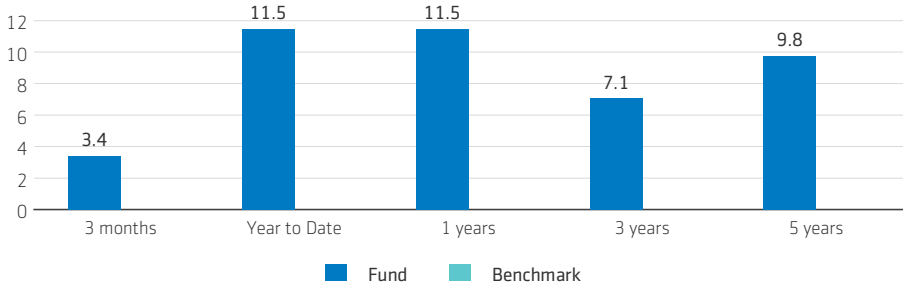
This factsheet is for lifestyle members who are planning to retire in 2020.This fund has a two stage investment approach aimed at investors who want to protect their savings from undue volatility as they approach retirement and prefer not to manage this process themselves.
In the first stage, the Accumulation Stage, your contributions are invested in the DCP Global Equities fund which invests in a mix of equities (shares) from around the world with the aim of growing your savings.
The second stage, the De-risking Stage, starts when you're 10 years from retirement and aims to reduce the risk your savings are exposed to. At this point, we move your existing savings and future contributions into the Target Dated lifestyle fund for your retirement year. This fund gradually and progressively moves your investment from equities into lower risk investments such as bonds and cash. This process happens automatically.

Fund performance

The following graph and tables show the performance of the fund over various time periods compared to the fund's benchmark (if there is one). All performance information is as at 23 Mar 2010 unless otherwise stated.

In the graph, performance is shown since launch if the fund is less than five years old.

DCP Lifestyle Fund (2020)
% returns



Standardised yearly fund performance (%)

	31/12/2015 31/12/2016	31/12/2016 31/12/2017	31/12/2017 31/12/2018	31/12/2018 31/12/2019	31/12/2019 31/12/2020
Fund	21.4	7.0	-2.7	13.3	11.5
Benchmark	n/a	n/a	n/a	n/a	n/a

Past performance is not a reliable guide to future performance. The value of investments and the income from them can fluctuate and are not guaranteed. Investors may not get back the full amount invested.

Aegon currently invests this fund in a fund (or funds) managed by BlackRock.

Asset allocation

Asset allocation

- Corporate Bonds 50.6%
- UK Gilts 25.0%
- Cash 24.4%

DCP Lifestyle Fund (2020)

Fund split

- DCP GBP Corporate Bonds Fund 50.6%
- DCP UK Gilts Fund 25.0%
- DCP Cash fund 24.4%

How your fund changes as you near retirement

	Years to retirement											
Investments	10+	10	9	8	7	6	5	4	3	2	1	0
		2030	2029	2028	2027	2026	2025	2024	2023	2022	2021	2020
Global Equities	100.0%	90.6%	80.5%	70.4%	60.3%	50.3%	40.3%	30.3%	20.6%	10.5%	0.8%	
Corp Bonds		9.4%	19.5%	29.6%	39.7%	49.7%	59.7%	69.7%	65.9%	56.2%	50.5%	50.6%
UK Gilts									9.1%	19.3%	24.1%	25.0%
Cash									4.4%	14.0%	23.2%	24.4%
DCP Lifestyle Retirement											1.3%	
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

The table above shows how the fund's investment mix changes as members get closer to retirement. Throughout the year, each fund progressively changes what it invests in each month until it reaches the target mix at the start of the following year.

The blue box in the table highlights what your fund currently invests in.

Risks specific to this fund

There is no guarantee the fund will meet its objective. The value of an investment can fall as well as rise and investors could get back less than they originally invested. All funds carry a level of risk and the information below outlines the key risks for this fund.

Third party risk - In the event that the underlying investments which the fund invests in suspend trading, Aegon may defer trading and/or payment to investors. The value ultimately payable will depend on the amount Aegon receives or expects to receive from the underlying investments.

Credit risk - This fund invests in bonds or other types of debt. Bonds are essentially loans to companies, governments or local authorities so there's a risk that these companies or government bodies may default on the loan. Bonds are rated in terms of quality, usually from AAA down to B and below. AAA is the highest quality and therefore the least likely to default and B or lower the most likely to default. Where we have it we show the credit quality of the loans held by this fund.

Currency risk - This fund invests overseas so its value will go up and down in line with changes in currency exchange rates. This could be good for the fund or bad, particularly if exchange rates are volatile.

Lifestyle strategy risk - Long gilts and long corporate bonds are used in lifestyle strategies because of their inverse relationship with annuity rates, not because they are 'safe' investments. When long bonds go down annuity rates generally go up and vice versa, meaning the size of annuity you can buy stays roughly the same whether bonds go up or down. But, this relationship isn't perfect and can fail, for example there can be a delay between changes in long bond values and annuity rates.

Post-retirement risk - If you don't buy an annuity on your retirement date, you'll remain invested 75% in long-dated bonds (government bonds only or a mix of government and corporate bonds) and 25% in cash until you tell us what you want to do. This mix isn't designed for long-term investing and returns may not keep pace with inflation, meaning the real value of your fund may fall.

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