

## AEGON GLOBAL SHORT DATED CLIMATE TRANSITION 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 and by selecting issues better prepared for the climate transition 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 decision.

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 promotes environmental and/or social characteristics in various manners. First, the Fund actively avoids investing in companies that engage in activities related to the production, maintenance, or use of controversial weapons. Only after enhanced due diligence the Fund may be allowed to invest in companies whose activities as regards climate change, tobacco, or human rights, potentially create an adverse impact on sustainability factors. Second, the Fund will follow an ESG best in class approach and will invest at least 90% of the portfolio in companies with better or improving ESG profiles which are companies with an ESG risk category 1, 2 or 3. Lastly, the Fund actively seeks to invests in companies that have robust and credible plans to transition towards a low-carbon economy and are therefore better aligned with the net-zero goals of investors. 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 invests predominantly in global investment grade (lower risk) bonds. The fund may also hold selected high yield (higher risk) bonds, contingent convertible (higher risk) bonds and cash. Bonds will be issued by companies and governments worldwide. A minimum of 80% of the Fund's net assets will be invested in investment grade bonds that have a residual maturity that does not exceed four years.

The Investment Manager will adhere to the following sustainability criteria which combines screening investments based on ESG risks performance and climate related transition fundamental analysis.

The Investment Manager will, through assessing the ESG evaluation undertaken by its credit research team, identify issuers using a proprietary ESG framework based on 1-5 categories. The Fund will invest at least 80% of its assets in those securities with ESG categories 1, 2, or 3, with up to 20% in securities identified as ESG category 4 or unrated. The Fund will not invest in securities with ESG category 5.

In addition, Issuers will then be assigned a climate category namely: 1- Leader; 2- Prepared; 3-Transitioning; 4- Unprepared and 5- Laggard. The focus will be to support the energy transition by limiting exposure to companies which are categorised as 3- Transitioning (ie, issuers that are classified as Transitioning to achieving net zero emissions), 4-Unprepared (ie, issuers that are classified as Unprepared but who are committed to aligning to achieving net zero emissions) or 5- Laggard (ie, issuers that are classified as Laggards in terms of achieving net zero emissions). More details are available in the Fund supplement.

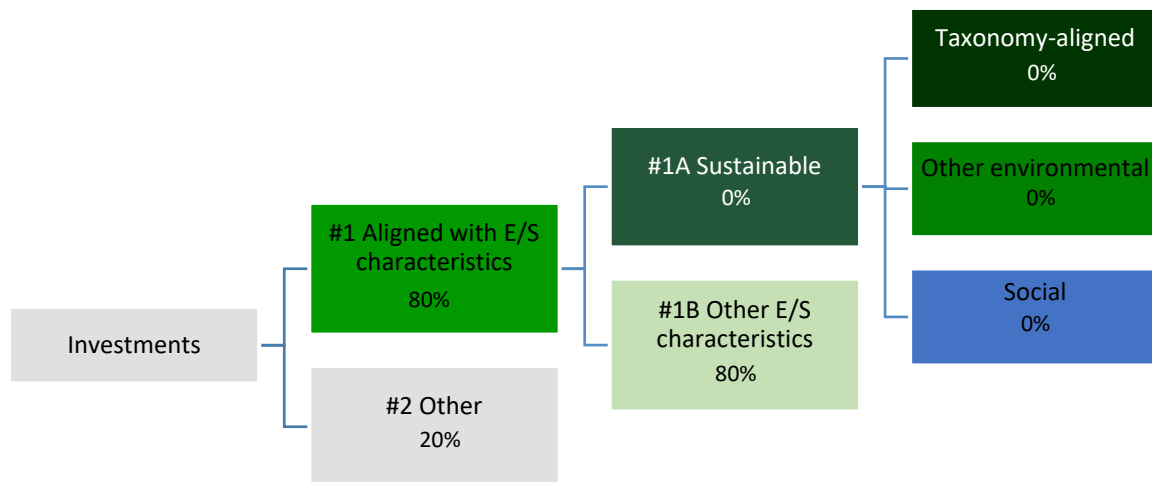
The Investment Policy section on this fund supplement contains specific details on the investment strategy as relating to ESG matters. First, the Investment Manager is required to follow the exclusions list. Second, the Investment Manager is required to follow the ESG best in class process, where 90% of the portfolio should be invested in securities with ESG risk category 1, 2 and 3. The Fund may hold up to 10% of the portfolio in securities with ESG risk category 4, and the Fund is not allowed to buy or hold securities with ESG risk category 5. Lastly, the Investment Manager should limit the exposure to securities categorized as 'transitioning', 'unprepared' or 'laggard'. This means that the investment policy is the binding element used to attain the Fund's promoted environmental and/or social 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 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 UK 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 Investment Manager conducts annual screening of the broadest investment universe and utilizes third-party ESG data to determine which issuers breach the the policy’s exclusion criteria on an annual basis. These issuers are added to the exclusion list. The exclusions are integrated in Portfolio Risk Control processes, with ex-ante controls and daily ex-post monitoring to ensure the Fund adheres to the list. In addition, the strategy is implemented in the investment process by assessing the ESG risk category and climate transition readiness category of the investment using the methodology described. In case a security no longer meets the Investment Manager’s sustainability criteria, the Investment Manager will re-position the portfolio to comply with the above limits. The ESG categories and climate transition categories are integrated in Portfolio Risk Control processes with ex-post monitoring.

### (g) Methodologies

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

Several sustainability indicators are used to measure the attainment of the promoted E/S characteristics. First, the non-exhaustive list of criteria is used to identify the engagement in activities related to the production, maintenance, or use of controversial weapons. The criteria includes thresholds that determines if an issuer is excluded from the portfolio. For more details on the indicators and thresholds used, please refer to the Aegon AM UK Sustainability Risks and Impacts policy. Second, the Investment Manager uses a proprietary methodology to assign an ESG risk category to each security, which are used as sustainability indicators. The proprietary methodology seeks to identify and assess ESG factors that are relevant to the issuers and the industries in which they operate in. Those ESG factors are incorporated and integrated in the credit assessment and portfolio construction process. Based on this analysis, securities are assigned an ESG risk category, with 1 representing the lowest risk ESG category, and 5 representing the highest. Lastly, holdings are categorized into one of five categories based on their climate related transition readiness and net zero alignment. Issuers will then be assigned a climate category namely: 1- Leader; 2- Prepared; 3- Transitioning;

4- Unprepared and 5- Laggard. The Fund's focus will be to support the energy transition by limiting exposure to companies which are categorized as 3- Transitioning (i.e. demonstrate awareness of climate transition), 4- Unprepared (i.e. issuers currently misaligned with required transition or 5- Laggard (i.e., issuers that are most behind in transitioning to low carbon future). For more details on the indicators and thresholds used, please refer to the Fund investment 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



Oversigt

Dette produkt fremmer miljømæssige og sociale karakteristika ved aktivt at udelukke visse investeringer, der har en kontinuerlig, betydelig negativ indvirkning på faktorer, der forbindes med bæredygtighed, og ved at udvælge de udstedere, der er bedst forberedt på klimaomstillingen, 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 bestimmte Anlagen, die erhebliche negative Auswirkungen auf Nachhaltigkeitsfaktoren haben, aktiv und kontinuierlich ausschließt und Emittenten auswählt, die gemäß der proprietären Methodik von Aegon AM besser auf den Klimawandel vorbereitet sind. 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 Entscheidung.



Resumen

Este producto promueve características medioambientales y sociales mediante la exclusión activa y continua de determinadas inversiones que tienen una incidencia adversa significativa sobre los factores de sostenibilidad y mediante la selección de emisiones mejor preparadas para la transición climática 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 sulkemalla aktiivisesti pois tietyt sijoitukset, joilla on jatkuvasti merkittäviä kestävyystekijöihin liittyviä haitallisia vaikutuksia, sekä valitsemalla liikkeeseenlaskijoita, jotka ovat Aegon AM:n arviointimenetelmän mukaan valmistautuneet paremmin ilmastosiirtymään. 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 päätöstä tehdessään laajasti eri lähteistä saatavia erilaisia sisäisiä ja ulkoisia tietoja.



Résumé

Ce produit promeut des caractéristiques environnementales et sociales en excluant activement certains investissements ayant une incidence négative importante et continue sur les facteurs de durabilité et en sélectionnant des émetteurs mieux préparés pour la transition climatique 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 da aktivno isključuje određena ulaganja koja imaju značajni negativni učinak na čimbenike održivosti na trajnoj osnovi i odabire izdavatelje koji su bolje pripremljeni za klimatski prijelaz u skladu s vlasničkom metodologijom 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 svoju odluku.



## Sintesi

Questo prodotto promuove le caratteristiche ambientali e sociali escludendo attivamente determinati investimenti che hanno un impatto negativo significativo sui fattori di sostenibilità su base continuativa e selezionando gli emittenti meglio preparati per la transizione climatica 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 ecologische en sociale kenmerken door op continue basis bepaalde beleggingen die een belangrijk ongunstig effect hebben op duurzaamheidsfactoren actief uit te sluiten, en door uitgiften te selecteren die beter zijn voorbereid op de klimaatovergang 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 beslissing.



## Sammendrag

Dette produktet fremmer miljømessige og sosiale egenskaper ved aktivt og fortløpende å utelukke visse investeringer som har en betydelig negativ innvirkning på bærekraftfaktorer, samt ved å velge utstedere som er bedre forberedt på klimaovergangen, i henhold til Aegon AMs egen metodologi. I selskapsjennomgangen 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 beslutningen sin.



## Resumo

Este produto promove características ambientais e sociais ao excluir ativamente determinados investimentos que têm um impacto adverso significativo em matéria de fatores de sustentabilidade numa base contínua e ao selecionar questões mais bem preparadas para a transição climática, 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 a sua decisão.



## Sammanfattning

Denna produkt främjar miljörelaterade och sociala attribut genom att aktivt utesluta vissa investeringar som fortlöpande har betydande negativa konsekvenser på vissa hållbarhetsfaktorer och genom att välja emittenter som är bättre förberedda för klimatomställningen 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.