Aegon European ABS Fund

Supplement

Dated 15 January 2024

This Supplement contains specific information in relation to the Aegon European ABS Fund (the **Fund**), a sub-fund of Aegon Asset Management Europe ICAV (the **ICAV**) an umbrella type open-ended Irish collective asset-management vehicle with variable capital and segregated liability between sub-funds governed by the laws of Ireland and authorised by the Central Bank of Ireland (the **Central Bank**).

This Supplement forms part of and should be read in conjunction with the Prospectus dated 30 November 2022 (the Prospectus).

The Directors of the ICAV, whose names appear in the **Directors of the ICAV** section of the Prospectus, accept responsibility for the information contained in the Prospectus and this Supplement. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case) such information is in accordance with the facts and does not omit anything likely to affect the import of such information. The Directors accept responsibility accordingly.

Investors should also note that subscription for Shares of the Fund is not the same as making a deposit with a bank or other deposit taking body. The principal invested in the Fund is capable of fluctuation and the value of the Shares is not insured or guaranteed.

Where a class of Shares may make distributions out of capital, investors should note that this will result in the reduction of an investor's original capital invested in the Fund. The Fund's capital will be eroded and the distribution will be achieved by foregoing the potential for future capital growth and by potentially diminishing the value of future returns; this cycle may continue until all capital is depleted. Accordingly, distributions made out of capital during the life of the Fund must be understood as a type of capital reimbursement. Distributions out of capital may have different tax implications to distributions out of income and it is recommended that investors seek advice in this regard.

Words and expressions defined in the Prospectus shall, unless the context otherwise requires, have the same meaning when used in this Supplement.

TABLE OF CONTENTS

1. INVESTMENT OBJECTIVE

The investment objective of the Fund is to provide long term capital growth.

2. MANAGER

The ICAV has appointed Aegon Investment Management B.V., as the management company and global distributor of the ICAV. The Manager will also provide certain investment management related services to the ICAV.

Please refer to the **MANAGEMENT OF THE ICAV** section of the Prospectus for further details.

3. INVESTMENT POLICIES

The Fund is actively managed and will seek to achieve its investment objective by investing at least 70% of its net assets in asset-backed securities. Asset-backed securities are a type of debt securities such as bonds or notes whose value and income payments are derived from an underlying pool of assets held by the issuer. The underlying pool of assets is referred to as 'collateral'. The Fund may hold bonds and notes with various types of collateral, but some examples include residential mortgages, commercial mortgages, consumer loans, car loans, credit card loans, student loans and corporate loans, such bonds will not embed any leverage.

Investment Grade Bonds The Fund will invest at least 70% of its net assets in bonds with a credit rating which is deemed to be 'investment grade', defined as meeting one or more of the following rating criteria: Baa3 or higher by Moody's Investor Services (Moody's); BBB- or higher by Standard & Poor's Rating Services (S&P) or Fitch Ratings Inc (Fitch). If the Fund is invested in any bond which is subsequently downgraded below these minimum investment ratings, the Manager may in its discretion continue to deem those bonds as Investment Grade for a period of up to nine months after such downgrade.

The Fund will invest predominantly in bonds or notes issued by issuers located within Europe, but may also invest in bonds or notes issued by issuers located outside Europe. The Fund will invest in assets denominated both in Euros and in other currencies. Where non-Euro denominated assets are held, the Manager will seek to hedge the associated currency risk back to Euros.

Most of the assets are publicly listed/traded on Markets with an active secondary market predominantly within Europe (see Schedule 1 for a list of Markets). The Fund may invest up to 10% of its Net Asset Value in unlisted transferable securities.

The debt securities held by the Fund may be fixed or floating rate.

A maximum of 10% of the Fund's net assets may be invested in units or shares of other collective investment schemes which offer exposure to bonds or notes issued predominantly within Europe.

The Fund will be broadly diversified by collateral type and issuer. The composition of assets in the Fund are subject to change as the market for asset backed securities evolves. No issuer will represent more than 10% of the Fund's net assets at any time.

The Manager will actively select countries and markets in which to invest based on its view of macroeconomic environment (including, but not limited to, interest rate developments, economic growth expectations and monetary and fiscal developments) and how this might affect issuers, collateral types and ratings within those markets. Individual bonds within those countries and markets predominantly within Europe are then selected based on analysis of their fundamentals (for example the performance expectations and the credit risk of the underlying collateral), valuation (relative values of the bond compared to levels of comparable bonds and analysis of projected yields), technical (for example the supply and demand factors affecting the bond and the risk of the bond's rating being downgraded) and sentiment (for example the appetite for risk generally in the market and the perceived risk of the relevant bond and/or issuer). Scenario analysis (analysing portfolios in different market circumstances and economic environments) and stress testing are used to evaluate the performance of potential investments.

SFDR

Details of how ESG risks (as described in the Prospectus) are integrated in investment decisions and the likely impacts of ESG risks on the Fund, as required by Article 6 of SFDR, can be found in the Prospectus and below.

Sustainability risks associated with structured credit funds

In considering the likely impact of sustainability risks on returns for structured credit assets, the Manager aims to uncover risks and potential mitigants that could affect collateral, structure and/or issuer performance. ESG integration can also uncover opportunities. The Manager's process identifies financially material ESG factors in combination with traditional financial criteria. The Manager looks for potential ESG concerns or opportunities around the sponsor's business model that could impact performance. The Manager also assesses if there are mitigants in place to help address the ESG risks identified and explore ways to extract value from ESG-related opportunities. This process aims to answer three key questions:

1. Environmental: Are there specific environmental and climate change considerations that should be contemplated?
2. Social: Does the issuer create utility and long-term value for customers, bondholders and itself?
3. Governance: Is the deal structured to provide an appropriate economic split and incentives to transaction parties?

<u>ESG integration for structured credit assets:</u>

Integrating ESG factors requires striking the right balance between quantitative and qualitative insights. A proprietary assessment of environmental, social and corporate governance considerations is a vital component of the Manager's structured credit research framework and investment decision making process. Unlike equities or corporate bonds, formal ESG integration is comparatively nascent within structured credit. There is limited third party ESG research and few industry standards for private securitized issuers. As a result, assessing ESG factors for securitized assets requires a more creative approach.

To reflect the specific considerations for structured credit, the Manager has built a proprietary framework that is rigorous and comprehensive, but not overly rigid. After determining the potential financial impact of relevant ESG factors, the Manager's research team considers various outcomes to help understand the potential impact on economics, creditworthiness and valuations. The process includes quantitative and qualitative factors. The Manager's ESG integration process includes four key steps:

1. Identification: Analysts identify important ESG factors alongside financial metrics
2. Assessment: Assess impact of ESG factor on issuer's fundamentals
3. Incorporation: Incorporate the fundamental impact into the credit assessment
4. Integration: Portfolio managers integrate into the portfolio construction process

Promotion of ESG Characteristics

The Fund promotes ESG characteristics in its investments in asset-backed securities, as described in Article 8 of SFDR, in the following ways:

- potential investments are analyzed and categorized by the Manager using a proprietary ESG questionnaire and 5-tier ESG risk classification system. Only investments in the 3 ESG risk categories presenting lowest risk are eligible for inclusion in the portfolio; and
- engaging with issuers by applying the active ownership principles described in the Prospectus.

For further details, please refer to Appendix I to this Supplement. Please also see the sections titled **Responsible Investing** and **Sustainability Risks** in the Prospectus for more information.

Financial Derivative Instruments

The Fund may invest in financial derivative instruments (**FDIs**) only for the purposes of efficient portfolio management (**EPM**), subject to the conditions described in the Prospectus.

In particular, the Fund may invest in interest rate futures and forwards, each of which is described in the Prospectus. The underlying assets of these FDIs will be one of the asset classes referred to above in this **Investment Policies** section.

Generally, the underlying assets of the futures contracts will be the bonds and notes described in the Fund's Investment Policy. Interest rate exchange traded futures will only be used for the purposes of EPM.

Other Information

The global exposure of the Fund (which will be measured using the commitment approach) under normal circumstances is not expected to exceed 50% of Net Asset Value. It is possible that there may be higher leverage levels from time to time during abnormal market conditions and, for example at times when there is low volatility, but global exposure through use of derivatives will not exceed 100% of the Fund's Net Asset Value.

The collateral management policy is set out in the Prospectus.

Use of benchmarks

The Fund is actively managed and is not constrained by any benchmark. Benchmarks may be used from time to time as performance comparators and any such use will be disclosed in the Key Investor Information Document or Key Information Document (as applicable) for the Fund.

4. EFFICIENT PORTFOLIO MANAGEMENT – REPO TRANSACTIONS

The Fund may enter into repurchase and reverse repurchase agreements ("repo transactions") for the purposes of efficient portfolio management in accordance with the conditions set out in the Prospectus and the investment restrictions, conditions and limits laid down by the Central Bank.

5. SECURITIES FINANCING TRANSACTIONS

The Fund may engage in repo transactions or stocklending transactions (**Securities Financing Transactions**) in order to meet its investment objective to generate income for the benefit of the Fund, as described in the Prospectus. The assets that can be subject to Securities Financing Transactions are the assets described in the investment policy. It is anticipated that the expected proportion of assets under management (AUM) subject to Securities Financing Transactions will be less than 5% AUM and the maximum expected proportion of AUM subject to Securities Financing Transactions shall not exceed 100% AUM. Further details in respect of Securities Financing Transactions are set out in the Prospectus under the heading "**Utilisation of FDI – Securities Financing Transactions: Stocklending, Repurchase Agreements and Reverse Repurchase Agreements**". The re-use of collateral is not permitted by the Fund.

6. INVESTMENT RESTRICTIONS

The general investment restrictions set out under the heading **FUNDS - Investment Restrictions** in the Prospectus shall apply to the Fund.

7. SHARE CLASS CURRENCY HEDGING

The Base Currency of the Fund is Euro.

The classes of Shares available for subscription in the Fund are listed under the heading 'Key Information for Buying and Selling' in the Supplement.

The Manager intends to hedge the currency exposure of the hedged Share classes in the Fund, in order to attempt to mitigate the effect of fluctuations in the exchange rate between the Share class currency and the Base Currency.

This Section should be read in conjunction with the section entitled **Funds - Hedged and Unhedged Share Classes** in the Prospectus.

8. BORROWINGS

In accordance with the general provisions set out in the Prospectus under the heading **FUNDS - Borrowing and Lending Powers** the Fund may borrow up to 10% of its net assets on a temporary basis.

9. RISK FACTORS

Investment in the Fund carries with it a degree of risk. The general risk factors set out under the heading **RISK FACTORS** section of the Prospectus apply to the Fund. These investment risks are not purported to be exhaustive and potential investors should review the Prospectus and this Supplement carefully and consult with their professional advisers before making a subscription request for Shares. The investments of the Fund will be subject to market fluctuations, currency fluctuations, custody and settlement risks, registration risk and foreign exposure risk.

10. DIVIDEND POLICY

This section should be read in conjunction with the section entitled **Dividend Policy** in the Prospectus.

Income Shares

Dividends shall be declared out of:

(i) the accumulated revenue (consisting of all revenue accrued including interest and dividends) less any applicable expenses;

(ii) realised and unrealised capital gains on the disposal / valuation of investments and other funds less realised and unrealised accumulated capital losses of the relevant Fund; and/or

(iii) capital.

The Directors may at their discretion pay dividends out of the capital attributable to the Income Share classes when these Share classes are affected by differences in the interest rates of the reference currency of the currency hedged Share class and the Fund's Base Currency. Payment of dividends out of capital amounts to a return or withdrawal of part of a Shareholder's original investment or from any capital gains attributable to that original investment. Any distribution of dividends may result in an immediate reduction of the Net Asset Value per Share of the relevant Income Share classes. Dividends will be paid by telegraphic transfer within two months of the relevant declaration date.

For the Income Share classes that pay dividends on a quarterly basis the current intention of the Directors is to declare dividends on the last Business Days of July, October, January and April.

The Fund will operate grouping for equalisation with respect to Income Shares. Each will operate its own equalisation account. Shares purchased during a distribution period are called Group 2 Shares. Shares purchased during any previous distribution period are called Group 1 Shares. Group 2 Shares contain in their purchase price an amount called equalisation which represents a proportion of the net income of the Fund that has accrued up to the date of purchase. The amount of equalisation is averaged across all the Shareholders of Group 2 Shares and is refunded to them as part of their first distribution. It may be treated as a return of capital for tax purposes.

Each holder of Income Shares has the option to take dividends in cash or to reinvest in the relevant Fund by the allotment of additional Shares at Net Asset Value per Share provided that no Preliminary Charge will be payable on any Shares so allotted of the Fund. The Fund's default position unless specifically advised on the Application Form will be to reinvest dividends into the Shares of the Fund. Those Shareholders wishing to have their distribution of income automatically paid in cash should elect for such method when completing the Application Form. Payment will be made by telegraphic transfer to an account in the name of the Shareholder within 2 months of the declaration date. Distributions not claimed within six years from their due date will lapse and will revert to assets of the Fund.

Accumulation Shares

Accumulation Shares of any class may at the discretion of the Directors be issued on the basis that no dividends will be declared in respect of those Shares and that any income available for distribution will form part of the assets of the Fund and will be applied when calculating the subscription price and the repurchase price as part of the proportion of the Fund which is attributable to the holders of that class of Shares.

11. PROFILE OF A TYPICAL INVESTOR

The Fund is designed for retail and institutional investors seeking pooled exposure to the investment grade Asset-backed security market and who are comfortable with a medium level of investment risk. It is expected that the Fund will be held by investors as part of a diversified portfolio which may include other assets such as bonds, equities, property and cash. Share prices will fluctuate and may fall significantly in value. It is important to understand that the fund should be viewed as a medium to long term investment. The Fund may not be appropriate for investors who plan to invest in the short term.

12. KEY INFORMATION FOR BUYING AND SELLING

Base Currency

The Base Currency of the Fund is Euro.

Share Class Information

Shares of the Fund are currently available for subscription in the following denominations:

Share Class	Currency	Dividend Policy	Hedging
Class A, Class B, Class I, Class K, Class P, Class R, Class T, Class Z	Euro, US Dollar, Sterling, Swiss Franc, Australian Dollar	Accumulation, Income	Hedged*, Unhedged

**Share classes denominated in Euro are not available as currency hedged Share classes.*

<u>Minimum Investment Levels</u>

Share Class	Minimum Investment Limit	Minimum Additional Investment Amount	Minimum Residual Holding
Class I	EUR 1,000,000 (or equivalent in US Dollars, where applicable)	N/A	EUR 1,000,000 (or equivalent in US Dollars, where applicable)
Class K, Class R	EUR 20,000,000 (or equivalent in US Dollars, where applicable)	N/A	EUR 20,000,000 (or equivalent in US Dollars, where applicable)
Class T	EUR 5,000,000 (or equivalent in US Dollars, where applicable)	N/A	EUR 50,000,000 (or equivalent in US Dollars, where applicable)

The Directors (or the Manager or its delegates on their behalf) may waive such minimum investment levels in their absolute discretion.

<u>Class A Shares</u>

Class A Shares are available for all type of investors. The Share class is available in certain countries, subject to the relevant regulatory approval, through specific Distributors, selected by the Manager.

Class B Shares

Class B Shares are available for all type of investors. The Share class is available through specific Distributors in the framework of the services they provide, where the acceptance of retrocession fees is not allowed according to regulatory requirements or based on contractual arrangements with their clients. Class B Shares are Share classes on which the ICAV will not pay distribution fees.

Class I Shares

Class I Shares are available for institutional investors. For this Share class a minimal initial investment amount applies to ensure that the investors are institutional. The possession, redemption and transfer of institutional classes of Shares is limited to institutional investors, as described in the Prospectus. As at the date of this Supplement, the following investors are classified as institutional investors: pension funds, insurance companies, credit institutions, collective investment undertakings and other professional institutions of the financial sector. Credit institutions and other professionals of the financial sector investing in their own name but on behalf of another party on the basis of a discretionary management relationship are also considered as institutional investors, even if the third party on behalf of which the investment is undertaken is not itself an institutional investor. If it appears that institutional classes of Shares are being held by retail investors, the ICAV will redeem theses Shares.

Class K and Class R Shares

Class K and Class R Shares are only available for institutional investors who have entered into a suitable agreement with the Manager. The ultimate decision whether an institutional investor qualifies for Class K or Class R Shares is at the discretion of the Directors of the ICAV. For these Share classes a minimal initial investment amount applies to ensure that the investors are institutional.

Class P

Class P shares are only available for institutional investors who have entered into a suitable agreement with the Manager. The ultimate decision whether an institutional investor qualifies for Class P Shares is at the discretion of the Directors of the ICAV. For these Share classes no minimum initial investment amount applies.

Class T Shares

Class T Shares are available for institutional investors. For this Share class, investors shall be permitted to have holdings below the minimal residual holding amount for a period of 12 months from the date of initial investment. If the Net Asset Value of an investor's Shares remains below such minimum residual holding amount after 12 months, then the Directors (or the Manager) may at their discretion exchange such investor's Shares for Shares of another class in the Fund of the same currency, dividend policy and hedging as the relevant Class T Shares and with the lowest expense ratio of which the relevant investor is eligible based on their residual holdings at the time.

Class Z Shares

Class Z Shares are only available for collective investment schemes, investment structures which are (co-)managed and/or (sub)advised by members of the Aegon group or Institutional investors that are part of the Aegon group. The ultimate decision whether an institutional investor qualifies for the Class Z Shares is at the discretion of the Directors of the ICAV.

Initial Offer Period

The Initial Offer Period for each unlaunched Share class will commence at 09:00 (Irish time) on 16 January 2024 and they will continue to be available for subscription at the Initial Issue Price, as set out below, until 17:00 (Irish time) on 15 July 2024. The Initial Offer Period of each Share class may be extended or shortened as the Directors may determine and any change will be notified to the Central Bank. After the Initial Offer Period of each Share class, Shares in each class will be available for subscription at the Net Asset Value per Share.

Initial Issue Price

The Initial Issue Price per Share is:

Euro Classes	EUR 10
USD Classes	USD 10
Sterling Classes	GBP 10
Swiss Franc Classes	CHF 10
Australian Dollar Classes	AUD 10

Minimum Fund Size

Means EUR50 million (or such other amount as the Directors may determine).

Business Day

Any day (except Saturday or Sunday) on which the banks or the stock exchange in both Ireland and the Netherlands are open generally for business, or such other day as the Directors may, in consultation with the Manager and with the consent of the Depositary, determine and notify to Shareholders in advance.

Dealing Day

The Fund shall be open to dealing on every Business Day.

Dealing Deadline

In respect of a Dealing Day, the Dealing Deadline for Subscriptions or Redemptions is defined as 13:00 GMT on the relevant Dealing Day or such other day or time as the Directors may determine in exceptional circumstances provided it is prior to the relevant Valuation Point.

Settlement Date

Subscription monies must be received by and generally payment for Shares redeemed will be effected by the Second (2) Business Day falling after the Dealing Day on which the redemption request is received. However, the ICAV may, at its absolute discretion, refuse to satisfy a redemption request or make any other payment to a Shareholder or at the direction of a Shareholder if such payment would result in a breach of the guidelines in operation from time to time in relation to the detection and prevention of money laundering. Redemption proceeds will be paid in the currency of the relevant Share class.

Preliminary Charge

The ICAV may levy an initial charge of up to 5% of the Net Asset Value per Share in connection with the subscription of Class A Shares. This fee will be retained for the benefit of the Global Distributor. The Global Distributor may, at its sole discretion and in accordance with applicable laws and regulations, (i) share any or all of the fee with the Sub-Distributors, (ii) pay commission to financial intermediaries including but not limited to sub-distributors, intermediaries, advisers and introducing agents who refer and/or advise prospective investors out of the initial charge and/or (iii) waive the initial charge for certain prospective investors based on factors deemed appropriate by the Global Distributor. There is no preliminary charge payable on any Class other than the Class A Shares.

Exchange Charge

The Directors reserve the right at their sole discretion, to impose an exchange fee of up to 1.5% of the total repurchase price of the Shares in respect of an exchange of Shares held in one class for Shares in another class but such fee is charged only if exchanges are in excess of 5 in a calendar year.

Repurchase Charge

A repurchase charge of up to 3% of the repurchase price may be charged at the discretion of the Manager. The Manager may waive the repurchase charge in whole or in part.

Anti-Dilution Adjustment

To preserve the value of the underlying assets and to cover dealing costs, when there are net subscriptions or redemptions, an Anti-Dilution Adjustment may be applied by the Manager at its discretion to the Issue Price or the Redemption Price as appropriate. Any such adjustment shall be retained for the benefit of the Fund.

Valuation Point

Shall mean 23:00 (GMT) on each Dealing Day.

13. FEES AND EXPENSES

This section should be read in conjunction with the section entitled Fees and Expenses in the Prospectus.

Management Fees

The fee payable to the Manager will be no more than 1.5% per annum of the Net Asset Value of the Fund (plus VAT, if any).

Such fee shall be accrued daily and payable monthly in arrears. The Manager shall also be entitled to be reimbursed out of the assets of the Fund for reasonable out-of pocket expenses incurred by the Manager in the performance of its duties.

The Manager (or its delegate) may agree at its discretion to rebate a portion of the management fee with respect to certain Shareholders' investment in the Fund. Any such rebate or reduction will not entitle other Shareholders to a similar rebate.

Distribution Fee

In addition to the preliminary charge that may be paid to the Global Distributor as referred to above, the fee payable to the Global Distributor for its services in the distribution of Shares of the Fund shall not exceed 1% per annum of the Net Asset Value attributable to the Class A Shares. The Global Distributor shall be responsible for the discharge of any fees due to the Sub-Distributors and may, at its sole discretion and in accordance with applicable laws and regulations, (i) pay commission to financial intermediaries including but not limited to sub-distributors, intermediaries and advisers who refer and/or advise prospective investors out of the Global Distributor's fee as set out above. Where taken, this fee shall be accrued daily and payable monthly in arrears.

Service Fee

The Fund will also incur an annual service fee of the Net Asset Value of the Fund which reflects all remaining expenses as follows:

Unless otherwise specified in the Prospectus, such fees shall be accrued daily and shall be payable monthly in arrears.

(a) Administration Fee

The fee payable to the Administrator shall not exceed 0.2% per annum (plus VAT, if any) of the net asset value of the Fund. In addition, the fee payable to the Administrator for its role as registrar and transfer agent to the Fund will not exceed 0.1% per annum (plus VAT, if any) of the net asset value of the Fund.

The Administrator shall also be entitled to be reimbursed their reasonable out-of-pocket expenses, payable out of the assets of the Fund (plus VAT, if any).

(b) Depositary Fee

The fee payable to the Depositary will not exceed 0.1% per annum (plus VAT, if any) of the net asset value of the Fund.

The Depositary will also be entitled to any out-of-pocket expenses incurred (including any transaction charges or Delegate or Sub-Delegate fees at normal commercial rates).

(c) Other fees and expenses

The Fund will also incur other fees and expenses (please see the section **Fees and Expenses** in the Prospectus for further details).

Please note the provisions in the Prospectus (in the section entitled **Fees and Expenses**) regarding the charging of initial expenses to the Fund.

APPENDIX I

Template pre-contractual 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

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 lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Product name: Aegon European ABS Fund
Legal entity identifier: 635400OBDQM6AUQ8HT28

Environmental and/or social characteristics

Does this financial product have a sustainable investment objective?

☐ **Yes**	☒ **No**
☐ It will make a minimum of **sustainable investments 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	☐ It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of ___% of sustainable investments ☐ with an environmental objective in economic activities that 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 will make a minimum of **sustainable investments with a social objective:** ___%	☒ It promotes E/S characteristics, but **will not make any sustainable investments**

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

The Fund seeks to invests in asset backed securities ("ABS") whose collateral pools, originators, or countries of collateral are positively impacted by effective ESG practices. The environmental and social characteristics promoted by the Fund consist of investing in ABS that meet the ESG criteria of the Manager in order to come within the three lowest ESG risk categories identified by the Manager, as described below. The Fund's promotion of these characteristics is founded on maximizing the exposure to asset pools that have favourable environmental, social, or governance characteristics, for example, asset pools with percentage of electric, hybrid and older vehicles.

No reference benchmark has been designated for the purpose of attaining the environmental or social characteristics promoted by the Fund.

What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

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

What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?

N/A

How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?

N/A

How have the indicators for adverse impacts on sustainability factors been taken into account?

N/A

How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:

N/A

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 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 EU 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.

Does this financial product consider principal adverse impacts on sustainability factors?

No, the Fund does not consider principal adverse impacts (PAIs) since PAI indicator data may be unavailable for this asset class

What investment strategy does this financial product follow?

The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

The Fund will invest predominantly in European asset backed securities. The Manager will actively select countries and markets in which to invest based on its view of macroeconomic environment and how this might affect issuers, collateral types and ratings within those markets. Individual bonds within those countries and markets predominantly within Europe are then selected based on analysis of their fundamentals, valuation, technical and sentiment.

The strategy is implemented in the investment process by assessing the ESG category of potential investments using a proprietary methodology to assign an ESG category to the investment. An ESG category is assigned to the ABS collateral, the ABS originator and the country of collateral. The Manager actively engages with ABS issuers and collateral managers in order to obtain any necessary disclosure to inform the ESG category assessment, and to seek to influence them to improve their ESG scores by for example encouraging them to refine their ESG policies. The ESG categories used for the analysis are chosen based on the relevance of each ESG category to a particular sector. For example, Auto ABS environmental scores may include the percentage of electric cars in the collateral asset pool. These categories are then weighted to categorize each issue into one of five ESG risk categories, with 1 representing lowest ESG risk and 5 representing the highest. The Manager may only invest in securities categorized in the lower ESG risk categories of 1, 2 and 3. The Manager is not allowed to invest in ABS securities that face high ESG risk that could affect the issuers fundamentals and credit quality ie, with ESG risk categories of 4 or 5. In case the combined total score of the investment (collateral, country and originator) is downgraded to 4 or 5, the Manager expects to sell the position. The ESG category assessment is reviewed on a quarterly basis.

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

- ***What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?***

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

What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?

N/A

Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.

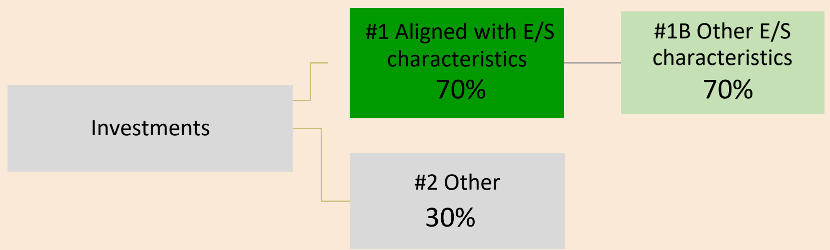
What is the policy to assess good governance practices of the investee companies?

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

What is the asset allocation planned for this financial product?

Asset allocation describes the share of investments in specific assets.

The Investment Manager will invest a minimum 70% of the portfolio in securities that promote the environmental and/or social characteristics in the manner as described above. A minor portion of the portfolio, 30%, may be invested in other assets that are not aligned with environmental and/or social characteristics, for example, collective investment schemes, derivatives, and cash.



#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 **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

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.

***How does the use of derivatives attain the environmental or social characteristics promoted by the financial product*?**

The Fund does not use derivatives to attain its promoted ESG characteristics.

To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

The investment strategy, as set out in the section above "What investment strategy does this financial product follow?", describes how the Fund promotes ESG characteristics through, amongst other things, consideration of a wide range of environmental characteristics, including the Climate Objectives.

In order for an investment to qualify as environmentally sustainable as at the date hereof, it must meet a number of different criteria, including that it contributes substantially to a Climate Objective, as measured according to the technical screening criteria set out in the Taxonomy Regulation, and that it must not significantly harm any of the environmental objectives set out in the Taxonomy Regulation.

The Fund seeks to promote environmental characteristics, however does not make any assessment of whether its investments are Taxonomy-aligned; as such, the Fund will invest 0% of its Net Asset Value in Taxonomy-aligned investments.

The "do no significant harm" principle referred to above applies only to those investments underlying the Fund that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of the Fund do not take into account the EU criteria for environmentally sustainable economic activities.

Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy[1]?

☐ Yes

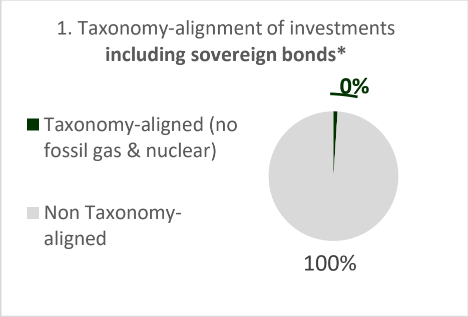
☐ In fossil gas ☐ In nuclear energy

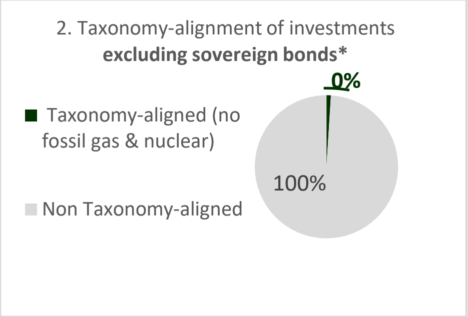
☒ No

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.

The two graphs below show in green the minimum percentage of investments that are 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*

What is the minimum share of investments in transitional and enabling activities?

N/A

[1] 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

are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.

What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

N/A

What is the minimum share of socially sustainable investments?

N/A

What investments are included under "#2 Other", what is their purpose and are there any minimum environmental or social safeguards?

The Fund may hold other assets for the purpose of efficient portfolio management or asset allocation, such as, collective investment schemes, derivatives, and cash. These other investments are not subject to the Fund's environmental or social criteria.

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

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

How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?

N/A

How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?

N/A

How does the designated index differ from a relevant broad market index?

N/A

Where can the methodology used for the calculation of the designated index be found?

N/A

Where can I find more product specific information online?

More product-specific information can be found on the website: www.aegonam.com