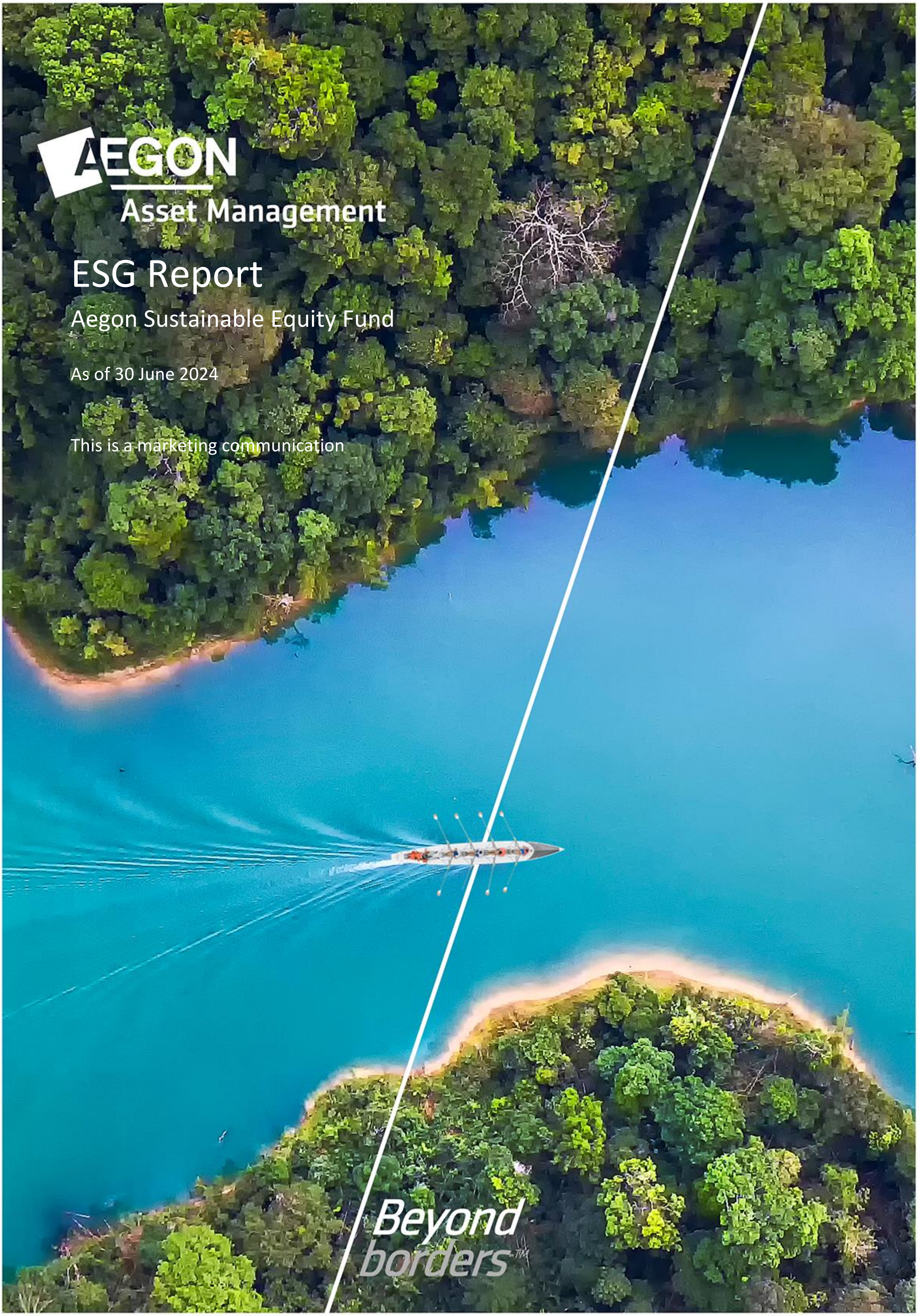
AEGON
Asset Management

ESG Report

Aegon Sustainable Equity 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:

- **Sustainability framework:** Overview of the Fund's sustainability criteria and application within the portfolio.
- **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 and intensity of holdings.

This report was prepared for the Aegon Sustainable Equity 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.

Sustainability framework

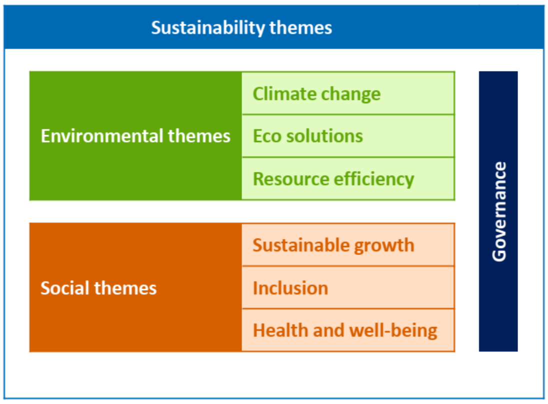
We define sustainability as a global economic state that meets the needs and aspirations of people today and in the future, while protecting and improving the environment and preserving the quality of life for all. We believe there is growing interest from consumers, governments and companies in promoting sustainability globally.

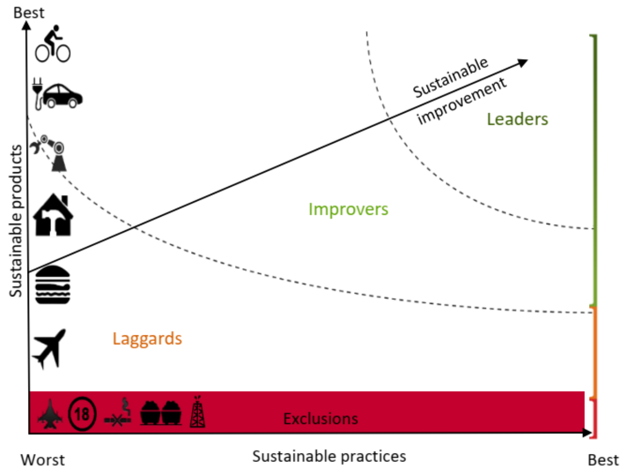
Our sustainability-themed strategies go beyond the universal integration of ESG in our investment analysis to incorporate our sustainability philosophy, criteria and process throughout the entire portfolio.

Sustainability analysis is a key consideration when assessing investment opportunities. This helps us to identify structural growth opportunities in addition to avoiding unnecessary ESG-related risks. We believe that a strong sustainable focus can provide a long-term tailwind to performance. We consider sustainability performance within the context of a company’s industry-level competitive landscape, in relation to its peers and the geographic regions in which it operates.

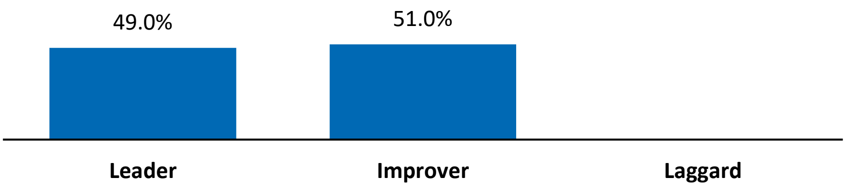
We define sustainable businesses as those where products, services and business practices are positively aligned with at least one of our proprietary six sustainability themes. In a bottom-up assessment that combines quantitative and qualitative analysis, we consider the impact of the products and services a company offers, as well as the nature of its operational practices and any improvement over time. If this contributes positively to one (or more) of the themes, the issue will qualify as ‘sustainable’ and be eligible for investment. The findings are used to create a recommendation to classify the security into one of our three categories:

1. **Leaders -** Companies that meet a large amount of our absolute sustainability criteria and are demonstrably leaders in their sub-sector.
2. **Improvers -** Companies where material sustainability issues have been identified and the company is showing clear evidence of significant improvements in its sustainability performance.
3. **Laggards -** Companies that are either excluded due to a combination of poor product exposure (e.g. tobacco or defence manufacturers), poor sustainability disclosure and performance and/or with little evidence of a desire to improve.





Sustainability category allocation



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

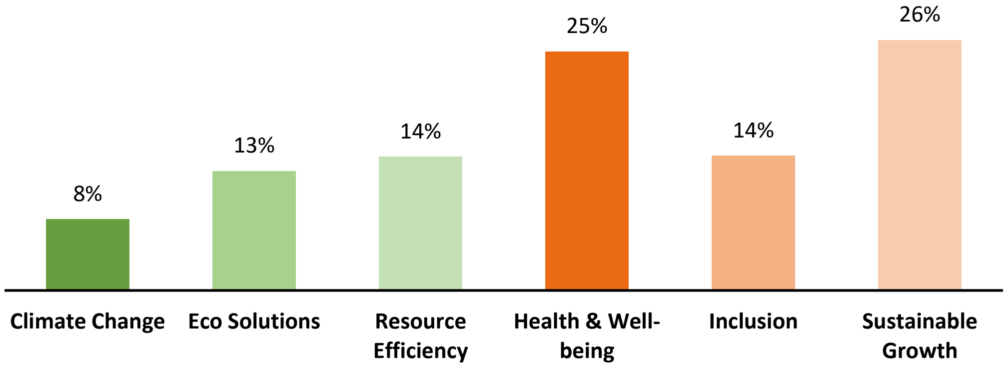
Top and bottom holdings by sustainability category

Top 5 holdings		
Name	Sustainability category	Portfolio weight
NVIDIA	Leader	7.1%
TAIWAN SEMICONDUCTOR MANUFACTURING CO	Leader	5.5%
RELX	Leader	3.7%
XYLEM	Leader	3.7%
HALMA	Leader	3.6%

Bottom 5 holdings		
Name	Sustainability category	Portfolio weight
UNIVERSAL DISPLAY CORPORATION	Improver	3.6%
MARVELL TECHNOLOGY	Improver	3.4%
ICON	Improver	3.4%
KEYENCE CORPORATION	Improver	3.4%
DYNATRACE	Improver	3.2%

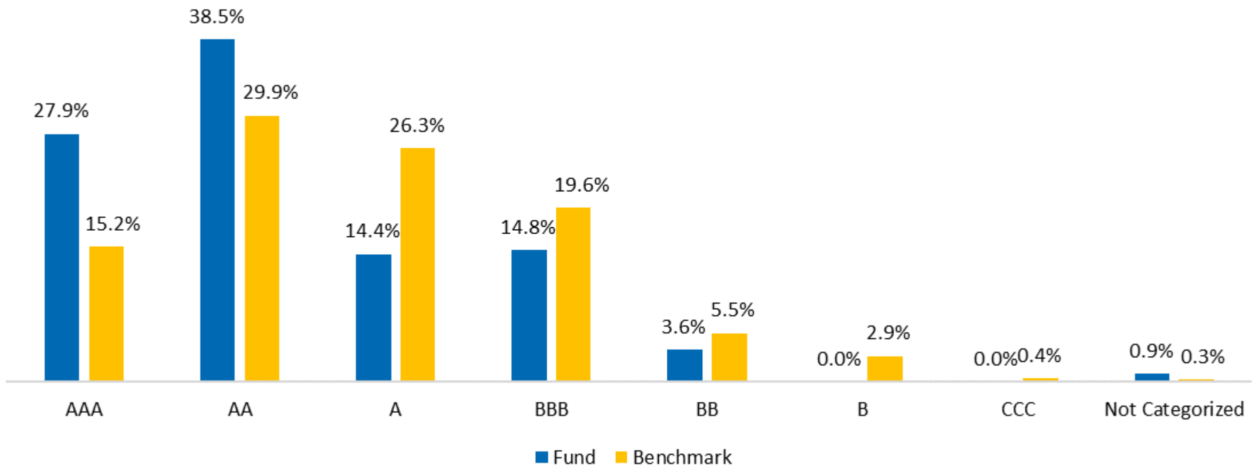
Source: Aegon AM. Values as of reporting date. Includes top and bottom five holdings based on sustainability categories and portfolio weight. All information is provided for informational purposes and the reader should not assume that investments in the securities identified and discussed were or will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

Sustainability theme allocation



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

External Rating allocation of Fund



Source: MSCI. Values as of reporting date. The Overall ESG Rating represents either the Intangible Value Assessment (IVA) Rating or Government ESG Rating of the company. IVA Ratings indicate how well a copany manages its most material ESG risks relative to sector peers. Government Ratings indicates overall environmental, social, and governance (ESG) performance of a region. Regions with low-risk exposure and strong management of ESG risk factors score highest (AAA); regions with high-risk exposure and weak management of ESG risk factors score lowest (CCC). Ratings are based on a seven-letter scale: best (AAA) to worst (CCC). Certain information ©2024 MSCI ESG Research L.L.C. Reproduced with permission. Not for further distribution.

External Top and Bottom ESG holdings

Top 5 holdings

Name	ESG Rating	Portfolio Weight
NVIDIA	AAA	7.1%
TAIWAN SEMICONDUCTOR MANUFACTURING CO	AAA	5.5%
RELX	AAA	3.7%
XYLEM	AAA	3.7%
NOVO NORDISK	AAA	2.3%

Bottom 5 holdings

Name	ESG Rating	Portfolio Weight
UNIVERSAL DISPLAY CORPORATION	BB	3.6%
TETRA TECH	BBB	3.5%
KEYENCE CORP	BBB	3.4%
CHROMA ATE	BBB	2.9%
CROWDSTRIKE HOLDINGS	BBB	2.0%

Source: MSCI. Values as of reporting date. The Overall ESG Rating represents either the Intangible Value Assessment (IVA) Rating or Government ESG Rating of the company. IVA Ratings indicate how well a company manages its most material ESG risks relative to sector peers. Government Ratings indicates overall environmental, social, and governance (ESG) performance of a region. Regions with low-risk exposure and strong management of ESG risk factors score highest (AAA); regions with high-risk exposure and weak management of ESG risk factors score lowest (CCC). Ratings are based on a seven-letter scale: best (AAA) to worst (CCC). Certain information ©2024 MSCI ESG Research L.L.C. Reproduced with permission. Not for further distribution.

External ESG view

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	Benchmark
ESG Performance Score	48.8	50.0
Coverage	99%	98%

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	Benchmark
MSCI Overall ESG Score	7.7	6.8
Coverage	99%	100%

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 company. ESG Ratings indicate how well a company 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

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 investee companies 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 companies, 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.

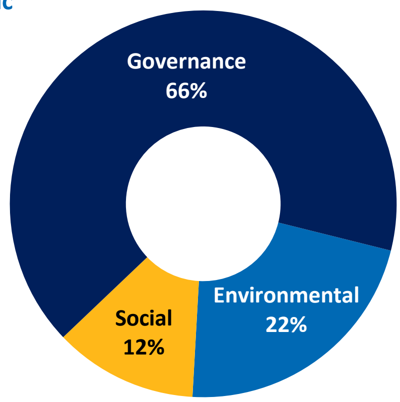
We classify our engagements by topic: general disclosure, where we are seeking additional information from the company on practices or products; and by ESG headings, where we are seeking performance improvements in environmental, social or governance areas respectively. Engagements are tracked with a 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 to 30 June 2024 we have had 32 engagements with 20 companies. Below we break this down by milestone and topic.

By milestone	Engagements
Milestone 1	44%
Milestone 2	28%
Milestone 3	16%
Milestone 4	6%
No further action required	6%

By topic

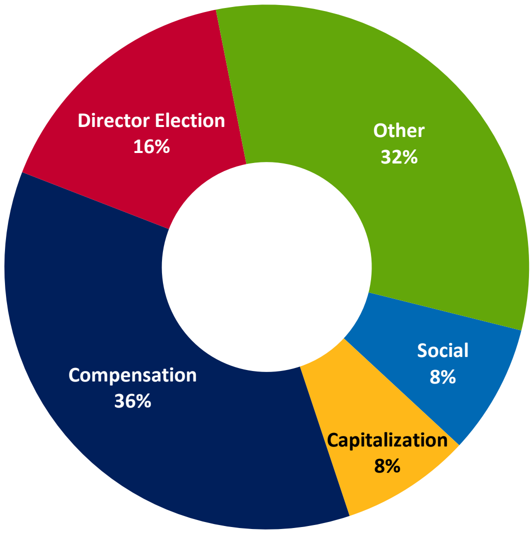


Source: Aegon AM. Includes engagement activity for companies held in this portfolio during the one-year period ending on the reporting date. Companies may be engaged more than once over the same period and on one more than one topic.

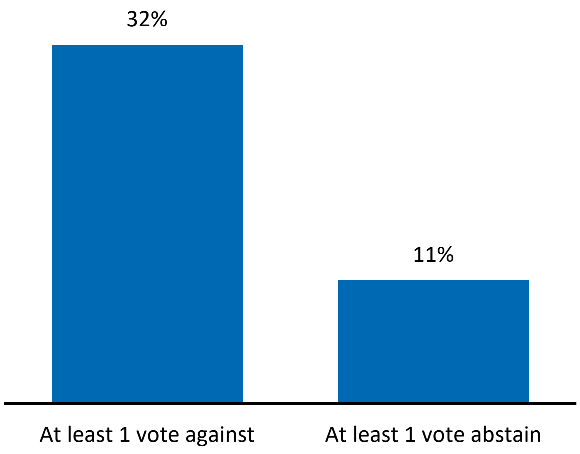
Voting activity

Over the one-year to 30 June 2024, we voted in 44 meetings conducted by companies in the portfolio.

Opposed Votes by resolution topic



Overview of opposed votes cast



Source: Aegon AM. Includes voting activity for companies 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.

Climate 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.

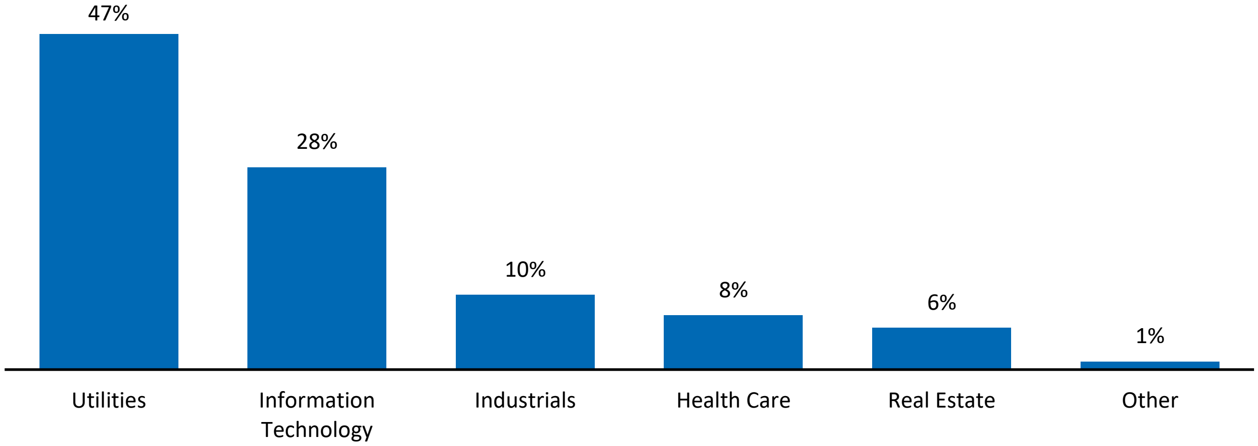
Total emissions	The total emissions of a portfolio can be determined by multiplying the carbon footprint times the total amount invested in GBP millions. Total emissions will vary by exposure and is thus not included in the table below.
Carbon Footprint	This metric represents the financed carbon emissions (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	Benchmark	Benchmark coverage	Delta
Total Emissions	tCO2e	1,584	100%	12,556	100%	-87%
Carbon Footprint	tCO2e / GBP million invested	9	100%	71	100%	-87%
GHG intensity	tCO2e / GBP million revenue	55	100%	177	100%	-69%

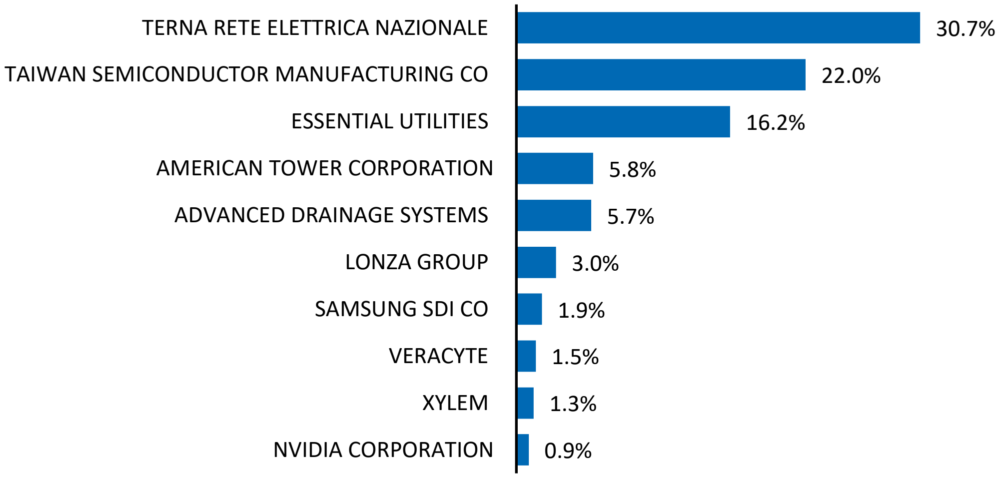
Source: Aegon AM. Values as of reporting date. Climate metrics calculated in line with Sustainable Finance Disclosure Regulation (SFDR) and Taskforce for Climate-related Financial Disclosures (TCFD) recommendations. Carbon Footprint and GHG Intensity values have been adjusted to account for variance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

Top 10 holdings by GHG intensity



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.

Investment policy and risks

Investment policy

Objective: to provide a combination of income and capital growth over any 7 year period.

Policy: The Fund will be invested in concentrated portfolio (typically 35-45 stocks) consisting of equities of companies which may be listed, quoted or traded anywhere in the world and denominated in any currency which meet the Fund's predefined sustainability criteria.

The Fund is actively managed and can invest in companies of any market capitalization (small, medium or large) and in any industry sector although will tend to have a bias towards small-medium companies. At any one time, the scope of investment may be themed by geography, industry, size or style to take advantage of opportunities identified by the ACD. The ACD places emphasis on growth-oriented companies with low debt and high returns on invested capital. All of the Fund's equity investments are subject to the ACD's sustainability criteria relevant to this asset class.

The ACD will, firstly, apply an exclusionary screen to exclude investments which the ACD considers have a negative impact on society and/or the environment. The ACD then, through applying a detailed sustainability analysis, focusses on the equities of companies which are aligned with, or expected to contribute to the key sustainability characteristics considered as part of the ACD's sustainability analysis. The ACD will use a combination of external third party research and internal analysis in the application of its sustainability criteria.

To the extent that the Fund is not fully invested in the main asset class 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 can be used by the Fund for efficient portfolio management (including hedging to reduce currency risk).

Non-Sterling exposure will typically not be hedged back to Sterling.

Risks

The main risks are:

- **Liquidity:** The Fund's value may fall if shares, especially those of smaller companies and companies in emerging markets, become more difficult to trade or value due to market conditions or lack of supply and demand.

- **Other markets:** The Fund may invest in countries which have less developed political, economic and legal systems and which provide fewer investor protections. Difficulties in buying, selling, safekeeping or valuing investments in such countries may reduce the value of the Fund

- **Concentration Risk:** Holding a limited number of underlying investments means a change in the value of any one investment has more impact on the Fund's value. This increases potential gain but also potential loss.

- **Foreign Exchange Risk:** The Fund's portfolio of investments may be denominated in a range of currencies which differ from the Fund's base currency. Fluctuations in these currencies may increase the risk of losses to the Fund where hedging is not used or is incomplete or unsuccessful.

- **ESG Risk:** Applying ESG factors to the investment analysis may impact the investment decision for securities of certain companies and therefore the Fund may forgo some market opportunities available to funds that do not use ESG factors. Securities of companies with ESG practices may shift into and out of favor depending on market and economic conditions, and the Fund's performance may at times be better or worse than the performance of funds that do not use ESG factors. Full details of risks are disclosed in the section 'Risk Factors' in the Prospectus.

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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Aegon AM NL's German branch markets AAMICI in Germany, Austria and Switzerland, is registered with and supervised by the AFM and supervised by BaFin in Germany. Aegon AM NL's branch in Spain markets AAMICI in Spain, Italy and Switzerland. Aegon AM NL's Spanish branch is registered with and supervised by the AFM and is supervised by the CNMV in Spain. Aegon AM UK markets AAMICI in the UK and otherwise outside of the EEA. Aegon Asset Management UK plc (Aegon AM UK) is authorised and regulated by the Financial Conduct Authority.

For investors in Austria, Germany, Luxembourg, Malta, the Netherlands, Spain, Sweden, Portugal, Italy, the UK, Jersey, Guernsey and Belgium - AAMICI's relevant sub-funds are notified to each regulator. The prospectus, supplements, key investor information and reports (together 'Disclosures') are available at www.aegonam.com along with information about paying agents. **For Switzerland**, AAMICI is a UCITS which is authorised for distribution by FINMA as a Foreign Collective Investment Scheme. The Disclosures are available from www.aegonam.com or from the Representative and Paying Agent in Switzerland, CACEIS (SA) Switzerland, Chemin de Precossy 7-9, CH-1260 Nyon / VD, Suisse, Phone: +41 22 360 94 00, Fax: +41 22 360 94 60

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