

Scottish Equitable Invesco Corporate Bond (ARC)

Fund information

Fund provider	Aegon/Scottish Equitable plc
Fund launch date	11 Nov 2011
Benchmark	IA Sterling Corporate Bond
Fund charge*	0.71%
Aegon fund size	£35.27m
ABI sector	ABI Sterling Corporate Bond
Fund type	Pension
ISIN	GB00B691BP77
SEDOL	B691BP7
Aegon mnemonic	ZFK
CitiCode	00I2

*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 Retyredy (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.

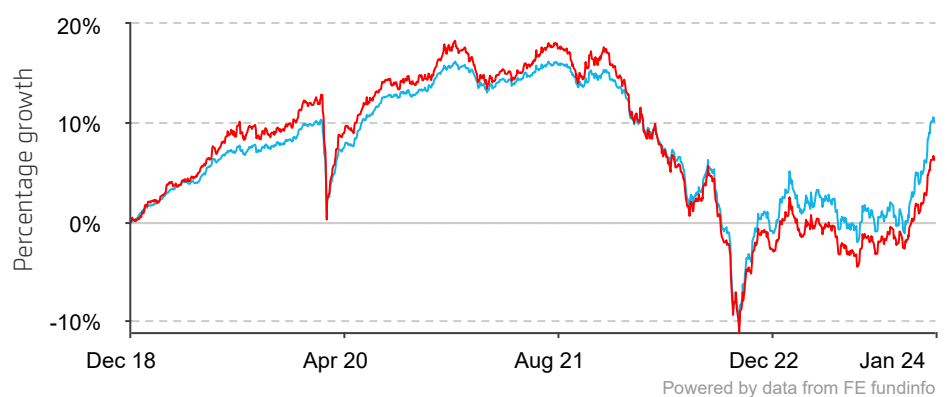
Fund objective

This fund aims to achieve a combination of income and capital growth over the medium to long term by investing mainly in investment grade fixed interest securities (bonds). The fund may also invest in government, unrated and sub-investment grade debt securities, cash, cash equivalents, money market instruments, collective investment schemes and other transferable securities.

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 Invesco Corporate Bond (ARC)
■ IA Sterling Corporate Bond


	1yr	3yrs	5yrs	10yrs
Fund	11.3%	-1.7%	1.9%	2.7%
Benchmark	9.4%	-3.4%	1.2%	2.7%
Sector quartile	1	1	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	11.3%	-13.4%	-1.4%	7.3%	8.1%
Benchmark	9.4%	-16.1%	-1.9%	7.8%	9.5%
Sector quartile	1	1	1	2	4

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.

Scottish Equitable Invesco Corporate Bond (ARC)

Underlying fund

Fund mgmt group	Invesco Fund Managers Ltd
Fund name	Corporate Bond (UK)
Launch date	24 Jul 1995
Fund size	£1,628.08m as at 31 Dec 2023
Sedol code:	3302877
ISIN	GB0033028779
Crown rating	

Fund manager information



Fund manager	Michael Matthews
Start date	01 Mar 2013

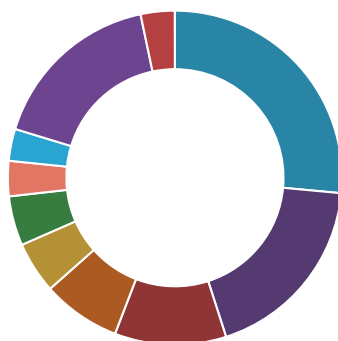
Michael is co-head of the Henley-based Fixed Interest team. In this role, as well as management responsibilities for the team, he also manages a number of corporate bond portfolios. Michael began his investment career in 1994 and joined the team on its foundation in 1995. He initially specialized in the team's money and foreign exchange market activities before focusing on government and investment grade credit markets. He has been a fund manager since 2006. Michael has passed the associate examinations of the Association for Investment Management and Research (AIMR).



Fund manager	Tom Hemmant
Start date	31 Aug 2020

Tom is a Fund Manager in the Henley Investment Centre's Fixed Interest team. Tom began his career with PricewaterhouseCoopers in 2002 where he worked in their financial services tax practice and trained as a chartered accountant. In 2005 he joined the Corporate Finance team of International Power plc working on the acquisition and project financing of power generation assets, and corporate funding projects. He is an ACA qualified Chartered Accountant and holds a BSc in Economics from the University of Southampton.

Sector breakdown as at 31 Dec 2023



Name	Weight
Bank	26.5%
Utility	18.6%
Insurance	10.8%
Telecom	7.6%
Property	5.0%
Food	4.8%
Auto	3.4%
Government	3.1%
Other	17.0%
Cash	3.3%
Total	100.1%

Credit breakdown as at 31 Dec 2023

Name	Weight
A	21.8%
AA	10.0%
AAA	1.0%
BB	2.6%
BBB	58.8%
Money Market	3.3%
Non-Rated	2.6%
Total	100.1%

Top holdings as at 29 Dec 2023

Holding	%
INVESCO STERL LIQI PRTF-AGY	2.8%
EDF 5.500 OCT 17 41	1.6%
LLOYDS BANKING GROUP FLTG 2.707 DEC 03 35	1.6%
SPD FINANCE UK PLC 5.875 JUL 17 26	1.3%
AT&T INC 4.375 SEP 14 29	1.2%
UK TREASURY 2.750 SEP 07 24	1.2%
UK (GOVT OF) 3.250 JAN 31 33 REGS	1.2%
BNP PARIBAS FLTG 6.000 AUG 18 29	1.2%
BRITISH LAND CO 5.357 MAR 31 28	1.2%
TESCO PROPERTY FIN 4 5.8006 OCT 13 40	1.2%
Total	14.5%

Total number of holdings: 180

Source of fund breakdown and holdings: Fund mgmt group

Scottish Equitable Invesco Corporate Bond (ARC)

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.

