

# Scottish Equitable Fidelity Strategic Bond (ARC)

## Fund information

Fund provider	Aegon/Scottish Equitable plc
Fund launch date	11 Nov 2011
Benchmark	ICE BofAML Sterling Large Cap
Fund charge*	0.61%
Aegon fund size	£4.10m
ABI sector	ABI Sterling Strategic Bond
Fund type	Pension
ISIN	GB00B3X51L01
SEDOL	B3X51L0
Aegon mnemonic	ZED
CitiCode	00HQ

\*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 Retiready (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.

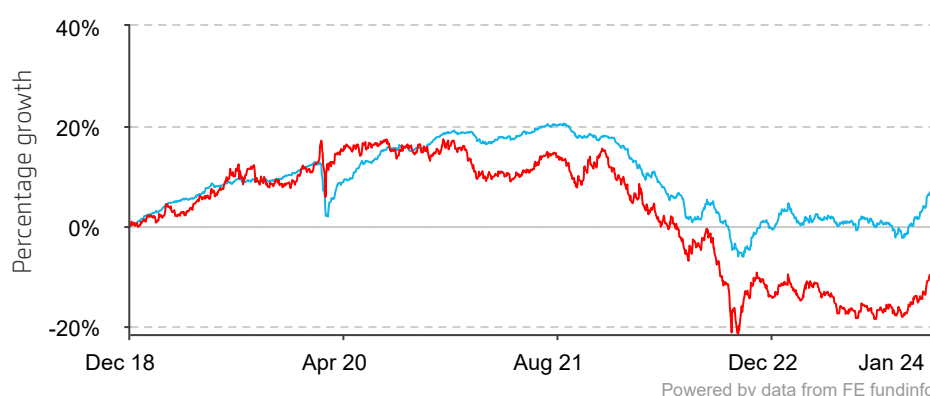
## Fund objective

This fund aims to achieve an income with the possibility of capital growth from a portfolio at least 70% invested in sterling-denominated (or hedged back to sterling) fixed interest securities, which could include some investment in countries considered as emerging markets. Derivatives may also be used for the purposes of efficient portfolio management (EPM) or for investment purposes.

## 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.



■ Scottish Equitable Fidelity Strategic Bond (ARC)  
■ ICE BofA Sterling Large Cap

	1yr	3yrs	5yrs	10yrs
Fund	7.6%	-3.5%	1.3%	2.3%
Benchmark	5.0%	-8.4%	-2.1%	1.6%
Sector quartile	3	4	3	3


  

	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	7.6%	-15.6%	-1.0%	7.9%	10.2%
Benchmark	5.0%	-23.1%	-4.7%	8.4%	8.0%
Sector quartile	3	3	4	1	1

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	Fidelity International (FIL Inv't Svcs UK Ltd)
Fund name	Strategic Bond
Launch date	18 Apr 2005
Fund size	£410.21m as at 31 Dec 2023
Sedol code:	B5M4BD4
ISIN	GB00B5M4BD49
Crown rating	

## Fund manager information



Fund manager	Claudio Ferrarese
Start date	01 Jan 2019

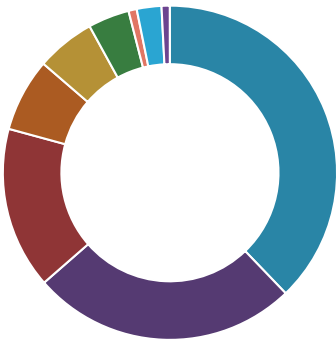
Claudio joined Fidelity in 2006. He has been co-manager of the Fidelity Strategic Bond Fund since April 2017. His first role at Fidelity was as part of the quantitative research team, where his main responsibility was portfolio construction and trade idea generation in credit, rates, FX, structured credit and credit options. Claudio became an assistant portfolio manager in 2015, where he was attached primarily to total return and absolute return strategies. He was appointed to co-portfolio manager in 2016. Prior to joining Fidelity, he works as a structured finance analyst at Capitalia Banking Group, Rome. Claudio has an MSc Financial Mathematics from Kings College in London



Fund manager	Timothy Foster
Start date	01 Jan 2019

Tim joined Fidelity in 2003. He has been co-manager of the Fidelity Strategic Bond Fund since April 2017. He joined Fidelity as a quantitative analyst and became a portfolio manager of our money market strategies in 2007. Since then, he has widened his portfolio management responsibility beyond short dated portfolios, to now include corporate and inflation linked bonds. Tim has a BA, MSci in Natural Sciences from Cambridge University and is a CFA charter holder. He also has a Certificate in Quantitative Finance.

## Sector breakdown as at 30 Nov 2023



Name	Weight
Investment Grade Bonds	37.9%
High Yield Bond	25.8%
Government Bonds	15.7%
Investment Grade Government Bonds	7.1%
Index Linked	5.7%
Asset/Mortgage-Backed Securities	4.0%
Foreign Exchange	0.8%
Other	2.4%
Money Market	0.8%
Total	100.2%

## Credit breakdown as at 30 Jun 2023

Name	Weight
Other	0.9%
A	9.7%
AA	16.5%
AAA	15.7%
B	9.2%
BB	14.4%
BBB	27.5%
CCC	3.0%
Money Market	1.6%
Non-Rated	1.5%
Total	100.0%

## Top holdings as at 30 Nov 2023

Holding	%
(NZGB) New Zealand Government	6.1%
(TII) United States of America	5.7%
(KFW) KFW (UNGTD) 0% 06/15/26 RGS	5.0%
(UKTB) UK GILT 0% 01/15/24	3.7%
(T) USTN 0.625% 08/15/30	3.4%
(MBONO) MEXICO GOVT 8% 05/24/35	1.4%
(HSBC) HSBC HOLDINGS 6.8%/VAR 09/31	1.4%
(VW) Volkswagen Fin Serv Nv	1.1%
(AABOND) AA BOND CO LTD 6.5% 1/26 RGS	1.0%
(EFNCN) ELEMENT F 6.319% 12/4/28 144A	1.0%
Total	29.8%

Total number of holdings: 318

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.

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**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.

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**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.

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**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.

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**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.

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