

# Scottish Equitable Artemis Strategic Bond (ARC)

## Fund information

Fund provider	Aegon/Scottish Equitable plc
Fund launch date	11 Nov 2011
Benchmark	Markit iBoxx GBP Non Gilts
Fund charge*	0.60%
Aegon fund size	£7.84m
ABI sector	ABI Sterling Strategic Bond
Fund type	Pension
ISIN	GB00B4Z4JG35
SEDOL	B4Z4JG3
Aegon mnemonic	ZIS
CitiCode	06T5

\*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 Retirement (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 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.

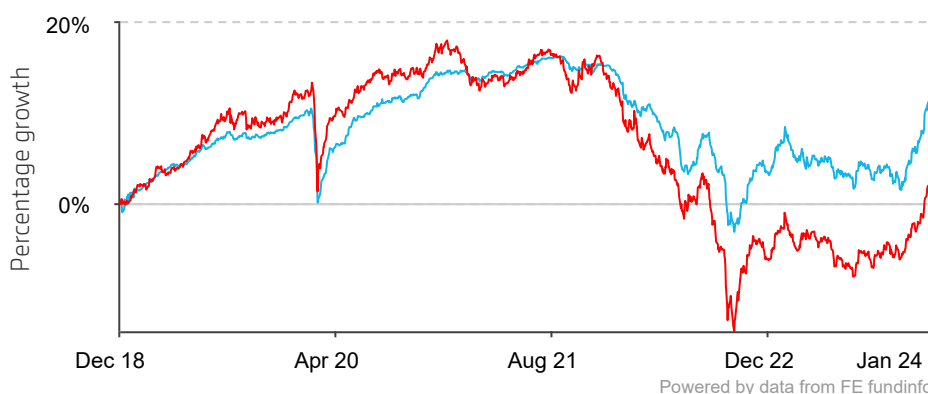
## Fund objective

The fund aims to provide a combination of income and capital growth over a five-year period. It does so by investing between 80% to 100% in global bonds (of any credit quality). It can also invest up to 20% in cash and near cash, other transferable securities, other funds (up to 10%) managed by Artemis and third-party funds, money market instruments, company shares, and derivatives. At least 80% of the fund will be invested in assets denominated in sterling or will be hedged back to sterling. The fund may use derivatives for efficient portfolio management purposes to reduce risk and manage the fund efficiently.

## 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 Artemis Strategic Bond (ARC)  
■ Markit iBoxx GBP Non Gilts

	1yr	3yrs	5yrs	10yrs
Fund	8.0%	-0.9%	2.2%	3.2%
Benchmark	8.6%	-4.7%	0.4%	2.7%
Sector quartile	3	2	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	8.0%	-10.5%	0.7%	5.9%	8.2%
Benchmark	8.6%	-17.7%	-3.1%	7.8%	9.3%
Sector quartile	3	2	3	3	3

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	Artemis Fund Managers Limited
Fund name	Strategic Bond
Launch date	01 Jun 2005
Fund size	£1,040.69m as at 29 Dec 2023
Sedol code:	B09DMJ2
ISIN	GB00B09DMJ21
Crown rating	

## Fund manager information



Fund manager	David Ennett
Start date	01 Nov 2023

David joined Artemis in February 2019 from Kames Capital, where he was Head of High Yield. Prior to this he was Head of European High Yield at Standard Life Investments and previously a high yield portfolio manager at Old Mutual Asset Managers in London. David began his career in leveraged finance with roles in banking in Sydney with NAB, and in London with RBS and CIBC. He graduated from the Australian National University with a degree in Political Science and Economics in 2001 and is a CFA charterholder. He co-manages Artemis' 'global high yield' strategies, the bonds component of Artemis' 'monthly distribution' strategy and Artemis' 'high income' strategy.



Fund manager	Grace Le
Start date	01 Nov 2023

Grace is a fund manager in the Artemis fixed income team. She joined Artemis in December 2019 from Kames Capital, where she was co-manager of a range of investment grade bond funds, including the Kames Investment Grade Bond Fund and the Kames Investment Grade Global Bond Fund. She also co-managed the LBPAM Absolute Return Bond Fund and managed the credit selection of several multi-asset funds including the Kames Diversified Monthly Income Fund and the Aegon Diversified Growth Fund. Before joining Kames, She started her career at PwC in 2012, where she qualified as a chartered accountant. Grace graduated from Imperial College, London with a degree in Mathematics. She is an ACA and CFA charterholder.

## Sector breakdown as at 30 Nov 2023



Name	Weight
Financials	34.7%
Government Bonds	20.8%
Futures	19.0%
Real Estate	6.9%
Industrials	6.4%
Health Care	6.0%
Communication Services	5.7%
Consumer Discretionary	5.6%
Utilities	4.6%
Other	7.6%
Total	117.3%

## Credit breakdown as at 30 Nov 2023

Name	Weight
A	10.3%
AA	19.3%
AAA	1.9%
B	6.8%
BB	19.9%
BBB	40.0%
Money Market	1.8%
Total	100.0%

## Top holdings as at 30 Nov 2023

Holding	%
US 5yr Note (CBT) Mar 24	58.0%
US 10yr Note (CBT) Mar 24	18.9%
US 10yr Ultra Future Mar 24	3.0%
TSY INFL IX N/B 1.375%	2.4%
UK I/L Gilt	2.4%
UK Gilt 4.75% 22/10/2043	2.2%
Aust 10yr Bond Future Dec 23	1.9%
TSY INFL IX N/B 0.375%	1.8%
New Zealand Gvt llb 2.5%	1.7%
US Treasury N/B 2.875%	1.7%
Total	94.0%

Total number of holdings: 160

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.

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**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.

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**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.

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**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.

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**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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**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.

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