

For customers

Asset Management Market Study (AMMS) updates

Aegon pension and life funds

December 2020

In 2019 the Financial Conduct Authority (FCA) released guidelines with the aim of improving the clarity of fund objectives and the use of performance benchmarks.

As a result, some underlying fund managers have updated the fund objectives and/or fund benchmarks of underlying funds. Consequently, we have updated fund objectives in line with these updates.

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

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 objective – the previous fund objective prior to the AMMS.

New fund objective – the updated fund objective following the AMMS.

Previous fund benchmark – the old benchmark prior to the AMMS.

New fund benchmark – the new benchmark following the AMMS.

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Aberdeen Standard Investments (ASI)

Fund objective changes

Mnemonic (fund identifier)	Fund name	Previous fund objective	New fund objective
AAP	Aegon ASI Asia Pacific Equity	This fund aims to achieve capital growth by investing in equities (shares) in countries of the Asia Pacific region, excluding Japan.	This fund aims to achieve capital growth over the long term (five years or more), targeting the return of the MSCI All Country Asia Pacific ex Japan Index, plus 3% per year (over three years before charges), by investing at least 70% in equities and equity related securities of companies listed, incorporated or domiciled in Asia Pacific excluding Japan countries, or companies that derive a significant proportion of their revenues or profits or have a significant proportion of their assets there. The fund may also invest in other funds (including those managed by Aberdeen Standard Investments), money market instruments, cash and derivatives (for the purpose of efficient portfolio management). The Aegon fund has higher charges than the underlying ASI fund and will therefore be less likely to meet this target.
AEM	Aegon ASI Emerging Markets (blend)	The fund aims to achieve long-term capital growth by investing directly or indirectly in emerging stock markets worldwide or companies with significant business activities in emerging markets. The fund is largely invested in the underlying Aberdeen Emerging Markets fund, but due to the introduction of a 2% initial charge to the underlying fund, any continuing regular contributions are invested into the part of the Scottish Equitable Aberdeen Emerging Markets (blend) fund that's invested in the Scottish Equitable Lazard Emerging Markets fund. Please note, we'll review this choice regularly and may change it.	The fund aims to generate growth over the long term (5 years or more) by investing in Emerging Markets equities (company shares) and targeting a return of the MSCI Emerging Markets Index plus 3% per annum over three years before charges. The fund is largely invested in the underlying ASI Emerging Markets fund, but due to the introduction of a 2% initial charge to the underlying fund, any continuing regular contributions are invested into the part of the Aegon ASI Emerging Markets (blend) fund that's invested in the Scottish Equitable Lazard Emerging Markets fund. Please note, we'll review this choice regularly and may change it. The Aegon fund has higher charges than the underlying ASI fund and will therefore be less likely to meet this target.

AEW	Aegon ASI Global Ethical Equity	The fund aims to grow capital by investing mainly in international companies around the world. The manager chooses companies on the basis of thorough fundamental company analysis and ethical and socially responsible criteria.	The fund aims to grow capital over the long term (five years or more), targeting a return in line with the FTSE World Index, plus 3% per year (before charges) by investing at least 70% of the portfolio in the shares of international companies around the world. The manager chooses companies on the basis of thorough fundamental company analysis and ethical and socially responsible criteria. The fund may also use derivatives for the purpose of efficient portfolio management. The Aegon fund has higher charges than the underlying ASI fund and will therefore be less likely to meet this target.
AWG	Aegon ASI World Income Equity	This fund aims to achieve a combination of income and capital growth for investors over the long term by investing in companies worldwide.	This fund seeks to achieve a combination of income and some capital growth for investors over the long term (five years or more), aiming to outperform the MSCI All Countries World High Yield Index, plus 3% per year (over three years, before charges), by investing at least 70% of the portfolio in the shares of companies worldwide that offer good sustainable income prospects. The fund may also invest in other funds (including those managed by Aberdeen Standard Investments), money market instruments, cash and derivatives (for the purpose of efficient portfolio management). The Aegon fund has higher charges than the underlying ASI fund and will therefore be less likely to meet this target.

Baillie Gifford

Fund objective changes

Mnemonic (fund identifier)	Fund name	Previous fund objective	New fund objective
UEA	Aegon Baillie Gifford UK Equity Alpha	The fund aims to achieve a total return (income combined with capital growth), after management fees, mainly through capital growth, in excess of the total return on the FTSE All Share. Generally, at least 90% of the assets of the fund will be invested in securities (shares) of companies listed in the FTSE All Share Index. The fund may also invest in UK	The fund aims to outperform the FTSE All Share Index by 2% per year (after charges) over rolling 5-year periods. It does so by investing at least 80% in shares of UK companies of any size and in any sector. The fund will typically hold between 30 to 40 stocks. The Aegon fund has higher charges than the

		companies of all sizes, and will typically have between 30 and 40 holdings. There's no guarantee that either the target or total return will be achieved. The Scottish Equitable fund has higher charges than the underlying Baillie Gifford fund and will therefore be less likely to meet this target.	underlying Baillie Gifford fund and will therefore be less likely to meet this target.
BGA	Scottish Equitable Baillie Gifford Global Alpha Growth	The objective is to provide above-average total returns over the long term by investing primarily in global equities (shares). The fund may also invest in other transferable securities, money market instruments, cash and near cash. The fund is aggressively managed and aims for higher returns than its benchmark, returns can therefore be more volatile.	The fund aims to outperform the MSCI ACWI Index by at least 2% per year over rolling five year periods (after charges) by investing at least 90% in shares of companies anywhere in the world and in any sector. The fund manager will focus on companies which it believes offer above-average profit growth and invests with a long-term (five year) perspective. The fund will typically hold between 70-120 stocks. The Scottish Equitable fund has higher charges than the underlying Baillie Gifford fund and will therefore be less likely to meet this target.

Baillie Gifford

Fund objective and benchmark changes

Fund mnemonic*	Fund name	Previous fund objective	New fund objective	Previous fund benchmark	New fund benchmark
XBX	Scottish Equitable Baillie Gifford International	This fund's objective is to achieve capital growth by investing in a geographically diversified portfolio of companies worldwide, excluding the UK. Its focus is on companies, that in the manager's opinion, offer above average profit and invests in these with a long-term (over 5 years) perspective.	This fund aims to outperform the MSCI ACWI ex-UK Index by 2% per year (after charges) over rolling 5-year periods by investing at least 90% in a geographically diversified portfolio of companies worldwide, excluding the UK. Its focus is on companies, that in the manager's opinion, offer above average profit and invests in these with a long-term (over 5 years) perspective. The fund will typically hold between 70 to 120 stocks. The Scottish Equitable	MSCI World ex UK	MSCI ACWI ex-UK Index + 2%

fund has higher charges than the underlying Baillie Gifford fund and will therefore be less likely to meet this target.

BlackRock

Fund objective changes

Mnemonic (fund identifier)	Fund name	Previous fund objective	New fund objective
XDT	Scottish Equitable (ex-Insight DTR) Blackrock Diversified Dynamic Growth	This fund aims to deliver growth which exceeds the Bank of England Base Rate (before charges). It will invest in bonds (corporate and government), UK and overseas equities (shares), collective investment schemes, cash and near cash, money market instruments and deposits. It may also hold indirect exposure to alternative asset classes such as commodities or property.	This fund aims to deliver a total return over the medium term (3 consecutive years) which exceeds the Bank of England Base Rate by 3.5% (before charges). The fund invests on a global basis at least 80% of its total assets in fixed income securities (such as bonds), money-market instruments (i.e. debt securities with short term maturities), equity securities (e.g. shares), funds, deposits and cash. The fund may also use financial derivatives for investment purposes, efficient portfolio management and with the aim of managing risk and holding indirect exposure to alternative asset classes such as commodities or property. There's no guarantee that either the target or positive returns will be achieved. The Scottish Equitable (ex-Insight DTR) BlackRock Diversified Dynamic Growth fund has higher charges than the underlying fund and will therefore be less likely to meet this target.
BCP	Scottish Equitable BlackRock Dynamic Diversified Growth	This fund aims to deliver a total return over the medium term which exceeds the Bank of England Base Rate. It will invest principally in fixed interest stocks (corporate and government bonds), UK and overseas equities (shares), units in collective investment schemes, cash and near cash, money market instruments and deposits. The fund may also	This fund aims to deliver a total return over the medium term (3 consecutive years) which exceeds the Bank of England Base Rate by 3.5% (before charges). The fund invests on a global basis at least 80% of its total assets in fixed income securities (such as bonds), money-market instruments (i.e. debt securities with short term maturities), equity

		use financial derivatives for investment purposes, efficient portfolio management and with the aim of managing risk and holding indirect exposure to alternative asset classes such as commodities or property. There's no guarantee that either the target or positive returns will be achieved. The Scottish Equitable BlackRock Dynamic Diversified Growth fund has higher charges than the underlying fund and will therefore be less likely to meet this target.	securities (e.g. shares), funds, deposits and cash. The fund may also use financial derivatives for investment purposes, efficient portfolio management and with the aim of managing risk and holding indirect exposure to alternative asset classes such as commodities or property. There's no guarantee that either the target or positive returns will be achieved. The Scottish Equitable BlackRock Dynamic Diversified Growth fund has higher charges than the underlying fund and will therefore be less likely to meet this target.
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Cirilium

Fund objective changes

Mnemonic (fund identifier)	Fund name	Previous fund objective	New fund objective
XNA	Scottish Equitable Cirilium Balanced	This fund is a multi-manager fund and aims to achieve long-term capital growth from investment across a wide range of asset classes, including global equities (shares), fixed interest (bonds), hedge funds and cash. The fund will also have indirect exposure to commodities and property by investing in collective investment schemes. The fund has the ability to invest up to 60% in equities.	The fund aims to achieve capital growth over a period of five years or more through investment markets both in the UK and overseas. The portfolio is broadly diversified across asset classes, with exposure to equities between 20-60% and with volatility of between 6 and 10%.The volatility range is a target, based on long term actuarial assumptions and the fund is managed to stay within this range most of the time. The volatility range is regularly reviewed and may change from time to time due to changes in these assumptions.
CCO	Scottish Equitable Cirilium Conservative	This fund is a multi-manager fund and aims to achieve long-term capital growth from investment across a wide range of asset classes, including global equities (shares), fixed interest (bonds), hedge funds and cash. The fund will also have indirect exposure to commodities and property by investing in collective investment schemes. The fund has the ability to invest up to 30% in equities.	The fund aims to achieve capital growth over a period of five years or more through investment in markets both in the UK and overseas. The portfolio is broadly diversified across asset classes, with exposure to equities between 0-30% and with volatility of between 3 and 7%.The volatility range is a target, based on long term actuarial assumptions and the fund is managed to stay within this range most of the time. The volatility range is regularly reviewed and may change from time to time due to changes in these assumptions.

XNC	Scottish Equitable Cirilium Dynamic	This fund is a multi-manager fund and aims to achieve long-term capital growth from investment across a wide range of asset classes, including global equities (shares), fixed interest (bonds), hedge funds and cash. The fund will also have indirect exposure to commodities and property by investing in collective investment schemes. The fund has the ability to invest up to 90% in equities.	The fund aims to achieve capital growth over a period of five years or more through investment in markets both in the UK and overseas. The portfolio is broadly diversified across asset classes, with exposure to equities between 50-90% and with volatility of between 12 and 16%.The volatility range is a target, based on long term actuarial assumptions and the fund is managed to stay within this range most of the time. The volatility range is regularly reviewed and may change from time to time due to changes in these assumptions.
XNB	Scottish Equitable Cirilium Moderate	This fund is a multi-manager fund and aims to achieve long-term capital growth from investment across a wide range of asset classes, including global equities (shares), fixed interest (bonds), hedge funds and cash. The fund will also have indirect exposure to commodities and property by investing in collective investment schemes. The fund has the ability to invest up to 80% in equities.	The fund aims to achieve capital growth over a period of five years or more through investment markets both in the UK and overseas. The portfolio will be broadly diversified across asset classes, with exposure to equities between 40-85% and with volatility of between 9 and 13%.The volatility range is a target, based on long term actuarial assumptions and the fund is managed to stay within this range most of the time. The volatility range is regularly reviewed and may change from time to time due to changes in these assumptions.

Janus Henderson

Fund objective changes

Mnemonic (fund identifier)	Fund name	Previous fund objective	New fund objective
XGH	Scottish Equitable Janus Henderson Cautious Managed	This fund aims to produce income and long-term capital growth by investing in a combination of shares and bonds in any country. Investment in shares is limited to a maximum of 60% of the funds value at all times. The fund may also invest in other permitted investments, such as other transferable securities, money market instruments and derivatives.	This fund aims to outperform the 50% FTSE All Share + 50% ICE Bank of America Merrill Lynch 5-15 Year Sterling Non-Gilt Index by 1.5% per year, before charges, over any 5-year period. It does so by investing in a combination of shares and bonds in any country. Investment in shares is limited to a maximum of 60% of the funds value at all times. The Scottish Equitable fund has higher charges than the underlying Janus Henderson fund and will therefore be less likely to meet this target.

GEM	Scottish Equitable Janus Henderson Emerging Markets Opportunities	This fund aims to achieve long-term capital growth, in excess of the long-term return that is typically achieved by investing mainly in emerging market equities (shares). The fund may invest indirectly in emerging market countries by buying securities such as American Depositary Receipts (ADRs).	This fund aims to outperform the MSCI Emerging Markets Index by 2% per year, before charges, over any 5-year period. It does so by investing at least 80% of its assets in a concentrated portfolio of shares (also known as equities) of companies, of any size, in any industry, in emerging markets. The Scottish Equitable fund has higher charges than the underlying Janus Henderson fund and will therefore be less likely to meet this target.
HUG	Scottish Equitable Janus Henderson UK Gilt	This fund aims to achieve long-term capital growth by investing mainly in UK government securities (gilts). The fund may invest in other transferable securities, money market instruments, derivatives and forward transactions, deposits and units in collective investment schemes.	This fund aims to outperform the FTSE Actuaries All Stocks Gilt Index by 0.75% per year, before charges, over any 5-year period. It does so by investing at least 80% of its assets in UK government bonds (also known as gilts) of any maturity. The Scottish Equitable fund has higher charges than the underlying Janus Henderson fund and will therefore be less likely to meet this target.
XGU	Scottish Equitable Janus Henderson US Growth	This fund aims to achieve long-term capital growth by investing in the shares of larger US companies. From time to time, it may invest up to 15% in cash or other cash interests.	This fund aims to outperform the S&P 500 Index by at least 2.5% per year, before charges, over any 5-year period. It does so by investing at least 80% of its assets in a concentrated portfolio of shares (also known as equities) of companies, of any size, in any industry, in the United States. Companies will have their registered office in or do most of their business (directly or through subsidiaries) in the United States. The Scottish Equitable fund has higher charges than the underlying Janus Henderson fund and will therefore be less likely to meet this target.

Schroder

Fund objective changes

Fund mnemonic	Fund name	Previous objective	New objective
XGP	Aegon Schroder Global Cities Property Income	<p>This fund aims to provide a total return (income plus capital growth) by investing at least 80% of its assets in equity and equity related securities of real estate companies worldwide which generate the majority of their earnings from real estate investment related activities. The fund seeks exposure to companies that invest in cities that the manager believes will exhibit continued economic growth, supported by factors such as strong infrastructure and supportive planning regimes. It may also invest in collective investment schemes that invest in equity and equity related securities of real estate companies, warrants and money market instruments, and may hold cash.</p>	<p>The fund aims to provide income and capital growth in excess of inflation (as measured by UK Consumer Price Index) plus 3% per annum (after charges) over a 3 to 5-year period by investing in equities of real estate companies worldwide. This cannot be guaranteed and your capital is at risk. The fund may use derivatives with the aim reducing risk or managing the fund more efficiently. The Aegon fund has higher charges than the underlying Schroder fund and will, therefore, be less likely to meet this target.</p>
XSV	Scottish Equitable Schroder Absolute Return Bond	<p>This fund aims to achieve an absolute return of 3 month LIBOR (London Inter-bank Offer Rate) plus 2% before charges over a 12-month rolling period, by investing mainly in bonds and other fixed- and floating-rate securities of various currency denominations issued by governments, government agencies and corporate issuers worldwide. 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.</p>	<p>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 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.</p>

Schroder

Fund objective and benchmark changes

*Fund mnemonic	Fund name	Previous fund objective	New fund objective	Previous performance benchmark	New performance benchmark
XSP	Scottish Equitable Schroder Sterling Corporate Bond	This fund aims to achieve a high level of income from a diversified portfolio of fixed interest securities (bonds). It invests mainly in sterling-denominated and hedged-to-sterling corporate bonds, however it may also invest in convertible bonds issued by UK companies, UK government bonds, eurosterling issues, preference shares, non-sterling denominated fixed interest securities and other fixed interest issues.	The fund aims to provide income and capital growth in excess of the Bank of America Merrill Lynch Sterling Corporate & Collateralised (Gross Total Return) index (after charges) over a 3 to 5-year period by investing in bonds issued by UK companies and companies worldwide. 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) and issued by UK companies and companies worldwide. The fund may also invest in bonds issued by governments, government agencies, and supra-nationals. The fund may invest up to 20% of its assets in below investment grade securities (as measured by Standard & Poor's or any other equivalent credit rating agencies) or in unrated securities. The fund 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. The Scottish Equitable fund has higher charges than the underlying Schroder fund and will, therefore, be less likely to meet this target.	IA Sterling Corporate Bond	Bank of America Merrill Lynch Sterling Corporate & Collateralised (Gross Total Return) index

Source: Aegon UK

