

For customers

Asset Management Market Study (AMMS) updates

Aegon TargetPlan funds

October 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 TargetPlan funds can be found on the list below.

Key:

Previous fund objective – fund objective prior to the AMMS.

New fund objective – 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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Aegon Asset Management

Fund objective changes

Fund name	Previous fund objective	New fund objective
Aegon AM Ethical Equity (BLK) fund	The investment objective is to provide a combination of income and capital growth over any 7 year period. The Fund will invest at least 80% in equities of companies which are listed, quoted or traded in UK markets or which have their headquarters or a significant part of their activities in the UK but which may also be quoted on a regulated market outside of the UK. The fund operates an ethical screen which means that the Fund may not invest in particular industries and sectors. In all cases, the investments of the Fund will meet the Fund's predefined ethical criteria.	The fund aims to maximise total return (income plus capital) over any 7 year period, by investing in equities and equity type securities in companies based in the UK, mainly conducting business in the UK or listed in the UK stock market which meets the fund's predefined ethical criteria.

Artemis Capital

Fund objective changes

Fund name	Previous fund objective	New fund objective
Aegon Artemis UK Special Situations (BLK)	Invests mainly in equities of UK equities which appear to be undervalued or out of favour and aims to produce a return in excess of the Benchmark. Investment in the Fund involves a higher than usual degree to risk.	The fund aims to provide capital growth over a five-year period. It does so by investing between 80% to 100% in company shares and up to 20% in bonds, cash and near cash, other transferable securities, other funds (up to 10%) managed by Artemis and third-party funds, money market instruments, and derivatives. The fund invests in companies in the United Kingdom, including companies in other countries that are headquartered or have a significant part of their activities in the United Kingdom. The fund manager seeks companies that are in recovery, need re-financing or are suffering from investor indifference ('special situations'). These companies often have the potential to deliver significant capital growth. The fund may use derivatives for efficient portfolio management purposes to reduce risk and manage the fund efficiently.

AXA Framlington

Fund objective changes

Fund name	Previous fund objective	New fund objective
Aegon AXA Framlington UK Select Opportunities (BLK)	To outperform the FTSE All-Share Index. The fund will ordinarily invest at least 80% of its capital in equities, primarily of UK origin, where the fund manager believes above-average returns can be realised. While the fund is benchmark unconstrained in terms of where it can allocate, the FTSE All-Share index is a proxy for its investment universe.	The fund aims to provide long-term capital growth by investing at least 70% of its investments in shares of companies domiciled, incorporated or having significant business in the UK which the fund manager believes will provide above-average returns. The fund can invest in companies of any size and the fund manager selects shares based upon analysis of a company's financial status, quality of its management, expected profitability and prospects for growth. The fund is actively managed in reference to the FTSE All Share Index.

Baillie Gifford

Fund objective changes

Fund name	Previous fund objective	New fund objective
Aegon Baillie Gifford Multi Asset Growth (BLK)	The current Aegon Baillie Gifford Multi Asset Growth (BLK) fund objective is below: The aim of the fund is to achieve attractive returns over the long term at lower risk than equity markets by investing in a multi asset portfolio. The Fund may gain exposure to a broad range of traditional and alternative asset classes which may include but is not limited to equities, investment grade and high yield bonds, property, infrastructure, commodities and currencies. In order to gain exposure to these asset classes the Fund may invest in transferable securities, money market instruments, collective investment schemes, currency forwards, derivatives, deposits, cash and near cash. Up to 100% of the Fund may be invested in other collective investment vehicles and the Fund may use derivatives for both investment purposes and in the management of	The underlying Baillie Gifford fund aims to outperform the UK base rate by at least 3.5% a year (after charges) over rolling five-year periods with an annual volatility under normal circumstances of less than 10%. The fund can invest in a wide range of different asset classes including, but not limited to, equities (shares), government and corporate bonds, emerging market debt, property, forestry, commodities, infrastructure, insurance-linked bonds and absolute return funds. There's no guarantee that either the target or positive returns will be achieved. The Aegon TargetPlan fund has higher charges and will therefore be less likely to meet this target.

	risk. The current Aegon Baillie Gifford Multi Asset Growth (BLK) benchmark is: UK Base Rate +3.5% p.a Index	
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BlackRock

Fund objective changes

Fund name	Previous fund objective	New fund objective
Aegon BlackRock Absolute Return Bond (BLK)	The Fund will invest wholly in the BlackRock Absolute Return Bond Fund, a UCITS fund. The BlackRock Absolute Return Bond Fund seeks to achieve a positive absolute return for investors regardless of market movements and as such the Fund will not be managed against any fixed income benchmark	The aims to achieve a positive absolute return on your investment (an increase in the overall value of the fund) over a period of 12 months regardless of market conditions. As such, the fund will not be managed against any fixed income benchmark. The Fund will be managed with the aim of delivering absolute (more than zero) returns on a 12-month basis in any market conditions. However, an absolute return is not guaranteed over a 12 month or any period and the fund may experience periods of negative return. The fund aims to gain investment exposure to fixed income securities, fixed income related securities and money-market instruments issued by, or giving exposure to, companies, governments, government agencies and supranationals (i.e. the International Bank for Reconstruction and Development) worldwide.
Aegon BlackRock Diversified Growth (BLK)	This fund targets an investment return of 3.5% above the Bank of England official Bank Rate measured over rolling 3 year periods by utilising a multi-asset flexible investment approach. In aiming to achieve the target, this Fund will generally hold a variety of different types of assets at any one time.	The fund aims to provide a return on your investment (generated through an increase in the value of the assets held by the fund) over the medium term (3 consecutive years), which exceeds the Bank of England's Base Interest 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 (e.g. debt securities with short-term maturities), equity securities (e.g. shares), funds, deposits and cash. The Aegon TargetPlan fund may have higher charges than the underlying fund and is therefore less likely to meet this target.

<p>Aegon BlackRock Dynamic Allocation (BLK)</p>	<p>The Fund aims to achieve a return on your investment, over the medium to long term (3-5 years), through a combination of capital growth and income which exceeds the Bank of England's Base Interest Rate (as set by the Monetary Policy Committee). Although the Fund aims to deliver a total return over the medium to long term, there is no guarantee that this will be achieved over this time period, or any time period. The Fund's capital is at risk. The Fund primarily aims to achieve its objective by seeking to invest wholly in units of BlackRock Dynamic Allocation Fund, a unit trust scheme managed by BlackRock Fund Managers Limited and authorised as an undertaking for collective investment in transferrable securities (UCITS) by the Financial Conduct Authority. The UCITS invests on a global basis indirectly through derivatives and collective investment schemes (but may also invest directly) in fixed income securities (such as bonds), money-market instruments (i.e. debt securities with short term maturities), equity securities (e.g. shares), derivatives, funds, deposits and cash. A significant proportion of the UCITS' portfolio may consist of derivatives on a daily basis. The Fund may invest in other funds deemed relevant to the investment objective of the fund.</p>	<p>The fund aims to achieve a return on your investment, over the medium to long term (five consecutive years), through a combination of capital growth and income which exceeds the Bank of England's Base Interest Rate (before charges). Although the fund aims to deliver a total return over the medium to long term, there is no guarantee that this will be achieved over this time period, or any time period. The fund invests on a global basis indirectly through derivatives and collective investment schemes (but may also invest directly) in fixed income securities (such as bonds), money-market instruments (such as debt securities with short term maturities), equity securities (shares), derivatives, funds, deposits and cash. The Aegon TargetPlan fund may have higher charges than the underlying fund and is therefore less likely to meet this target.</p>
<p>Aegon BlackRock Emerging Markets (BLK)</p>	<p>The Fund invests primarily in the shares of companies incorporated or listed in emerging markets and aims to provide a return in excess of its benchmark. Emerging markets include countries contained in the Fund's benchmark index the MSCI Emerging Markets Index. Given the volatile nature of these markets, investment in this Fund involves a higher than usual degree of risk.</p>	<p>The fund aims to provide a return on your investment (generated through an increase in the value of the assets held by the fund) over the long term (5 or more consecutive years beginning at the point of investment). The fund invests at least 70% of its total assets in the equity securities (shares) of companies incorporated or listed on a stock exchange in emerging market countries. The fund may indirectly invest in emerging markets by investing in American Depositary Receipts (ADRs) and Global Depositary Receipts (GDRs), which are listed or traded on stock exchanges and regulated markets outside emerging markets. ADRs and GDRs are investments issued by financial institutions which give exposure to underlying equity securities.</p>

<p>Aegon BlackRock Global Property Securities (BLK)</p>	<p>The Fund will invest wholly in the BlackRock Global Property Securities Equity Tracker Fund, a UCITS scheme. The investment objective of the BlackRock Global Property Securities Equity Tracker Fund is to seek to achieve capital growth for investors by tracking closely the performance of the FTSE EPRA/NAREIT Developed Global Property Index by investing in companies in the Index. Investment will be made directly into constituent companies and via other transferable securities giving exposure to such companies. The Fund may also invest in permitted money market instruments, permitted deposits, and units in collective investment schemes. Derivatives and forward transactions may be used for the purposes of efficient portfolio management.</p>	<p>The fund aims to provide a return on your investment (generated through an increase in the value of the assets held by the fund) by closely tracking the performance of the FTSE EPRA/ NAREIT Developed Index. The fund invests in equity securities (shares) of companies that make up the benchmark index. The benchmark index measures the performance of equity securities of leading property companies listed globally. Derivatives and forward transactions may be used for the purposes of efficient portfolio management.</p>
<p>Aegon BlackRock Globalisation (BLK)</p>	<p>The Fund seeks to achieve long-term capital growth from investment primarily in a global portfolio of equity securities. The Fund's assets will generally be invested in equity securities of companies domiciled in, or exercising a significant part of their economic activity in, developed markets. The Fund aims to produce a return in excess of the Benchmark.</p>	<p>The fund aims to provide a return on your investment over the long term (5 or more consecutive years beginning at the point of investment) by investing at least 70% of its total assets in equity securities of companies domiciled in, or exercising a significant part of their economic activity in, developed markets. The fund has the flexibility to invest outside of the asset class and sector set out above, including in developing markets.</p>
<p>Aegon BlackRock Gold & General (BLK)</p>	<p>Fund invests in the equities of gold mining and precious metal related companies. This is a specialist fund which aims to achieve long-term capital growth and performance tends to be volatile. Investment in the fund involves a higher than usual degree of risk.</p>	<p>This is a specialised fund, which aims to achieve long-term (5 or more consecutive years beginning at the point of investment) capital growth by investing at least 70% of its total assets in global equity securities (e.g. shares) of companies which derive a significant proportion of their income from gold mining or commodities such as precious metals. Owing to the volatile nature of this sector, the fund may fluctuate more significantly than other funds in our range. Derivatives may be used for investment purposes and for the purposes of efficient portfolio management.</p>
<p>Aegon BlackRock UK Equity (BLK)</p>	<p>Invests mainly in UK equities and aims to produce a return in excess of the benchmark. Investment in this Fund involves a higher than usual degree of risk.</p>	<p>The fund aims to provide a return on your investment (generated through an increase in the value of the assets held by the fund) by closely tracking the performance of the FTSE All Share Index. The fund invests in equity securities (e.g. shares) of companies that make up the benchmark index. The benchmark index is designed to measure the performance of equity securities of small, medium and large-capitalisation companies listed in the United Kingdom.</p>

<p>Aegon BlackRock UK Equity Index Tracker (BLK)</p>	<p>Invests mainly in equities within the FTSE All Share Index and aims to track the return of its benchmark.</p>	<p>The fund aims to provide a return on your investment (generated through an increase to the overall value of the assets held by the fund and/or income received from assets held by the fund) by closely tracking the performance of the FTSE All Share Index. The fund invests in equity securities (e.g. shares) of companies that make up the benchmark index. The benchmark index is designed to measure the performance of equity securities of small, medium and large-sized companies listed in the United Kingdom. Although the fund aims to achieve its investment objective, there is no guarantee that this will be achieved. The fund's capital is at risk meaning that the fund could suffer a decrease in value and the value of your investment would decrease as a result.</p>
<p>Aegon BlackRock UK Income (BLK)</p>	<p>Aims to provide an above-average and growing income for re-investment without sacrificing the benefits of long-term capital growth by investing primarily in the shares of UK companies. Investment in this fund involves a higher than usual degree of risk.</p>	<p>The fund aims to provide a return on your investment (before charges) with an above average and growing income compared to the income produced by UK equity markets (as defined by the FTSE All Share Index) without sacrificing the benefits of capital growth over the long term (5 or more consecutive years beginning at the point of investment). The fund invests at least 70% of its total assets in the equity securities (shares) of companies incorporated, or listed on a stock exchange, in the United Kingdom. The fund has the flexibility to invest outside of the asset class set out above. The fund may use derivatives to reduce risk, reduce investment costs and generate additional income. The Aegon TargetPlan fund may have higher charges than the underlying fund and is therefore less likely to meet this target.</p>
<p>Aegon BlackRock UK Special Situations (BLK)</p>	<p>Invests mainly in equities of UK equities which appear to be undervalued or out of favour and aims to produce a return in excess of the Benchmark. Investment in this Fund involves a higher than usual degree of risk.</p>	<p>This fund aims to achieve long-term (5 or more consecutive years beginning at the point of investment) capital growth by investing at least 70% of its total assets in the equity securities (e.g. shares) of companies incorporated or listed in the United Kingdom and will normally have an emphasis on small and medium sized companies. The fund may use derivatives to reduce risk within the portfolio, reduce investment costs and generate additional income.</p>

BNY Mellon

Fund objective changes

Fund name	Previous fund objective	New fund objective
Aegon BNY Mellon Global Dynamic Bond (BLK)	<p>The investment objective of the Fund is to seek to provide total return, taking into account both capital and income, by creating a diversified portfolio, predominantly of higher yields corporate and government fixed income securities, over the long term (5 years). The fund primarily aims to achieve its objective by seeking to invest wholly in units of Newton Global Dynamic Bond Fund, an ICVC managed by Newton Investment Management Limited, and authorised as an undertaking for collective investment in transferrable securities (UCITS) by the Financial Conduct Authority. The UCITS is managed to seek a minimum return of cash (1 month GBP LIBOR) +2% per annum over 5 years before fees, on a rolling 3 year basis. However, a positive return is not guaranteed and a capital loss may occur. The UCITS may also invest in deposits, derivative instruments, forward transactions, approved money market instruments and collective investment schemes. Derivatives may be used for investment purposes as well as for efficient portfolio management. A significant proportion of the UCITS' portfolio may consist of derivatives on a daily basis. The fund may invest in other funds deemed relevant to the investment objective of the fund.</p>	<p>The objective of the underlying fund is to maximise the total return, comprising income and capital growth. The underlying is managed to seek a minimum return of cash (1 month GBP LIBOR)+2%per annum over five years before fees. In doing so, it aims to achieve a positive return on a rolling 3-year basis (meaning a period of 3 years, no matter which day you start on). However, a positive return is not guaranteed and a capital loss may occur.</p>

Aegon BNY Mellon UK Equity (BLK)	Invests in a range of UK company shares. Investment in this Fund involves a higher than usual degree of risk.	This fund aims to achieve income over an annual period together with capital growth over the long term (5 years or more) by investing at least 70% of the portfolio in UK equities (company shares), including ordinary shares, preference shares and other equity-related securities; and invest in company shares targeting higher than average dividends (dividends are the proportion of company profits paid out to shareholders) and with good prospects for growth. The fund can also invest in money market instruments, deposits, cash and near cash; use derivatives (financial instruments whose value is derived from other assets) with the aim of risk or cost reduction or to generate additional capital or income; and invest up to 10% in other collective investment schemes (including but not limited to another fund or funds managed by BNY Mellon funds).
Aegon BNYM Real Return (BLK)	The objective of this fund is to achieve significant real rates of return in sterling terms, mainly from a portfolio of UK and international securities. The fund may also invest in deposits, money market instruments, derivative instruments, forward transactions and collective investment schemes. The underlying fund aims to outperform cash (1 month LIBOR) by 4% a year over rolling three-year periods.	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.

Investec Fund benchmark changes		
Fund name	Previous fund benchmark	New fund benchmark
Aegon Investec Emerging Market Debt (BLK)	50% JPM GBI-EM Global Diversified Fixed Index in GBP/30% JPM EMBI Global Diversified 100% GBP Hedged Index/20% JPM CEMBI Broad Diversified 100% GBP Hedge Index	50% JPMorgan GBI-EM Global Diversified; 25% JPMorgan EMBI Global Diversified GBP Hedged; 25% JPMorgan CEMBI Broad Diversified GBP Hedged index.

Jupiter

Fund objective changes

Fund name	Previous fund objective	New fund objective
Aegon Jupiter Ecology (BLK)	The investment objective of the Fund is to achieve long-term capital appreciation together with a growing income consistent with a policy of protecting the environment. The Fund's investment policy is to invest worldwide in companies which demonstrate a positive commitment to the long-term protection of the environment.	The fund aims to provide capital growth with the prospect of income, over the long term (at least five years) by investing in companies whose core products and services address global sustainability challenges. At least 70% of the fund is invested in shares of companies based anywhere in the world whose core products and services address global sustainability challenges. Up to 30% of the fund may be invested in other assets, including shares of other companies, open-ended funds (including funds managed by Jupiter and its associates), cash and near cash. Companies must meet both a comprehensive financial assessment and environmental and social criteria including looking at a full range of ethical exclusions.

M&G

Fund objective changes

Fund name	Previous fund objective	New fund objective
Aegon M&G Corporate Bond (BLK)	The fund aims to provide a higher total return (the combination of capital growth and income), net of the Ongoing Charge Figure, than the average return of the IA £ Corporate Bond Sector over any five-year period.	The fund aims to provide a combination of capital growth and income, after charges, higher than the average return of the IA Sterling Corporate Bond Sector over any five-year period. At least 70% of the fund is invested in investment grade bonds issued by companies, denominated in sterling or hedged back to sterling. It can also invest in government and high yield bonds. Investments are selected based on an assessment of macroeconomic, asset, sector and stock-level factors. Spreading investments across issuers, industries and countries is an essential element of the fund's strategy. The Aegon TargetPlan fund has higher charges than the underlying M&G fund and will therefore be less likely to meet this target.

Schroders

Fund objective changes

Fund name	Previous objective	New objective
Aegon Schroders QEP Global Core (BLK)	The Fund's investment objective is to achieve the optimum overall return of capital and income through flexible global investment management. The fund will invest internationally in equities quoted on recognised stock exchanges and may also invest in a wide range of investments including transferable securities, collective investment schemes, warrants and money market instruments.	The fund aims to provide capital growth and income in excess of MSCI World (Net Total Return) index (after charges) over a 3 to 5-year period by investing in equities of companies worldwide. The Aegon TargetPlan version of this fund has higher charges and will therefore be less likely to meet this target.

Source: Aegon UK

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