

Scottish Equitable M&G Corporate Bond (ARC)

Fund information

Fund provider	Aegon/Scottish Equitable plc
Fund launch date	11 Nov 2011
Benchmark	IA Sterling Corporate Bond
Fund charge*	0.66%
Aegon fund size	£10.74m
ABI sector	ABI Sterling Corporate Bond
Fund type	Pension
ISIN	GB00B3TXB411
SEDOL	B3TXB41
Aegon mnemonic	ZGS
CitiCode	OOLV

*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



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.

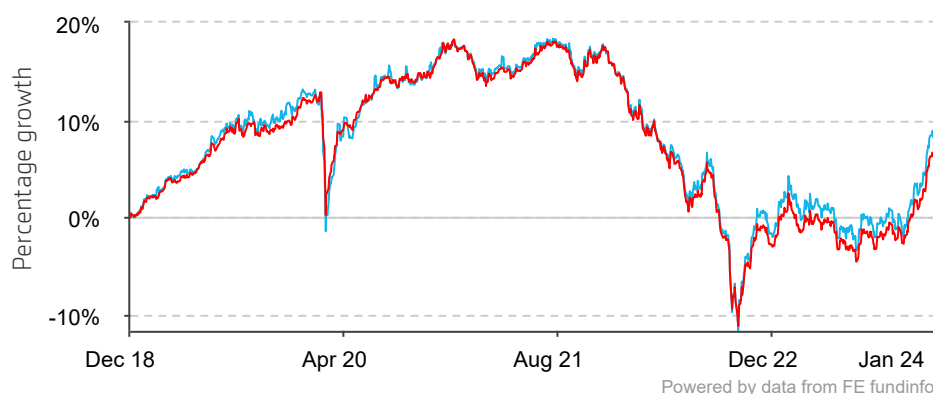
Fund objective

The fund aims to provide a combination of capital growth and income, after charges, higher than the average return of the IA Sterling Corporate Bond Sector over any five-year period. At least 70% of the fund is invested in investment grade bonds issued by companies, denominated in sterling or hedged back to sterling. It can also invest in government and high yield bonds. Investments are selected based on an assessment of macroeconomic, asset, sector and stock-level factors. Spreading investments across issuers, industries and countries is an essential element of the fund's strategy. The Scottish Equitable fund has higher charges than the underlying M&G fund and will therefore be less likely to meet this target. The underlying fund has charges that can change on a quarterly basis, so the charge you pay for the Scottish Equitable fund may vary in line with that on a quarterly basis but will not exceed the Fund Charge shown on the fund factsheet.

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 M&G Corporate Bond (ARC)
■ IA Sterling Corporate Bond


	1yr	3yrs	5yrs	10yrs
Fund	10.3%	-2.8%	1.6%	3.2%
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	10.3%	-15.3%	-1.8%	6.0%	11.3%
Benchmark	9.4%	-16.1%	-1.9%	7.8%	9.5%
Sector quartile	1	2	2	4	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	M&G UK
Fund name	Corporate Bond
Launch date	15 Apr 1994
Fund size	£1,346.79m as at 31 Dec 2023
Sedol code:	3128578
ISIN	GB0031285785
Crown rating	

Fund manager information



Fund manager	Richard Woolnough
Start date	27 Feb 2004

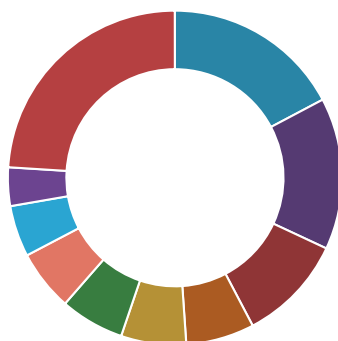
Richard Woolnough joined M&G in January 2004 and is Richard Woolnough manages Optimal Income, Corporate Bond and Strategic Corporate Bond, three of M&G's flagship fixed income strategies. Richard, who joined M&G in January 2004, began his career at Lloyds Merchant Bank in 1985, moving to Italian insurer Assicurazioni Generali two years later, followed by SG Warburg. In 1995, he became a fund manager at Old Mutual. Richard graduated from the London School of Economics with a BSc in economics.



Fund manager	Ben Lord
Start date	01 Jan 2020

Ben Lord joined M&G in 2007 and was appointed manager of the M&G Global Corporate Bond strategy when it was launched in September 2013. Ben also manages the M&G UK Inflation Linked Corporate Bond strategy and co-manages the Corporate Bond and Strategic Corporate Bond strategies. Before joining M&G, he worked at Gordian Knot as a credit analyst covering global financial institutions. Ben obtained an MA (Hons) from the University of Edinburgh and is a CFA charterholder.

Sector breakdown as at 31 Dec 2023



Name	Weight
Banking	16.7%
Utility	14.2%
Sovereign	10.0%
Insurance	6.4%
Asset Backed	6.1%
Telecommunications	6.0%
Covered Bonds	5.7%
Consumer Goods	4.8%
Government Guaranteed	3.6%
Other	23.2%
Total	96.7%

Credit breakdown as at 31 Dec 2023

Name	Weight
A	11.0%
AA	16.6%
AAA	12.0%
BB	0.7%
BBB	56.4%
Money Market	3.3%
Total	100.0%

Top holdings as at 31 Dec 2023

Holding	%
UK CONV GILT 0.625% 22/10/2050	5.3%
KFW 4.875% 03/02/2031	2.8%
UK CONV GILT 4.25% 07/12/2046	2.7%
IMPERIAL BRANDS FINANCE PLC 4.875% 07/06/2032	1.6%
EUROPEAN INVESTMENT BANK 4.875% 16/12/2030	1.6%
AT&T INC 4.375% 14/09/2029	1.5%
INTER-AMERICAN DEV BANK 4.75% 05/10/2029	1.2%
UK CONV GILT 3.75% 22/07/2052	1.1%
ROYAL BANK OF CANADA 5.6787% 30/01/2025	1.1%
UK CONV GILT 0.875% 31/01/2046	1.0%
Total	19.9%

Total number of holdings: 279

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.

