

Scottish Equitable Schroder Strategic Credit (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*	0.67%
Aegon fund size	£2.31m
ABI sector	ABI Sterling Strategic Bond
Fund type	Pension
ISIN	GB00B4382T11
SEDOL	B4382T1
Aegon mnemonic	ZDE
CitiCode	OOKX

*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 Retireadly (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.

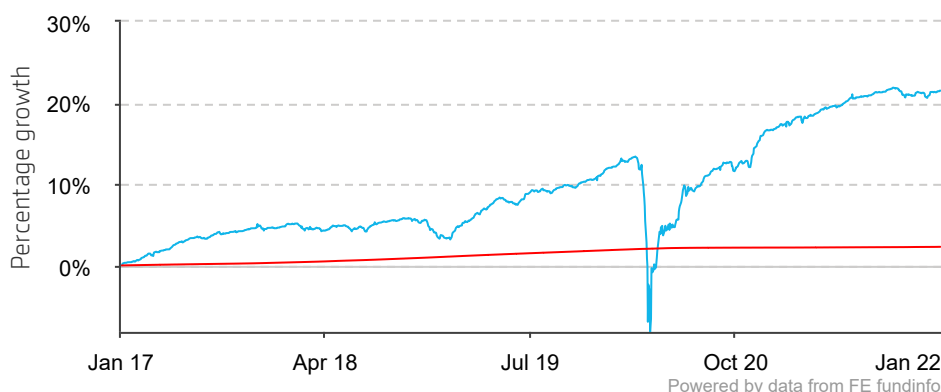
Fund objective

The fund aims to provide income and capital growth in excess of 3 Month GBP LIBOR (or an equivalent reference rate) (after charges) over a 3 to 5-year period by investing in bonds of UK and European companies but this cannot be guaranteed and your capital is at risk. The fund is actively managed and invests at least 80% of its assets in bonds denominated in sterling (or in other currencies and hedged back into sterling) issued by companies worldwide and by governments, government agencies and supranationals. The fund may invest more than 50% of its assets in below investment grade bonds (as measured by Standard & Poor's or any other equivalent credit rating agencies) or in unrated bonds. The fund may use derivatives with the aim of achieving investment gains, 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 positive returns will be achieved. The Scottish Equitable version of this fund has higher charges 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	3.9%	5.5%	4.0%	5.1%
Benchmark	0.1%	0.4%	0.5%	0.5%
Sector quartile	1	2	2	3


	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	3.9%	4.4%	8.4%	-1.4%	4.9%
Benchmark	0.1%	0.3%	0.8%	0.7%	0.4%
Sector quartile	1	3	3	1	3

On 25/05/2018 the benchmark UK Treasury Bill Tender 3 Month was replaced by LIBOR GBP 3 Months. Please note the benchmark past performance shown is for LIBOR GBP 3 Months only.

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	Strategic Credit
Launch date	04 Apr 2006
Fund size	£727.21m as at 31 Dec 2021
Sedol code:	B11DNZ0
ISIN	GB00B11DNZ00
Crown rating	

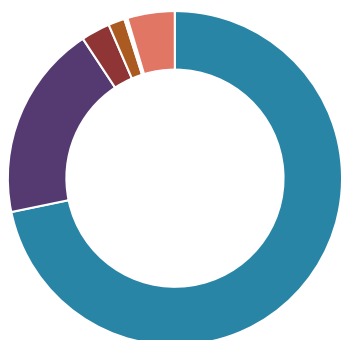
Fund manager information



Fund manager	Peter Harvey
Start date	04 Apr 2006

Peter Harvey joined Cazenove Capital in 2005 and is Head of Credit and manager of the Cazenove Strategic Debt Fund and the Morningstar OBSR Bronze rated Cazenove Strategic Bond Fund. Peter joined from F&C Management Ltd where he had been Head of UK Credit. He is a Director of Cazenove Capital and has 22 years' experience analysing and investing in corporate debt. Peter graduated with a 2.1 degree from the University of St Andrews.

Sector breakdown as at 31 Dec 2021



Name	Weight
Industrial	71.9%
Financial	19.0%
Utility	2.8%
Securitized	1.6%
Preferred Securities	0.2%
Derivatives	0.1%
Liquid Assets	4.6%
Total	100.2%

Credit breakdown as at 31 Dec 2021

Name	Weight
Other	8.0%
A	0.2%
AA	-1.8%
B	32.8%
BB	39.8%
BBB	19.6%
CCC	1.4%
Total	100.0%

Top holdings as at 31 Dec 2021

Holding	%
PINEWOOD FINANCE COMPANY LIMITED 3.2500 30/09/2025 SERIES REGS	1.8%
QUILTER PLC 4.4780 28/02/2028 REGS	1.7%
KONINKLIJKE KPN NV 7.0000 28/03/2073 - 144A	1.6%
NIDDA HEALTHCARE HOLDING AG 3.5000 30/09/2024 SERIES REGS	1.5%
TALKTALK TELECOM GROUP 3.8750 20/02/2025 REGS	1.4%
MERLIN ENTERTAINMENTS PL 5.7500 15/06/2026 144A	1.4%
ARQIVA BROADC FINANCE PL 6.7500 30/09/2023 REGS	1.3%
RL FINANCE BONDS 6.1250 30/11/2043 REGS	1.3%
GRUENENTHAL GMBH 4.1250 15/05/2028 SERIES REGS	1.2%
KORIAN SA 4.1250 31/12/2049 SERIES CORP	1.1%
Total	14.3%

Total number of holdings: 297

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.

