

Aegon AM Sterling Corporate Bond (ARC)

Fund information

Fund provider	Aegon/Scottish Equitable plc
Fund launch date	11 Nov 2011
Benchmark	IA Sterling Corporate Bond
Fund charge*	0.36%
Aegon fund size	£8.95m
ABI sector	ABI Sterling Corporate Bond
Fund type	Pension
ISIN	GB00B66D0L58
SEDOL	B66D0L5
Aegon mnemonic	ZAT
CitiCode	OOGV

*This is on top of any product or adviser charge you pay and includes a fixed management fee plus expenses that vary with the day to day costs of running the fund. Expenses can include costs paid by Aegon to third parties. The fund charges may differ for Retirement (RR) or Aegon One Retirement (AOR).

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 up and down, 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.

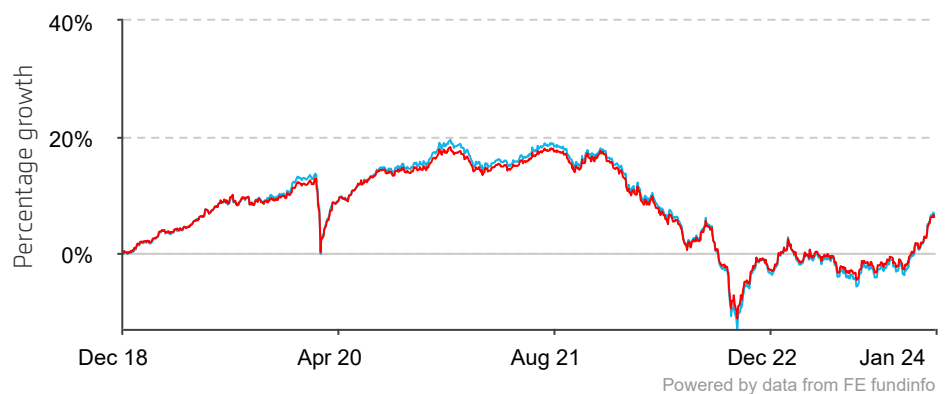
Fund objective

This fund aims to maximise total return (income plus capital growth) over any 7-year period by investing at least 80% in global investment-grade corporate bonds. The fund may also invest up to 10% in high-yield bonds. It's also permitted to invest in government bonds, collective investment schemes, deposits, money market instruments, cash and near cash. Derivatives may be used for investment purposes, for example exposure to assets may be gained through the use of derivatives. Derivatives may also be used for efficient portfolio management.

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 31 Dec 2023 unless otherwise stated.

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



■ Aegon AM Sterling Corporate Bond (ARC)
■ IA Sterling Corporate Bond


	1yr	3yrs	5yrs	10yrs
Fund	10.5%	-3.7%	1.3%	2.8%
Benchmark	9.4%	-3.4%	1.2%	2.7%
Sector quartile	1	2	1	1

	Dec 22 to Dec 23	Dec 21 to Dec 22	Dec 20 to Dec 21	Dec 19 to Dec 20	Dec 18 to Dec 19
Fund	10.5%	-17.1%	-2.4%	8.6%	9.8%
Benchmark	9.4%	-16.1%	-1.9%	7.8%	9.5%
Sector quartile	1	2	2	1	2

Source: FE fundinfo. The performance information has been calculated in pounds on a bid-to-bid basis and is net of charges with gross income reinvested. Performance for periods over a year is annualised (% per year). Past performance is not a reliable guide to future performance. The value of an investment can fall as well as rise and is not guaranteed. Investors could get back less than they invested.

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Underlying fund

Fund mgmt group	Aegon Asset Management
Fund name	Sterling Corporate Bond
Launch date	02 Oct 1995
Fund size	£123.00m as at 30 Nov 2023
Sedol code:	0745044
ISIN	GB0007450447
Crown rating	

Fund manager information

Fund manager information not available.

Sector breakdown as at 30 Nov 2023



Name	Weight
Financials	50.6%
Securitized	10.2%
Agencies	1.4%
Supranationals	0.9%
Other Collateralized	0.5%
Other	34.6%
Cash	1.8%
Total	100.0%

Credit breakdown as at 30 Nov 2023

Name	Weight
A	26.3%
AA	6.6%
AAA	2.3%
B	1.8%
BB	4.7%
BBB	55.9%
Money Market	1.8%
Non-Rated	0.6%
Total	100.0%

Top holdings as at 29 Dec 2023

Holding	%
BANK OF AMERICA CORP 8.125% 02/06/2028 EMTN	1.8%
GOLDMAN SACHS GROUP IN 6.875% 18/01/2038	1.8%
AVIVA PLC VAR 20/05/2058 EMTN	1.7%
HEATHROW FUNDING LTD 4.625% 31/10/2046 EMTN	1.7%
ORSTED A/S 5.75% 09/04/2040 EMTN	1.6%
M&G PLC VAR 19/12/2063 EMTN	1.6%
AXA SA VAR 04/03/2169 EMTN	1.5%
BANK OF AMERICA CORP 7% 31/07/2028 EMTN	1.5%
ELECTRICITE DE FRANCE SA VAR 29/07/2169 EMTN	1.4%
HSBC BNK CAO FND STER 1 VAR 05/11/2168	1.4%
Total	16.0%

Total number of holdings: 109

Source of fund breakdown and holdings: Fund mgmt group

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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.

Derivative risk - this fund will use derivatives in a number of ways to achieve its objectives. Holdings may add up to over 100% because derivatives offer a way to gain exposure to the returns of a specified equity or bond market without having to directly own it. These negative figures are not shown within the top holdings section. Derivatives allow a manager to buy or sell an investment at a specified future date for a specified price. However, this means the fund could be exposed to additional risks if the market moves up when the manager expected it to go down or vice versa.

Interest rate risk - interest rate changes could affect the value of bond investments. Where long term interest rates rise, the value of bonds is likely to fall, and vice versa.

Securities lending risk - this fund can hold other funds that earn a fee from lending assets. Securities lending is a process used to generate additional returns for investors by lending to eligible financial institutions some of the shares and bonds a fund holds. To protect against failure to repay borrowed assets, the borrower must provide collateral to cover the loan. The borrower pays the lending fund a fee for borrowing the shares or bonds. At the end of the loan, the borrower pays the shares or bonds back in full. There is a risk that the borrower may fail to pay back the shares or bonds. To minimise this risk, the lending fund conducts securities lending only with select financially stable institutions, and it also holds insurance to cover any losses in the unlikely event that the loan isn't paid back.

