

Our responsible investment solutions for UK investors

Q1 2024

For UK professional investors only.
This is a marketing communication.



Our responsible investing capabilities

At Aegon Asset Management we are active, engaged and responsible investors. We have been managing specialist responsible investment portfolios for over 30 years and have an unrivalled experience of providing solutions for investors who wish to invest ethically and sustainably.

We launched our first ethical equity fund in 1989, and in subsequent years expanded our range to include ethical corporate bond and ethical multi-asset funds. Today our range of ethical funds is characterised by a clear set of client-led exclusions and remains popular with investors who want to avoid exposure to certain companies and sectors. In recent years we have broadened our fund range to meet the evolving demand of clients. In 2016 we launched our first global sustainable equity fund for investors who wish to invest in companies which are making a positive impact on the world. In 2023 we launched our first dedicated climate transition fund, which invests in the bonds of companies with robust, credible plans to transition towards a net zero economy.

We believe responsible investing creates opportunities to generate value and can contribute to long-term outperformance. We systematically integrate ESG factors into our research processes for bonds and equities. By combining ESG considerations with economic factors, our research teams seek to develop a holistic, fully informed investment view.

Building on our rich heritage of responsible investment stretching over more than three decades, we have built a comprehensive responsible investment approach consisting of three pillars:

- 1. ESG integration** – combining environmental, social and governance factors into our investment analysis and decision-making.
- 2. Active ownership** – seeking to positively influence companies.
- 3. Solutions** – providing focused responsible investment funds to meet a range of investor needs.



£250 billion

Total assets under management and advice



Approx 1,200

Employees serving clients worldwide



30+

Years of responsible investing



£110 billion

Total assets in responsible investment solutions*



21

Dedicated RI team members globally

As of 30 September 2023. *Assets under management/advisement excludes joint ventures. Total responsible investment solutions includes £93.5 billion of strategies with exclusions, £8.6 billion of best-in-class strategies, £5.9 billion of sustainability-themed strategies, £0.9 billion of impact investment strategies and £0.8 billion of climate transition strategies.

Our RI approach

Our responsible investment approach consists of three pillars: ESG integration, active ownership and solutions.

ESG integration means incorporating financially-material ESG factors into our investment analysis to better understand risk and uncover potential opportunities. Integration methods vary across and within asset classes. **Active ownership** is the practice of engaging in a dialogue with investee companies on ESG topics and exercising voting rights to advocate for change. We believe taking responsibility as an investor also means being a truly active owner, not just as a shareholder but as a financier more broadly. Finally, we provide responsible investment **solutions** to meet client ESG objectives through approaches such as excluding investments based on ESG practices, climate transition readiness and sustainable activities.

ESG integration	Active ownership	Solutions
<ul style="list-style-type: none"> Integrating ESG factors may contribute to alpha over the long-term ESG factors are essential to comprehensive research Proprietary ESG evaluation can help assess risks and identify opportunities 	<ul style="list-style-type: none"> Identify opportunities where an engagement could be beneficial Partner with Aegon AM's Responsible Investment team to engage Encourage change in an effort to generate long-term economic value Exercise shareholder voting rights, where applicable Leverage Aegon's global scale to influence outcomes 	<ul style="list-style-type: none"> Exclusionary screening Climate transition strategy Sustainability-themed strategies

Our research framework

ESG factors are systematically integrated into our bottom-up research process for fixed income and equity investee companies. We aim to develop our own holistic view of investee companies' ESG profiles. By considering ESG issues alongside other financially material economic factors and drawing from specialized ESG research sources, the research teams seek to arrive at an independent, comprehensive view of the investment.

Key potential benefits of ESG integration

Deepens our knowledge	Bringing new aspects to light
Strengthens our conviction	Providing a more comprehensive view of the investment
Promotes a long-term focus	As fundamental, research-driven investors, it can make us more confident in our decisions

Our responsible investment capabilities span multiple asset classes

	Exclusions and ethical	Climate transition	Sustainable
	Identify companies to exclude usually based on their activities and led by client preferences*	Select companies better prepared to manage climate risks	Select companies better aligned to sustainable economic activities or the Sustainable Development Goals
Fixed Income	Ethical Corporate Bond	Global Short Dated Climate Transition Global Short Dated High Yield Climate Transition	Global Sustainable Sovereign Bond
Equities	Ethical Equity		Global Sustainable Equity Sustainable Equity UK Sustainable Opportunities
Multi Asset & Solutions	Ethical Cautious Managed		Sustainable Diversified Growth

*The exclusions are reviewed every two years through a client survey to ensure our criteria remain 'fit for purpose'.



Exclusions and ethical

Aegon Ethical Equity Fund

This UK equity fund employs strict ethical screening and has a distinctive tilt towards mid and small cap companies.

- We have been a recognised leader in responsible investing for over 30 years, having launched the strategy in 1989. This gives us experience that few in the market can match.
- The strategy stands out from the crowd with strict and transparent client-led ethical exclusions. These are reviewed every two years through a client survey to ensure they remain 'fit for purpose'.
- The focus isn't just on exclusions like many peer funds however. The strategy also looks to, where possible, invest in stocks that have strong ESG characteristics from the available universe. This allows the opportunity to invest in environmental and social themes such as climate change and inclusion.

Aegon Ethical Corporate Bond Fund

An actively managed sterling corporate bond fund with a multi-faceted approach.

- Established ethical screening process evaluating the effects that certain companies' activities, products and services can have on the environment and society. We exclude companies based on client-led exclusion criteria and by combining specialist in-house and third-party screening.
- ESG analysis fully embedded by our credit analyst team who utilise a proprietary ESG research framework to assess an issuer's material ESG risks and categorise using 1-5 framework.
- Selective investments in ESG labelled bonds – individual selection of green, social, sustainability bonds, issued to fund projects that have positive environmental, climate and social benefits.

Aegon Ethical Cautious Managed Fund

This UK multi-asset fund invests in a diversified range of equities and corporate bonds to provide a combination of income and capital growth.

- This multi-asset fund combines holdings from both our Ethical Equity and Ethical Corporate Bond funds and is overseen by the same investment managers.
- Asset allocation is decided by the Funds' managers taking into account investment themes, portfolio positioning, risk profile and investment policy and is managed under the client led exclusion policy.
- In addition to the ethical exclusions, the fund also invests in holdings with strong ESG characteristics from the available universe. A large part of the portfolio maps to our sustainable investment pillars which govern our range of sustainable investment funds.

Climate Transition

Aegon Global Short Dated Climate Transition Fund & Aegon Global Short Dated High Yield Climate Transition Fund*

Our short-dated climate transition funds aim to deliver attractive financial returns and support investors' ESG goals and climate ambitions by investing in short-dated investment grade or high yield bonds.

- The funds embed proprietary climate transition research and climate related portfolio guidelines to direct investments to companies that have robust, credible plans to transition towards a low carbon economy and therefore are better aligned with investors' net-zero goals.
- The funds demonstrate a low carbon footprint and aim to target a weighted average carbon intensity which is at least 30% lower than the broader short dated investment grade and high yield universe.
- We adopt a best-in-class ESG approach to construct the portfolio with issuers who we have identified as having the best ESG categories, with the lowest ESG risks.

*Please note there were changes to this fund from 18 December 2023. Please see the [fund page](#) on our website for details.

Sustainable

Aegon Global Sustainable Equity Fund & Aegon Sustainable Equity Fund

The funds aim to generate returns by investing in sustainable growth companies which have a positive impact. A high conviction strategy of around 40 stocks with a high active share.

- Proprietary sustainability analysis framework which assesses companies across three dimensions: Products, Practices and Improvement. This is carried out by our experienced Responsible Investment team and is independent of the fund managers.
- A tilt towards small and mid-cap growth stocks as a result of its bottom up process. The global small and mid-cap space provides access to innovative companies that are addressing a number of sustainability challenges and such companies have the potential to grow significantly over the long-term.
- Seeks to invest in both sustainability leaders and improvers. Many of our peers only focus on sustainable leaders but we recognise the importance of improvement – both from a financial and sustainability perspective. Many of the smaller companies we invest in will often be imperfect but we believe improvement can be a powerful force in terms of both sustainability metrics and alpha generation.

Aegon UK Sustainable Opportunities Fund

This fund seeks to generate excess returns by investing predominantly in UK sustainable growth companies which have a positive impact. A high conviction portfolio of around 40 stocks.

- Based on the successful and well-established philosophy and process of the Aegon Global Sustainable strategy, with a focus on UK equities.
- Tilt towards under-researched areas of the UK market as a result of its bottom up process. The UK small and mid-cap space provides access to innovative companies that are addressing a number of sustainability challenges and such companies have the potential to grow significantly over the long-term.
- Similar to the Aegon Global Sustainable strategy, the fund seeks to invest in both sustainability leaders and improvers.

Aegon Global Sustainable Sovereign Bond Fund

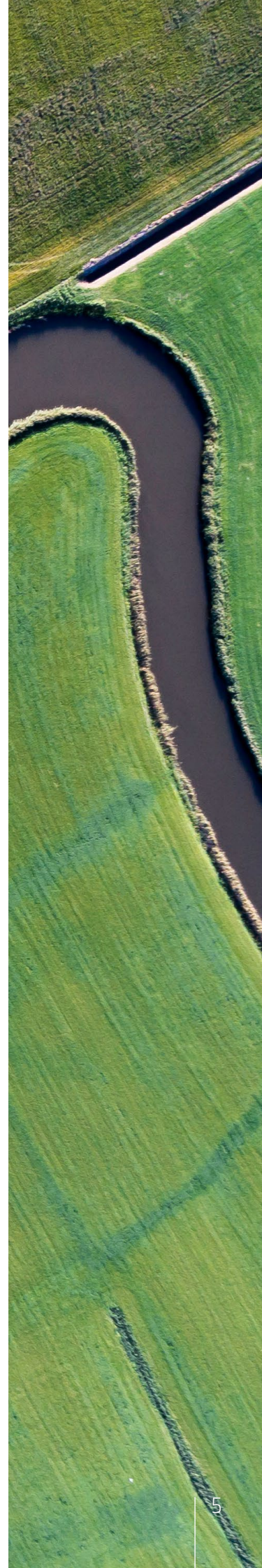
The fund aims to invest in financially strong countries that contribute to improvements in sustainability targets as defined by the United Nations Sustainable Development Goals (SDGs).

- We utilise innovative proprietary methodology to classify each country into one of five categories to reflect the strength of their sustainability profile, which helps us define our investment universe and aid portfolio construction.
- We adopt a global approach to maximise our opportunity set whilst reflecting the specific challenges at country, income group and regional level. Global diversification helps to minimise specific risks, dampens portfolio volatility and can generate excess returns by capturing a potential illiquidity premium.
- The investment universe consists not only of sustainable leaders now, but also the leaders of tomorrow. It allows our clients to finance the transition of countries towards sustainability, while also offering potential yield enhancement versus developed markets.

Aegon Sustainable Diversified Growth Fund

This fund aims to deliver a total return that exceeds UK Consumer Prices Index by at least 3% per annum (gross of fees) over any five year period.

- A flexible multi asset strategy that is unconstrained by benchmark or fixed asset allocation framework, thereby offering the freedom to adjust the portfolio in real time by asset class, geography, style or theme as the macro environment, risks and opportunities evolve.
- The sustainability criteria are embedded throughout the entire portfolio which seeks attractive returns from investing in those securities which are delivering the sustainability shifts which the world's challenges require.
- There is a strong commitment to listed alternatives within the portfolio as well as the more conventional equity and bond investments. In addition to a commitment to sustainability is the focus on real returns which underpins the inflation-linked objective.



Active ownership and engagement

We believe that taking responsibility as an investor means being a truly active owner, whether as a shareholder or financier. We aspire to influence change by engaging with issuers, either bilaterally or as part of collective groups of like-minded investors.

Our dialogue with issuers provides opportunities to highlight ESG risks, share sustainability concerns with management, promote growth in sustainable business lines, and advocate for changes that align with responsible investment priorities and client standards.

 **397**
issuers engaged
in 2022

 **13** Investor
initiatives collaborated

 **832**
contact points

 **52**
Fund ESG reports
published

Our approach to engagement

Milestone one We flag concerns with the investee

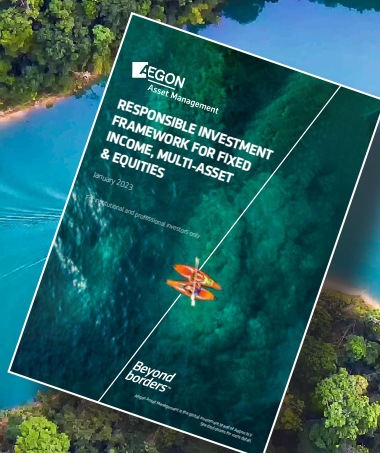
Milestone two When a company/investee responds and dialogue begins

Milestone three Once concrete steps have been taken to resolve our concerns, such as achievement of a commitment

Milestone four When the engagement objective has been fully achieved and verified

No further action In some cases, our assessment of the ESG issue at stake may change and we subsequently decide to no longer pursue the engagement

Further information



To download copies of our latest RI Report, RI Framework, Active Ownership Policy and other policies go to:

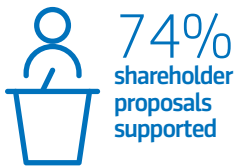
www.aegonam.com/responsible

Voting and collaborations

As active owners, we recognize that exercising our voting responsibilities and constructive long-term engagement with companies is vital to our role as an asset manager.

Our voting rights are used in the best interests of our clients. We exercise these rights for all holdings that are actively managed. This underpins our stewardship activities.

In 2022, we voted at 3,899 meetings globally.*



Our commitment to responsible investment

Aegon AM's Responsible Investment Team collaborates with various organisations



Access to Medicine
Foundation



Global Impact Investing
Network (GIIN)



As You Sow



Institutional Investors Group
on Climate Change (IIGCC)



CDP (formerly Carbon
Disclosure Project)



Interfaith Center on Corporate
Responsibility (ICCR)



Ceres



Investment Association



Climate Action 100+



Investor Forum



Dutch Association of
Investors for Sustainable

THE INVESTOR FORUM



ShareAction



Eumedion



Principles for Responsible
Investment (PRI)



Farm Animal Investment
Risk & Return (FAIRR)

Aegon Sustainable Equity Team

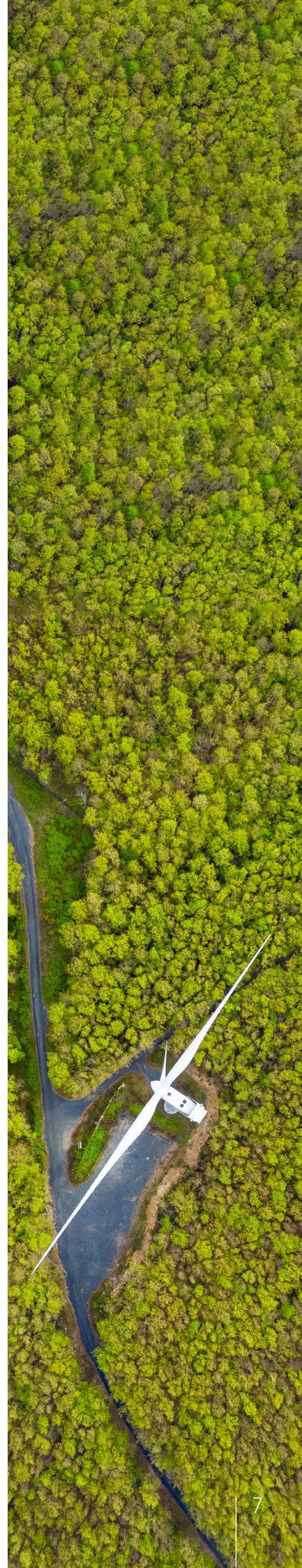
Five in Five

Five questions in five minutes - watch the latest update from the fund managers. They tackle sustainability issues, introduce new stocks and discuss the impact of market conditions

Watch now >

Beyond
borders™

*All data as of December 31, 2022. Breakdown of votes cast primarily reflects voting activity for Aegon AM UK and Aegon AM NL. Percentages may not sum to 100 due to rounding.



Our RI team

A 21-strong* dedicated global RI team serves as a company-wide, global resource for RI practices. Team members lend their expertise to ESG integration initiatives, contribute to RI product development and lead active ownership and sustainability research activities to promote understanding of ESG issues. They also serve as a central resource for RI education and best practices.

Primary duties of the responsible investment team



RI Solutions & ESG Integration



Engagement & Voting



Advisory & Reporting

- | | | |
|--|--|---|
| <ul style="list-style-type: none"> • Conduct sustainability research underpinning sustainability-themed solutions • Support development of new RI solutions • Support research analysts with ESG integration • Advise on industry best practices | <ul style="list-style-type: none"> • Engage with issuers on behalf of our investment platforms • Encourage change to generate long-term economic value and reduce risk • Seek compliance with client ESG requirements • Collaborate with other investors where appropriate | <ul style="list-style-type: none"> • Help develop, enhance and implement clients' RI policies • Monitor ESG/RI policy and regulatory developments • Produce RI reports and advise on client ESG reporting • Complete relevant external assessments of our RI capabilities and practices |
|--|--|---|

RI team supporting products available in the UK:



Miranda Beacham
Head of ESG Equities & Multi-Asset
Ethical and Sustainable Funds



Andrew Woods
RI Manager Equities & Multi-Asset
Ethical and Sustainable Funds



Euan Ker
Senior RI Associate
Ethical and Sustainable Funds



Georgina Laird
Senior RI Associate
Ethical and Sustainable Funds



Jamie McAloon
RI Associate
Sustainable Funds



Robin Honeyman
RI Associate
Sustainable and Climate Transition Funds



Julius Huttunen
Head of ESG – Fixed Income
Public Markets
Climate Transition



Ritchie Thomson
Senior RI Associate
Climate Transition



Yipeng Dong
RI Associate
Climate Transition



Curtis Zappala
RI Associate
Climate Transition

*As at 31 December 2023. Personnel may be employed by any of the Aegon AM affiliates.

Our RI history

1989

Launched first ethical equity strategy



2007

Launched ethical cautious managed strategy



2015

Named Best Ethical Investment Group at Sustainable Investment Awards*

2017

Published first sustainability annual report

Named Best Ethical Investment Group at Sustainable Investment Awards*

2019

30-year anniversary of the ethical equity strategy

Independent report names Aegon AM UK as market leader in sustainable & ethical investing



2021

Diversified growth strategy transitions to sustainable diversified growth

Global equity strategy transitions to sustainable equity

UNCTAD sustainable global fund award winner

Become signatory to the Net Zero Asset Managers Initiative

Accepted among the first signatories of the new 2020 UK Stewardship Code

Launched Global Sustainable Sovereign Bond Fund



2023

Short Dated High Yield strategy repositioned to incorporate climate transition criteria

2000

Launched ethical corporate bond strategy



2008

Became signatory to Principles for Responsible Investment



2016

Launched global sustainable equity strategy



2018

Published first impact investing report

2020

Global integration of our Responsible Investment team

Awarded US\$1 billion mandate for US sustainable equity strategy

Published responsible investment report covering Aegon AM's global activities

2022

International Sustainable Equity Strategy launched

US Sustainable Growth Equity Strategy launched

Aegon UK Opportunities Fund repositions to an ESG Fund: UK Sustainable Equity Opportunities Fund

Launched first fixed income climate transition strategy



About Aegon Asset Management

Aegon Asset Management is an active global investor. Our 387* investment professionals manage and advise on assets of £250 billion* for a global client-base of pension plans, public funds, insurance companies, banks, wealth managers, family offices and foundations.

We organise our investment capabilities around four focused platforms where we have deep asset-class expertise: fixed income, real assets, equities, and multi-asset & solutions. Each platform has dedicated teams, organised globally and committed to maximising client benefit from their specialist areas.

By organizing our investment teams globally across four investment platforms we harness our expertise and research resources across regional boundaries. We believe this enhances our performance potential and generates better investment outcomes for clients.

We share a common belief in fundamental, research-driven active management, underpinned by effective risk management and a commitment to responsible investment. Our investment platforms have the flexibility to organise their resources and processes to best suit their area of focus.

We are an international business: Our approx. 1,200 employees work from 13 locations across Europe, the Americas and Asia. We invest globally and serve clients globally.



Contact

For more information please contact your usual Aegon AM representative or email retailsales@aegonam.com.

Risks

The main risks of investing in the Irish domiciled funds are summarised in the table below.

	Credit	Liquidity	Counterparty	Other markets	Concentration	Derivatives	Interest Rates	Foreign exchange	Fund charges
Global Short Dated Climate Transition Fund	x	x	x	x	x	x	x		
Global Short Dated High Yield Climate Transition Fund	x	x	x	x	x	x	x		x
Global Sustainable Sovereign Bond Fund	x	x					x		
Global Sustainable Equity Fund		x		x	x			x	

For more information on the risks involved with these funds please see the Prospectus/KIID.

*Source: Aegon AM as at 30 September 2023. Note: Assets under management for Aegon AM group companies includes the advisory services performed by various affiliates or their investment advisory business units and joint ventures. Aegon Asset Management is comprised of the following entities: Aegon AM US, Aegon Real Assets US, Aegon AM UK plc, Aegon AM Asia Ltd, Aegon AM Central and Eastern Europe, Aegon AM Pan-Europe BV, Aegon AM Spain, Aegon Industrial Fund Management Co. Ltd, Aegon Investment Management BV, La Banque Postale Asset Management SA, Pelargos Asset Management BV and Saemor Asset Management BV. Mongeral Aegon Investimentos (Mongeral) is a Brazilian based joint venture that is partially owned by an Aegon AM affiliate.

Important information

For Professional Clients only and not to be distributed to or relied upon by retail clients.

This is a marketing communication. The principal risk of this product is the loss of capital. Please refer to the KIID and/or prospectus or offering documents for details of all relevant risks. For all documents please see www.aegonam.com/documents

Past performance does not predict future returns. Outcomes, including the payment of income, are not guaranteed.

Opinions and/or example trades/securities represent our understanding of markets both current and historical and are used to promote Aegon Asset Management's investment management capabilities: they are not investment recommendations, research or advice. Sources used are deemed reliable by Aegon Asset Management at the time of writing. Please note that this marketing is not prepared in accordance with legal requirements designed to promote the independence of investment research, and is not subject to any prohibition on dealing by Aegon Asset Management or its employees ahead of its publication.

All investments contain risk and may lose value. Responsible investing is qualitative and subjective by nature, and there is no guarantee that the criteria utilized, or judgement exercised, by any company of Aegon Asset Management will reflect the beliefs or values of any one particular investor. Responsible investing norms differ by region. There is no assurance that the responsible investing strategy and techniques employed will be successful. Investors should consult their investment professional prior to making an investment decision.

All data is sourced to Aegon Asset Management UK plc unless otherwise stated. The document is accurate at the time of writing but is subject to change without notice.

Aegon Asset Management UK plc is the ACD of Aegon Asset Management UK ICVC, Aegon Asset Management UK Investment Portfolios ICVC and the AFM of Aegon Asset Management UK Unit Trust. UK Funds are registered for distribution in the UK only. UK Funds referenced are: Aegon Ethical Equity Fund, Aegon Ethical Corporate Bond Fund, Aegon Ethical Cautious Managed Fund, Aegon Sustainable Equity Fund, Aegon UK Sustainable Opportunities Fund and Aegon Sustainable Diversified Growth Fund.

Aegon Asset Management Investment Company (Ireland) Plc (AAMICI) is an umbrella type open-ended investment company which is authorised and regulated by the Central Bank of Ireland. Funds referenced are: Aegon Global Short Dated Climate Transition Fund, Aegon Global Short Dated High Yield Climate Transition Fund and Aegon Global Sustainable Equity Fund. Aegon Investment Management B.V. (Aegon AM NL) is the appointed management company.

Aegon Asset Management Europe ICAV is an umbrella type open-ended investment company with variable capital, registered in the Republic of Ireland (Company No. C153036) at 25-28 North Wall Quay, International Financial Services Centre, Dublin 1. Board of Directors: M. Kirby, S. Donald and B. Wright. Aegon Asset Management Europe ICAV is regulated by the Central Bank of Ireland. Aegon Investment Management B.V. (Aegon AM NL) is the appointed management company. Funds referenced are: Aegon Global Sustainable Sovereign Bond Fund.

Aegon AM UK markets AAMICI and the Aegon Asset Management Europe ICAV in the UK. Aegon Asset Management UK plc (Aegon AM UK) is authorised and regulated by the Financial Conduct Authority. Aegon AM NL is registered with and supervised by the Dutch Authority for Financial Markets (AFM).

Please note that not all sub-funds and shareclasses may be available in each jurisdiction. This document is marketing and does not constitute an offer or solicitation to buy any fund(s) mentioned. No promotion or offer is intended other than where the fund(s) is/are authorised for distribution.

Please visit www.aegonam.com/en/contact/ for a summary of investor rights and more information on access to collective redress mechanisms.

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