

# Discontinuation of LIBOR (London Interbank Offer Rate)

## Aegon Pension and Life funds

December 2021

Over the course of 2021, the Bank of England has been phasing out the use of the London Interbank Offer Rate (LIBOR).

Some of our insured funds use LIBOR, either on its own or as part of a composite, as performance benchmarks.

As a result, some underlying fund managers have updated the fund performance benchmark and some fund objectives of underlying funds. Consequently, we have updated the Aegon/Scottish Equitable performance benchmarks (and fund objectives, where applicable) in line with these updates.

We'll be updating our literature with the changes gradually, so investors may notice both the old and new benchmarks and fund objectives (where applicable) in use for a while.

Full details of all the affected insured Pension and Life funds can be found on the list below.

There's no guarantee the funds will meet their objectives. The value of an investment can fall as well as rise and isn't guaranteed. Investors could get back less than they invest.

### Key:

**Mnemonic** – Fund mnemonics are internal fund identifier codes that we assign to all funds in our insured fund ranges to help us identify individual funds.

**Previous fund performance benchmark** – previous fund performance benchmark.

**New fund performance benchmark** – new fund performance benchmark.

**Previous fund objective** – fund objective prior to the update.

**New fund objective** – fund objective following the update.

Mnemonic (fund identifier)	Fund name	Previous fund performance benchmark/ composite benchmark	New fund performance benchmark/ composite benchmark	Previous fund objective (if changing)	New fund objective (if changing)
D7A	Aegon ASI Diversified Growth	1 month GBP LIBOR + 5%	SONIA +5%	This fund seeks to generate a positive return through capital growth and some income over the long term (5 years or more) by investing in a globally diversified portfolio of assets whilst reducing the risk of losses, aiming to exceed the return on cash deposits (1 month GBP LIBOR) by 5% per year over rolling five-year periods (before charges). The fund invests directly in a broad range of assets from across the global investment universe, derivatives, money-market instruments and cash. The fund may also invest in other funds (including those managed by Aberdeen Standard Investments) to gain exposure to a broad mix of assets from across the global investment universe. The Scottish Equitable fund has higher charges than the underlying Aberdeen fund and will therefore be less likely to meet this target.	This fund seeks to generate a positive return through capital growth and some income over the long term (5 years or more) by investing in a globally diversified portfolio of assets whilst reducing the risk of losses, aiming to exceed the return on cash deposits (SONIA) by 5% per year over rolling five-year periods (before charges). The fund invests directly in a broad range of assets from across the global investment universe, derivatives, money-market instruments and cash. The fund may also invest in other funds (including those managed by Aberdeen Standard Investments) to gain exposure to a broad mix of assets from across the global investment universe. The Scottish Equitable fund has higher charges than the underlying ASI fund and will therefore be less likely to meet this target.
7RC	Aegon ASI Diversified Growth Lifestyle	LIBOR GBP 1 Month + 4.5%	SONIA +4.5%	n/a	n/a
A7D	Aegon ASI Diversified Income	1 month GBP LIBOR + 5%	SONIA +5%	The fund seeks to generate a positive return through income combined with some long-term capital growth over the long-term (more than five years) by investing in a globally diversified portfolio of assets while reducing the risk of losses, aiming to exceed the return of 1 Month GBP LIBOR by 5% per year over rolling five year periods (before charges). The fund invests globally in a range of asset classes, derivatives, money-market instruments and cash. The fund may also invest in other funds (including those managed by Aberdeen Standard Investments) to gain exposure to a broad mix of assets from across the global investment universe. The Scottish Equitable fund has higher charges than	The fund seeks to generate a positive return through income combined with some capital growth over the long-term (more than five years) by investing in a globally diversified portfolio of assets while reducing the risk of losses, aiming to exceed the return of SONIA by 5% per year over rolling five-year periods (before charges). The fund invests globally in a range of asset classes, derivatives, money-market instruments and cash. The underlying fund may also invest in other funds to gain exposure to a broad mix of assets from across the global investment universe. The Aegon fund has higher charges than the underlying ASI fund and will therefore be less likely to meet this target.

Mnemonic (fund identifier)	Fund name	Previous fund performance benchmark/ composite benchmark	New fund performance benchmark/ composite benchmark	Previous fund objective (if changing)	New fund objective (if changing)
				the underlying Aberdeen fund and will therefore be less likely to meet this target.	
GRS / R1S	Aegon ASI Global Absolute Return Strategies	LIBOR GBP 6 Months	SONIA	This fund aims to achieve positive investment returns in all market conditions over the medium to long term. It invests in a combination of traditional assets (such as shares and bonds) and derivative techniques resulting in a highly diversified portfolio. The fund uses derivatives to gain exposure to the returns of the specified equity and bond markets without having to directly own the underlying securities. You would therefore expect the fund to experience similar (allowing for charges) returns and risk to the markets it invests in.	This fund aims to generate a positive absolute return over the medium to long term (3 to 5 years or more) irrespective of market conditions, whilst reducing the risk of losses. It does this by aiming to exceed the return of SONIA + 5% per year, over rolling three-year periods (before charges). The fund is a highly diversified portfolio which invests in a combination of traditional assets (such as shares and bonds) and derivative techniques, which are used to gain exposure to the returns of the specified equity and bond markets without having to directly own the underlying securities. You would therefore expect the fund to experience similar returns (before charges) and risk to the markets it invests in. There is no guarantee that the objective will be attained over any time period. The Aegon fund has higher charges than the underlying ASI fund and will therefore be less likely to meet this target.
A7B	Aegon ASI Life Multi-Asset	40% FTSE All Share / 35% MSCI ACWI ex UK All Cap / 15% LIBOR GBP 1 Month + 4% / 10% Markit iBoxx Sterling Overall	40% FTSE All Share / 35% MSCI ACWI ex UK All Cap / 15% SONIA + 4% / 10% Markit iBoxx Sterling Overall	n/a	n/a
BCI/ 1T1	Aegon BlackRock Cash Tracker	LIBOR LIBID GBP 1 Week	SONIA	This fund aims to achieve an investment return that is in line with wholesale short-term money market interest rates before charges (in general,	This fund aims to achieve an investment return that is in line with wholesale short-term money market interest rates before charges (in general,

Mnemonic (fund identifier)	Fund name	Previous fund performance benchmark/ composite benchmark	New fund performance benchmark/ composite benchmark	Previous fund objective (if changing)	New fund objective (if changing)
				wholesale rates are higher than retail rates). Specifically, the fund seeks to better the return of its benchmark, the 7 Day LIBID (London Interbank Bid Rate). The underlying investments of the fund are a diversified portfolio of money market instruments. The instruments are of a high quality and have a minimum credit rating of A1 or an equivalent standing.	wholesale rates are higher than retail rates). Specifically, the fund seeks to better the return of its benchmark (SONIA). The underlying investments of the fund are a diversified portfolio of money market instruments. The instruments are of a high quality and have a minimum credit rating of A1 or an equivalent standing.
NRR/ RR1	Aegon BNY Mellon Real Return	LIBOR GBP 1m +4%	SONIA +4%	The fund aims to achieve a rate of return in sterling terms, that is equal to or above a minimum return for cash (LIBOR GBP 1m +4%) a year over five years (before charges). The fund also aims for a positive return over any three-year rolling period (meaning a period of three years, no matter which day you start on). The Aegon fund has higher charges than the underlying BNY Mellon fund and will therefore be less likely to meet this target.	The fund aims to achieve a rate of return in sterling terms, that is equal to or above a minimum return for cash (SONIA) + 4% a year over five years (before charges). The fund also aims for a positive return over any three-year rolling period (meaning a period of three years, no matter which day you start on). The Aegon fund has higher charges than the underlying BNY Mellon fund and will therefore be less likely to meet this target.
6DP	DCP Cash	7 Day Sterling LIBID	SONIA	n/a	n/a
XIB/ X6I/ XIB/ X1I/ X7B	Scottish Equitable Invesco Balanced Managed	50% FTSE All Share (ex IT) / 25% MSCI World ex UK / 15% MSCI World / 10% LIBOR GBP 1 Month	50% FTSE All Share (ex IT) / 25% MSCI World ex UK / 15% MSCI World / 10% SONIA	n/a	n/a
XSV	Scottish Equitable Schroder Absolute Return Bond	LIBOR GBP 3 Months	ICE BofA Sterling 3-Month Government Bill Index + 1%.	The fund aims to provide an absolute return of 3-month LIBOR (London Inter-bank Offer Rate) plus 1% (after charges) over rolling 12-month periods by investing directly or indirectly in bonds issued by governments, government agencies and companies worldwide. Absolute returns means the fund	The fund aims to provide an absolute return of ICE BofA Sterling 3-Month Government Bill Index plus 1% (after charges) over rolling 12-month periods by investing directly or indirectly in bonds issued by governments, government agencies and companies worldwide. Absolute returns means the fund seeks a positive return over

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				seeks a positive return over rolling 12-month periods in all market conditions, but this cannot be guaranteed and your capital is at risk. The fund may also use derivatives with the aim of reducing risk or managing the fund more efficiently; it may also use leverage and take short positions. There's no guarantee that either the target or absolute return will be achieved. The Scottish Equitable fund has higher charges than the underlying Schroder fund and will, therefore, be less likely to meet this target.	rolling 12-month periods in all market conditions, but this cannot be guaranteed and your capital is at risk. The fund may also use derivatives with the aim of reducing risk or managing the fund more efficiently; it may also use leverage and take short positions. There's no guarantee that either the target or absolute return will be achieved. The Scottish Equitable fund has higher charges than the underlying Schroder fund and will, therefore, be less likely to meet this target.
SV1	Scottish Equitable Schroder Absolute Return Bond	LIBOR GBP 3 Months	ICE BofA Sterling 3-Month Government Bill Index + 1%	n/a	n/a
CSB/ 1SB	Scottish Equitable Schroder Strategic Credit	LIBOR GBP 3 Months	ICE BofA Sterling 3 Month Government Bill Index	The fund aims to provide income and capital growth in excess of 3 Month GBP LIBOR (or an equivalent reference rate) (after charges) over a 3 to 5-year period by investing in bonds of UK and European companies but this cannot be guaranteed and your capital is at risk. The fund is actively managed and invests at least 80% of its assets in bonds denominated in sterling (or in other currencies and hedged back into sterling) issued by companies in the UK and Europe. The fund may also invest in bonds issued by companies worldwide and by governments, government agencies and supranationals. The fund may invest more than 50% of its assets in below investment grade bonds (as measured by Standard & Poor's or any other equivalent credit rating agencies) or in unrated bonds. The fund may	The fund aims to provide income and capital growth in excess of the ICE BofA Sterling 3 Month Government Bill Index (and compared against the Investment Association Strategic Bond sector average return), after charges, over a 3 to 5-year period by investing in bonds of UK and European companies but this cannot be guaranteed and your capital is at risk. The fund is actively managed and invests at least 80% of its assets in bonds denominated in sterling (or in other currencies and hedged back into sterling) issued by companies in the UK and Europe. The fund may also invest in bonds issued by companies worldwide and by governments, government agencies and supranationals. The fund may invest more than 50% of its assets in below investment grade bonds (as measured by Standard & Poor's or any other equivalent credit rating agencies) or in unrated bonds. The fund

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				use derivatives with the aim of achieving investment gains, reducing risk or managing the fund more efficiently; it may also use leverage and take short positions. There's no guarantee that either the target or positive returns will be achieved. The Scottish Equitable version of this fund has higher charges and will therefore be less likely to meet this target.	may use derivatives with the aim of achieving investment gains, reducing risk or managing the fund more efficiently; it may also use leverage and take short positions. There's no guarantee that either the target or positive returns will be achieved. The Scottish Equitable version of this fund has higher charges and will therefore be less likely to meet this target.

Source: Aegon UK

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