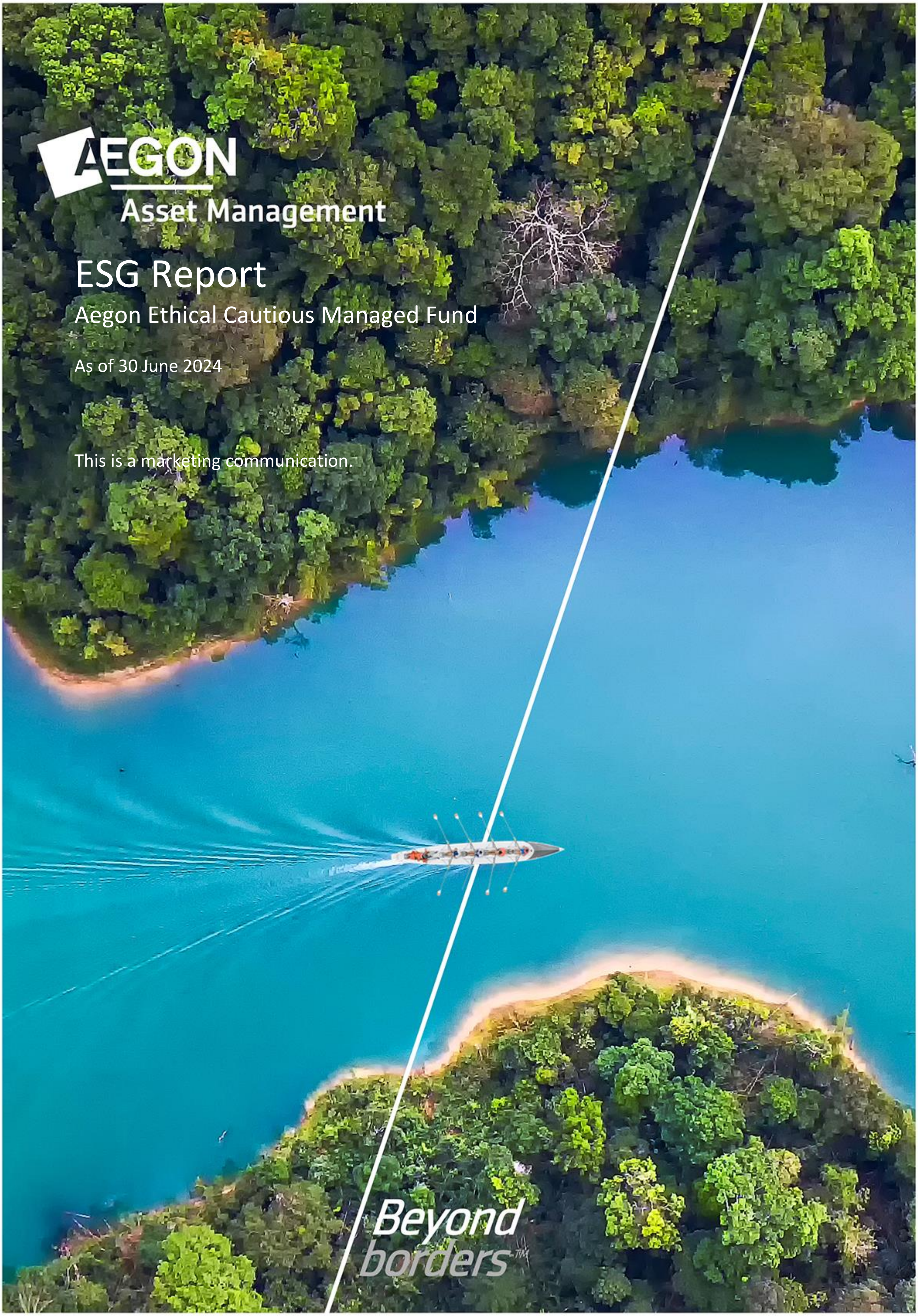
Asset Management

ESG Report

Aegon Ethical Cautious Managed Fund

As of 30 June 2024

This is a marketing communication.



Beyond borders™

ESG reporting overview

At Aegon Asset Management, we are committed to active, engaged and responsible investment. Our comprehensive responsible investing approach includes three key pillars: ESG integration, active ownership and focused responsible investment solutions. As part of our commitment to responsible investment, we aspire to provide transparent and informative reporting on our responsible investing approach and activities.

This ESG report includes four primary components:

- **ESG integration and characteristics:** Overview of our approach to ESG integration and summary of the portfolio's ESG profile based on our proprietary ESG view.
- **ESG external view:** Summary of the portfolio's ESG profile based on external ESG categories or scores.
- **Active ownership activities:** Overview of engagement and voting activities within the portfolio.
- **Climate Related Metrics:** Summary of the portfolio's carbon footprint including carbon impact metrics, risk and intensity of holdings.

This report was prepared for the Aegon Ethical Cautious Managed Fund as of 30 June 2024.

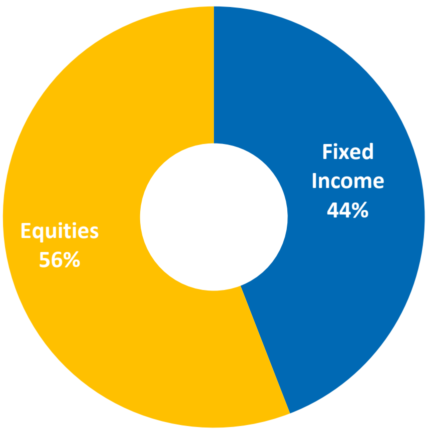
Technical terms are defined in the glossary at the end of the document or please visit https://www.aegonam.com/en/glossary/ for definitions of the financial jargon and common investment terminology used within Aegon Asset Management's Investment reports.

Fund objective

The investment objective is to provide a combination of income and capital growth over any 7 year period.

Asset class breakdown

The chart below provides an indication of the breakdown of AUM by block for this portfolio as of the reporting date.



Source: Aegon AM. Values as of reporting date. May not add to 100% due to rounding. Excludes cash and cash equivalents.

ESG integration and characteristics

Security selection within these building blocks is led by the asset-class specialists within our fixed income and equity teams. It is here, in the bottom-up analysis, that all relevant factors, ESG or otherwise, that affect the durability of business models and bond cash flows are considered.

The focus of the process is around identifying and understanding risks and opportunities that may impact the relative attractiveness of an investment. This includes leveraging the ESG research from the equity and fixed income specialists where there is particular focus on macro developments (such as energy transition or social housing policy), as well as corporate governance (board structures, legal jurisdictions and executive pay policies).

Equities

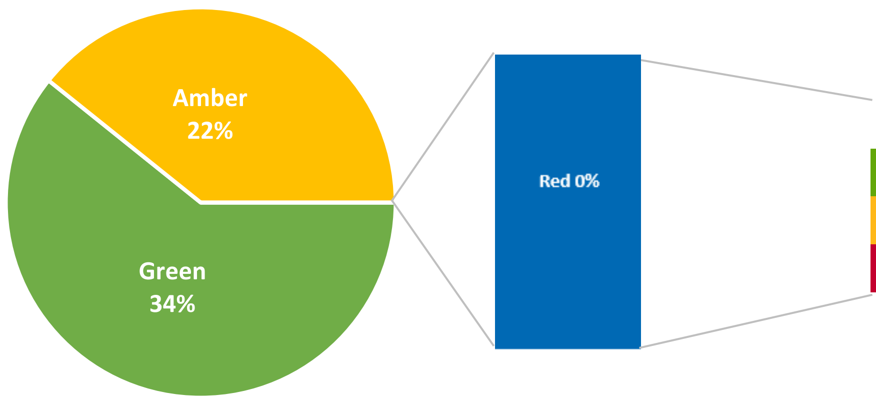
Within equities ESG factors are evaluated in the fundamental analysis process, looking across the ESG spectrum to tailor the specific circumstances of a company to identify both risks and opportunities. Our equity fund managers and analysts use a common three-stage ESG framework to determine the materiality of the identified ESG factors from a risk and return perspective: Stage 1 involves identifying the most material ESG factors for a company, assessing the impact of those factors on the company and categorising that impact as negative (red), neutral (amber) or positive (green); Stage 2 determines its level of significance relative to other considerations; and Stage 3 looks at the direction of travel for a given ESG factor and a company's overall ESG profile.

	Stage 1	Stage 2	Stage 3
	ESG factor impact	Level of ESG significance	Direction of change
Aegon AM ESG category evaluation	Red	High	Positive
	Amber	Medium	Stable
	Green	Low	Negative

ESG category allocation of equity holdings

In the chart below we show the percentage breakdown of the equity holdings in the portfolio, with stages 2 and 3 focusing on the red-rated holdings.

ESG factor impact



ESG significance and momentum

	Positive	Stable	Negative
Low	0.0%	0.0%	0.0%
Medium	0.0%	0.0%	0.0%
High	0.0%	0.0%	0.0%

Source: Aegon AM. Values as of reporting date. May not add up due to rounding. Includes equity holdings only. Excludes cash and cash equivalents. ESG Categories can be green, amber or red; ESG Significance can be low, medium, or high; ESG Momentum can be positive, stable, or negative.

Top ESG equity holdings

Name	ESG category	Significance	Momentum	Portfolio weight
Top 5 holdings				
LONDON STOCK EXCHANGE GROUP	Green	High	Positive	2.2%
SSE	Green	High	Positive	2.2%
OXFORD INSTRUMENTS	Green	High	Positive	1.6%
VOLUTION GROUP	Green	High	Positive	1.5%
LEGAL & GENERAL GROUP	Green	High	Positive	1.2%

Source: Aegon AM. Values as of reporting date. date. Top five equity holdings based on ESG categories and portfolio market value. The fund holds no 'red' rated stocks. All information is provided for informational purposes and the reader should not assume that investments in the securities identified and discussed were or will be profitable.

Fixed income

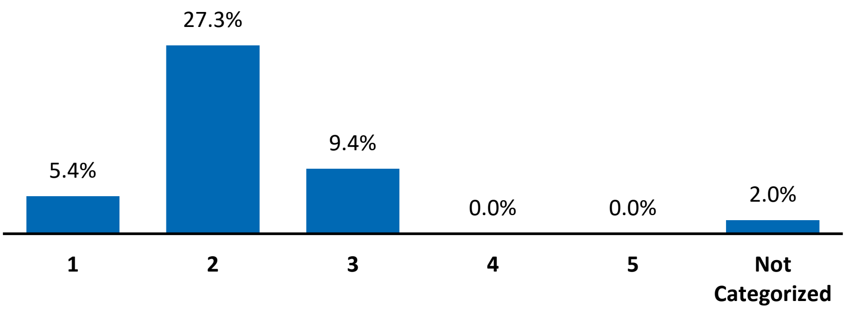
ESG factors are systematically integrated into our bottom-up credit research process for corporate credits. By integrating ESG considerations with economic factors, and drawing from specialized ESG research sources, the Credit Research teams seek to identify financially material ESG factors and arrive at an independent, comprehensive view of the investment.

Integration of ESG factors into the investment process first occurs as part of the fundamental credit research analysis for issuers. Our Credit Research teams integrate ESG information into their analysis by evaluating data from various third-party sources in combination with internal research to assign issuers into a proprietary ESG category. Focus is given to the potential economic impact ESG issues may have on the issuer's ability and willingness to meet debt obligations. The level of credit impact is categorized as one of five levels with increasing magnitude.

Aegon AM ESG Categories		
Category		**Description**
1.	**Leader**	The fundamentals are positively affected by effective ESG practices.
2.	**Minimal risk**	Fundamentally low exposure to ESG risks or presence of factors that mitigate most of the ESG risks.
3.	**Event risk**	ESG risk exposures could negatively affect the issuer fundamentals, but the effect is not measurable, and timing is uncertain.
4.	**Fundamental risk**	ESG risks are resulting in pressure on the issuer fundamentals, however we expect limited impact on the credit rating.
5.	**Rating risk**	ESG factors have resulted in a material effect on the issuer fundamentals, that may or may not be currently reflected in its credit rating.

ESG category allocation of fixed income holdings

Please note that all information is provided for informational purposes and the reader should not assume that investments in the securities identified and discussed were or will be profitable.



	Portfolio
Weighted average ESG category	2.1
Fixed income coverage	95%

Source: Aegon AM. Values as of reporting date. May not add up due to rounding. Includes all fixed income holdings. Excludes cash and cash equivalents. ESG Categories are based on a scale of 1 to 5 where: 1: Leader; 2: Minimal Risk; 3: Event Risk; 4: Fundamental Risk; 5: Rating Risk.

Top and bottom fixed income issuers by ESG category

Top 5 issuers

Name	ESG category	Portfolio weight
KFW	1	2.1%
INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT	1	1.4%
LIBERTY LIVING FINANCE	1	0.6%
PLACES FOR PEOPLE HOMES	1	0.5%
LEGAL & GENERAL GROUP	1	0.4%

Bottom 5 issuers

Name	ESG category	Portfolio weight
STAGECOACH GROUP	3	1.0%
PACIFIC LIFE GLOBAL FUNDING II	3	0.7%
BT GROUP	3	0.7%
NORDEA BANK	3	0.7%
ANGLIAN WATER OSPREY FINANCING	3	0.6%

Source: Aegon AM. Values as of reporting date. Includes top and bottom five fixed income issuers based on ESG categories and portfolio market value weight. All information is provided for informational purposes and the reader should not assume that investments in the securities identified and discussed were or will be profitable.

External ESG view of entire portfolio

Third-party ESG perspectives serve as a helpful input into our process. While informative, the metrics are prone to limitations and do not replace our own proprietary view on ESG matters.

ISS	Portfolio
ESG Performance Score	50.3
Coverage*	79%

Source: ISS ESG▷. Values as of reporting date. The ISS ESG Performance Score is a numerical expression of the alphabetic overall rating (A+ to D-) on a scale of 0 to 100, where 0 is very poor and 100 is outstanding. The alphabetic ESG Ratings reflect a company's demonstrated ability to adequately manage material ESG risks, mitigate negative and generate positive social and environmental impacts, and capitalize on opportunities offered by the transformation towards sustainable development. Within the ISS Performance score scale (1-100), 50 represents the normalized Prime threshold – Prime status is granted to companies with an ESG performance in line with or above the respective industry rating (B-, C+, C). The industry rating is determined based on an assessment of the industry's overall magnitude of risk exposure to ESG factors. Reproduced with permission. Not further distribution.

MSCI	Portfolio
MSCI Overall ESG Score	7.9
Coverage**	89%

Source: MSCI. Values as of reporting date. The Overall ESG Scores represents either the ESG Ratings Final Industry Adjusted Score or Government Adjusted ESG Score of the issuer. ESG Ratings indicate how well an issuer manages its most material ESG risks relative to sector peers. Government Ratings indicates overall environmental, social, and governance (ESG) performance of a region. The score is on a 0-10 scale, where 0 is very poor and 10 is outstanding. Certain information ©2024 MSCI ESG Research L.L.C. Reproduced with permission. Not further distribution.

Active ownership

We believe taking responsibility as an investor also means being a truly active owner, not just as a shareholder but as a financier more broadly. With a long-term focus, we have built a robust active ownership program that includes exercising shareholder voting rights in the best interest of our clients and engaging with bond or equity issuers in an effort to mitigate ESG risk, to help better understand the opportunities that companies face and encourage more sustainable practice. We aspire to influence positive change to improve companies' performance and to pursue competitive returns for our clients.

Engagement activity

We aspire to influence positive change by engaging in dialogue with issuers, either bilaterally or as part of an investor consortium. This dialogue can provide opportunities to highlight ESG risks, inform management on sustainability concerns, promote growth in sustainable business lines or advocate for changes that align with responsible investment standards. Successful engagement can also create new investment opportunities. By spearheading engagement efforts and exercising shareholder voting rights, we use our voice and actions to try to effect positive change.

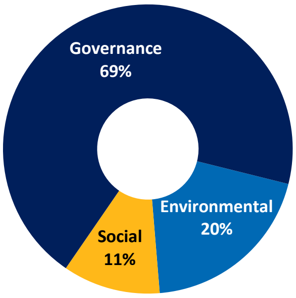
We classify our engagements by topic: general disclosure, where we are seeking additional information from the issuer on practices or products; and by ESG headings, where we are seeking performance improvements in environmental, social or governance areas respectively. Engagements are tracked with a milestone-based approach:

Milestone 1	We have flagged our concerns and contacted the company
Milestone 2	The company responds (letter, email, phone call) and the dialogue starts.
Milestone 3	The company has taken concrete steps to resolve our concerns.
Milestone 4	The engagement goal has been achieved.
No further action required	In some cases our assessment changes and - following discussions with the company - we do not pursue the engagement. We categorize the engagement as 'no further action required'.

Over the one-year period to 30 June 2024 we have had 56 engagements with 39 issuers. Below we break this down by milestone and topic.

By milestone	Engagements
Milestone 1	23%
Milestone 2	32%
Milestone 3	30%
Milestone 4	13%
No further action required	2%

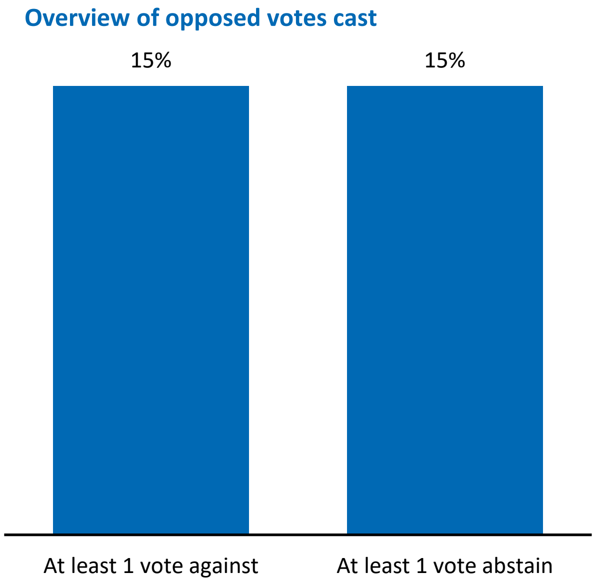
By topic

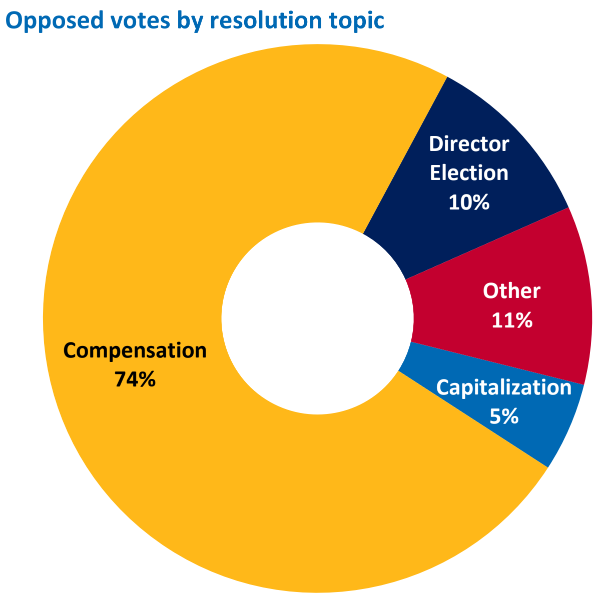


Source: Aegon AM. Includes engagement activity for issuers held in this portfolio during the one-year period ending on the reporting date. Issuers may be engaged more than once over the same period and on one more than one topic.

Voting activity

Over the one-year period to 30 June 2024, we voted in 64 meetings conducted by companies in the portfolio. Below we break this down by voting intention.





Source: Aegon AM. Includes voting activity for issuers held in this portfolio during the one-year period ending at the reporting date. Multiple votes may be cast for the same meeting and on one more than one topic.

Carbon Related Metrics

Climate change is ubiquitously one of the most urgent risks facing the sustainability of our planet. We measure and report the carbon footprint and other climate metrics of portfolios in order to help our clients understand the climate impact of their investments.

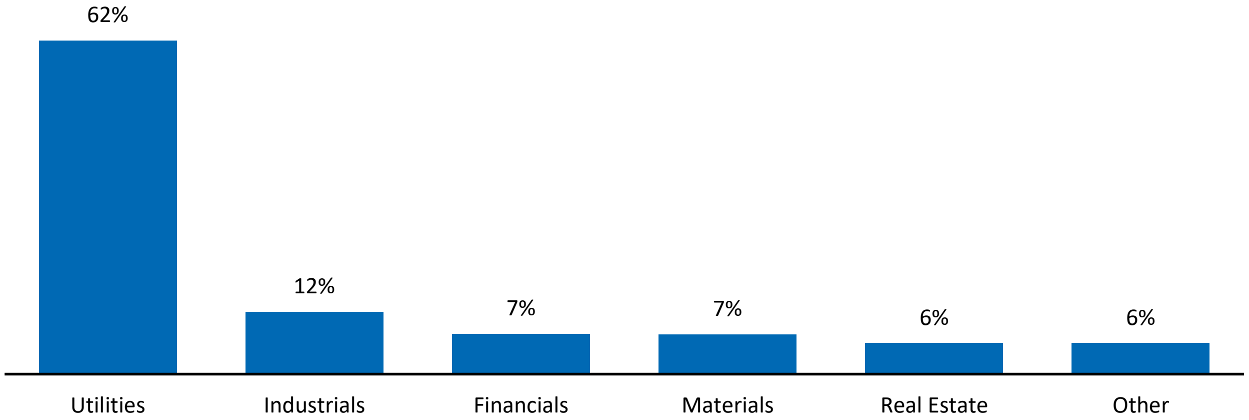
Total emissions	The total emissions of a portfolio can be determined by multiplying the carbon footprint times the total amount invested in GBP millions. Total emissions will vary by exposure and is thus not included in the table below.
Carbon Footprint	This metric represents the financed carbon emissions (only Scope 1&2 emissions are included in this report) of a portfolio normalised by the total portfolio value in millions of GBP. This metric is useful for comparing portfolios but is sensitive to the same EVIC data dependencies detailed above under financed emissions. In addition, when comparing changes in carbon footprint over time, the metric can be driven by changes in EVIC rather than changes in carbon emissions. To correct for this, PCAF has suggested applying an adjustment factor to the formula to enable comparison of carbon footprint over time. This formula is conceptually endorsed by AAM, but fails to consider the implications of portfolio composition changes as well as data availability. As such, the carbon footprint used in this report has not been calculated using any adjustment factors, but we are awaiting and monitoring the maturation of the calculation methodology guidance from PCAF.
GHG intensity	This metric represents the carbon emissions (only Scope 1&2 emissions are included in this report) of an issuer divided by their revenue in millions of GBP which is then allocated by portfolio weight. This metric is useful for comparison between portfolios of different sizes and allows for comparison of issuers' carbon intensity. However, companies with higher prices compared to their peers may be favourably impacted when normalising their emissions by revenues. In the future, we also expect the same inflation adjustment factor to be applied to issuers' revenues as suggested for issuers' EVIC, but to date, no specific guidance has been issued on this metric by PCAF.
Coverage	Coverage of our portfolio gives an indication on the data availability per metric from our external provider – it should be noted that exposures to assets other than public equities, fixed income and sovereign bonds are filtered out of the report. Coverage is expressed as a %, which is the sum of the market value of portfolio holdings that are covered by ESG data. Securities with no ESG data coverage are disregarded from the aggregation methodology for all metrics and the rest of the dataset is renormalized.

Carbon footprint metrics

Metric	Unit	Portfolio	Portfolio coverage
Total emissions	tCO2e	4,246	74%
Carbon Footprint[1]	tCO2e / GBP million invested	27	74%
GHG intensity[2]	tCO2e / GBP million revenue	77	95%

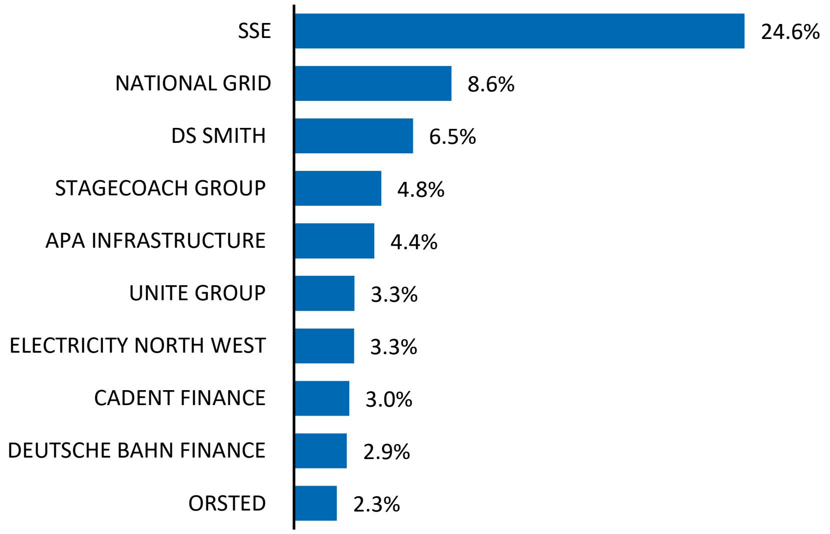
Source: Aegon AM. Values as of reporting date. Climate metrics calculated in line with Sustainable Finance Disclosure Regulation (SFDR) and Taskforce for Climate-related Financial Disclosures (TCFD) recommendations. Carbon Footprint and GHG Intensity values have been adjusted to account for variance in coverage. Climate change data availability may change over time and characteristics will vary.

GHG intensity: by sector



Source: Aegon AM. Values as reporting date. Reflects sector allocations (excluding cash and cash equivalents) based on GHG intensity. All information is provided for informational purposes only and the reader should not assume that investments in the securities identified and discussed were or will be profitable. Certain information ©2024 Sustainalytics, MSCI ESG Research L.L.C. and Bloomberg Finance L.P. Reproduced with permission. Not for further distribution.

GHG intensity by issuer (top-10)



Source: Aegon AM. Values as reporting date. Top ten holdings by GHG intensity. All information is provided for informational purposes only and the reader should not assume that investments in the securities identified and discussed were or will be profitable. Certain information ©2024 Sustainalytics, MSCI ESG Research L.L.C. and Bloomberg Finance L.P. Reproduced with permission. Not for further distribution.

[1]This metric was previously named as “Relative Intensity”
[2]This metric was previously names as “Weighted Average Carbon Intensity”

Investment policy and risks

Investment policy

Objective: provide a combination of income and capital growth over a 7 year period.
Policy: to invest in a diversified portfolio of equities denominated in any currency; and corporate bonds denominated in Sterling and issued anywhere in the world.

The Fund operates an ethical screen which means that the Fund may not invest in particular industries and sectors. In all cases, the investments of the Fund will meet the Fund's predefined ethical criteria. The Fund is actively managed and the portfolio may at any one time be allocated more towards equities or bonds depending on the ACD's view on the current market conditions.

Equities will be limited to a maximum of 60% of the Fund's value at all times. At least 80% of equity exposure will be to UK companies which are listed, quoted or traded in UK markets or which have their headquarters or a significant part of their activities in the UK but which may also be quoted on a regulated market outside of the UK. However, up to 20% of all equity investments may be made in non-UK companies.

In relation to investment in equities, the Fund can invest in companies of any market capitalization (small, medium or large) and in a range of industry sectors, subject to the Fund's ethical criteria.

The Fund will typically invest in publicly quoted companies and have a bias towards small and medium companies.
At least 90% of all corporate bond investments will be in investment grade corporate bonds.

Investment grade corporate bonds are bonds issued by companies whose credit rating is deemed to be investment grade, defined as Baa3 or higher by Moody's Investor Services (Moody's), BBB- or higher by Standard & Poor's (S&P) or BBB- or higher by Fitch, or their respective successors or equivalents.

To the extent that the Fund is not fully invested in the main asset classes listed above, the Fund may also invest in other transferable securities, collective investment schemes (up to 10% of Net Asset Value and which may include schemes managed by the ACD or its affiliates), money market instruments, deposits and cash and near cash. It is intended that investment in any other collective investment schemes will be predominately in approved money market instruments.

Derivatives may be used for efficient portfolio management (including hedging to reduce currency risk).

Non-Sterling equity exposure may or may not be hedged back to Sterling to reduce currency risk.

Risks

The main risks are:

- **Credit:** An issuer of bonds may be unable to make payments due to the Fund (known as a default). The value of bonds may fall as default becomes more likely. Both default and expected default may cause the Fund's value to fall. High yield bonds generally offer higher returns because of their higher default risk and investment grade bonds generally offer lower returns because of their lower default risk.

- **Liquidity:** The Fund's value may fall if some investments, especially in smaller companies or high yield bonds, become more difficult to trade or value due to market conditions or a lack of supply and demand.

- **Interest Rate Risk:** Bond values are affected by changes in interest rates. When interest rates rise, the value of the Fund is likely to fall.

For more details on the risks for this fund please see the KIID or Prospectus at **www.aegonam.com/documents**.

Glossary

ESG Integration

ESG integration means incorporating financially-material ESG factors into our investment analysis to better understand risk and uncover potential opportunities.

Active Ownership

Active ownership is the use of the rights and position of ownership to influence the activities or behaviour of investee companies. Active ownership can be applied differently in each asset class. For listed equities, it includes engagement and voting activities.

Carbon Footprint

This metric represents the financed carbon emissions (only Scope 1&2 emissions are included in this report) of a portfolio normalised by the total portfolio value in millions of GBP. This metric is useful for comparing portfolios but is sensitive to the same EVIC data dependencies detailed above under financed emissions. In addition, when comparing changes in carbon footprint over time, the metric can be driven by changes in EVIC rather than changes in carbon emissions. To correct for this, PCAF has suggested applying an adjustment factor to the formula to enable comparison of carbon footprint over time. This formula is conceptually endorsed by AAM, but fails to consider the implications of portfolio composition changes as well as data availability. As such, the carbon footprint used in this report has not been calculated using any adjustment factors, but we are awaiting and monitoring the maturation of the calculation methodology guidance from PCAF.

Scope 1, 2 and 3 emissions

Scope 1 carbon emissions are namely emissions generated from sources that are controlled by the company that issues the underlying assets.

Scope 2 carbon emissions are namely emissions from the consumption of purchased electricity, steam, or other sources of energy generated upstream from the company that issues the underlying assets.

Scope 3 carbon emissions are namely all indirect emissions that are not covered by points (I) and (II) that occur in the value chain of the reporting company, including both upstream and downstream emissions, in particular for sectors with a high impact on climate change and its mitigation.

Important information

This is a marketing communication. Please refer to the Prospectus of the UCITS and to the KIID before making any final investment decisions. The relevant documents can be found at aegonam.com. The principal risk of this product is the loss of capital.

Past performance does not predict future returns. Outcomes, including the payment of income, are not guaranteed.

This information is provided in line with methodologies that may contain uncertainties arising from limitations inherent within these.

All investments contain risk and may lose value. Responsible investing is qualitative and subjective by nature, and there is no guarantee that the criteria utilized, or judgement exercised, by any company of Aegon Asset Management will reflect the beliefs or values of any one particular investor. Responsible investing norms differ by region. There is no assurance that the responsible investing strategy and techniques employed will be successful. Investors should consult their investment professional prior to making an investment decision.

Opinions and/or example trades/securities represent our understanding of markets both current and historical and are used to promote Aegon Asset Management's investment management capabilities: they are not investment recommendations, research or advice. Sources used are deemed reliable by Aegon Asset Management at the time of writing. Please note that this marketing is not prepared in accordance with legal requirements designed to promote the independence of investment research and is not subject to any prohibition on dealing by Aegon Asset Management or its employees ahead of its publication.

Fund Charges are taken from income but will be taken from capital where income is insufficient to cover charges.

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