As at 31 December 2023

Aegon AM Absolute Return Bond (AOR)

Fund information

Fund provider	Aegon/Scottish Equitable plc
Fund launch date	16 Oct 2014
Benchmark	SONIA Overnight
Fund charge*	0.32%
Aegon fund size	£0.56m
ABI sector	ABI Specialist
Fund type	Pension
ISIN	GB00BNB7N565
SEDOL	BNB7N56
Aegon mnemonic	ZPN
CitiCode	KLXH

*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 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 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.

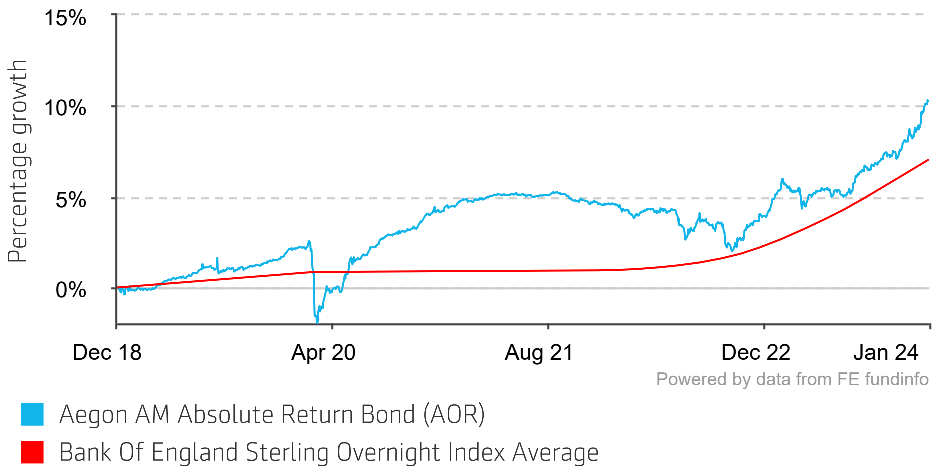
Fund objective

The fund aims to generate positive absolute returns for investors over a rolling 3 year period irrespective of market conditions. The fund will seek to achieve this by investing in global debt instruments in any currency, ranging from AAA government bonds through to high yield and emerging market bonds. It may invest in all types of fixed and floating rate fixed income securities. It will place no geographic limitations on its investments and will use financial derivatives instruments to run a long/short strategy.

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.



	1yr	3yrs	5yrs	10yrs
Fund	6.2%	1.9%	2.0%	-
Benchmark	4.6%	2.0%	1.4%	-

	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	6.2%	-0.7%	0.3%	2.6%	1.6%
Benchmark	4.6%	1.4%	0.1%	0.2%	0.7%

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	Aegon Asset Management
Fund name	Absolute Return Bond
Launch date	08 Nov 2007
Fund size	£205.00m as at 30 Nov 2023
Sedol code:	B6SPX87
ISIN	IE00B6SPX874
Crown rating	

Fund manager information

Fund manager	Colin Finlayson
Start date	30 Sep 2011

Colin Finlayson is an investment manager in the Fixed Income team and specialises in global government bonds and relative-value analysis. He is the co-manager of our absolute return bond fund as well as our strategic bond funds. Colin is also a manager for a number of pooled pension funds. Colin joined the industry in 2000. He joined us in 2000 directly from the University of Strathclyde, where he studied Economics and Finance. Colin is a CFA charterholder.

Fund manager	Rory Sandilands
Start date	01 Dec 2018

Rory Sandilands is an investment manager within the Fixed Income team. He co-manages an absolute return bond fund, sterling corporate bond fund and sterling investment grade bond fund. Previously, Rory was a vice president in credit sales at Goldman Sachs. In addition, he has also worked in credit sales for Morgan Stanley and in fixed income sales for Merrill Lynch. He has extensive experience working with both cash bonds and derivative products across the full ratings spectrum. Rory holds an honours degree in Law with Accountancy from the University of Edinburgh. He has 20 years' industry experience.

Asset allocation

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

Top holdings as at 29 Dec 2023

Holding	%
BUONI POLIENNALI DEL TES 3.6% 29/09/2025 2Y	3.0%
ELEMENT FLEET MANAGEME 6.271% 26/06/2026 144A	1.5%
SOCIETY OF LLOYD'S 4.75% 30/10/2024	1.4%
CLOVERIE PLC (SWISS RE C VAR 11/09/2044	1.3%
FIL LIMITED 7.125% 13/02/2024	1.3%
RAC BOND CO PLC 4.87% 06/05/2026 EMTN	1.3%
ATHENE GLOBAL FUNDING 0.95% 08/01/2024 144A	1.2%
FORD MOTOR CREDIT CO L 4.535% 06/03/2025 EMTN	1.1%
BP CAPITAL MARKETS PLC VAR 22/09/2169	1.1%
LEGAL & GENERAL GROUP VAR 27/10/2045 EMTN	1.1%
Total	14.3%

Total number of holdings: 147

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.

Securities lending risk - this fund can hold other funds that earn a fee from lending assets. Securities lending is a process used to generate additional returns for investors by lending to eligible financial institutions some of the shares and bonds a fund holds. To protect against failure to repay borrowed assets, the borrower must provide collateral to cover the loan. The borrower pays the lending fund a fee for borrowing the shares or bonds. At the end of the loan, the borrower pays the shares or bonds back in full. There is a risk that the borrower may fail to pay back the shares or bonds. To minimise this risk, the lending fund conducts securities lending only with select financially stable institutions, and it also holds insurance to cover any losses in the unlikely event that the loan isn't paid back.