

High Yield Bond Fund

Retail Mutual Fund

Monthly Factsheet to 30 July 2010



Helpdesk 0800 45 44 22 www.aegonam.co.uk



Fund Manager Philip Milburn

Fund Objective

The primary investment objective is to maximise total return (income plus capital) by investing in a portfolio of predominately high yield bonds, selected investment grade bonds and cash. The fund may hold sterling and other currency denominated bonds hedged back to sterling.

The fund may also invest in deposits, money market instruments, derivative instruments and forward transactions.

Launch date	March 2002
IMA sector	£ High Yield
IMA stands for Investment Management Association	
Secondary benchmark	100% Barclays Capital Global High Yield Index
Fund size	£262.9 million
Number of stocks	79
Initial charge	4.5% (A Class)
Annual charge	1.0% (A Class)
Payment dates	Last day of the month.
	A(acc) 3142523
	A(inc) 3142512
SEDOL codes	B(acc) 3142556
	B (Inc) B1N9DY5
	A(acc) SEOPAA
	A(inc) SEOPAI
FT MexID	B(acc) SEOPBA
	B (Inc) SEOPBI
Yield	Distribution 7.74
	Underlying 6.66

Fund Strategy

- July saw a reversal of the previous month's trends, with corporate bonds outperforming government bonds.
- The fund outperformed the Lipper median in July, finishing in the second quartile.
- Stock selection helped the fund to outperform over the month.
- The highlight was International Power, whose bonds rallied strongly on the potential tie up with GDF Suez.

Performance Information

Discrete years

1 year to	30/07/2010	31/07/2009	31/07/2008	31/07/2007	31/07/2006
Fund	26.9%	-1.6%	-4.4%	4.7%	5.1%

Cumulative Performance

	1 year	2 years	3 years	4 years	5 years
Fund	26.9%	24.9%	19.5%	25.1%	31.5%
Median	21.4%	20.1%	16.8%	18.5%	23.1%
Quartile	1	1	1	1	1

Source: Lipper Hindsight, as at 30/07/2010, % growth, total return excluding initial charges, GBP, net of Basic Rate Tax, A(acc) shares. Past performance is not a guide to future performance. The value of your investment and any income from it may fall as well as rise and is not guaranteed.

Portfolio Information

Credit spread	Fund %	Breakdown	Fund %
A	0.9	CORPORATES 0 TO 5 YEARS	4.7
BBB	17.4	CORPORATES 5 TO 15 YEARS	9.5
BB	36.6	CORPORATES 15+ YEARS	4.1
B	30.2	HIGH YIELD 0 TO 5 YEARS	25.6
CCC	6.6	HIGH YIELD 5 TO 15 YEARS	48.1
C	0.4	HIGH YIELD 15+ YEARS	5.7
N/R HIGH YIELD	5.6	CASH	2.2
CASH	2.2		

Source: AEGON Asset Management UK

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Top ten holdings

	Fund %
AES CORP 8.375% SUB NTS 1/3/2011	2.1
BEVERAGE PACK.II 9.5% 15/06/17	2.1
UPC GERMANY GMBH	2.0
CARE UK HEALTH 9.75% 01/08/17	2.0
LADBROKES GROUP FI 7.625% 5/3/17	2.0
LOTTOMATICA SPA 8.25%-FRN 03/66	2.0
UPCB FINANCE 7.625% 15/01/20	2.0
SPRINT CAPITAL CP 8.75% 15/3/32	1.9
INTL PERSONAL FI 11.5% 06/08/15	1.9
INAER AVIATION 9.5% 01/08/17	1.9

Source: AEGON Asset Management UK

Awards / ratings



The Distribution Yield reflects the amounts that may be expected to be distributed over the next 12 months as a percentage of the mid-market share price of the fund as at the date shown. The Underlying Yield reflects the annualised income net of expenses of the fund (calculated in accordance with relevant accounting standards) as a percentage of the mid-market share price of the fund as at the date shown. Both yield figures are based on a snapshot of the portfolio on that date. It does not include any preliminary charge and investors may be subject to tax on distributions. The Distribution Yield is higher than the Underlying Yield because a portion of the fund expenses are charged to capital. This has the effect of increasing distributions and constraining the funds capital performance. The yield figures could vary for different share classes.

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This fund is a medium to long-term investment. Fluctuations in interest rates and exchange rates may affect the capital value of the fund. The value of the fund may also be impacted if the perceived credit risk associated with the issuer increases or the issuer defaults on an income or capital repayment. The impact of the initial charge will be to reduce the amount available for investment. All annual charges are taken from capital. You should read the Simplified Prospectus and Customer Agreement document carefully, particularly the section on Risk Factors. The Simplified Prospectus and Full Prospectus are available on our website www.aegonam.co.uk or by calling our investor helpdesk on 0800 45 44 22 or in writing from AEGON Asset Management, Mellon House, Ingrave Road, Brentwood, CM15 8TG.

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