Investment Grade Bond Fund

Retail Mutual Fund

Monthly Factsheet to 30 July 2010

AEGON Asset Management

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Fund Manager David Roberts

Fund Objective

The primary investment objective is to maximise total return (income plus capital) by investing primarily in investment grade and government bonds denominated in sterling and other currencies. The fund may hold a maximum of 20% in high yield bonds and may also hold cash. A minimum of 80% of the fund will be hedged back to sterling. The fund may also invest in deposits, money market instruments, derivative instruments and forward transactions.

Launch date	June 2006
IMA sector	£ Corporate Bond

IMA stands for Investment Management Association

Secondary benchmark	iBoxx Sterling Non Gilt Allstock Investment Grade Corporate Bond Index
Fund size	£196.0 million
Number of stocks	110
Initial charge	4.5% (A Class)
Annual charge	1.25% (A Class)
Payment dates	31 March, 30 June, 30 September, 31 December
SEDOL codes	A(acc) B140FR4 A(inc) B1419R5 B(acc) B141C76 B(inc) B142F70
FT MexID	A(acc) SEIGB A(inc) SEGBI B(acc) SEGBB B(inc) SEIGI
Yield	Distribution 4.43

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 first quartile.
- Outperformance was due to the high weighting to credit.
- We remain overweight credit risk with a preference for banks and the collateralised sector.

Performance Information

Discrete years

1 year to	30/07/2010	31/07/2009	31/07/2008	31/07/2007	31/07/2006
Fund	17.0%	2.0%	-3.8%	-1.2%	-

Cumulative Performance

	1 year	2 years	3 years	4 years	5 years
Fund	17.0%	19.4%	14.8%	13.4%	-
Median	14.3%	15.1%	11.3%	9.6%	-
Quartile	2	1	2	2	-

Source: Lipper Hindsight, as at 30/07/2010, % growth, total return excluding initial charges, GBP, net of Basic Rate Tax, A(acc) shares.
Note: Fund launched within the last 5 years.
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 %
AAA	8.4
AA	14.3
A	30.5
BBB	30.2
BB	7.2
B	2.3
CCC	0.6
C	0.2
N/R HIGH YIELD	0.7
CASH	5.5

Source: AEGON Asset Management UK

Breakdown

	Fund %
CORPORATES 0 TO 5 YEARS	18.3
CORPORATES 5 TO 15 YEARS	47.6
CORPORATES 15+ YEARS	17.1
HIGH YIELD 0 TO 5 YEARS	3.6
HIGH YIELD 5 TO 15 YEARS	7.5
INDEX LINKED 15+ YEARS	1.4
DERIVATIVES	-28.7
CONTRAS	27.7
CASH	5.5

Source: AEGON Asset Management UK

Top ten holdings

	Fund %
EURO INV BANK 4.5% NTS 14/1/2013	2.8
LLOYDS BANKING GP 7.625% 22/04/2025	1.8
CREDIT SUISSE 5.4% MTN 14/01/20	1.4
UK (GOVT OF) 0.75% IDX/LKD 22/11/47	1.4
CISCO SYSTEMS 5.5% BDS 15/01/40	1.4
YORKSHIRE WATER SV 6%-FRN 24/04/25	1.4
WELLS FARGO AND CO 4.875% EMTN 11/35	1.4
MELLON CAP III 6.369%-FRN 09/2066	1.3
CARE UK HEALTH 9.75% 01/08/17	1.3
HSBC HLDGS 6% MTN 29/03/40	1.3

Source: AEGON Asset Management UK

Awards / ratings

obsr RATED AA

citywire TEAM ALL STARS 2008 ASSET GROUP WINNER BONDS

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. It is 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 also the Underlying Yield for this fund. The yield figures could vary for different share classes.

To improve our customer service, and for training purposes, your telephone conversations with us may be recorded.

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 fund income as far as possible. Where fund income is insufficient to meet the charges, they will be 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 ww.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.