Sterling Corporate Bond Fund

Retail Mutual Fund

Monthly Factsheet to 30 July 2010

AEGON Asset Management

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Fund Manager David Roberts and Iain Buckle

Fund Objective

The primary investment objective is to maximise total return (income plus capital) by investing mainly in sterling denominated bonds, encompassing investment grade corporate bonds, government bonds and cash. Up to 10% of the fund may be invested in high yield bonds.

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

Launch date	October 1995
IMA sector	£ Corporate Bond
IMA stands for Investment Management Association	
Secondary benchmark	iBoxx Sterling Non Gilt
Fund size	£391.0 million
Number of stocks	95
Initial charge	4.5% (A Class)
Annual charge	1.0% (A Class)
Payment dates	31 March, 30 June, 30 September, 31 December
SEDOL codes	A(acc) 745044 A(inc) 745033 B(acc) 745163 B(inc) 3159987
FT MexID	A(acc) SEEIA A(inc) SEEII B(acc) SEUAB B(inc) SEEIBI
Yield	Distribution 4.90

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	22.7%	-7.8%	-5.0%	-1.4%	1.9%

Cumulative Performance

	1 year	2 years	3 years	4 years	5 years
Fund	22.7%	13.2%	7.5%	6.0%	8.0%
Median	14.3%	15.1%	11.3%	9.6%	11.4%
Quartile	1	3	3	3	3

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 %
AAA	7.6
AA	8.8
A	36.5
BBB	35.9
BB	7.1
B	1.0
CCC	0.6
C	0.3
D	0.3
CASH	1.8

Source: AEGON Asset Management UK

Breakdown

	Fund %
CORPORATES 0 TO 5 YEARS	9.0
CORPORATES 5 TO 15 YEARS	56.2
CORPORATES 15+ YEARS	18.4
HIGH YIELD 0 TO 5 YEARS	2.4
HIGH YIELD 5 TO 15 YEARS	5.2
HIGH YIELD 15+ YEARS	1.8
GOVERNMENT 5 TO 15 YEARS	1.3
GOVERNMENT 15+ YEARS	2.5
INDEX LINKED 15+ YEARS	1.5
DERIVATIVES	-18.8
CONTRAS	18.7
CASH	1.8

Source: AEGON Asset Management UK

Top ten holdings

	Fund %
AUST AND NZ BANK GRP 6.54 PERP	2.1
MELLON CAP III 6.369%-FRN 09/2066	1.8
MITCHELLS & BUT FIN CL C 6.469% ABS 9/32	1.7
GEN ELEC CAP CORP 6.5%-FR 09/67	1.7
BARCLAYS BANK PLC 10% SUB 21/05/2021	1.7
PROVIDENT FINL 8% BDS 23/10/2019	1.5
TELECOM ITALIA SPA 7.375% 12/17	1.5
NATIONWIDE B/S 5.25%-FR 23/11/20	1.5
UK(GOVT OF) 0.75% IDX/LKD 22/11/47	1.5
TULLETT PREBON GRP 7.04% 06/07/2016	1.4

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.