

## AEGON EQUITY RETURN FUND

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

### (a) Summary

This product promotes environmental and social characteristics by actively excluding certain investments that have a significant adverse impact on sustainability factors on an ongoing basis. In the due diligence, the product considers principal adverse impacts to the extent such data is available, and applies measures to screen out investee companies that do not follow good governance principles. The majority of the investments in the product are aligned with the environmental and social characteristics. The manager uses a wide variety of internal and external data from several sources as inputs for its decisions.

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

### (b) No sustainable investment objective

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

#### When funds aims to make one or more sustainable investments:

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

Not applicable

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

Not applicable

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

Not applicable

### (c) Environmental or social characteristics of the financial product

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

This Fund actively avoids investing in companies and countries identified as having significant adverse impact on sustainability factors including, but not limited to, climate change, biodiversity, human rights, and good health. The Fund does this by adhering to the exclusions list in the Aegon AM NL Sustainability Risks and Impacts policy. No reference benchmark has been designated for the purpose of attaining the environmental or social characteristics promoted by the financial product.

### (d) Investment strategy

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

The Fund will invest predominantly in world equity securities as described in the Fund's investment policy.

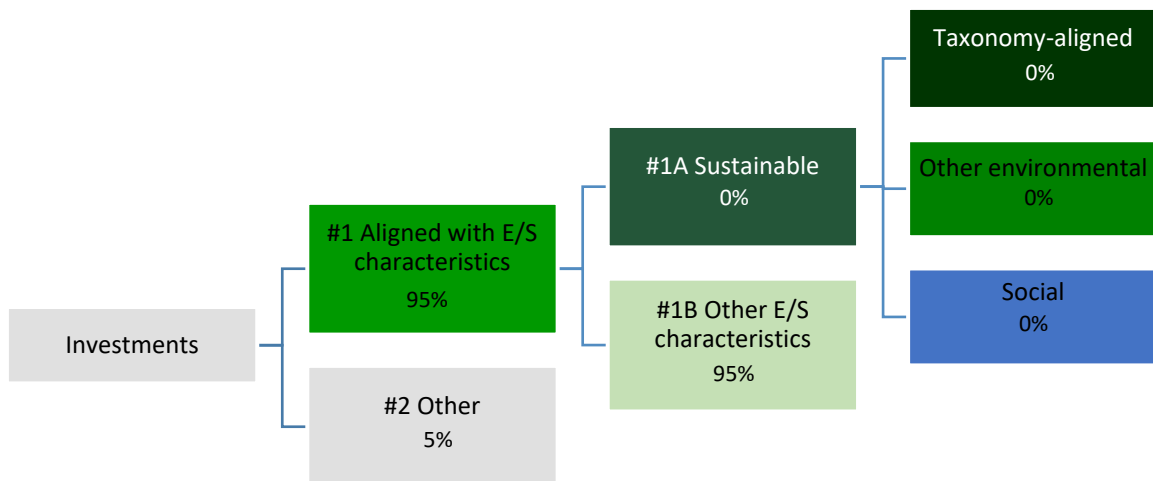
The Aegon AM NL Sustainability Risks and Impacts Policy contains specific ESG criteria used to define an exclusion list applicable to this Fund. These exclusionary ESG criteria are the binding elements used to attain the Fund’s promoted ESG characteristics. The Manager is not allowed to invest in securities issued by issuers on the exclusion list.

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

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

The Investment Manager is required to assess the good governance practices of issuers. It is expected that companies conduct their operations in accordance with the OECD Guidelines for Multinational Enterprises, the UN Guiding Principles (UNGP) on Business and Human Rights, and the UN Global Compact principles. To identify potential breaches of these norms, the corporate holdings of the portfolio are periodically screened using external specialized research, such as controversies, that indicate actual or potential breaches of international norms and standards. Please refer to the Aegon AM NL Sustainability Risks and Impacts Policy for further details of this process.

**(e) Proportion of the investments**



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

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

**(f) Monitoring of environmental or social characteristics**

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

The Manager conducts annual screening of the broadest investment universe and utilizes third-party ESG data to determine which issuers breach the policy's exclusion criteria on an annual basis. These issuers are added to the exclusion list. The exclusion list is

integrated in Portfolio Risk Control processes, with ex-ante controls and daily ex-post monitoring to ensure the Fund adheres to the list.

### (g) Methodologies

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

The strategy excludes a number of securities issued by entities identified according to a set of ESG exclusion criteria listed in the Aegon AM NL Sustainability Risks and Impacts Policy using the broadest available coverage universe from our specialist ESG data vendors. These issuers are listed in the Exclusion List attached to the same policy and is updated annually. Therefore, the key sustainability indicators to measure the attainment of the ESG characteristics this strategy promotes is the share of investments in companies and government-issued debt from countries identified to be engaging in the excluded activities. A full list of these excluded activities and sustainability indicators can be found in the Aegon AM NL Sustainability Risks and Impacts Policy.

### (h) Data source and processing

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

External ESG data providers, Sustainalytics and MSCI, have been selected as data sources to produce exclusion lists for the attainment of each of the environmental or social characteristics promoted by the financial product where that product is exclusion-based.

**What measures are taken to ensure data quality?**

Data quality is monitored and ensured by the external provider chosen to deliver the data. Data quality is assessed and maintained across several dimensions as defined by each provider. These assurance processes are proprietary to the vendor and Aegon Asset Management has reviewed their reports concerning data quality and assurance. The external providers provide assurance that all commercially reasonable steps are undertaken to guarantee adherence to a quality framework. Upon the identification of data issues, data inaccuracies or technical/application defects, the error is to be investigated and resolved as per the vendor's incident management framework.

**How is data processed?**

Aegon AM currently receives external ESG data via two delivery channels: via third party applications (Blackrock Aladdin, Bloomberg), as well as via the external vendors' own data portal. Access rights to third party systems are restricted in accordance with the relevant contractual agreements. Data downloaded directly from the vendor's own data portal is stored in internal locations with restricted access rights. Data in Aladdin is processed by applying an issuer transversal logic. It operates by taking each security in position and resolving it to the issuer it uses for ESG data inheritance per the defined asset resolution rollup. Once that issuer is defined, a check is performed by the system to confirm if that issuer has coverage for the measure requested. For exclusion-based strategies, exclusionary criteria assessments are performed based on Sustainalytics and MSCI data retrieved directly from the vendors' systems. We process this data by applying our own exclusion criteria to the raw data, in line with the applicable Sustainability Risks and Impacts Policy.

**What proportion of the data is estimated?**

The proportion of estimated versus reported data will vary per each underlying data point needed for the calculation for that ESG metric. For certain metrics, external ESG data providers make available further information on the underlying data, indicating the source of the data: estimation based on a proprietary model or issuer disclosures. Additionally, data obtained from public sources may also be estimated to some extent.

### (i) Limitations to methodologies and data

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

Where data is reported by issuers such as companies, data limitations are tied to availability of reported data by such issuers as well as the coverage of issuers by external ESG data providers. Where data is estimated, limitations are tied to the accuracy of the proprietary estimation methodologies of external ESG data providers.

**(j) Due diligence**

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

Aegon AM always maintains at least two ESG data providers and utilises multiple data metrics from their data sets for funds promoting ESG characteristics. This allows Aegon AM to compare different sources to allow sufficient certainty that the promoted ESG characteristics can be reasonably attained. The data used will be specific to each fund.

**(k) Engagement policies**

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

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

**(l) Designated reference benchmark**

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

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

**When fund has a designated reference benchmark**

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

Not applicable.

**What input data is used for the reference benchmark?**

Not applicable.

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

Not applicable.

**Which rebalancing methodologies are used for the reference benchmark?**

Not applicable.

**How is the reference benchmark calculated?**

Not applicable.

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

Not applicable.

(m) Summary Translations



Samenvatting

Dit product promoot ecologische en sociale kenmerken door op continue basis bepaalde beleggingen die een belangrijk ongunstig effect hebben op duurzaamheidsfactoren actief uit te sluiten. In het kader van due diligence houdt het product rekening met de belangrijkste ongunstige effecten voor zover dergelijke gegevens beschikbaar zijn, en past maatregelen toe om ondernemingen waarin is belegd die geen praktijken op het gebied van goed bestuur hanteren, te screenen. Het grootste deel van de beleggingen in het product is afgestemd op de ecologische en sociale kenmerken. De beheerder gebruikt een grote verscheidenheid aan interne en externe gegevens uit verschillende bronnen als input voor zijn beslissingen.