

AEGON ABS FUND

Disclaimer: This document is not marketing material. It contains information about this Fund (the product) in relation to the Sustainable Finance Disclosure Regulation. The information is legally required to help you understand the sustainability characteristics and/or objectives and risks of this fund. It is recommended to read this document together with other relevant documentation on this product so you can make an informed decision about whether to invest. Definitions used in this document have the same meaning as those used in the Fund prospectus.

(a) Summary

This product promotes environmental and social characteristics by aiming to invest in issuers presenting lower sustainability risk according to Aegon AM's proprietary methodology. In the due diligence, the product considers principal adverse impacts to the extent such data is available, and applies measures to screen out investee companies that do not follow good governance principles. The majority of the investments in the product are aligned with the environmental and social characteristics. The manager uses a wide variety of internal and external data from several sources as inputs for its decisions.

For a translation of this summary in one of the official languages of a member state where this financial product is made available, please refer to section (m) Summary Translations furtheron in this document.

(b) No sustainable investment objective

This financial product promotes environmental or social characteristics, but does not have as its objective a sustainable investment.

When funds aims to make one or more sustainable investments:

How the sustainable investments do not significantly harm any of the sustainable investment objectives?

Not applicable

How are the Principal Adverse Impacts (PAI) taken into account?

Not applicable

Are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, including the principles and rights set out in the eight fundamental conventions identified in the Declaration of the International Labour Organisation on Fundamental Principles and Rights at Work and the International Bill of Human Rights?

Not applicable

(c) Environmental or social characteristics of the financial product

What environmental and/or social characteristics are promoted by this financial product?

The Fund seeks to invest in asset backed securities ("ABS") whose collateral pools, originators, or countries of collateral are positively impacted by effective ESG practices. The environmental and social characteristics promoted by the Fund consist of investing in ABS that meet the ESG criteria of the Manager in order to come within the three lowest ESG risk categories identified by the Manager, as described below. The Fund's promotion of these characteristics is founded on maximizing the exposure to asset pools that have favourable environmental, social, or governance characteristics, for example, asset pools with percentage of electric, hybrid and older vehicles. No reference benchmark has been designated for the purpose of attaining the environmental or social characteristics promoted by the Fund.

(d) Investment strategy

What is the investment strategy used to meet the environmental or social characteristics promoted by this financial product?

The Fund will invest predominantly in asset backed securities. Please refer to Fund Investment Policy for further details. The strategy is implemented using an investment process as outlined in the fund supplement.

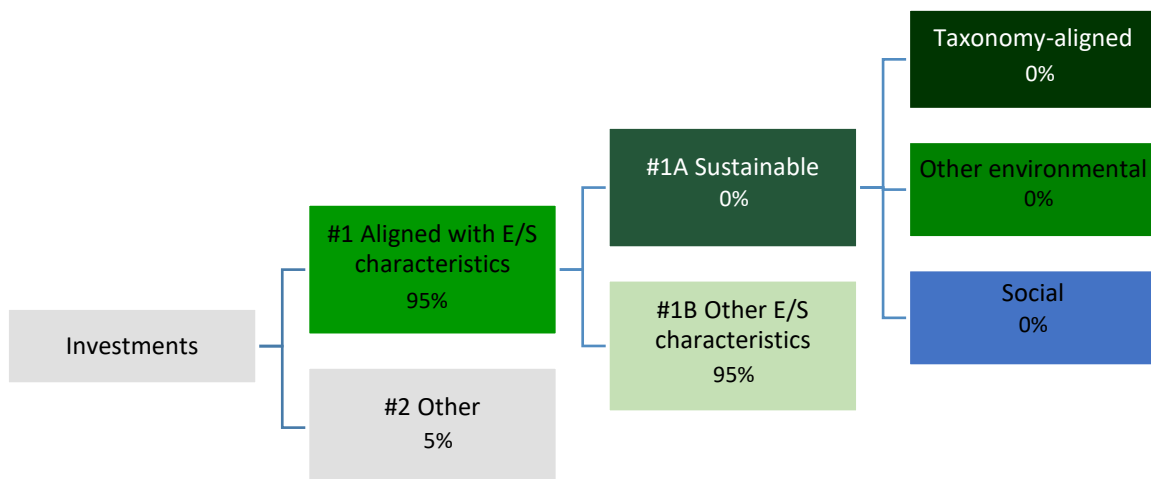
The Manager uses the proprietary ESG category methodology in the investment process, as described above. The Manager may only invest in securities categorized in the lower ESG risk categories of 1, 2 and 3. The Manager is not allowed to invest in ABS securities that face high ESG risk that could affect the issuers fundamentals and credit quality ie, with ESG risk categories of 4 or 5. This 'best in class' approach is the binding element of the investment strategy used to attain the promoted ESG characteristics.

The Fund does not commit to a minimum rate to reduce the scope of investments prior to the application of the investment strategy.

What is the policy to assess good governance practices of the investee companies, including with respect to sound management structures, employee relations, remuneration of staff and tax compliance?

The proprietary methodology used to evaluate the ESG categories of originators and countries of originators includes an evaluation of governance practices. The assessment focuses on the governance of processes and transactions, and it establishes the originators' capacity to ensure high quality, control and transparency in the securitization.

(e) Proportion of the investments



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2 Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

(f) Monitoring of environmental or social characteristics

How are the environmental or social characteristics promoted by the financial product and the sustainability indicators used to measure the attainment of each of those environmental or social characteristics promoted by the financial product monitored throughout the lifecycle of the financial product and the related internal or external control mechanisms?

The Manager continuously monitor the portfolio to ensure that it operates in accordance with the relevant investment objective and where appropriate, engage with the issuers in which the Fund invests by applying active ownership principles to improve ESG performance and corporate behaviour. Aegon AM follows the UK and Dutch Stewardship Codes and the Principles for Responsible Investment for such engagement. After engagement, the Aegon AM will review and report on the relevant issuer's progress annually. Please refer to the Aegon AM Active Ownership Policy for further details on how Aegon AM implements its active ownership practices (available at www.aegonam.com).

(g) Methodologies

What are the methodologies to measure how the social or environmental characteristics promoted by the financial product are met?

The Manager uses a proprietary methodology to assign an ESG category to each security, which are used as sustainability indicators. Using this proprietary methodology, the investment team assigns an ESG category to the ABS collateral, the ABS originator and the country of collateral. These categories are then weighted to categorize each issue into one of five ESG risk categories, with 1 representing lowest ESG risk and 5 representing the highest. The Manager may only invest in securities categorized in the lower ESG risk categories of 1, 2 and 3. For more details on the scores and category thresholds used please refer to the description of the Fund's investment strategy below.

(h) Data source and processing

How are the data sources used to attain each of the environmental or social characteristics promoted by the financial product?

Due to the lack of ESG data relevant to these asset classes from specialist data providers, Aegon Asset Management teams work to obtain ESG information directly from the originators for use in our proprietary analysis processes. Portfolio managers engage with the issuers/originators to obtain data.

What measures are taken to ensure data quality?

Given the lack of accounting standards and, in turn, standardised data from data providers and issuers of this type of debt/transaction, a systematic assessment of data quality is challenging and occurs on a case by case basis by the portfolio managers in the context of the overall investment due diligence.

How is data processed?

Data is processed by the portfolio managers during their proprietary analysis processes. Data obtained from issuers is stored in internal locations with restricted access rights.

What proportion of the data is estimated?

Data obtained from public sources and data from originators may be estimated to some extent, however no systematic measures are available to establish whether such data has been estimated and how accurately.

(i) Limitations to methodologies and data

What are potential limitations to the methodologies or data sources and how do such limitation not affect how the environmental or social characteristics promoted by the financial product are met?

Limitations are tied to the data obtained directly from originators, its availability and accuracy.

(j) Due diligence

What due diligence is carried out on the underlying assets of the financial product (including the internal and external controls)?

Aegon AM follows an internal proprietary research process using the data obtained from originators on a case by case basis. ESG data obtained from originators is used as a basis and complement to a holistic analysis of the overall investment which also considers other types of data from other sources.

(k) Engagement policies

What is the engagement policy applied, in the case that engagement is part of the environmental or social investment strategy (including any management procedures applicable to sustainability-related controversies in investee companies)?

This Fund is subject to Aegon AM's Active Ownership Policy, which can be found at www.aegonam.com. For a description of procedures applicable to sustainability related controversies in investee companies for this Fund, we refer to the Sustainability Risks and Impact Policy as referred to in section (d) Investment strategy.

(l) Designated reference benchmark

Has an index been designated as a reference benchmark to meet the environmental or social characteristics promoted by the financial product?

No, there is no ESG index available for strategies investing in asset backed securities.

When fund has a designated reference benchmark

How is that index aligned with the environmental and social characteristics promoted by the financial product?

Not applicable.

What input data is used for the reference benchmark?

Not applicable.

Which methodologies are used to select the data in the reference benchmark?

Not applicable.

Which rebalancing methodologies are used for the reference benchmark?

Not applicable.

How is the reference benchmark calculated?

Not applicable.

If information is available on the website of the benchmark administrator, this is the hyperlink to the website:

Not applicable.

(m) Summary Translations



Samenvatting

Dit product promoot de ecologische en sociale kenmerken door te beleggen in emittenten die een lager duurzaamheidsrisico hebben volgens de eigen methodologie van Aegon AM. In het kader van due diligence houdt het product rekening met de belangrijkste ongunstige effecten voor zover dergelijke gegevens beschikbaar zijn, en past maatregelen toe om ondernemingen waarin is belegd die geen praktijken op het gebied van goed bestuur hanteren, te screenen. Het grootste deel van de beleggingen in het product is afgestemd op de ecologische en sociale kenmerken. De beheerder gebruikt een grote verscheidenheid aan interne en externe gegevens uit verschillende bronnen als input voor zijn beslissingen.