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# Aegon Strategic Global Bond Fund

Q3 2024

*The Aegon Strategic Global 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 2007 <sup>1</sup>	Flexible approach to asset allocation and duration risk	Integrated ESG Approach
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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 Global 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.

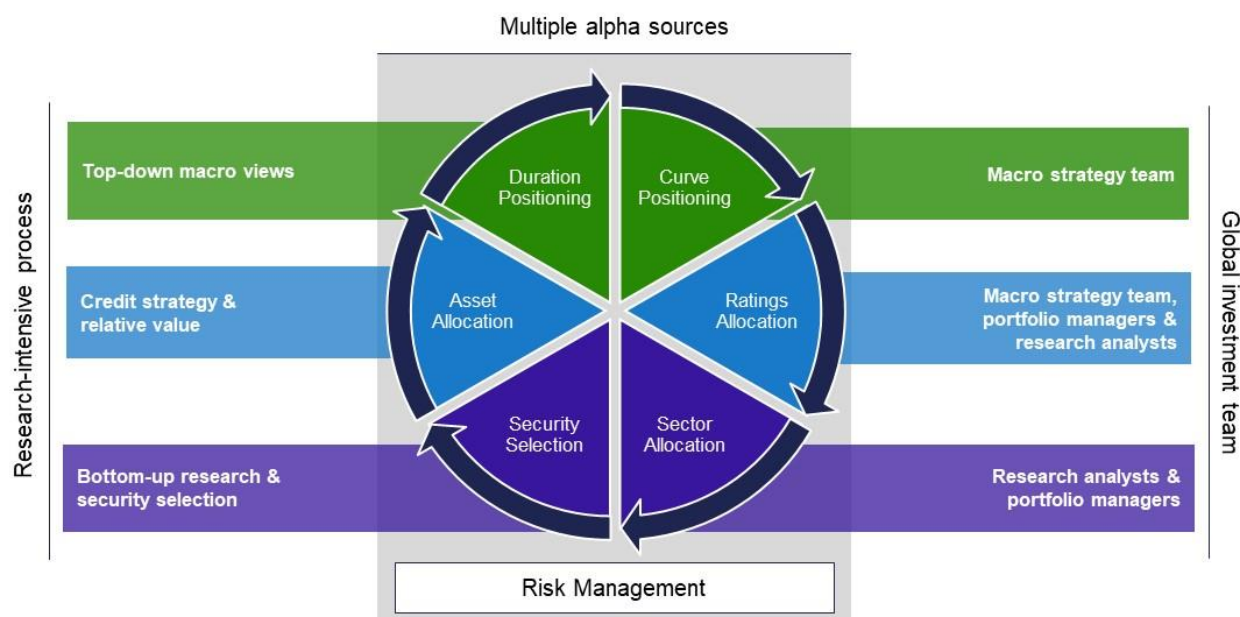
<b>High Conviction, Flexible Strategy</b>	<ul style="list-style-type: none"> <li>✓ Index-agnostic, flexible approach to managing asset allocation and duration risk</li> <li>✓ Access to global opportunity set via in-house security selection specialists</li> <li>✓ High conviction portfolio of only 90-140 securities</li> </ul>
<b>Total return focus</b>	<ul style="list-style-type: none"> <li>✓ Consistent delivery of superior risk-adjusted returns<sup>2</sup></li> <li>✓ Upside capture through time tested approach of identifying 'winners'</li> <li>✓ Harness six sources of alpha that target distinct top-down and bottom-up drivers</li> </ul>
<b>Breadth and depth of global fixed income resources</b>	<ul style="list-style-type: none"> <li>✓ 156 professionals<sup>3</sup> across credit, rates, structured and distressed debt</li> <li>✓ Integrated centres in UK, US and Europe optimises coverage of global universe</li> <li>✓ Portfolio managers and analysts collaborate to build focused portfolio</li> </ul>



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

## Multiple sources of alpha and target market beta

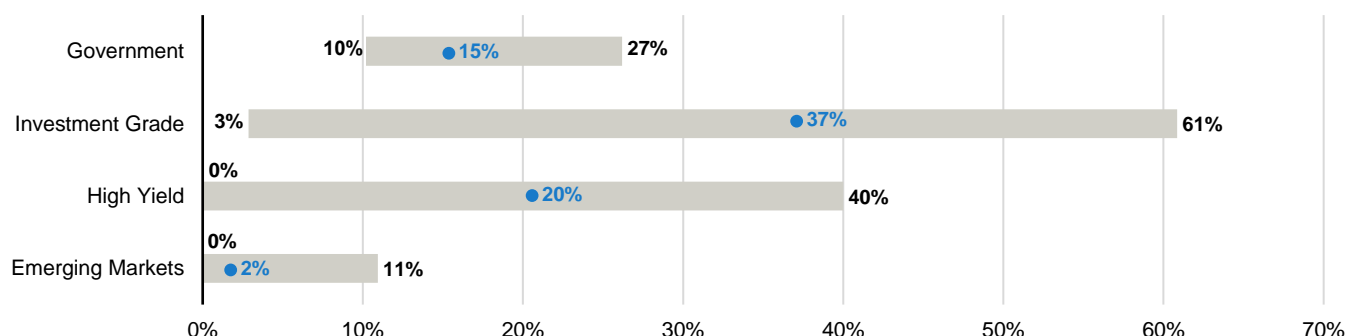
Our investment approach is dynamic and nimble. We are active, high conviction managers seeking to exploit market opportunities and inefficiencies. Our disciplined process is bottom-up focused, with an emphasis on deep, fundamental analysis complemented by a structured top-down process. Our investment 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.



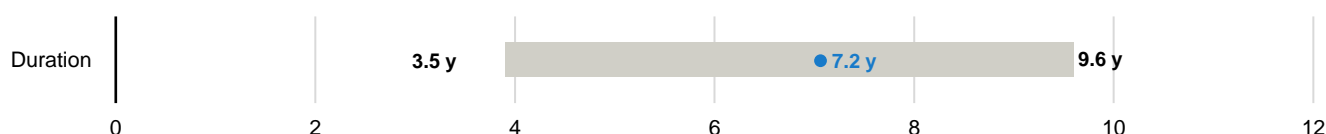
## Flexible approach to investing

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



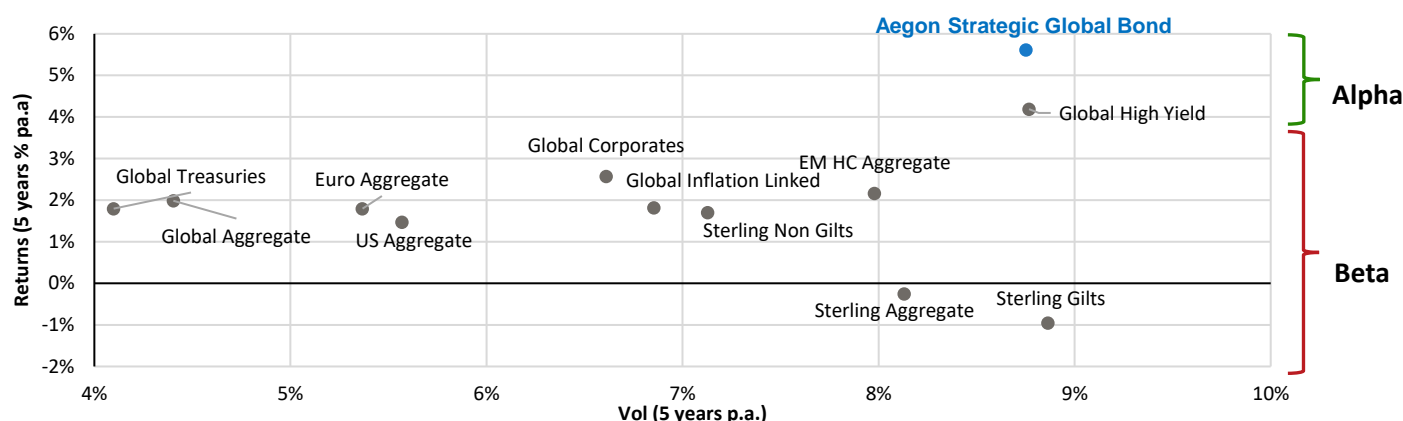
### Duration risk range over last 5 years



## 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. 5 year cumulative total returns are hedged in USD, gross of fees. Reflects annualized total return and standard deviation (volatility) over a 5 year period. Based on daily returns. Includes the following Bloomberg indices; Global Aggregate TR Hedged to USD Index for 'Global Aggregate'; Global Treasury Total Return Index Value Hedged USD for 'Global Treasuries'; Global Inflation-Linked Total Return Index Value Hedged USD for 'Global Inflation Linked'; Global Aggregate Corporate Total Return Index Hedged USD for 'Global Corporates'; Global High Yield Total Return Index Value Hedged USD for 'Global High Yield'; EM Hard Currency Aggregate Total Return Index Hedged USD for 'EM HC Aggregate'; US Aggregate Credit Total Return Value Hedged USD for 'US Aggregate'; Euro Aggregate Corporate Total Return Index Value Hedged USD for 'Euro Aggregate'; Sterling Aggregate Return Value Unhedged USD for 'Sterling Aggregate'; Sterling Gilts Total Return Index Value Unhedged USD for 'Sterling Gilts'; Sterling Non-Gilts TR Value Unhedged USD for 'Sterling Non-Gilts'.

## Fund details

<b>Inception</b>	8 November 2007
<b>Fund size</b>	£145m / USD \$194m (as at 30 September 2024)
<b>Objective</b>	The investment objective is to maximise total return (income plus capital) by investing at least two thirds of its gross assets in global debt instruments in any currency, ranging from AAA government bonds through to high yield and emerging market bonds.
<b>Sector/comparator benchmark</b>	Lipper Global Bond Global sector
<b>Reference benchmark</b>	Bloomberg Barclays Global Aggregate Index
<b>Typical portfolio characteristics</b>	<ul style="list-style-type: none"> <li>✓ Benchmark agnostic portfolio with global investment universe</li> <li>✓ Liquid, listed assets only</li> <li>✓ Genuine bond only portfolio (no FX, equities, private placements)</li> <li>✓ Flexible interest rate risk (0-10 years)</li> <li>✓ Fully hedged to base currency</li> </ul>

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%

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

## About Aegon Asset Management

Aegon AM is an active global investor. Our 385<sup>^</sup> investment professionals manage and advise on assets of £270<sup>^</sup> 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<sup>^</sup> 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.

<sup>^</sup>Source: Aegon AM as at 30 June 2024

## Calendar year performance\* (%)

	2023	2022	2021	2020	2019
Aegon Strategic Global Bond Fund USD B Inc	9.8	-14.3	1.6	18.8	11.7
Lipper Global Bond Global USD Peer Group	6.4	-11.6	-1.2	6.1	7.8
	2018	2017	2016	2015	2014
Aegon Strategic Global Bond Fund USD B Inc	-1.2	4.8	4.1	-0.6	4.6
Lipper Global Bond Global USD Peer Group	-1.4	5.2	3.4	-1.4	2.5

<sup>\*</sup>Source: Lipper as at 31 December 2023. Performance shown is for the B USD Inc share class. NAV to NAV, noon prices, income reinvested, net of ongoing charges, excluding entry or exit charges. The Fund is in the Lipper Global - Bond Global sector. Lipper primary share classes are generally the highest charging share classes available, and are usually the 'A' retail share classes for Aegon Asset Management UK funds.

## Investment policy and risks

Below we summarise the investment policy and key risks. For more information, please refer to the Key Investor Information Document (KIID) and the Fund Supplement to the Prospectus at [www.aegonam.com/documents](http://www.aegonam.com/documents).

### Investment policy

The Fund invests at least two thirds in a wide range of investment grade (lower risk) bonds and high yield (higher risk) bonds issued by companies and governments worldwide. The Fund may also invest in cash, deposits and money market instruments (a form of debt security). The Fund is actively managed.

The Fund may invest in emerging markets. In investment terms, this means those economies that are still developing. The Fund has discretion in its choice of investments and is not restricted by market sector. It may also hold a limited range of other investments and it is not constrained by any benchmark or index. The Fund may use derivatives financial contracts whose value is linked to an underlying asset) for investment purposes, to benefit from changes in the price of an underlying asset without actually owning it. The Fund may use investment techniques to manage risks and costs.

### Risks

The following risks are relevant to the Fund:

**Credit:** An issuer of bonds may be unable to make payments due to the Fund (known as a default). The value of bonds may fall as default becomes more likely. Both default and expected default may cause the Fund's value to fall. High yield bonds generally offer higher returns because of their higher default risk and investment grade bonds generally offer lower returns because of their lower default risk.

**Liquidity:** The Fund's value may fall if bonds become more difficult to trade or value due to market conditions or a lack of supply and demand. This risk increases where the Fund invests in high yield bonds.

<sup>1</sup>Source: Lipper as at 30 September 2024. Aegon Strategic Global Bond Fund B USD Inc relative to Lipper Global Bond Global USD peer group and Bloomberg Barclays Global Aggregate Index USD Hedged. Inception is 8 November 2007.

<sup>2</sup>Source: Aegon AM, Bloomberg, as at 30 September 2024 against various Bloomberg fixed income indices. Annualized total return in USD and standard deviation (volatility) over a 5 year period. See chart on page 3.

<sup>3</sup>Source: Aegon AM as at 30 September 2024.

## Important information

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

**This is a marketing communication. Please refer to the following legal documents of the UCITS before making any final investment decisions. For UK investors: please refer to the Prospectus and the UCITS KIID. For EU investors: please refer to the Prospectus and the PRIIPs KID. The relevant documents can be found at [aegonam.com](https://aegonam.com). The principal risk of this product is the loss of capital.**

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

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

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Please visit <https://www.aegonam.com/en/contact/> for an English summary of investor rights and more information on access to collective redress mechanisms.

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