AEGON Asset Management

Annual Report 2023

AEAM Fixed Income Funds

This is an English translation of the original Dutch text, furnished for convenience only. In case of any conflict between this translation and the original text, the latter will prevail.

Beyond borders™

Contents

1 General information

Manager
Aegon Investment Management B.V. (AIM), established in The Hague, of which the board consist of:
- R.R.S. Santokhi (resigned as of 01/02/2024)
- O.A.W.J. van den Heuvel
- B. Bakker (resigned as of 01/06/2023)
- D.F.R. Jacobovits de Szeged (joined as of 19/09/2023)
- W.H.M. van de Kraats (joined as of 19/09/2023)
- T.E.J.F. Stassen (joined as of 19/09/2023)

Depositary
Citibank Europe Plc (Netherlands Branch), established in Schiphol, is appointed as the depositary of the fund.

Legal owner
Aegon Custody B.V. fulfils the role of legal owner. The board of Aegon Custody B.V. consists of AIM.

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9700 GC Groningen
Phone number: (050) 317 53 17

Website: www.aegonam.com

Independent auditor
PricewaterhouseCoopers Accountants N.V.
Thomas R. Malthusstraat 5
1066 JR Amsterdam
Postbus 90357
1006 BJ Amsterdam

Management and administration
The AEAM Fixed Income Funds do not employ any personnel and uses the services of AIM for management and administration. The personnel of AIM is legally employed by Aegon Nederland N.V.

Before the sale of Aegon Netherlands to a.s.r. AIM employees were formally employed by Aegon Nederland N.V. Since the sale, AIM employees have been working for Aegon Employees Netherlands B.V.

Information memorandum

A prospectus has been prepared for this product and is available at www.aegonam.com. A Key Investor Information document is also available for this product, which contains information about the funds, the costs and the risks. This Key Investor Information document is available at www.aegonam.com. As of 1 July 2023, the fund is included in the "AEAM Funds" prospectus.

Sale of Aegon Netherlands to a.s.r.

On 4 July 2023, the sale of Aegon Netherlands and the underlying assets by Aegon Group to a.s.r. was completed. Through this transaction, Aegon Group has acquired a strategic interest in a.s.r. with associated rights. AIM remains part of Aegon Group. The most important consequences of the transaction for the Manager and the funds are stated in the Related Parties section of the annual report.

Annual Report

The AEAM Fixed Income Funds are offered jointly in one annual report. This annual report includes the annual accounts of the following funds:

- AEAM Core Eurozone Government Bond Fund
- AEAM Strategic Liability Matching Fund
- AEAM Core Eurozone Government Bond Index Fund
- AEAM Money Market Euro Fund
- AEGON Liability Matching Fund
- AEAM Government Related Investment Fund
- AEAM US Corporate Credit Fund
- AEGON Liability Matching Fund II
- AEAM Liability Matching Fund 40 Year Receiver Fund
- AEAM Liability Matching Fund 50 Year Receiver Fund

To improve the readability of this document, it has been decided to present the texts that are the same and applicable to all funds once and not to include them separately in each fund's financial statements. The annual report contains general information in chapter 1. The performance figures per fund are presented in the individual financial statements of the funds. Chapter 2 contains the manager's report with information that is common and applicable to each fund. Chapter 13 contains the principles of valuation and determination of the result and the calculation method of ratios and chapter 14 contains the other notes that apply to each fund.

Profile

The AEAM Fixed Income Funds ('the Funds') are a series of open-ended mutual funds. The units are only available to professional investors within the meaning of the Wft.

Objective

The objective of each fund is to invest the fund's assets for the benefit of the participants, as well as to have the invested capital stored and administered, as well as everything related to the foregoing, or may be conducive thereto.

Marketability

The securities to be acquired by the participants are registered and, unless redemption by the manager, are not transferable and may not be pledged or encumbered with any other limited right of any kind. The manager does not issue participation certificates.

Entry and exit

When issuing and purchasing units of the fund, the issue and purchase price of the units are increased by a surcharge or reduced by a discount compared to the calculated intrinsic value. These surcharges and deductions benefit the fund and serve in particular to cover transaction costs charged to the fund for the fund's investment transactions. These transaction costs consist of fees for broker costs such as research costs, settlement costs and fees for currency differences. The surcharges and discounts are determined periodically by the manager based on the actual costs charged for the transactions.

The current entry and exit fees can be found in the fund specifications.

Contrary to the previous, the fund manager is at all times authorized to charge the actual transaction costs. The fund manager is authorized to waive the transaction costs if and to the extent that withdrawals can be netted.

The entry and exit fee is fully credited to the fund and serves to cover the transaction costs caused by entry and exit. The entry and exit fees received by the fund are included in the income statement as a separate income category. The basis for entry and exit and the calculation of the market value per unit is the net asset value of the fund, as determined in the general terms and conditions.

Service fee

The manager charges a service fee to the fund. The service fee is a reimbursement for costs such as costs of supervisors, costs of custody, costs of (accountants) control, costs of (legal) advice, formation costs, administration costs and marketing and communication costs. The service fee is determined as a percentage on annual basis. The service fee is charged to the funds on a daily/monthly basis based on the net asset value of the funds at the end of the previous trading day.

The audit fees for the examination of the annual report and any tax advice and other non-audit services are paid by the manager from the service fee. These costs cannot be allocated individually to the investment funds under management. Therefore, further division has been omitted.

2 Report of the Investment Manager

2.1. Economic developments

Economy 2023

On the economic front, prior to the beginning of 2023, there were many uncertainties. The economy was still recovering from the corona crisis, inflation was high, energy prices were very volatile and central banks had tightened monetary policy. There were many articles and discussions concerning the "landing" of the economy. There were clear scenarios for a so-called hard landing, where economies would fall into recession due to high inflation and rising interest rates.

Growth has surpassed forecasts by a wide margin a year later. In the US, GDP increased, while in Europe, despite the energy crisis, growth remained marginally positive. In China, however, growth was lower than expected. There, the real estate crisis lingers.

Although there have been significant improvements this year, high inflation was still a major concern for central banks. Energy prices dropped. Europe was successful in finding alternative sources of gas after the cessation of Russian imports. Furthermore, the OPEC+ cartel was unable to raise the price of oil further. Normalization of the supply chain, which was hampered by the pandemic, also contributed to the slowdown of inflation.

As recently as 2023, central banks increased policy rates. However, in the fourth quarter, it appeared that inflation would fall more significantly. An unnecessary economic slowdown could result from central bankers maintaining high interest rates for an extended period of time.

United States: better than expected
The U.S. economy performed very well. There was no recession as was predicted, and US economic growth was better than anticipated. The economic growth was 2.4% on average, which was higher than growth in 2022. Inflation – which peaked in 2022 – slowly eased in 2023. By the end of 2023, the Federal Reserve was able to maintain monetary policy stability due to the normalization of inflation. Despite this, interest rates rose considerably in the United States in the first part of the year, but this did not result in a hard economic landing. The positive economic developments also had a positive effect on the labour market. In 2023, 2.5 million new jobs were created in the U.S., and unemployment was relatively low.

Considering that early in 2023 the biggest banking panic in 15 years was seen, this year's growth was remarkable. A combination of losses on long-term debt caused by rising interest rates and poor financial policies, led to the collapse of several regional banks in the U.S. This quickly spilled over to Credit Suisse, which was eventually forced into rescue by UBS and the Swiss government.

Eurozone: lower growth
The situation in Europe, was similar to the United States, however there were also differences. The European economy was more affected by headwinds and economic growth slowed more sharply to around 0.5%. The industrial sectors – traditionally an important pillar of the European economy – were particularly affected. Inflation also fell in Europe, mainly because energy prices which had previously risen sharply normalised. The ECB raised interest rates significantly in the first part of 2023, but decided to keep rates unchanged later in the year. The energy crisis – which was previously seen as a major risk – had less of a negative impact than previously feared. Energy consumption was reduced and Europe was able to find alternatives. Nevertheless, this remains a negative factor for the European economy.

It is noteworthy that the German economy contracted in 2023, partly attributable to the industrial sector. Countries such as Italy and France performed better, and Spain in particular – with growth of more than 2% – reported strong growth. Dutch growth was around zero, and since there was negative growth in the first three quarters of the year, 2023 will go down in the books as a year with a slight technical recession.

Elsewhere in the world
In China, the economy performed poorly. The recovery of the Chinese economy started later than in other parts of the world, as the government kept the restrictions in place for longer. However, there was no strong rebound after the lifting of the restrictions. This was partly due to the problems in the real estate sector.

Economic conditions in Japan were reasonable with economic growth of around 2%. Nonetheless, Japan's economy has performed significantly less well since the pandemic in comparison to other developed countries. It was striking that the central bank maintained interest rates below zero percent, whereas in other regions of the world interest rates actually increased. The bank remains cautious about quelling rising inflation too quickly, as the country has been experiencing inflation that is too low for several decades.

Countries in Latin America had reasonable economic growth in 2023. Higher commodity prices facilitated the growth. However, political uncertainty and fiscal constraints posed an obstacle. Countries in South-East Asia benefited from the shifting of production chains due to the increased tensions between the US and China. India showed strong growth. However, the Indian economy is only 20% of the size of China, so this has a very limited effect on the global economy.

2.2. Financial markets

Fixed interest securities

Sovereign/Government Bonds and money market
2023 was marked by central banks' fight to further curb inflation, which started in 2021 and peaked in 2022. In October 2022, inflation in the eurozone peaked with a year-on-year price increase of 10.6%, mainly driven by increased energy prices. A relatively warm winter in 2022/2023 and full gas reserves allowed energy prices to fall in Europe. While the gas price peaked at 340 euros per megawatt hour in the summer of 2022, the price fell to 25 euros in 2023. As the inflation contribution from higher energy prices decreased, it increased for food and services.

The war in Ukraine was still raging in 2023, limiting the breadbasket of the world in its exports through the Black Sea. Russia withdrew from the grain deal in July 2023 and intensified air strikes on grain depots in Ukraine, causing grain prices to rise again. Western governments took increasing action to end the war by applying further sanctions on Russia and providing financing and military support to Ukraine. This support did not lead to significant changes on the battlefield or the front lines and experts warn that this could be a protracted war of attrition. Due to the increased geopolitical tensions in Eastern Europe, but also the persistent tensions with China, the increasing conflicts in the Middle East and instability in Africa, European governments are increasingly focusing on increasing military budgets and the possibility to reintroduce active military service, in order to guarantee regional security again. These types of political decisions would have both fiscal and macroeconomic impacts, such as rising national debts, persistently higher inflation and tight labour markets.

In Europe and the United States, employees increasingly went on strike in 2023 for a better employment contract. Wages rose an average of 5% in the United States and 6% in Europe. In 2023, the real wage (nominal wage increase adjusted for inflation) became positive again due to both decreasing price increases and increasing wage increases. These rising wages naturally fed into higher cost prices and therefore higher inflation. Especially in the United States, the vast majority of the increased inflation in 2023 could be attributed to higher labour costs and therefore also higher prices of services. Energy prices in the United States made up only a small part of the price increases in 2022, because the country is relatively energy independent and can meet internal demand for energy products such as gas and oil with its own production. In 2023, energy prices fell further, contributing to a 1% decrease in the inflation rate. Compared to the United States, Europe is more dependent on other countries for energy supply. Before the Russian war in Ukraine, Europe could import cheap gas and oil from Russia. After the invasion, Europe had to look for other and often more expensive suppliers for gas and oil. LNG contracts were concluded with countries such as Qatar and more refined oil was also imported from India. Initially this led to higher prices, but in 2023 due to a correction on the demand side and ever-decreasing global growth, the price fell. The reduced energy prices did not allow heavy industry in countries such as Germany to fully restart. The industrial sector in the eurozone was in a severe recession throughout 2023, with partial deindustrialization as a possible long-term consequence. At the beginning of 2023, the year-on-year inflation rate in the eurozone was 8.6%. This could only gradually decrease in 2023 and was 5.5% in June and 2.9% in December on an annual basis.

Inflation remained above the ECB's inflation target of 2% in 2023, prompting significant increases in the policy rate during the year. The ECB explicitly stated that there was a risk that inflation would remain structurally high if restrictive policies were not quickly applied to increase short- and long-term interest rates. Because the inflation rate was still above 8% at the beginning of the year, the ECB decided to increase the policy rate by 50 basis points from 2% to 3% in both January and March. The Fed also raised their policy rate by 25 basis points from 4.25% to 4.75% in January and March.

In March it seemed as if the ECB and the FED had gone too far with their rapid interest rate increases when a banking crisis emerged in the United States and this also seemed possible in Europe. The crisis was ultimately absorbed by the financial system through a number of extreme liquidity measures by central banks and guarantees. Three small to medium-sized American banks collapsed because they had not sufficiently covered interest rate risk and therefore had large unrealized losses in their bond portfolios, which had quickly lost a lot of value due to the interest rate increases. The banks had also suffered a lot of losses due to a large decrease in their cryptocurrency portfolios. The banks were eventually acquired by larger banks such as JPMorgan and HSBC, strict capital requirements were imposed and depositors were compensated by the US government. In Europe, there was concern that both Deutsche Bank and Credit Suisse could be next. Ultimately, Credit Suisse turned out to be insolvent due to significant losses incurred in their investment banking branch. This caused the rest of the bank to stagnate and customers began to withdraw their savings. Ultimately, the Swiss government helped and financed a takeover of the bank by UBS. The consequences of the banking crisis were significant; bank share prices fell 25%, spreads of money market instruments with a term of 1 year issued by banks doubled to 80 to 120 basis points, spreads of bank bonds with a term of 5 years also doubled. These losses were partially recovered a month later in April when the prices of banks' financial instruments rose again.

After the banking crises, both the ECB and the Fed continued to raise policy rates and tighten liquidity in order to combat overheating in the economy. In the following months, the ECB increased its policy rate four times by 25 basis points to 4%, with the latest increase largely coming as a surprise to market participants. The Fed raised its policy rate twice more by 25 basis points to 5.25%. At these levels, both the Fed and the ECB indicated that short-term interest rates had been raised sufficiently and that the aim was to maintain these rates for a prolonged period until there were sufficient indications that high inflation had been reduced.

As a result of the further increase in the short-term deposit rate, the yield curve continued to flatten. The interest rate term structure became inverse, with short-term interest rates significantly higher than long-term interest rates. For example, in the German government debt curve, where the yield on a 2-year bond at the beginning of 2023 was about 15 basis points higher than the yield on a 30-year bond. The inverse curve peaked in March when 2-year paper was trading 80 basis points higher than 30-year paper. Due to the banking crisis in March, this decreased again from 80 to 15 basis points in a week, because the market expected that a financial crisis might arise, causing the ECB to lower its policy interest rate again. However, this did not happen and the curve flattened again to a spread of -85 basis points in early July.

As part of the ECB's policy to further reduce liquidity in the economy, purchase programs that were previously used to stimulate the economy were phased out. Expiring bonds purchased as part of the Asset Purchase Program (APP) will no longer be reinvested from July 2023. In December, the ECB announced that reinvestments under the Pandemic Emergency Purchase Program (PEPP) would end in 2024. From July 2024, reinvestments of maturing bonds will be phased out and no more reinvestments will be made from the end of 2024. Both changes in the ECB's policy have a downward effect on long-term interest rates. This can be seen in the interest on government bonds. At the beginning of 2023, the interest rate on a 10-year German government bond was 2.44% and this rose further until it reached a peak of 2.75% in February. Interest rates fell rapidly in March due to the banking crisis, causing many investors to exchange risky investments such as bank shares and corporate bonds for safer investments such as government bonds. From March, the German 10-year yield rose slowly until reaching a peak of 2.97% in September. In the last quarter of the year, there were increasing signals from the US economy, such as lower-than-expected inflation and a slowdown in hiring, that expectations of a policy rate cut were increasing. This was further confirmed when the Fed issued their periodic forecast of the policy rate and predicted an additional cut in interest rates for 2024. This caused government bond yields to fall rapidly. The yield on German 10-year government debt followed that of US Treasuries, falling from almost 3% to just under 2% in November and December.

The higher interest rates naturally made it more difficult for countries with a relatively high government debt to meet their payment obligations. A country like Italy in particular could have difficulty with higher interest rates, because the national debt was 142% in 2022. Due to this high national debt, a risk premium is applied to Italian bonds, causing interest rates to rise even higher. This premium can be indicated by taking the difference in the interest rate between an Italian and German bond. The premium on 10-year Italian government debt was 212 basis points at the start of 2023, but this fell over the year to 156 basis points in June after Italy's credit rating was not downgraded by Fitch. In October, S&P also kept the rating the same and in November the credit rating agency Moody's changed the outlook from negative to neutral. As a result, the risk premium of Italian government debt fell from 206 basis points at the beginning of October to 160 basis points in December.

Corporate bonds
Corporate bonds had a volatile year. On balance, both interest rates and risk premiums fell during the year and the market ended with a positive return of 8.19% (Bloomberg Euro-Aggregate Corporates index), with the average reward for credit risk falling from 1.67% at the end of 2022 to 1.38 % at the end of 2023.

Credit spreads spiked in the first quarter after the collapse of Credit Suisse and shortly after several regional banks in the United States went bankrupt. The impact on the broader banking sector in the United States and Europe was limited and the market quickly entered calmer waters. Economic prospects began to deteriorate during the year. This led to little decompression in risk premia between cyclical and non-cyclical sectors or between companies with high and low creditworthiness. Instead, the market was largely driven by declining inflation expectations and the associated expected interest rate cuts.

Especially when the US central bank gave the market the prospect of multiple interest rate cuts towards the end of the year, financial markets worldwide reacted strongly positively. At the same time, expectations that a recession would occur, at least not a deep recession, declined, meaning that no significant deterioration in general creditworthiness was expected.

High Yield Bonds
The second half of 2023 has become a good six months for High Yield bonds. Inflation and interest rates are still at the forefront. To combat inflation, Central Banks raised interest rates significantly. Inflation is now on the decline and is already low enough that the FED is already considering interest rate cuts again. This does not yet apply to the ECB, which is only considering a pause in interest rate adjustments. It is now increasingly clear that interest rate increases are slowing economic growth. Especially in Europe, economic activity appears to be declining and a recession is looming.

Due to the higher interest rates, fewer loans were issued than historically usual, but slightly more than last year. At the same time, the market has become smaller, both in the US and Europe (-15%), as companies pay off debt more quickly due to higher interest costs.

Money has flowed into the asset class again, especially in the last 2 months. The return is now just above 7%. This is still ample compensation for bankruptcy risk, as Moody's expects the bankruptcy rate to continue to fluctuate between 3 and 4%.

2.3. Investment policy

The investment policy differs per fund. The key figures are included in the individual annual reports of the funds, and the investment policy, type of investments and the fund's benchmark are discussed.

2.4. Risk management

The fund manager has the responsibility to manage the financial risks of all funds. The fund manager has identified a number of financial risks, of which the most important are:

- Interest risk
- Currency risk
- Equity risk
- Commodity risk
- Inflation risk
- Concentration risk
- Credit risk
- Counterparty risk
- Liquidity risk
- Valuation risk
- Climate risk
- Leverage (a measure of the degree of the applied leverage)
- Operational risk
- Fraud risk

For each type of risk, risk criteria have been set in the form of restrictions in order to manage these risks. These restrictions are included in the fund mandates where they are tailored to the strategy of the fund. All restrictions are, where possible, monitored on a daily basis by the manager and by Citibank, which operates independently as depositary. Citibank has been appointed as depositary following the Alternative Investment Fund Managers Directive (AIFM-Directive) which requires managers to appoint an independent body to perform monitoring tasks.

If restrictions are exceeded, this is immediately discussed with the relevant stakeholders and actions are determined to resolve the exceedances as quickly as possible. All exceedances are reported periodically to all internal stakeholders including management and, if necessary, to all relevant external stakeholders.

Below is a description of the objectives and policies of the fund on risk management with respect to the use of financial instruments when managing risks. Also included is an explanation of the risk management measures that are in place.

Interest risk

Interest rate risk arises as a result of interests in fixed-income securities. Within the fund, interest rate risk is usually measured by duration. In these cases, interest rate risk (relative to a benchmark) is often mitigated by monthly hedging via interest rate derivatives (futures or interest rate swaps). This risk is measured as the deviation in years under or overweight from the duration benchmark.

This measure is not suitable for all funds, such as funds that focus on low interest rate risk (for example money market funds) or high interest rate risk funds such as liability matching funds. A mitigating measure for money market funds is to limit the maturity of the instruments. For liability matching funds, advanced measures such as key rate duration matching may be more appropriate.
In summary, the measures to manage interest rate risk are as follows:

- modified duration (relative or absolute);
- permitted maturities (money market funds);
- key rate duration (relative to the benchmark; liability matching funds).

Currency risk

In order to limit the currency risk, it is determined for each fund which currencies are allowed and whether the non-euro currencies must be hedged. The proposed currency risk control measure is to monitor the amount of non-euro exposure or the percentage hedged to the euro.

In summary, the measures to manage currency risk are as follows:
- allowed set of currencies;
- hedged percentage in euros or permitted percentage not in euros.

Equity risk
Equity risk is the risk that one of the investments will decrease in value as a result of the dynamics of the stock market. In addition, the equity risk depends on the regions or sectors in which it can be invested. Most funds are funds that invest in a specific region. This means that different types of sectors are allowed for each specific fund. Restrictions focus on maximum exposure in a specific region – as reported in the Concentration Risk section.

Equity investments are publicly traded equity, hedge funds or private equity that are each exposed to different kinds of equity risk. These risks are addressed in the overview of each fund together with the type of investments in which the fund is allowed to invest. The (operational) risks of trading in listed equity is partly mitigated by limiting the stock exchanges where equity can be traded.

In order to measure the total equity risk, a tracking error in relation to the chosen benchmark or beta restriction (to measure the risk in relation to the market) is also included.
In summary, the measure to manage equity risk is as follows:
- maximum tracking error or beta exposure.

Commodity risk
Commodity risk is the risk arising from trading financial instruments where the value is based on the value of a physical material (ie commodities). Commodities include agricultural products (e.g. cotton, oranges and grains), energy products (e.g. oil, natural gas and coal) and mineral products (gold, copper, etc.) and other products such as electrical energy.

In addition to the general market risk of a change in the price of the financial instruments which are used, the most important commodity risk arises from the nature of the commodities allowed in the fund. The measure is the amount of exposure per commodity type.

The operational risks inherent in certain commodity-related financial instruments is the risk of physical delivery. This risk is mitigated by not allowing positions to be held near a certain number of days before settlement and/or by allowing certain types of instruments.
In summary, the measures to manage commodity risk are as follows:
- allowed type of commodities (or exclusion list);
- permitted weighting (or deviation in the exposure from the benchmark) per commodity type.

Inflation risk
Inflation risk arises as a result of changes in a country's inflation level. This has an effect on various financial instruments, especially those with fixed coupons. This risk is already included in other risks mentioned above, such as interest rate risk or general market risk.

Although the inflation risk is largely mitigated when hedging the interest rate and general market risk, there is an additional risk that is considered inflation risk. This is the market risk of changes in the real interest rate over the inflation rate. This risk is only present in a fund where inflation-related products are allowed.
In summary, the measures to manage inflation risk are as follows:
- restrictions on permitted instruments in accordance with the fund's mandate;
- maximum exposure of inflation-related products, or maximum inflation delta.

Concentration risk
Concentration risk is the risk of exposure to idiosyncratic risk. This is the risk that an individual instrument can affect the risk of an entire fund, and is usually mitigated by asset allocation. The concentrations in the fund are measured from three different angles: concentration by issuer, concentration by country, and concentration by sector:

- concentration per issuer is measured by allocation. Concentration per issuer is managed by imposing absolute restrictions per issuer, whereby an issuer is considered as a single securitization consisting of several bonds. Restrictions per issuer may differ per rating, country, type, etc.;
- concentration per country is determined by the weighting in a specific country. Countries are defined as the country where the risk of the investment lies. Regions (Core-Eurozone, North America, Asia, etc.) are used for some funds. Regions are defined as a series of countries;
- concentration per sector is measured by the weighting of a particular sector.

The constraints on the three perspectives of concentration risk can be defined in an absolute or relative sense relative to the benchmark.
In summary, the measure to control concentration risk is as follows:

- monitoring the maximum exposure per sector/name/country based on absolute or relative (net) exposure.

Credit risk
Credit risk is the risk that a counterparty will not be able to meet its obligations as set out in the terms and conditions of a financial instrument. This risk could lead to a loss of principal or a significant widening of spreads when trading the market. The most commonly used measure of this risk is rating. This can be an internal Aegon rating or benchmark specific rating. Other measures such as credit spread or estimated default frequencies based on credit risk and option theory are considered, but will only be used in stress testing or scenario testing.

Credit risk is managed by imposing absolute limits based on rating or relative exposure to the benchmark.

The above restrictions are controlled on the basis of the assigned rating per purchase or the current date. A potential breach as a result of an adjustment of the rating of a particular instrument, or as a result of market value developments, will not immediately lead to a mandate being exceeded. The mandate should determine how much time is allowed to sell this exposure of the fund if there are restrictions on the fund. In addition, in such case, a restriction will be imposed on additional purchases of the particular rating classification.
In summary, the measure to manage credit risk is as follows:

- monitoring the maximum exposure per rating based on absolute or relative exposure (with possibility of temporary extension of the maximum exposure due to downgrades).

Counterparty risk
Counterparty risk is the risk that a counterparty in an (Over The Counter) derivative transaction cannot meet its contractual obligations. This risk is present in funds where OTC derivatives may be traded. A first measure of risk is the counterparty default risk, measured by the counterparty's rating. In addition, all of our OTC derivatives have daily exchange of collateral and thus the counterparty risk is largely mitigated. Only for highly leveraged funds with OTC positions, the residual risks can be material. In those cases, there may be a risk that if a counterparty defaults, the derivative position will have to be replaced. For this we monitor the maximum exposure per counterparty and there is a limitation for the minimum rating of the OTC counterparty.

Enforcing strict legal regulations, using International Swaps and Derivatives Association (ISDA) contracts and Credit Support Annexes (CSAs) reduces the operational risks involved in the exchange of collateral and settlement.

Liquidity risk
Liquidity risk is the risk that the fund will not be able to trade a position quickly enough at a reasonable price. The risk is related to the size of the fund and individual holdings compared to the size and marketability of the assets in the portfolio.

AIM has an appropriate liquidity management system which includes procedures to monitor the liquidity risk of each fund and to ensure that the fund's liquidity is aligned with its underlying liabilities.
The liquidity management system:

- maintains a level of liquidity in a fund commensurate with the underlying liabilities, which is based on an assessment of the relative liquidity of the underlying assets in the market, taking into account the time taken to liquidate the assets and the value against which the assets can be liquidated;
- monitors the liquidity profile of the fund's portfolio. This takes into account the possible marginal contribution of the individual assets that could have a material effect on liquidity, as well as the material debts and liabilities that the fund may have in relation to the underlying liabilities. For these purposes, AIM takes into account the profile of the investor base, including the nature of the investors, the relative size of the investments and the exit conditions;
- where the fund invests in externally managed funds (fund-of-fund structure) or is managed by an external asset manager, AIM monitors the liquidity management approach adopted by the managers of the other funds. This includes conducting periodic reviews to monitor changes in the withdrawal provisions of these underlying funds;
- implements procedures to assess the quantitative and qualitative risks of positions and intended investments that have a material effect on the liquidity of the fund's portfolio;
- implements the tools and arrangements necessary to manage the liquidity risk of each fund. The fair treatment of all participants in relation to each fund must be considered.

Climate risk

Climate risk includes both physical climate risk and transition climate risk. Physical climate risk arises from weather-related events whereas transition climate risk is associated with the move to a low-carbon economy. Climate risk can have a financial impact on the AAM funds on account of climate risk exposure from underlying investments in companies and countries. AAM measures the financial impact of climate risk by developing the climate scenario analysis skill to help better understand climate risk and how to ultimately respond to it. This includes the development of applications where the financial impact of climate risk will be quantified and analyzed using climate-adjusted valuations and risk metric models.

Leverage

Leverage is expressed as the ratio between the fund's exposure and the fund's net asset value. The leverage in the fund is calculated in two different ways: the gross method and the liability method. Both methods are prescribed by Alternative Investment Fund Managers Directive (AIFMD).

The gross method:

- excludes from the calculations the value of the cash and cash equivalents and the highly liquid investments in euro of the fund that can immediately be converted into cash and cash equivalents, subject to an insignificant risk of changes in value and provide a yield not exceeding the yield on three months high-quality government bonds;
- converts derivative positions (using specific conversion methods) to the equivalent position of the underlying assets;
- excludes loans that are cash borrowings for which the amount due is known;
- includes exposures due to reinvested cash borrowings, expressed as the higher of the market value of the investments or the total amount of borrowed cash; and
- includes positions in repo- or reverse repo transactions and security lending arrangements.

The commitment method:

- converts derivatives positions (using specific conversion methods) to their equivalent position in the underlying assets, provided certain criteria are met;
- takes into account clearing and hedging arrangements (also under certain conditions);
- calculates the exposure created by the reinvestment of loans and borrowings, when the reinvestment increases the exposure of the fund; and
- excludes derivatives that are used for currency hedging purposes.

Each fund has leverage restrictions that are monitored like other investment restrictions. In the case of investments in third party funds (defined as non-Aegon Asset Management (AAM) funds, but funds managed by AAM subsidiaries) the leverage in the funds managed by third parties is not included in the leverage calculations of the fund of fund structure .

Risk limits management

Risk limits management is undertaken to ensure that the risk profile of the fund can be effectively monitored. The Dutch authority for the financial market (AFM) receives a message if there is a mismatch between the risk profile of the fund and the risk limits or when there is a substantial risk that such a mismatch might occur. The match between the risk limits and risk profile is checked at least annually.

For every type of financial risk, applicable measures are defined to manage these risks. The most appropriate measures may vary per fund, based on the strategy of the fund. For the selected measures, appropriate risk limits are set, which are actively monitored. This will ensure that the fund act within their mandates.

To provide for an efficient and effective risk management process, the risk measures and the resulting risk limits meet the following principles:

- Quantitative limits are measurable;
- Restrictions or limits have clear definitions;
- Measures are chosen in such a way that the measurements and monitoring can be automated;
- Multiple restrictions with a similar objective are avoided, except when there is a legitimate reason;
- Each fund has limits for all identified risks, and
- Restrictions are designed to reduce complexity, hence a restriction per type of risk instead of combining different types of risks to a restriction.

The risk limits of the fund are monitored on a daily basis. Monitoring consists of the calculation of the control variables for each of the fund, comparison of the internal and external risk limits and the escalation of overruns within the organisation.

The calculation for most limits is delegated to Citibank. In its role as depositary and fund administrator, Citibank has full transparency on the funds, for which Citibank checks the compliance of the limits and performs relevant calculations within their systems. AIM receives warnings (breaches of internal limits) and infringements (breaches of external limits) with all applicable data and validation checks. All limits are checked by AIM and are reported in an overview of warnings and breaches.

These warnings and breaches are analysed and different processes are followed depending on the materiality of the warning or breach. Immaterial warnings are usually resolved within few days and are only reported to the portfolio manager if they remain outstanding for a longer period. Material warnings are reported to the portfolio manager for validation of the warning and to verify the solution. High risk problems are immediately reported to the Chief Investment Officer (CIO). On a weekly basis, all outstanding material warnings and breaches are internally reported to, among others, the management. On a monthly basis, the Risk Control Committee is informed on all the warnings and breaches, including the status or the solution.

During the reporting year, there were no breaches of restrictions.

Operational risk management

The fund manager has defined operational risk as follows: "The risk of a loss as result of inadequate or failing internal processes, people and systems or external events". The fund manager has designed a comprehensive framework for the definition and classification of risks and the organisation of risk management activities.

The operational risk management policy includes the strategy and the objectives for the operational risk management and the processes that the fund manager has designed to achieve these objectives. The objectives for operational risk management (ORM) are:

- all major operational risks are identified, measured, evaluated, prioritised, managed, monitored and treated in a consistent and effective way throughout the organisation;
- appropriate and reliable tools for risk management (including the main risk indicators, database with risk events, risk & control self-assessments, monitoring reviews, and stress and scenario tests) are used to support management reporting, decision-making and assessment of required (reserve) capital;
- all directors, management and staff are responsible for managing the operational risks in line with the roles and responsibilities; and
- key stakeholders timely receive a reliable confirmation that the organisation manages its activities for the important operational risks.

Risk management by the fund manager
AIM has organized the risk management governance according to the Three Lines of defense Model. This model distributes the responsibilities, the tasks and the set of instruments and measures needed to be 'in control'. This model ensures independent monitoring of the risk management activities in the organization by the risk management, compliance and internal audit functions.

- First Line of defense

The first line of defense is executed by the line organization. They are responsible for the performance of the primary operational processes. Many of the risk management measures are embedded in these processes and provide reasonable assurance that the processes are performed properly. Common used control measures are, for example, the segregation of duties, the four-eyes principle and reconciliations.

The monitoring of positions and the related investment risks takes place on the level of the overall client portfolios, the investment portfolios and the individual external asset managers.

- Second Line of defense

The second line is formed by the Enterprise Risk Management (ERM), Portfolio Risk Management (PRM), Portfolio Risk Control (PRC) and Compliance. The task of the second line is to identify, record and monitor AIM's operational, investment portfolio and compliance risks and to test, advise and support the line organization in risk management. The risk management and compliance officers undertake activities to strengthen the risk culture within AIM, monitor that management actually takes its responsibilities and enter into a dialogue about this with management.

- Third Line of defense

Internal Audit forms the Third Line of defence. This department is completely independent. Internal Audit has the mandate to assess all processes in the first and second line.

Operational risks of the Fund
The risks are identified based on the Risk Control Self Assessment (RCSA). An effective set of control measures limits the risk of exceeding the risk tolerances for the operational risk. The most important operational risks and the risk management with regards to the multi-manager funds are:

- Inadequate selection of external managers resulting in underperforming managers which may cause incidents. This can lead to operational losses and reputational damage.

Control measures
Risks in relation to the selection process are managed by means of a robust and intensive selection process aimed at appointing high-quality managers for each asset class and subclass worldwide. Important selection criteria include: the investment philosophy used, the investment process, the personnel and organization, performance and opportunities for diversification. There are strict procedures for documenting the outcomes of the due diligence investigation into external managers and the resulting opinion, the confirmation of selected managers in the portfolio manager meeting and the authorization of a selected manager by the Manager Equities, Fixed Income & Commodities and the Chief Investment Officer (CIO).). In addition, the process is tested by Operational Risk Management before the contract is signed

- Inadequate drafting and conclusion of contracts (Investment Management Agreement or IMA) with the result that legal safeguards are insufficient and that there is insufficient insight into the performance (qualitative and quantitative) of the manager to be able to make proper adjustments. This can lead to operational losses and reputational damage.

  Control Measures
  Risks related to the conclusion of contracts with external managers are managed because contracts are drawn up by expert lawyers on the basis of standard contracts. In addition, this process is tested by Operational Risk Management and the IMA is always tested by the legal department.

- Unreliable execution of processes by the external manager resulting in underperformance, incidents and a lack of transparency. This can lead to operational losses and reputational damage.

  Control measures
  Risks are managed by monitoring the documentation of the investment management agreements, assessment of the external managers by the portfolio managers and an annual assessment of the assurance reports of the auditors of the external manager, Fund Administrator (Citibank), PRC department and department Portefeuille Implementatie. This includes, amongst other things, checks of the performance by external managers (qualitative/quantitative), compliance breaches and fee notes. Portfolio managers continuously monitor the performance of the external managers on the basis of portfolio information, company news, attribution analyses and risk and return criteria. There is also a clear dismissal policy on the basis of qualitative and quantitative criteria.

The purpose of operational risk monitoring is to protect the investments of the customers of the fund manager, to ensure that customers are treated fairly and to ensure that the manager meets all his legal obligations. Risk monitoring also includes providing feedback to the company on the effectiveness of their operational management measures and comparing the current operational risk profile with the established risk tolerance. An important part is testing of internal controls to provide for an independent assessment of the adequacy of the design and the operational effectiveness of key operational management measures that have been established by the management. The outcome of this is reviewed by an independent auditor and reported in a ISAE3402 Type II statement. Furthermore, compliance of the policy of the fund manager and Aegon Group is monitored and any failures are reported to the responsible management.

Continuity management
The purpose of continuity management by the fund manager is to ensure the continuity of its activities, to establish trust, safeguarding of assets, to meet obligations, comply with the internal and external regulations and to prevent or mitigate damage and risk. The fund manager has taken measures to reduce the risk of a disruption of continuity to an acceptable level as much as possible.

The fund manager has taken measures to limit the risk of disruption to the continuity as much as possible to an acceptable level.

An acceptable level of risk is determined by striking a balance between the cost of risk mitigation measures and the value of the fund manager's assets. This will ensure that the fund manager maintains a prudent operational risk profile both under normal business conditions and under extreme circumstances resulting from unforeseen events.

Responsibility for the proper organization of continuity management has been assigned as part of the primary process. It is the responsibility of AIM's Operational Risk Management department to independently ensure that this responsibility is properly fulfilled and performed.

Risk awareness and embedding within the organisation
The fund manager is well aware of the attention directed towards demeanour and conduct in regards to the risk management and compliance, the so called soft controls.

The policy is aimed at the fund manager complying to the statutory, administrative and societal norms. This entails that a breach, or the appearance of a breach, of valid law and legislation can affect trust adversely:
- while performing financial services and the ensuing commitments towards customers of the fund manager;
- in the financial markets wherein the fund manager operates.

Compliance to the external regulations has additionally been given shape by the composition of internal regulations. The various regulations that apply to the fund manager and/or her employees, are listed on the intranet and are available to all employees.

The customer is the point of focus and the know-your-customer rules have already been applied with the fund manager before it was recorded in the legislation and the provision of information receives ample attention, for example in the form of tailored customer reports.

To maintain confidence in the financial markets, the fund manager handles various procedures that, as per example, are focused on avoiding conflicts of interest and to ensure that no customers with a heightened level of integrity risk (for example due to money laundering or the financing of terrorism) are being admitted.

The fund manager additionally handles the procedures that guarantee that (international) sanction laws are being met. Sanctions could, for example, relate to certain persons, whose assets need to be frozen or to which no financial services should be given. Sanctions could also entail that no investments are allowed to be made in certain areas and/or instruments. When new sanctions are being issued or current sanctions are being altered, the compliance department will forward this information as quickly as possible to the relevant departments that apply such alterations in the portfolios.

An important part of the organizational embedding of risk management and compliance is, among others, the raising of awareness in regards to the relevant law and regulations and the monitoring of processes and procedures. The integrity risk of the fund manager is being controlled through internal guidelines, pre-employment screening, codes of conduct, e-learning modules for all employees and measures in the customer acceptation process. The compliance role plays an important part in the creation of the desired degree of risk awareness.

Fraud Risk
The fund manager faces operational risks as a result of operational failures or external events, such as processing errors, inaccuracies, adverse employee behavior and non-compliance with laws and regulations. Internal fraud can cause significant financial and reputational damage. In addition, attention is paid to preventing and detecting external fraud committed by, for example, customers or third parties.

Fraud risk is limited by various control measures present in the first line, such as authorization checks, system-enforced checks on payments, reconciliation checks and the automated segregation of duties for payment systems. All these control measures are periodically tested and evaluated and further monitored by the involvement of the second line (ERM, PRM, PRC and Compliance) and the third line (Internal Audit).

Among other things, training sessions for employees and conducting due diligence with regard to customers and business partners can restrict fraud risk .

Both fraud risks are managed through the anti-fraud program that applies within Aegon Group to all Aegon entities, including AIM B.V. This program contains specific key requirements that serve as a handle for managing fraud risks. For example, all Aegon entities must determine their tolerance for fraud-related damages, record fraud incidents and report them internally, and have procedures in place to say goodbye to customers, business partners and employees who have committed fraud.

SIRA is performed every year by the various Aegon Group entities. Compliance participated in this exercise once more in 2023 on behalf of AIM B.V with the intention of identifying and managing integrity risks. In the 1st phase, the focus was on gaining insight into the exposure of AIM B.V. to such risks through its strategy, customers, culture, business partners and products. In the 2nd phase, the integrity risk was assessed and valued. This has resulted in the valuation of integrity risks without the existence of control measures (inherent risk) and with the existence of control measures as they work in practice (residual risk).

One integrity risk that Compliance assumes with relation to AIM B.V. is fraud risk which has been assessed and valued within the SIRA 2023. This was done on the basis of various scenarios such as:

- Unauthorized transactions;
- Accounting fraud;
- Theft of goods (internally related);
- Forgery, impersonation and fraudulent applications;
- Fraudulent claims;
- Fraudulent invoices and theft of goods (externally related).

The inherent risk associated with the four fraud categories and the related scenarios has been assessed as outside the risk tolerance in the context of the SIRA 2023. However, given the existing control measures and their effectiveness in practice, the remaining risks in all four fraud categories have been assessed as below or within the risk tolerance. The valuation took place along two axes (1) the degree of probability that the risk will occur (2) the degree of impact on, among other things, AAM NL's business operations if the risk occurs. Specific controls were not taken into account when assessing inherent risk. The assessment of the residual risk took into account the specific controls as existing and operating in practice.

These are some examples of control measures that AIM B.V. has been determined to implement during the SIRA 2022 by Compliance:

- three lines of defense framework in which the second and third line advise, challenge and monitor the first line, also in terms of fraud risk management;
- cooperation with reputable external parties as custodian and/or administrator as laid down in agreements for the funds under management;
- the existence of relevant policy documents such as Whistleblower Policy, Code of Conduct, Code of Ethics, and Conflicts of Interest Policy, the use of which is encouraged and reviewed;
- the existence of reporting and escalation procedures where Compliance can report and explain incidents, deficiencies, defects, etc. including recommendation for remedial measures;
- the written recording of responsibilities and powers that ensure separation of functions.

DUFAS

AIM has joined the Dutch Fund and Asset Management Association (DUFAS).

GIPS

Aegon Investment Management B.V. also voluntarily complies with the Global Investment Performance Standards (GIPS). This GIPS verification of the investment funds is carried out annually by an external accounting firm. This has been done since the year 2000 with a positive final assessment. Aegon Investment Management B.V. thus meets the obligations set by GIPS and this underlines the reliability of the performance measurement of our investment funds.

2.5. Notes on the remuneration policy

Remuneration Policy
For the remuneration policy AIM, being part of Aegon Ltd., is bound to the Aegon Group Global Remuneration Framework. This framework is designed in line with relevant laws and regulations, such as the Dutch law on remuneration policy for financial institutions and Solvency II. The Framework includes principles and guidelines for a careful, controlled and sustainable remuneration policy, that adheres to the strategic goals, HRM aspirations and core values of Aegon Ltd. This also meets the AIFMD requirements for the remuneration policy, including contributing to effective and efficient risk management and not encouraging taking more risks than allowed by the investment policy and fund terms and conditions. In situations of delegation of fund management after the AIFMD became effective, AIM monitors that the AIFMD or equivalent guidelines and restrictions for remuneration are in place. This framework is tested annually against laws and regulations, amended where necessary and presented to the Remuneration Committee of Aegon Group for approval. This body also monitors the remuneration of all AIM employees that have been designated as Material Risk Taker (MRT).

Transparency of remuneration rules in relation to the integration of sustainability risks
Alignment of the remuneration rules with sustainability risks is an important part of the AAM compensation program. AAM's global compensation rules encompass our global focus on integrating critical sustainability factors into multiple components of the variable compensation structure.
Performance indicators are a fundamental part of AAM's variable compensation program. In order to obtain an accurate representation of total performance from a long-term perspective, the remuneration rules contain limits on unadjusted financial performance indicators at both organizational and individual levels.

At the organizational level, the focus on sustainability is reflected by indicators that show the long-term sustainability of business results, including one, three and five year investment results, customer satisfaction and collaboration within and between teams.

Individual objectives ensure that all stakeholders have direct insight into how they contribute to AAM's strategy and sustainability goals. As an illustration, these indicators currently include components such as:

- A goal for all employees that includes core components of our culture, including accepting diversity of thought, demonstrating inclusive and respectful behavior, complying with company rules and successfully completing related training and adhering to risk management components.
- Professional objectives from an investor perspective including ensuring that ESG factors are considered in relation to each fund's risk and performance objectives while meeting responsibilities regarding client confidentiality.
- The board has individual goals regarding Inclusion & Diversity goals within the organization.

Our remuneration rules also outline management assessments that focus on risk alignment and the sustainability of business performance. Such assessments may result in a downward adjustment of variable remuneration elements. The assessments specifically include Bonus Malus provisions described in the remuneration rules.

Fixed remuneration
Fixed remuneration of AIM employees consists of the monthly salary, a flexible budget (including, among others, holiday allowance and 13th month allowance), pension allowance and other secondary employment terms that are customary in the Dutch market. AIM has different salary systems for employees under collective employment agreements (‘CAO gebonden posities’), portfolio managers and senior management positions. All three systems are reviewed annually on market conformity using various external market surveys on remuneration.

Variable remuneration
A selection of AIM employees is eligible for variable remuneration. This variable remuneration is an integral part of the total remuneration package. For the calculation of the annual budget for variable remuneration, a so called bonus pool method is used. This means that the size of the pool (in other words, the budget) is determined by comparing the actual results to the predetermined goals. This consists of a mix of long term and short term fund results, client satisfaction, profitability, sales figures, risk management and Aegon N.V. results. Granting of any variable remuneration, within the budget, is done based on individual performance. For granting of variable remuneration, based on the bonus pool and at individual level, the performance indicators consist for a maximum of 50% of non-risk adjusted financial performance indicators and for at least 50% of non-financial indicators.

In addition, employees that are not eligible for variable remuneration can, under strict conditions, be granted a variable remuneration.

Material Risk Taker (MRT)
On the basis of the AIFMD selection criteria, eleven internal positions have been qualified as MRT, of which seven are senior management positions. This concerns staff members of which professional activities have significant influence on the risk profile of AIM and/or the managed funds.

When qualifying for a certain fixed income and variable remuneration, no distinction is made between MRT and other employees. Different rules do, however, apply in the area of personal targets and payment of variable remuneration. The personal targets of Identified Staff are assessed in advance on the degree of risk control and are, where required, adjusted accordingly. In addition, in case of MRT variable remuneration is not paid in cash in one instalment. The initial 50% are paid directly in cash after the year of performance. The other 50% are paid directly in instruments, the so-called phantom shares. The phantom shares are subject to a holding period of three years. They are made available after that. Before each of these elements is paid, it is established whether there are still facts on the basis of which the variable remuneration should be adjusted downward. The phantom shares are linked to the fund performances of the main funds of the Manager. After allocation the shares are held for a year before they are settled and paid to the employee in cash.

Remuneration overview
The table below consists of the fixed remuneration (12 times the monthly salary, income tax, social security contributions, pension contributions and the flexible budget) and the variable remuneration granted to all employees and temporary employees of AIM in 2023. The amounts have been split to management, MRT and other employees.

Personnel compensation for the financial year 2023

Groups (amounts x € 1,000)	Number of personnel	FTE[(1)]	Fixed salary[(2)]	Variable remuneration
Board of directors	4	3	1,127	474
MRT	7	6	2,132	1,114
Other staff	425	385	45,245	5,415
Total AIM employees	**436**	**394**	**48,504**	**7,003**

Personnel compensation for the financial year 2022

Groups (amounts x € 1,000)	Number of personnel	FTE[(1)]	Fixed salary[(2)]	Variable remuneration
Board of directors	3	3	1,077	285
MRT	9	9	3,138	995
Other staff	457	393	42,972	4,667
Total AIM employees	**469**	**405**	**47,187**	**5,947**

[(1)] 1 FTE = 40 contractual hours per week
[(2)] This consists of twelve times the monthly salary and a fixed flexible budget (including, among others, holiday allowance and 13th month allowance).

The remuneration for the employees includes activities performed for Aegon Nederland N.V. Employees are not directly employed by or working exclusively for specific individual funds. The total remuneration has not been allocated to the individual funds, since the information required for this allocation is not readily available.

There are no employees for which the total remuneration is greater than 1 million euro.

The manager does not receive any compensation other than the predetermined management fee, which is a percentage of the net asset value. Therefore, there is no carried interest.

Delegated functions
In accordance with article 22 (2) (e) of the AIFMD, the manager is obligated to provide further details of the remuneration policy. This includes external parties to which portfolio management and risk management activities are delegated. For outsourcing relationships a proportionally effective remuneration policy is applicable. Aegon has, in accordance with AIFMD, tried to obtain the quantitative information from its external portfolio managers and risk managers. However, this information is not available at the required level. For a best estimate of the costs associated with the remuneration policy for these external portfolio managers and risk managers, we refer to the management fees charged. The management fees are disclosed in the annual report of the relevant Aegon funds.

2.6. Laws and regulations

The fund is subject to the regulatory supervision of the Dutch Act on Financial Supervision (Wet op het financieel toezicht).

The annual report is prepared in accordance with Title 9 of Book 2 of the Dutch Civil Code, the Dutch financial reporting standards (‘Richtlijnen voor de jaarverslaggeving’) and the Dutch Act on Financial Supervision (Wet op het financieel toezicht).

2.7. Voting policy and Responsible Investment Policy

Policy
Aegon Investment Management B.V. (AIM) is convinced that integrating Environmental, Social and Governance (ESG) aspects into the investment process contributes to a better risk-return profile of the investments. This is because a good ESG profile of the companies in the portfolio strengthens the robustness of the investment portfolio and can positively influence the investment return.

External managers are assessed on their ESG capabilities and practices. All managers are assessed and ESG performance and impact are monitored.

The policy is described in the Aegon Asset Management Responsible Investment Policy: Multi-Management Funds and formalized through the Fund's Terms & Conditions.

The Socially Responsible Investment policy consists of:
- Periodic screening of the companies invested in under the United Nations Global Compact Principles (UNGCP).
- Conducting a dialogue (engagement) with companies that do not comply with the UNGCP.
- Excluding companies based on specific criteria.
- Voting at shareholders' meetings as far as practicable.

In addition to the above instruments, AIM's portfolio managers and external asset managers also make a significant contribution to Socially Responsible Investment policy. The investments are periodically screened by AIM on ESG criteria based on independent research. AIM enters into discussions with the external asset manager about investments that do not perform well with regard to the ESG criteria.
A complete overview of the responsible investment policy as well as the Aegon Responsible Investment Report can be downloaded from the manager's website www.aegon.nl.

Company exclusion
The AIM exclusion list is updated and established annually. Changes to the exclusion list are processed in the contracts with the external managers. Compliance monitoring takes place daily on compliance with the exclusion list. The AIM exclusions list contains exclusions based on the following criteria:

- Controversial weapons based on the Controversial Weapons Radar (CWR) compiled by Sustainalytics. The following types are classified as controversial weapons: biological weapons, nuclear weapons, chemical weapons, anti-personnel mines, cluster munitions, depleted uranium and white phosphorus munitions (if controversial use).
- Companies involved in arms trade with countries:
    - Where an arms embargo by the UN Security Council, the US or the EU is in force, or any other relevant multilateral arms embargo;
    - That are part pf a war zone;
    - With a high risk for which the Dutch government applies a ‘presumption of denial’ when deciding on an export license.
- Coal mining companies that derive 5% or more of their turnover from the exploration, mining or refining of thermal coal. Companies that produce more than 20 million tons of thermal coal annually and are actively expanding exploration, mining or refining activities are also excluded, even if this is less than 5% of revenues.
- Companies that generate 5% or more of their revenue from thermal coal-fired electricity generation. Even if it represents less than 5% of revenues, businesses that have a coal-fired power generation capacity of more than 10 gigawatts and are actively expanding that capacity are also excluded.
- Companies that get 5% or more of their total oil-related production from tar sands. Pipeline operators who have significant involvement in the transportation of tar sands oil are also excluded
- Companies that derive 5% or more of their revenue from oil and gas exploration and production in offshore Artic regions.
- Tobacco companies. These are companies that generate more than 5% of their turnover from the production of tobacco and tobacco-related products.
- Companies that are non-compliant with UNGCP and have shown insufficient progress in the dialogue.
- Companies that earn 5% or more of their income from palm oil production and/or distribution.
- Companies that manage forests for wood production with FSC certification coverage from 75% or lower.
- Investments in Russian and Belarusian companies.

Country exclusion
Government bonds of a number of countries whose governments are subject to an arms embargo imposed by the United Nations Security Council, the United States or the European Union are excluded.

Sustainability
Funds within the scope of Article 8 or 9 of the SFDR
For each of the funds categorized as falling within de scope of Article 8 or 9 of the SFDR (as set out int the relevant appendix), the investment policy, as set out in the relevant appendix, describes how the fund promotes relevant ESG characteristics taking into account a wide range of environmental characteristics, including climate targets.

Information on the environmental or social characteristics of this financial product is available in the appendix (Periodic sustainability commentary of the relevant fund.

Other funds
Participants should note that in respect of each fund, other than those funds categorized as falling within the scope of Article 8 of the SFDR (as set out in the relevant appendix), the fund’s underlying investments do not take into account with the EU criteria for sustainable economic activities.

Information on the environmental or social characteristics of this financial product is available in the appendix (Periodic sustainability commentary of the relevant fund.

Voting
Equity funds vote globally and vote for all explanations why this is practically possible. As a result, the large number of votes AIM uses a specialized voting consultancy. This agency makes recommendations based on policy aimed at sustainability. For Dutch companies, the agency applies additional criteria that take into account the Dutch Corporate Governance Code, Dutch Stewardship Code and other relevant best practices. In principle, the recommendations are added. In exceptional cases, AIM may vote differently. AIM is transparent in this respect and the reasons are explained.

In order to avoid the appearance of a conflict of interest, voting at Aegon NV's shareholders' meetings will be waived, in accordance with the Aegon AM Active Ownership Policy and the Conflict of Interest Policy.

2.8. General outlook

Fixed income securities

Sovereign/Government Bonds and money market
Before 2024, we expect that the German 10-year interest rate will not fall much further. At the end of 2023, the 10-year yield fell almost 1 percentage point to below 2% and the market expected the ECB to quickly cut the policy rate. So far, the ECB has not explicitly discussed lowering interest rates and has even indicated that this is not discussed in its periodic meetings. Based on the short-term interest rate (3-month EURIBOR or ESTR), the market estimates that the ECB's policy rate will be reduced by 150 basis points from 4% to 2.5% in 2024. In 2025, the forward interest rate will fall further to almost 2%.

Given that inflation levels have fallen sharply from their peak in 2022, it is logical that the market is pricing in a decline in interest rates, but year-on-year price increases in the eurozone are not yet below 2% and the core inflation rate (the inflation rate that reflects price changes in more volatile goods such as energy and food) is still above 3% and is only gradually decreasing. There is a risk that inflation will increase again or stabilize at a higher level. The tightness on the labour market will continue given the current demographic situation and every price increase will therefore lead to higher wages. Economic growth in the euro zone is expected to be slightly higher in 2024 than in 2023, which could also have a downward effect on prices, but there are still many uncertainties about this. Europe is bordering on a mild recession and the current geopolitical tensions, especially in the Middle East and Asia, could cause supply-side shocks that would in turn lead to higher inflation, resulting in higher interest rates that would have to be held for longer.

What will also play a major role, especially in the first few months of 2024, is the enormous mountain of new government bond issues. Many European countries and EU supranational institutions face high fiscal deficits that must be covered by higher government debt. This, together with the fact that the ECB will be phasing out the purchase programs that were initiated during the COVID-19 pandemic, means that there will be enough bond supply.

Given the fact that the supply of bonds will increase and short-term interest rates will eventually fall, the term structure of the yield curve will eventually become more normal, with longer-term interest rates again being higher than short-term interest rates, thus creating a term premium. At the moment the curve is still very inverse. German Bubills that mature in 3 months have an interest rate of 3.75%. This is significantly higher than the interest on 30-year German government debt with an interest rate of 2.5%.

Corporate Bonds
We expect 2024 to be a moderately positive year for the corporate bond market.

Macro-economic growth prospects are limited by high energy costs and continued restrictive central bank policies. The labour market will remain favourable and purchasing power is supported by wage inflation and fiscal measures.

Although a mild recession may occur in 2024, we do not expect a significant deterioration in the creditworthiness of investment-grade bonds and expect positive returns for the full year.

High Yield Bonds
For high yield bonds, we are moderately optimistic for the first half of 2024. We see a slight economic recession for 2024, but lower inflation. Of the Central Banks, only the FED appears to be planning to cut interest rates next year. Interest rate cuts have not yet been discussed at the ECB. It is now clear that economic activity is declining and as the recession turns out to be deeper than expected, companies with high debts in particular will suffer and risk premiums for high yield bonds will rise.

It is encouraging that high yield companies are entering this (possible) recession in a good starting position. As a result, we expect that the financial difficulties can be limited and the number of bankruptcies will remain below the historical average.

Currently, the average return on high yield bonds is approximately 7%. That makes receiving annual coupons attractive. The average return could become lower if underlying interest rates fall, led by central banks. The result is rising bond prices.

For the issuance of new loans, we expect this to be low, but higher than 2023. The absolute level of the coupons is high, making it particularly unattractive for companies that have sufficient time or cash flow to finance, for example, expansions with debt. Partly for this reason, we believe that the market will remain in balance for the time being. However, because interest rates have already fallen, weaker companies may be able to refinance debt at lower costs than six months ago.

The number of bankruptcies is currently 3.8%. Moody's predicts a stable number of bankruptcies for 2024 between 3.5% and 4%. This is approximately the historical average. Given the current risk premium of 3.4%, we are currently still compensated for this prospect of bankruptcy risk, but this has decreased compared to the beginning of the year.

The Hague, 17 April 2024

The investment manager

Signed on behalf of Aegon Investment Management B.V. by:

O.A.W.J. van den Heuvel
D.F.R. Jacobovits de Szeged
W.H.M. van de Kraats
T.E.J.F. Stassen

3 Annual Report 2023 AEAM Core Eurozone Government Bond Fund

1 January 2023 through 31 December 2023

3.1. General information

Date of incorporation
The fund was established on 2 May 2000.

Profile
The fund is a fund for joint account (Dutch: “fonds voor gemene rekening”). The participations are only available to qualified investors (Dutch: “gekwalificeerde beleggers”) as defined in the Dutch Act on Financial Supervision (Dutch: “Wet op het financieel toezicht”).

Investment Policy
The fund invests, directly or indirectly, in euro-denominated government securities of countries in the Core Eurozone benchmark. The investment policy is aimed at adding value, for example by taking duration and yield curve positions and by means of an active country selection policy.

Objective
The investment policy is aimed at achieving a higher total return than the benchmark.

Sustainability policy
We confirm that the environmental and social characteristics as stated in the prospectus at the beginning of the reporting period for this fund have been met.

Information about the environmental or social characteristics of this financial product is available in the appendix (Periodic sustainability commentary AEAM Core Eurozone Government Bond Fund), including information to which environmental objectives the investments of this fund contribute and how and to what extent the investments take place in economic activities that take into account the EU criteria for environmentally sustainable economic activities as set out in the EU taxonomy (2020/852). The “do no significant harm” principle only applies to the investments underlying this financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining part of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Benchmark
ICE BAML Core Eurozone Government Bond Index (Customized).

Restrictions
Investment restrictions
The fund may invest in developed country government bonds, inflation-linked bonds, private loans and cash. The fund's freely available cash position must be between -5% and 5% of the fund's assets. Derivative financial instruments (derivatives): credit default swaps, fixed income futures, interest rate options, interest rate swaps, inflation swaps and forward exchange contracts are also allowed. In addition, the fund may use repo transactions.

Investment Strategies
The maximum off-benchmark position is 20% of the fund's assets. The off-benchmark positions may be invested in government-guaranteed loans from benchmark countries, agencies or supranationals.

Rating
The fund does not invest in government bonds with a rating lower than AA. If a rating limit is exceeded due to the downgrade of the status of a bond, those bonds will be sold as soon as possible, in the interest of the participants, but within a maximum period of 3 months. The purchase of these bonds is not permitted during this period. If a bond is upgraded and will be included in the benchmark in due course, the fund can anticipate this for a maximum of 3 months in the interest of the participants. The rating definition of the benchmark provider is seen as determining the rating of a bond.

Duration
The fund's duration may deviate from the benchmark by a maximum of plus or minus 2 years.

Counterparty
The minimum credit rating of counterparties for swaps is BBB.

Leverage
The permitted leverage, or the exposure resulting from using the permitted credit margin and/or entering into contracts in derivative financial instruments (in accordance with the method based on commitments made), is a maximum of 100% of the fund's assets. The permitted leverage, based on the gross method, is 300% of the fund's assets. These instruments (derivatives) are only used if this is in line with the realization of the fund objective, to hedge risks and/or for efficient portfolio management.

Short term deviations
Short term deviations from the above restrictions are possible due to large subscriptions to the fund or redemptions from the fund. Such deviations are brought back to the predetermined limits within a period of 10 business days.

Fiscal status
The fund is fiscally transparent, which means that the fund is not liable for corporate tax (or subject to any other tax on profits) and is not subject to dividend withholding tax. The assets, liabilities and results of the fund are directly allocated for tax purposes to the participants of the fund in proportion to their participation. Income or capital gains earned by a participant are regarded as income or capital gains made on the assets of the fund.

Dividend Policy
The fund does not distribute dividend. The earned income is reinvested.

3.2. Report of fund manager - investment policy

In 2023, the AEAM Core Eurozone Government Bond Fund achieved a return after costs of 6.48%. The fund achieved an outperformance of 0.77% on the benchmark, the ICE BAML Core Eurozone Government Bond Index (Customized), which achieved a return of 5.67%. The fund's investment policy focuses on additional returns by taking active positions compared to the benchmark. The fund has active duration, yield curve and country positions, based on the AEAM Quadrant approach.

The outcome of the AEAM quadrant model indicated a changing position that responds to the volatility in the market. Inflation fell but remained high and required central banks to raise interest rates further. During the year there were many times when the market expected interest rate increases to be stopped and interest rate cuts to follow, because further interest rate increases would throw the economy into a severe recession or cause extreme pressure in the financial system. Pricing and speculation about the severity and length of the recession again resulted in downward pressure on interest rates, especially after the banking crisis in March. During the year, in line with the model, we alternately held a short and a long duration position of varying size. Because the yield curve will flatten further in 2023 and the fund was positioned for further flattening of the yield curve, this curve position has been maintained. As the flattening became more and more extreme, this position was reduced and converted to a position for a steeper curve, by purchasing more short-term bonds and fewer long-term bonds. In country policy, an underweight has been maintained in Germany and France. This position was offset by an overweight in Austria, Belgium, Finland and supranational institutions. The positions in duration and especially curve position have contributed positively to the performance. Part of the performance was lost due to the fact that certain curve and spread positions had increasingly negative carry, such as the underweight in France. The interest rate on French bonds rose faster than that of German bonds, which resulted in positive performance, but maintaining this position for a long time due to the widening interest rate differential led to a lower interest accrual in the portfolio.

The fund is not exposed to currency risk, because all investments are denominated in euros. Since there is sufficient liquidity in the market to absorb deposits and withdrawals, the liquidity risk is also limited. The fund's main risk is interest rate risk, as fluctuations in interest rates affect the price of bonds. The interest rate risk increases with the term. The fund actively responds to expected interest rate changes and changes in the interest rate term structure, but the interest rate risk remains significant. The fund is also subject to market risk as there is an active secondary market for government bonds which influences the price of bonds. There is also a concentration risk: only a few governments account for a large part of the benchmark, and therefore of the portfolio.

The above risks have had a limited impact on the fund performance over the year 2023, with the exception of the interest rate risk. The falling interest rates resulted in a positive absolute performance. European country spreads widened against Germany at the beginning of the year, which benefited the underweight positions in the semi-core countries.

We expect continued high volatility in the interest rate market for 2024, with central banks starting to cut interest rates conditional on an improvement in the inflation picture, with consumer prices rising less rapidly. The yield curve, which has been flattened by the increase in the ECB's policy rate, will steepen again and the risk premium for countries with lower creditworthiness will partly decrease due to a decrease in the policy rate.

3.3. Key figures

Key figures	2023	2022	2021	2020	2019
Overview per participation[1]					
Changes in fair value	0.80	(2.99)	(0.53)	0.59	0.45
Total result	**0.80**	**(2.99)**	**(0.53)**	**0.59**	**0.45**
Management fee and other expenses	(0.03)	(0.03)	(0.04)	(0.04)	(0.04)
Net result	**0.77**	**(3.02)**	**(0.57)**	**0.55**	**0.41**
Net asset value (x € 1,000)	46,853	46,851	56,687	128,025	177,944
Outstanding number of participations	3,453,800	3,677,539	3,592,826	7,826,672	11,256,333
Net asset value per participation	13.57	12.74	15.78	16.36	15.81
Performance[2]					
Performance (net asset value)	6.48%	(19.26%)	(3.54%)	3.47%	3.86%
Performance benchmark	5.67%	(18.57%)	(3.44%)	3.80%	4.25%
Outperformance	0.77%	(0.84%)	(0.11%)		
Outperformance since inception	2.11%	1.33%	2.19%		
Annualised outperformance since inception	0.09%	0.06%	0.10%		

[1] Amounts per participation are based on the average number of participations during the year.
[2] The performance is the time weighted return after costs calculated on a daily basis. The outperformance figures are presented in 2021 for the first time, therefore no comparative figures included.

Financial statements Core Eurozone Government Bond Fund

3.4. Balance sheet as at 31 December

Balance Sheet (before appropriation of result) (amounts x € 1,000)	Reference	2023	2022
Assets			
Investments			
Investment funds		46,857	46,854
Total investments	3.7.2	**46,857**	**46,854**
Receivables			
Issue of participations		2,195	674
Total receivables		**2,195**	**674**
Total assets		**49,052**	**47,528**
Liabilities			
Net asset value			
Net assets before result		44,023	57,980
Result for the year		2,830	(11,129)
Total net asset value	3.7.4	**46,853**	**46,851**
Short term liabilities			
Outstanding transactions in financial instruments		2,023	665
Payables to credit institutions	3.7.5	8	9
Redemption of participations		164	-
Other payables and liabilities	3.7.6	4	3
Total short term liabilities		**2,199**	**667**
Total liabilities		**49,052**	**47,528**

3.5. Profit and loss statement

Profit and loss statement			
(amounts x € 1,000)	Reference	2023	2022
Investment result			
Realised investment results		(996)	1,896
Unrealised investment results		3,933	(12,913)
Total indirect result	3.7.8	**2,937**	**(11,017)**
Total investment result		**2,937**	**(11,017)**
Other results			
Subscription and redemption fee	3.7.9	2	8
Total other results		**2**	**8**
Operating expenses			
Management fee		(81)	(89)
Service fee		(28)	(31)
Total operating expenses	3.7.10	**(109)**	**(120)**
Net result		**2,830**	**(11,129)**

3.6. Cash flow statement

Cash flow statement			
(amounts x € 1,000)	Reference	2023	2022
Cash flow from investment activities			
Purchases of investments		(1,765)	(4,740)
Sales of investments		6,057	78,967
Management fee paid		(80)	(89)
Service fee paid		(28)	(31)
Net cash flow from investment activities		**4,184**	**74,107**
Cash flow from financing activities			
Subscriptions		1,799	5,241
Redemptions		(5,984)	(79,337)
Received subscription and redemption fees		2	8
Net cash flow from financing activities		**(4,183)**	**(74,088)**
Net cash flow		**1**	**19**
Cash and cash equivalents opening balance		(9)	(28)
Cash and cash equivalents closing balance	3.7.5	**(8)**	**(9)**

3.7. Notes to the financial statements

3.7.1 General

The accounting principles and the method of calculating the ratios are included in chapter 13.

Comparison with previous year
The principles used for valuation and determination of results have remained unchanged compared to the previous year.

Continuity
The fund's annual accounts have been prepared on a going concern basis. This is based on the reasonable assumption that the fund is, and will be, able to continue its activities for the foreseeable future.

3.7.2 Investments

Movement schedule of investments		
(amounts x € 1,000)	2023	2022
Investment funds		
Opening balance	46,854	56,323
Purchases	3,123	5,405
Sales	(6,057)	(3,857)
Revaluation	2,937	(11,017)
Closing balance	**46,857**	**46,854**

The distribution of the investment portfolio according to the method of valuation is shown below:

Investments by valuation method		
(amounts x € 1,000)	2023	2022
Derived from quoted market prices	46,857	46,854
Closing balance	**46,857**	**46,854**

3.7.3 Risks with respect to financial instruments

This paragraph shows the important risks associated with the investments of the fund.

Price risk
Price risk can be divided into:
- Currency risk is the risk that the value of a financial instrument will fluctuate as a result of changes in exchange rates;
- Market risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices, either caused by factors that exclusively apply to the individual instrument or the issuer thereof or by factors that influence all instruments that are traded in the market;
- Interest rate risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market interest rates.

The concept of price risk does not only comprise possibility of losses but also the possibility of gains.

Currency risk
There is no active currency policy. The fund mainly has investments in its portfolio that are quoted in euros. As a result, the fund is not exposed to significant currency risk.

Market risk
The fund only has investments in Aegon Investment Funds that invest in Europe. As a result, the fund is indirectly exposed to significant market risk.

Portfolio overview				
(amounts x € 1,000)	2023		2022	
Investment	**Amount**	**% of NAV**	**Amount**	**% of NAV**
AEGON Obligaties Euro Pool	46,857	100.0	46,854	100.0
Total as at 31 December	**46,857**	**100.0**	**46,854**	**100.0**

Interest rate risk
The fund invests indirectly through the underlying investment funds in fixed-income financial instruments and bond futures and is therefore indirectly exposed to significant interest rate risk.

Cash flow risk
Cash flow risk is the risk that future cash flows of a monetary financial instrument will fluctuate in size.

The fund does not invest in financial instruments with variable interest rates and is therefore not exposed to significant cash flow risk.

Credit risk
Credit risk is the risk that counterparties of investments cannot meet their obligations, causing the fund to incur a financial loss.

The amount that best represents the maximum credit risk of the fund is € 2,195,000 (2022: € 674,000). Including the financial instruments sensitive to credit risk in the underlying investment funds, the amount that best reflects the maximum credit risk of the fund is € 49,052,000 (2022: € 47,528,000).

The fund invests in financial instruments that are sensitive to credit risk and are therefore exposed to significant credit risk.

Liquidity risk
Liquidity risk, also known as 'funding risk', is the risk that the fund is not able to meet the financial obligations associated with its financial instruments or redemptions by participants. Liquidity risk can, among others, occur from the inability to sell a financial asset in the short term for (an amount close to) its fair value.

The participations of the fund are traded on a daily basis. The fund invests in freely tradable listed securities through its underlying funds. As a result, the fund is not exposed to a significant liquidity risk.

3.7.4 Net asset value

Movement schedule net asset value		
(amounts x € 1,000)	2023	2022
Net asset value participants		
Opening balance	46,851	56,687
Subscriptions	3,320	5,092
Redemptions	(6,148)	(3,799)
Closing balance	**44,023**	**57,980**
Net result for the year	**2,830**	**(11,129)**
Total net asset value as at 31 December	**46,853**	**46,851**

Movement schedule of participations	2023	2022
Opening balance	3,677,539	3,592,826
Subscriptions	248,949	352,189
Redemptions	(472,688)	(267,476)
Closing balance	**3,453,800**	**3,677,539**

Historical summary	2023	2022	2021
Net asset value (X € 1,000)	46,853	46,851	56,687
Number of participations outstanding (units)	3,453,800	3,677,539	3,592,826
Net asset value per participation in €	13.57	12.74	15.78
Performance (net asset value)	6.48%	(19.26%)	(3.54%)

3.7.5 Payables to credit institutions

The debts to credit institutions consist of short-term debts in current account with the banker of the fund.

3.7.6 Other payables

Other payables (amounts x € 1,000)	2023	2022
Management fee payable	3	2
Service fee payable	1	1
Total as at 31 December	**4**	**3**

3.7.7 Profit and loss statement

The accounting principles and the method of calculating the ratios are included in chapter 13.

3.7.8 Indirect result

Changes in fair value of investments (amounts x € 1,000)	2023	2022
Realised price- and currency gains investment funds	-	2,194
Realised price- and currency losses investment funds	(996)	(298)
Unrealised price- and currency gains investment funds	3,933	-
Unrealised price- and currency losses investment funds		(12,913)
Total as at 31 December	**2,937**	**(11,017)**

3.7.9 Subscription and redemption fee

The subscription and redemption fees are 0.02% of the transaction amount. The fees charged are entirely to the benefit of the fund.

3.7.10 Costs and fees

Transaction costs (amounts x € 1,000)	2023	2022
Investment funds	2	8
Total transaction costs within the fund	**2**	**8**

Management fee
The annual management fee amounts to 0.17%.

Service fee
The fund manager charges a service fee to the fund. The service fee serves as compensation for costs such as costs of regulators, custody costs, auditors' fees, legal- and consultant fees, incorporation costs, administration fees and marketing- and communication costs.

The accountant's costs for the audit of the annual accounts and any tax advice and other non-audit services are paid by the manager from the service fee. These costs cannot be allocated individually to the investment funds under management. Therefore, no further division has been made.

The service fee is 0.06% per year on the fund's assets up to € 250 million. A service fee of 0.05% applies to the fund assets of €250 million to €750 million. A service fee of 0.04% applies to fund assets above € 750 million.

Ongoing Charges Figure (OCF)
The overview below shows the costs during the year:

OCF		
(amounts x € 1,000)	2023	2022
Average net asset value	47,246	51,939
Total costs within the fund including fee sharing agreements	109	120
Accrued costs underlying Aegon investment funds	3	3
Total costs	**112**	**123**
OCF	**0.24%**	**0.24%**

Turnover Ratio (TR)
The TR gives an indication of the turnover of the fund's investment portfolio by providing insight in the extent to which the fund manager actively changes the investment portfolio based on his investment decisions.

TR		
(amounts x € 1,000)	2023	2022
Purchases of investments	3,123	5,405
Sales of investments	6,057	3,857
Total investment transactions	**9,180**	**9,262**
Subscriptions	3,156	5,092
Redemptions	5,984	3,799
Total movements in participations	**9,140**	**8,891**
Average net asset value	47,246	51,939
TR	**0**	**1**

Other notes
The other notes are an integral part of the financial statements and are included in chapter 14.

3.7.11 Events after balance sheet date

There are no subsequent events after balance sheet date that require further explanation.

4 Annual Report 2023 AEAM Strategic Liability Matching Fund

1 January 2023 through 31 December 2023

4.1. General information

Date of incorporation
The fund was established on 1 August 2005.

Profile
The fund is a fund for joint account (Dutch: "fonds voor gemene rekening"). The participations are only available to qualified investors (Dutch: "gekwalificeerde beleggers") as defined in the Dutch Act on Financial Supervision (Dutch: "Wet op het financieel toezicht").

Investment Policy
The objective of the fund is to hedge the interest rate risk for a pension fund in an efficient way as part of the fixed income portfolio. The fund uses interest rate swaps to raise the interest rate sensitivity and therefore has a substantial leverage ratio which results in a higher volatility of the participation value compared to an average fixed income fund. The fund uses collateral as a buffer to manage the counterparty risk. Strong movements in the participation value may result in capital contributions from the participants or capital distributions made available from the other components of the investment portfolio.

Objective
The objective of the fund is to hedge the market interest rate risk of the liabilities of an average Dutch pension fund. By hedging the interest rate risk, the change in value of the total fixed income portfolio is aligned with the change in value of pension liabilities. The average pension liabilities and investments are based on data from the Dutch Central Bank (DNB). More information can be obtained from the fund manager, a brochure is also available.

Sustainability policy
The investments underlying this financial product do not take the EU criteria regarding environmentally and sustainable economic activities into account.

Benchmark
The fund uses a benchmark to control the fund's interest rate sensitivity, but does not use this benchmark for performance purposes.

Restrictions
Investment restrictions
The fund may invest in derivative financial instruments (derivatives), government bonds of developed countries and cash and cash equivalents. Allowable derivative financial instruments (derivatives) are: interest rate swaps and fixed income futures. In addition, the fund may engage in repurchase transactions. The fund's cash position must be between -50% and 100% of the net asset value. Any deviation is corrected within a period of three days.

Management of interest rate sensitivity
The fund has a benchmark for the management of interest rate sensitivity. This benchmark is based on data from DNB. The desired interest rate sensitivity per unit can be determined with this benchmark. This applies both to the overall interest rate sensitivity as well as to the interest rate sensitivity of different segments of the yield curve. The total interest rate sensitivity of the fund may not exceed 2.5% from the benchmark. When exceeding this limit, for example due to large inflow or outflow into or out of the fund, corrective measures must be taken within three business days to comply with this limit. A maximum deviation of 1.5% is allowed for maturity buckets up to five years compared to the total interest rate sensitivity to the benchmark. The maximum deviation for duration buckets greater than or equal to 10 years is 5%. When exceeding one or more of these limits for the different durations, for example, due to large increases or outflow into or out of the fund, corrective measures must be taken within one month to comply with these limits.

Buffer
The fund holds a buffer as collateral for the derivative positions. The buffer is invested in accordance with the policy of the AEAM Core Eurozone Government Bond Index Fund.

Capital contributions and distributions
The value of a participation is highly dependent on the market interest rates. This results in a high volatility of the net asset value per participation. The value of the participation has an upper and lower limit on the end of the month and an additional lower limit intra month. If the value of a participation is above or below these limits, respectively a distribution or contribution is made to match the reference value. The reference value is between the lower and upper limit. In such case, the participation value is decreased or increased within two working days to match the new reference value.

Rating
The fund will invest in bonds with a minimum rating of AA. After a breach of a rating limit due to the downgrade of a bond, the bonds will (in the best interest of the participants) be sold as soon as possible but no later than 3 months after the downgrade event. In such a situation, these bonds cannot be purchased when they continue exceeding the limit. If the rating of a bond is upgraded and in time will be included in the benchmark, the fund can, in the interest of the participants, take positions in the bond up to 3 months before it is included in the benchmark. The rating definition of the benchmark provider is determined for the rating of a bond.

Counterparty
The minimum credit rating of counterparties for swaps is BBB. If a rating limit is exceeded due to a downgrade of a counterparty, the swaps must be sold within 6 months. A maximum of 25% of the total interest rate sensitivity of the swaps may be invested with a single counterparty.

Leverage
The permitted leverage, i.e. the exposure resulting from using the permitted credit facility and/or entering into contracts in derivative financial instruments (in accordance with the method based on commitments made), is a maximum of 2,000% of the fund's assets. The permitted leverage, based on the gross method, is 4,500% of the fund's assets. These instruments (derivatives) are only used if this is in line with the realization of the fund objective, to hedge risks and/or for efficient portfolio management.

Short term deviations
Short-term deviations from the above restrictions are possible as a result of large entry into or exit from the fund. Such deviations will be brought back within the established limits within a period of 1 month (unless otherwise stated).

Fiscal status
The fund has obtained the status of an exempt investment institution and is therefore completely exempt from Dutch corporate income tax on the results achieved by that fund. The exemption is subject to certain conditions, including the type of investments. In addition, the fund must, for example, also invest with the principle of risk spreading and the fund must invest for several participants.

A fund with the status of an exempt investment institution cannot, in principle, make a claim under Dutch double taxation treaties. If foreign withholding tax is withheld from the fund's investments, it will generally not be recoverable.

The fund is exempt from withholding dividend tax on distributions to participants.

Dividend Policy
The fund does not distribute dividend. The earned income is reinvested.

4.2. Report of fund manager - investment policy

The AEAM Strategic Liability Matching Fund aligns the interest rate sensitivity of pension funds' investments with the interest rate sensitivity of the liabilities. The fund is managed monthly based on a variable interest rate sensitivity per participation.

Year-on-year, the fixed interest rate on 25-year Euribor swaps remained relatively unchanged at around 2.4%. Swap rates rose to a peak of 3.4% during the year before declining significantly by almost 100 basis points in November and December as the market began to price in ECB rate cuts. The value of the participations - including distributions and additional contributions - remained the same year on year. This is because the swap interest rate at the end of the year was back at the same level as at the beginning of the year. The further flattening of the curve and positive carry of the curve position in the fund helped maintain the value of the fund. The value development, including additional contributions and disbursements, moved well with the pension obligations of the participants. As interest rates rose rapidly at the beginning of the year, as the central bank aggressively raised rates to tackle massive inflation, several additional deposits took place. This happened three times, namely in April, August and September. Interest rates fell sharply in November, which also resulted in a disbursement.

The portfolio managers are bound by the restrictions imposed by the mandate on counterparties and the portfolio composition. Risk managers assess compliance with these restrictions. The fund is not exposed to currency risk, because all investments are denominated in euros. The liquidity risk is limited, because there is sufficient liquidity in the market to absorb deposits and withdrawals. The credit risk is also limited: although there is a risk that the counterparty in a swap cannot meet its obligations, collateral agreements limit this risk. In addition, the bonds in the fund are government bonds, the credit risk of which is limited.

In principle, the aim of the fund is to have a higher interest rate risk. Customers enter the fund to cover the interest rate risk of their obligations by taking on a high interest rate risk. On average, when interest rates rise, the value of the fund falls, but the liabilities decrease in value at the same or faster rate, vice versa, the fund increases in value when interest rates fall, thereby covering the customer's risk of increased value of the liabilities. This is done through interest rate swaps (especially receiver swaps, for which increasing interest rates decrease the value of the swap) which are inherently leveraged. Hedging the risks of interest rate swaps is done by maintaining a buffer, both at the clearing house (where collateral is paid and received, which reduces the concentration risk) and in the fund itself where bonds are managed that can be used to meet collateral calls. There is also a buffer outside the fund, which customers are required to enter. These are other fixed-income securities or funds and if the Strategic Liability Matching Fund is short of money to meet the margin calls due to sharply rising interest rates, an internal mechanism has been set up whereby a margin call is made internally and the participations in other fixed-income values and funds are sold for the customer and this is supplied to the Strategic Liability Matching Fund as additional collateral. The portfolio is rebalanced at least once a year (closing existing swaps and entering into new “at-the-money” swaps), which also reduces the interest rate risk (specifically the spread risk of different interest rates). All these risks are monitored daily by making a daily printout of the interest rate sensitivity (DV01) of the fund relative to the benchmark and keeping track of the cash and collateral positions. Furthermore, the portfolio managers also monitor the swap market daily to see what the current interest rates are and their impact on the fund.

The above-mentioned risks have had a low impact on the fund performance over the year 2023, with the exception of the interest rate risk. To combat the enormous inflation, the ECB raised interest rates sharply, causing interest rates to rise sharply during the year. At the end of 2023, interest rates fell significantly, ultimately returning to the level at the beginning of 2023.

We expect continued high volatility in the interest rate market for 2024, with central banks starting to cut interest rates conditional on an improvement in the inflation picture, with consumer prices rising less rapidly.

4.3. Key figures

Key figures	2023	2022	2021	2020	2019
Overview per participation[3]					
Changes in fair value	(950.37)	(30,001.46)	(11,248.20)	13,137.22	12,990.90
Investment result	4,886.51	2,232.44	1,316.35	1,901.19	1,351.72
Other results	24.67	14.25	14.41	15.53	8.94
Total result	**3,960.81**	**(27,754.77)**	**(9,917.44)**	**15,053.94**	**14,351.56**
Management fee and other expenses	(4,769.29)	(1.508.43)	(260.39)	(1,147.54)	(397.42)
Net result	**(808.48)**	**(29,263.20)**	**(10,177.83)**	**13,906.40**	**13,954.14**
Net asset value (x € 1,000)	1,000,280	1,284,558	1,917,896	2,482,552	1,652,190
Outstanding number of participations	55,708	73,524	72,096	70,410	68,812
Net asset value per participation	17,955.84	17,471.17	26,601.77	35,258.51	24,010.38
Performance[4]					
Performance (net asset value)	(41.99%)	(82.98%)	(30.04%)	46.85%	56.64%

[3] Amounts per participation are based on the average number of participations during the year.
[4] The performance is the time weighted return after costs calculated on a daily basis.

Financial statements AEAM Strategic Liability Matching Fund

4.4. Balance sheet as at 31 December

Balance Sheet			
(before appropriation of result) (amounts x € 1,000)	Reference	2023	2022
Assets			
Investments			
Bonds		712,701	1,277,134
Call money		422,168	53,217
Futures		2,507	-
Interest rate swaps		376,072	184,930
Total investments	4.7.2	**1,513,448**	**1,465,281**
Receivables			
Issue of participations		5,707	14,131
Collateral receivables		7,922	515,156
Other receivables	4.7.4	153,130	27,685
Total receivables		**166,759**	**556,972**
Other assets			
Cash and cash equivalents		-	7
Total other assets		**-**	**7**
Total assets		**1,680,207**	**2,022,260**
Liabilities			
Net asset value			
Net assets before result		1,061,805	3,408,178
Result for the year		(61,525)	(2,123,620)
Total net asset value	4.7.6	1,000,280	**1,284,558**
Investments			
Futures		6,364	-
Interest rate swaps		333,280	733,103
Repo’s		93,502	-
Total investments	4.7.2	**433,146**	**733,103**
Short term liabilities			
Payables to credit institutions	4.7.7	468	-
Redemption of participations		5,241	4,448
Collateral payable		82,932	-
Other payables and liabilities	4.7.8	158,140	151
Total short term liabilities		**246,781**	**4,599**
Total liabilities		**1,680,207**	**2,022,260**

4.5. Profit and loss statement

Profit and loss statement			
(amounts x € 1,000)	Reference	2023	2022
Direct result			
Interest bonds		29,806	37,326
Interest repo's		-	1,551
Interest rate swaps		324,127	122,881
Interest call money		7,678	241
Interest bank accounts		10,245	8
Total direct result		**371,856**	**162,007**
Realised changes in values of investments	4.7.10	(800,586)	(1,611,256)
Unrealised changes in values of investments		728,264	(565,939)
Total indirect result		**(72,322)**	**(2,177,195)**
Total investment result		**299,534**	**(2,015,188)**
Other results			
Subscription and redemption fee	4.7.11	1,873	994
Other results		4	40
Total other results		**1,877**	**1,034**
Operating expenses			
Management fee		(7,012)	(6,040)
Service fee		(114)	(108)
Transactions costs derivatives		(1,052)	(1,916)
Interest swaps		(348,572)	(100,712)
Interest repo's		(5,996)	-
Interest bank accounts		(35)	(690)
Other expenses		(155)	-
Total operating expenses	4.7.12	**(362,936)**	**(109,466)**
Net result		**(61,525)**	**(2,123,620)**

4.6. Cash flow statement

Cash flow statement			
(amounts x € 1,000)	Reference	2023	2022
Cash flow from investment activities			
Purchases of investments		(943,160)	(3,071,351)
Sales of investments		891,665	1,617,650
Net receipts/(payments) for call money transactions		(368,951)	295,532
Net receipts/(payments) for collateral		590,166	(396,480)
Interest received		246,411	194,820
Received other gains		4	40
Management fee paid		(7,007)	(5,970)
Service fee paid		(116)	(103)
Interest paid		(196,617)	(101,402)
Other expenses paid		(1,207)	(1,916)
Net cash flow from investment activities		**211,188**	**(1,469,180)**
Cash flow from financing activities			
Contributions		287,563	1,454,144
Disbursements		(221,091)	-
Subscriptions		328,781	316,942
Redemptions		(608,789)	(302,893)
Received subscription and redemptions fees		1,873	994
Net cash flow from financing activities		**(211,663)**	**1,469,187**
Net cash flow		**(475)**	**7**
Cash and cash equivalents opening balance		7	-
Cash and cash equivalents closing balance	4.7.5	**(468)**	**7**

4.7. Notes to the financial statements

4.7.1 General

The accounting principles and the method of calculating the ratios are included in chapter 13.

Comparison with previous year
The principles used for valuation and determination of results have remained unchanged compared to the previous year.

Continuity
The fund's annual accounts have been prepared on a going concern basis. This is based on the reasonable assumption that the fund is, and will be, able to continue its activities for the foreseeable future.

4.7.2 Investments

Movement schedule of investments		
(amounts x € 1,000)	2023	2022
Bonds		
Opening balance	1,227,134	1,996,730
Purchases	185,275	1,188,309
Sales	(716,434)	(1,568,852)
Revaluation	16,726	(389,053)
Closing balance	**712,701**	**1,227,134**
Call money		
Opening balance	53,217	348,749
Net amount for transactions in call money	368,951	(295,532)
Closing balance	**422,168**	**53,217**
Futures		
Opening balance	-	59
Sales and expiry of position	6,930	(10,886)
Revaluation	(10,787)	10,827
Closing balance	**(3,857)**	**-**
Repo's		
Opening balance	-	(512,369)
Settlement of positions	(93,502)	512,369
Closing balance	**(93,502)**	**-**
Interest rate swaps		
Opening balance	(538,173)	(119,877)
Opening positions	11,829	1,370,673
Sales and expiry of position	657,397	-
Revaluation	(78,261)	(1,798,969)
Closing balance	**42,792**	**(548,173)**

The distribution of the investment portfolio according to the method of valuation is shown below:

Investments by valuation method		
(amounts x € 1,000)	2023	2022
Derived from quoted market prices	1,037,510	1,280,351
Other methods	42,792	(548,173)
Closing balance	**1,080,302**	**732,178**

The investment portfolio at year-end contains the following derivatives:

Futures

(amounts x € 1,000)

Description	Expiration date	Number	Exposure value	Contract value	Fair value
EURO-OAT FUTURE	07-03-2024	434	57,075	55,395	1,680
EURO-SCHATZ FUT	07-03-2024	441	46,986	46,765	221
EURO-BOBL FUTURE	07-03-2024	373	44,491	43,885	606
EURO-BUXL 30Y BND	07-03-2024	(311)	(44,075)	(40,990)	(3,085)
EURO-BUND FUTURE	07-03-2024	(896)	(122,949)	(119,670)	(3,279)
Total as at 31 December			**(18,472)**	**(14,615)**	**(3,857)**

Interest rate swaps

(amounts x € 1.000)

Counterparty	Maturity date	Nominal Value	Fixed Rate %	L/S	Floating Rate %	L/S	Value Fixed %	Value Floating %	Market Value
JPM AG CM	25-04-2025	1,922,800	3.5540%	S	4.0960%	L	(1,936,801)	1,931,459	(5,342)
JPM AG CM	25-04-2028	1,018,300	3.1290%	S	4.0960%	L	(1,054,908)	1,028448	(26,460)
BofA	25-04-2028	1,018,400	3.1290%	S	4.0960%	L	(1,055,012)	1,028,549	(26.463)
JPM AG CM	25-04-2033	424,600	3.0330%	S	4.0960%	L	(449,567)	431,435	(18,132)
BofA	25-04-2038	510,500	3,0350%	L	4.0960%	S	545,212	(518,075)	27,137
JPM AG CM	25-04-2043	194,100	2.8980%	L	4.0960%	S	206,681	(196,028)	10,653
BofA	25-04-2043	582,400	2.8980%	L	4.0960%	S	620,149	(588,184)	31,965
JPM AG CM	25-04-2048	384,700	2.7360%	L	4.0960%	S	407,939	(387,334)	20,605
BofA	25-04-2048	384,800	2.7360%	L	4.0960%	S	408,045	(387,435)	20,610
JPM AG CM	25-04-2053	350,800	2.5930%	L	4.0960%	S	369,961	(352,138)	17,823
BofA	25-04-2053	350,900	2.5930%	L	4.0960%	S	370,067	(352,238)	17,829
JPM AG CM	25-04-2058	343,600	2.4750%	L	4.0960%	S	360,268	(343,915)	16,353
BofA	25-04-2058	343,700	2.4750%	L	4.0960%	S	360,373	(344,015)	16,358
JPM AG CM	25-04-2063	650,100	2.3760%	L	4.0960%	S	677,887	(647,731)	30,156
BofA	25-04-2063	650,200	2.3760%	L	4.0960%	S	677,991	(647,831)	30,160
JPM AG CM	6-06-2063	20,700	2.4314%	L	3.9450%	S	21,886	(20,614)	1,272
JPM AG CM	9-06-2053	16,200	2.6868%	L	3.9480%	S	17,410	(16,255)	1,155
JPM AG CM	9-06-2043	22,000	2.9588%	L	3.9480%	S	23,639	(22,207)	1,432
JPM AG CM	4-07-2063	30,600	2.3657%	L	3.9000%	S	31,848	(30,460)	1,388
BofA	14-07-2053	25,500	2.7867%	L	3.9550%	S	27,952	(25,577)	2,375
BofA	11-08-2048	30,300	2.8737%	L	3.9270%	S	32,935	(30,481)	2,454
BofA	24-08-2063	21,900	2.6777%	L	3.9510%	S	24,559	(21,799)	2,760
BofA	22-09-2058	27,700	2.8647%	L	4.0700%	S	31,622	(27,710)	3,912
JPM AG CM	3-10-2063	36,100	2.8972%	L	4.1250%	S	42,541	(35,948)	6,593
JPM AG CM	3-10-2063	36,200	2.8837%	L	4.1250%	S	42,533	(36,048)	6,485
JPM AG CM	3-10-2063	36,100	2.8927%	L	4.1250%	S	42,499	(35,948)	6,551
JPM AG CM	3-10-2063	36,000	2.8942%	L	4.1250%	S	42,395	(35,849)	6,546
JPM AG CM	4-10-2053	45,900	3.1728%	S	4.1380%	L	(54,106)	46,064	(8,042)
JPM AG CM	4-10-2063	23,500	3.0133%	S	4.1380%	L	(28,395)	23,402	(4,993)
JPM AG CM	5-10-2048	18,500	3.3497%	L	4.1280%	S	21,748	(18,621)	3,127
JPM AG CM	5-10-2053	19,100	3.2342%	L	4.1280%	S	22,762	(19,167)	3,595
JPM AG CM	5-10-2063	36,600	3.0462%	L	4.1280%	S	44,535	(36,446)	8,089
JPM AG CM	10-10-2053	27,200	3.1917%	L	4.1130%	S	32,172	(27,295)	4,877
JPM AG CM	10-10-2043	28,700	3.4517%	L	4.1130%	S	33,088	(28,971)	4,117

Interest rate swaps

(amounts x € 1,000)

Counterparty	Maturity date	Nominal Value	Fixed Rate %	L/S	Floating Rate %	L/S	Value Fixed %	Value Floating %	Market Value
Continued									
JPM AG CM	10-10-2063	41,000	2.9992%	L	4.1130%	S	49,397	(40,827)	8,570
JPM AG CM	26-09-2043	29,800	3.2980%	S	4.0820%	L	(33,634)	30,078	(3,556)
JPM AG CM	26-09-2053	48,600	3.0680%	S	4.0820%	L	(56,203)	48,762	(7,441)
JPM AG CM	26-09-2043	29,800	3.2980%	S	4.0820%	L	(33,634)	30,078	(3,556)
JPM AG CM	26-09-2053	48,600	3.0680%	S	4.0820%	L	(56,203)	48,762	(7,441)
JPM AG CM	26-09-2063	24,400	2.8980%	S	4.0820%	L	(28,755)	24,294	(4,461)
JPM AG CM	26-09-2063	24,400	2.8980%	S	4.0820%	L	(28,755)	24,294	(4,461)
JPM AG CM	26-09-2063	24,500	2.8980%	S	4.0820%	L	(28,873)	24,394	(4,479)
JPM AG CM	16-10-2053	26,600	3.0660%	L	4.1210%	S	30,761	(26,694)	4,067
JPM AG CM	16-10-2063	38,600	2.8693%	S	4.1210%	L	(45,219)	38,439	(6,780)
JPM AG CM	16-10-2058	24,100	2.9643%	S	4.1210%	L	(28,086)	24,114	(3,972)
BofA	18-10-2048	24,200	3.2133%	S	4.1030%	L	(27,849)	24,358	(3,491)
BofA	18-10-2058	19,300	2.9993%	S	4.1030%	L	(22,652)	19,311	(3,341)
BofA	20-10-2038	44,700	3.5377%	S	4.1430%	L	(50,556)	45,350	(5,206)
BofA	20-10-2025	357,700	3.8260%	L	4.1430%	S	364,798	(359,562)	5,236
BofA	2-11-2028	123,300	3.2700%	S	4.0920%	L	(129,096)	124,666	(4,430)
BofA	2-11-2043	35,700	3.3732%	L	4.0920%	S	40,733	(36,035)	4,698
BofA	20-11-2063	58,400	2.6550%	S	4.0710%	L	(65,218)	58,154	(7,064)
BofA	20-11-2063	40,000	2.6603%	S	4.0710%	L	(44,724)	39,832	(4,892)
JPM AG CM	20-11-2028	367,900	3.0560%	L	4.0710%	S	381,799	(372,039)	9,760
BofA	20-11-2043	125,000	3.0730%	S	4.0710%	L	(136,810)	126,178	(10,632)
JPM AG CM	20-11-2043	139,500	3.0800%	L	4.0710%	S	152,833	(140,815)	12,018
JPM AG CM	20-11-2058	203,000	2.7557%	S	4.0710%	L	(226,719)	203,121	(23,598)
BofA	20-11-2053	124,100	2.8460%	S	4.0710%	L	(137,816)	124,540	(13,276)
JPM AG CM	20-11-2053	224,500	2.8505%	L	4.0710%	S	249,527	(225,297)	24,230
BofA	20-11-2063	40,000	2.6613%	S	4.0710%	L	(44,735)	39,832	(4,903)
JPM AG CM	20-11-2053	124,100	2.8460%	S	4.0710%	L	(137,816)	124,540	(13,276)
BofA	20-11-2043	125,100	3.0730%	S	4.0710%	L	(136,920)	126,279	(10,641)
BofA	20-11-2063	58,400	2.6550%	S	4.0710%	L	(65,218)	58,154	(7,064)
JPM AG CM	20-11-2043	125,000	3.0730%	S	4.0710%	L	(136,810)	126,178	(10,632)
JPM AG CM	20-11-2048	118,500	2.9627%	S	4.0710%	L	(130,943)	119,280	(11,663)
JPM AG CM	20-11-2038	131,100	3.1617%	S	4.0710%	L	(142,238)	133,010	(9,228)
BofA	20-11-2063	32,000	2.6782%	S	4.0710%	L	(35,927)	31,865	(4,062)
BofA	20-11-2053	124,100	2.8460%	S	4.0710%	L	(137,816)	124,540	(13,276)
BofA	20-11-2063	40,000	2.6623%	S	4.0710%	L	(44,745)	39,832	(4,913)
JPM AG CM	20-11-2048	59,200	2.9608%	S	4.0710%	L	(65,395)	59,590	(5,805)
JPM AG CM	20-11-2063	58,300	2.6550%	S	4.0710%	L	(65,106)	58,054	(7,052)
BofA	23-11-2048	30,000	2.9088%	S	4.0700%	L	(32,852)	30,197	(2,655)
BofA	23-11-2048	29,900	2.9097%	S	4.0700%	L	(32,748)	30,096	(2,652)
JPM AG CM	23-11-2063	28,200	2.5998%	S	4.0700%	L	(31,092)	28,080	(3,012)
BofA	4-12-2058	35,000	2.6848%	S	4.0290%	L	(38,512)	35,017	(3,495)
JPM AG CM	4-12-2053	51,100	2.7622%	S	4.0290%	L	(55,854)	51,276	(4,578)
BofA	4-12-2058	29,500	2.6682%	S	4.0290%	L	(32,345)	29,514	(2,831)
BofA	11-12-2025	213,100	3.0693%	L	3.9480%	S	214,910	(214,126)	784
BofA	21-12-2033	36,100	2.5168%	L	3.9220%	S	36,639	(36,672)	(33)
BofA	21-12-2025	211,200	2.9338%	L	3.9220%	S	212,542	(212,210)	332
Total as at 31 December									**42,792**

4.7.3 Risks with respect to financial instruments

This paragraph shows the important risks associated with the investments of the fund.

Price risk
Price risk can be divided into:
- Currency risk is the risk that the value of a financial instrument will fluctuate as a result of changes in exchange rates;
- Market risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices, either caused by factors that exclusively apply to the individual instrument or the issuer thereof or by factors that influence all instruments that are traded in the market;
- Interest rate risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market interest rates.

The concept of price risk does not only comprise possibility of losses but also the possibility of gains.

Currency risk
There is no active currency policy. The fund predominantly has euro investments and is therefore not exposed to significant currency risk.

Market risk
The risk incurred as a result of changes in market prices is limited by the investments in the diversify the portfolio across regions and sectors as much as possible.

The fund invests in financial instruments which are practically without market risk.

Top 10 investments				
(amounts x € 1.000)		2023		
Investment	**%**	**Maturity date**	**Amount**	**% of NAV**
Bundesrepublik Deutschland Bundesanleihe	6.250	4-Jan-30	92,883	9.3
French Republic Government Bond OAT	0.500	25-May-25	48,510	4.8
French Republic Government Bond OAT	0.000	25-Mar-25	36,704	3.7
French Republic Government Bond OAT	0.000	25-Nov-30	34,811	3.5
Bundesrepublik Deutschland Bundesanleihe	4.000	4-Jan-37	32,395	3.2
Belgium Kingdom	0.800	22-Jun-25	30,757	3.1
Belgium Kingdom	1.000	22-Jun-31	25,672	2.6
Finnish Government	0.875	15-Sep-25	23,350	2.3
French Republic Government Bond OAT	1.500	25-May-50	23,284	2.3
Bundesrepublik Deutschland Bundesanleihe	0.000	15-Aug-30	22,125	2.2
Total as at 31 December			**370,491**	**37.0**

Top 10 investments

(amounts x € 1.000)		2022		
Investment	**%**	**Maturity date**	**Amount**	**% of NAV**
French Republic Government Bond OAT	5.500	25-Apr-2029	96,195	7.5
Bundesrepublik Deutschland Bundesanleihe	6.250	4-Jan-2030	92,681	7.2
Bundesrepublik Deutschland Bundesanleihe	5.500	4-Jan-2031	84,492	6.6
Bundesrepublik Deutschland Bundesanleihe	6.500	4-Jul-2027	65,052	5.1
French Republic Government Bond OAT	3.500	25-Apr-2026	50,111	3.9
French Republic Government Bond OAT	0.500	25-May-2025	47,405	3.7
Bundesrepublik Deutschland Bundesanleihe	0.000	10-Oct-2025	42,496	3.3
Bundesrepublik Deutschland Bundesanleihe	4.000	4-Jan-2037	37,934	3.0
Bundesrepublik Deutschland Bundesanleihe	1.500	15-May-2024	36,938	2.9
French Republic Government Bond OAT	0.000	25-Mar-2025	35,734	2.8
Total as at 31 December			**589,038**	**46.0**

Interest rate risk

The fund invests in long-term fixed income financial instruments and is therefore exposed to a significant interest rate risk. Within the fund, this is a conscious choice in view of the fund's aim to achieve the intended goal to align the interest rate risk profile of a participant's total fixed-income portfolio with the individually desired interest rate risk profile.

The overview below shows the distribution of the interest rate risk of the total portfolio, also taking into account associated with the interest rate swaps. A negative market value in the blocks “Less than a year”, “Between 1 and 5 years” and “Between 5 and 10 years” is the result of the short legs of these interest rate swaps. An interest rate swap usually involves a short or variable interest rate (the short leg) is exchanged for a long interest rate (the long leg). The short-term interest rate is paid, the short leg, therefore has a negative market value and a term of less than one year.

Exposure interest rate risk 2023

(amounts x € 1,000)			2023			
	Shorter than 1 year	**Between 1 and 5 years**	**Between 5 and 10 years**	**Between 10 and 20 years**	**Longer than 20 years**	**Total**
Bonds	-	207,773	223,784	146,499	134,645	712,701
Bond futures	-	91,477	(65,874)	-	(44,074)	(18,472)
Interest rate swaps	(105,176)	(1,144,550)	(1,857,218)	(60,510)	3,210,246	42,792
Call money	422,168	-	-	-	-	422,168
Repo’s	(93,502)	-	-	-	-	(93,502)
Total	**223,490**	**(845,300)**	**(1,699,308)**	**85,989**	**3,300,816**	**1,065,687**

Exposure interest rate risk 2022

(amounts x € 1,000)			2022			
	Shorter than 1 year	**Between 1 and 5 years**	**Between 5 and 10 years**	**Between 10 and 20 years**	**Longer than 20 years**	**Total**
Bonds	-	465,618	464,135	169,365	128,016	1,227,134
Interest rate swaps	(913,579)	(1,466,711)	(2,075,137)	(9,706)	3,916,960	(548,173)
Call money	53,217	-	-	-	-	53,217
Total	**(860,362)**	**(1,001,093)**	**(1,611,002)**	**159,659**	**4,044,976**	**732,178**

The following overviews give insight in the effective interest rate of the bonds.

Breakdown bonds by interest rate type				
(amounts x € 1.000)	2023		2022	
	Amount	% of NAV	Amount	% of NAV
Fixed	712,701	71.2	1,227,134	95.5
Total as at 31 December	**712,701**	**71.2**	**1,227,134**	**95.5**

Breakdown bonds by interest rate				
(amounts x € 1.000)	2023		2022	
	Amount	% of NAV	Amount	% of NAV
Between 0% and 1%	330,793	33.1	412,777	32.1
Between 1% and 2%	92,175	9.2	142,267	11.1
Between 2% and 3%	61,094	6.1	73,697	5.7
Between 3% and 4%	46,112	4.6	87,479	6.8
Between 4% and 5%	60,514	6.0	98,473	7.7
Between 5% and 6%	29,131	2.9	244,314	19.0
Between 6% and 7%	92,882	9.3	168,127	13.1
Total as at 31 December	**712,701**	**71.2**	**1,227,134**	**95.5**

Cash flow risk
Cash flow risk is the risk that future cash flows of a monetary financial instrument will fluctuate in size.

The fund invests in financial instruments with a variable interest rate and is therefore exposed to a significant cash flow risk. In the table below the bonds, bond futures, repos, call money and interest rate swaps are recognized by exposure by interest rate category.

Exposure financial instruments				
(amounts x € 1,000)	2023		2022	
	Amount	% of NAV	Amount	% of NAV
Fixed interest	842,197	84.2	1,645,757	128.1
Variable interest	223,490	22.3	(913,579)	(71.1)
Total as at 31 December	**1,065,687**	**106.5**	**732,178**	**57.0**

Credit risk
Credit risk is the risk that counterparties of investments cannot meet their obligations, causing the fund to incur a financial loss.

The amount that best represents the maximum credit risk is € 1,301,628,000 (2022: € 1,837,330,000). The interest rate swaps are concluded with a limited number of counterparties. The fund is also exposed as a result to a significantly concentrated credit risk. ISDA contracts have been concluded with these counterparties in which collateral arrangements have been made. As a result, the credit risk is largely hedged.

Bonds portfolio breakdown by credit rating				
(amounts x € 1,000)	2023		2022	
Credit Rating	**Amount**	**% of NAV**	**Amount**	**% of NAV**
AAA	335,335	33.5	646,685	50.3
AA	377,366	37.7	580,449	45.2
Total as at 31 December	**712,701**	**71.2**	**1,227,134**	**95.5**

The credit rating was determined on the basis of data supplier Bloomberg, based on the rating according to rating agency Moody's. If this rating is not available, the rating according to rating agency S&P is assumed. If the rating at S&P is not available, the rating according to rating agency Fitch has been used. If no rating is available from an external rating agency, the rating is used in accordance with the internal Aegon model.

Liquidity risk
Liquidity risk, also known as 'funding risk', is the risk that the fund is not able to meet the financial obligations associated with its financial instruments or redemptions by participants. Liquidity risk can, among others, occur from the inability to sell a financial asset in the short term for (an amount close to) its fair value.

The participations of the fund are traded on a daily basis. The fund invests in freely tradable listed bonds. The fund also invests in interest rate swaps, which can be regarded as less liquid and the fund is therefore exposed to a significant liquidity risk. On the first working day of each month can be redeemed at the net asset value of the fund. This limits the liquidity risk.

4.7.4 Other receivables

Other receivables		
(amounts x € 1,000)	2023	2022
Accrued interest	153,130	27,685
Total as at 31 December	**153,130**	**27,685**

4.7.5 Cash and cash equivalents

No restrictions on the use of cash and cash equivalents exist.

4.7.6 Net asset value

Movement schedule net asset value		
(amounts x € 1,000)	2023	2022
Net asset value participants		
Opening balance	1,284,558	1,917,896
Capital contributions	287,563	1,454,144
Capital distributions	(221,091)	-
Subscriptions	320,357	326,316
Redemptions	(609,582)	(290,178)
Closing balance	**1,061,805**	**3,408,178**
Net result for the year	**(61,525)**	**(2,123,620)**
Total net asset value as at 31 December	**1,000,280**	**1,284,558**

Movement schedule of participations		
	2023	2022
Opening balance	73,524	72,096
Subscriptions	20,110	16,510
Redemptions	(37,926)	(15,082)
Closing balance	**55,708**	**73,524**

Historical summary			
	2023	2022	2021
Net asset value (X € 1,000)	1,000,280	1,284,558	1,917,896
Number of participations outstanding (units)	55,708	73,524	72,096
Net asset value per participation in €	17,955.84	17,471.17	26,601.77
Performance (net asset value)	(41.99%)	(82.98%)	(30.04%)

4.7.7 Payables to credit institutions

The debts to credit institutions consist of short-term debts in current account with the banker of the fund.

4.7.8 Other payables

Other payables		
(amounts x € 1,000)	2023	2022
Management fee payable	153	148
Service fee payable	1	3
Interest payable	157,986	-
Total as at 31 December	**158,140**	**151**

4.7.9 Profit and loss statement

The accounting principles and the method of calculating the ratios are included in chapter 13.

4.7.10 Indirect result

Changes in fair value of investments		
(amounts x € 1,000)	2023	2022
Realised price- and currency gains bonds	518	4,820
Realised price- and currency losses bonds	(136,778)	(191,239)
Unrealised price- and currency gains bonds	153,084	17,732
Unrealised price- and currency losses bonds	(98)	(220,366)
Realised price- and currency gains futures	6,901	21,529
Realised price- and currency losses futures	(13,830)	(10,643)
Unrealised price- and currency gains futures	2,506	-
Unrealised price- and currency losses futures	(6,364)	(59)
Realised price- and currency gains interest rate swaps	304,989	744,895
Realised price- and currency losses interest rate swaps	(962,386)	(2,180,618)
Unrealised price- and currency gains interest rate swaps	579,136	-
Unrealised price- and currency losses interest rate swaps	-	(363,246)
Total as at 31 December	**(72,322)**	**(2,177,195)**

4.7.11 Subscription and redemption fee

The subscription and redemption fees are €30 per participation and are entirely to the benefit of the fund.

4.7.12 Costs and fees

Transaction costs		
(amounts x € 1,000)	2023	2022
Investment funds	1,052	1,916
Total transaction costs within the fund	**1,052**	**1,916**

Management fee

The manager charges a management fee for the management of the fund assets. The management fee is set as a percentage on an annual basis. The management fee is charged to the fund on a daily basis based on the net asset value of the fund at the end of the previous trading day.

The annual management fee amounts to €92 per participation. Until 1 Oktober 2023 the annual management fee amounted to €95 per participation

Service fee

The annual service fee amounts to €1.50 per participation.

Ongoing Charges Figure (OCF)

The overview below shows the costs during the year:

OCF		
(amounts x € 1,000)	2023	2022
Average net asset value	1,244,369	1,471,258
Total costs within the fund including fee sharing agreements	7,126	6,148
Total costs	**7,126**	**6,148**
OCF	**0.57%**	**0.42%**

Turnover Ratio (TR)
The TR gives an indication of the turnover of the fund's investment portfolio by providing insight in the extent to which the fund manager actively changes the investment portfolio based on his investment decisions.

TR		
(amounts x € 1,000)	2023	2022
Purchases of investments	943,160	3,071,351
Sales of investments	891,665	1,579,738
Total investment transactions	**1,834,825**	**4,651,089**
Subscriptions	288,145	272,114
Redemptions	577,371	235,977
Total movements in participations	**865,516**	**508,091**
Average net asset value	1,244,369	1,471,258
TR	**78**	**281**

Other notes
The other notes are an integral part of the financial statements and are included in chapter 14.

4.7.13 Events after balance sheet date

There are no subsequent events after balance sheet date that require further explanation.

5 Annual Report 2023 AEAM Core Eurozone Government Bond Index Fund

1 January 2023 through 31 December 2023

5.1. General information

Date of incorporation
The fund was established on 15 December 2006.

Profile
The fund is a fund for joint account (Dutch: “fonds voor gemene rekening”). The participations are only available to qualified investors (Dutch: “gekwalificeerde beleggers”) as defined in the Dutch Act on Financial Supervision (Dutch: “Wet op het financieel toezicht”).

Investment Policy
The fund invests, directly or indirectly, mainly in bonds denominated in euro, of countries from the Core Eurozone benchmark. The fund follows a passive investment strategy.

Objective
The investment policy is focused on following the benchmark as closely as possible.

Sustainability policy
We confirm that the environmental and social characteristics as stated in the prospectus at the beginning of the reporting period for this fund have been met.

Information about the environmental or social characteristics of this financial product is available in the appendix (Periodic sustainability commentary AEAM Core Eurozone Government Bond Index Fund), including information to which environmental objectives the investments of this fund contribute and how and to what extent the investments take place in economic activities that take into account the EU criteria for environmentally sustainable economic activities as set out in the EU taxonomy (2020/852). The “do no significant harm” principle only applies to the investments underlying this financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining part of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Benchmark
ICE BAML Core Eurozone Government Bond Index (Customized)

Restrictions
Investment restrictions
The fund may invest in developed country government bonds. inflation- and cash. The fund's freely available cash position must be between -5% and 5% of the fund's assets. Derivative financial instruments (derivatives): fixed income futures are also allowed.

Investment Strategies
The maximum off-benchmark position is 0% of the fund's assets.

Rating
The fund does not invest in government bonds with a rating lower than AA. If a rating limit is exceeded due to the downgrade of the status of a bond, those bonds will be sold as soon as possible, in the interest of the participants, but within a maximum period of 3 months. The purchase of these bonds is not permitted during this period. If a bond is upgraded and will be included in the benchmark in due course, the fund can anticipate this for a maximum of 3 months in the interest of the participants. The rating definition of the benchmark provider is seen as determining the rating of a bond.

Duration
The maximum for the duration is plus or minus 0.10 years relative to the benchmark.

Leverage
The permitted leverage, i.e. the exposure resulting from using the permitted credit facility and/or entering into contracts in derivative financial instruments (in accordance with the method based on commitments made), is a maximum of 10% of the fund's assets. The permitted leverage, based on the gross method, is 110% of the fund's assets. These instruments (derivatives) are only used if this is in line with the realization of the fund objective, to hedge risks and/or for efficient portfolio management.

Short term deviations
Short term deviations from the above restrictions are possible due to large subscriptions to the fund or redemptions from the fund. Such deviations are brought back to the predetermined limits within a period of up to 10 working days.

Fiscal status
The fund is fiscally transparent, which means that the fund is not liable for corporate tax (or subject to any other tax on profits) and is not subject to dividend withholding tax. The assets, liabilities and results of the fund are directly allocated for tax purposes to the participants of the fund in proportion to their participation. Income or capital gains earned by a participant are regarded as income or capital gains made on the assets of the fund.

Dividend Policy
The fund does not distribute dividend. The earned income is reinvested.

5.2. Report of fund manager - investment policy

In 2023, the AEAM Core Eurozone Government Bond Index Fund achieved a return after fees of 5.50%. The fund performed in line with the benchmark, the ICE BAML Core Eurozone Government Bond Index (Customized). After costs, the return was 0.15% below the benchmark, which recorded a return of 5.67%.

This index fund follows the benchmark as closely as possible and therefore pursues a passive interest rate policy. The fund limits specific fund risks as much as possible and structures the portfolio in line with the fund conditions. The portfolio managers are bound by mandate restrictions, which are assessed by risk managers. The fund does not use derivatives.

The fund is not exposed to currency risk, because all investments are denominated in euros. Since there is sufficient liquidity in the market to absorb deposits and withdrawals, the liquidity risk is also limited. The fund's main risk is interest rate risk, as fluctuations in interest rates affect the price of bonds. The interest rate risk increases with the term. The fund runs a significant interest rate risk. The fund is also exposed to market risk as there is an active secondary market for government bonds, which influences the price of bonds. There is also a concentration risk: only a limited number of governments cover a large part of the benchmark, and therefore of the portfolio.

The above risks have had a limited impact on the fund performance over the year 2023, with the exception of the interest rate risk. To combat the enormous inflation, interest rates were raised sharply by the ECB, but as the end of the year approached, the market started to price in interest rate cuts from the ECB, causing bond yields to fall. As a result of the sharp drop in interest rates at the end of the year, the total absolute return was 5.50%.

We expect continued high volatility in the interest rate market for 2024, with central banks starting to cut interest rates conditional on an improvement in the inflation picture, with consumer prices rising less rapidly. The yield curve, which has been flattened by the increase in the ECB's policy rate, will steepen again and the risk premium for countries with lower creditworthiness will partly decrease due to a decrease in the policy rate.

5.3. Key figures

Key figures	2023	2022	2021	2020	2019
Overview per participation[5]					
Changes in fair value	0.64	(2.62)	(0.39)	0.48	0.58
Total result	**0.64**	**(2.62)**	**(0.39)**	**0.48**	**0.58**
Management fee and other expenses	(0.01)	(0.01)	(0,02)	(0,02)	(0,02)
Net result	**0.63**	**(2.63)**	**(0.41)**	**0.46**	**0.56**
Net asset value (x € 1,000)	311,312	254,793	343,944	143,592	134,497
Outstanding number of participations	27,112,752	23,412,830	25,719,734	10,360,474	10,064,906
Net asset value per participation	11.48	10.88	13.37	13.86	13.36
Performance[6]					
Performance (net asset value)	5.50%	(18.62%)	(3.52%)	3.72%	4.14%
Performance benchmark	5.67%	(18.57%)	(3.44%)	3.80%	4.25%
Outperformance	(0.15%)	(0.05%)	(0.09%)		
Outperformance since inception	(1.43%)	(1.28%)	(1.23%)		
Annualised outperformance since inception	(0.10%)	(0.09%)	(0.10%)		

[5] Amounts per participation are based on the average number of participations during the year.
[6] The performance is the time weighted return after costs calculated on a daily basis. The outperformance figures are presented in 2021 for the first time, therefore no comparative figures included.

Financial statements AEAM Core Eurozone Government Bond Index Fund

5.4. Balance sheet as at 31 December

Balance Sheet			
(before appropriation of result) (amounts x € 1,000)	Reference	2023	2022
Assets			
Investments			
Investment funds		311,324	254,802
Total investments	5.7.2	**311,324**	**254,802**
Receivables			
Outstanding transactions in financial instruments		3,836	-
Issue of participations		64	8,036
Total receivables		**3,900**	**8,036**
Other assets			
Cash and cash equivalents	5.7.4	-	141
Total other assets		**-**	**141**
Total assets		**315,224**	**262,979**
Liabilities			
Net asset value			
Net assets before result		295,227	321,222
Result for the year		16,085	(66,429)
Total net asset value	5.7.5	**311,312**	**254,793**
Investments			
Call money		137	-
Total investments	5.7.2	**137**	**-**
Short term liabilities			
Outstanding transactions in financial instruments		-	8,179
Redemption of participations		3,763	-
Other payables and liabilities	5.7.6	12	7
Total short term liabilities		**3,775**	**8,186**
Total liabilities		**315,224**	**262,97**

5.5. Profit and loss statement

Profit and loss statement			
(amounts x € 1,000)	Reference	2023	2022
Investment result			
Interest call money		9	-
Interest bank accounts		2	-
Total direct result		**11**	**-**
Realised changes in values of investments		(5,468)	(27,073)
Unrealised changes in values of investments		21,876	(39,044)
Total indirect result	5.7.8	**16,408**	**(66,117)**
Total investment result		**16,419**	**(66,117)**
Other results			
Subscription and redemption fee	5.7.9	9	55
Total other results		**9**	**55**
Operating expenses			
Management fee		(195)	(213)
Service fee		(141)	(154)
Interest bank accounts		(7)	-
Total operating expenses	5.7.10	**(343)**	**(367)**
Net result		**16,085**	**(66,429)**

5.6. Cash flow statement

Cash flow statement			
(amounts x € 1,000)	Reference	2023	2022
Cash flow from investment activities			
Purchases of investments		(101,792)	(217,616)
Sales of investments		49,663	239,062
Net receipts/(payments) for call money transactions		137	(104)
Interest received		11	-
Management fee paid		(192)	(212)
Service fee paid		(139)	(153)
Interest paid		(7)	-
Net cash flow from investment activities		**(52,319)**	**20,977**
Cash flow from financing activities			
Subscriptions		118,042	390,276
Redemptions		(65,873)	(411,168)
Received subscription and redemption fees		9	55
Net cash flow from financing activities		**52,178**	**(20,837)**
Net cash flow		**(141)**	**140**
Cash and cash equivalents opening balance		141	1
Cash and cash equivalents closing balance	5.7.4	**-**	**141**

5.7. Notes to the financial statements

5.7.1 General

The accounting principles and the method of calculating the ratios are included in chapter 13.

Comparison with previous year
The principles used for valuation and determination of results have remained unchanged compared to the previous year.

Continuity
The fund's annual accounts have been prepared on a going concern basis. This is based on the reasonable assumption that the fund is, and will be, able to continue its activities for the foreseeable future.

5.7.2 Investments

Movement schedule of investments		
(amounts x € 1,000)	2023	2022
Investment funds		
Opening balance	254,802	343,951
Purchases	93,613	216,030
Sales	(53,499)	(239,062)
Revaluation	16,408	(66,117)
Closing balance	**311,324**	**254,802**
Call money		
Opening balance	-	(104)
Net amount for transactions in call money	(137)	104
Closing balance	**(137)**	**-**

The distribution of the investment portfolio according to the method of valuation is shown below:

Investments by valuation method		
(amounts x € 1,000)	2023	2022
Derived from quoted market prices	311,187	254,802
Closing balance	**311,187**	**254,802**

5.7.3 Risks with respect to financial instruments

This paragraph shows the important risks associated with the investments of the fund.

Price risk
Price risk can be divided into:

- Currency risk is the risk that the value of a financial instrument will fluctuate as a result of changes in exchange rates;
- Market risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices, either caused by factors that exclusively apply to the individual instrument or the issuer thereof or by factors that influence all instruments that are traded in the market;
- Interest rate risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market interest rates.

The concept of price risk does not only comprise possibility of losses but also the possibility of gains.

Currency risk
There is no active currency policy. The fund predominantly has euro investments and is therefore not exposed to significant currency risk.

Market risk
The fund only has investments in Aegon Investment Funds that invest in Europe. As a result, the fund is indirectly exposed to significant market risk.

Portfolio overview				
(amounts x € 1,000)	2023		2022	
Investment	**Amount**	**% of NAV**	**Amount**	**% of NAV**
AEGON Obligaties Euro Beta Pool	311,324	100.0	254,802	100.0
Total as at 31 December	**311,324**	**100.0**	**254,802**	**100.0**

Interest rate risk
The fund invests indirectly through the underlying investment funds in fixed-income financial instruments and bond futures and is therefore indirectly exposed to significant interest rate risk.

Cash flow risk
Cash flow risk is the risk that future cash flows of a monetary financial instrument will fluctuate in size.

The fund does not invest in financial instruments with variable interest rates and is therefore not exposed to significant cash flow risk.

Credit risk
Credit risk is the risk that counterparties of investments cannot meet their obligations, causing the fund to incur a financial loss.

The amount which best reflects the maximum credit risk of the fund is € 3,900,000 (2022: € 8,177,000). Including the financial instruments sensitive to credit risk in the underlying investment funds, the amount which best represents the maximum credit risk of the fund is € 315,224,000 (2022: € 262,979,000).

The fund invests in financial instruments that are subject to credit risk and therefore the fund is exposed to significant credit risk.

Liquidity risk
Liquidity risk, also known as ‘funding risk’, is the risk that the fund is not able to meet the financial obligations associated with its financial instruments or redemptions by participants. Liquidity risk can, among others, occur from the inability to sell a financial asset in the short term for (an amount close to) its fair value.

The participations of the fund are traded on a daily basis. The fund invests in freely tradable listed securities through its underlying funds. As a result, the fund is not exposed to a significant liquidity risk.

5.7.4 Cash and cash equivalents

No restrictions on the use of cash and cash equivalents exist.

5.7.5 Net asset value

Movement schedule net asset value		
(amounts x € 1,000)	2023	2022
Net asset value participants		
Opening balance	254,793	343,944
Subscriptions	110,070	388,446
Redemptions	(69,636)	(411,168)
Closing balance	**295,227**	**321,222**
Net result for the year	**16,085**	**(66,429)**
Total net asset value as at 31 December	**311,312**	**254,793**

Movement schedule of participations		
	2023	2022
Opening balance	23,412,830	25,719,734
Subscriptions	9,984,159	32,971,468
Redemptions	(6,284,237)	(35,278,372)
Closing balance	**27,112,752**	**23,412,830**

Historical summary			
	2023	2022	2021
Net asset value (X € 1,000)	311,312	254,793	343,944
Number of participations outstanding (units)	27,112,752	23,412,830	25,719,734
Net asset value per participation in €	11.48	10.88	13.37
Performance (net asset value)	5.50%	(18.62%)	(3.52%)

5.7.6 Other payables

Other payables		
(amounts x € 1,000)	2023	2022
Management fee payable	7	4
Service fee payable	5	3
Total as at 31 December	**12**	**7**

5.7.7 Profit and loss statement

The accounting principles and the method of calculating the ratios are included in chapter 11.

5.7.8 Indirect result

Changes in fair value of investments		
(amounts x € 1,000)	2023	2022
Realised price- and currency losses investment funds	(5,468)	(27,073)
Unrealised price- and currency gains investment funds	21,876	-
Unrealised price- and currency losses investment funds	-	(39,044)
Total as at 31 December	**16,408**	**(66,117)**

5.7.9 Subscription and redemption fee

The subscription and redemption fees are 0.02% of the transaction amount. The fees charged are entirely to the benefit of the fund.

5.7.10 Costs and fees

Transaction costs		
(amounts x € 1,000)	2023	2022
Investment funds	30	50
Total transaction costs within the fund	**30**	**50**

Management fee

The manager charges a management fee for the management of the fund assets. The management fee is set as a percentage on an annual basis. The management fee is charged to the fund on a daily basis based on the net asset value of the fund at the end of the previous trading day.

The annual management fee amounts to 0.07%.

Service fee

The service fee is 0.06% per year on the fund's assets up to € 250 million. A service fee of 0.05% applies to the fund assets of €250 million to €750 million. A service fee of 0.04% applies to fund assets above € 750 million.

Ongoing Charges Figure (OCF)

The overview below shows the costs during the year:

OCF		
(amounts x € 1,000)	2023	2022
Average net asset value	280,268	303,484
Total costs within the fund including fee sharing agreements	337	367
Accrued costs underlying Aegon investment funds	15	26
Total costs	**352**	**393**
OCF	**0,13%**	**0.13%**

Turnover Ratio (TR)

The TR gives an indication of the turnover of the fund’s investment portfolio by providing insight in the extent to which the fund manager actively changes the investment portfolio based on his investment decisions.

TR		
(amounts x € 1,000)	2023	2022
Purchases of investments	93,613	216,030
Sales of investments	53,499	239,062
Total investment transactions	**147,112**	**455,092**
Subscriptions	100,446	218,626
Redemptions	60,012	241,315
Total movements in participations	**160,458**	**459,941**
Average net asset value	280,268	303,484
TR	**0**	**0**

Other notes

The other notes are an integral part of the financial statements and are included in chapter 14.

5.7.11 Events after balance sheet date

There are no subsequent events after balance sheet date that require further explanation.

6 Annual Report 2023 AEAM Money Market Euro Fund

1 January 2023 through 31 December 2023

6.1. General information

Date of incorporation
The fund was established on 13 January 2012.

Profile
The fund is a fund for joint account (Dutch: “fonds voor gemene rekening”). The participations are only available to qualified investors (Dutch: “gekwalificeerde beleggers”) as defined in the Dutch Act on Financial Supervision (Dutch: “Wet op het financieel toezicht”).

Investment Policy
The fund is a standard money market fund with a variable net asset value and may invest, directly or indirectly, in euro-denominated money market instruments with a weighted average maturity of up to one year. The investment process is aimed primarily at protecting the assets and adding value through the active policy to be pursued by the manager. Some examples are: maturity policy, country selection policy, sectors and individual money market instruments. The fund meets the requirements as set out in the Money Market Funds Regulation. The fund is not a guaranteed investment and does not rely on outside support to ensure the fund's liquidity.

Objective
The investment policy is primarily aimed at protecting assets and also at achieving a higher total return than the benchmark.

Sustainability policy
The investments underlying this financial product do not take the EU criteria regarding environmentally and sustainable economic activities into account.

Benchmark
3-month Euribor

Restrictions
Investment restrictions
The fund invests in government bonds from developed countries and emerging markets, investment grade and high yield corporate bonds, asset backed securities, structured credits, inflation-linked bonds, covered bonds, commercial paper, term deposits issued by EU countries that are part and / or OECD countries and cash and cash equivalents. The freely available cash position of the fund must be between -5% and 100% of the net asset value. The use of derivatives, fixed income futures, is also allowed. Short selling is not permitted, except for the use of derivatives to adjust interest rate risk.

The Fund only invests in money market instruments that meet the criteria set out in the Credit Quality Assessment Procedure. (For more information about this procedure, please contact the fund manager.)

Rating
The manager sets criteria in advance on the basis of which an investment is made. In addition to its own assessment, the manager applies the following rules of thumb with regard to ratings.

- The minimum credit rating for investments with a maturity of over 99 days is A+ (S&P or Fitch) or A1 (Moody's).
- The minimum credit rating for investments with a maturity of less than or equal to 99 days is A2 (S&P) or P -2 (Moody's) or F2 (Fitch).
- The rating of one rating agency will suffice for the determination of the minimum credit rating.

When exceeding a rating limit due to a downgrade of an investment, the fund may hold the position for the remaining maturity. However additional purchases of these investments are not allowed during this period.

Issuer

- The maximum exposure per issuer is 10% of the net asset value.
- All issuers with a weighting of more than 5% combined amount up to a maximum of 40 % of the net asset value.

Duration

- The remaining term of an investment is a maximum of 397 days unless the interest rate is adjusted within 397 days. In that case, a maximum term of two years is allowed.
- The weighted average remaining life of the investments is less than or equal to 1 year ('weighted average life').
- The weighted average duration of the investments is between 30 and 150 days ('weighted average maturity').
- At least 7.5% of assets are daily maturing assets, and at least 15% of assets are weekly maturing assets.

Leverage

The permitted leverage, i.e. the exposure resulting from using the permitted credit facility and/or entering into contracts in derivative financial instruments (in accordance with the method based on commitments made), is a maximum of 400% of the fund's assets. The permitted leverage, based on the gross method, is 500% of the fund's assets. These instruments (derivatives) are only used if this is in line with the realization of the fund objective, to hedge risks and/or for efficient portfolio management.

Short term deviations

Short term deviations from the above restrictions are possible due to large subscriptions to the fund or redemptions from the fund. Such deviations are brought back to the predetermined limits within a period up to 3 working days.

Fiscal status

The fund is fiscally transparent, which means that the fund is not liable for corporate tax (or subject to any other tax on profits) and is not subject to dividend withholding tax. The assets, liabilities and results of the fund are directly allocated for tax purposes to the participants of the fund in proportion to their participation. Income or capital gains earned by a participant are regarded as income or capital gains made on the assets of the fund.

Dividend Policy

The fund does not distribute dividend. The earned income is reinvested.

6.2. Report of fund manager - investment policy

In 2023, the AEAM Money Market Euro Fund achieved a return after fees of 3.54%. The fund achieved an outperformance of 0.20% on the benchmark, an index based on 3-month Euribor, which achieved a return of 3.34%. The fund's investment policy focuses on additional returns through active diversification across various money market instruments as well as short-term bonds.

In 2023, the fund kept its interest rate policy restrictive and the average interest rate sensitivity hardly deviated from 40 days. The fund does have investments with a remaining term of more than 40 days, but their interest rate sensitivity is largely hedged by means of Euribor futures. The fund also has investments with maturities longer than 1 year, but these are bonds with a variable interest rate. In line with the rising ECB interest rates, money market interest rates rose at approximately the same rate. The year started with a 3-month interest rate of 2.13% and closed considerably higher at 3.91%. The spreads of short-term paper with the 3-month interest rate increased significantly in March when a banking crisis arose in the United States that could possibly spread to Europe. The crisis largely passed after a month, allowing spreads to fall again. Money market instruments became increasingly popular later in the year, due to the relatively lower risk of bonds and the relatively higher interest compensation provided by the investment curve. This increased demand led to spreads collapsing. Rising prices helped performance and it became very easy to sell money market instruments when there were exits from the fund. In the second half of the year, the average maturity of money market instruments held was gradually reduced by reinvesting in shorter-dated instruments, as spreads could potentially widen.

The fund is not exposed to currency risk, because all investments are denominated in euros. Since there is sufficient liquidity in the market to absorb deposits and withdrawals, the liquidity risk is also limited. The fund's main risk is interest rate risk, as fluctuations in interest rates affect the price of bonds. The interest rate risk increases with the term. The fund can actively respond to expected interest rate changes and changes in the interest rate term structure, but this is limited to a maximum deviation of 2 months compared to the benchmark. The fund is exposed to market risk as there is an active secondary market for money market instruments, which influences the price of these instruments. There is also a concentration risk: a maximum of 10% may be invested in one debtor, although the aim is to limit this to 5%.

The above-mentioned risks have had a low impact on the fund performance over the year 2023.

We expect continued high volatility in the interest rate market for 2024, with central banks starting to cut interest rates conditional on an improvement in the inflation picture, with consumer prices rising less rapidly. The money market yield curve, which steepened in 2023 because interest rate increases were priced in, will flatten further because interest rate cuts are now expected from the ECB. Due to the higher interest rates on money market instruments, it is expected that the risk premium, measured as the difference between the interest rate on a money market instrument and the 3-month Euribor interest rate, will decrease due to an increasing demand for these types of instruments, given the expectation that short-term interest rates will be reduced by the ECB and it will no longer be possible to receive a higher interest rate for this in the future.

6.3. Key figures

Key figures

	2023	2022	2021	2020	2019
Overview per participation[7]					
Changes in fair value	0.37	(0.01)	(0.02)	(0.02)	(0.01)
Total result	**0.37**	**(0.01)**	**(0.02)**	**(0.02)**	**(0.01)**
Beheerskosten en overige lasten	(0.01)	(0.01)	(0.01)	(0.01)	(0.01)
Net result	**0.36**	**(0.02)**	**(0.03)**	**(0.03)**	**(0.02)**
Net asset value (x € 1,000)	802,669	838,570	1,964,575	5,106,980	3,894,682
Outstanding number of participations	76,794,033	83,079,910	194,281,319	503,190,338	382,965,525
Net asset value per participation	10.45	10.09	10.11	10.15	10.17
Performance[8]					
Performance (net asset value)	3.54%	(0.18%)	(0.37%)	(0.20%)	(0.15%)
Performance benchmark	3.34%	0.33%	(0.55%)	(0.43%)	(0.36%)
Outperformance	0.20%	(0.52%)	0.18%		
Outperformance since inception	2.52%	2.20%	2.74%		
Annualised outperformance since inception	0.18%	0.17%	0.23%		

[7] Amounts per participation are based on the average number of participations during the year.
[8] The performance is the time weighted return after costs calculated on a daily basis. The outperformance figures are presented in 2021 for the first time, therefore no comparative figures included.

Financial statements AEAM Money Market Euro Fund

6.4. Balance sheet as at 31 December

Balance Sheet			
(before appropriation of result) (amounts x € 1,000)	Reference	2023	2022
Assets			
Investments			
Investment funds		800,690	836,498
Call money		1,193	1,889
Total investments	6.7.2	**801,883**	**838,387**
Receivables			
Outstanding transactions in financial instruments		1,619	74
Issue of participations		19,145	-
Issue of participations		-	36
Total receivables		**20,764**	**110**
Other assets			
Cash and cash equivalents	6.7.4	-	97
Total other assets		**-**	**97**
Total assets		**822,647**	**838,594**
Liabilities			
Net asset value			
Net assets before result		782,406	840,329
Result for the year		20,263	(1,759)
Total net asset value	6.7.5	**802,669**	**838,570**
Short term liabilities			
Outstanding transactions in financial instruments		19,120	-
Redemption of participations		832	-
Other payables and liabilities	6.7.6	26	24
Total short term liabilities		**19,978**	**24**
Total liabilities		**822,647**	**838,594**

6.5. Profit and loss statement

Profit and loss statement			
(amounts x € 1,000)	Reference	2023	2022
Investment result			
Interest call money		76	-
Interest bank accounts		13	-
Total direct result		**89**	**-**
Realised changes in values of investments		2,854	(5,861)
Unrealised changes in values of investments		18,018	4,921
Total indirect result	6.7.8	**20,872**	**(940)**
Total investment result		**20,961**	**(940)**
Operating expenses			
Management fee		(527)	(643)
Service fee		(152)	(172)
Interest call money		-	(3)
Interest bank accounts		(20)	(1)
Total operating expenses	6.7.10	**(699)**	**(819)**
Net result		**20,263**	**(1,759)**

6.6. Cash flow statement

Cash flow statement			
(amounts x € 1,000)	Reference	2023	2022
Cash flow from investment activities			
Purchases of investments		(506,847)	(843,398)
Sales of investments		581,102	1,966,694
Net receipts/(payments) for call money transactions		696	1,751
Net receipts/(payments) for collateral		36	(36)
Interest received		89	-
Received other gains		1	-
Management fee paid		(526)	(644)
Service fee paid		(151)	(171)
Interest paid		(20)	(4)
Net cash flow from investment activities		**74,380**	**1,124,192**
Cash flow from financing activities			
Subscriptions		846,066	1,026,709
Redemptions		(920,543)	(2,150,955)
Net cash flow from financing activities		**(74,477)**	**(1,124,246)**
Net cash flow		**(97)**	**(54)**
Cash and cash equivalents opening balance		97	151
Cash and cash equivalents closing balance	6.7.4	**-**	**97**

6.7. Notes to the financial statements

6.7.1 General

The accounting principles and the method of calculating the ratios are included in chapter 13.

Comparison with previous year
The principles used for valuation and determination of results have remained unchanged compared to the previous year.

Continuity
The fund's annual accounts have been prepared on a going concern basis. This is based on the reasonable assumption that the fund is, and will be, able to continue its activities for the foreseeable future.

6.7.2 Investments

Movement schedule of investments

(amounts x € 1,000)	2023	2022
Investment funds		
Opening balance	836,498	1,959,852
Purchases	525,967	843,398
Sales	(582,647)	(1,965,812)
Revaluation	20,872	(940)
Closing balance	**800,690**	**836,498**
Call money		
Opening balance	1,889	3,640
Net amount for transactions in call money	(696)	(1,751)
Closing balance	**1,193**	**1,889**

The distribution of the investment portfolio according to the method of valuation is shown below:

Investments by valuation method

(amounts x € 1,000)	2023	2022
Derived from quoted market prices	801,883	838,387
Closing balance	**801,883**	**838,387**

6.7.3 Risks with respect to financial instruments

This paragraph shows the important risks associated with the investments of the fund.

Price risk
Price risk can be divided into:
- Currency risk is the risk that the value of a financial instrument will fluctuate as a result of changes in exchange rates;
- Market risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices, either caused by factors that exclusively apply to the individual instrument or the issuer thereof or by factors that influence all instruments that are traded in the market;
- Interest rate risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market interest rates.

The concept of price risk does not only comprise possibility of losses but also the possibility of gains.

Currency risk
There is no active currency policy. The fund mainly has investments in its portfolio that are quoted in euros. As a result, the fund is not exposed to significant currency risk.

Market risk
The fund only has investments in Aegon Investment Funds that invest in Europe. As a result, the fund is indirectly exposed to significant market risk.

Portfolio overview

(amounts x € 1,000)	2023		2021	
Investment	**Amount**	**% of NAV**	**Amount**	**% of NAV**
AEGON Money Market Euro Pool	800,690	99.8	836,498	99.8
Total as at 31 December	**800,690**	**99.8**	**836,498**	**99.8**

Interest rate risk
The fund invests indirectly through the underlying pool in short-term fixed-income financial instruments or financial short-term instruments and is therefore not exposed to significant interest rate risk.

Cash flow risk
Cash flow risk is the risk that future cash flows associated with a financial instrument will fluctuate in size.

The fund invests indirectly through the underlying pool in short-term fixed-income financial instruments or financial instruments with a variable interest rate and is therefore exposed to significant cash flow risk.

Credit risk
Credit risk is the risk that counterparties of investments cannot meet their obligations, causing the fund to incur a financial loss.

The amount that best represents the maximum credit risk is € 21,957,000 (2022: € 2,096,000). Including the financial instruments sensitive to credit risk in the underlying investment funds, the amount that best represents the maximum credit risk is € 822,647,000 (2022: € 838,594,000).

The fund invests in financial instruments that are sensitive to credit risk and are therefore exposed to significant credit risk.

Liquidity risk
Liquidity risk, also known as ‘funding risk’, is the risk that the fund is not able to meet the financial obligations associated with its financial instruments or redemptions by participants. Liquidity risk can, among others, occur from the inability to sell a financial asset in the short term for (an amount close to) its fair value.

The participations of the fund are traded on a daily basis. Through the underlying funds, the fund invests in freely tradable listed investments. As a result, the fund is not exposed to significant liquidity risk.

6.7.4 Cash and cash equivalents

No restrictions on the use of cash and cash equivalents exist.

6.7.5 Net asset value

Movement schedule net asset value		
(amounts x € 1,000)	2023	2022
Net asset value participants		
Opening balance	838,570	1,964,575
Subscriptions	865,211	1,026,709
Redemptions	(921,375)	(2,150,955)
Closing balance	**782,406**	**840,329**
Net result for the year	**20,263**	**(1,759)**
Total net asset value as at 31 December	**802,669**	**838,570**

Movement schedule of participations		
	2023	2022
Opening balance	83,079,910	194,281,319
Subscriptions	83,986,536	101,907,060
Redemptions	(90,272,413)	(213,108,469)
Closing balance	**76,794,033**	**83,079,910**

Historical summary			
	2023	2022	2021
Net asset value (X € 1,000)	802,669	838,570	1,964,575
Number of participations outstanding (units)	76,794,033	83,079,910	194,281,319
Net asset value per participation in €	10,45	10.09	10.11
Performance (net asset value)	3.54%	(0.18%)	(0.37)

6.7.6 Other payables

Other payables		
(amounts x € 1,000)	2023	2022
Management fee payable	20	19
Service fee payable	6	5
Total as at 31 December	**26**	**24**

6.7.7 Profit and loss statement

The accounting principles and the method of calculating the ratios are included in chapter 13.

6.7.8 Indirect result

Changes in fair value of investments		
(amounts x € 1,000)	2023	2022
Realised price- and currency gains investment funds	2,854	179
Realised price- and currency losses investment funds	-	(6,040)
Unrealised price- and currency gains investment funds	18,018	4,921
Total as at 31 December	**20,872**	**(940)**

6.7.9 Subscription and redemption fee

A subscription and redemption fee for entries and exits does not apply to the fund.

6.7.10 Costs and fees

Management fee
The manager charges a management fee for the management of the fund assets. The management fee is set as a percentage on an annual basis. The management fee is charged to the fund on a daily basis based on the net asset value of the fund at the end of the previous trading day.

The annual management fee amounts to 0.09%.

Service fee
The service fee is 0.03% per year on the fund's assets up to € 500 million. A service fee of 0.025% applies to the fund assets of €500 million to €1.5 billion. A service fee of 0.02% applies to fund assets above € 1.5 billion.

Ongoing Charges Figure (OCF)
The overview below shows the costs during the year:

OCF		
(amounts x € 1,000)	2023	2022
Average net asset value	583,740	713,380
Total costs within the fund including fee sharing agreements	678	815
Accrued costs underlying Aegon investment funds	3	-
Total costs	**681**	**815**
OCF	**0.12%**	**0.11%**

Turnover Ratio (TR)
The TR gives an indication of the turnover of the fund’s investment portfolio by providing insight in the extent to which the fund manager actively changes the investment portfolio based on his investment decisions.

TR		
(amounts x € 1,000)	2023	2022
Purchases of investments	525,967	843,398
Sales of investments	582,647	1,965,812
Total investment transactions	**1,108,614**	**2,809,210**
Subscriptions	532,407	847,828
Redemptions	588,570	1,972,074
Total movements in participations	**1,120,977**	**2,819,902**
Average net asset value	583,740	713,380
TR	**0**	**0**

Other notes
The other notes are an integral part of the financial statements and are included in chapter 14.

6.7.11 Events after balance sheet date

There are no subsequent events after balance sheet date that require further explanation.

7 Annual Report 2023 AEGON Liability Matching Fund

1 January 2023 through 31 December 2023

7.1. General information

Date of incorporation
The fund was established on 15 December 2015.

Profile
The fund is a fund for joint account (Dutch: “fonds voor gemene rekening”). The participations are only available to qualified investors (Dutch: “gekwalificeerde beleggers”) as defined in the Dutch Act on Financial Supervision (Dutch: “Wet op het financieel toezicht”).

Investment Policy
The fund invests in the AEAM Strategic Liability Matching Fund (“SLMF”). The aim of the SLMF is to hedge market interest rate risk efficiently and to the intended extent as part of the fixed-income portfolio.

The SLMF uses, among other things, interest rate swaps to increase interest rate sensitivity. This gives the SLMF a so-called leverage, which means that the volatility of the participation value is greater than with an average fixed-income investment fund. The SLMF uses a collateral buffer to manage counterparty risk.

If interest rates rise, the value of the SLMF will most likely decrease, if interest rates fall, the value of the SLMF will most likely increase. If the buffer is not sufficient in the event of a sharp drop in the participation value of the SLMF, additional payments into this buffer are required from the other components of the investment portfolio that the participant holds with Aegon. In the event of a strong increase in the participation value, the SLMF's buffer is disbursed off to other components of the investment portfolio that the participant holds with Aegon. The amount of the additional payment or creaming off takes place up to the so-called reference rate of the SLMF. This reference rate has been chosen in such a way that an interest rate rise of 1.6 percentage points can be absorbed. With an interest rate rise of approximately 0.25 percentage point at the end of the month or approximately 0.50 percentage point intra-month, an additional payment and thus the new reference rate will be effected.

For more information about the SLMF, please refer to the fund specifications of the SLMF also included in this prospectus.

Objective
The objective of the fund is to enable participants to gear the interest rate sensitivity of their investments to the interest rate sensitivity of the pensions to the intended extent. By hedging the interest rate risk, the aim is to bring the change in value of the fixed-income investments in line with the change in value of future pension benefits to the desired extent, so that the influence of the interest rate on the retirement date on the pension to be purchased is managed.

Sustainability policy
The investments underlying this financial product do not take the EU criteria regarding environmentally and sustainable economic activities into account.

Benchmark
The fund has no benchmark.

Restrictions
Investment restrictions
The fund invests in the AEAM Strategic Liability Management Fund. The AEAM Strategic Liability Matching Fund may invest in derivative financial instruments (derivatives), government bonds from developed countries and liquid assets. Permitted derivative financial instruments (derivatives) are: interest rate swaps, fixed income futures and entering into repurchase transactions. The fund's freely available cash position must be between -5% and 5% of the fund's assets.

Deposits and withdrawals
The value of the underlying AEAM Strategic Liability Matching Fund ('SLMF') participation strongly depends on the market interest rate. As a result, the value of the SLMF participation can fluctuate strongly. The value of the SLMF participation has an upper and lower limit at the end of the month and an additional lower limit within the month. If the value of an SLMF participation exceeds or falls below these limits, a creaming or additional payment must be made to the reference price, respectively. This is achieved by buying or selling participations in the AEGON Liability Matching Fund for the participant against the sale or purchase of other components of the investment portfolio that the participant holds with Aegon. Such purchases and sales of the LMF, the AEGON Diversified Bond Fund and possibly the AEGON Diversified Equity Fund are subject to the usual surcharge and discount for this fund.

Leverage
The permitted leverage, i.e. the exposure resulting from using the permitted credit margin and/or entering into contracts in derivative financial instruments (in accordance with the method based on commitments made), amounts to a maximum of 2000% of the fund's assets. The permitted leverage, based on the gross method, is 4000% of the fund's assets. These instruments (derivatives) are only used if this is in line with the realization of the Fund's objective, to hedge risks and/or for efficient portfolio management.

Fiscal status
The fund is fiscally transparent, which means that the fund is not liable for corporate tax (or subject to any other tax on profits) and is not subject to dividend withholding tax. The assets, liabilities and results of the fund are directly allocated for tax purposes to the participants of the fund in proportion to their participation. Income or capital gains earned by a participant are regarded as income or capital gains made on the assets of the fund.

Dividend Policy
The fund does not distribute dividend. The earned income is reinvested.

7.2. Report of fund manager - investment policy

The Aegon Liability Matching Fund aligns the interest rate sensitivity of pension fund investments with the interest rate sensitivity of the liabilities. The fund is managed monthly based on a variable interest rate sensitivity per participation.

Year-on-year, the fixed interest rate on 25-year Euribor swaps remained relatively unchanged at around 2.4%. Swap rates rose to a peak of 3.4% during the year before declining significantly by almost 100 basis points in November and December as the market began to price in ECB rate cuts. The value of the participations - including distributions and additional contributions - remained the same year on year. This is because the swap interest rate at the end of the year was back at the same level as at the beginning of the year. The further flattening of the curve and positive carry of the curve position in the fund helped maintain the value of the fund. The value development, including additional contributions and skimmings, moved well with the pension obligations of the participants. As interest rates rose rapidly at the beginning of the year, as the central bank aggressively raised rates to tackle massive inflation, several additional deposits took place. This happened three times, namely in April, August and September. Interest rates fell sharply in November, which also resulted in a skimming.

The portfolio managers are bound by the restrictions imposed by the mandate on counterparties and the portfolio composition. Risk managers assess compliance with these restrictions. The fund is not exposed to currency risk, because all investments are denominated in euros. The liquidity risk is limited, because there is sufficient liquidity in the market to absorb deposits and withdrawals. The credit risk is also limited: although there is a risk that the counterparty in a swap cannot meet its obligations, collateral agreements limit this risk. In addition, the bonds in the fund are government bonds, the credit risk of which is limited.

In principle, the aim of the fund is to have a higher interest rate risk. Customers enter the fund to cover the interest rate risk of their obligations by taking on a high interest rate risk. On average, if the swap interest rate increases, the value of the fund decreases, but the liabilities decrease in value at the same or faster rate, vice versa, the fund increases in value if the interest rate decreases, thus covering the customer's risk of the increased value of the liabilities. This is done through interest rate swaps (especially receiver swaps, for which increasing interest rates decrease the value of the swap) which are inherently leveraged. Hedging the risks of interest rate swaps is done by maintaining a buffer, both at the clearing house (where collateral is paid and received, which reduces the concentration risk) and in the fund itself where bonds are managed that can be used to meet collateral calls. There is also a buffer outside the fund, which customers are required to enter. These are other fixed-income securities or funds and if the fund lacks money to meet the margin calls due to sharply rising interest rates, an internal mechanism has been set up whereby a margin call is made internally and the participations in other fixed-income securities and funds are sold for the customer and this is provided to the fund as additional collateral. The portfolio is rebalanced at least once a year (closing existing swaps and entering into new “at-the-money” swaps), which also reduces the interest rate risk (specifically the spread risk of different interest rates). All these risks are monitored daily by printing out the interest rate sensitivity (DV01) of the fund relative to the benchmark and keeping track of the cash and collateral positions. Furthermore, the portfolio managers also monitor the swap market daily to see what the current interest rates are and their impact on the fund.

The above-mentioned risks have had a low impact on the fund performance over the year 2023, with the exception of the interest rate risk. To combat the enormous inflation, the ECB raised interest rates sharply, causing interest rates to rise sharply during the year. At the end of 2023, interest rates fell significantly, ultimately returning to the level at the beginning of 2023.

We expect continued high volatility in the interest rate market for 2024, with central banks starting to cut interest rates conditional on an improvement in the inflation picture, with consumer prices rising less rapidly.

7.3. Key figures

Key figures	2023	2022	2021	2020	2019
Overview per participation[9]					
Changes in fair value	1.67	(102.72)	(70.49)	117.27	120.65
Income	-	-	0.01	-	-
Other results	0.28	0.51	0.94	1.12	0.84
Total result	**1.95**	**(102.21)**	**(69.54)**	**118.39**	**121.49**
Management fee and other expenses	(0.05)	(0.10)	(0.33)	(0.39)	(0.24)
Net result	**1.90**	**(102.31)**	**(69.87)**	**118.00**	**121.25**
Net asset value (x € 1,000)	241,940	213,520	272,465	222,674	171,462
Outstanding number of participations	5,729,377	5,242,341	1,291,411	747,077	914,267
Net asset value per participation	42.23	40.73	210.98	298.06	187.54
Performance[10]					
Performance (net asset value)	3.68%	(80.70%)	(29.21%)	58.93%	56.85%

[9] Amounts per participation are based on the average number of participations during the year.
[10] The performance is the time weighted return after costs calculated on a daily basis.

Financial statements AEGON Liability Matching Fund

7.4. Balance sheet as at 31 December

Balance Sheet			
(before appropriation of result) (amounts x € 1,000)	Reference	2023	2022
Assets			
Investments			
Investment funds		241,771	213,347
Total investments	7.7.2	**241,771**	**213,347**
Receivables			
Outstanding transactions in financial instruments		51	-
Issue of participations		-	3,170
Other receivables	7.7.4	183	92
Total receivables		**234**	**3,262**
Other assets			
Cash and cash equivalents	7.7.5	-	1
Total other assets		**-**	**1**
Total assets		**242,005**	**216,610**
Liabilities			
Net asset value			
Net assets before result		230,369	557,811
Result for the year		11,571	(344,291)
Total net asset value	7.7.6	**241,940**	**213,520**
Investments			
Call money		55	92
Total investments		**55**	**92**
Short term liabilities			
Outstanding transactions in financial instruments		-	2,992
Other payables and liabilities	7.7.7	10	6
Total short term liabilities		**10**	**2,998**
Total liabilities		**242,005**	**216,610**

7.5. Profit and loss statement

Profit and loss statement			
(amounts x € 1,000)	Reference	2023	2022
Investment result			
Interest call money		9	-
Interest bank accounts		2	-
Total direct result		**11**	**-**
Realised changes in values of investments		(11,949)	(5,028)
Unrealised changes in values of investments		22,106	(340,630)
Total indirect result	7.7.9	**10,157**	**(345,658)**
Total investment result		**10,168**	**(345,658)**
Other results			
Subscription and redemption fee	7.7.10	406	678
Restitution management fee		1,230	1,027
Other income		81	-
Total other results		**1,717**	**1,705**
Operating expenses			
Management fee		(237)	(265)
Service fee		(65)	(72)
Bank charges		(12)	(1)
Total operating expenses	7.7.11	**(314)**	**(338)**
Net result		**11,571**	**(344,291)**

7.6. Cash flow statement

Cash flow statement			
(amounts x € 1,000)	Reference	2023	2022
Cash flow from investment activities			
Purchases of investments		(98,800)	(304,340)
Sales of investments		77,490	15,886
Net receipts/(payments) for call money transactions		(37)	92
Interest received		11	-
Received management fee restitutions		1,139	1,007
Received other gains		81	-
Management fee paid		(234)	(264)
Service fee paid		(64)	(72)
Interest paid		(12)	(1)
Net cash flow from investment activities		**(20,426)**	**(287,692)**
Cash flow from financing activities			
Subscriptions		166,741	379,523
Redemptions		(146,722)	(92,690)
Received subscription and redemption fees		406	678
Net cash flow from financing activities		**20,425**	**287,511**
Net cash flow		**(1)**	**(181)**
Cash and cash equivalents opening balance		1	182
Cash and cash equivalents closing balance	7.7.5	**-**	**1**

7.7. Notes to the financial statements

7.7.1 General

The accounting principles and the method of calculating the ratios are included in chapter 13.

Comparison with previous year
The principles used for valuation and determination of results have remained unchanged compared to the previous year.

Continuity
The fund's annual accounts have been prepared on a going concern basis. This is based on the reasonable assumption that the fund is, and will be, able to continue its activities for the foreseeable future.

7.7.2 Investments

Movement schedule of investments

(amounts x € 1,000)	2023	2022
Investment funds		
Opening balance	213,347	272,151
Purchases	95,808	302,740
Sales	(77,541)	(15,886)
Revaluation	10,157	(345,658)
Closing balance	**241,771**	**213,347**
Call money		
Opening balance	(92)	-
Net amount for transactions in call money	37	(92)
Closing balance	**(55)**	**(92)**

The distribution of the investment portfolio according to the method of valuation is shown below:

Investments by valuation method

(amounts x € 1,000)	2023	2022
Derived from quoted market prices	241,716	213,255
Closing balance	**241,716**	**213,255**

7.7.3 Risks with respect to financial instruments

This paragraph shows the important risks associated with the investments of the fund.

Price risk
Price risk can be divided into:
- Currency risk is the risk that the value of a financial instrument will fluctuate as a result of changes in exchange rates;
- Market risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices, either caused by factors that exclusively apply to the individual instrument or the issuer thereof or by factors that influence all instruments that are traded in the market;
- Interest rate risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market interest rates.

The concept of price risk does not only comprise possibility of losses but also the possibility of gains.

Currency risk
There is no active currency policy. The fund mainly has investments in its portfolio that are quoted in euros. As a result, the fund is not exposed to significant currency risk.

Market risk
The fund only has investments in Aegon Investment Funds that invest in Europe. As a result, the fund is indirectly exposed to significant market risk.

Portfolio overview				
(amounts x € 1,000)	2023		2022	
Investment	**Amount**	**% of NAV**	**Amount**	**% of NAV**
AEAM Strategic Liability Matching Fund	241,771	99.9	213,347	99.9
Total as at 31 December	**241,771**	**99.9**	**213,347**	**99.9**

Interest rate risk
The fund invests through the underlying fund in fixed income financial instruments and interest rate swaps and is therefore exposed to significant interest rate risk.

Cash flow risk
Cash flow risk is the risk that future cash flows of a monetary financial instrument will fluctuate in size.

The fund invests indirectly, through the AEAM Strategic Liability Matching Fund, in interest rate swaps in which the AEAM Strategic Liability Matching Fund receives fixed interest and pays variable interest. The fund receives depending on the result of the AEAM Strategic Liability Matching Fund withdrawals or needs to deposit in case of a negative result within the AEAM Strategic Liability Matching Fund. As a result, the fund is exposed to a significant cash flow risk.

Credit risk
Credit risk is the risk that counterparties of investments cannot meet their obligations, causing the fund to incur a financial loss.

The amount that best represents the maximum credit risk is € 234,000 (2022: €3,263,000). Including the financial instruments sensitive to credit risk in the underlying investment funds, the amount that best represents the maximum credit risk is € 242,005,000 (2022: € 216,610,000).

The fund invests in financial instruments that are sensitive to credit risk and are therefore exposed to significant credit risk.

Liquidity risk
Liquidity risk, also known as 'funding risk', is the risk that the fund is not able to meet the financial obligations associated with its financial instruments or redemptions by participants. Liquidity risk can, among others, occur from the inability to sell a financial asset in the short term for (an amount close to) its fair value.

The participations of the fund are traded on a daily basis. Through the underlying fund, the fund invests in freely tradable listed bonds and interest rate swaps, which can be regarded as less liquid and the fund is therefore indirectly exposed to significant liquidity risk.

7.7.4 Other receivables

Other receivables		
(amounts x € 1,000)	2023	2022
Restitution management fee receivable	183	92
Total as at 31 December	**183**	**92**

7.7.5 Cash and cash equivalents

The cash and cash equivalents are at the free disposal of the fund.

7.7.6 Net asset value

Movement schedule net asset value		
(amounts x € 1,000)	2023	2022
Net asset value participants		
Opening balance	213,520	272,465
Subscriptions	163,571	378,036
Redemptions	(146,772)	(92,690)
Closing balance	**230,369**	**557,811**
Net result for the year	**11,571**	**(344,291)**
Total net asset value as at 31 December	**241,940**	**213,520**

Movement schedule of participations		
	2023	2022
Opening balance	5,242,341	1,291,411
Subscriptions	4,711,839	5,674,416
Redemptions	(4,224,803)	(1,723,486)
Closing balance	**5,729,377**	**5,242,341**

Historical summary			
	2023	2022	2021
Net asset value (X € 1,000)	241,940	213,520	272,465
Number of participations outstanding (units)	5,729,377	5,242,341	1,291,411
Net asset value per participation in €	42.23	40.73	210.98
Performance (net asset value)	3.68%	(80.70%)	(29.21%)

7.7.7 Other payables

Other payables		
(amounts x € 1,000)	2023	2022
Management fee payable	8	5
Service fee payable	2	1
Total as at 31 December	**10**	**6**

7.7.8 Profit and loss statement

The accounting principles and the method of calculating the ratios are included in chapter 13.

7.7.9 Indirect result

Changes in fair value of investments		
(amounts x € 1,000)	2023	2022
Realised price- and currency gains investment funds	53,313	-
Unrealised price- and currency gains investment funds	(65,262)	(5,028)
Unrealised price- and currency losses investment funds	22,106	-
Unrealised price- and currency losses investment funds	-	(340,630)
Total as at 31 December	**10,157**	**(345,658)**

7.7.10 Subscription and redemption fee

The subscription and redemption fees are 0.19% of the transaction amount. The fees charged are entirely to the benefit of the fund. Until May 16, 2023, the subscription and redemption fees amounted to 0.30%.

7.7.11 Costs and fees

Transaction costs		
(amounts x € 1,000)	2023	2022
Investment funds	160	106
Total transaction costs within the fund	**160**	**106**

Management fee

The manager charges a management fee for the management of the fund assets. The management fee is set as a percentage on an annual basis. The management fee is charged to the fund on a daily basis based on the net asset value of the fund at the end of the previous trading day.

The annual management fee amounts to 0.11%.

Service fee

The service fee is charged daily to the funds based on the net asset value of the funds at the end of the previous trading day. The service fee is 0.03% per year on the fund's assets up to € 500 million. A service fee of 0.025% applies to the fund assets of €500 million to €1.5 billion. A service fee of 0.02% applies to fund assets above € 1.5 billion.

Ongoing Charges Figure (OCF)

The overview below shows the costs during the year:

OCF		
(amounts x € 1,000)	2023	2022
Average net asset value	214,692	240,898
Total costs within the fund including fee sharing agreements	(929)	(690)
Accrued costs underlying Aegon investment funds	1,221	1,013
Total costs	**292**	**323**
OCF	**0,14%**	**0.13%**

Turnover Ratio (TR)

The TR gives an indication of the turnover of the fund’s investment portfolio by providing insight in the extent to which the fund manager actively changes the investment portfolio based on his investment decisions.

TR		
(amounts x € 1,000)	2023	2022
Purchases of investments	95,808	302,740
Sales of investments	77,541	15,886
Total investment transactions	**173,349**	**318,626**
Subscriptions	98,560	334,620
Redemptions	81,712	49,274
Total movements in participations	**180,272**	**383,894**
Average net asset value	214,692	240,898
TR	**0**	**0**

Other notes
The other notes are an integral part of the financial statements and are included in chapter 14.

7.7.12 Events after balance sheet date

There are no subsequent events after balance sheet date that require further explanation.

8 Annual Report 2023 AEAM Government Related Investment Fund

1 January 2023 through 31 December 2023

8.1. General information

Date of incorporation
The fund was established on 19 April 2016.

Profile
The fund is a fund for joint account (Dutch: “fonds voor gemene rekening”). The participations are only available to qualified investors (Dutch: “gekwalificeerde beleggers”) as defined in the Dutch Act on Financial Supervision (Dutch: “Wet op het financieel toezicht”).

Investment Policy
The fund invests, directly or indirectly, in less liquid loans guaranteed by or affiliated with national or local governments from EU and/or OECD countries, as well as international institutions such as supranational organizations and agencies. The fund also has the option to invest in liquid government-guaranteed bonds and (government) guaranteed loans to Export Credit Agencies. The policy is aimed at adding value through an active selection policy for individual loans and investing in less liquid instruments with a liquidity premium and a low capital requirement. For loans with an illiquid character, the fund follows a buy-and-hold strategy.

Objective
The objective of the fund is to achieve longer-term outperformance for management costs of 80 basis points above the benchmark, with a low capital requirement as referred to under the Financial Assessment Framework and Solvency.

Sustainability policy
We confirm that the environmental and social characteristics as stated in the prospectus at the beginning of the reporting period for this fund have been met.

Information about the environmental or social characteristics of this financial product is available in the appendix (Periodic sustainability commentary AeAM Government Related Investment Fund), including information to which environmental objectives the investments of this fund contribute and how and to what extent the investments take place in economic activities that take into account the EU criteria for environmentally sustainable economic activities as set out in the EU taxonomy (2020/852). The “do no significant harm” principle only applies to the investments underlying this financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining part of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Benchmark
ICE BAML Core Eurozone Government Bond Index (Customized).

Restrictions
Investment restrictions
The fund may invest in government bonds from EU and/or OECD countries, inflation-linked bonds, private loans and cash. All loans in the portfolio are guaranteed by or affiliated with national or local governments from EU and/or OECD countries, as well as international institutions such as supranational organizations and agencies. To reduce currency, interest and/or country risk and to manage on duration, investments can also be made in derivative financial instruments (derivatives): credit default swaps, fixed income futures, interest rate swaps and currency forward contracts. The fund's freely available cash position must be between -5% and 5% of the fund's assets.

Investment Strategies
- At least 60% is invested in Euro-denominated paper
- Exposure per individual loan amounts to a maximum of 10% of the fund's assets
- Loans to Export Credit Agencies must be at least 95% covered by government guarantees

Rating
The fund has a minimum weighted credit rating of AA. Investments in individual loans have a minimum credit rating of BBB. If a rating limit is exceeded due to downgrading of the loan status, it may be held for the remaining term of the loan, provided that the weighted credit rating of the fund is at least AA. The purchase of these bonds is not permitted during this period.

The rating of a rating agency is sufficient to determine the credit rating. If no credit rating exists for an instrument, this is determined by AAM on the basis of an internal rating methodology.

Duration
The duration of the fund may differ by a maximum of plus and a minimum of minus 0.5 years compared to the benchmark duration.

Counterparty
For swaps, the minimum counterparty rating is BBB.

Leverage
The permitted leverage, i.e. the exposure resulting from using the permitted credit facility and/or entering into contracts in derivative financial instruments (in accordance with the method based on commitments made), is a maximum of 50% of the fund's assets. The permitted leverage, based on the gross method, is 200% of the fund's assets. These instruments (derivatives) are only used if this is in line with the realization of the Fund's objective, to hedge risks and/or for efficient portfolio management.

Short term deviations
Short-term deviations from the above restrictions are possible as a result of large entry into or exit from the fund. Such deviations are brought back within a period of 1 month within the established limits.

Fiscal status
The fund is fiscally transparent, which means that the fund is not liable for corporate tax (or subject to any other tax on profits) and is not subject to dividend withholding tax. The assets, liabilities and results of the fund are directly allocated for tax purposes to the participants of the fund in proportion to their participation. Income or capital gains earned by a participant are regarded as income or capital gains made on the assets of the fund.

Dividend Policy
The fund does not distribute dividend. The earned income is reinvested.

8.2. Report of fund manager - investment policy

In 2023, the AEAM Government Related Investment Fund achieved a return after fees of 6.03%. The fund performed higher than the benchmark, the ICE BAML Core Eurozone Government Bond Index (Customized). After costs, the return was 0.34% above the benchmark, which recorded a return of 5.67%.

The fund mainly invests in loans to local and regional governments or loans to companies guaranteed by these governments. In addition, the fund also invests in loans backed by Export Credit Agencies (ECA) or supranational development banks. By holding these loans, the fund receives a premium for the illiquidity of the investment. In the long term, the fund is expected to achieve a higher return than the benchmark. Furthermore, the specific fund risks are limited as much as possible and the portfolio is structured in line with the fund conditions. The portfolio managers are bound by mandate restrictions, which are assessed by risk managers. The fund uses futures to adjust interest rate risk and fx forwards to manage currency risk.

The fund runs liquidity risk because the loans in the fund are more difficult to trade. This liquidity risk is inherent to the design of the fund. The aim of the fund is to generate additional performance through the reward that offsets this liquidity risk and the fund continues to hold the loans for the long term. The fund is exposed to interest rate risk as fluctuations in interest rates affect the price of bonds. The interest rate risk increases with the term. The fund also runs market risk, as the bonds trade on a (swap) spread with government bonds. This market risk is also reflected in the relative performance of the fund because the benchmark consists of government bonds. The concentration risk is present because many guarantees are based on a commitment from the Dutch (lower) government. The fund is exposed to currency risk because a small portion of the investments are not denominated in euros.

The above risks have had a limited impact on the relative fund performance over the year 2023. Rising interest rates increased the illiquidity premium on loans, but this negative effect was largely offset by the declining swap spread, or the spread between swap rates and government bond rates. One of the effects of rising interest rates is that more and more loans are being issued with a relatively short term, especially in the market for WSW loans (Social Housing Guarantee Fund). This is a positive development because until recently, loans were mainly issued with long terms (30 years or more). The liquidity risk had a limited impact on the performance of the fund.

We expect an increase in the issuance volume of WSW loans in 2024, precisely because housing associations need more financing to realize housing construction and sustainability of existing homes. We also expect an increase in the volume of ECA (Export Credit Agency) loans, especially in the renewable energy segment. AEAM will add suitable investments to the fund if they contribute to relative performance, subject to sufficient cash in the fund.

8.3. Key figures

Key figures	2023	2022	2021	2020	2019
Overview per participation[11]					
Changes in fair value	0.53	(1.95)	(0.35)	0.45	0.59
Total result	**0.53**	**(1.95)**	**(0.35)**	**0.45**	**0.59**
Management fee and other expenses	(0.02)	(0.03)	(0.03)	(0.03)	(0.03)
Net result	**0.51**	**(1.98)**	**(0.38)**	**0.42**	**0.56**
Net asset value (x € 1,000)	208,371	230,047	284.024	278.448	261.762
Outstanding number of participations	22,221,691	26,000,805	26.240.859	24.831.639	24.246.602
Net asset value per participation	9.38	8.85	10.82	11.21	10.80
Performance[12]					
Performance (net asset value)	6.03%	(18.26%)	(3.48%)	3.87%	5.29%
Performance benchmark	5.67%	(18.57%)	(3.44%)	3.80%	4.25%
Outperformance	0.34%	0.39%	(0.04%)		
Outperformance since inception	2.87%	2.53%	2.13%		
Annualised outperformance since inception	0.37%	0.37%	0.37%		

[11] Amounts per participation are based on the average number of participations during the year.
[12] The performance is the time weighted return after costs calculated on a daily basis. The outperformance figures are presented in 2021 for the first time, therefore no comparative figures included.

Financial statements AEAM Government Related Investment Fund

8.4. Balance sheet as at 31 December

Balance Sheet (before appropriation of result) (amounts x € 1,000)	Reference	2023	2022
Assets			
Investments			
Investment funds		208,390	230,062
Total investments	8.7.2	**208,390**	**230,062**
Receivables			
Outstanding transactions in financial instruments		10,044	-
Issue of participations		-	300
Total receivables		**10,044**	**300**
Other assets			
Cash and cash equivalents	8.7.4	-	1
Total other assets		**-**	**1**
Total assets		**218,434**	**230,363**
Liabilities			
Net asset value			
Net assets before result		195,847	282,324
Result for the year		12,524	(52,277)
Total net asset value	8.7.5	**208,371**	**230,047**
Investments			
Call money		-	54
Total investments	8.7.2	**-**	**54**
Short term liabilities			
Outstanding transactions in financial instruments		-	247
Payables to credit institutions	8.7.6	44	-
Redemption of participations		10,000	-
Other payables and liabilities	8.7.7	19	15
Total short term liabilities		**10,063**	**262**
Total liabilities		**218,434**	**230,363**

8.5. Profit and loss statement

Profit and loss statement			
(amounts x € 1,000)	Reference	2023	2022
Investment result			
Realised changes in values of investments		(3,124)	(494)
Unrealised changes in values of investments		16,271	(51,067)
Total indirect result		**13,147**	**(51,561)**
Total investment result		**13,147**	**(51,561)**
Operating expenses			
Management fee		(555)	(639)
Service fee		(67)	(77)
Interest bank accounts		(1)	-
Total operating expenses	8.7.11	**(623)**	**(716)**
Net result		**12,524**	**(52,277)**

8.6. Cash flow statement

Cash flow statement			
(amounts x € 1,000)	Reference	2023	2022
Cash flow from investment activities			
Purchases of investments		(247)	(4,364)
Sales of investments		24,775	7,093
Net receipts/(payments) for call money transactions		(54)	(19)
Management fee paid		(551)	(633)
Service fee paid		(67)	(76)
Interest paid		(1)	-
Net cash flow from investment activities		**23,855**	**2,001**
Cash flow from financing activities			
Subscriptions		900	4,500
Redemptions		(24,800)	(6,500)
Net cash flow from financing activities		**(23,900)**	**(2,000**
Net cash flow		**(45)**	**1**
Cash and cash equivalents opening balance		1	-
Cash and cash equivalents closing balance	8.7.4	**(44)**	**1**

8.7. Notes to the financial statements

8.7.1 General

The accounting principles and the method of calculating the ratios are included in chapter 13.

Comparison with previous year
The principles used for valuation and determination of results have remained unchanged compared to the previous year.

Continuity
The fund's annual accounts have been prepared on a going concern basis. This is based on the reasonable assumption that the fund is, and will be, able to continue its activities for the foreseeable future.

8.7.2 Investments

Movement schedule of investments		
(amounts x € 1,000)	2023	2022
Investment funds		
Opening balance	230,062	284,105
Purchases	-	4,611
Sales	(34,819)	(7,093)
Revaluation	13,147	(51,561)
Closing balance	**208,390**	**230,062**
Call money		
Opening balance	(54)	(73)
Settlement of positions	54	19
Closing balance	**-**	**(54)**

The distribution of the investment portfolio according to the method of valuation is shown below:

Investments by valuation method		
(amounts x € 1,000)	2023	2022
Derived from quoted market prices	208,390	230,008
Closing balance	**208,390**	**230,008**

8.7.3 Risks with respect to financial instruments

This paragraph shows the important risks associated with the investments of the fund.

Price risk
Price risk can be divided into:
- Currency risk is the risk that the value of a financial instrument will fluctuate as a result of changes in exchange rates;
- Market risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices, either caused by factors that exclusively apply to the individual instrument or the issuer thereof or by factors that influence all instruments that are traded in the market;
- Interest rate risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market interest rates.

The concept of price risk does not only comprise possibility of losses but also the possibility of gains.

Currency risk
There is no active currency policy. The fund mainly has investments in its portfolio that are quoted in euros. As a result, the fund is not exposed to significant currency risk.

Market risk
The fund only has investments in Aegon Investment Funds that invest worldwide. As a result, the fund is indirectly exposed to significant market risk.

Portfolio overview				
(amounts x € 1,000)	2023		2022	
Investment	**Amount**	**% of NAV**	**Amount**	**% of NAV**
Aegon Basisfonds Government Related Investments	208,390	100.0	230,062	100.0
Total as at 31 December	**208,390**	**100.0**	**230,062**	**100.0**

Interest rate risk
The fund invests indirectly through the underlying investment funds in fixed-income financial instruments and bond futures and is therefore indirectly exposed to significant interest rate risk.

Cash flow risk
Cash flow risk is the risk that future cash flows of a monetary financial instrument will fluctuate in size.

The fund does not invest in financial instruments with variable interest rates and is therefore not exposed to significant cash flow risk.

Credit risk
Credit risk is the risk that counterparties of investments cannot meet their obligations, causing the fund to incur a financial loss.

The amount that best represents the maximum credit risk of the fund is € 10,044,000 (2022: € 301,000). Including the financial instruments sensitive to credit risk in the underlying investment funds, the amount that best represents the maximum credit risk of the fund is € 218,434,000 (2022: € 230,363,000).

The fund invests in financial instruments that are sensitive to credit risk and are therefore exposed to significant credit risk.

Liquidity risk
Liquidity risk, also known as ‘funding risk’, is the risk that the fund is not able to meet the financial obligations associated with its financial instruments or redemptions by participants. Liquidity risk can, among others, occur from the inability to sell a financial asset in the short term for (an amount close to) its fair value.

The fund is exposed to liquidity risk as the fund's investments cannot be liquidated immediately become. The entry and exit of participants depends on the supply of loans, respectively on the availability of liquid assets released from the cash flows of the investments or from the net balance of new issuance and purchase of units in the fund. As a result, the fund is not exposed to a significant liquidity risk.

8.7.4 Cash and cash equivalents

The cash and cash equivalents are at the free disposal of the fund.

8.7.5 Net asset value

Movement schedule net asset value		
(amounts x € 1,000)	2023	2022
Net asset value participants		
Opening balance	230,047	284,024
Subscriptions	600	4,800
Redemptions	(34,800)	(6,500)
Closing balance	**195,847**	**282,324**
Net result for the year	**12,524**	**(52,277)**
Total net asset value as at 31 December	**208,371**	**230,047**

Movement schedule of participations		
	2023	2022
Opening balance	26,000,805	26,240,859
Subscriptions	67,222	454,067
Redemptions	(3,856,336)	(694,121)
Closing balance	**22,211,691**	**26,000,805**

Historical summary			
	2023	2022	2021
Net asset value (X € 1,000)	208,371	230,047	284,024
Number of participations outstanding (units)	22,211,691	26,000,805	26,240,859
Net asset value per participation in €	9.38	8.85	10.82
Performance (net asset value)	6.03%	(18.26%)	(3.48%)

8.7.6 Payables to credit institutions

The debts to credit institutions consist of short-term debts in current account with the banker of the fund.

8.7.7 Other payables

Other payables		
(amounts x € 1,000)	2023	2022
Management fee payable	17	13
Service fee payable	2	2
Total as at 31 December	**19**	**15**

8.7.8 Profit and loss statement

The accounting principles and the method of calculating the ratios are included in chapter 13.

8.7.9 Indirect result

Changes in fair value of investments		
(amounts x € 1,000)	2023	2022
Realised price- and currency gains investment funds	-	3
Realised price- and currency losses investment funds	(3,124)	(497)
Unrealised price- and currency gains investment funds	16,271	-
Unrealised price- and currency losses investment funds	-	(51,067)
Total as at 31 December	**13,147**	**(51,561)**

8.7.10 Subscription and redemption fee

A subscription and redemption fee for entries and exits does not apply to the fund.

8.7.11 Costs and fees

Management fee
The manager charges a management fee for the management of the fund assets. The management fee is set as a percentage on an annual basis. The management fee is charged to the fund on a daily basis based on the net asset value of the fund at the end of the previous trading day.

The annual management fee amounts to 0.25%.

Service fee
The service fee is charged daily to the funds based on the net asset value of the funds at the end of the previous trading day. The service fee is 0.03% per year on the fund's assets up to € 500 million. A service fee of 0.025% applies to the fund assets of €500 million to €1.5 billion. A service fee of 0.02% applies to fund assets above € 1.5 billion.

Ongoing Charges Figure (OCF)
The overview below shows the costs during the year:

OCF		
(amounts x € 1,000)	2023	2022
Average net asset value	222,095	255,444
Total costs within the fund including fee sharing agreements	622	716
Total costs	**622**	**716**
OCF	**0.28%**	**0.28%**

Turnover Ratio (TR)
The TR gives an indication of the turnover of the fund’s investment portfolio by providing insight in the extent to which the fund manager actively changes the investment portfolio based on his investment decisions.

TR		
(amounts x € 1,000)	2023	2022
Purchases of investments	-	4,611
Sales of investments	34,819	7,093
Total investment transactions	**34,819**	**11,704**
Subscriptions	-	4,800
Redemptions	34,200	6,500
Total movements in participations	**34,200**	**11,300**
Average net asset value	222,095	255,444
TR	**0**	**0**

Other notes
The other notes are an integral part of the financial statements and are included in chapter 14.

8.7.12 Events after balance sheet date

There are no subsequent events after balance sheet date that require further explanation.

9 Annual Report 2023 AEAM US Corporate Credit Fund

1 January 2023 through 31 December 2023

9.1. General information

Date of incorporation
The fund was established on 17 December 2019.

Profile
The fund is a fund for joint account (Dutch: “fonds voor gemene rekening”). The participations are only available to qualified investors (Dutch: “gekwalificeerde beleggers”) as defined in the Dutch Act on Financial Supervision (Dutch: “Wet op het financieel toezicht”).

Investment Policy
The fund invests, directly or indirectly, in USD-denominated fixed income securities issued by certain institutions or businesses. The investment process is aimed at adding value by means of the management's policy. Some examples of the policy to be pursued are: selection policy of countries, sectors and individual bonds.

Objective
The fund aims to provide capital growth by investing primarily in USD denominated investment grade corporate bonds.

Sustainability policy
We confirm that the environmental and social characteristics as stated in the prospectus at the beginning of the reporting period for this fund have been met.

Information about the environmental or social characteristics of this financial product is available in the appendix (Periodic sustainability commentary AEAM US Corporate Credit Fund), including information to which environmental objectives the investments of this fund contribute and how and to what extent the investments take place in economic activities that take into account the EU criteria for environmentally sustainable economic activities as set out in the EU taxonomy (2020/852). The “do no significant harm” principle only applies to the investments underlying this financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining part of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Benchmark
The fund has no benchmark.

Restrictions
Investment restrictions
The fund may invest in transferable bonds in USD issued by companies and institutions from OECD countries. The fund's freely available cash position must be between -10% and 10% of the fund's assets. The fund excludes investments in emerging markets, securitized assets, covered bonds, AT1 Capital/contingent convertibles and other investment funds. The fund may invest up to 10% of the fund's assets in unlisted securities. This 10% restriction does not apply to:

- Securities offered under Regulation S of Rule 144a, as defined in the US Securities Act of 1993, if those securities are listed on a stock exchange, and
- Other securities, including securities subject to Rule 144A, that are “TRACE-eligible”: Trade Reporting and Compliance Engine, a trade-reporting system for fixed income securities.

Investment Strategies
At the time of purchase, no more than 5% of the Fund's Net Asset Value may be invested in a single issuer, measured at the parent company level.

Duration
The fund's "modified and credit" durations are between 3 and 9 years.

Rating
At least 70% of the portfolio must be invested in credits with a rating of A or higher (when purchased). Investments may not be made in bonds with a rating of BBB or lower.

Leverage
The permitted leverage, or the exposure resulting from using the permitted credit margin and/or entering into contracts in derivative financial instruments (in accordance with the method based on commitments made), is a maximum of 10% of the fund's assets. The permitted leverage, based on the gross method, is 300% of the fund's assets. These instruments (derivatives) are only used if this is in line with the realization of the Fund's objective, to hedge risks and/or for efficient portfolio management.

Short term deviations
Short-term deviations from the above restrictions are possible due to large entry into or exit from the Fund. Such deviations are brought back within a period of 1 month within the established limits.

Fiscal status
The fund is fiscally transparent, which means that the fund is not liable for corporate tax (or subject to any other tax on profits) and is not subject to dividend withholding tax. The assets, liabilities and results of the fund are directly allocated for tax purposes to the participants of the fund in proportion to their participation. Income or capital gains earned by a participant are regarded as income or capital gains made on the assets of the fund.

Dividend Policy
The fund does not distribute dividend. The earned income is reinvested.

9.2. Report of fund manager - investment policy

In 2023, the AEAM Corporate Credit Fund returned 3.75% versus the ICE BofA US Corporate Master index, which returned 8.40%.

Fixed income markets have seen continued high volatility in 2023 amid aggressive monetary tightening policy from the US Federal Reserve ("FED") and persistently high, albeit declining, inflation. While the yield on 10-year US government bonds exceeded a range of 1.68% during the year, the yield ended 2023 virtually unchanged at 3.88%. The cumulative effect of the Fed's interest rate hike policy, which saw the policy rate rise to a range of 5.25% to 5.50%, has supported a decline in inflation. After peaking at an annualized rate of 9.06% in June 2022, the Consumer Price Index ("CPI") recorded a lower increase of 3.12% in November 2023 from a year earlier. Economic activity exceeded expectations in 2023, illustrated by annualized real gross domestic product ("GDP") growth of 4.87% in the third quarter of 2023, the strongest quarter since the fourth quarter of 2021. The resilience of economic growth has contributed to expectations that the economy will make a soft landing and a recession will be avoided after the Fed's tightening policy.

Fixed income supply and demand factors were exceptionally supportive of total and excess returns during the year. High fixed income rates attracted demand from a wide range of investors, keeping credit spreads anchored. Investment grade corporate bond issuance ended in 2023 in line with 2022 supply, but the rise in long-term rates encouraged less long-term supply, which supported credit products. Market fundamentals remained robust in 2023. Although corporate balance sheets have begun to deteriorate somewhat and loan delinquencies have increased in certain parts of the economy, both have remained good from a historical perspective. Against this backdrop, the ICE BofA US Corporate Master Index posted a total return of 8.40% after two consecutive years of negative returns. Over the year, the index options adjusted spread ("OAS") tightened by 34 basis points ("bps"), ending 2023 at 104 bps.

The fund performed worse than the benchmark. Duration positioning was the biggest detractor from relative returns, followed by carry. The positive effect on the price of the tightening of credit spreads contributed to the relative return. At the sector level, selection of securities within communications, energy and REITs made the largest contribution to relative returns. The biggest drag on relative returns came from selection in the banking, technology and non-cyclical consumer sectors.

As part of the ongoing portfolio management process, portfolio managers actively manage the risk positioning of the portfolio as they seek to minimize downside risk and pursue better risk-adjusted returns.

The team focused on credit and interest rate risks early in the year, with the Fed continuing its efforts to tame inflation and raising expectations that their efforts could lead to a shallow recession. The fund's duration underweight relative to the benchmark was reduced over the year, given the attractiveness of rising interest rates and slowing growth expectations. The portfolio was defensively positioned with no allocation to fixed income securities below BBB+ versus the benchmark which holds approximately 32% of BBB and BBB credits.

Outlook

Given the macroeconomic backdrop, the team believes that policy rates have peaked and interest rate cuts are likely to emerge in 2024. This change in FED policy has already given the interest rate market a boost, as interest rates have fallen rapidly and the market wants to respond to the timing of the coming interest rate cuts.

The portfolio management team continues to believe that fixed income offers strong quality, good protection and high income potential in the current environment, given high yields across the curve and robust fundamental credit dynamics.
The team expects longer-term yields to be around current levels, with a tendency towards a steepening yield curve over the course of 2024. With credit spreads tight at historical levels, opportunities for excess return are likely to come mainly from sector allocation and credit selection.

From a fundamental perspective, companies had been preparing for an expected recession for more than a year and, as a result, credit trends had improved. As the dark clouds begin to clear and a soft landing becomes more likely, the team expects these positive rating trends to come to a halt, especially for higher-rated bonds as they look to benefit from and potentially leverage.

The market technical situation is expected to remain strong. All-in yields have remained high despite the decline in the fourth quarter of 2023, which should continue to drive strong demand. For the coming year, supply is likely to be close to 2023 levels, but on a net basis the amounts should be considerably lower. However, it is possible that an improving economy could lead to a spike in mergers and acquisitions.

9.3. Key figures

Key figures	2023	2022	2021	2020	2019
Overview per participation[13]					
Changes in fair value	0.01	(1.31)	0.22	(0.30)	(0.08)
Income	0.39	0.34	0.30	0.32	0.10
Other results	(0.01)	0.05	0.02	(0.02)	-
Total result	**0.39**	**(0.92)**	**0.54**	**-**	**0.02**
Management fee and other expenses	(0.02)	(0.02)	(0.02)	(0.02)	(0.00)
Net result	**0.37**	**(0.94)**	**0.52**	**(0.02)**	**0.02**
Net asset value (x € 1,000)	101,030	97,364	131,956	125,378	79,330
Outstanding number of participations	9,965,774	9,965,774	12,435,178	12,435,178	7,909,561
Net asset value per participation	10.14	9.77	10.61	10.08	10.03
Performance[14]					
Performance (net asset value)	3.75%	(7.93%)	5.25%	0.53%	0.30%

[13] Amounts per participation are based on the average number of participations during the year.
[14] The performance is the time weighted return after costs calculated on a daily basis.

Financial statements AEAM US Corporate Credit Fund

9.4. Balance sheet as at 31 December

Balance Sheet (before appropriation of result) (amounts x € 1,000)	Reference	2023	2022
Assets			
Investments			
Investment funds		95,538	93,512
Call money		-	3,009
Total investments	9.7.2	**95,538**	**96,521**
Receivables			
Outstanding transactions in financial instruments		-	13
Other receivables	9.7.4	957	868
Total receivables		**957**	**881**
Other assets			
Cash and cash equivalents	9.7.5	4,541	-
Total other assets		**4,541**	**-**
Total assets		**101,036**	**97,402**
Liabilities			
Net asset value			
Net assets before result		97,364	106,956
Result for the year		3,666	(9,592)
Total net asset value	9.7.6	**101,030**	**(97,364)**
Short term liabilities			
Payables to credit institutions		-	33
Other payables and liabilities	9.7.7	6	5
Total short term liabilities		**6**	**38**
Total liabilities		**101,036**	**97,402**

9.5. Profit and loss statement

Profit and loss statement			
(amounts x € 1,000)	Reference	2023	2022
Direct result			
Interest obligation		3,834	3,461
Interest call money		99	56
Interest bank accounts		3	-
Total direct result		**3,936**	**3,517**
Realised changes in values of investments		(1,808)	(1,884)
Unrealised changes in values of investments		1,882	(11,562)
Total indirect result	9.7.9	**74**	**(13,446)**
Total investment result		**4,010**	**(9,929)**
Other results			
Currency results		(143)	553
Total other results		**(143)**	**553**
Operating expenses			
Management fee		(162)	(172)
Service fee		(39)	(42)
Interest bank accounts		-	(2)
Total operating expenses	9.7.11	**(201)**	**(216)**
Net result		**3,666**	**(9,592)**

9.6. Cash flow statement

Cash flow statement			
(amounts x € 1,000)	Reference	2023	2022
Cash flow from investment activities			
Purchases of investments		(25,044)	(33,940)
Sales of investments		23,105	54,594
Net receipts/(payments) for call money transactions		3,009	374
Interest received		3,847	3,596
Management fee paid		(161)	(170)
Service fee paid		(39)	(42)
Interest paid		-	(2)
Net cash flow from investment activities		**4,717**	**24,410**
Cash flow from financing activities			
Subscriptions		-	(25,000)
Net cash flow from financing activities		**-**	**(25,000)**
Net cash flow		**4,717**	**590**
Cash and cash equivalents opening balance		(33)	4
Currency translation results on cash and cash equivalents		(143)	553
Cash and cash equivalents closing balance	9.7.5	**4,541**	**(33)**

9.7. Notes to the financial statements

9.7.1 General

The accounting principles and the method of calculating the ratios are included in chapter 13.

Comparison with previous year
The principles used for valuation and determination of results have remained unchanged compared to the previous year.

Continuity
The fund's annual accounts have been prepared on a going concern basis. This is based on the reasonable assumption that the fund is, and will be, able to continue its activities for the foreseeable future.

9.7.2 Investments

Movement schedule of investments

(amounts x € 1,000)	2023	2022
Investment funds		
Opening balance	93,512	127,625
Purchases	25,037	33,940
Sales	(23,092)	(54,564)
Revaluation	81	(13,489)
Closing balance	**95,538**	**93,512**
Call money		
Opening balance	3,009	3,383
Net amount for transactions in call money	(3,009)	(374)
Closing balance	**-**	**3,009**
Forward currency contracts		
Settlement of positions	7	(43)
Revaluation	(7)	43
Closing balance	**-**	**-**

The distribution of the investment portfolio according to the method of valuation is shown below:

Investments by valuation method

(amounts x € 1,000)	2023	2022
Derived from quoted market prices	95,538	96,533
Closing balance	**95,538**	**96,533**

9.7.3 Risks with respect to financial instruments

This paragraph shows the important risks associated with the investments of the fund.

Price risk
Price risk can be divided into:
- Currency risk is the risk that the value of a financial instrument will fluctuate as a result of changes in exchange rates;
- Market risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices, either caused by factors that exclusively apply to the individual instrument or the issuer thereof or by factors that influence all instruments that are traded in the market;
- Interest rate risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market interest rates.

The concept of price risk does not only comprise possibility of losses but also the possibility of gains.

Currency risk
There is no active currency policy. The fund has investments in its portfolio that are denominated in foreign currencies. As a result, the fund is exposed to significant currency risk.

Breakdown portfolio by currency

(amounts x € 1,000)	2023		2022	
Investment	**Amount**	**% of NAV**	**Amount**	**% of NAV**
U.S. dollar	100,060	99.0	96,521	99.1
Other currencies	970	1.0	843	0.9
Total as at 31 December	**101,030**	**100.0**	**97,364**	**100.0**

Market risk
The risk incurred as a result of changes in market prices is limited by spreading the investments in the portfolio as much as possible across regions and sectors.

The fund invests in financial instruments that are virtually insensitive to market risk.

Top 10 investments

(amounts x € 1,000)	2023			
Investment	**%**	**Maturity date**	**Amount**	**% of NAV**
State Street Corp	5.751	4-Nov-26	1,839	1.9
Goldman Sach Group Inc	2.640	24-Feb-28	1,647	1.6
Bank of America Corp	2.651	11-Mar-32	1,531	1.5
Unitedhealth Group Inc	2.000	15-May-30	1,322	1.3
Bank of America Corp	3.705	24-Apr-28	1,293	1.3
Verizon Communications	2.987	30-Oct-56	1,286	1.3
American Express Co	3.000	30-Oct-24	1,246	1.2
Wells Fargo & Company	3.584	22-May-28	1,233	1.2
Wells Fargo & Company	2.572	11-Feb-31	1,194	1.2
Citigroup	4.910	24-May-33	1,146	1.1
Total as at 31 December			**13,737**	**13.6**

Top 10 investments

(amounts x € 1,000)		2022		
Investment	**%**	**Maturity date**	**Amount**	**% of NAV**
State Street Corp	5.751	4-Nov-26	1,926	2.0
Bank Of NY Mellon Corp	5.834	25-Oct-33	1,909	2.0
Goldman Sachs Group Inc	2.640	24-Feb-28	1,640	1.7
Bank Of America Corp	2.651	11-Mar-32	1,505	1.5
Morgan Stanley	4.210	20-Apr-28	1,459	1.5
Unitedhealth Group Inc	2.000	15-May-30	1,312	1.3
Bank Of America Corp	3.705	24-Apr-28	1,299	1.3
American Express Co	3.000	30-Oct-24	1,270	1.3
Wells Fargo & Company	3.584	22-May-28	1,243	1.3
Verizon Communications	2.987	30-Oct-56	1,234	1.3
Total as at 31 December			**14,797**	**15.2**

Interest rate risk

The fund invests in fixed income financial instruments and bond futures and is therefore exposed to significant interest rate risk.

Exposure interest rate risk 2023

(amounts x € 1,000)			2023			
	Shorter than 1 year	**Between 1 and 5 years**	**Between 5 and 10 years**	**Between 10 and 20 years**	**Longer than 20 years**	**Total**
Bonds	24,285	21,579	28,318	4,488	16,868	97,911
Total as at 31 December	**24,285**	**21,579**	**28,318**	**4,488**	**16,868**	**97,911**

Exposure interest rate risk 2022

(amounts x € 1,000)			2022			
	Shorter than 1 year	**Between 1 and 5 years**	**Between 5 and 10 years**	**Between 10 and 20 years**	**Longer than 20 years**	**Total**
Bonds	23,638	20,448	31,051	3,606	14,769	93,512
Total as at 31 December	**23,638**	**20,448**	**31,051**	**3,606**	**14,769**	**93,512**

The following overviews give insight in the effective interest rate of the bonds.

Breakdown bonds by interest rate type

(amounts x € 1.000)	2023		2022	
	Amount	**% of NAV**	**Amount**	**% of NAV**
Fixed	72,499	71.7	71,835	73.8
Floating	23,039	22.8	21,677	22.3
Total as at 31 December	**95,538**	**94.5**	**93,512**	**96.1**

Breakdown bonds by interest rate				
(amounts x € 1.000)	2023		2022	
	Amount	% of NAV	Amount	% of NAV
Between 1% en 2%	4,843	4.8	7,770	8.0
Between 2% en 3%	24,600	24.3	27,447	28.2
Between 3% en 4%	29,960	29.7	33,400	34.3
Between 4% en 5%	20,128	19.9	16,695	17.1
Between 5% en 6%	12,455	12.3	7,279	7.5
Between 6% en 7%	3,309	3.3	668	0.7
Between 7% en 8%	243	0.2	253	0.3
Total as at 31 December	**95,538**	**94.5**	**93,512**	**96.1**

Cash flow risk
Cash flow risk is the risk that future cash flows of a monetary financial instrument will fluctuate in size.

The fund invests in financial instruments with a variable interest rate and is therefore exposed to significant cash flow risk.

Credit risk
Credit risk is the risk that counterparties of investments cannot meet their obligations, causing the fund to incur a financial loss.

The amount that best represents the maximum credit risk is of the fund € 101,036,000 (2022: € 97,402,000). The fund invests in financial instruments that are sensitive to credit risk and are therefore exposed to significant credit risk.

Bonds portfolio breakdown by credit rating				
(amounts x € 1,000)			2022	
Credit Rating	**Amount**	**% of NAV**	**Amount**	**% of NAV**
AAA	1,801	1.8	2,416	2.5
AA	2,975	2.9	5,956	6.1
A	68,340	67.6	66,346	68.2
BBB	22,421	22.2	18,794	19.3
Total as at 31 December	**95,538**	**94.5**	**93,512**	**96.1**

The credit rating was determined on the basis of data supplier Bloomberg, based on the rating according to rating agency Moody's. If this rating is not available, the rating according to rating agency S&P is assumed. If the rating at S&P is not available, the rating according to rating agency Fitch has been used.

Liquidity risk
Liquidity risk, also known as 'funding risk', is the risk that the fund is not able to meet the financial obligations associated with its financial instruments or redemptions by participants. Liquidity risk can, among others, occur from the inability to sell a financial asset in the short term for (an amount close to) its fair value.

The participations of the fund are traded on a daily basis. The fund invests in freely tradable listed securities through its underlying funds. As a result, the fund is not exposed to a significant liquidity risk.

9.7.4 Other receivables

Other receivables		
(amounts x € 1,000)	2023	2022
Interest receivable	957	868
Total as at 31 December	**957**	**868**

9.7.5 Cash and cash equivalents

The cash and cash equivalents are at the free disposal of the fund.

9.7.6 Net asset value

Movement schedule net asset value		
(amounts x € 1,000)	2023	2022
Net asset value participants		
Opening balance	97,364	131,956
Subscriptions	-	(25,000)
Closing balance	**97,364**	**106,956**
Net result for the year	**3,666**	**(9,592)**
Total net asset value as at 31 December	**101,030**	**97,364**

Movement schedule of participations		
	2023	2022
Opening balance	9,965,774	12,435,178
Subscriptions	-	(2,469,404)
Closing balance	**9,965,774**	**9,965,774**

Historical summary			
	2023	2022	2021
Net asset value (X € 1,000)	101,030	97,364	131,956
Number of participations outstanding (units)	9,965,774	9,965,774	12,435,178
Net asset value per participation in €	10.14	9.77	10.61
Performance (net asset value)	3.75%	(7.93%)	5.25%

9.7.7 Other payables

Other payables		
(amounts x € 1,000)	2023	2022
Management fee payable	5	4
Service fee payable	1	1
Total as at 31 December	**6**	**5**

9.7.8 Profit and loss statement

The accounting principles and the method of calculating the ratios are included in chapter 13.

9.7.9 Changes in fair value of investments

Changes in fair value of investments		
(amounts x € 1,000)	2023	2022
Realised price- and currency gains bonds	1,769	2,764
Realised price- and currency losses bonds	(3,570)	(4,691)
Unrealised price- and currency gains bonds	2,603	459
Unrealised price- and currency losses bonds	(721)	(12,021)
Realised price- and currency gains forward currency contracts	100	280
Realised price- and currency losses forward currency contracts	(107)	(237)
Total as at 31 December	**74**	**(13,446)**

9.7.10 Subscription and redemption fee

For this fund subscription and redemption fees are not applicable.

9.7.11 Costs and fees

Management fee
The manager charges a management fee for the management of the fund assets. The management fee is set as a percentage on an annual basis. The management fee is charged to the fund on a daily basis based on the net asset value of the fund at the end of the previous trading day.

The annual management fee amounts to 0.18% over the fund’s assets till € 50 million. On the fund’s assets above €50 million, a management fee of 0.15% applies.

Service fee
The fund manager charges a service fee to the fund. The service fee serves as compensation for costs such as costs of regulators, custody costs, auditors’ fees, legal- and consultant fees, incorporation costs, administration fees and marketing- and communication costs. The service fee is determined as a percentage on an annual basis. The service fee is charged daily to the funds based on the net asset value of the funds at the end of the previous trading day.

The accountant’s costs for the audit of the annual accounts and any tax advice and other non-audit services are paid by the manager from the service fee. These costs cannot be allocated individually to the investment funds under management. Therefore, no further division has been made.

The annual service fee amounts to 0.04% over the fund’s assets and is charged daily based on the net asset value of the fund at the end of the previous trading day.

Ongoing Charges Figure (OCF)
The overview below shows the costs during the year:

OCF		
(amounts x € 1,000)	2023	2022
Average net asset value	98,021	104,969
Total costs within the fund including fee sharing agreements	201	214
Total costs	**201**	**214**
OCF	**0.21%**	**0.20%**

Turnover Ratio (TR)
The TR gives an indication of the turnover of the fund’s investment portfolio by providing insight in the extent to which the fund manager actively changes the investment portfolio based on his investment decisions.

TR		
(amounts x € 1,000)	2023	2022
Purchases of investments	25,044	33,940
Sales of investments	23,092	54,607
Total investment transactions	**48,136**	**88,547**
Subscriptions	-	25,000
Total movements in participations	**-**	**25,000**
Average net asset value	98,021	104,969
TR	**49**	**61**

Other notes

The other notes are an integral part of the financial statements and are included in chapter 14.

9.7.12 Events after balance sheet date

There are no subsequent events after balance sheet date that require further explanation.

10 Liquidation Report 2023 AEGON Liability Matching Fund II

1 January 2023 through 23 November 2023

10.1. General information

Date of incorporation
The fund was established on 16 September 2019.

Liquidation Date
The fund was closed on 1 March 2024. The texts written below regarding, among other things, the investment policy are written as they were applied during the period until the closure.

Profile
The fund is a fund for joint account (Dutch: “fonds voor gemene rekening”). The participations are only available to qualified investors (Dutch: “gekwalificeerde beleggers”) as defined in the Dutch Act on Financial Supervision (Dutch: “Wet op het financieel toezicht”).

Investment Policy
The fund invests in the AEAM Strategic Liability Matching Fund (SLMF). The aim of the SLMF is to hedge market interest rate risk efficiently and to the intended extent as part of the fixed-income portfolio.

The SLMF uses, among other things, interest rate swaps to increase interest rate sensitivity. This gives the SLMF a so-called leverage, which means that the volatility of the participation value is greater than with an average fixed-income investment fund. The SLMF uses a collateral buffer to manage counterparty risk.

If interest rates rise, the value of the SLMF will most likely decrease, if interest rates fall, the value of the SLMF will most likely increase. If the buffer is not sufficient in the event of a sharp drop in the participation value of the SLMF, additional payments into this buffer are required from the other components of the investment portfolio that the participant holds with Aegon. In the event of a strong increase in the participation value, the SLMF’s buffer is disbursed to other components of the investment portfolio that the participant holds with Aegon. The amount of the additional payment or creaming off takes place up to the so-called reference rate of the SLMF. This reference rate has been chosen in such a way that an interest rate rise of 1.6 percentage points can be absorbed. With an interest rate rise of approximately 0.25 percentage point at the end of the month or approximately 0.50 percentage point intra-month, an additional payment and thus the new reference rate will be effected.

For more information about the SLMF, please refer to the fund specifications of the SLMF also included in this prospectus.

Objective
The objective of the fund is to enable participants to gear the interest rate sensitivity of their investments to the interest rate sensitivity of the pensions to the intended extent. By hedging the interest rate risk, the aim is to bring the change in value of the fixed-income investments in line with the change in value of future pension benefits to the desired extent, so that the influence of the interest rate on the retirement date on the pension to be purchased is managed.

Sustainability policy
The investments underlying this financial product do not take the EU criteria regarding environmentally and sustainable economic activities into account.

Benchmark
The fund has no benchmark.

Restrictions

Investment restrictions

The fund invests in the AEAM Strategic Liability Management Fund. The AEAM Strategic Liability Matching Fund may invest in derivative financial instruments (derivatives), government bonds from developed countries and liquid assets. Permitted derivative financial instruments (derivatives) are: interest rate swaps, fixed income futures and entering into repurchase transactions. The fund's freely available cash position must be between -5% and 5% of the fund's assets.

Deposits and withdrawals

The value of the underlying AEAM Strategic Liability Matching Fund ('SLMF') participation strongly depends on the market interest rate. As a result, the value of the SLMF participation can fluctuate strongly. The value of the SLMF participation has an upper and lower limit at the end of the month and an additional lower limit within the month. If the value of an SLMF participation exceeds or falls below these limits, a creaming or additional payment must be made to the reference price, respectively. This is achieved by buying or selling participations in the AEGON Liability Matching Fund for the participant against the sale or purchase of other components of the investment portfolio that the participant holds with Aegon. Such purchases and sales of the LMF, the AEGON Diversified Bond Fund and possibly the AEGON Diversified Equity Fund are subject to the usual surcharge and discount for this fund.

Leverage

The permitted leverage, i.e. the exposure resulting from using the permitted credit facilities and/or entering into contracts in derivative financial instruments, is a maximum of 2000% of the fund's assets (in accordance with the method based on commitments made). The permitted leverage, based on the gross method, is 4000% of the fund's assets. These instruments (derivatives) are only used if this is in line with the realization of the fund objective, to hedge risks and/or for efficient portfolio management.

Fiscal status

The fund is fiscally transparent, which means that the fund is not subject to corporate income tax (or any other tax levy on profits) and is not subject to dividend withholding tax. For tax purposes, assets, liabilities and results of the fund are allocated directly to the participants of the fund in proportion to their participation. Income or capital gains realized by a participant with a participation are regarded as income or capital gains realized on the assets of the fund.

Dividend Policy

The fund does not distribute dividend. The earned income is reinvested.

10.2. Report of fund manager – investment policy

The Aegon Liability Matching Fund II aligns the interest rate sensitivity of pension fund investments with the interest rate sensitivity of the liabilities. The fund is managed monthly based on a variable interest rate sensitivity per participation.

Year-on-year, the fixed interest rate on 25-year Euribor swaps remained relatively unchanged at around 2.4%. Swap rates rose to a peak of 3.4% during the year before declining significantly by almost 100 basis points in November and December as the market began to price in ECB rate cuts. The value of the participations - including distributions and additional contributions - remained the same year on year. This is because the swap interest rate at the end of the year was back at the same level as at the beginning of the year. The further flattening of the curve and positive carry of the curve position in the fund helped maintain the value of the fund. The value development, including additional contributions and skimmings, moved well with the pension obligations of the participants. As interest rates rose rapidly at the beginning of the year, as the central bank aggressively raised rates to tackle massive inflation, several additional deposits took place. This happened three times, namely in April, August and September. Interest rates fell sharply in November, which also resulted in a skimming.

The portfolio managers are bound by the restrictions imposed by the mandate on counterparties and the portfolio composition. Risk managers assess compliance with these restrictions. The fund is not exposed to currency risk, because all investments are denominated in euros. The liquidity risk is limited, because there is sufficient liquidity in the market to absorb deposits and withdrawals. The credit risk is also limited: although there is a risk that the counterparty in a swap cannot meet its obligations, collateral agreements limit this risk. In addition, the bonds in the fund are government bonds, the credit risk of which is limited.

In principle, the aim of the fund is to have a higher interest rate risk. Customers enter the fund to cover the interest rate risk of their obligations by taking on a high interest rate risk. On average, if the swap interest rate increases, the value of the fund decreases, but the liabilities decrease in value at the same or faster rate, vice versa, the fund increases in value if the interest rate decreases, thus covering the customer's risk of the increased value of the liabilities. This is done through interest rate swaps (especially receiver swaps, for which increasing interest rates decrease the value of the swap) which are inherently leveraged. Hedging the risks of interest rate swaps is done by maintaining a buffer, both at the clearing house (where collateral is paid and received, which reduces the concentration risk) and in the fund itself where bonds are managed that can be used to meet collateral calls. There is also a buffer outside the fund, which customers are required to enter. These are other fixed-income securities or funds and if the fund lacks money to meet the margin calls due to sharply rising interest rates, an internal mechanism has been set up whereby a margin call is made internally and the participations in other fixed-income securities and funds are sold for the customer and this is provided to the fund as additional collateral. The portfolio is rebalanced at least once a year (closing existing swaps and entering into new “at-the-money” swaps), which also reduces the interest rate risk (specifically the spread risk of different interest rates). All these risks are monitored daily by making a daily printout of the interest rate sensitivity (DV01) of the fund relative to the benchmark and keeping track of the cash and collateral positions. Furthermore, the portfolio managers also monitor the swap market daily to see what the current interest rates are and their impact on the fund.

The above-mentioned risks have had a low impact on the fund performance over the year 2023, with the exception of the interest rate risk. To combat the enormous inflation, the ECB raised interest rates sharply, causing interest rates to rise sharply during the year. At the end of 2023, interest rates fell significantly, ultimately returning to the level at the beginning of 2023.

10.3. Key figures

Key figures	2023	2022	2021	16-09-2019 through 31-12-2020
Overview per participation[15]				
Changes in fair value	(7.46)	(83.09)	(56.43)	77.52
Other results	0.18	0.29	0.67	0.86
Total result	**(7.28)**	**(82.80**	**(55.76)**	**78.38**
Management fee and other expenses	(0.04)	(0.10)	(0.33)	(0.48)
Net result	**(7.32)**	**(82.90)**	**(56.09)**	**77.90**
Net asset value (x € 1,000)*	33,796	237,955	217,932	219,163
Outstanding number of participations	1,079,537	5,819,320	1,032,938	735,573
Net asset value per participation	31.31	40.89	210.98	297.95
Transactionrate	31,31	40.89	210.98	298.49
Performance[16]				
Performance (net asset value)	(23,30%)	(80.62%)	(29.18%)	24.41%

* This concerns the fund assets as of 23 November 2023. As of this date, all participations in the fund have been sold at the then applicable intrinsic value per participation of € 31.31. The fund was liquidated on 1 March 2024.

[15] Amounts per participation are based on the average number of participations during the year.
[16] The performance is the time weighted return after costs calculated on a daily basis.

Financial statements AEGON Liability Matching Fund II

10.4. Balance sheet as at 31 December

Balance Sheet			
(before appropriation of result) (amounts x € 1,000)	Reference	2023	2022
Assets			
Investments			
Investment funds		-	237,741
Total investments	10.7.2	**-**	**237,741**
Receivables			
Outstanding transactions in financial instruments		-	178
Other receivables	10.7.4	-	107
Total receivables		**-**	**28**
Other assets			
Cash and cash equivalents	10.7.5	-	274
Total other assets		**-**	**274**
Total assets		**-**	**238,300**
Liabilities			
Net asset value			
Net assets before result		62,043	513,423
Result for the year		(62,043)	(275,468)
Total net asset value	10.7.6	**-**	**237,955**
Short term liabilities			
Outstanding transactions in financial instruments		-	332
Redemption of participations		-	7
Other payables and liabilities	10.7.7	-	6
Total short term liabilities		**-**	**17**
Total liabilities		**-**	**238,300**

10.5. Profit and loss statement

Profit and loss statement			
(amounts x € 1,000)	Reference	2023	2022
Investment result			
Interest bank accounts		20	-
Total direct result		**20**	**-**
Realised changes in values of investments		(143,156)	(7,722)
Unrealised changes in values of investments		79,955	(268,396)
Totaal indirect result	10.7.9	**(63,201)**	**(276,118)**
Total investment result		**(63,181)**	**(276,118)**
Other results			
Restitution management fee		1,508	968
Total other results		**1,508**	**968**
Operating expenses			
Management fee		(285)	(247)
Service fee		(78)	(67)
Interest bank accounts		(7)	(4)
Total operating expenses	10.7.11	**(370)**	**(318)**
Net result		**(62,043)**	**(275,468)**

10.6. Cash flow statement

Cash flow statement			
(amounts x € 1,000)	Reference	2023	2022
Cash flow from investment activities			
Purchases of investments		(267,293)	(367,121)
Sales of investments		441,501	71,414
Interest received		20	-
Received management fee restitutions		1,615	921
Management fee paid		(289)	(246)
Service fee paid		(80)	(66)
Interest paid		(7)	(4)
Net cash flow from investment activities		**175,467**	**(295,102)**
Cash flow from financing activities			
Subscriptions		273,263	402,827
Redemptions		(449,004)	(107,506)
Net cash flow from financing activities		**(175,741)**	**295,321**
Net cash flow		**(274)**	**219**
Cash and cash equivalents opening balance		274	55
Cash and cash equivalents closing balance	10.7.5	**-**	**274**

10.7. Notes to the financial statements

10.7.1 General

The accounting principles and the method of calculating the ratios are included in chapter 13.

Emphasis on discontinuity of the investment fund
The manager has decided to close the fund with effect from 1 March 2023. The annual accounts are therefore drawn up based on the discontinuity of the investment fund. The valuation principles are based on principles used in the past, taking into account any additional write-downs of assets and making additional provisions. The liquidation principles of RJ 170 Chapter 2 have not been applied, since after the establishment of the investment fund, the manager decided to liquidate the investment fund. This liquidation has now been completed and the investment fund has fulfilled its obligations.

Comparison with previous year
The principles used for valuation and determination of results have remained unchanged compared to the previous year.

10.7.2 Investments

Movement schedule of investments

(amounts x € 1,000)	2023	2022
Investment funds		
Opening balance	237,741	217,833
Purchases	266,961	367,440
Sales	(441,501)	(71,414)
Revaluation	(63,201)	(276,118)
Closing balance	**-**	**237,741**

The distribution of the investment portfolio according to the method of valuation is shown below:

Investments by valuation method

(amounts x € 1,000)	2023	2022
Derived from quoted market prices	-	237,741
Closing balance	**-**	**237,741**

10.7.3 Risks with respect to financial instruments

This paragraph shows the important risks associated with the investments of the fund.

Price risk
Price risk can be divided into:
- Currency risk is the risk that the value of a financial instrument will fluctuate as a result of changes in exchange rates;
- Market risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices, either caused by factors that exclusively apply to the individual instrument or the issuer thereof or by factors that influence all instruments that are traded in the market;
- Interest rate risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market interest rates.

The concept of price risk does not only comprise possibility of losses but also the possibility of gains.

Currency risk
The fund invested via underlying funds in investments denominated in euros and was therefore not exposed to significant currency risk.

Market risk
The fund only had investments in Aegon Investment Funds that invest in Europe. As a result, the fund was indirectly exposed to significant market risk.

Interest rate risk
The fund invested indirectly through the underlying investment funds in fixed-income financial instruments, bond futures and interest rate swaps and is therefore indirectly exposed to significant interest rate risk.

Cash flow risk
Cash flow risk is the risk that future cash flows associated with a financial instrument will fluctuate in size.

The fund invested indirectly, through the AEAM Strategic Liability Matching Fund, in interest rate swaps where the AEAM Strategic Liability Matching Fund receives fixed interest and pays variable interest. The fund received depending on skim off the result of the AEAM Strategic Liability Matching Fund or make additional payments in case negative result within the AEAM Strategic Liability Matching Fund. As a result, the fund was exposed to a significant cash flow risk.

Credit risk
Credit risk is the risk that the contracting party of a financial instrument will not meet its obligation, as a result of which the fund incurs a financial loss.

The amount that best represents the maximum credit risk is € nil (2022: € 559,000).
The fund invested in financial instruments that are sensitive to credit risk and was therefore exposed to significant credit risk.

Liquidity risk
Liquidity risk, also known as ‘funding risk’, is the risk that the fund is not able to meet the financial obligations associated with its financial instruments or redemptions by participants. Liquidity risk can, among others, occur from the inability to sell a financial asset in the short term for (an amount close to) its fair value.

Through the underlying fund, the fund invested in freely tradable listed bonds and interest rate swaps, which can be regarded as less liquid and the fund was therefore indirectly exposed to a significant liquidity risk.

10.7.4 Other receivables

Other receivables		
(amounts x € 1,000)	2023	2022
Restitution management fee receivable	-	107
Total as at 31 December	**-**	**107**

10.7.5 Cash and cash equivalents

The cash and cash equivalents are at the free disposal of the fund.

10.7.6 Net asset value

Movement schedule net asset value		
(amounts x € 1,000)	2023	2022
Net asset value participants		
Opening balance	237,955	217,932
Subscriptions	273,085	403,004
Redemptions	(448,997)	(107,513)
Dividends	(67,740)	-
Closing balance	**(5,697)**	**513,423**
Net result for the year	**5,697**	**(275,423)**
Total net asset value as at 31 December	**-**	**237,955**

Movement schedule of participations		
(amounts x € 1,000)	2023	2022
Opening balance	5,819,320	1,032,938
Subscriptions	8,811,984	6,520,942
Redemptions	(14,631,304)	(1,734,560)
Closing balance	**-**	**5,819,320**

Historical summary			
	2023	2022	2021
Net asset value (X € 1,000)*	33,736	237,955	217,932
Number of participations outstanding (units)	1,079,537	5,819,320	1,032,938
Net asset value per participation in €	31,31	40.89	210.98
Performance (net asset value)	(23.30%)	(80.62%)	(29.18%)

* This concerns the net asset value as of 23 November 2023. As of this date, all participations in the fund have been sold at the then applicable net asset value per participation of € 31.31. The fund was liquidated on 1 March 2023.

10.7.7 Other payables

Other payables		
(amounts x € 1,000)	2023	2022
Management fee payable	-	4
Service fee payable	-	2
Total as at 31 December	**-**	**6**

10.7.8 Profit and loss statement

The accounting principles and the method of calculating the ratios are included in chapter 13.

10.7.9 Indirect result

Changes in fair value of investments		
(amounts x € 1,000)	2023	2022
Realised price- and currency gains investment funds	-	1,853
Realised price- and currency losses investment funds	(143,156)	(9,575)
Unrealised price- and currency gains investment funds	79,955	-
Unrealised price- and currency losses investment funds	-	(268,396)
Total as at 31 December	**(63,201)**	**(276,118)**

10.7.10 Subscription and redemption fee

The subscription and redemption fee is 0.19% of the transaction amount. Until May 16, 2023, the subscription and redemption fee was 0.30%. The fees charged are entirely to the benefit of the fund.

10.7.11 Costs and fees

Transaction costs		
(amounts x € 1,000)	2023	2022
Investment funds	1,254	492
Total transaction costs within the fund	**1,254**	**492**

Management fee
The annual management fee amounts to 0.11%.

Service fee
The service fee is charged daily to the funds based on the net asset value of the funds at the end of the previous trading day. The service fee is 0.03% per year on the fund's assets up to € 500 million. A service fee of 0.025% applies to the fund assets of €500 million to €1.5 billion. A service fee of 0.02% applies to fund assets above € 1.5 billion.

Ongoing Charges Figure (OCF)

The overview below shows the costs during the year:

OCF		
(amounts x € 1,000)	2023	2022
Average net asset value	290,373	224,700
Total costs within the fund including fee sharing agreements	(1,146)	(654)
Costs underlying funds	1,456	957
Total costs	**310**	**303**
OCF	**0.12%**	**0.13%**

Turnover Ratio (TR)

The TR gives an indication of the turnover of the fund's investment portfolio by providing insight in the extent to which the fund manager actively changes the investment portfolio based on his investment decisions.

TR		
(amounts x € 1,000)	2023	2022
Purchases of investments	266,961	367,440
Sales of investments	441,501	71,414
Total investment transactions	**708,462**	**438,854**
Subscriptions	259,098	393,676
Redemptions	434,904	98,187
Total movements in participations	**694,002**	**491,863**
Average net asset value	290,373	224,700
TR	**5**	**0**

Other notes

The other notes are an integral part of the financial statements and are included in chapter 14.

10.7.12 Events after balance sheet date

There are no subsequent events after balance sheet date that require further explanation.

11 Annual Report 2023 AEAM Liability Matching Fund 40 Year Receiver Fund

10 November 2022 t/m 31 December 2023

11.1. General Information

Starting date
The fund started on 10 November 2022.

Profile
The fund is a fund for joint account (Dutch: “fonds voor gemene rekening”). The participations are only available to qualified investors (Dutch: “gekwalificeerde beleggers”) as defined in the Dutch Act on Financial Supervision (Dutch: “Wet op het financieel toezicht”).

Investment policy
The objective of the Fund is to limit the market interest rate risk at the 40-year maturity point. The Fund uses interest rate swaps, among other things, to increase the interest rate sensitivity of the assets so that it corresponds to the interest rate sensitivity of the liabilities at the 40-year maturity point. The value of the Fund increases as the 40-year market interest rate decreases and vice versa, which implies that the Fund primarily holds receiver interest rate swaps. Due to the high leverage of the Fund, the volatility of the participation value is greater than with an average fixed-income fund. The Fund uses a buffer to manage the collateral requirements for the interest rate swaps. In the event of large movements in the participation value, capital calls or dividend payments may take place from or to the participant's other assets.

Objective
The objective of the Fund is to hedge the impact of movements in the 40-year market interest rate. The value of the Fund increases as the 40-year market interest rate decreases and vice versa, which implies that the Fund primarily holds receiver interest rate swaps. The Fund provides exposure to 40-year interest rate risks that can be used by an investor to hedge interest rate risks with a term of approximately 40 years.

Sustainability policy
The investments underlying this financial product do not take the EU criteria regarding environmentally and sustainable economic activities into account.

Benchmark
ICE AG40R Custom Index

Restrictions
Investment restrictions
The Fund may invest in derivative financial instruments (derivatives), government bonds of developed countries and in liquid assets. The following derivatives are permitted: interest rate swaps, fixed rate futures and interest rate futures. In addition, the Fund may enter into repo and reverse repo transactions. The additional liquid assets are managed in accordance with the cash management policy of the Manager. The Fund's freely available cash position must be between -50% and 100% of the fund's assets. Any deviations will be corrected within a period of 3 working days.

Rating
No investments are made in bonds with a rating lower than AA. If bonds with a rating lower than AA enter the portfolio due to downgrade, they should be sold within 3 months. Purchasing these bonds is not permitted during this period.

Counterparty
Under normal circumstances, all interest rate swaps are cleared through a clearing member of a registered clearing house. However, in special circumstances, the Fund may also enter into bilateral over-the-counter (OTC) interest rate swap contracts. For bilateral OTC interest rate swaps, the minimum counterparty rating is BBB-. If a rating limit is exceeded as a result of a downgrade of the counterparty's rating, the bilateral OTC interest rate swaps must be concluded within 6 months. A maximum of 25% of the Fund's total interest rate sensitivity (defined as DV01) can be invested with one bilateral counterparty.

Leverage
The permitted leverage, or the exposure that results from using the permitted credit space and/or entering into contracts in derivative financial instruments (in accordance with the method based on commitments made), amounts to a maximum of 1000% of the fund assets. The permitted leverage, based on the gross method, is 1000% of the fund assets. These instruments (derivatives) are only used if this is in line with achieving the Fund's objective, to hedge risks and/or for efficient portfolio management.

Short term deviations
Short-term deviations from the above restrictions are possible as a result of benchmark resets and large entries into or exits from the Fund. Such deviations will be brought back within the established limits within a period of 1 month.

Fiscal status
Transparent for tax purposes.
The fund is fiscally transparent, which means that the fund is not liable for corporate tax (or subject to any other tax on profits) and is not subject to dividend withholding tax. The assets, liabilities and results of the fund are directly allocated for tax purposes to the participants of the fund in proportion to their participation. Income or capital gains earned by a participant are regarded as income or capital gains made on the assets of the fund.

Dividend policy
The Fund does not pay dividends. The income received is reinvested.

11.2. Report of the Investment Manager

The AEAM Liability Matching 40 Year Receiver Fund focuses on an interest rate sensitivity target on 40-year maturities. The fund is managed monthly based on a variable interest rate sensitivity per participation. The fund can be used, together with other liability matching funds that focus on other maturities, to achieve a targeted interest rate sensitivity hedge of the liabilities per term for a specific customer. The fund can be bought or sold to increase or decrease the hedge of the interest rate sensitivity of the liabilities.

Year-on-year, the fixed interest rate on 40-year Euribor swaps remained relatively unchanged at around 2.2%. The swap rate rose to a peak of 3.0% during the year before declining significantly by almost 100 basis points in November and December as the market began to price in ECB rate cuts. The value of the participations - including distributions and additional contributions - remained the same year on year. This is because the swap interest rate at the end of the year was back at the same level as at the beginning of the year. The further flattening of the curve and positive carry of the curve position in the fund helped maintain the value of the fund. The value development, including additional contributions and skimmings, moved well with the pension obligations of the participants. As interest rates rose rapidly at the beginning of the year, as the central bank aggressively raised rates to tackle massive inflation, several additional deposits took place. This happened three times, namely in February, August and September. Interest rates fell sharply in November, which also resulted in a skimming.

The portfolio managers are bound by the restrictions imposed by the mandate on counterparties and the portfolio composition. Risk managers assess compliance with these restrictions. The fund is not exposed to currency risk, because all investments are denominated in euros. The liquidity risk is limited, because there is sufficient liquidity in the market to absorb deposits and withdrawals. The credit risk is also limited: although there is a risk that the counterparty in a swap cannot meet its obligations, collateral agreements limit this risk. In addition, the fixed-income investments in the fund are short-term treasury bills issued by countries with a higher credit rating, such as Germany and the Netherlands.

In principle, the aim of the fund is to have a higher interest rate risk. Customers enter the fund to cover the interest rate risk of their obligations by taking on a high interest rate risk. On average, if the 40-year interest rate rises, the value of the fund decreases, but the liabilities decrease in value at the same or faster rate, vice versa, the fund increases in value if the interest rate decreases, thus covering the customer's risk depends on the increased value of the liabilities. This is done through interest rate swaps (especially receiver swaps, for which increasing interest rates decrease the value of the swap) which are inherently leveraged. Hedging the risks of interest rate swaps is done by maintaining a buffer, both at the clearing house (where collateral is paid and received, which reduces the concentration risk) and in the fund itself where bonds are managed that can be used to meet collateral calls. There is also a buffer outside the fund, which customers are required to enter. These are other fixed-income securities or funds and if the fund lacks money to meet the margin calls due to sharply rising interest rates, an internal mechanism has been set up whereby a margin call is made internally and the participations in other fixed-income securities and funds are sold for the customer and this is provided to the fund as additional collateral. The portfolio is rebalanced at least once a year (closing existing swaps and entering into new “at-the-money” swaps), which also reduces the interest rate risk (specifically the spread risk of different interest rates). All these risks are monitored daily by making a daily printout of the interest rate sensitivity (DV01) of the fund relative to the benchmark and keeping track of the cash and collateral positions. Furthermore, the portfolio managers also monitor the swap market daily to see what the current interest rates are and their impact on the fund.

The above-mentioned risks have had a low impact on the fund performance over the year 2023, with the exception of the interest rate risk. To combat the enormous inflation, the ECB raised interest rates sharply, causing interest rates to rise sharply during the year. At the end of 2023, interest rates fell significantly, ultimately returning to the level at the beginning of 2023.

We expect continued high volatility in the interest rate market in 2024, with central banks starting to cut interest rates conditional on an improvement in the inflation picture, with consumer prices rising less rapidly.

11.3. Key Figures

Key figures	01-01-2023 through 23-11-2023
Overview per participation[17]	
Changes in fair value	142.05
Investment result	5.56
Other results	0.12
Total result	**147.73**
Management fee and other expenses	(8.75)
Net result	**138.98**
Net asset value (x € 1,000)	156,526
Outstanding number of participations	1,962,152
Net asset value per participation	79.77
Performance[18]	
Performance (net asset value)	(11.37%)

[17] Amounts per participation are based on the average number of participations during the year.
[18] The performance is the time weighted return after costs calculated on a daily basis. The outperformance figures since inception are presented in 2021 for the first time, therefore no comparative figures included.

Financial statements 2023 AEAM Liability Matching Fund 40 Year Receiver Fund

11.4. Balance sheet as at 31 December

Balance Sheet		
(before appropriation of result) (amounts x € 1,000)	Reference	2023
Assets		
Investments		
Bonds		123,322
Futures		2
Interest rate swaps		42,549
Total investments	11.7.2	**165,873**
Receivables		
Issue of participations		10
Collateral receivables		158
Other receivables	11.7.4	1,593
Total receivables		**1,761**
Other assets		
Cash and cash equivalents	11.7.5	41,321
Total other assets		**41,321**
Total assets		**208,955**
Liabilities		
Net asset value		
Net assets before result		115,620
Result for the year		40,906
Total net asset value	11.7.6	**156,526**
Investments		
Futures		8
Total investments		**8**
Short term liabilities		
Outstanding transactions in financial instruments		15
Redemption of participations		6
Collateral payable		50,203
Other payables and liabilities	11.7.7	2,197
Total short term liabilities		**52,421**
Total liabilities		**208,955**

11.5. Profit and loss statement

Profit and loss statement

(amounts x € 1,000)	Reference	10-11-2023 through 31-12-2023
Direct result		
Interest rate swaps		1,512
Interest bank accounts		126
Total direct result		**1,638**
Realised investment results		1,614
Unrealised investment results		40,196
Total indirect result	11.7.9	**41,810**
Total investment result		**43,448**
Other results		
Subscription and redemption fee	11.7.10	16
Other results		18
Total other results		**34**
Operating expenses		
Management fee		(41)
Service fee		(7)
Transactions costs derivatives		(9)
Interest swaps		(2,319)
Interest bank accounts		(126)
Other expenses		(74)
Total operating expenses	11.7.11	**(2,576)**
Net result		**40,906**

11.6. Cash flow statement

Cash flow statement		
(amounts x € 1,000)	Reference	10-11-2023 through 31-12-2023
Cash flow from investment activities		
Purchases of investments		(159,085)
Sales of investments		35,045
Net receipts/(payments) for collateral		50,045
Interest received		45
Received other gains		18
Management fee paid		(33)
Service fee paid		(5)
Interest paid		(258)
Other expenses paid		(83)
Net cash flow from investment activities		**(74,311)**
Cash flow from financing activities		
Contributions		1,295
Disbursements		(36,108)
Subscriptions		151,433
Redemptions		(1,004)
Received subscription and redemptions fees		16
Net cash flow from financing activities		**115,632**
Net cash flow		**41,321**
Cash and cash equivalents opening balance		-
Cash and cash equivalents closing balance	11.7.5	**41,321**

11.7. Notes to the financial statements

11.7.1 General

The accounting principles and the method of calculating the ratios are included in chapter 13.

Comparison with previous year
The principles used for valuation and determination of results have remained unchanged compared to the previous year.

Continuity
The fund's annual accounts have been prepared on a going concern basis. This is based on the reasonable assumption that the fund is, and will be, able to continue its activities for the foreseeable future.

11.7.2 Investments

Movement schedule of investments

(amounts x € 1,000)	10-11-2023 through 31-12-2023
Bonds	
Opening balance	-
Purchases	156,179
Sales	(33,522)
Revaluation	665
Closing balance	**123,322**
Futures	
Sales and expiry of position	32
Revaluation	(38)
Closing balance	**(6)**
Interest rate swaps	
Opening positions	2,889
Settlement of positions	(1,523)
Revaluation	41,183
Closing balance	**42,549**

The distribution of the investment portfolio according to the method of valuation is shown below:

Investments by valuation method

(amounts x € 1,000)	2023
Derived from quoted market prices	123,316
Other methods	42,539
Closing balance	**165,865**

The investment portfolio at year-end contains the following derivatives:

Futures

(amounts x € 1,000)

Description	Expiration date	Number	Exposure value	Contract value	Fair value
3MO EURO EURIBOR FUT 16/09/2024	16-09-2024	(2)	(487)	(486)	(1)
3MO EURO EURIBOR FUT 17/06/2024	17-06-2024	(20)	(4,845)	(4,838)	(7)
3MO EURO EURIBOR FUT 18/03/2024	18-03-2024	(83)	(19,999)	(20,001)	2
Total as at 31 December			**(25,331)**	**(25,325)**	**(6)**

Interest rate swaps

(amounts x € 1.000)

Counterparty	Maturity date	Nominal Value	Fixed Rate %	L/S	Floating Rate %	L/S	Value Fixed %	Value Floating %	Market Value
BofA	20-11-2063	58,400	2.6550%	L	4.0710%	S	65,218	(58,155)	7,063
JPM AG CM	20-11-2063	58,400	2.6550%	L	4.0710%	S	65,218	(58,155)	7,063
BofA	20-11-2063	58,300	2.6550%	L	4.0710%	S	65,106	(58,054)	7,052
JPM AG CM	23-11-2063	38,600	2.5953%	L	4.0700%	S	42,514	(38,436)	4,078
HSBC FRANCE	26-09-2063	48,800	2.8980%	L	4.0820%	S	57,511	(48,588)	8,923
HSBC FRANCE	7-12-2063	24,100	2.3523%	L	3.9530%	S	25,037	(23,987)	1,050
HSBC FRANCE	7-12-2063	24,200	2.3663%	L	3.9530%	S	25,228	(24,087)	1,141
HSBC FRANCE	7-12-2063	24,200	2.3722%	L	3.9530%	S	25,265	(24,087)	1,178
BofA	23-02-2063	15,598	2.3260%	L	3.9410%	S	16,056	(15,534)	522
BofA	26-09-2063	24,500	2.8980%	L	4.0820%	S	28,873	(24,394)	4,479
Total as at 31 December									**42,549**

11.7.3 Risks with respect to financial instruments

This paragraph shows the important risks associated with the investments of the fund.

Price risk

Price risk can be divided into:

- Currency risk is the risk that the value of a financial instrument will fluctuate as a result of changes in exchange rates;
- Market risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices, either caused by factors that exclusively apply to the individual instrument or the issuer thereof or by factors that influence all instruments that are traded in the market;
- Interest rate risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market interest rates.

The concept of price risk does not only comprise possibility of losses but also the possibility of gains.

Currency risk

There is no active currency policy. The fund predominantly has euro investments and is therefore not exposed to significant currency risk.

Market risk

The risk incurred as a result of changes in market prices is limited by spreading the portfolio across regions and sectors as much as possible.

The fund invests in financial instruments which are practically without market risk.

Top 10 investments

(amounts x € 1,000)		2023		
Investment	**%**	**Maturity date**	**Amount**	**% of NAV**
Finnish T-Bill	0.00	14-May-24	15,091	9.7
Germany Treasury Bill	0.00	17-Jul-24	14,472	9.2
French Discount T-Bill	0.00	21-Feb-24	13,084	8.4
Finnish T-Bill	0.00	13-Feb-24	11,181	7.1
French Discount T-Bill	0.00	2-Oct-24	10,723	6.9
Austrian T-Bill	0.00	25-Jan-24	9,313	5.9
Dutch Treasury Cert	0.00	28-Feb-24	7,855	5.0
French Discount T-Bill	0.00	17-Apr-24	7,816	5.0
Austrian T-Bill	0.00	25-Apr-24	6,915	4.4
Finnish T-Bill	0.00	13-Aug-24	6,362	4.1
Total as at 31 December			**102,812**	**65.7**

Interest rate risk

The fund invests in fixed income securities and bond futures and is therefore exposed to significant interest rate risk.

The table below shows the distribution of the interest rate risk of the total portfolio, including the interest rate swaps. The negative market value, presented in the section “Shorter than 1 year”, results from the short legs of the interest rate swaps. Interest rate swaps are usually used to swap a short or with other words variable interest rate (the short leg) for a long-term interest rates (the long leg). The interest paid on the short leg has, therefore a negative market value and a maturity shorter than a year.

Exposure interest rate risk 2023

(amounts x € 1,000)			2023			
	Shorter than 1 year	**Between 1 and 5 years**	**Between 5 and 10 years**	**Between 10 and 20 years**	**Longer than 20 years**	**Total**
Bonds	123,322	-	-	-	-	123,322
Bond futures	(25,331)	-	-	-	-	(25,331)
Interest rate swaps	(373,476)	-	-	-	416,025	42,549
Total as at 31 December	**(275,485)**	**-**	**-**	**-**	**416,025**	**140,540**

Breakdown bonds by interest rate type

(amounts x € 1.000)	2023	
	Amount	**% of NAV**
Fixed	123,322	78.8
Total as at 31 December	**123,322**	**78.8**

Breakdown bonds by interest rate

(amounts x € 1.000)	2023	
	Amount	**% of NAV**
Between 0% and 1%	123,322	78.8
Total as at 31 December	**123,322**	**78.8**

Cash flow risk
Cash flow risk is the risk that future cash flows of a monetary financial instrument will fluctuate in size.

The fund invests in financial instruments with variable interest rates and is therefore exposed to significant cash flow risk. The table shows the bonds, bond futures, repos, call money and interest rate swaps included by exposure per interest rate category.

Exposure to financial instruments		
(amounts x € 1.000)	2023	
	Amount	**% of NAV**
Fixed interest rate	416,025	265.8
Variable interest rate	(275,485)	(176.0)
Total as at 31 December	**140,540**	**89.8**

Credit risk
Credit risk is the risk that counterparties of investments cannot meet their obligations, causing the fund to incur a financial loss.

The amount which best represents the maximum credit risk of the fund is € 166,404,000. The interest rate swaps have been concluded with a limited number of counterparties. The fund is therefore also exposed to a significant concentrated credit risk. ISDA contracts have been concluded with these counterparties in which collateral agreements have been made. This means that the credit risk is largely covered.

Bonds portfolio breakdown by credit rating		
(amounts x € 1,000)	2023	
Credit Rating	**Amount**	**% of NAV**
AAA	35,638	22.8
AA	87,684	56.0
Total as at 31 December	**123,322**	**78.8**

The credit rating is determined on the basis of data from data supplier Bloomberg. The rating is first based on the rating according to rating agency Moody's. If this rating is unavailable, the rating is based on the rating according to rating agency S&P. If the rating from S&P is unavailable, the rating is based on the rating according to rating agency Fitch. If there is no available rating from a rating agency, the rating from the internal Aegon model is used.

Liquidity risk
Liquidity risk, also known as 'funding risk', is the risk that the fund is not able to meet the financial obligations associated with its financial instruments or redemptions by participants. Liquidity risk can, among others, occur from the inability to sell a financial asset in the short term for (an amount close to) its fair value.

The participations of the fund are traded on a daily basis. The fund invests in freely tradable listed securities. The fund invests in freely tradable listed securities. The fund is therefore not exposed to a significant liquidity risk.

11.7.4 Other receivables

Other receivables	
(amounts x € 1,000)	2023
Accrued interest	1,593
Total as at 31 December	**1,593**

11.7.5 Cash and cash equivalents

No restrictions on the use of cash and cash equivalents exist.

11.7.6 Net asset value

Movement schedule net asset value	
(amounts x € 1.000)	10-11-2023 through 31-12-2023
Net asset value participants	
Opening balance	-
Capital contributions	1,295
Capital distributions	(36,108)
Subscriptions	151,443
Redemptions	(1,010)
Closing balance	**115,620**
Net result for the year	**40,906**
Total net asset value as at 31 December	**156,526**

Movement schedule of participations	
	10-11-2023 through 31-12-2023
Number of participations as at 1 January	-
Subscriptions	1,975,369
Redemptions	(13,217)
Number of participations as at 31 December	**1,962,152**

Historical summary	
	2023
Net asset value (X € 1,000)	156,526
Number of participations outstanding (units)	1,962,152
Net asset value per participation in €	79.77
Performance (net asset value)	(3.57%)

11.7.7 Other payables

Other payables	
(amounts x € 1,000)	2023
Management fee payable	8
Service fee payable	2
Interest payable	2,187
Total as at 31 December	**2,197**

11.7.8 Profit and loss statement

The accounting principles and the method of calculating the ratios are included in chapter 13.

11.7.9 Indirect result

Changes in fair value of investments	
(amounts x € 1.000)	10-11-2023 through 31-12-2023
Realised price- and currency gains bonds	204
Realised price- and currency losses bonds	(81)
Unrealised price- and currency gains bonds	542
Realised price- and currency gains futures	8
Realised price- and currency losses futures	(40)
Unrealised price- and currency gains futures	2
Unrealised price- and currency losses futures	(8)
Realised price- and currency gains interest rate swaps	3,051
Realised price- and currency losses interest rate swaps	(1,528)
Unrealised price- and currency gains interest rate swaps	39,660
Total as at 31 December	**41,810**

11.7.10 Subscription and redemption fee

The subscription and redemption fee is 0.25% of the transaction amount. The fees charged are entirely to the benefit of the fund.

11.7.11 Costs and fees

Transaction costs	
(amounts x € 1.000)	10-11-2023 through 31-12-2023
Derivatives	9
Transaction costs within the fund	**9**

Management fee
The annual management fee amounts to 0.17%.

Service fee
The service fee is charged daily to the funds based on the net asset value of the funds at the end of the previous trading day. The service fee is 0.03% per year on the fund's assets.

Ongoing Charges Figure (OCF)
The overview below shows the costs during the year:

OCF	
(amounts x € 1.000)	10-11-2023 through 31-12-2023
Average net asset value	22,576
Total costs within the fund including fee sharing agreements	67
Total costs	**67**
OCF	**0.34%**
Annualized OCF	**0.30%**

Turnover Ratio (TR)

The TR gives an indication of the turnover of the fund's investment portfolio by providing insight in the extent to which the fund manager actively changes the investment portfolio based on his investment decisions.

TR	
(amounts x € 1.000)	10-11-2023 through 31-12-2023
Purchases of investments	159,100
Sales of investments	35,045
Total investment transactions	**194,145**
Subscriptions	150,602
Redemptions	890
Total movements in participations	**151,492**
Average net asset value	22,576
TR	**189**

Other notes

The other notes are an integral part of the financial statements and are included in chapter 14.

11.7.12 Events after balance sheet date

There are no subsequent events after balance sheet date that require further explanation.

12 Annual Report 2023 AEAM Liability Matching Fund 50 Year Receiver Fund

10 November 2022 t/m 31 December 2023

12.1. General Information

Starting date
The fund started on 10 November 2022.

Profile
The fund is a fund for joint account (Dutch: “fonds voor gemene rekening”). The participations are only available to qualified investors (Dutch: “gekwalificeerde beleggers”) as defined in the Dutch Act on Financial Supervision (Dutch: “Wet op het financieel toezicht”).

Investment policy
The objective of the Fund is to limit the market interest rate risk at the 50-year maturity point. The Fund uses interest rate swaps, among other things, to increase the interest rate sensitivity of the assets so that it corresponds to the interest rate sensitivity of the liabilities at the 50-year maturity point. The value of the Fund increases as the 50-year market interest rate decreases and vice versa, which implies that the Fund primarily holds receiver interest rate swaps. Due to the high leverage of the Fund, the volatility of the participation value is greater than with an average fixed-income fund. The Fund uses a buffer to manage the collateral requirements for the interest rate swaps. In the event of large movements in the participation value, capital calls or dividend payments may take place from or to the participant's other assets.

Objective
The objective of the Fund is to hedge the impact of movements in the 50-year market interest rate. The value of the Fund increases as the 50-year market interest rate decreases and vice versa, which implies that the Fund primarily holds receiver interest rate swaps. The Fund provides exposure to 50-year interest rate risks that can be used by an investor to hedge interest rate risks with a term of approximately 50 years.

Sustainability policy
The investments underlying this financial product do not take the EU criteria regarding environmentally and sustainable economic activities into account.

Benchmark
ICE AG50R Custom Index

Restrictions
Investment restrictions
The Fund may invest in derivative financial instruments (derivatives), government bonds of developed countries and in liquid assets. The following derivatives are permitted: interest rate swaps, fixed rate futures and interest rate futures. In addition, the Fund may enter into repo and reverse repo transactions. The additional liquid assets are managed in accordance with the cash management policy of the Manager. The Fund's freely available cash position must be between -50% and 100% of the fund's assets. Any deviations will be corrected within a period of 3 working days.

Rating
No investments are made in bonds with a rating lower than AA. If bonds with a rating lower than AA enter the portfolio due to downgrade, they should be sold within 3 months. Purchasing these bonds is not permitted during this period.

Counterparty
Under normal circumstances, all interest rate swaps are cleared through a clearing member of a registered clearing house. However, in special circumstances, the Fund may also enter into bilateral over-the-counter (OTC) interest rate swap contracts. For bilateral OTC interest rate swaps, the minimum counterparty rating is BBB-. If a rating limit is exceeded as a result of a downgrade of the counterparty's rating, the bilateral OTC interest rate swaps must be concluded within 6 months. A maximum of 25% of the Fund's total interest rate sensitivity (defined as DV01) can be invested with one bilateral counterparty.

Leverage
The permitted leverage, or the exposure that results from using the permitted credit space and/or entering into contracts in derivative financial instruments (in accordance with the method based on commitments made), amounts to a maximum of 1000% of the fund assets. The permitted leverage, based on the gross method, is 1000% of the fund assets. These instruments (derivatives) are only used if this is in line with achieving the Fund's objective, to hedge risks and/or for efficient portfolio management.

Short term deviations
Short-term deviations from the above restrictions are possible as a result of benchmark resets and large entries into or exits from the Fund. Such deviations will be brought back within the established limits within a period of 1 month.

Fiscal status
Transparent for tax purposes.
The fund is fiscally transparent, which means that the fund is not liable for corporate tax (or subject to any other tax on profits) and is not subject to dividend withholding tax. The assets, liabilities and results of the fund are directly allocated for tax purposes to the participants of the fund in proportion to their participation. Income or capital gains earned by a participant are regarded as income or capital gains made on the assets of the fund.

Dividend policy
The Fund does not pay dividends. The income received is reinvested.

12.2. Report of the Investment Manager

The AEAM Liability Matching 50 Year Receiver Fund focuses on an interest rate sensitivity target on 50-year maturities. The fund is managed monthly based on a variable interest rate sensitivity per participation. The fund can be used, together with other liability matching funds that focus on other maturities, to achieve a targeted interest rate sensitivity hedge of the liabilities per term for a specific customer. The fund can be bought or sold to increase or decrease the hedge of the interest rate sensitivity of the liabilities.

Year-on-year, the fixed interest rate on 50-year Euribor swaps remained relatively unchanged at around 2.0%. The swap rate rose to a peak of 2.9% during the year, before declining significantly by almost 100 basis points in November and December as the market began to price in ECB rate cuts. The value of the participations - including distributions and additional contributions - remained the same year on year. This is because the swap interest rate at the end of the year was back at the same level as at the beginning of the year. The further flattening of the curve and positive carry of the curve position in the fund helped maintain the value of the fund. The value development, including additional contributions and skimmings, moved well with the pension obligations of the participants. As interest rates rose rapidly at the beginning of the year, as the central bank aggressively raised rates to tackle massive inflation, several additional deposits took place. This happened three times, namely in February, August and September. Interest rates fell sharply in November, which also resulted in a skimming.

The portfolio managers are bound by the restrictions imposed by the mandate on counterparties and the portfolio composition. Risk managers assess compliance with these restrictions. The fund is not exposed to currency risk, because all investments are denominated in euros. The liquidity risk is limited, because there is sufficient liquidity in the market to absorb deposits and withdrawals. The credit risk is also limited: although there is a risk that the counterparty in a swap cannot meet its obligations, collateral agreements limit this risk. In addition, the fixed-income investments in the fund are short-term treasury bills issued by countries with a higher credit rating, such as Germany and the Netherlands.

In principle, the aim of the fund is to have a higher interest rate risk. Customers enter the fund to cover the interest rate risk of their obligations by taking on a high interest rate risk. On average, if the 50-year interest rate rises, the value of the fund decreases, but the liabilities decrease in value at the same or faster rate, vice versa, the fund increases in value if the interest rate decreases, thus covering the customer's risk depends on the increased value of the liabilities. This is done through interest rate swaps (especially receiver swaps, for which increasing interest rates decrease the value of the swap) which are inherently leveraged. Hedging the risks of interest rate swaps is done by maintaining a buffer, both at the clearing house (where collateral is paid and received, which reduces the concentration risk) and in the fund itself where bonds are managed that can be used to meet collateral calls. There is also a buffer outside the fund, which customers are required to enter. These are other fixed-income securities or funds and if the fund lacks money to meet the margin calls due to sharply rising interest rates, an internal mechanism has been set up whereby a margin call is made internally and the participations in other fixed-income securities and funds are sold for the customer and this is provided to the fund as additional collateral. The portfolio is rebalanced at least once a year (closing existing swaps and entering into new “at-the-money” swaps), which also reduces the interest rate risk (specifically the spread risk of different interest rates). All these risks are monitored daily by making a daily printout of the interest rate sensitivity (DV01) of the fund relative to the benchmark and keeping track of the cash and collateral positions. Furthermore, the portfolio managers also monitor the swap market daily to see what the current interest rates are and their impact on the fund.

The above-mentioned risks have had a low impact on the fund performance over the year 2023, with the exception of the interest rate risk. To combat the enormous inflation, the ECB raised interest rates sharply, causing interest rates to rise sharply during the year. At the end of 2023, interest rates fell significantly, ultimately returning to the level at the beginning of 2023.

We expect continued high volatility in the interest rate market in 2024, with central banks starting to cut interest rates conditional on an improvement in the inflation picture, with consumer prices rising less rapidly.

12.3. Key Figures

Key figures	10-11-2022 through 31-12-2023
Overview per participation[19]	
Changes in fair value	54.43
Investment result	5.01
Other results	0.21
Total result	**59.65**
Management fee and other expenses	(7.48)
Net result	**52.17**
Net asset value (x € 1,000)	30,983
Outstanding number of participations	384,330
Net asset value per participation	80.62
Performance[20]	
Performance (net asset value)	(12.58%)

[19] Amounts per participation are based on the average number of participations during the year.
[20] The performance is the time weighted return after costs calculated on a daily basis. The outperformance figures since inception are presented in 2021 for the first time, therefore no comparative figures included.

Financial statements 2023 AEAM Liability Matching Fund 50 Year Receiver Fund

12.4. Balance sheet as at 31 December

Balance Sheet (before appropriation of result) (amounts x € 1,000)	Reference	2023
Assets		
Investments		
Bonds		22,193
Futures		1
Interest rate swaps		9,218
Total investments	12.7.2	**31,412**
Receivables		
Issue of participations		23
Other receivables	12.7.4	596
Total receivables		**619**
Other assets		
Cash and cash equivalents	12.7.5	10,489
Total other assets		**10,489**
Total assets		**42,520**
Liabilities		
Net asset value		
Net assets before result		22,849
Result for the year		8,134
Total net asset value	12.7.6	**30,983**
Short term liabilities		
Outstanding transactions in financial instruments		4
Collateral payable		10,877
Other payables and liabilities	12.7.7	656
Total short term liabilities		**11,537**
Total liabilities		**42,520**

12.5. Profit and loss statement

Profit and loss statement		
(amounts x € 1,000)	Reference	10-11-2022 through 31-12-2023
Direct result		
Interest rate swaps		648
Interest call money		1
Interest bank accounts		132
Total direct result		**781**
Realised investment results		(1,667)
Unrealised investment results		10,154
Total indirect result	12.7.9	**8,487**
Total investment result		**9,268**
Other results		
Subscription and redemption fee	12.7.10	25
Other results		8
Total other results		**33**
Operating expenses		
Management fee		(21)
Service fee		(4)
Transactions costs derivatives		(7)
Interest swaps		(1,036)
Interest bank accounts		(35)
Other expenses		(64)
Total operating expenses	12.7.11	**(1,167)**
Net result		**8,134**

12.6. Cash flow statement

Cash flow statement		
(amounts x € 1,000)	Reference	10-11-2022 through 31-12-2023
Cash flow from investment activities		
Purchases of investments		(40,974)
Sales of investments		18,053
Net receipts/(payments) for collateral		10,854
Interest received		185
Received other gains		8
Management fee paid		(19)
Service fee paid		(4)
Interest paid		(417)
Other expenses paid		(71)
Net cash flow from investment activities		**(12,385)**
Cash flow from financing activities		
Subscriptions		28,436
Received subscription and redemptions fees		25
Dividend		(5,587)
Net cash flow from financing activities		**22,874**
Net cash flow		**10,489**
Cash and cash equivalents opening balance		-
Cash and cash equivalents closing balance	12.7.5	**10,489**

12.7. Notes to the financial statements

12.7.1 General

The accounting principles and the method of calculating the ratios are included in chapter 13.

Comparison with previous year
The principles used for valuation and determination of results have remained unchanged compared to the previous year.

Continuity
The fund's annual accounts have been prepared on a going concern basis. This is based on the reasonable assumption that the fund is, and will be, able to continue its activities for the foreseeable future.

12.7.2 Investments

Movement schedule of investments

(amounts x € 1,000)	10-11-2022 through 31-12-2023
Bonds	
Opening balance	-
Purchases	39,194
Sales	(17,282)
Revaluation	281
Closing balance	**22,193**
Futures	
Sales and expiry of position	5
Revaluation	(4)
Closing balance	**1**
Interest rate swaps	
Opening positions	(771)
Settlement of positions	1,779
Revaluation	8,210
Closing balance	**9,218**

The distribution of the investment portfolio according to the method of valuation is shown below:

Investments by valuation method

(amounts x € 1,000)	2023
Derived from quoted market prices	22,194
Other methods	9,218
Closing balance	**31,412**

The investment portfolio at year-end contains the following derivatives:

Futures

(amounts x € 1,000)

Description	Expiration date	Number	Exposure value	Contract value	Fair value
3MO EURO EURIBOR FUT	18-03-2024	(12)	(2,891)	(2,892)	1
Total as at 31 December			**(2,891)**	**(2,892)**	**1**

Interest rate swaps										
(amounts x € 1.000)										
Counterparty	**Maturity date**	**Nominal Value**	**Fixed Rate %**	**L/S**	**Floating Rate %**	**L/S**	**Value Fixed %**	**Value Floating %**	**Market Value**
JPM AG CM	16-10-2073	14,600	2.7117%	L	4.1210%	S	17245	(14,368)	2,877
BofA	23-02-2073	19,107	2.1530%	L	3.9410%	S	19,356	(18,802)	554
BofA	16-10-2073	14,700	2.7167%	L	4.1210%	S	17,385	(14,465)	2,920
HSBC FRANCE	16-10-2073	14,600	2.7092%	L	4.1210%	S	17,234	(14,367)	2,867
Total as at 31 December									**9,218**

12.7.3 Risks with respect to financial instruments

This paragraph shows the important risks associated with the investments of the fund.

Price risk
Price risk can be divided into:
- Currency risk is the risk that the value of a financial instrument will fluctuate as a result of changes in exchange rates;
- Market risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices, either caused by factors that exclusively apply to the individual instrument or the issuer thereof or by factors that influence all instruments that are traded in the market;
- Interest rate risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market interest rates.

The concept of price risk does not only comprise possibility of losses but also the possibility of gains.

Currency risk
There is no active currency policy. The fund predominantly has euro investments and is therefore not exposed to significant currency risk.

Market risk
The risk incurred as a result of changes in market prices is limited by spreading the portfolio across regions and sectors as much as possible.

The fund invests in financial instruments which are practically without market risk.

Top 10 investments				
(amounts x € 1,000)		2023		
Investment	**%**	**Maturity date**	**Amount**	**% of NAV**
Finnish T-Bill	0.00	14-May-24	3,551	11.5
Austrian T-Bill	0.00	25-Apr-24	2,865	9.2
Austrian T-Bill	0.00	25-Jan-24	2,364	7.6
Finnish T-Bill	0.00	13-Feb-24	2,290	7.4
French Discount T-Bill	0.00	12-Jun-24	1,910	6.2
French Discount T-Bill	0.00	17-Apr-24	1,880	6.1
French Discount T-Bill	0.00	21-Feb-24	1,711	5.5
Dutch Treasury Cert	0.00	28-Feb-24	1,661	5.4
German Treasury Bill	0.00	17-Jul-24	1,452	4.7
German Treasury Bill	0.00	20-Mar-24	1,190	3.8
Total as at 31 December			**20,874**	**67.4**

Interest rate risk
The fund invests in fixed income securities and bond futures and is therefore exposed to significant interest rate risk.

The table below shows the distribution of the interest rate risk of the total portfolio, including the interest rate swaps. The negative market value, presented in the section "Shorter than 1 year", results from the short legs of the interest rate swaps. Interest rate swaps are usually used to swap a short or with other words variable interest rate (the short leg) for a long-term interest rates (the long leg). The interest paid on the short leg has, therefore a negative market value and a maturity shorter than a year.

Exposure interest rate risk 2023						
(amounts x € 1,000)	2023					
	Shorter than 1 year	**Between 1 and 5 years**	**Between 5 and 10 years**	**Between 10 and 20 years**	**Longer than 20 years**	**Total**
Bonds	22,193	-	-	-	-	22,193
Bond futures	(2,891)	-	-	-	-	(2,891)
Interest rate swaps	(62,001)	-	-	-	71,219	9,218
Total as at 31 December	**(42,699)**	**-**	**-**	**-**	**71,219**	**28,520**

Breakdown bonds by interest rate type		
(amounts x € 1.000)	2023	
	Amount	**% of NAV**
Fixed	22,193	71.6
Total as at 31 December	**22,193**	**71.6**

Breakdown bonds by interest rate		
(amounts x € 1.000)	2023	
	Amount	**% of NAV**
Between 0% and 1%	22,193	71.6
Total as at 31 December	**22,193**	**71.6**

Cash flow risk
Cash flow risk is the risk that future cash flows of a monetary financial instrument will fluctuate in size.

The fund invests in financial instruments with variable interest rates and is therefore exposed to significant cash flow risk. The table shows the bonds, bond futures, repos, call money and interest rate swaps included by exposure per interest rate category.

Exposure to financial instruments		
(amounts x € 1.000)	2023	
	Amount	**% of NAV**
Fixed interest rate	71,219	229.9
Variable interest rate	(42,699)	(137.8)
Total as at 31 December	**28,520**	**92.1**

Credit risk
Credit risk is the risk that counterparties of investments cannot meet their obligations, causing the fund to incur a financial loss.

The amount which best represents the maximum credit risk of the fund is € 33,301,000. The interest rate swaps have been concluded with a limited number of counterparties. The fund is therefore also exposed to a significant concentrated credit risk. ISDA contracts have been concluded with these counterparties in which collateral agreements have been made. This means that the credit risk is largely covered.

Bonds portfolio breakdown by credit rating

(amounts x € 1,000)	2023	
Credit Rating	**Amount**	**% of NAV**
AAA	5,295	17.1
AA	16,898	54.5
Total as at 31 December	**22,193**	**71.6**

The credit rating is determined on the basis of data from data supplier Bloomberg. The rating is first based on the rating according to rating agency Moody's. If this rating is unavailable, the rating is based on the rating according to rating agency S&P. If the rating from S&P is unavailable, the rating is based on the rating according to rating agency Fitch. If there is no available rating from a rating agency, the rating from the internal Aegon model is used.

Liquidity risk
Liquidity risk, also known as 'funding risk', is the risk that the fund is not able to meet the financial obligations associated with its financial instruments or redemptions by participants. Liquidity risk can, among others, occur from the inability to sell a financial asset in the short term for (an amount close to) its fair value.

The participations of the fund are traded on a daily basis. The fund invests in freely tradable listed bonds. The fund also invests in interest rate swaps, which can be considered less liquid and the fund is therefore exposed to a significant liquidity risk. Can be done on the first working day of every month exited at the net asset value of the fund. This limits the liquidity risk.

12.7.4 Other receivables

Other receivables

(amounts x € 1,000)	2023
Accrued interest	596
Total as at 31 December	**596**

12.7.5 Cash and cash equivalents

No restrictions on the use of cash and cash equivalents exist.

12.7.6 Net asset value

Movement schedule net asset value	
(amounts x € 1.000)	10-11-2022 through 31-12-2023
Net asset value participants	
Subscriptions	28,436
Dividends	(5,587)
Closing balance	**22,849**
Net result for the year	**8,134**
Total net asset value as at 31 December	**30,983**

Movement schedule of participations	
	10-11-2022 through 31-12-2023
Subscriptions	384,330
Number of participations as at 31 December	**384,330**

Historical summary	
	2023
Net asset value (X € 1,000)	30,983
Number of participations outstanding (units)	384,330
Net asset value per participation in €	80.62
Performance (net asset value)	(12.58%)

12.7.7 Other payables

Other payables	
(amounts x € 1,000)	2023
Management fee payable	2
Interest payable	654
Total as at 31 December	**656**

12.7.8 Profit and loss statement

The accounting principles and the method of calculating the ratios are included in chapter 13.

12.7.9 Indirect result

Changes in fair value of investments	
(amounts x € 1.000)	10-11-2022 through 31-12-2023
Realised price- and currency gains bonds	130
Realised price- and currency losses bonds	(12)
Unrealised price- and currency gains bonds	163
Realised price- and currency gains futures	11
Realised price- and currency losses futures	(16)
Unrealised price- and currency gains futures	1
Realised price- and currency gains interest rate swaps	827
Realised price- and currency losses interest rate swaps	(2,607)
Unrealised price- and currency gains interest rate swaps	9,990
Total as at 31 December	**8,487**

12.7.10 Subscription and redemption fee

The subscription and redemption fee is 0.26% of the transaction amount. The fees charged are entirely to the benefit of the fund.

12.7.11 Costs and fees

Transaction costs	
(amounts x € 1.000)	10-11-2022 through 31-12-2023
Derivatives	7
Transaction costs within the fund	**7**

Management fee
The annual management fee amounts to 0.17%.

Service fee
The service fee is charged daily to the funds based on the net asset value of the funds at the end of the previous trading day. The service fee is 0.03% per year on the fund's assets.

Ongoing Charges Figure (OCF)
The overview below shows the costs during the year:

OCF	
(amounts x € 1.000)	10-11-2022 through 31-12-2023
Average net asset value	11,777
Total costs within the fund including fee sharing agreements	25
Total costs	**25**
OCF	**0.21%**
Annualized OCF	**0.20%**

Turnover Ratio (TR)
The TR gives an indication of the turnover of the fund's investment portfolio by providing insight in the extent to which the fund manager actively changes the investment portfolio based on his investment decisions.

TR	
(amounts x € 1.000)	10-11-2022 through 31-12-2023
Purchases of investments	40,978
Sales of investments	18,053
Total investment transactions	**59,031**
Subscriptions	25,987
Total movements in participations	**25,987**
Average net asset value	11,777
TR	**281**

Other notes
The other notes are an integral part of the financial statements and are included in chapter 14.

12.7.12 Events after balance sheet date

There are no subsequent events after balance sheet date that require further explanation.

13 Principles of valuation and determination of the result and the calculation method of ratios

General
The financial statements are prepared in accordance with Title 9 of Book 2 of the Dutch Civil Code and the Dutch Act on Financial Supervision ("Wet op het financieel toezicht"). The financial statements are prepared according to the financial statements models for investment institutions as established by the legislator. Wording may be used that deviates from these models to better reflect the contents of the specific items.

Unless indicated otherwise, amounts are reflected in euro.

Comparison to the previous year
The accounting principles have remained unchanged in comparison to the previous year.

Continuity
The financial statements have been prepared on a going concern basis under the reasonable assumption that the fund is, or will be, able to meet its obligations. An exception to this is the AEGON Liability Matching Fund II, which has been prepared assuming discontinuity of the fund, see Chapter 10.

Foreign currencies
The reporting and functional currency of the fund is the euro due to the issue of participations in euro and most of the transactions being in euro. Monetary assets and liabilities in foreign currency are translated by the closing rate. Non-monetary assets and liabilities that are valued on a historical cost basis are translated by the rate of the foreign currency at the date of the transaction.

Purchases and sales during the reporting period are translated by the rate of the foreign currency at the date of the transaction. The same applies to foreign currencies related to profit and loss statement.

Differences related to foreign currency translations on investments are recognized in the profit and loss statement as part of the revaluation of investments.

Differences related to foreign currency translations on receivables and payables are recognized in the profit and loss statement under currency translation differences.

The following table shows the exchange rates with the equivalent of €1:

Foreign currency closing rates

Currency	31-12-2023	31-12-2022
U.S. dollar	1.104650	1.06725
British pound	0.866528	0.88723
Japanese Yen	155.733660	140.81822

Cash flow statement
The cash flow statement is prepared using the direct method. A distinction is made between cash flows arising from financing activities which reflect all cash flows between the fund and its participants and the cash flows from investment activities which reflect the operations activities of the fund.

The cash flows from investment activities may also include the deposits and withdrawals arising from the investment in the AeAM Strategic Liability Matching Fund.

Cash and cash equivalents consist of cash at banks and bank overdrafts.

Principles for valuation
Unless stated otherwise, assets and liabilities are included in the balance sheet at nominal value. Investments are valued at fair value. The manner in which this fair value is determined is further explained in the paragraph Fair value determination.

Investments
The equity investments and investment funds are classified as investments in equity instruments.

The bond investments are classified as investments in purchased loans and bonds and are in principle not held to maturity.

The derivatives (such as, for example, forward exchange contracts, options, futures, interest rate swaps, commodity swaps, total return swaps and credit default swaps) are considered to be part of the trading portfolio.

Criteria for recognition on the balance sheet
Financial instruments are recognised in the balance sheet when the fund becomes a party in the contractual clauses of the financial instrument. The fair value of the financial instruments at initial recognition is the cost price of the financial instruments.

A financial instrument is no longer recognised in the balance sheet if a transaction leads to the transfer of all or nearly all economic benefits and all or nearly all risks of the financial instrument to a third party.

Collateral received in connection with the fund's securities lending activities is not included in the balance sheet as the fund has no control over the collateral received. The counterparty receives back the collateral received when the lent securities are returned. The securities lent and the collateral received in return are explained, if applicable, under the rights and obligations not included in the balance sheet.

For collateral received in connection with outstanding derivative positions of the fund, the fund includes a debt to the counterparty in the balance sheet for the collateral to be repaid. The fund recognizes a claim on the counterparty for collateral paid in connection with open derivative positions. Interest is charged on the collateral received or paid.

Recognition of transaction
Transactions are processed based on trade date (trade date accounting). Deposits and withdrawals from investments in the fund with an overlay structure are also included as part of the purchases and sales.

Transaction cost recording
To the extent applicable, transaction costs, including taxes when granting subordinated loans, are capitalized as part of the cost price upon purchase and are recognized as part of the unrealized changes in value on investments in the profit and loss account. As a result, no transaction costs were capitalized at the end of the financial year. Transaction costs incurred when collecting and selling subordinated loans, including taxes and the costs of third parties to whom these activities have been outsourced, are recognized as part of the realized changes in value.

Transaction costs for purchases of investments are included in the cost price of the investments and are accounted for as part of the unrealised result on investments in the profit and loss statement. As a result, no transaction costs are expensed at the end of the year. Transaction costs related to sales of investments are accounted for as part of the realised result on investments. Transaction costs upon purchases of derivatives are directly accounted for in the profit and loss statement.

Fair value determination

The investments consisting of participations in other Aegon investment funds are valued at fair value, which is the intrinsic value of the participation of these funds. The net asset value of these funds is determined each day when the Dutch stock exchange is open and reflects the fair value of these Aegon investment funds at the time the net asset value is determined. The net asset value of all Aegon investment funds is audited at least once a year by the independent external auditor as part of the fund's annual audit.

Investments listed on a stock exchange are valued at the most recent closing price or, failing that, at the value appraised by the fund manager. If financial instruments are listed on different stock exchanges, the fund manager will decide which stock exchange quotation will be taken into account. In the event of special circumstances (such as, for example, high volatility in financial markets) where, in the opinion of the fund manager, the valuation in the manner described above leads to a valuation that does not reflect the true value, the fund manager may, in determining the value of listed financial instruments take into account expected quotations using relevant indices on financial markets.

The valuation of asset-backed securities (financial instrument consisting of a portfolio of assets) is determined on the basis of data provided by Barclays Capital. If Barclays is unable to provide a reliable price (for example because insufficient information regarding security is available), a discounted cash flow model is used, taking into account spreads and ratings of asset-backed securities. If this does not yield a reliable valuation, various broker quotes are requested to arrive at a valuation.

Corporate bonds (credits/high yields) are valued at the prevailing rate as stated by data supplier Barclays Capital. If Barclays cannot provide a reliable price (for example because insufficient information regarding security is available), then data supplier Interactive Data is used. If this does not yield a reliable valuation, data suppliers Markit and Bloomberg are consulted and various broker quotes are requested to arrive at a valuation.

The market value of call money is determined on the basis of the theoretical price, calculated using data from active markets.

The market value of forward exchange contracts is determined using a standard model in which the quotes and parameters are read in via an interface with Bloomberg.

The market value of futures is determined on the basis of the listing on an exchange or other regulated market. If no direct quote is available, a theoretical price is calculated using data from active markets.

The market value of options is determined on the basis of the listing on a stock exchange or other regulated market. If no direct quote is available, a theoretical price is calculated using data from active markets.

The market value of total return swaps is determined on the basis of the theoretical price of the investment (underlying portfolio of financial instruments) and the corresponding loan, calculated using data from active markets.

When determining the market value of credit default swaps, the discounted cash flow method is used, whereby future payments are compared against the probability of bankruptcy.

The market value of interest rate swaps is determined by discounting the future cash flows at the market interest rate.

The exposure values of derivatives are further specified in the notes on the investments.

Illiquid investments
Any unmarketable and/or unlisted investments are valued on the basis of the most recent information available to the manager for these investments. The administrator will make every effort to have the most recent information. This implies that, in contrast to listed investments, for unmarketable and/or unlisted investments the value may be dated. If after determination of the net asset value but prior to publication of the annual report information becomes available that leads to a materially different insight with regard to the net asset value to be published in the annual report, this will be reported in the report. The additional information will be processed at the next determination of the net asset value.

Presentation derivatives
The positive market value of the derivatives is presented under the investments. The negative market value of derivatives is presented as investments on the liabilities side of the balance sheet. Any netting of derivatives in the balance sheet takes place if the netting conditions are met. The statement of changes in investments shows the netted development of the derivative positions per type of derivative.

Receivables and payables
Receivables and payables are stated at fair value on initial recognition. After initial recognition, receivables and payables are valued at amortized cost. If there are no premiums, discounts or transaction costs, the amortized cost is equal to the nominal value of the receivable or debt.

The receivables mainly consist of recoverable and deductible dividend and withholding tax and/or accrued interest. The receivables arising from recoverable and deductible dividend and withholding tax have a duration of more than one year. The other receivables and payables have a term of less than one year. A provision for impairment is made if needed.

Cash and cash equivalents
Cash and cash equivalents are valued at nominal value.

Net asset value
In the net asset value of the fund, the transactions with participants and the appropriation of the result are recorded. Transactions with participants are processed against the subscription- or redemption price excluding subscription or redemption fee or swing price factor.

Principles for determination of results
Income and expenses arising from operating activities during the financial year are recognized in the profit and loss account. Buying and selling costs of investments and derivatives are recognized directly in the profit and loss account.

Dividend income
Dividends are recognized on the ex-dividend date, taking into account any non-refundable dividend tax.

Interest income and expenses
Interest is recognized in the period to which it relates. Interest income and interest expense are recognized in proportion to time, taking into account the effective interest rate of the relevant assets and liabilities.

Value changes investments
This concerns indirect investment income from realized and unrealized changes in value and exchange rate differences. These revenues are recognized in the period to which they relate.

The realized and unrealized exchange rate and currency results for the financial year are accounted for under value adjustments to investments. The realized exchange rate and currency results are determined as the difference between the sales value and the average historical purchase value. The unrealized exchange rate and currency results are determined as the movement in the unrealized exchange rate and currency results during the financial year. The reversal of unrealized exchange rate and currency results processed in previous years is included in the unrealized exchange rate and currency results upon realization of these results.

Costs

Costs are recognized in the period to which they relate.

Management fee

The fund manager charges a fixed management fee for the management of the fund's assets. The management fee is determined as an annual percentage. The management fee is charged to the funds on a daily basis based on the net asset value of the funds at the end of the previous trading day. The management fee for AIM only applies to participation class C.

Service fee

The fund manager charges a service fee to the fund. The service fee serves as compensation for costs such as custody fees, audit fees, legal and advisory fees, incorporation costs, administration fees and marketing and communication costs. The service fee is determined as an annual percentage. The service fee is charged on a daily basis based on the net asset value of the fund at the end of the preceding trading day.

The auditors fees for research of the annual reports and possible fiscal advice and other non-audit services are paid by the fund manager from the received service fees. These expenses cannot be individually allocated to the funds under management. Therefore a further disclosure is omitted.

Ongoing Charges Figure (OCF)

The OCF is a standard for ongoing costs that are charged to the fund during the reporting period. For the calculation of the OCF, the following needs to be considered:

- The OCF represents the ratio between ongoing costs and the average net asset value. The ongoing costs include all expenses that have been charged to the fund during the reporting period, with the exception of subscription- and redemption fees, performance fees, transaction costs for investments and interest expenses on bank accounts. The fund can invest in other funds managed by Aegon Investment Management. In addition to the costs directly recognised by the fund, the calculation of the fund’s ongoing costs also includes the ongoing costs of other Aegon funds in which the fund invests as well as the costs of fee sharing agreements.
- The average net asset value is based on the number of days when a net asset value calculation was performed during the reporting period.
- Costs in externally managed funds included when a fund invested directly or indirectly more than 10 percent of the net assets of the fund. The average proportion of externally managed investment funds taken into calculation must cover at least 80% of the total average externally managed investment funds. If the external fund invested in an underlying fund, cost will not be included in the calculation of the OCF, due to the lack of information on these costs.

Turnover Ratio (TR)

The TR gives an indication of the turnover rate of the portfolio of the funds, providing insight into the extent to which there is an active change in the investment portfolio as a result of investment decisions. This indicator gives an impression of the transaction costs involved in portfolio management. Active portfolio management entails higher transaction costs. For example, an TR of 200 indicates that for twice the value of the average fund assets, buying and selling transactions have been made in addition to buying and selling transactions as a result of entries or exits. Withdrawals and withdrawals of call funds are not included in the calculation of the TR.

The purchases and issues of units are netted on a daily basis in order to determine the actual inflow or outflow on a daily basis. As a result, the inflow or outflow is better aligned with the purchases and sales as a result of transactions with participants. The amounts may therefore differ from the amounts shown in the equity and cash flow statement.

A fund can invest partly or completely in other Aegon investment funds in which the actual purchases and sales of investments take place. The TR of the underlying Aegon investment funds is more relevant and is disclosed in the financial statements of the relevant Aegon investment fund.

The TR is calculated as follows:
[(Total 1 – Total 2) / X] * 100
Total 1: the total amount of securities transactions (securities purchases + securities sales)
Total 2: the total amount of transactions (issue + purchase) of units of the investment institution
X: the average net asset value of the investment institution (determined in accordance with the OCF method above).

14 Other notes

Related parties
All transactions with related parties have been entered into at arm's length and under normal market conditions. For completeness purposes, the related parties and information on the agreements with these parties are detailed below.

Fund manager
The funds use the services of the fund manager, AIM, and do not employ any personnel. The personnel that AIM uses is employed by Aegon Nederland N.V. The expenses for the use of the personnel of the fund manager are covered by the management fee that the fund pays to the fund manager.

Legal owner
Aegon Custody B.V. serves as legal owner of the investments. Aegon Custody B.V. was incorporated on 25 April 1991. The legal owner is a private limited liability company with its registered office at Aegonplein 50, 2591 TV, The Hague. Aegon Custody B.V. is a fully-owned subsidiary of Aegon Asset Management Holding B.V. It is registered in the Chamber of Commerce register of The Hague under number 27134727.

Aegon Ltd.
Aegon Derivatives N.V. and Aegon Ltd. renders the following services for the benefit of the fund, represented by the fund manager and the legal owner:
- Cash management: Aegon Ltd. performs day-to-day cash management duties and manages the funds' aggregate cash pool.
- Currency management: Aegon Ltd. is the counterparty for certain funds that do not have their own bank account in foreign currency for currency transactions. All settlements and corporate actions in foreign currency of these funds are booked on the currency accounts of Aegon Ltd. and charged to the euro account of the relevant funds;
- OTC derivatives: within the framework of Aegon Ltd.'s derivatives policy, long-term OTC derivatives are concluded in the name of Aegon Derivatives N.V. The fund manager is obliged to check in advance whether the use of the instrument in question is permitted within the scope set by Aegon Ltd. or the policy formulated in the fund's prospectus. Effectively, the fund has Aegon Derivatives N.V. as counterparty and Aegon Derivatives N.V. has the external parties as counterparty. The collateral is settled on a daily basis by Aegon Derivatives N.V. with the funds. Aegon Derivatives N.V. is an intermediary for the efficient management of the derivatives exposure for the funds.

a.s.r.
On 4 July 2023, the sale of Aegon Netherlands and the underlying assets by Aegon Group to a.s.r. was finalised. This transaction gives Aegon Group a strategic interest in a.s.r. obtained with associated rights. AIM Netherlands remains part of Aegon Group. AIM partnered with a.s.r. and entered into a long-term asset management agreement for the management of, among others, the illiquid investments of Aegon Nederland and a.s.r., investments of Aegon's premium pension institution Cappital, a.s.r.'s mortgage funds, a.s.r.'s private debt fund and a.s.r.'s renewable energy fund.

Aegon Asset Management UK plc.
The fund manager has a service level agreement with Aegon Asset Management UK plc. regarding the calculation of fund- and benchmark performance that the manager uses for reporting on the funds.

Aegon USA Investment Management, LLC
An Investment Management Agreement has been made with Aegon USA Investment Management LLC regarding the management of the American portfolio.

Aegon Employees Netherlands B.V.
The funds use the services of the manager, AIM, and do not employ any staff themselves. Personnel used by AIM are employed by Aegon Employees Netherlands B.V. Aegon Employees Netherlands B.V. is part of Aegon Ltd.

Outsourcing

The fund manager has delegated tasks to the following parties in the context of the management of the fund:

- Aegon Asset Management Value Hub B.V.: shared service centre for transaction processing and performance measurement;
- Aegon Derivatives N.V.: services related to the management of cash and collateral;
- Aegon EDC Limited: IT infrastructure services;
- Aegon USA Investment Management LLC: external asset manager for certain equity portfolios;
- External asset manager(s) for management of the investment portfolio;
- Citibank N.A. (London Branch): operational execution of securities lending transactions, fund accounting and corporate actions;
- Aegon Ltd. (Group Treasury): services in the field of cash management;
- Aegon Asset Management UK Plc.: calculation of fund performance and benchmark performance;

Liability of the depositary

The depositary is liable to the AEAM funds and the participants for the loss of any financial instrument taken into custody by the depositary or a third party to which it has transferred the custody. The depositary will not be liable if it can demonstrate that the loss was caused by an external event beyond his reasonable control, the consequences of which were unavoidable despite any efforts to prevent them.

The depositary is also liable to the AEAM funds and the participants for any other losses they suffer due to the depositary's failure to properly fulfil its obligations under this depositary agreement with intent or due to negligence. Participants may indirectly invoke the liability of the depositary via the fund manager. If the fund manager refuses to cooperate with such a request, the participants are authorised to file the claim for damages directly with the depositary.

Hard commissions and softdollar arrangements

The fund does not enter into hard commission arrangements. With regard to soft dollar arrangements. AIM is charged by brokers for research information. This research information is beneficial to the fund and its participants.

Proposed profit appropriation

The Board of Management proposes to add the result for the financial year to the fund's participants capital.

The Hague, 17 April 2024

The investment manager

Signed on behalf of Aegon Investment Management B.V. by:

O.A.W.J. van den Heuvel
D.F.R. Jacobovits de Szeged
W.H.M. van de Kraats
T.E.J.F. Stassen

15 Other information

15.1. Management board interests

During 2023, the board members of the investment manager held no direct or indirect interests in the fund or in any of the external managers appointed by the fund.

Independent auditor's report

To: the investment manager of AEAM Core Eurozone Government Bond Fund, AEAM Strategic Liability Matching Fund, AEAM Core Eurozone Government Bond Index Fund, AEAM Money Market Euro Fund, AEGON Liability Matching Fund, AEAM Government Related Investment Fund and AEAM US Corporate Credit Fund

Report on the audit of the financial statements 2023

Our opinion

In our opinion, the financial statements of AEAM Core Eurozone Government Bond Fund, AEAM Strategic Liability Matching Fund, AEAM Core Eurozone Government Bond Index Fund, AEAM Money Market Euro Fund, AEGON Liability Matching Fund, AEAM Government Related Investment Fund and AEAM US Corporate Credit Fund ('the funds') give a true and fair view of the financial position of the funds as at 31 December 2023, and of its result for the year then ended in accordance with Part 9 of Book 2 of the Dutch Civil Code.

What we have audited

We have audited the accompanying financial statements 2023 of the funds, Den Haag included in this annual report.

The financial statements comprise:
- the balance sheet as at 31 December 2023;
- the profit and loss statement for the year then ended; and
- the notes, comprising a summary of the accounting policies applied and other explanatory information.

The financial reporting framework applied in the preparation of the financial statements is Part 9 of Book 2 of the Dutch Civil Code.

The basis for our opinion

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. We have further described our responsibilities under those standards in the section 'Our responsibilities for the audit of the financial statements' of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

PricewaterhouseCoopers Accountants N.V., Thomas R. Malthusstraat 5, 1066 JR Amsterdam, P.O. Box 90357, 1006 BJ Amsterdam, the Netherlands
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Independence
We are independent of the funds in accordance with the 'Wet toezicht accountantsorganisaties' (Wta, Audit firms supervision act), the 'Verordening inzake de onafhankelijkheid van accountants bij assuranceopdrachten' (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore, we have complied with the 'Verordening gedrags- en beroepsregels accountants' (VGBA, Dutch Code of Ethics).

Information in support of our opinion
We designed our audit procedures with respect to fraud and going concern, and the matters resulting from that, in the context of our audit of the financial statements as a whole and in forming our opinion thereon. The information in support of our opinion, such as our findings and observations related to the audit approach fraud risk and the audit approach going concern was addressed in this context, and we do not provide a separate opinion or conclusion on these matters.

Audit approach fraud risks
We identified and assessed the risks of material misstatements of the financial statements due to fraud. During our audit we obtained an understanding of the funds and its environment and the components of the internal control system, including the risk assessment process, management's process for responding to fraud risks and monitoring the internal control system, as well as the outcomes thereof. We refer to section 'Risk management' of the report of the investment manager, in which the investment manager of the funds has included its fraud risk analysis.

We evaluated the design and relevant aspects of the internal control system and in particular the fraud risk assessment, as well as the code of conduct and whistle-blower policy. We evaluated the design and the implementation and, where considered appropriate, tested the operating effectiveness of internal controls measures designed to mitigate fraud risks.

We asked the board of directors ('the management') of AEGON Investment Management B.V. ('the investment manager') as well as other officials within the investment manager, including internal audit, legal and compliance, as to whether they are aware of any factual, alleged or suspected fraud. This resulted in no indications of actual, alleged or suspected fraud that may lead to a material misstatement. In addition, we conducted interviews to understand the investment manager's fraud risk assessment and the processes for identifying and responding to the fraud risks and the internal controls that management has put in place to mitigate these risks.

As part of our process of identifying fraud risks, we evaluated fraud risk factors with respect to financial reporting fraud, misappropriation of assets and bribery and corruption. We evaluated whether these factors indicate that a risk of material misstatement due to fraud is present.

As described in the auditing standards, management override of controls and the risk of fraud in revenue recognition are presumed risks of fraud. Management of the funds inherently is in a unique position to commit fraud because of the management's ability to manipulate accounting records and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively. We addressed this risk by evaluating whether there was evidence of bias in management's estimates that may represent a risk of material misstatement due to fraud. Regarding the investments valued at fair value, we have determined based on external (market) information that the valuation prepared by the funds are within the range considered acceptable by us. Based on this, we have determined that there are no indications of bias in the estimates made by management.

Control procedures include evaluating the design and implementation of controls designed to mitigate fraud risks (such as processing and reviewing journal entries) and procedures for unexpected journal entries with the use of data analysis. With respect to the risk of fraud in revenue recognition, based on our risk analysis, we have concluded that this risk is related to revenue recognition in areas that are more complex, non-systematic or manual in nature. We have not identified any revenues in these areas during our audit.

We have not identified any significant transactions outside the normal course of business. We also incorporated an element of unpredictability in our audit. We have also taken notice of correspondence with regulators and have remained alert to indications of fraud during the audit. We also considered the outcome of other audit procedures and evaluated whether any findings were indicative of fraud or non-compliance of laws and regulations. Whenever we identify any indications of fraud, we re-evaluate our fraud risk assessment and its impact on our audit procedures.

Audit approach going concern

The investment manager prepared the financial statements on the assumption that the entity is a going concern and that it will continue all its operations for at least twelve months from the date of preparation of the financial statements, as disclosed in the paragraph 'Continuity' in the disclosures.

Our procedures to evaluate investment manager's going-concern assessment included, amongst others:
- considering whether the investment manager's going-concern assessment contains all relevant information of which we are aware as a result of our audit, obtaining additional evidence and questioning the investment manager about key assumptions and principles;
- analysing the issue of participations after the end of the financial year and assessing whether these may indicate continuity risks;
- taking note of the prospectus with the described possibility of the investment manager to temporarily suspend or limit applications for the redemption or subscription of shares in exceptional cases;
- obtaining information from the investment manager about its knowledge of continuity risks after the period of the continuity assessment performed by the investment manager.

Our audit procedures have not revealed any information that conflicts with the investment manager's assumptions and assumptions about the going-concern assumption used.

Report on the other information included in the annual report

The annual report contains other information. This includes all information in the annual report in addition to the financial statements and our auditor's report thereon.

Based on the procedures performed as set out below, we conclude that the other information:
- is consistent with the financial statements and does not contain material misstatements; and
- contains all the information regarding the directors' report and the other information that is required by Part 9 of Book 2 of the Dutch Civil Code.

We have read the other information. Based on our knowledge and the understanding obtained in our audit of the financial statements or otherwise, we have considered whether the other information contains material misstatements.

By performing our procedures, we comply with the requirements of Part 9 of Book 2 of the Dutch Civil Code and the Dutch Standard 720. The scope of such procedures was substantially less than the scope of those procedures performed in our audit of the financial statements.

The investment manager is responsible for the preparation of the other information, including the report of the investment manager and the other information in accordance with Part 9 of Book 2 of the Dutch Civil Code.

Responsibilities for the financial statements and the audit

Responsibilities of the investment manager for the financial statements

The investment manager is responsible for:

- the preparation and fair presentation of the financial statements in accordance with Part 9 of Book 2 of the Dutch Civil Code; and for
- such internal control as the investment manager determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the investment manager is responsible for assessing the fund's ability to continue as a going concern. Based on the financial reporting framework mentioned, the investment manager should prepare the financial statements using the going-concern basis of accounting unless the investment manager either intends to liquidate the funds or to cease operations or has no realistic alternative but to do so. The investment manager should disclose in the financial statements any event and circumstances that may cast significant doubt on the fund's ability to continue as a going concern.

Our responsibilities for the audit of the financial statements

Our responsibility is to plan and perform an audit engagement in a manner that allows us to obtain sufficient and appropriate audit evidence to provide a basis for our opinion.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error and to issue an auditor's report that includes our opinion. Reasonable assurance is a high but not absolute level of assurance, and is not a guarantee that an audit conducted in accordance with the Dutch Standards on Auditing will always detect a material misstatement when it exists.

Misstatements may arise due to fraud or error. They are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements. Materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

A more detailed description of our responsibilities is set out in the appendix to our report.

Amsterdam, 17 April 2024
PricewaterhouseCoopers Accountants N.V.

This is an English translation of the original Dutch text, furnished for convenience only. In case of any conflict between this translation and the original text, the latter will prevail.

Appendix to our auditor’s report on the financial statements 2023 of the funds

In addition to what is included in our auditor’s report, we have further set out in this appendix our responsibilities for the audit of the financial statements and explained what an audit involves.

The auditor’s responsibilities for the audit of the financial statements

We have exercised professional judgement and have maintained professional scepticism throughout the audit in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements. Our audit consisted, among other things of the following:

- Identifying and assessing the risks of material misstatement of the financial statements, whether due to fraud or error, designing and performing audit procedures responsive to those risks, and obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the intentional override of internal control.
- Obtaining an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the fund’s internal control.
- Evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by investment manager.
- Concluding on the appropriateness of the investment manager’s use of the going-concern basis of accounting, and based on the audit evidence obtained, concluding whether a material uncertainty exists related to events and/or conditions that may cast significant doubt on the fund’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion.
  Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report and are made in the context of our opinion on the financial statements as a whole. However, future events or conditions may cause the funds to cease to continue as a going concern.
- Evaluating the overall presentation, structure and content of the financial statements, including the disclosures, and evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the investment manager regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Independent auditor's report

To: investment manager of AEGON Liability Matching Fund II (liquidated per 1 March 2024)

Report on the audit of the financial statements 2023

Our opinion

In our opinion, the financial statements of AEGON Liability Matching Fund II ('the fund') give a true and fair view of the financial position of the fund as at 31 December 2023, and of its result for the year then ended in accordance with Part 9 of Book 2 of the Dutch Civil Code.

What we have audited

We have audited the accompanying financial statements 2023 of AEGON Liability Matching Fund II, Den Haag included in this annual report.

The financial statements comprise:

- the balance sheet as at 31 December 2023;
- the profit and loss statement for the year then ended; and
- the notes, comprising a summary of the accounting policies applied and other explanatory information.

The financial reporting framework applied in the preparation of the financial statements is Part 9 of Book 2 of the Dutch Civil Code.

The basis for our opinion

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. We have further described our responsibilities under those standards in the section 'Our responsibilities for the audit of the financial statements' of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of AEGON Liability Matching Fund II in accordance with the 'Wet toezicht accountantsorganisaties' (Wta, Audit firms supervision act), the 'Verordening inzake de onafhankelijkheid van accountants bij assuranceopdrachten' (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore, we have complied with the 'Verordening gedrags- en beroepsregels accountants' (VGBA, Dutch Code of Ethics).

NLE00023165.1.1

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Information in support of our opinion

We designed our audit procedures with respect to fraud and going concern, and the matters resulting from that, in the context of our audit of the financial statements as a whole and in forming our opinion thereon. The information in support of our opinion, such as our findings and observations related to the audit approach fraud risk and the audit approach going concern was addressed in this context, and we do not provide a separate opinion or conclusion on these matters.

Audit approach fraud risks

We identified and assessed the risks of material misstatements of the financial statements due to fraud. During our audit we obtained an understanding of the fund and its environment and the components of the internal control system, including the risk assessment process, management's process for responding to fraud risks and monitoring the internal control system, as well as the outcomes thereof. We refer to section 'Risk management' of the report of the investment manager, in which the investment manager of the fund has included its fraud risk analysis.

We evaluated the design and relevant aspects of the internal control system and in particular the fraud risk assessment, as well as the code of conduct and whistle-blower policy. We evaluated the design and the implementation and, where considered appropriate, tested the operating effectiveness of internal controls measures designed to mitigate fraud risks.

We asked the board of directors ("the management") of AEGON Investment Management B.V. ("the investment manager") as well as other officials within the investment manager, including internal audit, legal and compliance, as to whether they are aware of any factual, alleged or suspected fraud. This resulted in no indications of actual, alleged or suspected fraud that may lead to a material misstatement. In addition, we conducted interviews to understand the investment manager's fraud risk assessment and the processes for identifying and responding to the fraud risks and the internal controls that management has put in place to mitigate these risks.

As part of our process of identifying fraud risks, we evaluated fraud risk factors with respect to financial reporting fraud, misappropriation of assets and bribery and corruption. We evaluated whether these factors indicate that a risk of material misstatement due to fraud is present.

As described in the auditing standards, management override of controls and the risk of fraud in revenue recognition are presumed risks of fraud. Management of the fund inherently is in a unique position to commit fraud because of the management's ability to manipulate accounting records and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively. We addressed this risk by evaluating whether there was evidence of bias in management's estimates that may represent a risk of material misstatement due to fraud. We did not identify any estimates per balance date during our audit.

Control procedures include evaluating the design and implementation of controls designed to mitigate fraud risks (such as processing and reviewing journal entries) and procedures for unexpected journal entries with the use of data-analysis. With respect to the risk of fraud in revenue recognition, based on our risk analysis, we have concluded that this risk is related to revenue recognition in areas that are more complex, non-systematic, or manual in nature. We have not identified any revenues in these areas during our audit.

We have not identified any significant transactions outside the normal course of business. We also incorporated an element of unpredictability in our audit. We have also taken notice of correspondence with regulators and have remained alert to indications of fraud during the audit. We also considered the outcome of other audit procedures and evaluated whether any findings were indicative of fraud or non-compliance of laws and regulations. Whenever we identify any indications of fraud, we re-evaluate our fraud risk assessment and its impact on our audit procedures.

Emphasis of matter – discontinuity of the fund

We draw attention to the paragraph 'Emphasis on discontinuity of the investment fund' in the notes to the financial statements which indicates that investment manager has decided to liquidate the fund after balance sheet date per 1 March 2024. The investment manager expects that the fund will be able to meet its obligations. Our opinion is not modified in respect of this matter.

Report on the other information included in the annual report

The annual report contains other information. This includes all information in the annual report in addition to the financial statements and our auditor's report thereon.

Based on the procedures performed as set out below, we conclude that the other information:
- is consistent with the financial statements and does not contain material misstatements; and
- contains all the information regarding the directors' report and the other information that is required by Part 9 of Book 2 of the Dutch Civil Code.

We have read the other information. Based on our knowledge and the understanding obtained in our audit of the financial statements or otherwise, we have considered whether the other information contains material misstatements.

By performing our procedures, we comply with the requirements of Part 9 of Book 2 of the Dutch Civil Code and the Dutch Standard 720. The scope of such procedures was substantially less than the scope of those procedures performed in our audit of the financial statements.

The investment manager is responsible for the preparation of the other information, including the directors' report and the other information in accordance with Part 9 of Book 2 of the Dutch Civil Code.

Responsibilities for the financial statements and the audit

Responsibilities of the investment manager for the financial statements

The Investment manager is responsible for:

- the preparation and fair presentation of the financial statements in accordance with Part 9 of Book 2 of the Dutch Civil Code; and for
- such internal control as the investment manager determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the investment manager is responsible for assessing the fund's ability to continue as a going concern. Based on the financial reporting framework mentioned, investment manager should prepare the financial statements using the going-concern basis of accounting unless investment manager either intends to liquidate the fund or to cease operations or has no realistic alternative but to do so. The investment manager should disclose in the financial statements any event and circumstances that may cast significant doubt on the fund's ability to continue as a going concern.

Our responsibilities for the audit of the financial statements

Our responsibility is to plan and perform an audit engagement in a manner that allows us to obtain sufficient and appropriate audit evidence to provide a basis for our opinion. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error and to issue an auditor's report that includes our opinion. Reasonable assurance is a high but not absolute level of assurance, and is not a guarantee that an audit conducted in accordance with the Dutch Standards on Auditing will always detect a material misstatement when it exists. Misstatements may arise due to fraud or error. They are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

Materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

A more detailed description of our responsibilities is set out in the appendix to our report.

Amsterdam, 17 April 2024
PricewaterhouseCoopers Accountants N.V.

This is an English translation of the original Dutch text, furnished for convenience only. In case of any conflict between this translation and the original text, the latter will prevail.

Appendix to our auditor's report on the financial statements 2023 of AEGON Liability Matching Fund II

In addition to what is included in our auditor's report, we have further set out in this appendix our responsibilities for the audit of the financial statements and explained what an audit involves.

The auditor's responsibilities for the audit of the financial statements

We have exercised professional judgement and have maintained professional scepticism throughout the audit in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements. Our audit consisted, among other things of the following:

- Identifying and assessing the risks of material misstatement of the financial statements, whether due to fraud or error, designing and performing audit procedures responsive to those risks, and obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the intentional override of internal control.
- Obtaining an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the fund's internal control.
- Evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by investment manager.
- Concluding on the appropriateness of the investment manager's use of the going-concern basis of accounting, and based on the audit evidence obtained, concluding whether a material uncertainty exists related to events and/or conditions that may cast significant doubt on the fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report and are made in the context of our opinion on the financial statements as a whole.
- Evaluating the overall presentation, structure and content of the financial statements, including the disclosures, and evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the investment manager regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Periodic sustainability disclosure AEAM Core Eurozone Government Bond Fund

Template periodic disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Product name: AEAM Core Eurozone Government Bond Fund
Legal entity identifier: 5493000YE6Y2YCX1V551

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Environmental and/or social characteristics

Did this financial product have a sustainable investment objective?

☐ **Yes**	☒ **No**
☐ It made **sustainable investments with an environmental objective:** ___%	☐ It **promoted Environmental/Social (E/S) characteristics** and while it did not have as its objective a sustainable investment, it had a proportion of ___% of sustainable investments.
☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy	☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy	☐ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
	☐ with a social objective
☐ It made **sustainable investments with a social objective:** ___%	☒ It promoted E/S characteristics, but **did not make any sustainable investments**

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

To what extent were the environmental and/or social characteristics promoted by this financial product met?

This mandate actively avoided investing in securities issued by governments that are under arms embargoes and/or systematically violate human rights by adhering to the exclusions list in the Aegon AM MM Sustainability Risks and Impacts Policy.

New Investments

During the reporting period no investments were made in securities issued by governments identified to be involved in excluded activities.

Existing Positions

Positions that no longer complied with the Aegon MM NL Sustainability Risks and Impacts Policy are actively managed and unwinded during the Reporting Period.

- ***How did the sustainability indicators perform?***[1]

Sustainability indicator	Unit	Value
Share of investments in companies that derive 5% or more of their revenues from thermal coal exploration, mining or refining	(% involved)	0
Share of investments in companies that produce more than 20 million tonnes of thermal coal annually and are actively expanding exploration, mining or refining operations, even if this is less than 5% of revenues.	(% involved)	0
Share of investments in companies that derive 5% or more of their revenues from thermal coal-fired electricity generation	(% involved)	0
Share of investments in companies that own coal-fired electricity generation capacity greater than 10 gigawatts and are actively expanding coal-fired electricity production capacity, even if this is less than 5% of revenues.	(% involved)	0
Share of investments in companies that derive 5% or more of their total oil equivalent production from oil sands	(% involved)	0
Share of investments in companies that derive 5% or more of their revenue from oil and gas exploration and production in offshore Arctic regions	(% involved)	0
Share of investments in pipeline operators and companies which are significantly involved in oil sands transportation	(% involved)	0
Share of investments in companies that derive 5% or more of their revenues from palm oil production and/or distribution	(% involved)	0

[1] Below results are based on quarter end positions

Share of investments in companies managing forests with 75% or lower FSC certification	(% involved)	0
Share of investments in companies that derive 5% or more of their revenues from tobacco production	(% involved)	0
Share of investments in government-issued debt (e.g., government bonds) from countries that systematically breach human rights or from a country whose government is subject to an arms embargo by the United Nations Security Council, the United States, the European Union or another relevant multilateral arms embargo.	(% involved)	0
Share of investments in companies involved in development, production, maintenance and trade of:	(% involved)	0
- Anti-personnel mines		
- Biological or chemical weapons		
- Cluster munitions		
- Ammunitions containing depleted uranium		
- Incendiary weapons using white phosphorus		
- Nuclear weapon systems		
Share of investments in companies that produce or develop key and dedicated components for controversial weapons, as listed above, or offer essential services for their use.	(% involved)	0
Share of investments in companies that are involved in arms trade to:	(% involved)	0
- Countries where an arms embargo by the United Nations Security Council, the United States, the European Union or another relevant multilateral arms embargo is in place;		
- Countries that are part of a war zone; and/or		
- High-risk countries for which the Dutch Government applies a 'presumption of denial' when approving export licenses.		
Share of investments in Russian and Belarussian companies.	(% involved)	0

- ***…and compared to previous periods?***

The sustainability indicators in this report are not materially different from the previous reporting period.

- ***What were the objectives of the sustainable investments that the financial product partially made and how did the sustainable investment contribute to such objectives?***

N/A

How did the sustainable investments that the financial product partially made not cause significant harm to any environmental or social sustainable investment objective?

N/A

How were the indicators for adverse impacts on sustainability factors taken into account?

N/A

Were sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:

N/A

The EU Taxonomy sets out a "do not significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific Union criteria.

The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.

How did this financial product consider principal adverse impacts on sustainability factors?

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

This financial product considers principal adverse impacts (PAIs) where meaningful and data is available (Certain security types or asset classes may have limited or no PAI data available) and Third Party Investment Managers are required to do so as well.

Exclusions:
The exclusion list in our different Sustainability & Impacts policies is created by screening on certain principal adverse impacts (climate change, human rights, etc.).

Engagement:
Principal adverse impacts are used to identify and prioritize engagement activity.

Research:
PAI indicators will be included in our research reports for corporate and sovereign issuers.

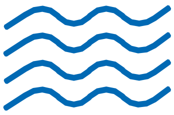
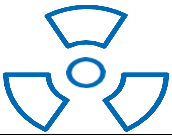
Portfolio management:
PAI were considered during the portfolio management process.
Sustainalytics PAI data can be accessed in Explore (where coverage is available).
PAIs are considered within the context of the fund's investment guidelines and objective and according to sufficient data availability.

Risk management:
PAIs will be reviewed with Portfolio Managers during risk meetings for relevant funds.

PAI metrics:[2]

Adverse sustainability indicator		Metric	Impact 2023
Climate and other environment-related indicators			
Greenhouse gas emissions	1. GHG emissions	Scope 1 GHG emissions (tCO2eq)	0.35 (8%)
		Scope 2 GHG emissions (tCO2eq)	0.58 (8%)
		Scope 3 GHG emissions (tCO2eq)	110.41 (8%)
		Total GHG emissions (tCO2eq)	111.34 (8%)
	2. Carbon footprint	Carbon footprint (tCO2eq/EURm)	2.50 (8%)
	3. GHG intensity of investee companies	GHG intensity of investee companies (tCO2eq/EURm)	69.73 (5%)
	4. Exposure to companies active in the fossil fuel sector	Share of investments in companies active in the fossil fuel sector	0% (3%)
	5. Share of non-renewable energy consumption and production	Share of non-renewable energy consumption of investee companies from non-renewable energy sources compared to renewable energy sources, expressed as a percentage	0% (0%)
		Share of non-renewable energy production of investee companies from non-renewable energy sources compared to renewable energy sources, expressed as a percentage	0% (3%)
	6. Energy consumption intensity per high impact climate sector	Agriculture, Forestry & Fishing (GWh/EURm)	0.00 (0%)
		Construction (GWh/EURm)	0.00 (0%)
		Electricity, Gas, Steam and Air Conditioning Supply (GWh/EURm)	0.00 (0%)
		Manufacturing (GWh/EURm)	0.00 (0%)

[2] PAI's are an average of four quarters and are excluding derivatives

		Mining & Quarrying (GWh/EURm)	0.00 (0%)
		Real Estate Activities (GWh/EURm)	0.00 (0%)
		Transportation & Storage (GWh/EURm)	0.00 (0%)
		Water Supply, Sewerage, Waste Management & Remediation (GWh/EURm)	0.00 (0%)
		Wholesale & Retail Trade & Repair of Motor Vehicles & Motorcycles (GWh/EURm)	0.00 (0%)
Biodiversity 	7. Activities negatively affecting biodiversity-sensitive areas	Share of investments in investee companies with sites/operations located in or near to biodiversity sensitive areas where activities of those investee companies negatively affect those areas	0% (3%)
Water 	8. Emissions to water	Tonnes of emissions to water generated by investee companies per million EUR invested, expressed as a weighted average	0.00 (0%)
Waste 	9. Hazardous waste ratio	Tonnes of hazardous waste generated by investee companies per million EUR invested, expressed as a weighted average	0.00 (0%)

Social and employee, respect for human rights, anti-corruption and anti-bribery matters

	10. Violations of UN Global Compact principles and OECD Guidelines for Multinational Enterprises	Share of investments in investee companies that have been involved in violations of the UNGC principles or OECD Guidelines for Multinational Enterprises	0% (3%)
	11. Lack of processes and compliance mechanisms to monitor compliance with UNGC principles and OECD Guidelines for Multinational Enterprises	Share of investments in investee companies without policies to monitor compliance with the UNGC principles or OECD Guidelines for Multinational Enterprises or grievance/complains handling mechanisms to address violations	3.17% (3%)
	12. Unadjusted gender pay gap	Average unadjusted gender pay gap of investee companies	0% (0%)
	13. Board gender diversity	Average ratio of female to male board members in investee companies	0% (0%)

	14. Exposure to controversial weapons (anti-personnel mines, cluster munitions	**Share of investments in investee companies involved in the manufacture or selling of controversial weapons**	0% (3%)

Indicators applicable to investments in sovereigns and supranational

Adverse sustainability indicator		Metric	Impact 2023
Environmental	**15.GHG intensity**	**GHG intensity of investee countries (KtonCO2eq/EURm)**	274.45 (88%)
Social	**16.Investee countries subject to social violations**	**Number of investee countries subject to social violations (absolute number and relative number divided by all investee countries), as referred to in international treaties and conventions, United Nations principles and, where applicable, national law**	0.00 / 0% (88%)

Indicators applicable to investments in real estate assets

Adverse sustainability indicator		Metric	Impact 2023
Fossil fuels	**17.Exposure to fossil fuels through real estate assets**	**Share of investments in real estate assets involved in the extraction, storage, transportation or manufacture of fossil fuels**	-
Energy efficiency	**18.Exposure to energy- inefficient real estate assets**	**Share of investments in energy-inefficient real estate assets**	-

Other Corporate indicators for principal adverse impact

Adverse sustainability indicator		Metric	Impact 2023
Greenhouse gas emissions	**2.4 Investing in companies without carbon emission reduction initiatives**	**Share of investments in investee companies without carbon emission reduction initiatives aimed at aligning with the Paris Agreement**	7.69% (3%)
Human rights	**3.9 Lack of a Human Rights Policy**	**Share of investments in companies without a human rights policy**	3.17% (3%)

Other Sovereign indicators for principal adverse impact

Adverse sustainability indicator		Metric	Impact 2023
	Share of bonds not issued under Union legislation on environmentally sustainable bonds	**Share of bonds not issued under Union legislation on environmentally sustainable bonds**	-
	Average income inequality score	**Average income inequality score**	2.63 (88%)

Data provided by ISS ESG

General explanation: *External ESG PAI data as of March 29 2023. PAI data is available on Issuer level, in order to report on the Principal Adverse Impacts, a look-through is required.*

Calculation of above PAI metrics follows the Regulatory Technical Standards COMMISSION DELEGATED REGULATION (EU) 2022/1288) and supplemental advice from the published Q&As (including JC 2022 47;JC 2022 62) and uses data from our external data provider as input where available. Portfolio aggregated data is normalised to exclude missing values where data is not available for a certain issuer. In the case of our mortgage products, the PAI data is provided from Aegon Hypotheken B.V.

Coverage statistics shows the proportion of the Adjusted Portfolio that is eligible and covered. In this context, Eligible implies those holdings that are the relevant type for the PAI in question —a corporate holding for a corporate PAI—and Covered implies those holdings for which the relevant underlying data has been obtained or estimated. The reported coverage statistics are already corrected for the eligibility and is an average of four quarters

Following additional regulatory guidance, from 2023 the PAIs which are displayed as portfolio weighted average are calculated by dividing the absolute metric by all investments for which a PAI is theoretically applicable, including investments for which this PAI may not be relevant (e.g. sovereign bonds). For the reports before 2023, the absolute metric was divided by the sum of the relevant investments for which this PAI was relevant (e.g. for "Board Diversity" we would include investee companies but exclude sovereigns).

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External ESG data providers have been selected as data sources for this statement on Principal Adverse Impacts. For certain adverse sustainability indicators, a limited amount of data is available or is not available at all (e.g. for ABS instruments). The proportion of estimated versus reported data will vary per each underlying data point needed for the calculation for that ESG metric. Additionally, data obtained from public sources may also be estimated to some extent. The information provided herein is based in part on information from third-party sources that has not been independently verified by Aegon Asset Management. Aegon Asset Management has reviewed their reports concerning data quality and assurance. The external providers provide assurance that all commercially reasonable steps are undertaken to guarantee adherence to a quality framework. Aegon Asset Management believes the document is accurate at the time of writing but it is subject to change without notice. Data attributed to a third party ("3rd Party Data") is proprietary to that third party and/or other suppliers (the "Data Owner") and is used by Aegon Asset Management under license. 3rd Party Data: (i) may not be copied or distributed; and (ii) is not warranted to be accurate, complete or timely. None of the Data Owner, Aegon Asset Management or any other person connected to, or from whom Aegon Asset Management sources, 3rd Party Data is liable for any losses or liabilities arising from use of 3rd Party Data.

What were the top investments of this financial product?

Largest investment	Sector	% Assets	Country
Federal Republic of Germany	Government	24.71%	Germany
Staat der Nederlanden	Government	14.61%	Netherlands
French Republic	Government	13.99%	France
Kingdom of Belgium	Government	12.22%	Belgium
Republik Oesterreich	Government	8.98%	Austria
Republic Of Finland	Government	7.84%	Finland
Deutsche Bank Aktiengesellschaft	Financials	5.49%	Supra National

World Bank Group/The	Other	3.98%	Supra National
European Financial Stability Facility	Other	2.18%	Supra National
European Union	Other	1.85%	Supra National
state of North Rhine-Westphalia	Government	1.51%	Germany
State of Schleswig-Holstein Germany	Government	1.29%	Germany
State of the Grand-Duchy of Luxembourg	Government	0.97%	Luxembourg
European Stability Mechanism	Other	0.22%	Supra National
IKA	Financials	0.16%	Belgium

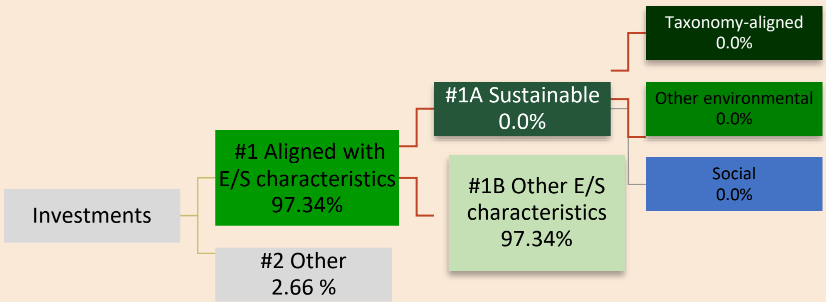
The list includes the investments constituting **the greatest proportion of investments** of the financial product during the reference period which is: **2023**

The top 15 holdings are composed on the basis of direct holdings in issuers and underlying investments of funds where information was available. The % is calculated based on the market value mid-dirty.

What was the proportion of sustainability-related investments?

Asset allocation describes the share of investments in specific assets.

What was the asset allocation[3]?



#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.

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The category **#1 Aligned with E/S characteristics** covers:
- The sub-category **#1A Sustainable** covers environmentally and socially sustainable investments.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

[3] Please note that the percentage of investments displayed under '#1A sustainable' may be **lower** than the sum of its parts shown in "Taxonomy-aligned" , "Other environmental" and "Social". This is due to the complexity in identifying overlaps between investments deemed sustainable by Aegon AM's proprietary sustainable investment definition and the investments identified by our external data provider as 'Taxonomy-aligned', resulting in possible double counting. Additionally, EU Taxonomy Aligned investments will align with the Other E/S characteristics (1B) but are only included in 1A above to avoid double counting.

In which economic sectors were the investments made?

Sector	**Assets%**
Government	83.92%
Other	8.01%
Financials	5.50%

Note: The sector allocation may not add up to 100% as there may be investments that cannot be allocated to a sector (e.g. cash, derivatives).

Taxonomy-aligned activities are expressed as a share of:
- **turnover** reflecting the share of revenue from green activities of investee companies.
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under Regulation (EU) 2020/852.

To what extent were the sustainable investments with an environmental objective aligned with the EU Taxonomy?

The percentage of sustainable investments with an environmental objective aligned with the EU Taxonomy made by this product is negligible (<0.5%). To reach this conclusion, the Fund Manager has reviewed the current holdings based on actually reported Taxonomy alignment. The data provider has clarified that the estimated data made available by them is currently not considered sufficiently equivalent under the EU Taxonomy. Therefore, the estimated data is not taken into account.

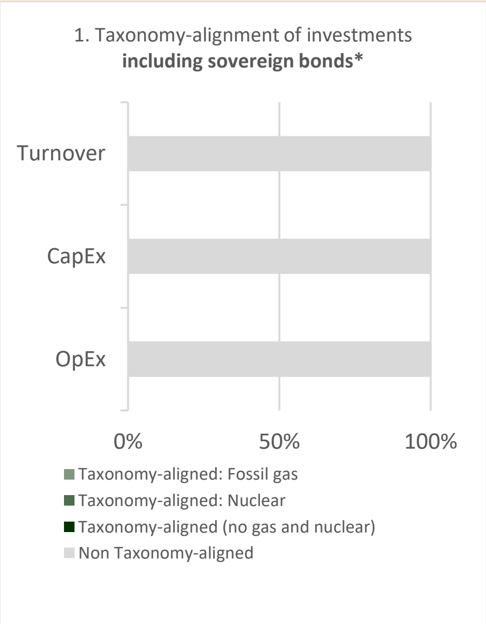
Did the financial product invest in fossil gas and/or nuclear energy related activities complying with the EU Taxonomy[4]?

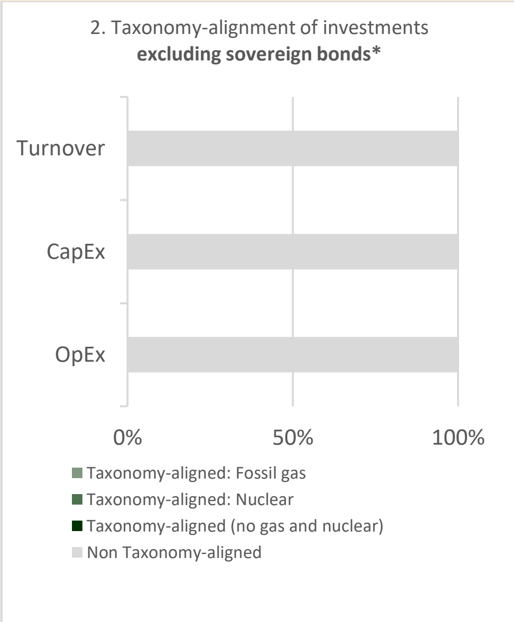
☐ Yes: *see details in the graphs of the box*

☐ In fossil gas ☐ In nuclear energy

☒ No

The graphs below show in green the percentage of investments that were aligned with the EU Taxonomy. As there is no appropriate methodology to determine the taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.





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[4] Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective - see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to fully renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

What was the share of investments made in transitional and enabling activities?

Financial metrics	**Activity type**	**Share of investments %**
Turnover	Transition	0,00%
Turnover	Enabling	0,00%
CapEx	Transition	0,00%
CapEx	Enabling	0,00%
OpEx	Transition	0,00%
OpEx	Enabling	0,00%

How did the percentage of investments that were aligned with the EU Taxonomy compare with previous reference periods?

No data are available for prior year. Therefore no comparison is possible.

What was the share of sustainable investments with an environmental objective not aligned with the EU Taxonomy?

N/A

What was the share of socially sustainable investments?

N/A

What investments were included under "other", what was their purpose and were there any minimum environmental or social safeguards?

Manager has invested in other investments for the purpose of efficient portfolio management, for example, derivatives, cash and cash equivalents. These other investments are not subject to the Fund's environmental or social criteria.

What actions have been taken to meet the environmental and/or social characteristics during the reference period?

On a regular basis, PM's and analysts have reviewed the portfolio's ESG characteristics. Analysts have provided updates on their view of ESG scores while the PM's have taken into account these ESG considerations in their investment decisions.

How did this financial product perform compared to the reference benchmark?

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

- ***How does the reference benchmark differ from a broad market index?***

N/A

- ***How did this financial product perform with regard to the sustainability indicators to determine the alignment of the reference benchmark with the environmental or social characteristics promoted?***

N/A

- ***How did this financial product perform compared with the reference benchmark?***

N/A

- ***How did this financial product perform compared with the broad market index?***

N/A

Periodic sustainability disclosure AEAM Core Eurozone Government Bond Index Fund

Template periodic disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Product name: AEAM Core Eurozone Government Bond Index Fund
Legal entity identifier: 549300R0JNXFXHEX0V37

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Environmental and/or social characteristics

Did this financial product have a sustainable investment objective?

☐ **Yes**	☒ **No**
☐ It made **sustainable investments with an environmental objective:** ___%	☐ It **promoted Environmental/Social (E/S) characteristics** and while it did not have as its objective a sustainable investment, it had a proportion of ___% of sustainable investments.
☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy	☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy	☐ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
	☐ with a social objective
☐ It made **sustainable investments with a social objective:** ___%	☒ It promoted E/S characteristics, but **did not make any sustainable investments**

To what extent were the environmental and/or social characteristics promoted by this financial product met?

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

This mandate actively avoided investing in securities issued by governments that are under arms embargoes and/or systematically violate human rights by adhering to the exclusions list in the Aegon AM MM Sustainability Risks and Impacts Policy.

New Investments

During the reporting period no investments were made in securities issued by governments identified to be involved in excluded activities.

Existing Positions

Positions that no longer complied with the Aegon MM NL Sustainability Risks and Impacts Policy are actively managed and unwinded during the Reporting Period.

- ***How did the sustainability indicators perform?***[1]

Sustainability indicator	Unit	Value
Share of investments in companies deriving revenue from the mining and production of thermal coal.	(% involved)	0
Share of investments in companies deriving 5% or more of their revenues from thermal coal-fired electricity generation.	(% involved)	0
Share of investments in companies that own coal-fired electricity generation capacity greater than 10 gigawatts and are actively expanding coal-fired electricity production capacity, even if this is less than 5% of revenues.	(% involved)	0
Share of investments in companies deriving 5% or more of their revenue from unconventional oil and gas extraction and production.	(% involved)	0
Share of investments in companies deriving 5% or more of their revenue from arctic oil and gas extraction and production.	(% involved)	0
Share of investments in companies that have more than 50% revenues generated by nuclear energy-related activities (i.e. nuclear power generation and sale, nuclear parts and services, and/or uranium mining).	(% involved)	0
Share of investments in companies deriving 5% or more of their revenues from palm oil production and/or distribution.	(% involved)	0

[1] Below results are based on quarter end positions

Share of investments in companies managing forests with 75% or lower FSC certification coverage.	(% involved)	0
Share of investments in companies that derive any revenues from tobacco production, and at least 10% revenue from tobacco distribution and/or retailing.	(% involved)	0
Share of investments in companies that have at least 5% exposure to gambling activities within operations and/or derive at least 10% revenue from gambling products (e.g. machines, IT products, payment solutions).	(% involved)	0
Share of investments in companies involved in offensive products, defensive and auxiliary military products and dual-use products or services, companies that produce and /or sell controversial weapons: anti-personnel landmines, cluster munition, nuclear and chemical weapons, and bacteriological weapons. In addition, companies that produce and /or sell offensive weapons. Also, companies that derive any revenue from the manufacture and retail of civilian firearms and ammunition.	(% involved)	0
Share of investments in companies that produce and/or sell defensive, auxiliary and/or dual-use products when there is a risk that they will be used against humans or be delivered to questionable authorities (such as those in power in corrupt or fragile countries, or as defined in the EU common rules governing the control of exports of military technology and equipment).	(% involved)	0
Share of investments in Russian and Belarussian companies.	(% involved)	0
Share of investments in debt instruments issued by countries lacking basic political freedom, with high corruption and with poor environmental performance based on the SDG Index.	(% involved)	0

- ***…and compared to previous periods?***

The sustainability indicators in this report are not materially different from the previous reporting period.

- ***What were the objectives of the sustainable investments that the financial product partially made and how did the sustainable investment contribute to such objectives?***

N/A

How did the sustainable investments that the financial product partially made not cause significant harm to any environmental or social sustainable investment objective?

N/A

How were the indicators for adverse impacts on sustainability factors taken into account?

N/A

Were sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:

N/A

The EU Taxonomy sets out a "do not significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific Union criteria.

The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.

How did this financial product consider principal adverse impacts on sustainability factors?

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

Dit financiële product houdt rekening met de belangrijkste ongunstige effecten (PAI's) waar zinvol en gegevens beschikbaar zijn (voor bepaalde soorten effecten of activaklassen zijn mogelijk beperkte of geen PAI-gegevens beschikbaar) en externe beleggingsbeheerders zijn ook verplicht dit te doen.

Uitsluitingen:
De uitsluitingslijst in onze verschillende Sustainability & Impact-beleidslijnen wordt opgesteld door te screenen op bepaalde belangrijke ongunstige effecten (klimaatverandering, mensenrechten, enz.).

Engagement:
De belangrijkste ongunstige effecten worden gebruikt om betrokkenheidsactiviteiten te identificeren en te prioriteren.

Onderzoek:
PAI-indicatoren zullen worden opgenomen in onze onderzoeksrapporten voor zakelijke en soevereine emittenten.

Portefeuillebeheer:
PAI werden overwogen tijdens het portefeuillebeheerproces. De PAI-gegevens van Sustainalytics zijn toegankelijk in Explore (voor zover dekking beschikbaar is). PAI's worden beschouwd in de context van de beleggingsrichtlijnen en -doelstelling van het fonds en op basis van voldoende beschikbare gegevens.

Risicobeheer:
PAI's zullen worden beoordeeld met portefeuillebeheerders tijdens risicovergaderingen voor relevante fondsen.PAI metrics:[2]

[2] PAI’s are an average of four quarters and are excluding derivatives

Adverse sustainability indicator		Metric	Impact 2023
Climate and other environment-related indicators			
Greenhouse gas emissions	1. GHG emissions	Scope 1 GHG emissions (tCO2eq)	0.00 (0%)
		Scope 2 GHG emissions (tCO2eq)	0.00 (0%)
		Scope 3 GHG emissions (tCO2eq)	0.00 (0%)
		Total GHG emissions (tCO2eq)	0.00 (0%)
	2. Carbon footprint	Carbon footprint (tCO2eq/EURm)	0.00 (0%)
	3. GHG intensity of investee companies	GHG intensity of investee companies (tCO2eq/EURm)	0.00 (0%)
	4. Exposure to companies active in the fossil fuel sector	Share of investments in companies active in the fossil fuel sector	0% (0%)
	5. Share of non-renewable energy consumption and production	Share of non-renewable energy consumption of investee companies from non-renewable energy sources compared to renewable energy sources, expressed as a percentage	0% (0%)
		Share of non-renewable energy production of investee companies from non-renewable energy sources compared to renewable energy sources, expressed as a percentage	0% (0%)
	6. Energy consumption intensity per high impact climate sector	Agriculture, Forestry & Fishing (GWh/EURm)	0.00 (0%)
		Construction (GWh/EURm)	0.00 (0%)
		Electricity, Gas, Steam and Air Conditioning Supply (GWh/EURm)	0.00 (0%)
		Manufacturing (GWh/EURm)	0.00 (0%)
		Mining & Quarrying (GWh/EURm)	0.00 (0%)
		Real Estate Activities (GWh/EURm)	0.00 (0%)

		Transportation & Storage (GWh/EURm)	0.00 (0%)
		Water Supply, Sewerage, Waste Management & Remediation (GWh/EURm)	0.00 (0%)
		Wholesale & Retail Trade & Repair of Motor Vehicles & Motorcycles (GWh/EURm)	0.00 (0%)
Biodiversity	7. Activities negatively affecting biodiversity-sensitive areas	Share of investments in investee companies with sites/operations located in or near to biodiversity sensitive areas where activities of those investee companies negatively affect those areas	0% (0%)
Water	8. Emissions to water	Tonnes of emissions to water generated by investee companies per million EUR invested, expressed as a weighted average	0.00 (0%)
Waste	9. Hazardous waste ratio	Tonnes of hazardous waste generated by investee companies per million EUR invested, expressed as a weighted average	0.00 (0%)

Social and employee, respect for human rights, anti-corruption and anti-bribery matters

	10. Violations of UN Global Compact principles and OECD Guidelines for Multinational Enterprises	Share of investments in investee companies that have been involved in violations of the UNGC principles or OECD Guidelines for Multinational Enterprises	0% (0%)
	11. Lack of processes and compliance mechanisms to monitor compliance with UNGC principles and OECD Guidelines for Multinational Enterprises	Share of investments in investee companies without policies to monitor compliance with the UNGC principles or OECD Guidelines for Multinational Enterprises or grievance/complains handling mechanisms to address violations	0% (0%)
	12. Unadjusted gender pay gap	Average unadjusted gender pay gap of investee companies	0% (0%)
	13. Board gender diversity	Average ratio of female to male board members in investee companies	0% (0%)
	14. Exposure to controversial weapons (anti-personnel mines, cluster munitions	Share of investments in investee companies involved in the manufacture or selling of controversial weapons	0% (0%)

Indicators applicable to investments in sovereigns and supranational

Adverse sustainability indicator		Metric	Impact 2023
Environmental	15.GHG intensity	GHG intensity of investee countries (KtonCO2eq/EURm)	297.57 (100%)
Social	16.Investee countries subject to social violations	Number of investee countries subject to social violations (absolute number and relative number divided by all investee countries), as referred to in international treaties and conventions, United Nations principles and, where applicable, national law	0.00 / 0% (100%)

Indicators applicable to investments in real estate assets

Adverse sustainability indicator		Metric	Impact 2023
Fossil fuels	17.Exposure to fossil fuels through real estate assets	Share of investments in real estate assets involved in the extraction, storage, transportation or manufacture of fossil fuels	-
Energy efficiency	18.Exposure to energy- inefficient real estate assets	Share of investments in energy-inefficient real estate assets	-

Other Corporate indicators for principal adverse impact

Adverse sustainability indicator		Metric	Impact 2023
Greenhouse gas emissions	2.4 Investing in companies without carbon emission reduction initiatives	Share of investments in investee companies without carbon emission reduction initiatives aimed at aligning with the Paris Agreement	0% (0%)
Human rights	3.9 Lack of a Human Rights Policy	Share of investments in companies without a human rights policy	0% (0%)

Other Sovereign indicators for principal adverse impact

Adverse sustainability indicator		Metric	Impact 2023
	Share of bonds not issued under Union legislation on environmentally sustainable bonds	Share of bonds not issued under Union legislation on environmentally sustainable bonds	-
	Average income inequality score	Average income inequality score	2.94 (100%)

Gegevens verstrekt door ISS ESG

Algemene uitleg: *Externe gegevens t.a.v. de belangrijkste ongunstige duurzaamheidsindicatoren (PAI's) per 31 december 2023. PAI-gegevens zijn beschikbaar op het niveau van de uitgevende instelling. Om te rapporteren over de PAI's is een doorkijk nodig.*

De berekening van bovenstaande PAI-statistieken volgt uit de technische richtsnoeren van de Gedelegeerde EU-verordening 2022/1288 en aanvullende informatie van de gepubliceerde Q&A's (inclusief JC 2022 47 en JC 2022 62) en gebruikt waar beschikbaar gegevens van onze externe dataleverancier als input. Geaggregeerde portefeuillegegevens zijn genormaliseerd om ontbrekende waarden uit te sluiten wanneer gegevens voor een bepaalde uitgevende instelling niet beschikbaar zijn. In het geval van onze hypotheekproducten worden de PAI-gegevens aangeleverd door Aegon Hypotheken BV.

Dekkingsstatistieken tonen het deel van de aangepaste portefeuille dat in aanmerking komt en gedekt is. In deze context betekent "in aanmerking komend" dat die posities relevant zijn voor de PAI in kwestie - een corporate positie voor een corporate PAI - en "Gedekt" houdt in dat voor die posities relevante onderliggende gegevens zijn gerapporteerd of geschat. De gerapporteerde dekkingsstatistieken zijn al gecorrigeerd voor de "in aanmerking komende" posities en zijn een gemiddelde van vier kwartalen.

Naar aanleiding van aanvullende regelgevende richtlijnen worden de PAI's die worden weergegeven als "gewogen gemiddelde van de portefeuille" vanaf 2023 berekend door de absolute metriek te delen door alle beleggingen waarvoor een PAI theoretisch van toepassing is, inclusief investeringen waarvoor deze PAI mogelijk niet relevant is (zoals staatsobligaties). Voor de rapporten vóór 2023 *werd de absolute metriek gedeeld door de som van de relevante beleggingen waarvoor deze PAI relevant was (bijv. voor de “genderdiversiteit in het bestuur” werden bedrijven waarin wordt geïnvesteerd wel meegenomen, maar staatsobligaties niet).*

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Externe ESG-datasleveranciers zijn geselecteerd als bronnen voor deze verklaring over de belangrijkste negatieve effecten. Voor bepaalde PAI’s is onvoldoende data beschikbaar (bijv. voor ABS-instrumenten). De verhouding tussen geschatte en gerapporteerde gegevens zal verschillen per onderliggend datapunt dat nodig is voor de berekening van die ESG-indicator. Daarnaast kunnen gegevens uit openbare bronnen tot op zekere hoogte ook worden geschat. De hierin verstrekte informatie is gedeeltelijk gebaseerd op informatie uit bronnen van derden die niet onafhankelijk is geverifieerd door Aegon Asset Management. Aegon Asset Management heeft hun rapporten over de kwaliteit en zekerheid van de gegevens beoordeeld. De externe leveranciers geven aan dat alle commercieel redelijke stappen worden ondernomen om naleving van een kwaliteitskader te waarborgen. Alle gegevens zijn afkomstig van Aegon Asset Management (een handelsnaam van Aegon Investment Management B.V.), tenzij het anders vermeld staat. Het document is accuraat op het moment van schrijven, maar kan achteraf zonder kennisgeving worden gewijzigd. Gegevens die afkomstig zijn van een derde partij ("Gegevens van derden") zijn eigendom van die derde partij en/of andere leveranciers (de "Data-eigenaar") en worden door Aegon Investment Management B.V. onder licentie gebruikt. Gegevens van derden: (i) mogen niet worden gekopieerd of verspreid; en (ii) zijn niet gegarandeerd nauwkeurig, volledig of tijdig. Noch de Data-eigenaar, Aegon Investment Management B.V. of enige andere persoon verbonden aan, of van wie Aegon Investment Management B.V. de Gegevens van derden gebruikt, is aansprakelijk voor enig verlies of aansprakelijkheid voortvloeiend uit het gebruik van de Gegevens van derden.

What were the top investments of this financial product?

Largest investment	Sector	% Assets	Country
Federal Republic of Germany	Government	42.30%	Germany
French Republic	Government	30.31%	France
Staat der Nederlanden	Government	11.13%	Netherlands
Kingdom of Belgium	Government	7.25%	Belgium
Republik Oesterreich	Government	5.32%	Austria
Republic Of Finland	Government	3.07%	Finland
State of the Grand-Duchy of Luxembourg	Government	0.62%	Luxembourg

The list includes the investments constituting **the greatest proportion of investments** of the financial product during the reference period which is: **2023**

The top 15 holdings are composed on the basis of direct holdings in issuers and underlying investments of funds where information was available. The % is calculated based on the market value mid-dirty.

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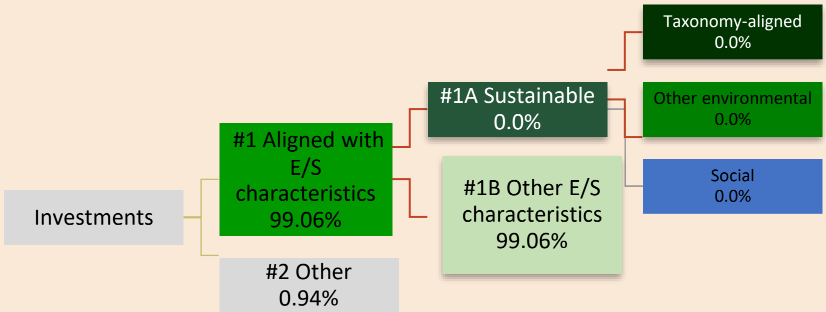

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In which economic sectors were the investments made?

Sector	**Assets%**
Government	99.06%

Note: The sector allocation may not add up to 100% as there may be investments that cannot be allocated to a sector (e.g. cash, derivatives)

Taxonomy-aligned activities are expressed as a share of:
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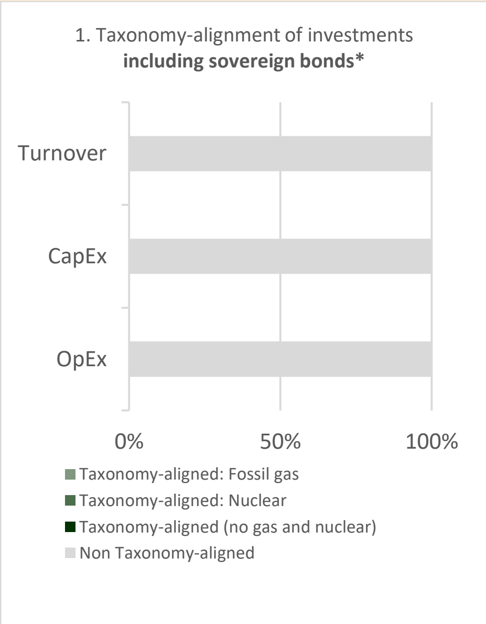
Did the financial product invest in fossil gas and/or nuclear energy related activities complying with the EU Taxonomy[4]?

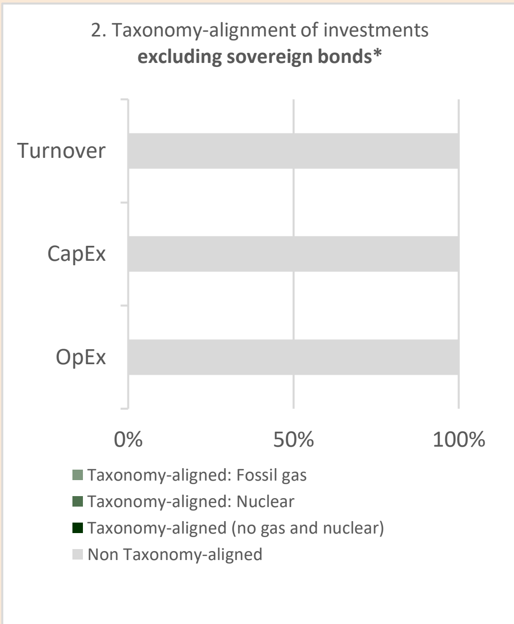
☐ Yes: *see details in the graphs of the box*

☐ In fossil gas ☐ In nuclear energy

☒ No

The graphs below show in green the percentage of investments that were aligned with the EU Taxonomy. As there is no appropriate methodology to determine the taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.





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Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

What was the share of investments made in transitional and enabling activities?

Financial metrics	Activity type	Share of investments %
Turnover	Transition	0,00%
Turnover	Enabling	0,00%
CapEx	Transition	0,00%
CapEx	Enabling	0,00%
OpEx	Transition	0,00%
OpEx	Enabling	0,00%

How did the percentage of investments that were aligned with the EU Taxonomy compare with previous reference periods?

No data are available for prior year. Therefore no comparison possible.

What was the share of sustainable investments with an environmental objective not aligned with the EU Taxonomy?

N/A

What was the share of socially sustainable investments?

N/A

What investments were included under "other", what was their purpose and were there any minimum environmental or social safeguards?

Manager has invested in other investments for the purpose of efficient portfolio management, for example, derivatives, cash and cash equivalents. These other investments are not subject to the Fund's environmental or social criteria.

What actions have been taken to meet the environmental and/or social characteristics during the reference period?

On a regular basis, PM's and analysts have reviewed the portfolio's ESG characteristics. Analysts have provided updates on their view of ESG scores while the PM's have taken into account these ESG considerations in their investment decisions.

How did this financial product perform compared to the reference benchmark?

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

- ***How does the reference benchmark differ from a broad market index?***

  N/A

- ***How did this financial product perform with regard to the sustainability indicators to determine the alignment of the reference benchmark with the environmental or social characteristics promoted?***

  N/A

- ***How did this financial product perform compared with the reference benchmark?***

  N/A

- ***How did this financial product perform compared with the broad market index?***

  N/A

Periodic sustainability disclosure AEAM Money Market Euro Fund

Template periodic disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Product name: AEAM Money Market Euro Fund **Legal entity identifier:** 549300DX1XR1N6I0VT77

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Environmental and/or social characteristics

Did this financial product have a sustainable investment objective?

☐ **Yes**	☒ **No**
☐ It made **sustainable investments with an environmental objective:** ___%	☒ It **promoted Environmental/Social (E/S) characteristics** and while it did not have as its objective a sustainable investment, it had a proportion of 0.20% of sustainable investments.
☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy	☒ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy	☐ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
	☐ with a social objective
☐ It made **sustainable investments with a social objective:** ___%	☐ It promoted E/S characteristics, but **did not make any sustainable investments**

To what extent were the environmental and/or social characteristics promoted by this financial product met?

This mandate actively avoided investing in securities issued by governments that are under arms embargoes and/or systematically violate human rights by adhering to the exclusions list in the Aegon AM MM Sustainability Risks and Impacts Policy.

New Investments
During the reporting period no investments were made in securities issued by governments identified to be involved in excluded activities.

Existing Positions
Positions that no longer complied with the Aegon MM NL Sustainability Risks and Impacts Policy are actively managed and unwinded during the Reporting Period.

How did the sustainability indicators perform?[1]

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

Sustainability indicator	Unit	Value
Share of investments in companies deriving revenue from the mining and production of thermal coal.	(% involved)	0
Share of investments in companies deriving 5% or more of their revenues from thermal coal-fired electricity generation.	(% involved)	0
Share of investments in companies that own coal-fired electricity generation capacity greater than 10 gigawatts and are actively expanding coal-fired electricity production capacity, even if this is less than 5% of revenues.	(% involved)	0
Share of investments in companies deriving 5% or more of their revenue from unconventional oil and gas extraction and production.	(% involved)	0
Share of investments in companies deriving 5% or more of their revenue from arctic oil and gas extraction and production.	(% involved)	0
Share of investments in companies that have more than 50% revenues generated by nuclear energy-related activities (i.e. nuclear power generation and sale, nuclear parts and services, and/or uranium mining).	(% involved)	0
Share of investments in companies deriving 5% or more of their revenues from palm oil production and/or distribution.	(% involved)	0
Share of investments in companies managing forests with 75% or lower FSC certification coverage.	(% involved)	0
Share of investments in companies that derive any revenues from tobacco production, and at least 10% revenue from tobacco distribution and/or retailing.	(% involved)	0
Share of investments in companies that have at least 5% exposure to gambling activities within operations and/or derive at least 10% revenue from gambling products (e.g. machines, IT products, payment solutions).	(% involved)	0

[1] Below results are based on quarter end positions

Share of investments in companies involved in offensive products, defensive and auxiliary military products and dual-use products or services, companies that produce and /or sell controversial weapons: anti-personnel landmines, cluster munition, nuclear and chemical weapons, and bacteriological weapons. In addition, companies that produce and /or sell offensive weapons. Also, companies that derive any revenue from the manufacture and retail of civilian firearms and ammunition.	(% involved)	0
Share of investments in companies that produce and/or sell defensive, auxiliary and/or dual-use products when there is a risk that they will be used against humans or be delivered to questionable authorities (such as those in power in corrupt or fragile countries, or as defined in the EU common rules governing the control of exports of military technology and equipment).	(% involved)	0
Share of investments in Russian and Belarussian companies.	(% involved)	0
Share of investments in debt instruments issued by countries lacking basic political freedom, with high corruption and with poor environmental performance based on the SDG Index.	(% involved)	0

- ***…and compared to previous periods?***

The first reporting period for this product is 2023. The sustainability indicators in this report are reported for the first time. No Sustainability Indicators are available for previous periods.

- ***What were the objectives of the sustainable investments that the financial product partially made and how did the sustainable investment contribute to such objectives?***

N/A

- ***How did the sustainable investments that the financial product partially made not cause significant harm to any environmental or social sustainable investment objective?***

N/A

How were the indicators for adverse impacts on sustainability factors taken into account?

N/A

Were sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:

N/A

The EU Taxonomy sets out a "do not significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific Union criteria.

The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.

How did this financial product consider principal adverse impacts on sustainability factors?

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

This financial product considers principal adverse impacts (PAIs) where meaningful and data is available (Certain security types or asset classes may have limited or no PAI data available) and Third Party Investment Managers are required to do so as well.

Exclusions:
The exclusion list in our different Sustainability & Impacts policies is created by screening on certain principal adverse impacts (climate change, human rights, etc.).

Engagement:
Principal adverse impacts are used to identify and prioritize engagement activity.

Research:
PAI indicators will be included in our research reports for corporate and sovereign issuers.

Portfolio management:
PAI were considered during the portfolio management process.
Sustainalytics PAI data can be accessed in Explore (where coverage is available).
PAIs are considered within the context of the fund’s investment guidelines and objective and according to sufficient data availability.

Risk management:
PAIs will be reviewed with Portfolio Managers during risk meetings for relevant funds.

PAI metrics:[2]

Adverse sustainability indicator		Metric	Impact 2023
Climate and other environment-related indicators			
Greenhouse gas emissions	1. GHG emissions	Scope 1 GHG emissions (tCO2eq)	7,681.38 (88%)
		Scope 2 GHG emissions (tCO2eq)	1,988.00 (88%)
		Scope 3 GHG emissions (tCO2eq)	78,192.11 (88%)
		Total GHG emissions (tCO2eq)	87,861.49 (88%)
	2. Carbon footprint	Carbon footprint (tCO2eq/EURm)	194.36 (88%)
	3. GHG intensity of investee companies	GHG intensity of investee companies (tCO2eq/EURm)	1,081.54 (88%)
	4. Exposure to companies active in the fossil fuel sector	Share of investments in companies active in the fossil fuel sector	3.4% (86%)
	5. Share of non-renewable energy consumption and production	Share of non-renewable energy consumption of investee companies from non-renewable energy sources compared to renewable energy sources, expressed as a percentage	17% (33%)
		Share of non-renewable energy production of investee companies from non-renewable energy sources compared to renewable energy sources, expressed as a percentage	1.27% (84%)
	6. Energy consumption intensity per high impact climate sector	Agriculture, Forestry & Fishing (GWh/EURm)	0.00 (0%)
		Construction (GWh/EURm)	0.00 (0%)
		Electricity, Gas, Steam and Air Conditioning Supply (GWh/EURm)	0.02 (2%)
		Manufacturing (GWh/EURm)	0.02 (4%)

[2] PAI's are an average of four quarters and are excluding derivatives

		Mining & Quarrying (GWh/EURm)	0.00 (0%)
		Real Estate Activities (GWh/EURm)	0.00 (1%)
		Transportation & Storage (GWh/EURm)	0.00 (0%)
		Water Supply, Sewerage, Waste Management & Remediation (GWh/EURm)	0.00 (0%)
		Wholesale & Retail Trade & Repair of Motor Vehicles & Motorcycles (GWh/EURm)	0.00 (0%)
Biodiversity	7. Activities negatively affecting biodiversity-sensitive areas	Share of investments in investee companies with sites/operations located in or near to biodiversity sensitive areas where activities of those investee companies negatively affect those areas	0% (86%)
Water	8. Emissions to water	Tonnes of emissions to water generated by investee companies per million EUR invested, expressed as a weighted average	0.00 (1%)
Waste	9. Hazardous waste ratio	Tonnes of hazardous waste generated by investee companies per million EUR invested, expressed as a weighted average	0.06 (13%)

Social and employee, respect for human rights, anti-corruption and anti-bribery matters

	10. Violations of UN Global Compact principles and OECD Guidelines for Multinational Enterprises	Share of investments in investee companies that have been involved in violations of the UNGC principles or OECD Guidelines for Multinational Enterprises	0% (86%)
	11. Lack of processes and compliance mechanisms to monitor compliance with UNGC principles and OECD Guidelines for Multinational Enterprises	Share of investments in investee companies without policies to monitor compliance with the UNGC principles or OECD Guidelines for Multinational Enterprises or grievance/complains handling mechanisms to address violations	16.13% (57%)
	12. Unadjusted gender pay gap	Average unadjusted gender pay gap of investee companies	0.41% (6%)
	13. Board gender diversity	Average ratio of female to male board members in investee companies	21.6% (52%)

	14. Exposure to controversial weapons (anti-personnel mines, cluster munitions	Share of investments in investee companies involved in the manufacture or selling of controversial weapons	0% (86%)

Indicators applicable to investments in sovereigns and supranational

Adverse sustainability indicator		Metric	Impact 2023
Environmental	15.GHG intensity	GHG intensity of investee countries (KtonCO2eq/EURm)	0.00 (0%)
Social	16.Investee countries subject to social violations	Number of investee countries subject to social violations (absolute number and relative number divided by all investee countries), as referred to in international treaties and conventions, United Nations principles and, where applicable, national law	0.00 / 0% (0%)

Indicators applicable to investments in real estate assets

Adverse sustainability indicator		Metric	Impact 2023
Fossil fuels	17.Exposure to fossil fuels through real estate assets	Share of investments in real estate assets involved in the extraction, storage, transportation or manufacture of fossil fuels	-
Energy efficiency	18.Exposure to energy- inefficient real estate assets	Share of investments in energy-inefficient real estate assets	-

Other Corporate indicators for principal adverse impact

Adverse sustainability indicator		Metric	Impact 2023
Greenhouse gas emissions	**2.4 Investing in companies without carbon emission reduction initiatives**	**Share of investments in investee companies without carbon emission reduction initiatives aimed at aligning with the Paris Agreement**	64.52% (86%)
Human rights	**3.9 Lack of a Human Rights Policy**	**Share of investments in companies without a human rights policy**	32.23% (56%)

Other Sovereign indicators for principal adverse impact

Adverse sustainability indicator		Metric	Impact 2023
	Share of bonds not issued under Union legislation on environmentally sustainable bonds	**Share of bonds not issued under Union legislation on environmentally sustainable bonds**	-
	Average income inequality score	**Average income inequality score**	0.00 (0%)

Gegevens verstrekt door ISS ESG

Algemene uitleg: *Externe gegevens t.a.v. de belangrijkste ongunstige duurzaamheidsindicatoren (PAI's) per 31 december 2023. PAI-gegevens zijn beschikbaar op het niveau van de uitgevende instelling. Om te rapporteren over de PAI's is een doorkijk nodig.*

De berekening van bovenstaande PAI-statistieken volgt uit de technische richtsnoeren van de Gedelegeerde EU-verordening 2022/1288 en aanvullende informatie van de gepubliceerde Q&A's (inclusief JC 2022 47 en JC 2022 62) en gebruikt waar beschikbaar gegevens van onze externe dataleverancier als input. Geaggregeerde portefeuillegegevens zijn genormaliseerd om ontbrekende waarden uit te sluiten wanneer gegevens voor een bepaalde uitgevende instelling niet beschikbaar zijn. In het geval van onze hypotheekproducten worden de PAI-gegevens aangeleverd door Aegon Hypotheken BV.

Dekkingsstatistieken tonen het deel van de aangepaste portefeuille dat in aanmerking komt en gedekt is. In deze context betekent "in aanmerking komend" dat die posities relevant zijn voor de PAI in kwestie - een corporate positie voor een corporate PAI - en "Gedekt" houdt in dat voor die posities relevante onderliggende gegevens zijn gerapporteerd of geschat. De gerapporteerde dekkingsstatistieken zijn al gecorrigeerd voor de "in aanmerking komende" posities en zijn een gemiddelde van vier kwartalen.

Naar aanleiding van aanvullende regelgevende richtlijnen worden de PAI's die worden weergegeven als "gewogen gemiddelde van de portefeuille" vanaf 2023 berekend door de absolute metriek te delen door alle beleggingen waarvoor een PAI theoretisch van toepassing is, inclusief investeringen waarvoor deze PAI mogelijk niet relevant is (zoals staatsobligaties). Voor de rapporten vóór 2023 *werd de absolute metriek gedeeld door de som van de relevante beleggingen waarvoor deze PAI relevant was (bijv. voor de "genderdiversiteit in het bestuur" werden bedrijven waarin wordt geïnvesteerd wel meegenomen, maar staatsobligaties niet).*

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Externe ESG-datasleveranciers zijn geselecteerd als bronnen voor deze verklaring over de belangrijkste negatieve effecten. Voor bepaalde PAI's is onvoldoende data beschikbaar (bijv. voor ABS-instrumenten). De verhouding tussen geschatte en gerapporteerde gegevens zal verschillen per onderliggend datapunt dat nodig is voor de berekening van die ESG-indicator. Daarnaast kunnen gegevens uit openbare bronnen tot op zekere hoogte ook worden geschat. De hierin verstrekte informatie is gedeeltelijk gebaseerd op informatie uit bronnen van derden die niet onafhankelijk is geverifieerd door Aegon Asset Management. Aegon Asset Management heeft hun rapporten over de kwaliteit en zekerheid van de gegevens beoordeeld. De externe leveranciers geven aan dat alle commercieel redelijke stappen worden ondernomen om naleving van een kwaliteitskader te waarborgen. Alle gegevens zijn afkomstig van Aegon Asset Management (een handelsnaam van Aegon Investment Management B.V.), tenzij het anders vermeld staat. Het document is accuraat op het moment van schrijven, maar kan achteraf zonder kennisgeving worden gewijzigd. Gegevens die afkomstig zijn van een derde partij ("Gegevens van derden") zijn eigendom van die derde partij en/of andere leveranciers (de "Data-eigenaar") en worden door Aegon Investment Management B.V. onder licentie gebruikt. Gegevens van derden: (i) mogen niet worden gekopieerd of verspreid; en (ii) zijn niet gegarandeerd nauwkeurig, volledig of tijdig. Noch de Data-eigenaar, Aegon Investment Management B.V. of enige andere persoon verbonden aan, of van wie Aegon Investment Management B.V. de Gegevens van derden gebruikt, is aansprakelijk voor enig verlies of aansprakelijkheid voortvloeiend uit het gebruik van de Gegevens van derden.

What were the top investments of this financial product?

Largest investment	Sector	% Assets	Country
National Bank of Canada	Financials	7.19%	Canada
SpareBank 1 SR-Bank ASA	Financials	6.62%	Norway
Royal Bank of Canada	Financials	5.18%	Canada
Banco Santander SA	Financials	4.26%	Spain
Skandinaviska Enskilda Banken AB	Financials	3.97%	Sweden
Apollo Global Management, Inc.	Financials	3.95%	United States
The Bank of Nova Scotia	Financials	3.84%	Canada
Wells Fargo & Company	Financials	3.78%	United States
Forenet Kredit f.m.b.a.	Financials	3.71%	Denmark
Danske Bank A/S	Financials	3.57%	Denmark
HSBC Holdings plc	Financials	3.14%	United Kingdom
Realty Income Corporation	Financials	2.92%	United States
The Toronto-Dominion Bank	Financials	2.91%	Canada

Swedbank AB	Financials	2.42%	Sweden
Confederation Nationale du Credit Mutuel	Financials	2.39%	France

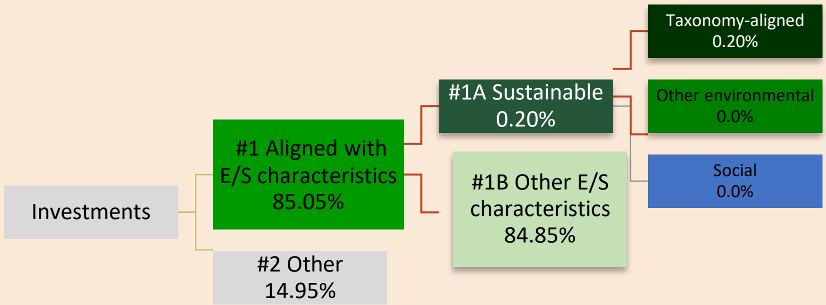
The list includes the investments constituting **the greatest proportion of investments** of the financial product during the reference period which is: **2023**

The top 15 holdings are composed on the basis of direct holdings in issuers and underlying investments of funds where information was available. The % is calculated based on the market value mid-dirty.

What was the proportion of sustainability-related investments?

What was the asset allocation[3]?

Asset allocation describes the share of investments in specific assets.



#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.

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

The category **#1 Aligned with E/S characteristics** covers:
- The sub-category **#1A Sustainable** covers environmentally and socially sustainable investments.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

[3] Please note that the percentage of investments displayed under '#1A sustainable' may be **lower** than the sum of its parts shown in "Taxonomy-aligned" , "Other environmental" and "Social". This is due to the complexity in identifying overlaps between investments deemed sustainable by Aegon AM's proprietary sustainable investment definition and the investments identified by our external data provider as 'Taxonomy-aligned', resulting in possible double counting. Additionally, EU Taxonomy Aligned investments will align with the Other E/S characteristics (1B) but are only included in 1A above to avoid double counting.

In which economic sectors were the investments made?

Sector	**Assets%**
Financials	75.94%
Health Care	1.96%
Industrials	1.93%
Consumer Discretionary	1.43%
Communication Services	0.82%
Consumer Staples	0.76%
Utilities	0.74%
Information Technology	0.73%
Energy	0.71%
Government	0.09%

Note: The sector allocation may not add up to 100% as there may be investments that cannot be allocated to a sector (e.g. cash, derivatives)

Taxonomy-aligned activities are expressed as a share of:
- **turnover** reflecting the share of revenue from green activities of investee companies.
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

To what extent were the sustainable investments with an environmental objective aligned with the EU Taxonomy?

The percentage of sustainable investments with an environmental objective aligned with the EU Taxonomy made by this product is negligible (<0.5%). To reach this conclusion, the Fund Manager has reviewed the current holdings based on actually reported Taxonomy alignment. The data provider has clarified that the estimated data made available by them is currently not considered sufficiently equivalent under the EU Taxonomy. Therefore, the estimated data is not taken into account.

- **Did the financial product invest in fossil gas and/or nuclear energy related activities complying with the EU Taxonomy[4]?**

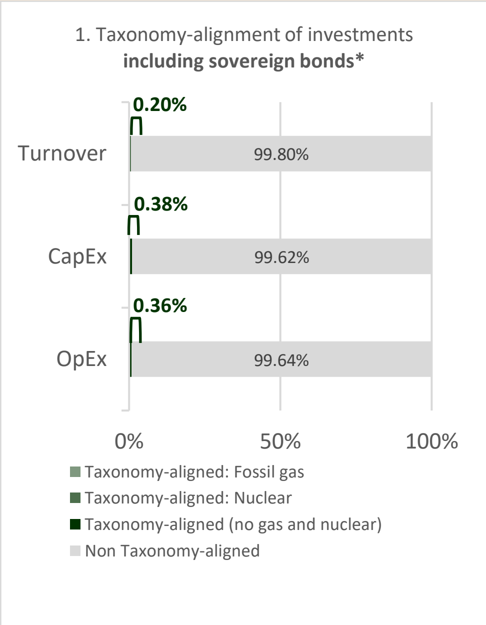
☐ Yes: *see details in the graphs of the box*

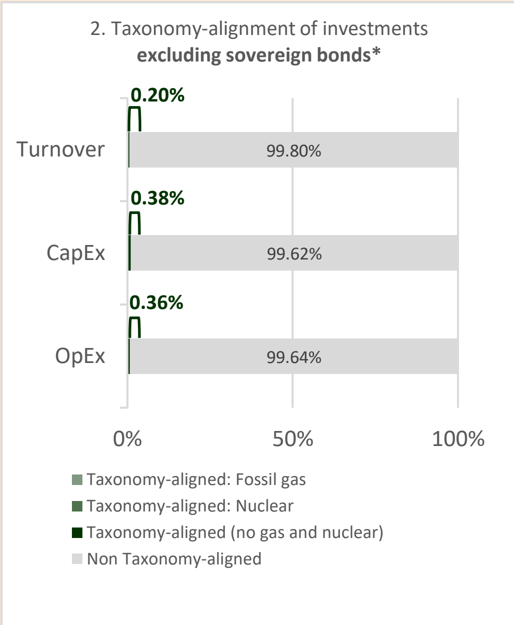
☐ In fossil gas ☐ In nuclear energy

☒ No

are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under Regulation (EU) 2020/852.

The graphs below show in green the percentage of investments that were aligned with the EU Taxonomy. As there is no appropriate methodology to determine the taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.





* *For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures.*

[4] Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective - see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to fully renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

- ***What was the share of investments made in transitional and enabling activities?***

Financial metrics	Activity type	Share of investments %
Turnover	Transition	0,14%
Turnover	Enabling	0,02%
CapEx	Transition	0,00%
CapEx	Enabling	0,01%
OpEx	Transition	0,00%
OpEx	Enabling	0,17%

- ***How did the percentage of investments that were aligned with the EU Taxonomy compare with previous reference periods?***

No data are available for prior year. Therefore no comparison is possible.

What was the share of sustainable investments with an environmental objective not aligned with the EU Taxonomy?

N/A

What was the share of socially sustainable investments?

N/A

What investments were included under “other”, what was their purpose and were there any minimum environmental or social safeguards?

Manager has invested in other investments for the purpose of efficient portfolio management, for example, derivatives, cash and cash equivalents. These other investments are not subject to the Fund's environmental or social criteria.

What actions have been taken to meet the environmental and/or social characteristics during the reference period?

On a regular basis, PM's and analysts have reviewed the portfolio's ESG characteristics. Analysts have provided updates on their view of ESG scores while the PM's have taken into account these ESG considerations in their investment decisions. In addition, the PMs followed the ESG best in class process, where 80% of the portfolio was invested in securities with ESG risk category 1 ,2 and 3. The portfolio was allowed to hold up to 20% in securities with ESG risk categories of 4, 5, and non-rated.

How did this financial product perform compared to the reference benchmark?

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

- ***How does the reference benchmark differ from a broad market index?***

  N/A

- ***How did this financial product perform with regard to the sustainability indicators to determine the alignment of the reference benchmark with the environmental or social characteristics promoted?***

  N/A

- ***How did this financial product perform compared with the reference benchmark?***

  N/A

- ***How did this financial product perform compared with the broad market index?***

  N/A

Periodic sustainability disclosure AEAM Government Related Investment Fund

Template periodic disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Product name: AeAM Government Related Investment Fund
Legal entity identifier: 5493002OI9065T07FW15

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Environmental and/or social characteristics

Did this financial product have a sustainable investment objective?

☐ Yes	☒ No
☐ It made **sustainable investments with an environmental objective:** ___%	☐ It **promoted Environmental/Social (E/S) characteristics** and while it did not have as its objective a sustainable investment, it had a proportion of of sustainable investments.
☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy	☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy	☐ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
	☐ with a social objective
☐ It made **sustainable investments with a social objective:** ___%	☒ It promoted E/S characteristics, but **did not make any sustainable investments**

To what extent were the environmental and/or social characteristics promoted by this financial product met?

This mandate actively avoided investing in securities issued by governments that are under arms embargoes and/or systematically violate human rights by adhering to the exclusions list in the Aegon AM MM Sustainability Risks and Impacts Policy.

New Investments

During the reporting period no investments were made in securities issued by governments identified to be involved in excluded activities.

Existing Positions

Positions that no longer complied with the Aegon MM NL Sustainability Risks and Impacts Policy are actively managed and unwinded during the Reporting Period.

How did the sustainability indicators perform?[1]

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

Sustainability indicator	Unit	Value
Share of investments in companies that derive 5% or more of their revenues from thermal coal exploration, mining or refining	(% involved)	0
Share of investments in companies that produce more than 20 million tonnes of thermal coal annually <u>and</u> are actively expanding exploration, mining or refining operations, even if this is less than 5% of revenues.	(% involved)	0
Share of investments in companies that derive 5% or more of their revenues from thermal coal-fired electricity generation	(% involved)	0
Share of investments in companies that own coal-fired electricity generation capacity greater than 10 gigawatts <u>and</u> are actively expanding coal-fired electricity production capacity, even if this is less than 5% of revenues.	(% involved)	0
Share of investments in companies that derive 5% or more of their total oil equivalent production from oil sands	(% involved)	0
Share of investments in companies that derive 5% or more of their revenue from oil and gas exploration and production in offshore Arctic regions	(% involved)	0
Share of investments in pipeline operators and companies which are significantly involved in oil sands transportation	(% involved)	0
Share of investments in companies that derive 5% or more of their revenues from palm oil production and/or distribution	(% involved)	0
Share of investments in companies managing forests with 75% or lower FSC certification	(% involved)	0
Share of investments in companies that derive 5% or more of their revenues from tobacco production	(% involved)	0
Share of investments in government-issued debt (e.g., government bonds) from countries that systematically breach human rights or from a country whose government is subject to an arms embargo by the United Nations Security Council, the United States, the European Union or another relevant multilateral arms embargo.	(% involved)	0
Share of investments in companies involved in development, production, maintenance and trade of:	(% involved)	0

[1] Below results are based on quarter end positions

- Anti-personnel mines		
- Biological or chemical weapons		
- Cluster munitions		
- Ammunitions containing depleted uranium		
- Incendiary weapons using white phosphorus		
- Nuclear weapon systems		
Share of investments in companies that produce or develop key and dedicated components for controversial weapons, as listed above, or offer essential services for their use.	(% involved)	0
Share of investments in companies that are involved in arms trade to:	(% involved)	0
- Countries where an arms embargo by the United Nations Security Council, the United States, the European Union or another relevant multilateral arms embargo is in place;		
- Countries that are part of a war zone; and/or		
- High-risk countries for which the Dutch Government applies a 'presumption of denial' when approving export licenses.		
Share of investments in Russian and Belarussian companies.	(% involved)	0

…and compared to previous periods?

The sustainability indicators in this report are not materially different from the previous reporting period.

What were the objectives of the sustainable investments that the financial product partially made and how did the sustainable investment contribute to such objectives?

N/A

How did the sustainable investments that the financial product partially made not cause significant harm to any environmental or social sustainable investment objective?

N/A

How were the indicators for adverse impacts on sustainability factors taken into account?

N/A

Were sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:

N/A

The EU Taxonomy sets out a "do not significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific Union criteria.

The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.

How did this financial product consider principal adverse impacts on sustainability factors?

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and

This financial product considers principal adverse impacts (PAIs) where meaningful and data is available (Certain security types or asset classes may have limited or no PAI data available) and Third Party Investment Managers are required to do so as well.

Exclusions:
The exclusion list in our different Sustainability & Impacts policies is created by screening on certain principal adverse impacts (climate change, human rights, etc.).

Engagement:
Principal adverse impacts are used to identify and prioritize engagement activity.

Research:
PAI indicators will be included in our research reports for corporate and sovereign issuers.

Portfolio management:
PAI were considered during the portfolio management process.
Sustainalytics PAI data can be accessed in Explore (where coverage is available).
PAIs are considered within the context of the fund’s investment guidelines and objective and according to sufficient data availability.

Risk management:
PAIs will be reviewed with Portfolio Managers during risk meetings for relevant funds.PAI metrics:[2]

[2] PAI’s are an average of four quarters and are excluding derivatives

Adverse sustainability indicator		Metric	Impact 2023
Climate and other environment-related indicators			
Greenhouse gas emissions	1. GHG emissions	Scope 1 GHG emissions (tCO2eq)	2.25 (49%)
		Scope 2 GHG emissions (tCO2eq)	4.01 (49%)
		Scope 3 GHG emissions (tCO2eq)	712.60 (49%)
		Total GHG emissions (tCO2eq)	718.86 (49%)
	2. Carbon footprint	Carbon footprint (tCO2eq/EURm)	11.46 (49%)
	3. GHG intensity of investee companies	GHG intensity of investee companies (tCO2eq/EURm)	380.14 (25%)
	4. Exposure to companies active in the fossil fuel sector	Share of investments in companies active in the fossil fuel sector	0% (37%)
	5. Share of non-renewable energy consumption and production	Share of non-renewable energy consumption of investee companies from non-renewable energy sources compared to renewable energy sources, expressed as a percentage	3% (6%)
		Share of non-renewable energy production of investee companies from non-renewable energy sources compared to renewable energy sources, expressed as a percentage	0% (37%)
	6. Energy consumption intensity per high impact climate sector	Agriculture, Forestry & Fishing (GWh/EURm)	0.00 (0%)
		Construction (GWh/EURm)	0.00 (0%)
		Electricity, Gas, Steam and Air Conditioning Supply (GWh/EURm)	0.00 (0%)
		Manufacturing (GWh/EURm)	0.00 (0%)
		Mining & Quarrying (GWh/EURm)	0.00 (0%)
		Real Estate Activities (GWh/EURm)	0.00 (0%)

		Transportation & Storage (GWh/EURm)	0.00 (0%)
		Water Supply, Sewerage, Waste Management & Remediation (GWh/EURm)	0.00 (0%)
		Wholesale & Retail Trade & Repair of Motor Vehicles & Motorcycles (GWh/EURm)	0.00 (0%)
Biodiversity	7. Activities negatively affecting biodiversity-sensitive areas	Share of investments in investee companies with sites/operations located in or near to biodiversity sensitive areas where activities of those investee companies negatively affect those areas	0% (37%)
Water	8. Emissions to water	Tonnes of emissions to water generated by investee companies per million EUR invested, expressed as a weighted average	0.00 (0%)
Waste	9. Hazardous waste ratio	Tonnes of hazardous waste generated by investee companies per million EUR invested, expressed as a weighted average	0.00 (6%)

Social and employee, respect for human rights, anti-corruption and anti-bribery matters

	10. Violations of UN Global Compact principles and OECD Guidelines for Multinational Enterprises	Share of investments in investee companies that have been involved in violations of the UNGC principles or OECD Guidelines for Multinational Enterprises	0% (37%)
	11. Lack of processes and compliance mechanisms to monitor compliance with UNGC principles and OECD Guidelines for Multinational Enterprises	Share of investments in investee companies without policies to monitor compliance with the UNGC principles or OECD Guidelines for Multinational Enterprises or grievance/complains handling mechanisms to address violations	30.56% (37%)
	12. Unadjusted gender pay gap	Average unadjusted gender pay gap of investee companies	0% (0%)
	13. Board gender diversity	Average ratio of female to male board members in investee companies	0% (0%)
	14. Exposure to controversial weapons (anti-personnel mines, cluster munitions	Share of investments in investee companies involved in the manufacture or selling of controversial weapons	0% (37%)

Indicators applicable to investments in sovereigns and supranational

Adverse sustainability indicator		Metric	Impact 2023
Environmental	15.GHG intensity	GHG intensity of investee countries (KtonCO2eq/EURm)	0.00 (0%)
Social	16.Investee countries subject to social violations	Number of investee countries subject to social violations (absolute number and relative number divided by all investee countries), as referred to in international treaties and conventions, United Nations principles and, where applicable, national law	0.00 / 0% (0%)

Indicators applicable to investments in real estate assets

Adverse sustainability indicator		Metric	Impact 2023
Fossil fuels	17.Exposure to fossil fuels through real estate assets	Share of investments in real estate assets involved in the extraction, storage, transportation or manufacture of fossil fuels	-
Energy efficiency	18.Exposure to energy- inefficient real estate assets	Share of investments in energy-inefficient real estate assets	-

Other Corporate indicators for principal adverse impact

Adverse sustainability indicator		Metric	Impact 2023
Greenhouse gas emissions	2.4 Investing in companies without carbon emission reduction initiatives	Share of investments in investee companies without carbon emission reduction initiatives aimed at aligning with the Paris Agreement	48.66% (37%)
Human rights	3.9 Lack of a Human Rights Policy	Share of investments in companies without a human rights policy	37.34% (37%)

Other Sovereign indicators for principal adverse impact

Adverse sustainability indicator		Metric	Impact 2023
	Share of bonds not issued under Union legislation on environmentally sustainable bonds	Share of bonds not issued under Union legislation on environmentally sustainable bonds	-
	Average income inequality score	Average income inequality score	0.00 (0%)

Data provided by ISS ESG

***General explanation**: External ESG PAI data as of March 29 2023. PAI data is available on Issuer level, in order to report on the Principal Adverse Impacts, a look-through is required.*

Calculation of above PAI metrics follows the Regulatory Technical Standards COMMISSION DELEGATED REGULATION (EU) 2022/1288) and supplemental advice from the published Q&As (including JC 2022 47;JC 2022 62) and uses data from our external data provider as input where available. Portfolio aggregated data is normalised to exclude missing values where data is not available for a certain issuer. In the case of our mortgage products, the PAI data is provided from Aegon Hypotheken B.V.

Coverage statistics shows the proportion of the Adjusted Portfolio that is eligible and covered. In this context, Eligible implies those holdings that are the relevant type for the PAI in question —a corporate holding for a corporate PAI—and Covered implies those holdings for which the relevant underlying data has been obtained or estimated. The reported coverage statistics are already corrected for the eligibility and is an average of four quarters

Following additional regulatory guidance, from 2023 the PAIs which are displayed as portfolio weighted average are calculated by dividing the absolute metric by all investments for which a PAI is theoretically applicable, including investments for which this PAI may not be relevant (e.g. sovereign bonds). For the reports before 2023, the absolute metric was divided by the sum of the relevant investments for which this PAI was relevant (e.g. for "Board Diversity" we would include investee companies but exclude sovereigns).

kind and shall have no liability for any errors, omissions or interruptions in or in connection with any data provided by ISS.

External ESG data providers have been selected as data sources for this statement on Principal Adverse Impacts. For certain adverse sustainability indicators, a limited amount of data is available or is not available at all (e.g. for ABS instruments). The proportion of estimated versus reported data will vary per each underlying data point needed for the calculation for that ESG metric. Additionally, data obtained from public sources may also be estimated to some extent. The information provided herein is based in part on information from third-party sources that has not been independently verified by Aegon Asset Management. Aegon Asset Management has reviewed their reports concerning data quality and assurance. The external providers provide assurance that all commercially reasonable steps are undertaken to guarantee adherence to a quality framework. Aegon Asset Management believes the document is accurate at the time of writing but it is subject to change without notice. Data attributed to a third party ("3rd Party Data") is proprietary to that third party and/or other suppliers (the "Data Owner") and is used by Aegon Asset Management under license. 3rd Party Data: (i) may not be copied or distributed; and (ii) is not warranted to be accurate, complete or timely. None of the Data Owner, Aegon Asset Management or any other person connected to, or from whom Aegon Asset Management sources, 3rd Party Data is liable for any losses or liabilities arising from use of 3rd Party Data.

What were the top investments of this financial product?

Largest investment	Sector	% Assets	Country
World Bank Group/The	Other	9.44%	Supra National
state of North Rhine-Westphalia	Government	8.18%	Germany
Stadt Witten	Government	6.14%	Germany
Deutsche Bank Aktiengesellschaft	Financials	5.30%	Supra National
Stichting de Alliantie	Financials	4.00%	Netherlands
Ecuador Social Bond S.a r.l.	Government	3.17%	Supra National
Stichting Wooncongept	Financials	3.05%	Netherlands

The list includes the investments constituting **the greatest proportion of investments** of the financial product during the reference period which is: **2023**

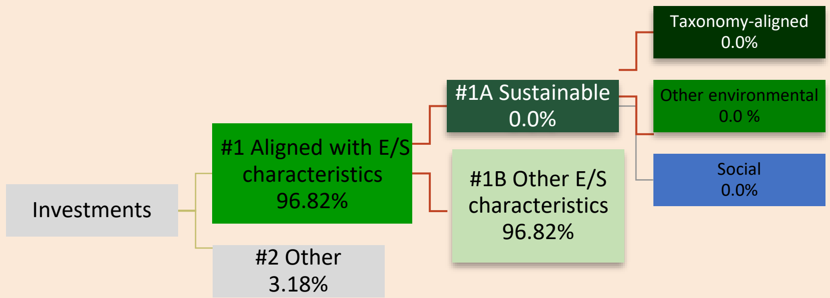
Gemeente Aachen	Government	2.68%	Germany
Ville de Marseille	Government	2.57%	France
Waterschap Drents Overijsselse Delta	Government	2.48%	Netherlands
STICHTING ARCADE mensen en wonen	Financials	2.43%	Netherlands
Stadt Mulheim an der Ruhr	Government	2.30%	Germany
GEMEENTE HILVERSUM	Government	2.26%	Netherlands
Stichting Het Raamwerk	Government	1.92%	Netherlands
Stadt Dortmund	Government	1.92%	Germany

The top 15 holdings are composed on the basis of direct holdings in issuers and underlying investments of funds where information was available. The % is calculated based on the market value mid-dirty.

What was the proportion of sustainability-related investments?

Asset allocation describes the share of investments in specific assets.

What was the asset allocation[3]?



#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.

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

The category **#1 Aligned with E/S characteristics** covers:
- The sub-category **#1A Sustainable** covers environmentally and socially sustainable investments.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

[3] Please note that the percentage of investments displayed under '#1A sustainable' may be **lower** than the sum of its parts shown in "Taxonomy-aligned" , "Other environmental" and "Social". This is due to the complexity in identifying overlaps between investments deemed sustainable by Aegon AM's proprietary sustainable investment definition and the investments identified by our external data provider as 'Taxonomy-aligned', resulting in possible double counting. Additionally, EU Taxonomy Aligned investments will align with the Other E/S characteristics (1B) but are only included in 1A above to avoid double counting.

In which economic sectors were the investments made?

Sector	**Assets%**
Government	60.50%
Financials	22.47%
Other	11.92%
Consumer Discretionary	0.97%
Utilities	0.50%
Health Care	0.25%
Industrials	0.16%

Note: The sector allocation may not add up to 100% as there may be investments that cannot be allocated to a sector (e.g. cash, derivatives)

Taxonomy-aligned activities are expressed as a share of:
- **turnover** reflecting the share of revenue from green activities of investee companies.
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

To what extent were the sustainable investments with an environmental objective aligned with the EU Taxonomy?

The percentage of sustainable investments with an environmental objective aligned with the EU Taxonomy made by this product is negligible (<0.5%). To reach this conclusion, the Fund Manager has reviewed the current holdings based on actually reported Taxonomy alignment. The data provider has clarified that the estimated data made available by them is currently not considered sufficiently equivalent under the EU Taxonomy. Therefore, the estimated data is not taken into account.

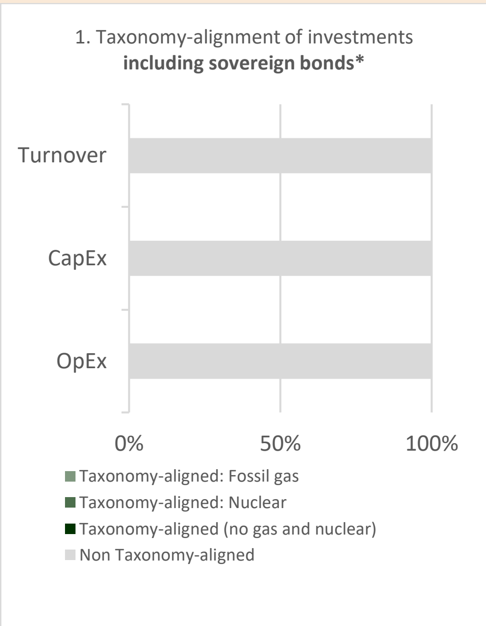
Did the financial product invest in fossil gas and/or nuclear energy related activities complying with the EU Taxonomy[4]?

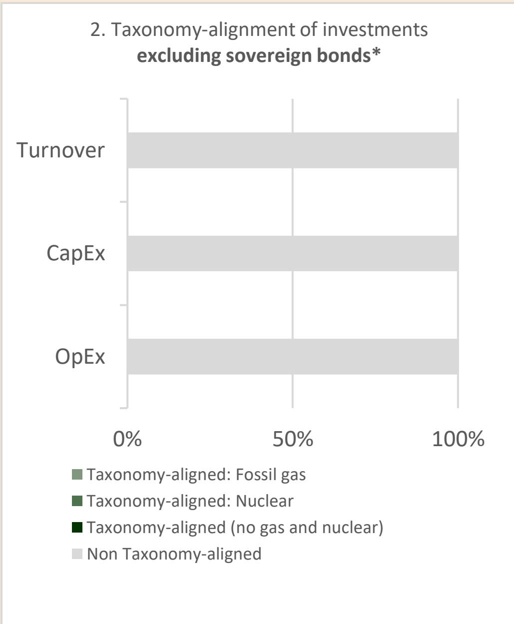
☐ Yes: *see details in the graphs of the box*

☐ In fossil gas ☐ In nuclear energy

☒ No

The graphs below show in green the percentage of investments that were aligned with the EU Taxonomy. As there is no appropriate methodology to determine the taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.





* *For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures.*

are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under Regulation (EU) 2020/852.

[4] Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective - see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to fully renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

What was the share of investments made in transitional and enabling activities?

Financial metrics	**Activity type**	**Share of investments %**
Turnover	Transition	0,00%
Turnover	Enabling	0,00%
CapEx	Transition	0,00%
CapEx	Enabling	0,00%
OpEx	Transition	0,00%
OpEx	Enabling	0,00%

How did the percentage of investments that were aligned with the EU Taxonomy compare with previous reference periods?

No data are available for prior year. Therefore no comparison is possible.

What was the share of sustainable investments with an environmental objective not aligned with the EU Taxonomy?

N/A

What was the share of socially sustainable investments?

N/A

What investments were included under “other”, what was their purpose and were there any minimum environmental or social safeguards?

Manager has invested in other investments for the purpose of efficient portfolio management, for example, derivatives, cash and cash equivalents. These other investments are not subject to the Fund's environmental or social criteria.

What actions have been taken to meet the environmental and/or social characteristics during the reference period?

On a regular basis, PM's and analysts have reviewed the portfolio's ESG characteristics. Analysts have provided updates on their view of ESG scores while the PM's have taken into account these ESG considerations in their investment decisions.

How did this financial product perform compared to the reference benchmark?

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

- ***How does the reference benchmark differ from a broad market index?***

N/A

- ***How did this financial product perform with regard to the sustainability indicators to determine the alignment of the reference benchmark with the environmental or social characteristics promoted?***

N/A

- ***How did this financial product perform compared with the reference benchmark?***

N/A

- ***How did this financial product perform compared with the broad market index?***

N/A

Periodic sustainability disclosure AEAM US Corporate Credit Fund

Template periodic disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Product name: AEAM US Corporate Credit Fund **Legal entity identifier:** O4QK7KMMK83ITNTHUG69

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Environmental and/or social characteristics

Did this financial product have a sustainable investment objective?

☐ **Yes**	☒ **No**
☐ It made **sustainable investments with an environmental objective:** ___%	☐ It **promoted Environmental/Social (E/S) characteristics** and while it did not have as its objective a sustainable investment, it had a proportion of 0.15% of sustainable investments.
☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy	☒ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy	☐ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
	☐ with a social objective
☐ It made **sustainable investments with a social objective:** ___%	☐ It promoted E/S characteristics, but **did not make any sustainable investments**

To what extent were the environmental and/or social characteristics promoted by this financial product met?

This mandate actively avoided investing in securities issued by governments that are under arms embargoes and/or systematically violate human rights by adhering to the exclusions list in the Aegon AM MM Sustainability Risks and Impacts Policy.

New Investments

During the reporting period no investments were made in securities issued by governments identified to be involved in excluded activities.

Existing Positions

Positions that no longer complied with the Aegon MM NL Sustainability Risks and Impacts Policy are actively managed and unwinded during the Reporting Period.

How did the sustainability indicators perform?[1]

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

Sustainability indicator	Unit	Value
Share of investments in companies that derive 5% or more of their revenues from thermal coal exploration, mining or refining	(% involved)	0
Share of investments in companies that produce more than 20 million tonnes of thermal coal annually and are actively expanding exploration, mining or refining operations, even if this is less than 5% of revenues.	(% involved)	0
Share of investments in companies that derive 5% or more of their revenues from thermal coal-fired electricity generation	(% involved)	0
Share of investments in companies that own coal-fired electricity generation capacity greater than 10 gigawatts and are actively expanding coal-fired electricity production capacity, even if this is less than 5% of revenues.	(% involved)	0
Share of investments in companies that derive 5% or more of their total oil equivalent production from oil sands	(% involved)	0
Share of investments in companies that derive 5% or more of their revenue from oil and gas exploration and production in offshore Arctic regions	(% involved)	0
Share of investments in pipeline operators and companies which are significantly involved in oil sands transportation	(% involved)	0
Share of investments in companies that derive 5% or more of their revenues from palm oil production and/or distribution	(% involved)	0
Share of investments in companies managing forests with 75% or lower FSC certification	(% involved)	0
Share of investments in companies that derive 5% or more of their revenues from tobacco production	(% involved)	0
Share of investments in government-issued debt (e.g., government bonds) from countries that systematically breach human rights or from a country whose government is subject to an arms embargo by the United Nations Security Council, the United States, the European Union or another relevant multilateral arms embargo.	(% involved)	0
Share of investments in companies involved in development, production, maintenance and trade of:	(% involved)	0

[1] Below results are based on quarter end positions

- Anti-personnel mines		
- Biological or chemical weapons		
- Cluster munitions		
- Ammunitions containing depleted uranium		
- Incendiary weapons using white phosphorus		
- Nuclear weapon systems		
Share of investments in companies that produce or develop key and dedicated components for controversial weapons, as listed above, or offer essential services for their use.	(% involved)	0
Share of investments in companies that are involved in arms trade to:	(% involved)	0
- Countries where an arms embargo by the United Nations Security Council, the United States, the European Union or another relevant multilateral arms embargo is in place;		
- Countries that are part of a war zone; and/or		
- High-risk countries for which the Dutch Government applies a 'presumption of denial' when approving export licenses.		
Share of investments in Russian and Belarussian companies.	(% involved)	0

…and compared to previous periods?

The sustainability indicators in this report are not materially different from the previous reporting period.

What were the objectives of the sustainable investments that the financial product partially made and how did the sustainable investment contribute to such objectives?

N/A

How did the sustainable investments that the financial product partially made not cause significant harm to any environmental or social sustainable investment objective?

N/A

How were the indicators for adverse impacts on sustainability factors taken into account?

N/A

Were sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:

N/A

The EU Taxonomy sets out a "do not significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific Union criteria.

The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.

How did this financial product consider principal adverse impacts on sustainability factors?

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

The Fund considers principal adverse impacts (PAIs) on sustainability factors. The Manager interprets consideration to mean awareness of the PAI indicators, where data is available. Certain security types or asset classes may have limited or no PAI data available. PAIs are taken into account within the context of the Fund's investment objective.

The Manager considers PAIs, where data is available, alongside other factors in its investment decisions. PAI factors will be included in the applicable reports alongside the sustainability risk assessment (ESG integration) for consideration in our investment process. However, PAIs may be no more significant than other factors in the investment selection process, such that PAIs may not be determinative in deciding to include or exclude any particular investment in the portfolio.

In addition to considering the PAI indicators, certain issuers are excluded on the basis of their activities and associated adverse impacts. PAI metrics:[2]

[2] PAI's are an average of four quarters and are excluding derivatives

Adverse sustainability indicator		Metric	Impact 2023
Climate and other environment-related indicators			
Greenhouse gas emissions	1. GHG emissions	Scope 1 GHG emissions (tCO2eq)	1,504.41 (98%)
		Scope 2 GHG emissions (tCO2eq)	387.60 (98%)
		Scope 3 GHG emissions (tCO2eq)	25,397.26 (98%)
		Total GHG emissions (tCO2eq)	27,289.27 (98%)
	2. Carbon footprint	Carbon footprint (tCO2eq/EURm)	283.29 (98%)
	3. GHG intensity of investee companies	GHG intensity of investee companies (tCO2eq/EURm)	1,080.02 (99%)
	4. Exposure to companies active in the fossil fuel sector	Share of investments in companies active in the fossil fuel sector	5.7% (98%)
	5. Share of non-renewable energy consumption and production	Share of non-renewable energy consumption of investee companies from non-renewable energy sources compared to renewable energy sources, expressed as a percentage	34% (63%)
		Share of non-renewable energy production of investee companies from non-renewable energy sources compared to renewable energy sources, expressed as a percentage	0.72% (96%)
	6. Energy consumption intensity per high impact climate sector	Agriculture, Forestry & Fishing (GWh/EURm)	0.00 (0%)
		Construction (GWh/EURm)	0.00 (0%)
		Electricity, Gas, Steam and Air Conditioning Supply (GWh/EURm)	0.00 (0%)
		Manufacturing (GWh/EURm)	0.03 (17%)
		Mining & Quarrying (GWh/EURm)	0.01 (1%)
		Real Estate Activities (GWh/EURm)	0.00 (1%)

		Transportation & Storage (GWh/EURm)	0.02 (2%)
		Water Supply, Sewerage, Waste Management & Remediation (GWh/EURm)	0.00 (0%)
		Wholesale & Retail Trade & Repair of Motor Vehicles & Motorcycles (GWh/EURm)	0.00 (5%)
Biodiversity	7. Activities negatively affecting biodiversity-sensitive areas	Share of investments in investee companies with sites/operations located in or near to biodiversity sensitive areas where activities of those investee companies negatively affect those areas	0% (98%)
Water	8. Emissions to water	Tonnes of emissions to water generated by investee companies per million EUR invested, expressed as a weighted average	0.00 (1%)
Waste	9. Hazardous waste ratio	Tonnes of hazardous waste generated by investee companies per million EUR invested, expressed as a weighted average	0.03 (30%)

Social and employee, respect for human rights, anti-corruption and anti-bribery matters

	10. Violations of UN Global Compact principles and OECD Guidelines for Multinational Enterprises	Share of investments in investee companies that have been involved in violations of the UNGC principles or OECD Guidelines for Multinational Enterprises	3.27% (98%)
	11. Lack of processes and compliance mechanisms to monitor compliance with UNGC principles and OECD Guidelines for Multinational Enterprises	Share of investments in investee companies without policies to monitor compliance with the UNGC principles or OECD Guidelines for Multinational Enterprises or grievance/complains handling mechanisms to address violations	32.14% (85%)
	12. Unadjusted gender pay gap	Average unadjusted gender pay gap of investee companies	-0.13% (6%)
	13. Board gender diversity	Average ratio of female to male board members in investee companies	28.46% (79%)
	14. Exposure to controversial weapons (anti-personnel mines, cluster munitions	Share of investments in investee companies involved in the manufacture or selling of controversial weapons	0% (98%)

Indicators applicable to investments in sovereigns and supranational

Adverse sustainability indicator		Metric	Impact 2023
Environmental	15.GHG intensity	GHG intensity of investee countries (KtonCO2eq/EURm)	0.00 (0%)
Social	16.Investee countries subject to social violations	Number of investee countries subject to social violations (absolute number and relative number divided by all investee countries), as referred to in international treaties and conventions, United Nations principles and, where applicable, national law	0.00 / 0% (0%)

Indicators applicable to investments in real estate assets

Adverse sustainability indicator		Metric	Impact 2023
Fossil fuels	17.Exposure to fossil fuels through real estate assets	Share of investments in real estate assets involved in the extraction, storage, transportation or manufacture of fossil fuels	-
Energy efficiency	18.Exposure to energy- inefficient real estate assets	Share of investments in energy-inefficient real estate assets	-

Other Corporate indicators for principal adverse impact

Adverse sustainability indicator		Metric	Impact 2023
Greenhouse gas emissions	**2.4 Investing in companies without carbon emission reduction initiatives**	**Share of investments in investee companies without carbon emission reduction initiatives aimed at aligning with the Paris Agreement**	54.65% (98%)
Human rights	**3.9 Lack of a Human Rights Policy**	**Share of investments in companies without a human rights policy**	38.74% (80%)

Other Sovereign indicators for principal adverse impact

Adverse sustainability indicator		Metric	Impact 2023
	Share of bonds not issued under Union legislation on environmentally sustainable bonds	**Share of bonds not issued under Union legislation on environmentally sustainable bonds**	-
	Average income inequality score	**Average income inequality score**	0.00 (0%)

Data provided by ISS ESG

General explanation: *External ESG PAI data as of March 29 2023. PAI data is available on Issuer level, in order to report on the Principal Adverse Impacts, a look-through is required.*

Calculation of above PAI metrics follows the Regulatory Technical Standards COMMISSION DELEGATED REGULATION (EU) 2022/1288) and supplemental advice from the published Q&As (including JC 2022 47;JC 2022 62) and uses data from our external data provider as input where available. Portfolio aggregated data is normalised to exclude missing values where data is not available for a certain issuer. In the case of our mortgage products, the PAI data is provided from Aegon Hypotheken B.V.

Coverage statistics shows the proportion of the Adjusted Portfolio that is eligible and covered. In this context, Eligible implies those holdings that are the relevant type for the PAI in question —a corporate holding for a corporate PAI—and Covered implies those holdings for which the relevant underlying data has been obtained or estimated. The reported coverage statistics are already corrected for the eligibility and is an average of four quarters

Following additional regulatory guidance, from 2023 the PAIs which are displayed as portfolio weighted average are calculated by dividing the absolute metric by all investments for which a PAI is theoretically applicable, including investments for which this PAI may not be relevant (e.g. sovereign bonds). For the reports before 2023, the absolute metric was divided by the sum of the relevant investments for which this PAI was relevant (e.g. for "Board Diversity" we would include investee companies but exclude sovereigns).

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External ESG data providers have been selected as data sources for this statement on Principal Adverse Impacts. For certain adverse sustainability indicators, a limited amount of data is available or is not available at all (e.g. for ABS instruments). The proportion of estimated versus reported data will vary per each underlying data point needed for the calculation for that ESG metric. Additionally, data obtained from public sources may also be estimated to some extent. The information provided herein is based in part on information from third-party sources that has not been independently verified by Aegon Asset Management. Aegon Asset Management has reviewed their reports concerning data quality and assurance. The external providers provide assurance that all commercially reasonable steps are undertaken to guarantee adherence to a quality framework. Aegon Asset Management believes the document is accurate at the time of writing but it is subject to change without notice. Data attributed to a third party ("3rd Party Data") is proprietary to that third party and/or other suppliers (the "Data Owner") and is used by Aegon Asset Management under license. 3rd Party Data: (i) may not be copied or distributed; and (ii) is not warranted to be accurate, complete or timely. None of the Data Owner, Aegon Asset Management or any other person connected to, or from whom Aegon Asset Management sources, 3rd Party Data is liable for any losses or liabilities arising from use of 3rd Party Data.

What were the top investments of this financial product?

Largest investment	Sector	% Assets	Country
Morgan Stanley	Financials	2.97%	United States
Citigroup Inc.	Financials	2.90%	United States
JPMorgan Chase & Co.	Financials	2.89%	United States
Bank of America Corporation	Financials	2.88%	United States
The Goldman Sachs Group, Inc.	Financials	2.86%	United States
Wells Fargo & Company	Financials	2.77%	United States
Comcast Corporation	Communication Services	2.42%	United States
UnitedHealth Group Incorporated	Financials	1.92%	United States
The Bank of New York Mellon Corporation	Financials	1.88%	United States
State Street Corporation	Financials	1.88%	United States
Apple Inc.	Information Technology	1.71%	United States
Amazon.com, Inc.	Consumer Discretionary	1.62%	United States
Amgen Inc.	Consumer Staples	1.54%	United States
Toyota Motor Corporation	Consumer Discretionary	1.47%	United States

Lowe`s Companies, Inc.	Consumer Discretionary	1.41%	United States

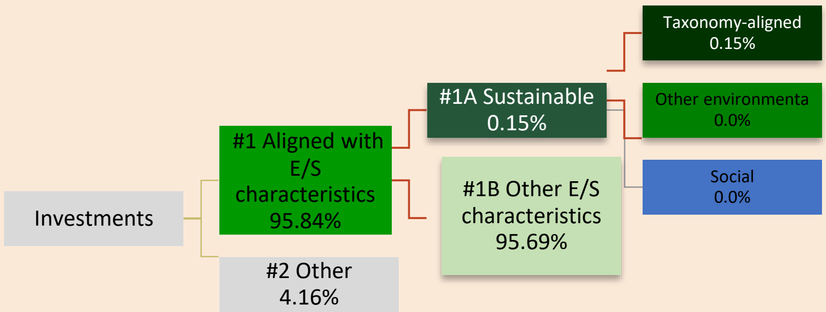
The list includes the investments constituting **the greatest proportion of investments** of the financial product during the reference period which is: **2023**

The top 15 holdings are composed on the basis of direct holdings in issuers and underlying investments of funds where information was available. The % is calculated based on the market value mid-dirty.

What was the proportion of sustainability-related investments?

What was the asset allocation[3]?

Asset allocation describes the share of investments in specific assets.



#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.

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

The category **#1 Aligned with E/S characteristics** covers:
- The sub-category **#1A Sustainable** covers environmentally and socially sustainable investments.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

[3] Please note that the percentage of investments displayed under '#1A sustainable' may be **lower** than the sum of its parts shown in "Taxonomy-aligned" , "Other environmental" and "Social". This is due to the complexity in identifying overlaps between investments deemed sustainable by Aegon AM's proprietary sustainable investment definition and the investments identified by our external data provider as 'Taxonomy-aligned', resulting in possible double counting. Additionally, EU Taxonomy Aligned investments will align with the Other E/S characteristics (1B) but are only included in 1A above to avoid double counting.

In which economic sectors were the investments made?

Sector	**Assets%**
Financials	42.85%
Consumer Staples	11.70%
Consumer Discretionary	10.58%
Industrials	8.01%
Information Technology	7.55%
Communication Services	7.28%
Health Care	3.04%
Utilities	2.49%
Energy	2.35%

Note: The sector allocation may not add up to 100% as there may be investments that cannot be allocated to a sector (e.g. cash, derivatives)

Taxonomy-aligned activities are expressed as a share of:
- **turnover** reflecting the share of revenue from green activities of investee companies.
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

To what extent were the sustainable investments with an environmental objective aligned with the EU Taxonomy?

The percentage of sustainable investments with an environmental objective aligned with the EU Taxonomy made by this product is negligible (<0.5%). To reach this conclusion, the Fund Manager has reviewed the current holdings based on actually reported Taxonomy alignment. The data provider has clarified that the estimated data made available by them is currently not considered sufficiently equivalent under the EU Taxonomy. Therefore, the estimated data is not taken into account.

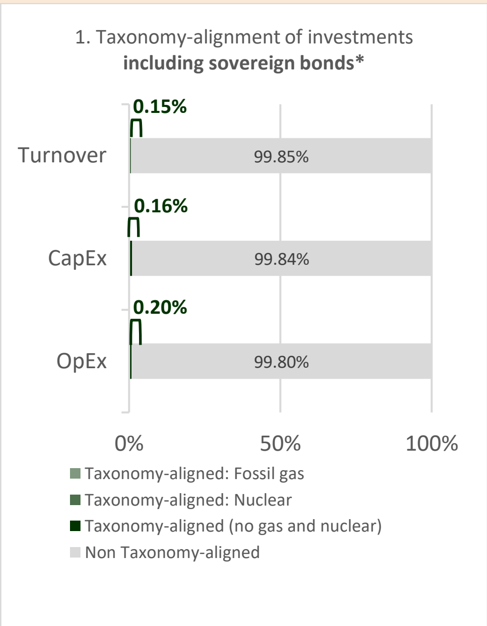
Did the financial product invest in fossil gas and/or nuclear energy related activities complying with the EU Taxonomy[4]?

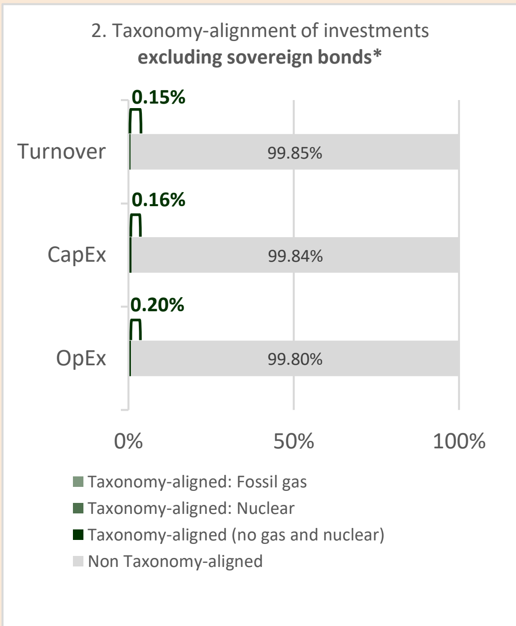
☐ Yes: *see details in the graphs of the box*

☐ In fossil gas ☐ In nuclear energy

☒ No

The graphs below show in green the percentage of investments that were aligned with the EU Taxonomy. As there is no appropriate methodology to determine the taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.





* *For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures.*

are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under Regulation (EU) 2020/852.

[4] Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective - see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to fully renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

- ***What was the share of investments made in transitional and enabling activities?***

Financial metrics	Activity type	Share of investments %
Turnover	Transition	0,01%
Turnover	Enabling	0,04%
CapEx	Transition	0,01%
CapEx	Enabling	0,16%
OpEx	Transition	0,01%
OpEx	Enabling	0,20%

- ***How did the percentage of investments that were aligned with the EU Taxonomy compare with previous reference periods?***

No data are available for prior year. Therefore no comparison is possible.

What was the share of sustainable investments with an environmental objective not aligned with the EU Taxonomy?

N/A

What was the share of socially sustainable investments?

N/A

What investments were included under “other”, what was their purpose and were there any minimum environmental or social safeguards?

Manager has invested in other investments for the purpose of efficient portfolio management, for example, derivatives, cash and cash equivalents. These other investments are not subject to the Fund's environmental or social criteria.

What actions have been taken to meet the environmental and/or social characteristics during the reference period?

The Fund actively avoids investing in companies identified as having significant adverse impact on sustainability factors including, but not limited to, climate change, biodiversity, human rights and good health and well-being and controversial weapons and controversial arms trade. The fund does this by adhering to the exclusions list in the Aegon AM NL Sustainability Risks & Impacts Policy.

How did this financial product perform compared to the reference benchmark?

- ***How does the reference benchmark differ from a broad market index?***

N/A

- ***How did this financial product perform with regard to the sustainability indicators to determine the alignment of the reference benchmark with the environmental or social characteristics promoted?***

N/A

- ***How did this financial product perform compared with the reference benchmark?***

N/A

- ***How did this financial product perform compared with the broad market index?***

N/A

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.