

Scottish Equitable Schroder Income (ARC)

Fund information

Fund provider	Aegon/Scottish Equitable plc
Fund launch date	11 Nov 2011
Benchmark	FTSE All Share
Fund charge*	0.92%
Aegon fund size	£19.02m
ABI sector	ABI UK Equity Income
Fund type	Pension
ISIN	GB00B3YYN430
SEDOL	B3YYN43
Aegon mnemonic	ZIE
CitiCode	00IN

*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 Retiree (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



Above-average risk

Above average risk funds typically invest in one single investment type or geographical region, for example regional equities (shares) or global bonds. This means that investors are completely exposed to the performance of that single investment type or region. These funds could experience lengthy periods where their value goes down depending on market conditions. However, these funds can also rise in value quite significantly and have historically provided good long-term growth. Because of their narrow investment focus, they're better suited to investors with at least five years to invest and to use in combination with other funds as part of a diversified portfolio.

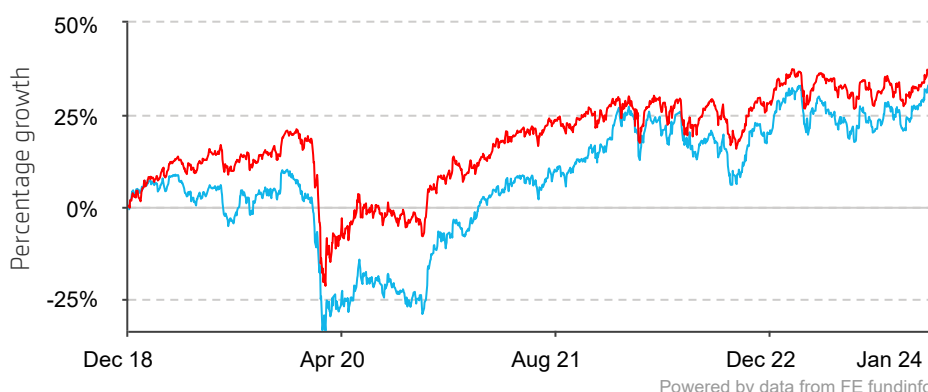
Fund objective

The fund aims to provide income and capital growth in excess of the FTSE All Share (Gross Total Return) index (after charges) over a 3 to 5 year period by investing in equities of UK companies. The fund is actively managed and invests at least 80% of its assets in a concentrated range of equities of UK companies. These are companies that are incorporated, headquartered or have their principal business activities in the UK. The fund typically holds 30 to 50 companies. The fund focuses on companies that have certain "Value" characteristics. Value is assessed by looking at indicators such as cash flows, dividends and earnings to identify securities which the investment manager believes have been undervalued by the market. The fund may use derivatives with the aim of reducing risk or managing the fund more efficiently. The Scottish Equitable fund has higher charges than the underlying Schroder fund and will, therefore, be less likely to meet this target.

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 Schroder Income (ARC)
■ FTSE All Share

	1yr	3yrs	5yrs	10yrs
Fund	11.3%	13.4%	5.9%	5.8%
Benchmark	7.9%	8.6%	6.6%	5.3%
Sector quartile	1	1	2	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%	1.4%	29.4%	-15.7%	8.3%
Benchmark	7.9%	0.3%	18.3%	-9.8%	19.2%
Sector quartile	1	2	1	4	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.

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Underlying fund

Fund mgmt group	Schroder UT Managers
Fund name	Income
Launch date	31 May 1987
Fund size	£1,169.92m as at 29 Dec 2023
Sedol code:	0764919
ISIN	GB0007649196
Crown rating	★★★★★

Fund manager information



Fund manager	Kevin Murphy
Start date	18 May 2010

Kevin joined Schroders in 2000 as an equity analyst with a focus on construction and building materials. In 2006, with Nick Kirrage, he took over management of a fund that seeks to identify and exploit deeply out-of-favour investment opportunities. In 2010, with Nick, he also took over management of the team's flagship UK value fund, seeking to offer income and capital growth. Kevin has a BSc in Economics from the University of Manchester and is a CFA Charterholder.



Fund manager	Andrew Evans
Start date	01 Nov 2022

Andrew Evans, CFA Joined Schroders in June 2015 as a member of the Global Value Team. Prior to Schroders, Andrew worked at Threadneedle, responsible for the UK research process. His investment career commenced in 2001 at Dresdner Kleinwort as a Pan-European transport analyst. He is Chartered Financial Analyst and has completed Degree in Economics, Exeter University.

Sector breakdown as at 31 Dec 2023



Name	Weight
Financials	26.4%
Consumer Discretionary	15.3%
Consumer Staples	13.7%
Energy	8.5%
Health Care	7.2%
Basic Materials	7.1%
Industrials	6.8%
Real Estate	5.8%
Telecommunications	5.7%
Other	3.6%
Total	100.1%

Top holdings as at 31 Dec 2023

Holding	%
HSBC Holdings PLC	3.5%
British Land Co PLC/The	3.1%
J Sainsbury PLC	3.1%
Shell PLC	3.0%
Eni SpA	2.9%
Imperial Brands PLC	2.9%
Marks & Spencer Group PLC	2.8%
Aviva PLC	2.8%
Rio Tinto PLC	2.7%
Tesco PLC	2.7%
Total	29.5%

Total number of holdings: 45

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.

Investment restrictions - this fund is restricted in what it can invest in either to one country e.g. UK or to a certain type of company e.g. ethical/socially responsible, smaller or technology-based, which increases the risk to the fund if market conditions don't favour that country or type of company.

Concentration risk - this fund invests in a smaller number of stocks (company shares) than most other, similar funds. This means there's a greater chance of loss if one or more of those stocks goes down in value.

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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