aegon asset management

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Aegon Alternative Risk Premia Fund

Monthly March 2025

In March 2025, the Aegon Alternative Risk Premia (ARP) Fund returned -0.73%, net of fees. Since inception on 25 January 2021, the fund's total return, net of fees, is a cumulative -2.93%.

Market review

The US economic data in March started to weaken. The Fed decreased its GDP growth forecast for 2025 to 1.7% from previously 2.1%, while slightly increasing its inflation expectations. The Fed's preferred inflation measure, the Personal Consumption Expenditures (PCE) index increased from 2.6% to 2.8%. Consumer sentiment weakened to 57.0 in March, a significant drop from the 74.0 at the start of the year. Rising tensions in the US and internationally, along with government layoffs and uncertainty about future tariffs fuelled investor insecurity.

Equity markets in the US declined in March for a second consecutive month, with the S&P 500 falling 5.75%. The Nasdaq dropped even more sharply, losing 8.21% due to continued pressure on technology stocks. The Euro Stoxx 50 and Nikkei also faced headwinds, declining 3.94% and 4.14% respectively.

In fixed income, US Treasury yields showed little movement. The 2-year yield declined by 10 bps to 3.89%, while the 10-year yield remained steady at 4.21%. European yields steepened, with the German 2-year yield increasing by 2 bps to 2.05% and the 10-year yield increasing by 33 bps to 2.74%. However, European yields experienced notable volatility following the announcement of increased defense spending by EU leaders. The news led to a temporary spike in yields as investors anticipated higher government borrowing. The German 10-year yield briefly rose to 2.9%, before it slid towards the end of the month.

Commodity prices increased. Energy prices increased by 3% as Russia-Ukraine ceasefire expectations faded and concerns about Middle East conflicts grew. Gold prices increased by 10% thanks to its safe haven status amid global tensions.

In currencies, the US dollar declined by 3.2%, falling back to its lowest point since the US elections. This was partly driven by the European defense spending plans. The euro gained 4.2%.

Performance

In March, the ARP fund achieved a negative overall return. The fund's diverse Risk Premia strategies contributed variably to this performance.

Equity strategies had a negative performance as the Equity Volatility strategies lost due to high volatility in equity markets.

Net return March 2025 (I Acc EUR)

Monthly Return	Year-to-Date Return	Shareclass Inception
-0.73%	-0.74%	-0.71%

Return March per strategy (%), net of trading fees

	Carry	Momentum	Value	Volatility	Hedge
Equity	-	-	-	0.27	-0.45
Fixed Income	-	0.32	-	1.68	-
Currency	0.34	-2.05	0.73	-	-
Commodities	-0.18	-	-	-	-

Return YtD per strategy (%), net of trading fees

	Carry	Momentum	Value	Volatility	Hedge
Equity	-	-	-	0.20	-0.97
Fixed Income	-	-1.10	-	2.41	-
Currency	0.03	-2.64	-0.06	-	-
Commodities	0.50	-	-	-	-

Weightings (%)[2]

	Carry	Momentum	Value	Volatility	Hedge
Equity	-	-	-	60.00	44.55
Fixed Income	-	8.00	-	12.00	-
Currency	36.41	14.49	70.36	-	-
Commodities	42.05	-	-	-	-

Fund facts[3]

Inception Date	26 January 2021
Fund Structure	UCITS
Base Currency	EUR
Fund size	€149.25m
Fees	40bps AMC
Inception Date	26 January 2021

ISIN

I Acc EUR	IE00BKPHWM13
B Acc EUR	IE0007O6WRN4

[1]Source: Lipper, as at 28 February 2025, I Acc (EUR) shareclass, NAV to NAV, noon prices, gross of ongoing charges, excluding entry and exit charges. Fund shown is the Aegon Alternative Risk Premia Fund I Acc EUR. Shareclass launch date: 26 January 2021. Please refer to the backpage for important information.

[2]Strategic allocation as of 28 February 2025. Allocation weights move during the month as a result of market drift. The total allocation exceeds 100% in order for the fund to target the correct level of volatility. Equity volatility & Currency strategies have changed during the month.

[3]Source: Aegon Asset Management as at 28 February 2025.

Fixed Income strategies had a negative contribution. The Fixed Income Trend strategy's contribution was slightly negative as rates reversed towards the end of the month. The Fixed Income Volatility strategy had a negative performance as it suffered from increasing volatility.

Currency strategies had a positive contribution overall. The FX Carry strategy had a negative performance due to short positions in the Swiss franc and Swedish krona. The FX Value strategy in Emerging Markets lost on short positions in European currencies as the Czech koruna, Polish zloty and Hungarian forint, while the FX Value strategy in Developed Markets had a positive performance as it gained on long positions in the euro and Swedish krona. The FX Trend strategy lost from long exposure to the US dollar.

Commodity strategies had a negative performance as the Commodity Carry strategy suffered from curve movements.

Finally, the equity hedge strategies negative contributed negatively.

Strategy

Attractive, risk-adjusted returns across the market cycle are highly sought after. We believe that a rule-based multi-strategy approach across a diverse set of asset classes can deliver our capital growth target while maintaining low levels of portfolio risk. We adopt a scientific approach to analyze and implement simple and transparent Alternative Risk Premia strategies that are backed by a solid financial rationale across four asset classes.

Important information

Investment Policy

The investment objective of the Fund is to achieve capital appreciation over the medium to long term. The Fund is actively managed and is a multi-strategy, multi-asset alternative risk premia fund. The Investment Manager seeks to achieve the Fund's investment objective by selecting particular assets and obtaining exposure to them for the Fund.

The Sub-Fund has no benchmark index and is not managed in reference to a benchmark index. The fund has a performance comparator of '3 months Euribor +250 bps'.

Risks

The main risks are:

Credit Risk: An issuer of bonds may be unable to make payments due to the Fund (known as a default). The value of bonds may fall as default becomes more likely. Both default and expected default may cause the Fund's value to fall. High yield bonds generally offer higher returns because of their higher default risk and investment grade bonds generally offer lower returns because of their lower default risk.

Liquidity Risk: From time to time secondary markets can experience reduced liquidity, sometimes with significantly more volatile prices and larger spreads between bid and asked price in trading. At times secondary markets may be very illiquid. As a result the Fund may be exposed to unfavourable prices in order to raise proceeds to pay for redemptions of Shares. Illiquid securities may be difficult to resell at approximately the price they are valued in the ordinary course of business in seven days or less. When investments cannot be sold readily at the desired time or price, the Fund may have to accept a lower price or may not be able to liquidate the security, all of which may have an impact on the Fund.

For more details on the risks for this fund please see the KIID or Prospectus at www.aegonam.com/documents.

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AdTrax: 4862511.31. | Exp. Date: 30 April 2026