As at 31 December 2021

Scottish Equitable Schroder Absolute Return Bond (ARC) (Closed to new investors)

Fund information

Fund provider	Aegon/Scottish Equitable plc
Fund launch date	11 Nov 2011
Benchmark	LIBOR GBP 3 Months
Fund charge*	0.60%
Aegon fund size	£2.19m
ABI sector	ABI Specialist
Fund type	Pension
ISIN	GB00B46RGJ36
SEDOL	B46RGJ3
Aegon mnemonic	ZHZ
CitiCode	00IP

*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. 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 positive and negative, 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.

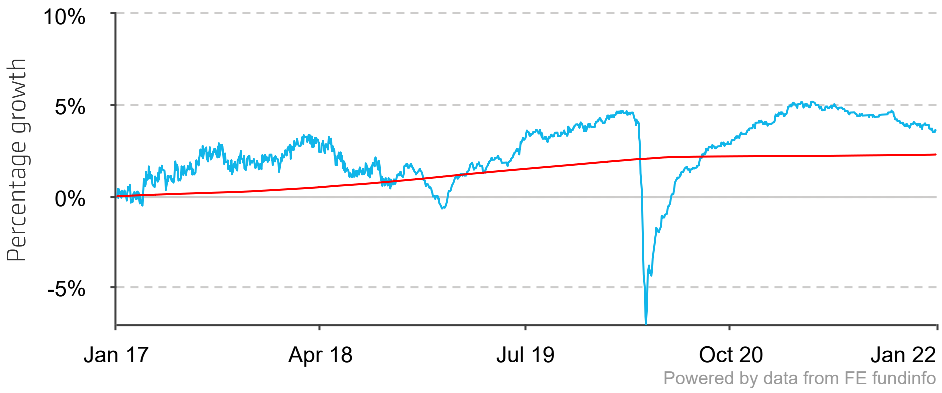
Fund objective

The fund aims to provide an absolute return of 3-month LIBOR (London Inter-bank Offer Rate) plus 1% (after charges) over rolling 12-month periods by investing directly or indirectly in bonds issued by governments, government agencies and companies worldwide. Absolute returns means the fund seeks a positive return over rolling 12-month periods in all market conditions, but this cannot be guaranteed and your capital is at risk. The fund may also use derivatives with the aim of reducing risk or managing the fund more efficiently; it may also use leverage and take short positions. There's no guarantee that either the target or absolute return will be achieved. 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 2021 unless otherwise stated.

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



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LIBOR GBP 3 Months CLS

	1yr	3yrs	5yrs	10yrs
Fund	-0.3%	1.4%	0.7%	1.7%
Benchmark	0.1%	0.4%	0.5%	0.5%

	Dec 20 to Dec 21	Dec 19 to Dec 20	Dec 18 to Dec 19	Dec 17 to Dec 18	Dec 16 to Dec 17
Fund	-0.3%	-0.4%	5.1%	-1.9%	1.0%
Benchmark	0.1%	0.3%	0.8%	0.7%	0.4%

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 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 originally invested.

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Underlying fund

Fund mgmt group	Schroder UT Managers
Fund name	Absolute Return Bond
Launch date	05 Sep 2003
Fund size	£62.19m as at 31 Dec 2021
Sedol code:	0790594
ISIN	GB0007905945
Crown rating	

Fund manager information

Fund manager	Bob Jolly
Start date	30 Nov 2011

Bob Jolly is a veteran portfolio manager and head of global macro strategy at Schroders having joined the company in 2011. Previously he worked as head of currency, UK fixed income and global sovereign portfolio management at UBS Global Asset Management. Prior to UBS, Bob spent over two decades at Gartmore Investment Management becoming head of UK, global and structured fixed income portfolio construction.

Fund manager	Paul Grainger
Start date	21 Mar 2016

Paul Grainger joined Schroders in 2015 as a Senior Portfolio Manager in the Fixed Income team, based in London. His earlier career began in 1995 within the BZW Securities graduate training programme where he rotated through Fixed Income sales and trading and into asset management at Barclays Global Investors. In 1999 he moved to Gartmore as a Senior Portfolio Manager and then moved to F&C Asset Management in 2003. In 2006 he moved to Wellington Management as a Portfolio Manager and latterly in 2014, co-founded a financial technology firm named yoyoDATA before moving to Schroders in 2015. Paul graduated from Exeter University in 1995 with a B.A. in Economics and European Studies and he is a Member of the United Kingdom Society of investment professionals and a CFA Charterholder.

Asset allocation

Asset allocation information is not available due to the nature of this fund.

Top holdings as at 31 Dec 2021

Holding	%
YORKSHIRE BUILDING SOC FRN 21/11/2024 - REGS	4.0%
SISF CHINA LOCAL CURRENCY B I ACC	3.9%
SKIPTON BUILDING SOCIETY FRN 22/02/2024 REGS	3.6%
SANTANDER UK PLC FRN 12/02/2024 REGS	3.5%
ROYAL BANK OF CANADA FRN 03/10/2024 REGS	3.5%
TSB BANK PLC FRN 15/02/2024 REGS	3.4%
LLOYDS BANK PLC FRN 16/05/2024 REGS	3.4%
COVENTRY BLDG SOCIETY FRN 15/01/2025 REGS	3.4%
CLYDESDALE BANK PLC FRN 22/03/2024 SERIES EMTN	3.2%
NEDER WATERSCHAPSBANK 0.0000 14/04/2023	3.0%
Total	34.9%

Total number of holdings: 328

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.

Currency risk - this fund invests overseas so its value will go up and down in line with changes in currency exchange rates. This could be good for the fund or bad, particularly if exchange rates are volatile.

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.