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Aegon Strategic Bond Fund

Q3 2024

The Aegon Strategic Bond Fund is an unconstrained, flexible portfolio that consists of a dynamic blend across the fixed income universe. It is constructed to deliver superior risk-adjusted returns by investing across a diverse range of alpha sources. We are active, high conviction managers that focus on investing in our best ideas using a flexible mandate and index-agnostic approach to exploit market opportunities.

High Conviction, Flexible Strategy	Emphasis on Best Ideas 90 – 140 Holdings	Time-Tested Track Record Since Inception in 2003 ¹	Flexible approach to asset allocation and duration risk	Integrated ESG Approach
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Alexander Pelteshki, CFA
Investment Manager, Fixed Income



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Investment Manager, Fixed Income

Why do investors use Strategic Bond funds – and why ours?

Strategic bond funds can offer investors exposure to a broad spectrum of fixed income investments, including government bonds, corporate, high-yield, and emerging market debt, through a single product. They are often seen as a convenient, cost-effective solution for investors to gain diversified exposure to fixed income markets as a whole. The strategic bond sector comes in many different shapes and sizes however, and has been characterized by delivering inconsistent returns, particularly when fixed income markets do well.

What makes our Strategic Bond Fund unique is that it is a truly flexible strategy. It is both a top down, asset allocation and a bottom up, stock selection fund. We believe this is a genuine differentiator in a pool of flexible funds. It allows the fund to truly seek a superior performance in the medium term regardless of market conditions.

High Conviction, Flexible Strategy	<ul style="list-style-type: none"> ✓ Index-agnostic, flexible approach to managing asset allocation and duration risk ✓ Access to global opportunity set via in-house security selection specialists ✓ High conviction portfolio of only 90-140 securities
Total return focus	<ul style="list-style-type: none"> ✓ Consistent delivery of superior risk-adjusted returns² ✓ Upside capture through time tested approach of identifying 'winners' ✓ Harness six sources of alpha that target distinct top-down and bottom-up drivers
Breadth and depth of global fixed income resources	<ul style="list-style-type: none"> ✓ 156 professionals³ across credit, rates, structured and distressed debt ✓ Integrated centres in UK, US and Europe optimises coverage of global universe ✓ Portfolio managers and analysts collaborate to build focused portfolio

A dynamic blend of the Fixed Income universe constructed to target superior risk adjusted returns through the cycle

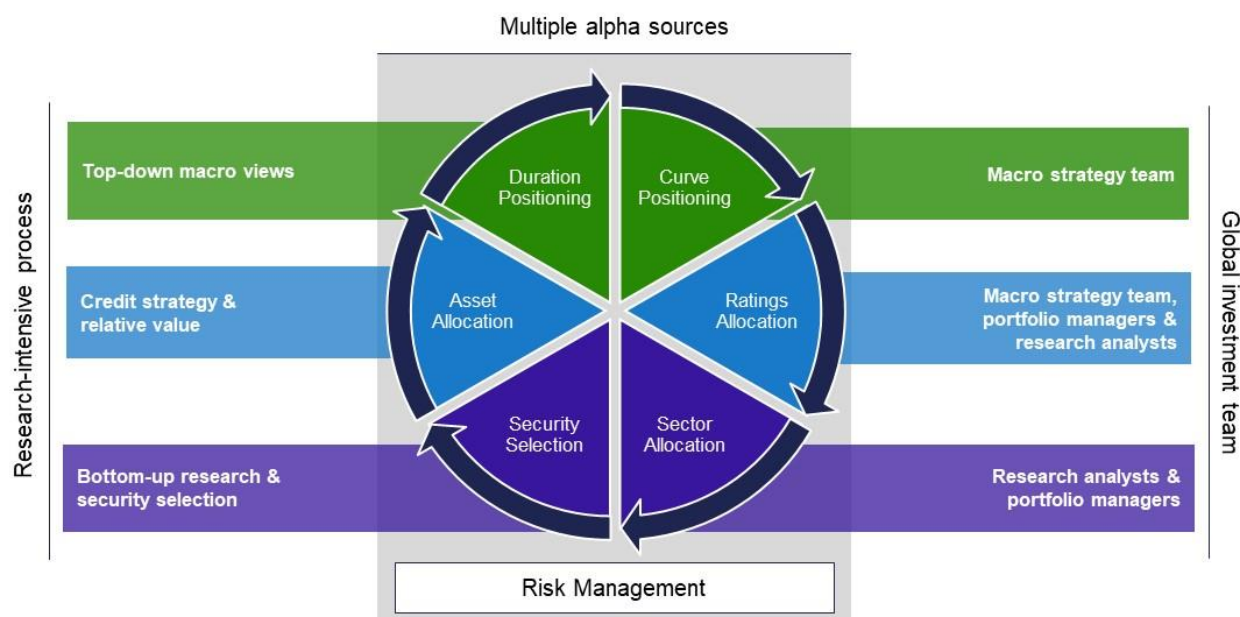


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Multiple sources of alpha and target market beta

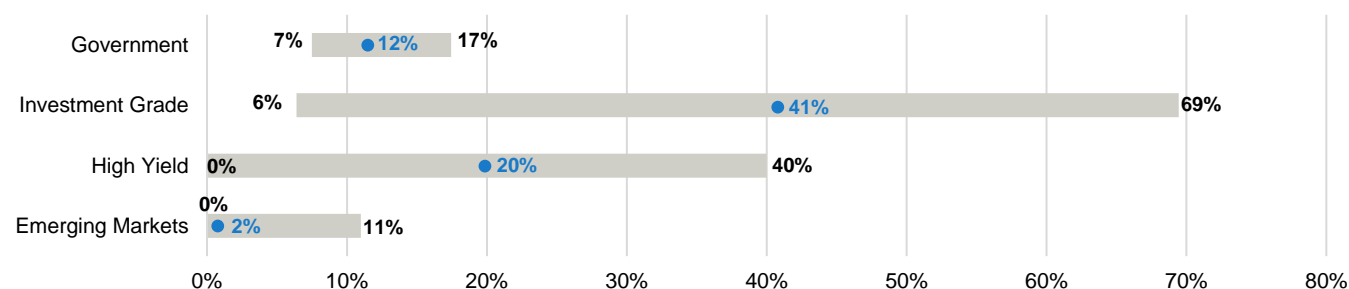
Our investment approach is dynamic and nimble. We are active, high conviction managers seeking to exploit market opportunities and inefficiencies. Our disciplined process is bottom-up focused, with an emphasis on deep, fundamental analysis complemented by a structured top-down process. Our investment process is based around formulating ideas from 'six sources of alpha': security selection, sector selection, credit risk positioning, asset allocation, duration, and curve positioning. The risk-return profile of each 'alpha engine' in the portfolio can be flexed at different times during the cycle dependent on the market outlook constructed by our portfolio management team. This process results in a dynamic portfolio of bond ideas that blends unique security specific opportunities with selective market directionality.



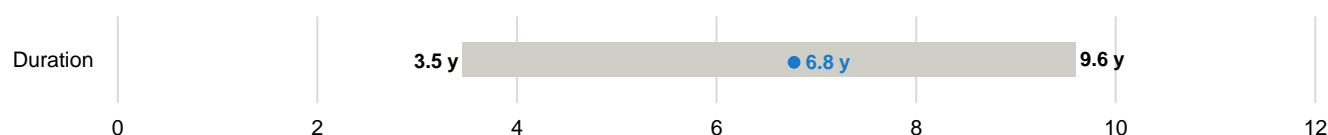
Flexible approach to investing

The Fund has flexibility to take advantage of opportunities within fixed income markets but also the ability to protect it when market conditions change. By focusing on more liquid parts of the bond market, the strategy can be dynamic and nimble in rapidly changing macro environments.

Asset Allocation range over last 5 years



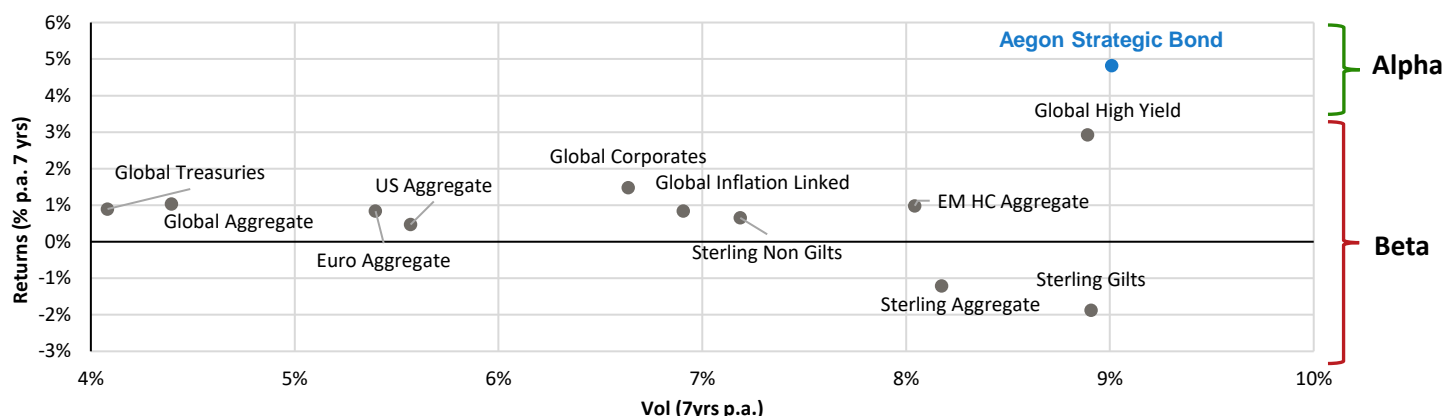
Duration risk range over last 5 years



Risk-aware approach to pursue enhanced outcomes

Maintaining investment discipline is central to our style. Using a risk-focused mindset, we take sufficient, but not excessive, investment risk as we pursue performance targets while staying within risk tolerances. We actively manage the fund's risk profile to pursue upside potential and minimize downside risk in an effort to deliver competitive risk-adjusted returns throughout cycles. The results of our risk-focused approach are evidenced in the chart below.

Annualised total return versus volatility



Source: Aegon AM, Bloomberg, as at 30 September 2024. 7 year cumulative total returns are hedged in GBP, gross of fees. Reflects annualized total return and standard deviation (volatility) over a 7 year period. Based on daily returns. Includes the following Bloomberg indices; Global Aggregate TR Hedged to GBP Index for 'Global Aggregate'; Global Treasury Total Return Index Value Hedged GBP for 'Global Treasuries'; Global Inflation-Linked Total Return Index Value Hedged GBP for 'Global Inflation Linked'; Global Aggregate Corporate Total Return Index Hedged GBP for 'Global Corporates'; Global High Yield Total Return Index Value Hedged GBP for 'Global High Yield'; EM Hard Currency Aggregate Total Return Index Hedged GBP for 'EM HC Aggregate'; US Aggregate Credit Total Return Value Hedged GBP for 'US Aggregate'; Euro Aggregate Corporate Total Return Index Value Hedged GBP for 'Euro Aggregate'; Sterling Aggregate Return Value Unhedged GBP for 'Sterling Aggregate'; Sterling Gilts Total Return Index Value Unhedged GBP for 'Sterling Gilts'; Sterling Non-Gilts TR Value Unhedged GBP for 'Sterling Non-Gilts'.

Fund details

Inception	16 December 2003
Fund size	£346 million (as at 30 September 2024)
Objective	The investment objective is to provide a combination of income and capital growth over any seven year period.
Sector/comparator benchmark	Investment Association £ Strategic Bond
Reference benchmark	Bloomberg Barclays Global Aggregate Index hedged GBP
Typical portfolio characteristics	<ul style="list-style-type: none"> ✓ Benchmark agnostic portfolio with global investment universe ✓ Liquid, listed assets only ✓ Genuine bond only portfolio (no FX, equities, private placements) ✓ Flexible interest rate risk (0-10 years) ✓ Fully hedged to base currency

Investment universe	Role	Security type	Strategy weightings
Core investments		Government Bonds	0-100%
		Investment Grade Corporate Bonds	0-100%
		High Yield Bonds*	0-40%
Opportunistic		Emerging market Debt*	0-40%
		Asset Backed Securities*	0-40%
Derivatives		Interest rate futures	
		Credit derivatives	

*The combined limit is 40%

Share classes	GBP
Fund structure	UK-domiciled, daily priced OEIC (UCITS structure) or segregated mandates
ESG approach	ESG integration; Internal ESG research; ESG investment criteria; Exclusions; Engagement

About Aegon Asset Management

Aegon AM is an active global investor. Our 385[^] investment professionals manage and advise on assets of £270[^] billion for a global client-base of pension schemes, public funds, insurance companies, banks, foundations, wealth managers, family offices and individuals. We are a global business with over 1,100[^] employees across Europe, the Americas and Asia. We organise our investment capabilities around four focused investment platforms where we have deep asset-class expertise: fixed income, real assets, equities, and multi-asset & solutions.

[^]Source: Aegon AM as at 30 June 2024

¹Source: Lipper/Bloomberg as at 30 September 2024. Aegon Strategic Bond Fund B Acc GBP relative Investment Association £ Strategic Bond Sector and Bloomberg Barclays Global Aggregate GBP Hedged. Inception is 16 December 2003.

²Source: Aegon AM, Bloomberg, as at 30 September 2024 against various Bloomberg fixed income indices. Annualized total return in GBP and standard deviation (volatility) over a 7 year period. See chart on page 3.

³Source: Aegon AM as at 30 September 2024.

Important information

For Professional Clients only and not to be distributed to or relied upon by retail clients.

The principal risk of this product is the loss of capital. Please refer to the KIID and/or prospectus or offering documents for details of all relevant risks. For all documents please see www.aegonam.com/documents.

Past performance does not predict future returns. Outcomes, including the payment of income, are not guaranteed.

Opinions and/or example trades/securities represent our understanding of markets both current and historical and are used to promote Aegon Asset Management's investment management capabilities: they are not investment recommendations, research or advice. Sources used are deemed reliable by Aegon Asset Management at the time of writing. Please note that this marketing is not prepared in accordance with legal requirements designed to promote the independence of investment research, and is not subject to any prohibition on dealing by Aegon Asset Management or its employees ahead of its publication.

Fund Charges are taken from capital, increasing distributions but constraining capital growth.

All data is sourced to Aegon Asset Management UK plc unless otherwise stated. The document is accurate at the time of writing but is subject to change without notice.

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Performance comparator: Investment Association Strategic Bond Sector. Investors are invited to compare the Fund's performance against the performance of other funds within this Sector. Comparison of the Fund against this Sector will give investors an indication of how the Fund is performing compared with Funds investing in a similar but not identical investment universe. The comparison should be performed over at least a 7 year period to provide the most useful long term comparison.

Comparator Benchmark: Barclays Global Aggregate (hedged to Sterling) Index. Comparison against this index will allow investors to compare the Fund's performance against that of a representative but not identical universe of the Fund's potential investments. Comparison against this index will also allow investors to judge the active nature of the Fund against performance of an index which could reflect the performance of equivalent passive funds.

Aegon Asset Management UK plc is authorised and regulated by the Financial Conduct Authority.

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