

The Hague
12-12-2019

Dear client,

We would like to inform you about an amendment to the investment guidelines of the AEAM ABS Fund and AEGON ABS Fund.

Earlier this year we informed you about the composition of the primary ABS issuance (and the secondary market) that has changed significantly over the past few years. Our current benchmark, the Barclays Capital Euro ABS Fixed and Floating Index, does not reflect these changes at this point of time. We expect this trend to continue and expect the outstanding market to deviate further from the benchmark. To reflect this evolving market we have changed the country and sector restrictions per 1 October 2019 by increasing the maximum individual country overweight from 20% to 30%, and sector overweight from 12.5% to 25% versus the benchmark.

Among others these restriction amendments should make it possible to increase the allocation towards the CLO (Collateralized Loan Obligation) sector. However, CLO's are not defined as eligible instruments by the benchmark, and are therefore not included in the benchmark. To be able to increase the investment in the CLO sector within the ABS strategy we will therefor make an exception to the off-benchmark restriction for CLO's from a standard off-benchmark maximum of 12,5% to a maximum of 25%. To be clear, the maximum off-benchmark weights of 12.5% per country and per sector remain unchanged.

Please note that this amendment is driven by the same arguments that resulted in the change of the country and sector restrictions per 1 October 2019. The fundamental risk profile of the fund remains unchanged as risk limits on issuer ratings and duration remain unchanged.

The implementation of these changes to the investment guidelines will not come into effect before the 15st January 2020.

If you have any question, please contact your account manager.

Best regards,

Account Management
Aegon Asset Management