

Strategic Bond Fund

Retail Mutual Fund

Monthly Factsheet to 30 July 2010



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



Fund Manager David Roberts Phil Milburn

Fund Objective

The primary investment objective is to maximise total return (income plus capital) by investing in global debt instruments denominated in any currency, ranging from AAA Government Bonds through to high yield and emerging market corporate bonds. At least 80% of the fund will be invested in 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	December 2003
IMA sector	£ Strategic Bond
<small>IMA stands for Investment Management Association</small>	
Secondary benchmark	Barclays Global Aggregate
Fund size	£336.2 million
Number of stocks	81
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) 3398854 A(inc) 3398843 B(inc) B00MY36
FT MexID	A(acc) SEGIAA B(inc) SEGIC A(inc) SEGII
Yield	Distribution 4.07

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 and strong stock selection.
- We remain overweight credit risk with a preference for banks and the collateralised sector and selected high yield bonds.

Performance Information

Discrete years

1 year to	30/07/2010	31/07/2009	31/07/2008	31/07/2007	31/07/2006
Fund	20.0%	3.4%	-2.7%	1.1%	2.4%

Cumulative Performance

	1 year	2 years	3 years	4 years	5 years
Fund	20.0%	24.0%	20.7%	21.9%	24.9%
Median	15.2%	14.3%	11.8%	12.1%	13.5%
Quartile	2	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		Breakdown	
	Fund %		Fund %
AAA	20.8	CORPORATES 0 TO 5 YEARS	10.1
AA	4.3	CORPORATES 5 TO 15 YEARS	32.6
A	20.9	CORPORATES 15+ YEARS	7.4
BBB	20.1	HIGH YIELD 0 TO 5 YEARS	9.5
BB	13.2	HIGH YIELD 5 TO 15 YEARS	18.4
B	10.9	HIGH YIELD 15+ YEARS	1.0
CCC	0.6	GOVERNMENT 5 TO 15 YEARS	5.5
N/R HIGH YIELD	4.2	INDEX LINKED 0 TO 5 YEARS	4.6
CASH	4.9	INDEX LINKED 15+ YEARS	5.3
		DERIVATIVES	-30.8
		CONTRAS	31.4
		CASH	4.9

Source: AEGON Asset Management UK

Top ten holdings

	Fund %
EURO INV BANK 6% BDS 06/08/2020	5.8
CANADA (GOVT OF) 3.5% 01/06/20	5.6
UK (GOVT OF) 2.5% I/L STK 16/8/13	4.6
AUSTRALIA (CMNWLTH) 3% 20/09/25	3.0
RL FINANCE BONDS 6.125%-FRN SUB PERP	1.5
SOC GENERALE 9.375%-FR NTS PERP	1.5
AES CORP 8.375% SUB NTS 1/3/2011	1.4
ABENGOA 8.5% MTN 31/03/16	1.4
GEN ELEC CAP CORP 6.5%-FR 09/67	1.4
INFINIS PLC 9.125% BDS 15/12/14	1.4

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. 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 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.

AEGON Asset Management includes AEGON Asset Management UK plc (No 113505) and AEGON Investment Management UK Ltd (No 212159). Both are registered in Scotland and have their Registered Offices at AEGON House, Edinburgh Park, Edinburgh, EH12 9SA. AEGON Asset Management UK plc is authorised and regulated by the Financial Services Authority. (FSA Reference no: 144267). AEGON Investment Management UK Ltd is an appointed representative of Scottish Equitable plc, an AEGON company. Registered address is 1 Lochside Crescent, Edinburgh Park, Edinburgh, EH12 9SE. (FSA Reference no: 165548).