

AEGON EUROPEAN ABS 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 aiming to invest in issuers presenting lower sustainability risk according to Aegon AM's proprietary methodology. 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?

The Fund seeks to invest 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.

(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 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.

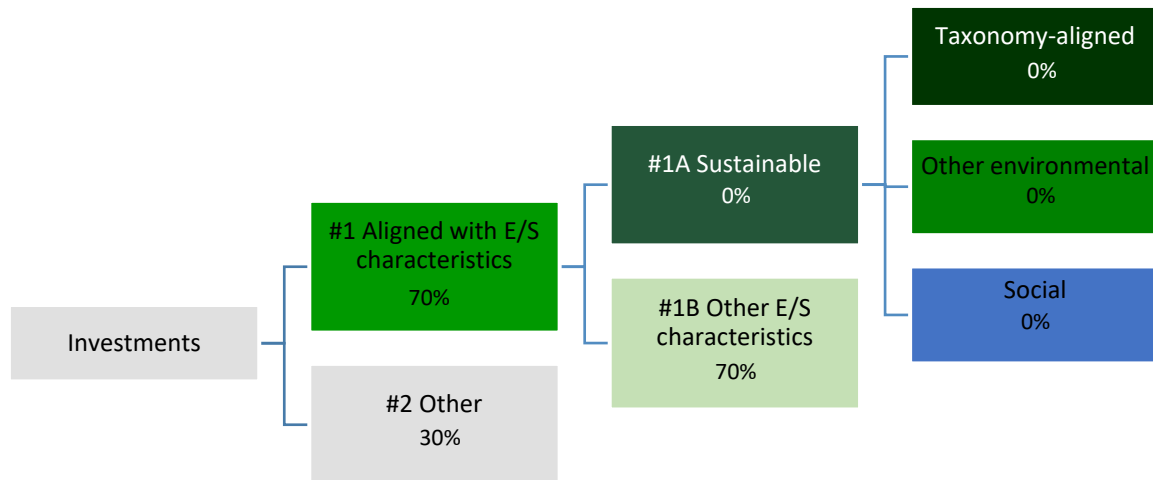
The Manager uses the proprietary ESG category methodology in the investment process, as described above. The Manager may only invest in securities categorized in the lower ESG risk categories of 1, 2 and 3. The Manager is not allowed to invest in ABS securities that face high ESG risk that could affect 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.

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 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.

(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 continuously monitor 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).

(g) Methodologies

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

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.

(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?

Due to the lack of ESG data relevant to these asset classes from specialist data providers, Aegon Asset Management teams work to obtain ESG information directly from the originators for use in our proprietary analysis processes. Portfolio managers engage with the issuers/originators to obtain data.

What measures are taken to ensure data quality?

Given the lack of accounting standards and, in turn, standardised data from data providers and issuers of this type of debt/transaction, a systematic assessment of data quality is challenging and occurs on a case by case basis by the portfolio managers in the context of the overall investment due diligence.

How is data processed?

Data is processed by the portfolio managers during their proprietary analysis processes. Data obtained from issuers is stored in internal locations with restricted access rights.

What proportion of the data is estimated?

Data obtained from public sources and data from originators may be estimated to some extent, however no systematic measures are available to establish whether such data has been estimated and how accurately.

(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?

Limitations are tied to the data obtained directly from originators, its availability and accuracy.

(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 follows an internal proprietary research process using the data obtained from originators on a case by case basis. ESG data obtained from originators is used as a basis and complement to a holistic analysis of the overall investment which also considers other types of data from other sources.

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

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**Oversigt**

Dette produkt fremmer miljømæssige og sociale karakteristika ved at søge at investere i udstedere, der kan præsentere lave bæredygtighedsrisici i henhold til Aegon AM's proprietære metode. I forbindelse med due diligence tager produktet hensyn til væsentlige negative virkninger i det omfang, der findes tilgængelige data, og tager foranstaltninger for at frasortere investeringsmodtagende virksomheder, der ikke lever op til principperne om god forvaltningspraksis. Størstedelen af investeringerne i produktet er i overensstemmelse med de miljømæssige og sociale karakteristika. Forvalterens beslutninger er baseret på en lang række interne og eksterne data fra flere forskellige kilder.

**Zusammenfassung**

Dieses Produkt bewirbt ökologische und soziale Merkmale, indem es gemäß der proprietären Methode von Aegon AM in Emittenten investiert, die ein geringeres Nachhaltigkeitsrisiko aufweisen. Im Rahmen der Due Diligence-Prüfung berücksichtigt das Produkt die wesentlichen negativen Auswirkungen, soweit diese Daten verfügbar sind, und wendet Maßnahmen an, um Unternehmen, in die investiert wird und die die Grundsätze einer guten Unternehmensführung nicht befolgen, herauszufiltern. Der Großteil der Investitionen in das Produkt sind an den ökologischen und sozialen Merkmalen ausgerichtet. Der Verwalter verwendet eine Vielzahl an internen und externen Daten aus verschiedenen Quellen als Grundlage für seine Entscheidungen.

**Resumen**

Este producto promueve características medioambientales y sociales mediante el objetivo de invertir en emisores que presentan un menor riesgo de sostenibilidad según la metodología propia de Aegon AM. En el proceso de diligencia debida, el producto tiene en cuenta las principales incidencias adversas siempre que se disponga de esos datos, y aplica medidas para excluir a aquellas empresas participadas que no siguen los principios de buena gobernanza. La mayoría de las inversiones del producto se ajustan a las características medioambientales y sociales. El gestor utiliza una amplia variedad de datos internos y externos de diversas fuentes a la hora de tomar decisiones.

**Yhteenveto**

Tämä tuote edistää ympäristöön ja yhteiskuntaan liittyviä ominaisuuksia pyrkimällä sijoittamaan liikkeeseenlaskijoihin, joilla on Aegon AM:n arviointimenetelmän mukaan matalampi kestävyysriski. Huolellisessa tarkastuksessa tuote ottaa huomioon pääasialliset haitalliset vaikutukset siinä määrin kuin kyseiset tiedot ovat saatavilla ja käyttää toimenpiteitä, joilla se seuloa pois sijoituskohteina olevia yrityksiä, jotka eivät noudata hyvää hallintotapaa. Pääosa tuotteen sijoituksista vastaa ympäristöön ja yhteiskuntaan liittyviä ominaisuuksia. Rahaston hoitaja käyttää päätöksiä tehdessään laajasti eri lähteistä saatavia erilaisia sisäisiä ja ulkoisia tietoja.

**Résumé**

Ce produit promeut des caractéristiques environnementales et sociales en cherchant à investir dans des émetteurs présentant un risque faible en matière de durabilité selon la méthodologie exclusive d'Aegon AM. Dans le cadre du devoir de diligence, le produit prend en compte les principales incidences négatives dans la mesure où ces données sont disponibles et des mesures sont prises pour exclure les sociétés en portefeuille qui ne suivent pas les bons principes de gouvernance. La majorité des investissements dans le produit sont alignés sur des caractéristiques environnementales et sociales. Le gestionnaire utilise une grande variété de données internes et externes provenant de plusieurs sources pour prendre ses décisions.

**Sažetak**

Ovaj proizvod promiče ekološka i društvena obilježja tako što cilja na ulaganja u izdavatelje koji predstavljaju manji rizik održivosti prema vlasničkoj metodologiji tvrtke Aegon AM. U dubinskoj analizi proizvod razmatra glavne negativne učinke u mjeri u kojoj su

takvi podaci dostupni i primjenjuje mjere za probir društva subjekta ulaganja koja ne slijede dobre upravljačke prakse. Većina ulaganja u proizvod u skladu su s ekološkim i društvenim obilježjima. Upravitelj upotrebljava širok raspon internih i eksternih podataka iz nekoliko izvora kao ulazne čimbenike za svoje odluke.



Sintesi

Questo prodotto promuove le caratteristiche ambientali e sociali mirando a investire in emittenti che presentano un rischio di sostenibilità inferiore secondo la metodologia proprietaria di Aegon AM. Nella due diligence, il prodotto considera i principali impatti negativi nella misura in cui tali dati siano disponibili e applica misure per escludere le imprese beneficiarie degli investimenti che non seguono i principi di buona governance. La maggior parte degli investimenti nel prodotto sono in linea con le caratteristiche ambientali e sociali. Il gestore utilizza un'ampia varietà di dati interni ed esterni provenienti da diverse fonti come input per le sue decisioni.



Samenvatting

Dit product promoot de ecologische en sociale kenmerken door te beleggen in emittenten die een lager duurzaamheidsrisico hebben volgens de eigen methodologie van Aegon AM. 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.



Sammendrag

Dette produktet fremmer miljømessige og sosiale egenskaper ved å investere i utstedere som kan vise til lavere bærekraftsrisiko i henhold til Aegon AMs egen metodologi. I selskapsgjennomgangen vurderer produktet sentrale negative innvirkninger, i den grad slike data er tilgjengelige, og iverksetter tiltak for å luke ut bedrifter som ikke følger gode styringsprinsipper. De fleste investeringene i produktet er i tråd med miljømessige og sosiale egenskaper. Forvalteren bruker et bredt utvalg av interne og eksterne data fra flere kilder som grunnlag for sine beslutninger.



Resumo

Este produto promove características ambientais e sociais ao procurar investir em emittentes que apresentem um risco de sustentabilidade mais baixo, de acordo com a metodologia exclusiva da Aegon AM. Na devida diligência, o produto considera os principais impactos adversos, na medida em que esses dados estejam disponíveis, e aplica medidas para excluir empresas beneficiárias do investimento que não sigam os princípios de boa governança. A maioria dos investimentos no produto está alinhada com as características ambientais e sociais. O gestor utiliza uma grande variedade de dados internos e externos provenientes de várias fontes como a base para as suas decisões.



Sammanfattning

Denna produkt främjar miljörelaterade och sociala attribut genom att satsa på att investera i emittenter som uppvisar lägre hållbarhetsrisker enligt Aegon AM:s egenutvecklade metod. I företagsbesiktningen beaktar produkten huvudsakliga negativa konsekvenser i den utsträckning sådana uppgifter finns tillgängliga, och produkten tillämpar åtgärder för att utesluta investeringsobjekt som inte följer god förvaltningssed. Merparten av investeringarna i produkten är anpassade till de miljörelaterade och sociala egenskaperna. Investeringsförvaltaren använder en mängd olika interna och externa data från flera källor som beslutsunderlag.