

# AeAM Dutch Mortgage Fund

## Information Memorandum

30 April 2025



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# Addresses

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## Per June 2025

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## Per June 2025

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# Definitions

The following terms, which are capitalised in this Information Memorandum, are defined as follows:

**Aegon:** Aegon Ltd and all of its subsidiaries;

**Affiliated Party:** a party affiliated with the Fund, the Manager or Title Holder, as referred to in Article 1 of the Bgfo;

**AFM:** the Netherlands Authority for the Financial Markets;

**Benchmark:** JP Morgan Government Bond Index Traded Netherlands;

**BGfo:** the Dutch Market Conduct Supervision (Financial Institutions) Decree (*Besluit Gedragstoezicht financiële ondernemingen Wft*), as amended from time to time;

**Call for Payment:** a written request from the Manager to the Participants to pay (part of) the Outstanding Committed Amount;

**Capital Issue Date:** the date, being at most fifteen business days after a Trading Day, on which the number of Participations acquired by a Participant are entered into the register of Participants;

**Committed Amount:** the amount committed by a Participant to the Fund within the meaning of Article 6.1 of the Fund Terms and Conditions and for which the Prospective Participant did not invoke the Right to Revoke the Committed Amount within the meaning of Article 6.10 of this Fund's Terms and Conditions;

**Common Reporting Standard:** the regulations drawn up by the Organisation for Economic Co-operation and Development (OECD) to improve tax compliance, as implemented in Dutch laws and regulations;

**Custodian:** in line with the Depositary Agreement the Depositary has outsourced its custodial duties to a custodian, Citibank N.A.;

**Depositary:** Citibank Europe Plc, established in Dublin, Ireland, acting from the Dutch branch office, or its successor;

**Depositary Agreement:** the agreement between the Manager, the Title Holder and the Depositary as described in more detail in chapter 13.4 of this Information Memorandum;

**Dutch Corporate Governance Code:** the Corporate Governance Code of the Tabaksblat Committee;

**Entry Form:** the form referred to in Article 6.1 of the Fund Terms and Conditions;

**FATCA:** the American Foreign Accounts Tax Compliance Act;

**Fund:** the AeAM Dutch Mortgage Fund;

**Fund Assets:** the whole of the assets and liabilities existing in connection with the Fund;

**Fund Securities:** the Fund's Investments and the liquid assets or Dutch government bonds that are part of the Fund Assets;

**Fund Terms and Conditions:** the Terms and Conditions of Management and Custody of the Fund, as amended from time to time; **Group Entity:** an entity to which a Participant is affiliated within a group. A (corporate) group is an economical unit in which legal entities and companies are organizationally connected. Investment vehicles in which all the assets are fully (economically) owned by affiliated entities can also qualify as a Group Entity;

**(In)direct Investor:** an investor that qualifies as a Professional Investor which either has a direct investment in the Fund as a holder of Participations or which has an indirect investment in the Fund as it is an investor in an (alternative) investment fund ("AIF") or an undertaking for collective investment in transferable securities ("UCITS") (both as defined in the Wft), which AIF or UCITS is a Participant in the Fund;

**Individual Entry Price:** the price at which the Fund is entered by a Participant to which the Offer Risk is passed on in accordance with Article 11.9 of the Fund Terms and Conditions;

**Information Memorandum:** this information memorandum, including appendices, as amended or supplemented from time to time;

**Investment:** the mortgage receivable that meets the Mortgage Loan Criteria and was purchased and obtained by the Fund;

**Key Person:** Frank Meijer;

**Key Person Event:** the termination of the employment relationship between the Key Person and the Manager or a situation in which the Key Person no longer spends a substantial part of his working hours on the Fund;

**Legal Succession:** the situation in which a current Participant (in its entirety or a substantial share of its capital) transfers to, or is transferred to, a Legal Successor as a result of a merger, split-off, acquisition, change of legal form, restructuring or relocation of its registered office or business location to a different country;

**Legal Successor:** a different legal entity designated by a current Participant in connection with Legal Succession (in accordance with Article 6.6 of the Fund Terms and Conditions), or legally recognised segregated capital within it;

**LTV Ratio:** the Loan-to-Value ratio of a mortgage receivable is calculated by dividing the aggregate principal outstanding under the relevant receivable by the original market value of the collateral;

**Manager:** Aegon Investment Management B.V.;

**Master Mortgage Receivables Purchase Agreement:** the agreement between Aegon Custody B.V., Aegon Investment Management B.V. and Aegon Hypotheken B.V. of 30 August 2013 concerning the purchase of mortgage receivables, as amended from time to time, which is available for inspection at the Manager's offices;

**Mortgage Loan Criteria:** the criteria that a mortgage loan must meet (for its receivables) to be eligible for inclusion in the Fund:

- a) the collateral concerns Dutch private homes; and
- b) the mortgage loan was taken out after 1 January 2013; and
- c) the mortgage loan size (including, for the avoidance of doubt, any bridge loans) does not exceed the amount permissible under article 191(4) of Commission Delegated Regulation (EU) 2015/35 of 10 October 2014 (Solvency II) as amended or updated.

**Mortgage Servicing Fee:** the fee that the Manager pays Aegon Hypotheken B.V. for managing the Investments consisting of the mortgage receivables. The arrangements in this regard have been laid down in the Servicing Agreement;

**Net Asset Value:** the value per Participation, calculated by adding up the values of all Fund Securities, deducting the costs incurred by the Fund and the Fund's liabilities, and then dividing the outcome by the number of Participations;

**NHG:** the National Mortgage Guarantee (*Nationale Hypotheek Garantie*) provided by the Homeownership Guarantee Fund (*Stichting Waarborgfonds Eigen Woningen*);

**Non-United States Person:** a natural person or legal entity within the meaning of Commodity Futures Trading Commission Rule 4.7(A)(1)(iv), or any superseding provision;

**Offer Risk:** the risk of a decrease or increase in the value of a mortgage receivable between the time that a mortgage offer is provided to the underlying customer (the mortgagor) and the time that the related mortgage receivable is delivered to the Fund. Within the framework of the Fund, the concept of "offer risk" therefore has a different meaning than it is usually understood to mean in the mortgage market;

**Outstanding Committed Amount:** the part of the Committed Amount not yet called up and for which the Prospective Participant did not invoke the Right to Revoke the Committed Amount;

**Participant:** every holder of one or more Participations;

**Participation:** a claim giving entitlement to a share of the Fund Assets held by a Participant;

**Payments:** the amount called up by means of a Call for Payment that has been or must be paid by the Participants and has not been paid back to the relevant Participant;

**Pipeline:** the total of Outstanding Committed Amounts by (Prospective) Participants exceeding the total amount of the mortgage receivables available to the Fund, creating a queue of investors waiting to enter the Fund;

**Professional Investor:** professional investor within the meaning of Article 1:1 of the Dutch Financial Supervision Act (Wft).

**Prospective Participant:** every person or legal entity whose Entry Form has been accepted by the Manager but has not yet been issued Participations and has not invoked the Right to Revoke the Committed Amount within the meaning of Article 6.10 of these Fund Terms and Conditions;

**Redemption Date:** the date, being at most fifteen business days after a Trading Day, on which the Participations held by a Participant are (fully or partly) removed from the register of Participants;

**Replacement Investor:** a party introduced by a Participant in relation to a redemption request. The Participant can designate a Replacement Investor to transfer (all or part of) its Participations to subject to the terms and conditions;  
**Right to Revoke the Committed Amount:** the right of the Prospective Participant to revoke the entire Committed Amount (and thus the Entry Form) within the meaning of Article 6.10 of this Fund's Terms and Conditions and within the time period specified by the Manager;

**Servicing Agreement:** the agreement between Aegon Custody B.V., Aegon Investment Management B.V. and Aegon Hypotheken of 30 August 2013 concerning the management of the Investments consisting of mortgage receivables by Aegon Hypotheken B.V., as amended from time to time, which is available for inspection at the Manager's offices;

**Specified U.S. Person:** a natural person or legal entity within the meaning of the Intergovernmental Agreement between the United States and the Netherlands with regard to the Foreign Accounts Tax Compliance Act (the "FATCA" regulations), or any superseding provision;

**Title Holder:** Aegon Custody B.V.;

**Trading Day:** every last day of the month on which the banks in the Netherlands and/or the stock exchange or stock exchanges relevant to one or more Funds and/or the foreign banks relevant to one or more Funds are open for the execution or facilitation of transactions, such at the Manager's sole discretion;

**Website:** the website [www.aegonam.com](http://www.aegonam.com);

**Wet Vpb:** the Dutch Corporate Income Tax Act 1969 (*Wet op de vennootschapsbelasting* 1969), as amended from time to time;

**Wft:** the Dutch Financial Supervision Act (*Wet op het financieel toezicht*), as amended from time to time.

**Written/In Writing:** by letter, fax or e-mail, or by message transmitted via any other common means of communication that can be received in written form.

# Important information

Participants and prospective Participants in the Fund are expressly advised that their decision to invest in the Fund should be based exclusively on the information contained in this Information Memorandum.

Participants and prospective Participants in the Fund are also expressly advised that an investment entails financial risks. They should therefore take careful note of the full contents of this Information Memorandum. Paragraph 5 of this Information Memorandum includes a description of the most significant risks connected with investing in the Fund.

The information contained in this Information Memorandum is, to the extent that it could reasonably have been known to the Manager and its Directors, in accordance with the facts, and there are no omissions which would affect the purport of the Information Memorandum. The Manager has sole responsibility for the accuracy and completeness of the information contained in the Information Memorandum.

The Information Memorandum does not constitute any offer of any financial instrument or an invitation to make an offer to buy any financial instrument other than the Participations offered, nor an offer to buy any financial instrument to a person in any country where such is not permitted according to the regulations in force there. At the time of publication of this Information Memorandum, the Fund is admitted for marketing to Professional Investors in the following Member States of the European Economic Area pursuant to Article 2:121c of the Wft:

- Belgium;
- Denmark;
- Finland;
- France;
- Germany;
- Ireland;
- Norway; and
- Sweden.

The issue of the Information Memorandum and sale on the basis thereof do not, under any circumstances, imply that the information set out in the Information Memorandum is still completely correct at a later date, on the understanding that essential information in the Information Memorandum will be updated as and when there is reason to do so. Prospective investors are asked to take note of the information in the chapter 3 of this Information Memorandum regarding certain implications of the American FATCA and Dodd-Frank regulations for participation in the Fund by American persons and entities liable to pay tax.

With regard to all returns referred to in this Information Memorandum, it should be noted that the value of investments can fluctuate. Past performance is no guarantee of future results.

The Information Memorandum is governed by Dutch law. The description is based on the legislation and regulations as applicable to the Manager's activities when this Information Memorandum was adopted. In the event of any conflict or inconsistency between the content of the English and the Dutch version of the Information Memorandum, the latter shall prevail.

## Passive breach of the investment policy

The investment policy of the Fund, to invest a minimum of 50% in NHG mortgage receivables, has been (passively) breached due to:

- 1) the mortgage market that has seen a decline in the origination of NHG mortgages, leading to a market share of NHG mortgages which is significantly lower than 50%;
- 2) a relatively higher percentage of repayments of NHG mortgage receivables compared to non-NHG mortgage receivables included the Fund Assets; and
- 3) the absence of active reinvestments in the Fund.

Considering the above, the NHG ratio in the Fund is not expected to go back above 50%.

## Complaints procedure

Participants may submit complaints regarding the Fund in writing to the Manager, for the attention of the Management Board to the address as listed under "Addresses" on page 3.

# 1. Introduction

The Fund is an investment fund structured as a mutual fund. The Fund is managed by Aegon Investment Management B.V. (“the Manager”). The Fund is a stand-alone investment fund and does not form part of “AEAM Funds”.

The Manager has been granted a licence as manager within the meaning of the Wft. Pursuant to the licence, the Manager is permitted to conduct the management of various investment schemes, including the Fund. The Fund qualifies as an externally managed collective investment scheme within the meaning of Article 1.1 of the Wft in the form of an investment fund. The Manager is subject to the licence requirements pursuant to the Wft, and the Manager and the Fund are registered with – and supervised by – the AFM, which is evidenced by the entry in the register within the meaning of Article 1:107 of the Wft. This register is available for inspection by any person with the AFM in Amsterdam. Upon request, a copy of the licence can be obtained from the Manager free of charge.

The Manager satisfies the requirements regarding equity capital as imposed under the applicable legislation. In addition, the Manager retains 0.01% of the value of the assets under management of the investment funds managed by it with a Wft licence as additional equity capital to cover liability risks.

Without prejudice to the above, the Manager has taken out liability insurance against liability as a result of errors and omissions with regard to the management of the Fund. General liability and liability for employees are covered by separate Dutch insurance. Directors’ and officers’ liability are insured under the Aegon Global D&O Programme. The insurance policies have been taken out with insurance companies with a high rating. Participants and prospective Participants should be aware that investing involves risks. The value of a Participation may increase, but may also decrease, by virtue of which loss may be suffered in the sense that it is not impossible that Participants might lose part or all of their investment.



## 2. Description of the mortgage market and positioning of the Fund

### **Dutch residential mortgage market<sup>1</sup>**

The Dutch residential mortgage debt stock is relatively sizeable, especially when compared to other European countries. Since the 1990s, the mortgage debt stock of Dutch households has grown considerably, mainly on the back of mortgage lending on the basis of two incomes in a household, the introduction of tax-efficient product structures, financial deregulation and increased competition among originators. After a brief decline between 2012 and 2015, mortgage debt reached a new peak of EUR 823.3 billion in Q3 2023<sup>2</sup>. This represents a rise of EUR 12.3 billion compared to Q3 2022.

#### *Tax system*

The Dutch tax system plays an important role in the Dutch mortgage market, as it allows for partial deductibility of mortgage interest payments from taxable income. Historically, this has resulted in various deferred amortisation mortgage products, most importantly the use of interest-only loan parts.

Since 1 January 2013, all new mortgage loans have to be repaid in full within 30 years, at least on an annuity basis, in order to be eligible for tax relief (linear mortgage loans are also eligible). The tax benefits on mortgage loans, of which the underlying property was bought before 1 January 2013, have remained unchanged and are grandfathered, even in case of refinancing and relocation. As such, new mortgage loan originations still include older loan products, including interest-only. However, any additional loan on top of the borrower's grandfathered product structure, has to meet the mandatory full redemption standards to allow for tax deductibility and the interest only loan part is capped at 50% of the market value of the property value.

A second reform imposed in 2013 was to reduce the tax deductibility by gradually lowering the maximum deduction percentage. As a result, the highest tax rate against which the mortgage interest may be deducted is 36.93% (equal to the lowest income tax bracket) in 2023. No further reductions are currently planned.

There are several housing-related taxes which are linked to the fiscal appraisal value ("WOZ") of the house, both imposed on the national and local level. Moreover, a transfer tax of 2% is due when a house is acquired for owner-occupation. From 2021, house buyers aged between 18 and 35 years will no longer pay any transfer tax. Currently, this exemption only applies to houses sold for 440,000 euros or less and can only be applied once. For 2023, a transfer tax of 10.4% is due upon transfer of houses which are not owner-occupied (compared to 8% in 2022).

Although these taxes partially unwind the benefits of tax deductibility of interest payments, and several restrictions to this tax deductibility have been applied, tax relief on mortgage loans in general is still substantial.

#### *Loan products*

The Dutch residential mortgage market is characterised by a wide range of mortgage loan products. In general, three types of mortgage loans can be distinguished.

Firstly, the "classical" Dutch mortgage product is an annuity loan. Secondly, there is a relatively big presence of interest-only mortgage loans in the Dutch market. Full interest-only mortgage loans were popular in the late nineties and in the early years of this century. Mortgage loans including an interest-only loan part were the norm until 2013, and even today, grandfathering of older tax benefits still results in a considerable amount of interest-only loan originations.

A typical Dutch mortgage loan consists of multiple loan parts, e.g. an interest-only loan part that is combined with an annuity loan part. Newer mortgage loans, in particular those for first-time buyers after 2013, are full annuity and often consists of only one loan part. Nonetheless, tax grandfathering of older mortgage loan product structures still results in the origination of mortgage loans including multiple loan parts.

Most interest rates on Dutch mortgage loans are not fixed for the full duration of the loan, but they are typically fixed for a period between five and 20 years. Rate term fixings differ by vintage, however. In recent years, there was a strong bias to longer term fixings (20-30 years) but since Q2 2022 10 year fixings have rapidly increased in popularity as the sharply increased mortgage rates drove borrowers to seek lower mortgage payments by going for shorter fixings. Most borrowers

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<sup>1</sup> dutchsecuritisation.nl

<sup>2</sup> Statistics Netherlands, household data.

remain subject to interest rate risk, but compared to countries in which floating rates are the norm, Dutch mortgage borrowers are relatively well-insulated against interest rate fluctuations.

#### *Underwriting criteria*

Most of the Dutch underwriting standards follow from special underwriting legislation (*"Tijdelijke regeling hypotheeklenkrediet"*). This law has been present since 2013 and strictly regulates maximum LTV and Loan-to-Income (LTI) ratios. The current maximum LTV is 100% or 106% when financing energy saving measures. LTI limits are set according to a fixed table including references to gross income of the borrower and mortgage interest rates. This table is updated annually by the consumer budget advisory organisation "NIBUD" and ensures that income after (gross) mortgage servicing costs is still sufficient to cover normal costs of living.

Prior to the underwriting legislation, the underwriting criteria followed from the Code of Conduct for Mortgage Lending. Although the Code of Conduct is currently largely overruled by the underwriting legislation, it is still in force. The major restriction it currently regulates, in addition to the criteria in the underwriting legislation, is the cap of interest-only loan parts to 50% of the market value of the residence. This cap was introduced in 2011 and is in principle applicable to all new mortgage contracts.

#### **Recent developments in the Dutch housing market**

After a year of declining prices, house prices started rising again in the summer of 2023. In May 2023, existing owner-occupied homes were still 6.1% cheaper than at the market peak in 2022. But by December 2023 the difference had shrunk to minus 3.0%.

The fact that house prices are on the rise again has everything to do with the rapidly improving affordability this year. As a result, the demand for owner-occupied houses is now clearly picking up again. Market parties have seen the number of viewings per house increase in recent months. At the same time, there are still few houses for sale and the trend is declining, and that puts upward pressure on house prices. Due to the decline in new construction, this trend is likely to continue in the coming years. Less new construction means more scarcity.

Over 182,000 existing owner-occupied houses changed hands in 2023, down roughly 5.5% from a year earlier. The relatively low number of existing owner-occupied homes being sold is not so much related to prospective homebuyers dropping out (because demand is picking up), but more to the lack of supply. On average, there were some 21% fewer houses for sale in the Netherlands in November than in the same month last year. Real estate brokers association NVM attributes this to the fact that fewer people put their homes up for sale. Presumably this is also because it is often no longer possible for people to move up on the property ladder taking advantage of a lower interest rate when moving house in order to live in a larger or more attractive home for the same monthly cost.

Despite the significant impact of rising interest rates on affordability and on confidence and expectations about the owner-occupied housing market, fears for a major market correction have not materialized. Moreover, since the summer, we have seen the housing market rebound more and more clearly. The development of fundamentals may well explain this. In fact, the real net mortgage cost of the average owner-occupied home (if fully financed by a mortgage) is now back to where it was at the end of 2021. The net real disposable incomes of households are a few percent higher than at the end of 2021, due to increased wages and more hours worked, and borrowing space has also recovered. The fact that we are now seeing price increases for owner-occupied homes at similar levels of affordability and borrowing space – despite the decline in the housing market – is an important indication that homes are not overvalued. The fact that the market does not appear to be overvalued, despite high price levels, is inextricably linked to the very tight housing market.

#### *NHG*

The maximum property price for which an NHG mortgage can be obtained will also gradually be adjusted over the next few years. During the financial crisis, the NHG limit was temporarily raised to €350,000 (from €265,000). Effective 1 July 2012, the maximum was reduced to €320,000, down to €245,000 effective 1 July 2015. Initially, the intention was to lower the NHG limit to €225,000 as of 1 July 2016. However, this idea was abandoned in light of increasing house prices. The NHG limit has been increasing since. As of 1 January 2017, the NHG limit is linked to the average house price in the Netherlands. For 2025 it is set at €450,000. Also, since 2014 the NHG guarantee does not cover 100% of the credit losses on a NHG mortgage, but only 90% of the losses.

### *Forced sales*

Compared to other jurisdictions, performance statistics of Dutch mortgage loans show relatively low arrears and loss rates<sup>3</sup>. The most important reason for default is relationship termination, although the increase in unemployment following the economic downturn post financial crisis was increasingly also a reason for payment problems. The ultimate attempt to loss recovery to a defaulted mortgage borrower is the forced sale of the underlying property.

For a long time, mortgage servicers opted to perform this forced sale by an auction process. The advantage of this auction process is the high speed of execution, but the drawback is a discount on the selling price. The Land Registry recorded 46 forced sales by auction in the October and November 2023 (0.147% of total number of sales in those months).

### *Savings-based mortgages*

*Savings mortgages* The Fund includes mortgage loans with a savings or capital accumulation component, which the mortgagor incorporated in the refinancing of an older mortgage. For those types of mortgages (endowment mortgages and savings-based mortgages), a settlement risk could arise, in particular if a mortgagor whose mortgage loan is included in the Fund's portfolio also has a claim against Aegon/ ASR under the savings or capital accumulation component of the product. In this type of situation, there is a risk that, should Aegon Hypotheken B.V. and/ or Aegon Levensverzekering N.V. and/or Knab N.V. go bankrupt or apply for a moratorium, the mortgagor may take the position that he is entitled to settle his debt under the mortgage loan with his claim under the savings or capital accumulation component of the product. This could have consequences for the Fund (reduction of the claim against the relevant mortgagor, recovery costs, legal costs, etc.). There are no precedents in Dutch case law at this time regarding the possibility of settlement in a situation of this type.

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<sup>3</sup> Comparison of Moody's RMBS index delinquency data.

### 3. Target group of investors

The Participations are only available to Professional Investors within the meaning of the Dutch Financial Supervision Act ("Wft").

Moreover, by virtue of the requirements under the American Foreign Account Tax Compliance Act ("FATCA") and the "Dodd-Frank" regulations, the Fund is only open to investors (including any ultimate beneficial owners) who:

- (i) are Non-United States Persons within the meaning of Commodity Futures Trading Commission Rule 4.7(A)(1)(iv), and
- (ii) are not designated as Specified U.S. Persons within the meaning of the Intergovernmental Agreement between the Netherlands and the United States regarding FATCA compliance.

The Manager is authorised at all times to ask current or entering Participants to provide information with a view to determining (or redetermining) their status (as well as that of any ultimate beneficial owners) under the regulations mentioned. If the Manager is of the opinion that a current or entering Participant and/or any beneficial owner can reasonably be deemed not to meet or to no longer meet one or more of the aforementioned conditions, the Manager will proceed to redeem the Participations as described in paragraph 6.4 of this Information Memorandum. In such a case, Article 12 of the Fund Terms and Conditions applies by analogy, on the understanding that the provisions in the last sentence of Article 13.2 do not apply. The agreement of the Participant to such a redemption is not required. Current and entering Participants are also advised that the Manager has applied the Dutch regulations developed by virtue of the Common Reporting Standard since 1 January 2016. As a result, the Manager is required to ascertain the tax residence and actual business location of each Participant in accordance with the Common Reporting Standard and report these to supervisory authorities under certain circumstances.

Via a Participation in the Fund, investors can invest in new residential mortgages issued by Aegon Hypotheken B.V. With a high allocation of NHG-guaranteed mortgages, the Fund has a conservative character. Due to this relatively low risk profile, the Fund offers investors the opportunity to introduce further diversification within a portfolio of fixed-income investments with a low risk profile. By virtue of the illiquid character of the Fund, an investment in the Fund is intended to be long-term in nature.

## 4. Profile and investment policy

### 4.1 Investment policy and objective

The Fund invests in Dutch mortgages that are provided by Aegon Hypotheken B.V., comply with the Mortgage Loan Criteria and are secured by Dutch private homes. The Fund acquires mortgage loans at the nominal value at the time of granting by subscribing for a cross-section of Aegon Hypotheken B.V.'s new mortgage products (the so-called "vertical slice"). Fund resources that are not invested in such loans will be invested in liquid assets or Dutch government bonds, in accordance with Article 4.5 of the Fund Terms and Conditions. Liquid assets are held for purposes such as facilitating entry and exit.

The Fund normally subscribes to a vertical slice of the mortgage production of Aegon Hypotheken B.V.. An independent party verifies that the pool of mortgage receivables that is allocated to the Fund is – within statistical limits – equivalent to the pool of mortgage receivables that is not allocated to the Fund. Each year, two Participants will review the reports of the independent party in order to check whether there are findings that the Manager has failed to report.

The investment policy is aimed at achieving total returns for management costs that exceed the Benchmark in the longer term, due to the spread applicable to Dutch mortgage loans compared to Dutch government bonds.

Under the Master Mortgage Receivables Purchase Agreement the Fund is obliged to purchase any "further advance" receivables and ported mortgage receivables in case the existing mortgage loan was already in the Fund (see Chapter 5.1 of this Information Memorandum for more information)

### 4.2 Benchmark

The Fund's Benchmark is the JP Morgan Government Bond Index Traded Netherlands. JP Morgan applies various restrictions to this Benchmark, including: the Benchmark comprises liquid fixed-interest Dutch government bonds with a term of more than 12 months, there is no minimum size requirement, but, in connection with lower liquidity, relatively small issues are omitted from the Benchmark.

The Benchmark is rebalanced on the first business day of the month (including holidays). The Benchmark is fully invested. Coupons received are immediately reinvested. More information on the Benchmark is available on the Morgan Markets website (<https://mm.jpmorgan.com>). A log-in code is required.

The choice of a benchmark with government bonds was prompted by the fact that mortgages are offered via the Fund as an alternative to government bonds. The specific JP Morgan Government Bond Index traded Netherlands was chosen on the basis of the risk profile of the Benchmark and the total duration (between 5 and 10 years), which best align with the envisaged risk profile and the duration of the investment fund.

The Manager considers this Benchmark to be in scope of the EU Benchmark Regulations (2016/1011). The Benchmark is currently not registered with the European Securities Markets Authority (ESMA). The Manager will monitor the registration of the Benchmark, and if – after transitional measures have ended – the Manager is not allowed to use this Benchmark, the Manager will stop using the Benchmark and inform Participants accordingly. The EU Benchmark Regulation requires the Manager to produce and maintain robust written plans setting out the actions that it would take in the event that a benchmark (as defined by the EU Benchmark Regulations) materially changes or ceases to be provided. The Manager shall comply with this obligation. Further information on the plan is available upon request.

### 4.3 Investment restrictions

The Fund invests a minimum of 50% in NHG mortgages and a maximum of 50% in non-NHG mortgages. An LTV ratio restriction with a maximum of 106% also applies as regards mortgages.

The Fund strategically invests 0% in liquid assets, with a minimum of -5% and a maximum of +5%; no account is taken of unused portions of building deposits when determining the exposure to liquid assets. Liquid assets can be invested in Dutch government bonds.

In accordance with Article 20.3 of the Fund Terms and Conditions, decisions by the Manager to change the Fund's investment policy are subject to the prior approval of the Meeting of Participants.

In the event that these margins are exceeded, the Manager will ensure that the portfolio is returned to these margins as quickly

as reasonably possible. The Manager is not required to sell existing mortgages in this respect.

The Fund can only invest in euro-denominated securities.

The Fund will not enter into any securities lending transactions.

#### **4.4 Main legal implications**

The Fund is a mutual fund under Dutch law. Pursuant to the Fund Terms and Conditions, the legal relationship between the Manager, the Title Holder and the Participants is governed by Dutch law, and the courts in The Hague have jurisdiction to examine any disputes under the Fund Terms and Conditions. The Fund Terms and Conditions comprise more detailed information regarding the nature and main legal implications of the contractual relationship that the Participants enter into by investing in the Fund. For example, Article 16 of the Fund Terms and Conditions regulates the liability of the Manager, the Title Holder and the Depositary vis-à-vis the Fund and the Participants.

For the purposes of the Depositary Agreement, Dutch law is also applicable to the relationship between the Manager, the Title Holder and the Depositary. The Depositary Agreement also provides that the Dutch courts have jurisdiction in the event of disputes in this respect.

The Master Mortgage Receivables Purchase Agreement, the Servicing Agreement and the ancillary agreements referred to in Appendix IV are also subject to Dutch law and include – for the sake of certainty – an explicit choice of forum clause for the Dutch courts.

## 5. Risk factors

Investment involves risk. There are no guarantees that the investment objectives will be achieved. The Net Asset Value may rise or fall. There is no guarantee that the original investment in the Fund will be fully repaid on exit.

The classification of risks set out below is intended to provide an overview of the risks that may arise in relation to a Participation in the Fund. This classification is not exhaustive. Participants and prospective Participants in the Fund are expressly asked to note that there are financial risks involved in investing in the Fund and they are advised to study this Information Memorandum thoroughly and to obtain advice if necessary.

### 5.1 Financial risks

Within the financial risks, a distinction can be drawn between market risk and credit risk. Market risk is driven by developments in the financial markets, for example changes in the yield curve or spread curve. Credit risk is directly related to the debtor and is driven by their financial position.

### 5.2 Market risks

#### **Interest rate risk**

The risk that the valuation of an instrument will change as a result of a change in the absolute level in the interest rate or a change in the yield curve. In the event of an interest rate increase, the value of a mortgage receivable will generally decline. The interest rate sensitivity of the Fund will fluctuate over time, for example because of a changing composition of mortgages in the Fund and because of fluctuations in the pattern of early redemptions by consumers. Early redemption of mortgages result in a lower interest rate sensitivity ("duration") of the mortgages in the Fund.

#### **Redemption risk**

The risk of losses as a result of early redemption of a mortgage. If a mortgage is redeemed early, the funds released must be invested at the current market conditions.

Early redeemed mortgages may be valued above Par. Early redemption may result in a loss in market value of the Fund.

#### **Inflation risk**

The risk of losses as a result of inflation movements. Rising inflation has an adverse effect on the value of money. Due to inflation, the purchasing power value of interim repayments and the ultimate redemption may be lower than as at the date of Investment. The Fund does not make use of any index-linked instruments and has no specific policy with regard to inflation risk other than as reflected in the interest rate risk policy.

#### **Concentration risk (investments/markets)**

The risk of losses as a result of a concentration of investments in particular types or in particular markets. The Fund will invest in Dutch mortgage receivables and is thus highly concentrated.

#### **Leverage risk (investments with borrowed funds)**

The risk of leverage arises if, on behalf of investors or for their account and risk, borrowed funds are invested, which can lead to leverage (the greater the investment, the higher the market risk incurred). In principle, the Fund does not specifically employ any leverage. For the purposes of liquidity management, the Manager may nevertheless temporarily up to a maximum equal to 5% of the Fund Securities have an overdraft, take out loans with a Treasury entity belonging to the Manager's group or raise debt capital in any other manner. Such transactions will not be concluded with the purpose of structurally increasing the Fund's position, but may result in leverage arising in the Fund to a limited extent and on a temporary basis. All the aforementioned transactions will be effected at arm's length conditions and rates.

#### **Offer risk**

After having received and accepted an Entry Form, the Manager exclusively purchases mortgage receivables (possibly in advance) from Aegon Hypotheken B.V., in accordance with the Master Mortgages Receivables Purchase Agreement, at a value that is approximately equal to the full Committed Amount of the entering Participant. The mortgage receivables are always purchased at par upon granting. During the period between the time that a mortgage offer is provided to the underlying customers (the mortgagors) and the time that the related mortgage receivables are delivered to the Fund, the value of those receivables may be subject to change. Within the context of the Fund, the Offer Risk is understood to mean the risk run during that period, including the interest rate risk and the risk that, at the time the mortgage deed is executed, the mortgage interest rates then applicable are higher (or lower) than the interest rate at which the underlying customer (mortgagor) actually takes out the mortgage loan. Within the framework of the Fund, the concept of "offer risk" therefore has a different, broader meaning than it is usually understood to mean in the mortgage market. In principle, the Offer Risk will be at the expense and risk of the entering Participant(s), such that new entries are price-neutral for the existing

Participants to the extent possible. In the situations provided for in the Fund Terms and Conditions, it is possible to deviate from this principle.

### **Liquidity risk**

Mortgage receivables are illiquid investments. Consequently, the Investments cannot be immediately liquidated. The redemption of Participations will be financed using the liquid assets released from the cash flows under the Investments or arising from new issues of Participations in the Fund. Therefore, upon exit from the Fund, investors will be dependent on the available liquid assets and the new inflow into the Fund. As a result of this restricted liquidity, outflow from the Fund may take a long time.

In this respect it is noted that Aegon Hypotheken B.V., as part of its mortgage conditions, offers borrowers the following, subject to certain criteria being satisfied:

- (i) the possibility to borrow additional mortgage credit issued on top of an existing mortgage receivable, for example for a dormer or renovation (a “further advance”); and
- (ii) the flexibility and right to “port” certain characteristics of the borrower’s existing mortgage loan or one or more loan parts comprising such mortgage loan to a new mortgage loan (a “ported mortgage loan” or *meeneemhypotheek*) which will be secured by a new property.

Under the Master Mortgage Receivables Purchase Agreement, the Fund is obliged to purchase any further advance receivables and ported mortgage receivables in case the existing mortgage receivable was already in the Fund, which negatively affects the availability of liquid assets for redemptions.

### **Pipeline risk**

There may be a long period between the moment of acceptance of an Entry form and a Call for Payment. How long this period will be depends on the number and size of the Outstanding Committed Amounts of other entering (Prospective) Participants and the number of available mortgage receivables that are allocated to the Fund on a monthly basis. During this period, which can be subject to several changes in (market) circumstances, an entering Participant has committed himself for a Committed Amount. There is a risk that during this period the circumstances change in such a manner that an entering Participant, yet before he has (fully) entered the Fund, would like to withdraw his commitment or request a redemption. Only for the part of the Committed Amount for which the entering Participant has already received Participations, a request can be made to the Manager for redemption in accordance with the Fund terms and conditions. In principle, the Manager has already ordered the mortgage receivables for the Outstanding Committed Amount with Aegon Hypotheken B.V. and the Manager cannot withdraw that order. This risk is for the account of entering Participants.

#### **5.2.1 Credit risks**

##### **Bad debt risk**

The risk of losses as a result of a debtor not being able to fulfil their commitments. If a debtor can no longer fulfil their mortgage payment commitments, this may have an adverse effect on the yield of the Fund. The Fund’s bad debt risk is primarily limited by means of a high allocation to NHG mortgages, by virtue of which the bad debt risk is shifted from the individual mortgagor to the Dutch State.

##### **Collateral risk**

The risk of losses due to the value of the collateral being insufficient to discharge the liability if a debtor can no longer fulfil their mortgage commitments. In the case of NHG mortgages, this risk is covered by the guarantee. The guarantee was 100% for mortgages provided prior to 1 January 2014. The guarantee is 90% for mortgages provided after 1 January 2014. As regards other mortgages, this risk is limited by the LTV ratio restriction.

##### **Country risk**

The risk pertaining to investing in or holding assets in a particular country. Country risk is related to non-economic factors such as the political climate, tax rules and culture. Country risk could arise within the Fund if the Dutch government implements policy or regulations detrimental to the Dutch housing or mortgage market.

## **53 Non-financial risks**

### **Custody risk**

The risk of losses in assets deposited for safe custody, as a result of insolvency, negligence or fraudulent conduct of the Custodian or the Depositary, or any third parties appointed by them.

### **Operational risk**

The risk of losses as a result of inadequate or failing internal processes, controls, people or systems, or as a result of external events. This risk includes (but is not limited to): business risk, legal and compliance risk, tax risk, fraud risk, the risk that the company is not supervised adequately or at all, process and accounting risk, systemic risk, staffing risk and



facility risk.

#### Risk of suspension of redemption and issue

Under certain circumstances, as set out in the Fund Terms and Conditions, the issue and redemption of Participations may be suspended. Participants run the risk of not always being able to buy or sell Participations at short notice.

## 6. Participation in the Fund

Set out below is information summarizing the manner in which participation in the Fund takes place. For more detailed information, investors are referred to the Fund Terms and Conditions, which are included as Appendix II to this Information Memorandum.

### 6.1 Open-end investment fund with limited liquidity

The Fund is structured as an open-ended mutual fund, it being understood that the degree to which Participants are able to enter and exit is at all times dependent on mortgage production by Aegon Hypotheken B.V. and the available liquid assets, respectively. Within these margins, barring special circumstances and in accordance with the provisions of the Fund Terms and Conditions, the Fund is prepared to redeem and issue Participations under the conditions described in this Information Memorandum and – in more detail – in the Fund Terms and Conditions. Participations in the Fund cannot be transferred to third parties or divested other than by redemption as referred to in paragraph 6.4. The price of a Participation in the Fund is based on the Net Asset Value.

In principle, Participations in the Fund are issued and redeemed on a monthly basis.

### 6.2 Initial entry to the Fund

Applications to enter the Fund should be addressed to the Manager. Entry applications will only be processed after the Manager has received and accepted a fully completed Entry Form. In the Entry Form Participants agree the total amount that they wish to make available to the Fund (the Committed Amount). The (Outstanding) Committed Amount is subsequently called up by the Manager (possibly in several tranches) by means of one or more Call(s) for Payment as further described in the Fund Terms and Conditions, unless the Prospective Participant has invoked the Right to Revoke the Committed Amount. To participate in the Fund, a minimum amount of EUR 1 million is required.

After a fully completed Entry Form has been received the application to be admitted to the Fund will be accepted by the Manager when the customer due diligence procedure of the Manager has been concluded successfully and the (prospective) Participant has been informed of the acceptance in Writing (by e-mail and/or a (confirmation) letter).

Once the application to be admitted to the Fund is accepted, the (Outstanding) Committed Amount is in principle irrevocable. The (prospective) Participants are not entitled to withdraw from (the Pipeline of) the Fund or to withdraw or revoke any part of their (Outstanding) Committed Amounts, unless explicitly provided otherwise in the Fund Terms and Conditions (as in Articles 6.10– when under certain circumstances a Right to Revoke the Committed Amount is granted by the Manager).

The Manager may grant the Prospective Participant the Right to Revoke the Committed Amount. The Manager informs the Prospective Participant prior to his application for entry to the Fund if the Right to Revoke the Committed Amount will be granted and under what conditions. The Manager takes into account, among other things: (i) the Pipeline and (ii) the spread level of the Investments in the Fund.

In principle, the entering Participants will bear the Offer Risk with regard to the mortgage receivables that the Manager purchases in connection with their entry (possibly in advance) from Aegon Hypotheken B.V., such that the entry of these new Participants is price-neutral to the current Participants to the extent possible. The Offer Risk is calculated in accordance with Article 11.9 of the Fund Terms and Conditions. In certain situations, the Outstanding Committed Amount of smaller Participants may be called with priority in accordance with Article 7.3 of the Fund Terms and Conditions.

If a Participant bears the Offer Risk with regard to its Committed Amount, this information will be included in the Call for Payment to the relevant entering Participant(s), stating the calculation method and the Individual Entry Price.

### 6.3 Issue of Participations

Participants may enter the Fund on any Trading Day. If the Manager has decided to issue Participations, it will so notify the Participants with an Outstanding Committed Amount by means of a Call for Payment. All Calls for Payment will include a payment deadline of at most ten (10) business days and a description of the objective for which the amount called will be used.

In principle and subject to Article 6.5 of the Fund Terms and Conditions, any Participations to be issued on any Trading Day are allocated on the basis of all Outstanding Committed Amounts, irrespective of (i) whether the applicants are already Participants and (ii) the date on which the relevant Entry Forms are received in the relevant calendar month. In this respect, the Outstanding Committed Amounts of Participants whose Entry Form was received in a previous calendar month will be called up first until these Participants are completely filled. Consequently, Entry Forms received in a later calendar month will only be processed subsequently. When thus allocating Participations, the Manager will endeavour to call up the

Participants' Outstanding Committed Amounts pro rata parte.

The Manager may deviate from the foregoing

- (i) in the situation as described in Article 7.3 of the Fund Terms and Conditions;
- (ii) in the event that a Participant has a relatively small Committed Amount compared with the Committed Amounts of the other Participants whose Entry Form was received in the same calendar month; and
- (iii) in addition, a current or entering Participant may ask the Manager to call up its Outstanding Committed Amount in phases over a longer period of time than would be appropriate on the basis of the pro rata parte allocation system of Article 11.4 of the Fund Terms and Conditions.

The Manager is never required to grant such a request. The applicable procedure is described in detail in Article 6.5 of the Fund Terms and Conditions. In such a case, the Participant waives its right to pro rata parte allocation of Participations in accordance with Article 11.4 of the Fund Terms and Conditions.

A Participation is deemed to have been issued on the Trading Day prior to the Issue Date at the Net Asset Value as calculated on the Valuation Date following that Trading Day. The authority to issue Participations rests solely with the Manager. As from the relevant Trading Day, participation in the Fund will be for the Participant's account and risk and the Participant will be liable to the Fund up to the maximum of its Committed Amount.

### **Pipeline**

This concerns the time lapse between acceptance of the Entry Form and the first Call for Payment by the Manager. In case in one month or more months the Manager receives several Entry Forms and/or one or more Entry Forms with large Committed Amounts, which result in the total of those Committed Amounts (considerably) exceeding the value of the mortgage receivables available to the Fund, this creates a "pipeline" or queue of investors waiting to enter the Fund. In these circumstances it will take time before the entering Participant with an Outstanding Committed Amount receives its first Call for Payment from the Manager. This could be some months, many months or more than a year depending on the circumstances. The Manager can give entering (Prospective) Participants with an Outstanding Committed Amount an estimate of how many months it can roughly take, but due to the dependency on the available mortgage receivables for the Fund this remains a rough estimate, which interim can be changed if one or more other Prospective Participants invoke their Right to Revoke the Committed Amount.

#### **6.3.1. Issue of new Participations in case of a special redemption procedure – Substitution by a Legal Successor, Group Entity, (In)direct Investor or Replacement Investor**

The regular issue and allocation mechanism, as described above, does not apply in the event of a first issue and allocation of Participations to a Participant's Legal Successor, a Group Entity, (In)direct Investor or Replacement Investor. In that case all or part of the Participations held by the current Participant (in the case of a Legal Successor all Participations) are redeemed in one go in return for the issue and allocation of an equal number of new Participations to its Legal Successor, a Group Entity, (In)direct Investor or Replacement Investor, without consideration of the Pipeline.

In such a case, redemption and issue take place on the same Trading Day and at the same Net Asset Value, without the Offer Risk being passed on. It is a special procedure intended to (partly) substitute a Participant by a Group Entity, (In)direct Investor or Replacement Investor and to resolve exceptional situations of Legal Succession – or comparable events – of a Participant.

When assessing a request for application of the aforementioned procedure, the Manager substantively reviews whether all conditions are met to qualify as:

1. Legal Successor;
2. Group Entity;
3. (In)direct Investor; or
4. Replacement Investor.

This assessment is made at the Manager's discretion. For more information, see paragraph 6.4 below.

Every substitute has to sign an Entry Form for a Committed Amount and it must fulfil the other regular requirements to be accepted by the Fund.

In case of a special redemption procedure with regards to a Group Entity, (In)direct Investor or Replacement Investor the Committed Amount will be called up by the Manager (unless all involved parties agree otherwise) and this cash will be used to redeem an equal amount of Participations held by the original Participant. Hence, the cash from the Group Entity, (In)direct Investor or Replacement Investor will only be used, to the extent necessary, to redeem Participations of the exiting Participant that requested the special redemption, and will not be used for the redemption of other Participants that also wish to redeem their Participations. In case of a special redemption procedure with regards to a Legal Successor, the

Committed Amount will not be called up by the Manager and the exiting Participant does not receive any payment in cash for the redemption, as this is deemed to be the amount paid by the Legal Successor for the newly issued Participations.

The abovementioned special redemption procedure may also apply by analogy to Prospective Participants who request that a Group Entity, (In)direct Investor, Legal Successor or Replacement Investor substitutes them in the Pipeline for the Outstanding Committed Amount (the full Outstanding Committed Amount in case of a Legal Successor and in case of a Group Entity (In)direct Investor or Replacement Investor it may concern a part or all of the Outstanding Committed Amount). The requirements to qualify as a Group Entity, (In)direct Investor, Legal Successor or Replacement Investor have to be met. The Group Entity, (In)direct Investor, Legal Successor or Replacement Investor agrees to substitute the requesting Prospective Participant in the Pipeline (in the month the Entry Form was submitted by the requesting Prospective Participant) for the part of the Outstanding Committed Amount indicated in the Written request signed by both parties. The Group Entity, (In)direct Investor, Legal Successor or Replacement Investor takes over all the rights and obligations of the Prospective Participant in relation to its subscription to the Fund.

### **6.3.2. Substitution by a Replacement Investor**

The regular issue and allocation mechanism, as described above, does also not apply in the event of a first issue and allocation of Participations to a Replacement Investor. In the situation that a redemption request of a current Participant due to a lack of liquidity cannot, not completely or not immediately, be fulfilled by the Manager, the current Participant is allowed to propose an investor (that qualifies as a Professional Investor) to become Participant to the Fund for the same number of Participations as the redemption request. The current Participant can present the Manager with a written request in which the Replacement Investor is introduced.

To ensure an equal treatment of (entering) Participants this procedure for a substitution by a Replacement Investor is only available as long as there is no Pipeline (Prospective Participants with Outstanding Committed Amounts) to provide the liquidity to fulfil the redemption request of a current Participant. The available liquidity should be too limited to fulfil the redemption request immediately or fully.

In principle a Prospective Participant can also be substituted by a Replacement Investor, however as it is required that there is no Pipeline, the requesting Prospective Participant would have to be the only Prospective Participant (left) in the Pipeline.

## **6.4 Redemption of Participations**

If a Participant wishes to or must transfer one or more Participations to the Fund, where the Manager acts on behalf of the Fund, the Participant shall notify the Manager accordingly in writing at least 1 month in advance, stating the amount and/or the number of Participations involved, such in accordance with Article 13.1 of the Fund Terms and Conditions. This notification is irrevocable. The Manager, acting in that regard on behalf of the Fund, will promptly proceed to redeem and acquire the

Participations concerned, pro rata parte of the total number of Participations offered for redemption, irrespective of the calendar month in which the redemption request is received. Exiting Participants from different calendar months will therefore also be treated equally and receive a pro rata parte portion from the liquid assets available. Redemption will be financed using the liquid assets released from the cash flows under the Investments or arising from new issues of Participations in the Fund, if and in so far as sufficient.

Consequently, a Participation is deemed to have been redeemed on the second Trading Day following the aforementioned written notification at the price as calculated on the Valuation Date following that Trading Day. If the Fund's liquidity is insufficient to comply with a redemption request (in full), the relevant Participations will be 'included' again in the next redemption round according to the same procedure, etc. If and as long as one or several Participations are offered to the Fund for redemption, the Manager will not make any further Investments until all these Participations have been redeemed.

### **6.4.1 Special redemption procedure**

The Fund Terms and Conditions provide for a special, deviating redemption procedure for:

1. **Legal Succession:** the situation in which a need arises for a Participant to offer all of its Participations in the Fund for redemption immediately followed by the issuance and allocation of new Participations to its Legal Successor or for a Prospective Participant to transfer its Outstanding Committed Amount to its Legal Successor. This need may occur in connection with an upcoming restructuring, change of legal form and/or country of its business location or the transfer of investment activities to a different legal entity (or segregated capital within such entity). A Legal Succession request must relate to all Participations or the full Outstanding Committed Amount held by the (Prospective) Participant (or a complete, segregated part).
2. **Group Entities:** situations in which a need arises at a current Participant to offer all or part of its Participations in the

Fund for redemption in consideration of the issue and allocation of new Participations to a Group Entity or for a Prospective Participant to transfer all or a part of its Outstanding Committed Amount to a Group Entity.

3. (In)direct Investors: a situation in which (i) an investor wishes to convert its indirect investment in the Fund to a direct investment in the Fund or, (ii) vice versa, the situation in which a Participant wishes to convert its (direct) investment in the Fund to an indirect investment by participating in the Fund via an investment in a Participant (the Participant would qualify as an alternative investment fund (AIF) or UCITS).
  - (i) In such a case an Indirect Investor would redeem from the relevant Participant (the AIF or UCITS) for a certain amount and via the special redemption procedure of the Fund the relevant Participant (the AIF or UCITS) would redeem from the Fund for that same amount and simultaneously the Indirect Investor would subscribe to the Fund for that same amount (or for the same amount of the Outstanding Committed Amount). Or;
  - (ii) vice versa, the direct investor / Participant would subscribe to the relevant Participant (the AIF or UCITS) for a certain amount and via the special redemption procedure of the Fund the direct investor / Participant would redeem from the Fund for that same amount while the relevant Participant (AIF or UCITS) simultaneously and for that same amount (or for the same amount of the Outstanding Committed Amount) subscribes to the Fund.
4. Replacement Investor: situations in which a need arises at a current Participant to offer all or part of its Participations in the Fund for redemption, but due to a lack of liquidity the Manager is not able to immediately or fully fulfil the redemption request. A redemption request may be fulfilled immediately when (a part of) the Participations can be transferred to a Replacement Investor designated by the current Participant. To ensure the equal treatment of (acceding) Participants the above mentioned method regarding a Replacement Investor is only available as long as:
  - there is no Pipeline;
  - there are no Outstanding Committed Amounts to provide the liquidity to fulfil the redemption request of a Participant, and
  - limited liquidity is available to fulfil the request immediately or fully.A Prospective Participant can also be substituted by a Replacement Investor if these conditions are met.

Any Participant has the option of making a Written request for special redemption to the Manager within the meaning of Article 6.6 of the Fund Terms and Conditions. This assessment is made at the Manager's discretion.

- A request with regards to Legal Successors must cover all Participations being held by the current Participant. When assessing such a request, the Manager reviews whether the prospective successor, according to general standards, can be equated with the current Participant, both in economic terms and in a legal sense;
- In the assessment of a request with regard to a Group Entity, the Manager verifies if the designated entity can be qualified as a Group Entity within the meaning of the definition;
- In the assessment of a request of a Participant with regard to an (In)direct Investor, the Manager will verify if the (In)direct Investor is indeed (or will be) an investor in a Participant and can therefore be seen as an indirect / economic owner of the Fund;
- In the assessment of a request with regards to a Replacement Investor the Manager checks the available liquidity and the possibilities to fulfil a regular redemption request and, in relation thereto, the justified interest of the current Participant for requesting the special redemption procedure. The degree of availability of liquid assets is determined on the basis of the Manager's internal cash policy for the Fund. At the Participants' request, the Manager will provide a copy of the most recent version of that policy.

If the Manager complies with the request, redemption and issue will take place on the same Trading Day and at the same Net Asset Value, with all Participations to be issued to the Legal Successor, Group Entity, (In)direct Investor or Replacement Investor being allocated to it in one go. A Group Entity, (In)direct Investor or Replacement Investor will in principle receive a Call for Payment before the Participations are issued, and the exiting Participant will receive cash for the redemption of its Participations, unless agreed otherwise with all the parties involved. In case of Legal Succession, the Legal Successor does not receive a Call for Payment and the exiting Participant does not receive any payment in cash for the redemption, as this is deemed to be the amount paid by the Legal Successor for the newly issued Participations.

For a more detailed description of this special redemption procedure and the cases in which it may be applied, please refer to Articles 6.2, 6.6 to 6.9 inclusive, 7.6, 11.2 to 11.4 inclusive and 13.1 of the Fund Terms and Conditions.

## 65 Suspension of issue and redemption of Participations

In accordance with the provisions of the Fund Terms and Conditions, at the request of the Participants Participations will be directly or indirectly redeemed or repaid by the Fund out of the assets, with due observance of the frequency of entry/exit. The Manager will endeavour to honour requests for redemption. However, investors should note that the degree to which the Fund is able to honour requests for redemption of Participations is dependent on the liquid assets released from the cash flows under the Investments or arising from new issues of Participations in the Fund. See also the risk paragraph and the Fund

## Terms and Conditions.

The Manager is authorized to suspend the redemption of Participations or the repayment of Participation rights, in so far as reasonably foreseeable, in the interests of the Participants. The redemption of Participations and repayment of Participations may be suspended if, at the Manager's sole discretion, such suspension is justified by a special or extraordinary circumstance.

- A special circumstance may be a situation in which continuation of the redemption of Participations in the Fund can reasonably be expected to result in disproportionate harm to the interests of the majority of the existing Participants, or of one or more groups of Participants.
- A special circumstance may also be that, at the Manager's sole discretion, the relevant fund's liquidity position does not allow such a redemption and, moreover, at the Manager's sole discretion, a sale of Fund securities required for redemption would be irresponsible or impossible in view of the relevant market conditions, including any sale proceeds that may be generated.
- An extraordinary circumstance could be when the Manager has received a substantial redemption request or several concurrent redemption requests after which the Fund's liquidity position as a whole does not allow immediate or full redemption and a suspension or delay of the redemption request(s) may be seen as in the interest of the Fund as a whole.

The Manager will, in all cases, convene a Meeting of Participants in the Fund within one month of the suspension in order to explain the suspension decision.

### 6.6 Issue and redemption price of Participations

Upon the Fund's first issue of Participations, the issue price per Participation was EUR 10. The issue price of a Participation in the Fund will subsequently be equivalent to the Net Asset Value on the Trading Day on which the issue took place, it being understood that, in principle, the Manager will pass on the Offer Risk to the Entering Participant(s) using the Individual Entry Price in accordance with Article 7.2 of the Fund Terms and Conditions. The redemption price of a Participation in the Fund is equivalent to the Net Asset Value on the second Trading Day following a request for redemption, as referred to in paragraph 6.4 of this Information Memorandum, at the price as calculated on the Valuation Date following that Trading Day.

The foregoing does not apply in the event of a special redemption and issue to a Legal Successor, Group Entity, (In)direct Investor or Replacement Investor as described in the paragraphs 6.3 and 6.4 above. In that event, redemption and issue take place on the same Trading Day and the Net Asset Value of the redeemed Participations on the Trading Day of exit – as determined according to the method described above – determines both the redemption price and the issue price of the Participations.

### 6.7 Key features of Participations

The Fund is not listed on a regulated market or any another regular, regularly functioning, recognised open market. Participations in the Fund are registered Participations. No Participation certificates will be issued. The Manager keeps a register of all Participants and outstanding Participations.

### 6.8 Communications

Article 21 of the Fund Terms and Conditions describes how communications are made to Participants. The Manager will make reasonable efforts to satisfy in the short term any reasonable request for information about a Participation that a Participant requires to be able to comply with a request from and notification obligation to the competent regulators.

If a Key Person Event occurs at any time, the Manager will promptly notify the Participants, it being understood that the circumstances referred to in Article 19.2 of the Fund Terms and Conditions as such cannot trigger a Key Person Event.

### 6.9 Equal treatment of Participants

Articles 6.7, 6.8, 6.9, 7.2, 7.3, 7.4, 7.5, 7.6, 8.3, 9.2, 11.3, 11.4, 11.8, 11.9, 13.2, 17.1, 17.4, 20.7 of the Fund Terms and Conditions contain information for each relevant aspect of the Fund's management about how the Manager safeguards that Participants in similar circumstances will be treated equally.

## 7. Dividend distribution

The Fund distributes dividend to Participants on an annual basis. The Manager determines the amount of the dividend distribution.

Dividend may be distributed in Participations or in cash. Upon initial entry, the Participant must indicate on the Entry Form how it wishes to receive any dividend distributions. Subsequently, if so desired, the Participant may communicate a different choice once only every financial year by means of a Written request to the Manager, which must have been received by the Manager prior to 15 December of the financial year for which the distribution is to be made. The choice thus made applies at all times to a Participant's entire investment; therefore, only one choice can be made for the total Committed Amount, including any follow-up investment(s). If a Participant increases its Committed Amount during the term of the Fund, the choice made will thus always be deemed to relate to the follow-up investment as well. The dividend distributed by the Fund are not subject to dividend withholding tax.

## 8. Taxaspects

### 8.1 General

Set out below is an overview of the most important tax aspects of the Fund and of participation in the Fund by Participants domiciled in the Netherlands. The description is based on the legislation, regulations and case law that applied when this Information Memorandum was adopted. It is recommended that Participants obtain advice themselves regarding the tax aspects of the acquisition, holding and divestment of Participations in the Fund in light of their specific circumstances.

### 8.2 Corporate income tax and dividend tax

The Fund is a closed mutual fund and is not liable to corporate income tax and dividend tax (tax transparent). To preserve the Fund's transparent tax status, Participations in the Fund may only be transferred to the Fund. All revenue received by the Fund, both ongoing revenue and capital gains, will be immediately allocated to the Participants in the Fund for Dutch tax purposes in proportion to their relative holding of the number of outstanding Participations. Revenue or capital gains obtained by a Participant with a Participation will be regarded as revenue or capital gains obtained with the Fund Securities. Changes to a Participant's relative holding, for example as a result of the entry to the Fund of a new Participant, may lead to the realisation of capital gains for Dutch tax purposes for the other Participants.

### 8.3 Tax aspects for Participants domiciled in the Netherlands

#### 8.3.1 Participants liable to pay tax

For Participants subject to Dutch corporate income tax, profit made on the Participations (dividends and price gains) constitutes part of the taxable profits and is taxed at the nominal corporate income tax rate. Due to the transparent tax character of the Fund, revenue or capital gains obtained by a Participant with a Participation will be regarded as revenue or capital gains obtained with the Fund Securities. This also applies to divestment gains obtained on the transfer of Participations. Changes to a Participant's relative holding, for example as a result of the entry to the Fund of a new Participant, may lead to the realisation of capital gains for Dutch tax purposes for the other Participants. Participants cannot apply the participation exemption to Participations in the Fund.

#### 8.3.2 Exempted Participants

For Participants that are personally exempted from corporate income tax in the Netherlands (such as pension funds), the profit obtained by the Fund is not subject to corporate income tax, unless and to the extent that these Participations must be allocated to activities that do not directly relate to the Participant's exempted (core) activities.



## 9. Valuation of the Fund

The Net Asset Value is determined at least once a month. The Manager may decide to determine the Net Asset Value more frequently than once a month. The Net Asset Value is determined per Participation in euros to four decimal places. The Net Asset Value is published at [www.aegonam.com](http://www.aegonam.com).

The Fund Securities belonging to the Fund are valued by the Manager in a consistent manner. In this respect the following valuation principles apply:

- Upon determination of the Net Asset Value, the Fund Securities are valued according to generally accepted standards.
- Unless otherwise indicated below, the Fund's assets and liabilities are recognised at par value.
- The Fund acquires mortgages from Aegon Hypotheken B.V with effect from the mortgages' lending date at par value. Consequently, all risks and cash flows pertaining to the mortgages acquired are for the Fund's account with effect from the lending date. Because the actual mortgage transfer date is usually later than the lending date, and Aegon Hypotheken B.V. finances the mortgages from the lending date to the transfer date, Aegon Hypotheken B.V. charges financing interest. This financing interest rate is agreed annually between the Fund and Aegon Hypotheken B.V. on the basis of the 3-month Euribor plus a mark-up, and will be based on Aegon Hypotheken B.V.'s financing costs. Aegon Hypotheken B.V. deducts the financing interest from the cash flows to which the Fund is entitled with effect from the mortgage lending date. These arrangements are laid down in Article 2 of the Master Mortgage Receivables Purchase Agreement.
- The value of a mortgage receivable is determined by discounting the future contractual cash flows, taking account of early repayments by the mortgagor. The discount rate will be equal to the rates applied by Aegon Hypotheken B.V. for comparable mortgages at such time, as published on the website of Aegon, given that the difference between those rates and rates offered in the market is smaller than 25 basis points. If this would not be the case, the discount rate would be adjusted downward if the rate exceeds the market by more than 25 basis points, and vice versa in case the rate is more than 25 basis points below the market. Each such adjustment shall be made only to the extent needed to reach a discount rate that differs from the market rate with a maximum of 25 basis points. This adjustment to maintain a maximum limit of 25 basis points between Aegon rates and the market was implemented 30 September 2019.
- Investments in bonds are valued at market value. Investments listed on the stock exchange are valued at the most recently available opening or closing price or, absent such a price, at the value appraised by the Manager. If financial instruments are listed on various stock exchanges, the Manager determines for which stock exchange the price will be taken into account. In the event of special circumstances (such as high volatility in financial markets), by virtue of which, in the Manager's opinion, the valuation made in the manner described above would not reflect the real value, the Manager may take account of anticipated listings to determine the value of listed financial instruments in financial markets, using relevant indices. Liquid assets and loans of a short-term character will both be valued at par value.
- Any investments that are not readily marketable and/or are not listed on a stock exchange are valued on the basis of the most recently available information that the Manager has for these investments. The Manager will endeavour to obtain the most recent information. This implies that, contrary to listed investments, investments that are not readily marketable and/or are not listed on a stock exchange may become dated to a certain degree.

If information becomes available following determination of the Net Asset Value on 31 December but prior to publication of the annual report for the past financial year, which information leads to a materially different view as regards the Net Asset Value to be published, this will be stated in the report. The further information will be incorporated upon the next determination of the Net Asset Value.

If the Net Asset Value has been determined incorrectly, the Manager will only compensate the Fund and/or the entering or exiting Participant if the correction of the Net Asset Value exceeds 0.5% of the published Net Asset Value.

If the Manager intends to change the valuation policy substantially, the Manager will inform each Participant in this respect no later than twenty business days before the entry into force, providing a summary of the intended change.

# 10. Costs and fees

## 10.1 Ongoing costs borne by the Fund

### 10.1.1 Management fee

The Manager charges a fixed management fee for the management of the Fund Assets. The management fee is determined as a percentage on an annual basis. The management fee is charged to the Fund each day on the basis of the Net Asset Value at the end of the preceding Trading Day. Settlement takes place between the Manager and the Fund once a month. The amount of the management fee is 0.21%. Any discounts given to Participants will be charged to the management fee. Any additional payments to Aegon Hypotheken B.V. may also be charged to the management fee.

### 10.1.2 Service fee

The Manager also charges the Fund a service fee, which is determined as a percentage on an annual basis. The service fee is charged to the Fund each day on the basis of the Net Asset Value of the Fund at the end of the preceding Trading Day. Settlement takes place between the Manager and the Fund once a month. The amount of the service fee is 0.02%. The service fee serves as compensation for the costs of maintaining the Fund, such as custody costs / costs charged by the Depositary, auditors' fees, attorneys' and consultants' fees, formation costs, administrative costs and marketing and communication costs.

### 10.1.3 Mortgage Servicing Fee

The Fund pays a fee to Aegon Hypotheken B.V. for services in the context of mortgage provision and the management (and special credits management) of the mortgage portfolio. These services include administering the mortgage portfolio, communicating with underlying debtors, taking care of all payments concerning mortgage loans and reporting for the purposes of management of the Fund. The Mortgage Servicing Fee is 0.27% of the par value of the outstanding mortgages.

### 10.1.4 Discounts

The Manager is authorised to grant a Participant a discount on the total amount of costs and fees described above. The amount of such a discount is based on the outcome of commercial negotiations. Article 17.4 of the Fund Terms and Conditions provides further information regarding discounts.

### 10.1.5 Indebtedness of costs and fees

A Participant is liable for payment of the costs and fees as per the Trading Day of its entry pro rata to the called-up portion of its Committed Amount.

## 10.2 Mark-ups and mark-downs on Fund entries and exits

The Fund does not apply any mark-ups or mark-downs on Fund entries or exits. In the cases provided for in Article 13.3 of the Fund Terms and Conditions, however, the Manager has the option of passing costs incurred in connection with the sale of mortgage receivables to Aegon on to the relevant Participant.

## 10.3 Ongoing Charges Figure

The Ongoing Charges Figure (OCF) is published in the annual report and the most recent Fund Specifications of the Fund. The OCF is calculated by dividing the total costs of the Fund by the average Net Asset Value during the reporting period. The OCF includes all costs charged to the Fund Assets during the reporting period, with the exception of any mark-ups and mark-downs related to entering and exiting Participants, any performance fees, investment transaction costs and interest charges on bank accounts.

# 11. Reporting and other information

The Fund's financial year coincides with the calendar year.

Annually, within five months of the end of each financial year of the Fund, the Manager draws up financial statements and an annual report, the contents of which will satisfy the applicable Wft requirements. The financial statements will be audited by the Accountant. The Net Asset Value as at 31 December of the relevant financial year is published in the annual report, as well as a multiannual overview (see Appendix I) regarding the return generated by the Fund (based on the development of the Net Asset Value). The most recent Net Asset Value will be published continuously on the Website.

The Manager will provide the Participants with the financial statements, the auditor's opinion and the annual report in Writing within fourteen days of adoption of the financial statements. In addition, the most recent examples of the financial statements and annual report are available via the Website and may be obtained free of charge from the Manager on request.

Each month, the Manager will provide the Participants in Writing with the following reports pertaining to the mortgage receivables that are part of the Fund Assets:

- (i) NAVreport;
- (ii) a mortgage arrears report;
- (iii) stratification tables of the mortgages;
- (iv) Loan-level-data of the mortgages via Portal;
- (v) Cash flow projections;
- (vi) Mortgages Monthly;
- (vii) Look-through reporting;
- (viii) duration; and
- (ix) a NAV estimate as at month-end within T+5.

Each quarter, the Manager will also send the Participants an invitation to a conference call with the Key Person.

In consultation with the Manager, additional reports may be provided at extra cost. The Participant must submit a Written request to this end to the Manager.

## Data Protection

The General Data Protection Regulation came into force on 25 May 2018. The Manager endorses the importance of this legislation and protects and processes personal data in accordance with this regulation.

The Manager processes client information, including personal data, and as a global organization this information may be exchanged within the worldwide Aegon Asset Management (AAM) group. The Manager only shares personal data for the purposes mentioned in the privacy statement (available on the website). The sharing of personal data will be subject to all applicable laws and regulation and strict operating controls, as well as the robust data security practices adopted by the Fund and the Manager. If your personal data is transferred to a country where the local regulation does not reach the EU adequate level of data protection the Manager will take measures to ensure that your personal data is adequately protected, such as entering into EU Standard Contractual Clauses with these parties.

For detailed information about how the Manager processes personal data, please consult the privacy statement on the website:

<https://www.aegonam.com/en/tertiary-navigation/privacy-statement-aim/>. Please note that the privacy statement will be amended from time to time.

## 12. Meeting of Participants

### 12.1 General

In the situations provided for in the Fund Terms and Conditions, as well as if the Manager considers such desirable in the interest of the Participants, the Manager will convene a Meeting of Participants. A Meeting of Participants can also be held by telephone. In any event, the Manager will call a Meeting of Participants at least once a year. If applicable, the agenda will in any event include the adoption of the financial statements of the Fund and any proposed change to the applicable tax regime. In addition, the Manager will call a Meeting of Participants at the request of one or more Participants, alone or jointly representing at least  $\frac{1}{4}$  of the total amount of votes that can be cast by Participants. A notice convening a Meeting of Participants will be provided in Writing at least 8 days in advance. Minutes will be kept of the business transacted at the Meeting.

### 12.2 Decision-making

At the Meeting of Participants, resolutions are adopted by an absolute majority of the votes cast at the Meeting, unless the Fund Terms and Conditions prescribe any other majority; such resolutions will then be binding on all Participants. Each Participation confers the right to cast one vote for the adoption of resolutions; blank votes are deemed not to have been cast. Participants' resolutions may also be adopted without meeting, provided that this is done in Writing, all Participants have been given an opportunity to cast their votes and none of them has objected to this manner of decision-making.

### 12.3 Power of approval

Pursuant to Article 20.3 of the Fund Terms and Conditions, resolutions to amend the Mortgage Loan Criteria or (specific parts of) the Fund's investment policy, as well as resolutions adversely affecting the legal position of Participants, cannot be adopted by the Manager other than after having obtained prior approval from the Meeting of Participants.

### 12.4 Chairman

The Chairman of the Meeting of Participants is appointed by the Manager from the Participants at the meeting. The premise is that the chairmanship rotates every two years between the five Participants with the highest (aggregate) Committed Amount. Articles 20.10 and 20.11 of the Fund Terms and Conditions further describe the appointment procedure.

In principle, the chairman of the Meeting of Participants is a Participant in the Fund and/or the AeAM Dutch Mortgage Fund 2 (DMF 2), unless the Fund Terms and Conditions determine otherwise. Participants can volunteer for the chairmanship and the chairmanship rotates every two (2) years. In case several Participants volunteer for the chairmanship, the Participant with the most (aggregate) assets under management in the DMF 2 and the Fund will be appointed as the chairman by the Manager. In case none of the Participants in the DMF 2 or the Fund have volunteered for the chairmanship, the Manager will provide a chairman for the next Meeting of Participants. Articles 20.10 and 20.11 of the Fund Terms and Conditions further describe the appointment procedure.

In the event a Meeting of Participants is held at the request of one or more of the Participants in line with the Fund Terms and Conditions, the Meeting of Participants will not necessarily be combined with DMF 2 and the Manager will provide the chairman of the meeting.

## 13. Manager, Title Holder, mortgage provider and servicer

### 13.1 Manager

The Fund is managed by Aegon Investment Management B.V., a wholly owned subsidiary of Aegon Asset Management Holding B.V.. The Manager is a Dutch private limited liability company (*besloten vennootschap met beperkte aansprakelijkheid*). The Manager's day-to-day policy is determined by its Management Board, currently consisting of the following members:

| Name                    | Position          |
|-------------------------|-------------------|
| D. Jacobovits de Szeged | Managing Director |
| T.E.J.F. Stassen        | Managing Director |

The Manager's financial year coincides with the calendar year. In accordance with the law and Articles of Association, the Manager's Management Board draws up financial statements within 5 months of the end of each financial year. This period may be extended by the Manager's general meeting of shareholders on the grounds of special circumstances only and by six months at the most. The financial statements are published at [www.aegonam.com](http://www.aegonam.com).

### 13.2 Title Holder

The Title Holder of the Fund Assets is Aegon Custody B.V., a wholly-owned subsidiary of Aegon Asset Management Holding B.V.. The Title Holder is a Dutch private limited liability company (*besloten vennootschap met beperkte aansprakelijkheid*).

The Title Holder holds the Fund Assets of the Fund in its own name but for the account and risk of the Fund.

### 13.3 Mortgage provider and servicer

The mortgage loans included in the Fund are provided by Aegon Hypotheken B.V.. Pursuant to the Master Mortgage Receivables Purchase Agreement, a portion of the mortgage loans provided by Aegon Hypotheken B.V. is assigned to the Fund. Pursuant to the Servicing Agreement between the Manager, the Title Holder (both acting on behalf of the Fund) and Aegon Hypotheken B.V., the latter also acts as servicer of the Fund's mortgage portfolio. This chiefly entails that Aegon Hypotheken B.V. performs the underwriting and approval process pertaining to mortgage applications, administers all relevant data, takes care of communication with the underlying debtors (also in the event of default), receives all payments pertaining to the mortgage loans and pays them on to the Fund, and provides regular reports to the Manager for the purposes of the management of the Fund.

#### **Mortgage application credit assessment and approval process**

The credit assessment and approval process for mortgages issued by Aegon is performed by Aegon Nederland's mortgage business. All mortgage loans are provided in the Netherlands. In 2012, the underwriting department received approximately 20,000 mortgage applications. Approximately 75% of these were assessed automatically via the Fast Mortgages System (Fast Hypotheken Systeem, or FHS), approximately 5% of the applications were handled by a senior underwriter of the loans committee after an automatic check in the FHS, and the remaining 20% of the applications were rejected. Approximately 98% of all mortgages are sold via intermediaries and the remaining 2% by Aegon directly. Aegon uses a wide range of intermediaries (self-employed as well as other independent advisors). Only professional regional and national parties that meet Aegon's standards and requirements are permitted to act as intermediaries. These intermediaries only collect the client's details and have no involvement in the underwriting and approval process.

#### **Production of mortgages**

Three aspects are assessed during the underwriting process: i) income details and employment history of the applicant; ii) payment history of the applicant; and iii) value and quality of the property as collateral. Aegon's underwriting criteria meet the Mortgage Finance Code of Conduct, the Wft and, since 1 January 2013, the Temporary Rules for Mortgage Credit (*Tijdelijke regeling hypothecair krediet*). The Code of Conduct gives Aegon the option of departing from the criteria regarding maximum borrowing capacity on an individual basis. These mortgage loans involve extensive documentation and are designated as customised arrangements.

### 13.4 Depositary

#### 13.4.1 Introduction

The Manager has appointed Citibank Europe Plc, acting from its Dutch branch office, as the Depositary of the Fund. The Depositary is responsible for the supervision of the Fund in so far as required under and in accordance with applicable legislation. The Manager, the Title Holder and the Dutch branch office of Citibank Europe Plc have entered into the Depositary Agreement to that end.

#### 13.4.2 Main duties

The main duties to be performed by the Depositary in the context of holding the Fund's investments in safe custody are as follows:

- (i) monitoring and verifying the Fund's cash flows, including the payments from and to entering and exiting Participants;
- (ii) holding the Fund's assets in safe custody, including determining that the assets have been acquired by the Fund and that this has been recorded in the books;
- (iii) determining that the issue, redemption, repayment and cancellation of the Participations in the Fund were performed in accordance with the Fund Terms and Conditions and the applicable legislation and regulations;
- (iv) verifying whether the (net asset) value of the Fund is determined correctly, and periodically assessing whether the procedures for determining the net asset value are satisfactory as well as verifying that the cash equivalent of transactions with regard to the Fund's assets is paid to the Fund in good time;
- (v) verifying whether the Fund's proceeds are used for the designated purpose in accordance with the applicable legislation and regulations and the Fund Terms and Conditions; and
- (vi) carrying out the Manager's instructions, unless these are contrary to the Articles of Association or applicable legislation and regulations.

#### 13.4.3 Dismissal of the Depositary

The Depositary can be dismissed by the Manager, or resign, on certain grounds and on certain conditions as set out in the Depositary Agreement. In the event of the Depositary's dismissal (or intention of such dismissal), the Manager will appoint a successor for the Depositary with due observance of the applicable legislation.

#### 13.4.4 The Depositary's liability

The Depositary is liable to the Fund and the Participants for the loss of any financial instrument taken into custody by the Depositary or by a third party to which it has transferred the custody. The Depositary will not be liable if it can demonstrate that the loss was caused by an external event beyond its reasonable control, the consequences of which were unavoidable despite any efforts to prevent them.

The Depositary is also liable to the Fund and the Participants for any other losses they suffer due to the Depositary's failure to properly fulfil its obligations under the Depositary Agreement with intent or due to negligence. Participants may indirectly invoke the liability of the Depositary via the Manager. If the Manager refuses to cooperate with such a request, the Participants are authorised to file the claim for damages directly with the Depositary.

#### 13.4.5 Delegation and conflicts of interest

Under the Depositary Agreement, the Depositary is authorised to delegate certain duties. Accordingly, the Depositary has outsourced its custodian duties to the Custodian Bank. The Manager will immediately inform the Participants if another duty is outsourced. In principle, any delegation leaves the Depositary's liability intact. However, the Depositary may discharge itself of liability if the Depositary Agreement so permits and all delegation requirements, as set out in the applicable legislation, have been satisfied.

From time to time, conflicts of interest may arise between the Depositary and third parties to which a duty has been outsourced. In the event of a (possible) conflict of interests that may arise during the normal course of events, the Depositary will comply with the applicable legislation.

#### 13.4.6 The Depositary's background

Citibank Europe Plc is a public limited company registered with the Companies Registration Office in Ireland under registration number 132781. The Depositary has a banking licence in Ireland. The Depositary performs its duties from its Dutch branch office, which was incorporated on 3 May 2002 and is established at Schiphol Boulevard 257, 1118 BH Schiphol, and is registered with the Chamber of Commerce and Industry, Amsterdam office, under registration number 34161334. The Depositary is supervised by the Central Bank of Ireland in Ireland and in the Netherlands, within the context of liquidity, by the Dutch Central Bank (De Nederlandsche Bank).

### 135 Outsourcing of management duties by the Manager

For the purposes of (supporting) the management of investment funds, the Manager has delegated duties to the following parties:

1. Aegon Asset Management Hungary B.V.: a shared service centre for transaction processing activities and performance measurement; and
2. Citibank N.A.: fund administration.

The aforementioned parties are not involved in the management of the Fund.

The Manager does not use prime brokers in connection with the management of the Fund, or any other investment fund managed by it.

## 14. Affiliated Parties

The Fund, the Manager and the Title Holder may conclude agreements with Affiliated Parties. This includes, but is not limited to, the conclusion of agreements with related investment institutions. These transactions are executed at arm's length conditions. Charged to the Fund Assets, investments can be made with Affiliated Parties of the Manager and/or the Title Holder, or fees can be arranged with the same, but only at arm's length rates and if permitted by law. Otherwise, transactions taking place with Affiliated Parties outside a regulated market will always be based on an independent valuation of the price of similar transactions.

Appendix IV contains a summary of the key contracts including those with affiliated parties that relate to the Fund.



## 15. Other information

### 15.1 Dutch Financial Supervision Act (Wft)

The Fund qualifies as an externally managed collective investment scheme within the meaning of Article 1.1 of the Wft in the form of an investment fund. The Manager has a licence for managing investment schemes within the meaning of Article 2:65 of the Wft and is therefore obliged to comply with all statutory obligations pursuant to the Wft. Within this context the Manager has appointed the Depositary as an independent custodian within the meaning of the Wft, after implementation of the European Alternative Investment Fund Managers Directive. Pursuant to the aforementioned license, the Manager is also authorised to provide the following investment services to Professional Investors: “individual portfolio management in relation to financial instruments”, “advising on Financial instruments” and “reception and transmissions of orders”.

The Depositary is responsible for the supervision of the Fund in so far as required under and in accordance with the Wft. The Manager, the Title Holder and the Depositary have entered into the Depositary Agreement for the benefit of the Fund and the Participants.

### 15.2 Amendments to terms and conditions

Should the Manager decide to amend the Fund Terms and Conditions, it will so notify each Participant in Writing at their respective addresses. The Manager will explain the amendment.

Without prejudice to the provisions in Article 20.3 (ii) of the Fund Terms and Conditions, an amendment to the Fund Terms and Conditions, as a result of which the rights or security of the Participants are reduced, or burdens are imposed on the Participants, will not take effect until thirty days have elapsed since the date on which the Participants were notified of those amendments in Writing.

## 14. Responsible Investing

As a signatory of the Principles for Responsible Investment since 2011, the Manager as a part of the Aegon Asset Management group (Aegon AM) is committed to incorporating financially material Environmental, Social and Governance (ESG) factors into investment analysis and decision-making processes, with the aim to help mitigate risk and uncover opportunities. We believe this will support long-term value creation. Aegon AM's approach to ESG integration is further elaborated in the Aegon AM Responsible Investment Framework.

Portfolios managed by the Manager are subject to the Aegon AM Sustainability Risks and Impacts Policy that can be found in the responsible investing page of the Aegon AM website [www.aegonam.com](http://www.aegonam.com). This policy outlines specific requirements that find its origin in regulation as well as in widely accepted international standards, treaties, and guidelines. The policy covers further information on how sustainability risks are considered, as also summarised below in the SFDR Regulation section, and how and to what extent the Fund Manager considers Principal Adverse Impacts for the relevant Funds, as defined in the Funds' precontractual disclosures.

### 14.1 SFDR regulation

This subsection explains how ESG risks are integrated in investment decisions and the likely impacts of ESG on the returns, corresponding to the Article 6 of the European regulation on sustainability-related disclosures in the financial services sector (SFDR).

Integrating ESG factors requires striking the right balance between quantitative and qualitative insights. AAM makes an assessment of environmental, social and corporate governance considerations on the side of the originator and underwriter. Compared to equities or corporate bonds, the formal ESG integration within mortgages is in an early stage. There is no third party ESG research and there are limited industry standards for ESG assessment in this asset class.

ESG criteria are a critical component of our engagement with the originator, therefore AAM works with the originator to ensure that ESG factors remain relevant through the whole investment cycle.

Our engagement with the originator covers the following topics:

- Governance of the firm: Whether the firm has a clear commitment to ESG Integration, Responsible Investment Policies and practices and the necessary reporting framework in place.
- Culture of the originator: How knowledgeable the originator is with ESG topics relevant to the portfolio, the extent to which it is discussed internally and externally by the team and the team's philosophy on ESG Integration.
- Process: Quality and integrity of the process around ESG integration, as signalled by the actual implementation of ESG integration.

More information about the ESG characteristics of this Fund, corresponding to the Article 8 of SFDR, can be found in the precontractual information of the Fund as included in Appendix V SFDR disclosures.

### 14.2 Taxonomy Regulation

The Taxonomy Regulation requires disclosure regarding how and to what extent the investments of each Fund are in economic activities that qualify as environmentally sustainable pursuant to those criteria. These disclosures are set out below.

For this Fund, the investment policy, as set out in the fund specifications, describes how this Fund promotes ESG characteristics through, amongst other things, consideration of a wide range of environmental indicators.

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 Taxonomy Regulation, as measured according to the technical screening criteria set out in the Taxonomy Regulation, and that it must not significantly harm any of the other environmental objectives set out in the Taxonomy Regulation.

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

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

### 14.3 Principal Adverse Impact consideration

For this Fund, details on how the Fund Manager considers adverse impacts of investment decision on sustainability factors as referred in article 7 SFDR, can be found in the Fund's SFDR disclosures in Appendix V.

# Appendix I Returns of the AeAM Dutch Mortgage Fund

Returns of the AeAM Dutch Mortgage Fund  
Net annual return

|                          | 2024  | 2023  | 2022    | 2021  | 2020  |
|--------------------------|-------|-------|---------|-------|-------|
| AeAM Dutch Mortgage Fund | 6.15% | 2.55% | -14.00% | 0,87% | 1,52% |

# Appendix II Terms and Conditions of Management and Custody AeAM Dutch Mortgage Fund

## Terms and Conditions of Management and Custody AeAM Dutch Mortgage Fund

These are the Terms and Conditions of Management and Custody of the AeAM Dutch Mortgage Fund, adopted on 30 August 2013, and then most recently amended on 30 April 2025, by Aegon Investment Management B.V., a private limited liability company having its registered office in The Hague and its principal place of business at Aegonplein 50, 2591 TV The Hague (per June 2025 the registered office will be in the World Trade Center Schiphol, Schiphol Boulevard 223, 1118 BG Schiphol), acting in this matter as the manager of the Fund to be referred to below (as such hereinafter to be referred to as the “Manager”).

## 1. Definitions

In these Fund Terms and Conditions, the following defined terms have the following meanings:

|                                   |   |
|-----------------------------------|---|
| <b>Benchmark:</b>                 | JP Morgan Government Bond Index Traded Netherlands.   |
| <b>Call for Payment:</b>          | a Written request from the Manager to the Participants to pay part of the Outstanding Committed Amount.   |
| <b>Capital Payments:</b>          | the amount called up by means of a Call for Payment that has been or must be paid by the Participants and has not been paid back to the relevant Participant.   |
| <b>Committed Amount:</b>          | the amount committed by a Participant to the Fund within the meaning of Article 6.1 of these Fund Terms and Conditions and for which the Prospective Participant did not invoke the Right to Revoke the Committed Amount within the meaning of Article 6.10 of this Fund’s Terms and Conditions.  |
| <b>Common Reporting Standard:</b> | the regulations drawn up by the Organisation for Economic Co-operation and Development (OECD) to improve tax liability compliance, as implemented in Dutch laws and regulations.  |
| <b>Depository:</b>                | Citibank Europe Plc, established in Dublin, Ireland, acting from the Dutch branch office, or its successor.   |
| <b>Depository Agreement:</b>      | the agreement between the Manager, the Title Holder and the Depository as described in more detail in chapter 13.4 of this Information Memorandum.  |
| <b>Entry Form:</b>                | the form referred to in Article 6.1 of these Fund Terms and Conditions.   |
| <b>Fund:</b>                      | the AeAM Dutch Mortgage Fund, a specific investment fund to which these Fund Terms and Conditions apply.  |
| <b>Fund Assets:</b>               | the whole of the assets and liabilities existing in connection with the Fund.   |
| <b>Fund Securities:</b>           | the Fund’s Investments and the liquid assets or Dutch government bonds that are part of the Fund Assets.  |
| <b>Fund Terms and Conditions:</b> | these terms and conditions of management and custody as applicable to the Fund, as amended from time to time.   |
| <b>Group Entity:</b>              | an entity to which a Participant is affiliated within a group. A (corporate) group is an economical unit in which legal entities and companies are organizationally connected. Investment vehicles in which all the assets are fully (economically) owned by affiliated entities can also qualify as a Group Entity.  |
| <b>(In)direct Investor:</b>       | an investor that qualifies as a Professional Investor which either has a direct investment in the Fund as a holder of Participations or which has an indirect investment in the Fund as it is an investor in an (alternative) investment fund (“AIF”) or an undertaking for collective investment in transferable securities (“UCITS”) (both as defined in the Wft), which AIF or UCITS is a Participant in the Fund; |
| <b>Individual Entry Price:</b>    | the entry price as defined in Article 11.9 of these Fund Terms and Conditions.  |

|  |  |
|--|--|
| <b>Investment:</b>                                     | mortgage receivables that meet the Mortgage Loan Criteria and that were purchased and obtained by the Fund.  |
| <b>Issue Date:</b>                                     | the date, being at most fifteen business days after a Trading Day, on which the number of Participations acquired by a Participant are entered into the register of Participants.  |
| <b>Key Person:</b>                                     | Frank Meijer.  |
| <b>Key Person Event:</b>                               | the termination of the employment relationship between the Key Person and the Manager or a situation in which the Key Person no longer spends a substantial part of his working hours on the Fund.   |
| <b>Legal Succession:</b>                               | the situation in which a current Participant (in its entirety or a substantial share of its capital) transfers to, or is transferred to, a Legal Successor as a result of a merger, split-off, acquisition, change of legal form, restructuring or relocation of its registered office or business location to a different country.  |
| <b>Legal Successor:</b>                                | a different legal entity designated by a current Participant in connection with Legal Succession in accordance with Article 6.6 of these Fund Terms and Conditions, or legally recognised segregated capital within it.  |
| <b>LTV Ratio:</b>                                      | the Loan-to-Value ratio is calculated by dividing the aggregate principal outstanding under the mortgage receivable by the original market value of the collateral related to that mortgage receivable.  |
| <b>Manager:</b>  | Aegon Investment Management B.V., having its registered office in The Hague, or its legal successor appointed in accordance with these Terms and Conditions.   |
| <b>Master Mortgage Receivables Purchase Agreement:</b> | the agreement between Aegon Custody B.V., Aegon Investment Management B.V. and Aegon Hypotheken B.V. of 30 August 2013 concerning the purchase of mortgage receivables, which is available for inspection at the Manager's offices.  |
| <b>Meeting of Participants:</b>                        | the meeting of Participants as described in more detail in Article 20 of these Fund Terms and Conditions   |
| <b>Mortgage Loan Criteria:</b>                         | the criteria that a mortgage loan must meet to be eligible for inclusion in the Fund: <ul style="list-style-type: none"> <li>a) the collateral concerns Dutch private homes;</li> <li>b) the mortgage loan was taken out after 1 January 2013; and</li> <li>c) the mortgage loan size (including, for the avoidance of doubt, any bridge loans) does not exceed the amount permissible under article 191(4) of Commission Delegated Regulation (EU) 2015/35 of 10 October 2014 (Solvency II) as amended or updated.</li> </ul> |
| <b>Mortgage Servicing Fee:</b>                         | the fee that Aegon Hypotheken B.V. charges the Fund for managing the Investments. The arrangements in this regard have been laid down in the Servicing Agreement.  |
| <b>Net Asset Value:</b>                                | the net asset value is calculated by adding up the values of all Fund Securities, deducting the costs incurred by the Fund and the Fund's liabilities, and then dividing the outcome by the number of Participations outstanding.  |
| <b>NHG:</b>  | the National Mortgage Guarantee (Nationale Hypotheek Garantie) provided by the Homeownership Guarantee Fund (Stichting Waarborgfonds Eigen Woningen).  |
| <b>Non-United States Person:</b>                       | a natural person or legal entity within the meaning of Commodity Futures Trading Commission Rule 4.7(A)(1)(iv), or any superseding provision.  |
| <b>Offer Risk:</b>                                     | the risk of a decrease or increase in the value of a mortgage receivable due to falling or rising interest rates between the time that a mortgage offer is provided to the underlying customer (the mortgagor) and the time that the related mortgage receivable is delivered to the Fund. Within the framework of the Fund, the concept of offer risk therefore has a different meaning than it is usually understood to mean in the mortgage market.   |
| <b>Outstanding Committed Amount:</b>                   | the part of the Committed Amount not yet called up and for which the Prospective Participant did not invoke the Right to Revoke the Committed Amount;  |

|  |  |
|--|--|
| <b>Participant:</b>                          | every person or entity entitled to one or more Participations.   |
| <b>Participation:</b>                        | a claim conferring entitlement to a share of the Fund Assets.  |
| <b>Professional Investor:</b>                | professional investor within the meaning of Article 1:1 of the Dutch Financial Supervision Act (Wft). Prospective Participant: every person or legal entity whose Entry Form has been accepted by the Manager but has not yet been issued Participations and has not invoked the Right to Revoke the Committed Amount within the meaning of Article 6.10 of these Fund Terms and Conditions. |
| <b>Prospectus:</b>                           | AeAM Dutch Mortgage Fund's prospectus, including appendices, as amended or supplemented from time to time. Redemption Date: the date, being at most fifteen business days after a Trading Day, on which the Participations held by a Participant are (fully or partly) removed from the register of Participants.  |
| <b>Replacement Investor:</b>                 | a party introduced by a Participant in relation to a redemption request. The Participant can designate a Replacement Investor to transfer (all or part of) its Participations to subject to the terms and conditions.  |
| <b>Right to Revoke the Committed Amount:</b> | the right of the Prospective Participant to revoke the entire Committed Amount (and thus the Entry Form) within the meaning of Article 6.10 of this Fund's Terms and Conditions and within the time period specified by the Manager.   |
| <b>Servicing Agreement:</b>                  | the agreement between Aegon Custody B.V., Aegon Investment Management B.V. and Aegon Hypotheken B.V. of 30 August 2013 concerning the management of the Investments by Aegon Hypotheken B.V., which is available for inspection at the Manager's offices.  |
| <b>Specified U.S. Person:</b>                | a natural person or legal entity within the meaning of the Intergovernmental Agreement between the United States and the Netherlands with regard to the Foreign Accounts Tax Compliance Act (the "FATCA" regulations), or any superseding provision.   |
| <b>Title Holder:</b>                         | Aegon Custody B.V., having its registered office in The Hague, or its successor appointed in accordance with these Terms and Conditions.   |
| <b>Trading Day:</b>                          | every last day of the month on which the banks in the Netherlands and/or the stock exchange or stock exchanges relevant to one or more Funds and/or the foreign banks relevant to one or more Funds are open for the execution or facilitation of transactions, such in the Manager's sole discretion.   |
| <b>Valuation Date:</b>                       | the date, being at most fifteen business days after each Trading Day, on which the Net Asset Value on the preceding Trading Day is calculated in accordance with Article 10 of these Fund Terms and Conditions.  |
| <b>Website:</b>                              | <a href="http://www.aegonam.com">www.aegonam.com</a> .   |
| <b>Wft:</b>                                  | the Dutch Financial Supervision Act ( <i>Wet op het financieel toezicht</i> ).   |
| <b>Written/In Writing:</b>                   | by letter, fax or e-mail, or by message transmitted via any other common means of communication that can be received in written form.  |

## 2. Name, seat and duration

- 2.1 The Fund's name is AeAM Dutch Mortgage Fund.
- 2.2 The Fund has its registered office at the Manager's offices.
- 2.3 The Fund has been created for an indefinite period of time.

### 3. Nature and tax status

- 3.1 The Fund is organised as a mutual fund and is transparent for tax purposes. The Fund is not a tax subject for the purposes of the Dutch Corporate Income Tax Act (*Wet op de vennootschapsbelasting*) and the Dutch Dividend Withholding Tax Act (*Wet op de dividendbelasting*). The Fund's assets, debts, income and expenses are allocated directly to Participants.
- 3.2 The Fund is closed in nature: Participations may only be sold to the Fund itself. Except in the event of special circumstances, a Participant may offer Participations for redemption on each Trading Day in accordance with Article 13 of these Fund Terms and Conditions.
- 3.3 The Fund qualifies as an externally managed alternative investment fund (*beleggingsinstelling*) within the meaning of Article 1.1 of the Wft in the form of an investment fund. The Manager is licensed to manage alternative investment funds within the meaning of Article 2:65 of the Wft and is thus required to satisfy all statutory requirements under the Wft.
- 3.4 In this respect, the Manager has appointed the Depositary as an independent depositary within the meaning of Article 4:37f(1) of the Wft.
- 3.5 The Depositary is responsible for the supervision of the Fund in so far as required under and in accordance with the Wft. The Manager, the Title Holder and the Depositary have entered into the Depositary Agreement for the benefit of the Fund and the Participants.

### 4. Object, investment policy and dividend distribution

- 4.1 The Fund's object is to directly or indirectly invest assets for the account and risk of Participants, mainly in claims arising under Dutch mortgage loans granted by Aegon Hypotheken B.V., which meet the Mortgage Loan Criteria. Any means that are not invested in such claims will be invested in liquid assets or Dutch government bonds, in accordance with Article 4.5 of these Fund Terms and Conditions.
- 4.2 In principle, the mortgage receivables acquired by the Fund are held to maturity. In certain situations, the Master Mortgage Receivables Purchase Agreement provides for (i) the option to offer mortgage receivables for sale to Aegon Hypotheken B.V., and (ii) an obligation for Aegon Hypotheken B.V. to repurchase mortgage receivables.
- 4.3 The Fund invests within the following margins:
  - (i) mortgage receivables with NHG: at least 50%;
  - (ii) mortgage receivables without NHG: up to 50%;
  - (iii) LTV Ratio: up to 106%; and
  - (iv) target exposure to liquid assets: 0%; minimum exposure: -5%, maximum exposure: +5%; no account is taken of unused portions of construction deposits (amounts placed under a Construction Deposit, which have not been drawn-up, within the meaning of the Master Mortgage Receivables Purchase Agreement) when determining the exposure to liquid assets.
- 4.4 In the event that the margins included in Article 4.3 of these Fund Terms and Conditions are exceeded, the Manager will ensure that these margins are returned to as quickly as reasonably possible. In this regard, the Manager is not required to sell existing Investments.
- 4.5 The investment policy is aimed at achieving returns exceeding the Benchmark in the longer term. Liquid assets may be invested in Dutch government bonds or held in cash.
- 4.6 The use of other techniques, instruments and/or structures requires the prior approval of the Meeting of Participants in accordance with Article 20.3 of these Fund Terms and Conditions.
- 4.7 The Fund only invests in Euro-denominated securities. The Fund distributes dividend to Participants on an annual basis. The Manager determines the amount of the dividend distribution. The dividend distribution is equal to the average mortgage loan interest on the Investments during the relevant financial year, less the percentage of costs and fees as referred to in Article 17 of these Fund Terms and Conditions. The dividend is distributed pro rata parte of the called-up portion of the Committed Amount.
- 4.8 Dividend may be distributed in Participations or in cash. Upon initial entry, the Participant must indicate on the Entry Form how it wishes to receive any dividend distributions. Subsequently, if so desired, the Participant may communicate a different choice once every financial year by means of a Written request to the Manager, which must have been received by the Manager prior to 15 December of the financial year in which the dividend is to be distributed. The choice thus made applies at all times to a Participant's entire investment; therefore, only one choice can be made for the total Committed Amount, including any follow-up investment. If a Participant increases its Committed Amount during the term of the Fund, the choice made will thus always be deemed to relate to the follow-up investment as well. The dividend distributed by the Fund are not subject to dividend withholding tax.
- 4.9 If dividend is distributed in Participations as referred to in the previous paragraph of this Article, the value of the Participations is equal to the Net Asset Value determined on the Valuation Date preceding the date on which the distribution is determined.



- 4.10 If the Manager has complied with a request as referred to in Article 6.6 of these Fund Terms and Conditions, the choice made by the original Participant in accordance with Article 4.8 is deemed to have been made by its Legal Successor, Group Entity, (In)direct Investor or Replacement Investor and the original Participant's right to dividend distribution passes to its Legal Successor, Group Entity, (In)direct Investor or Replacement Investor. At such time, dividend is distributed to the Legal Successor, Group Entity, (In)direct Investor or Replacement Investor at the time and in the manner provided in Articles 4.7 to 4.9 (inclusive) of these Fund Terms and Conditions.

## 5. Creation of the Fund

- 5.1 The Fund is only open to participation by Professional Investors. Further, participation in the Fund is subject to the continuous condition that the (current or entering) Participant and any ultimate beneficiaries:
- (i) are Non-United States Persons; and
  - (ii) are not designated as Specified U.S. Persons.
- The (current or entering) Participant is obliged to provide the Manager with all information necessary to determine or redetermine and verify the former's status (and the status of any ultimate beneficiaries) as a Non-United States Person and/ or Specified U.S. Person, as well as its identity, classification and tax residence in accordance with the Common Reporting Standard. The foregoing applies by analogy in respect of any prospective Legal Successor, Group Entity, (In)direct Investor or Replacement Investor. The Participant is also required to notify the Manager in Writing of any material changes to that information.
- 5.2 The Fund is set up pursuant to a resolution adopted to that end by the Manager and the Title Holder.
- 5.3 The Fund is formed by everything paid up on the Participations in the Fund concerned, everything acquired with those payments, all rewards thereof and by the creation and increase of debts, provisions and reserves, at the Manager's discretion.
- 5.4 The Participants are deemed to have taken note of and to comply with the provisions of these Fund Terms and Conditions from the date of receipt by the Manager of a request for participation in the Fund.

## 6. Entry / Right to Revoke the Committed Amount

- 6.1 Prospective Participants may submit an application for entry to the Fund by completing and signing the entry form included in the Appendix (the Entry Form) and sending it to the Manager. Upon the application for entry to the Fund, the Participants agree on an amount that they wish to make available to the Fund (the Committed Amount). The Prospective Participant however, can be granted the Right to Revoke the Committed Amount taking into account article 6.10 of the Fund Terms and Conditions. The Manager will not admit any person or entity to the Fund who (or whose ultimate beneficiary) does not meet or no longer meets the entry requirements referred to in Article 5.1 of these Fund Terms and Conditions. However, the Prospective Participant can be granted the Right to Revoke the Committed Amount within the meaning of Article 6.10 of this Fund's Terms and Conditions. The Manager is entitled at all times to refuse entry requests or to impose further conditions on entry. In doing so, the Manager will refer to the applicable regulations, the Fund's interests or the interests of the majority of the current Participants. A Participant may increase the Committed Amount during the term of the Fund subject to the Manager's prior Written consent.
- 6.2 The Participants must make their Outstanding Committed Amounts available to the Fund at the times requested by the Manager in a Call for Payment as referred to in Article 11 of these Fund Terms and Conditions. If the Manager has complied with a request as referred to in Article 6.6 of these Fund Terms and Conditions, the original Participant's rights and obligations in respect of the Outstanding Committed Amount at that time are deemed to pass to its Legal Successor, Group Entity, (In)direct Investor or Replacement Investor, including – without limitation – the right to pro rata parte allocation of Participations in accordance with Article 11.3 of these Fund Terms and Conditions and the obligation to comply with a Call for Payment at the Manager's request in accordance with Articles 6.2 and 11 of these Fund Terms and Conditions. Following the first issue of Participations to a Legal Successor, Group Entity, (In)direct Investor or Replacement Investor in accordance with the final sentence of Article 11.2 of these Fund Terms and Conditions, the Outstanding Committed Amount will be called up in due course by means of one or several Calls for Payment in accordance with the regular provisions of these Fund Terms and Conditions.
- 6.3 The Fund does not owe the Participants any payment in respect of the Outstanding Committed Amount.
- 6.4 The (Prospective) Participants are not entitled to withdraw from the (the Pipeline of the) Fund or to withdraw or revoke any part of their (Outstanding) Committed Amounts, unless explicitly provided otherwise in these Fund Terms and Conditions (as in Article 6.10).
- 6.5 Without prejudice to the provisions of Article 6.4 of these Fund Terms and Conditions, a Participant may ask the Manager in Writing – in derogation of Article 11.4 of these Fund Terms and Conditions – to call up its Outstanding Committed Amount in phases over a longer period of time than would be appropriate on the basis of the pro rata parte allocation system of said Article. This entails that the Participant waives its right to

pro rata parte allocation in accordance with said Article. The Manager must have received such a request within one (1) week of receipt of the relevant Entry Form. The Manager will assess the request in light of the expected allocation of mortgage receivables to the Fund by Aegon Hypotheken B.V., any Outstanding Committed Amounts at that time and any outstanding redemption requests and the other circumstances it deems relevant. The Manager is never required to agree to the request and may reject it without stating reasons. If the Manager agrees to such a request, the part of the Outstanding Committed Amount of the relevant Participant(s) that is not called up as a result of application of the scheme in the relevant calendar month will be proportionately divided among the other (current or entering) Participants according to the system of Article 11.4 of these Fund Terms and Conditions. Subject to the provisions of Articles 7.3 and 11.4 of these Fund Terms and Conditions, Article 7.2 (Offer Risk) of these Fund Terms and Conditions applies in full in the event that the Outstanding Committed Amount of one or more (current or entering) Participants is called up in phases in accordance with this paragraph.

6.6 A Participant may make a Written request to the Manager for a special redemption of all or part of the Participations held by it in return for the simultaneous issue of the same number of new Participations to a Legal Successor, Group Entity, (In)direct Investor or Replacement Investor designated by the Participant. In case of a Legal Successor the redemption request should cover all the Participations of the Participant (or a complete, segregated part). Such a request must be accompanied by all information requested by the Manager with regard to the prospective Legal Successor, Group Entity, (In)direct Investor or Replacement Investor for the purpose of an entry. The original Participant guarantees the accuracy of the information provided. By analogy such a special redemption can also be requested by a Prospective Participant to be substituted by a Legal Successor, Group Entity, (In)direct Investor or Replacement Investor for its Outstanding Committed Amount.

6.7 The authority to determine whether a legal entity designated pursuant to the previous paragraph actually qualifies as a Legal Successor, Group Entity, (In)direct Investor or Replacement Investor rests exclusively with the Manager. The Manager will only comply with the request :

- If the Legal Successor, according to objective standards, can be deemed to succeed said Participant both in a legal sense and in economic terms; or
- if the Group Entity, according to objective standards, can be deemed an affiliated entity, organizationally connected in one group or otherwise qualifies as a Group Entity within the meaning of the definition ; or
- if a current Participant has a justified interest to designate a Replacement Investor, in relation to a redemption request which and in so far the Manager is not able to immediately or fully fulfil due to a lack of (available) liquidity. The Manager will take the interest of other (entering) Participants into account; or
- in case of an (In)direct Investor situation; and
- the Legal Successor, Group Entity, (In)direct Investor or Replacement Investor meet the regular requirements for entry, as mentioned in Articles 5.1 and 6.1 of these Fund Terms and Conditions.

In order to assess the request, the Manager is authorised to request supporting documents or declarations from the Participant, or to require guarantees. If the Manager complies with the request, the exiting Participant is deemed to contribute the portion of the Fund Assets related to the redeemed Participations as a payment on the Participations to be newly issued.

A Legal Successor will enter the Fund for the cost and fees as agreed upon with the current Participant, its predecessor. A Group Entity, (In)direct Investor or Replacement Investor will enter the Fund for the costs and fees as described in article 17 of these Fund Terms and Conditions, unless otherwise agreed.

6.8 In the event of a special redemption, except in the case of Legal Succession or a special redemption requested by a Prospective Participant, the Manager will make a Call for Payment (unless all parties involved agree otherwise) and the exiting Participant will exit, while its Legal Successor, Group Entity, (In)direct Investor or Replacement Investor will enter, on the same Trading Day, with both entry and exit taking place at the Net Asset Value of the redeemed Participations on the Valuation Date referred to in Article 13.1, final sentence. These Fund Terms and Conditions also provide for deviating provisions in respect of the Offer Risk (Article 7), issue and allocation of Participations (Articles 11.2 to 11.8 inclusive), Individual Entry Price (Article 11.9) and redemption (Articles 13.1 and 13.2). In the event of a special redemption request from a Prospective Participant, the Prospective Participant will exit the Pipeline for the (Outstanding) Committed Amount indicated on the Written special redemption request, while its Legal Successor, Group Entity, (In)direct Investor or Replacement Investor will immediately substitute the Prospective Participant for that same amount and place (month) in the Pipeline. All rights and obligations of the requesting Prospective Participant with regards to the subscription to the Fund are transferred to its substitute when the Written (special redemption) request is signed by both parties and accepted by the Manager. The regular Call for Payment in due time will be addressed to the substitute to be followed by a regular issuance of Participations pursuant to these Fund Terms and Conditions, no deviations apply.

6.9 If the Manager has complied with a request as referred to in Article 6.6 of these Fund Terms and Conditions,

it will explain the circumstances on which this was based at the next Meeting of Participants.

- 6.10 The Manager has the discretion to grant the Prospective Participant a right to revoke the entire Committed Amount (the Right to Revoke the Committed Amount). The power to determine the day(s) on and the conditions under which the Right to Revoke the Committed Amount is invoked, rests solely with the Manager. The Manager informs the Prospective Participant prior to the provision of the Entry Form about the Right to Revoke the Committed Amount. The Prospective Participant may invoke the Right to Revoke the Committed Amount in Writing.

## 7. Offer Risk

- 7.1 After having received and accepted a fully completed Entry Form, the Manager purchases mortgage receivables (possibly in advance) from Aegon Hypotheken B.V., in accordance with the Master Mortgages Receivables Purchase Agreement, at a value that is approximately equal to the full Committed Amount of the entering Participant. The purchase price of the mortgage receivables is equal to the nominal value at the time of issue of the relevant mortgage receivables by Aegon Hypotheken B.V. to the relevant customers (the mortgagors).
- 7.2 During the period between the time that a mortgage offer is provided to the underlying customer (the mortgagor) and the time that the related mortgage receivable is delivered to the Fund, there is exposure to Offer Risk. In principle, the Offer Risk will be for the account and risk of the entering Participant(s), such that the entry of these new Participants is price- neutral for the existing Participants to the extent possible. The Offer Risk is calculated in accordance with Article 11.9 of these Fund Terms and Conditions.
- 7.3 In the Manager's discretion, the Offer Risk will not be passed on if and to the extent that (the sum of) the Capital Payment(s) of the entering Participant(s) is not expected to result in exposure to liquid assets (with the exception of non- used portions of construction deposits) that exceeds the maximum of 5%, as provided in Article 4.3 (iv). In that event the related Offer Risk will not be deemed to be materially adverse to the existing Participants. In addition, after receipt of a fully completed Entry Form by the Manager, the Outstanding Committed Amount may be called up from the Participants covered by the scheme of this Article 7.3 with priority in accordance with Article 11.4 of these Fund Terms and Conditions.
- 7.4 If the Manager intends to apply the scheme of Article 7.3 to one or more Participants, the expected exposure will be calculated at the time the Entry Form of the relevant Participant(s) is being processed.
- 7.5 If the Manager must charge on the Offer Risk in accordance with Article 7.2, this information will be included in the Call for Payment to the relevant entering Participant(s), stating the calculation method.
- 7.6 In the event of a first issue of Participations to a Legal Successor, Group Entity, (In)direct Investor or Replacement Investor in accordance with Article 11.2 of these Fund Terms and Conditions, there is no Offer Risk and that risk is therefore not charged on to a Legal Successor, Group Entity, (In)direct Investor or Replacement Investor entering the Fund.

## 8. Default of payment

- 8.1 In the event that a Participant fails to pay any part of its Outstanding Committed Amount or fails to do so on time in accordance with the provisions of the Call for Payment including the payment date stated therein, the Participant concerned will immediately be in default (the Defaulting Participant). The payment date stated in the Call for Payment is considered an absolute deadline within the meaning of Article 6:83 of the Dutch Civil Code.
- 8.2 The Defaulting Participant will, with regard to the relevant part of its Committed Amount regarding which it is in default:
- (i) pay the Fund 10% interest on an annual basis for the portion of the Committed Amount called up by the Fund's manager regarding which it is in default, to be calculated as from the date on which the default arose until the date of full payment of the portion of the Committed Amount called up;
  - (ii) reimburse the Fund for all damage incurred as a result of the non-payment or late payment of the portion of the Committed Amount called up;
  - (iii) not be entitled to any distribution, of whatever nature, on or with regard to the Participations concerned for as long as the default has not been remedied; and
  - (iv) not be able to exercise the voting rights on the Participations concerned until the default has been remedied in full.
- 8.3 If the Defaulting Participant (as defined in article 8.1) fails to remedy and cancel the default within two weeks of this default arising, the Defaulting Participant will be deemed to have offered the Participations held by it to the Fund for no consideration. The Manager is authorised to deviate from the provisions in Articles 8.1, 8.2 and 8.3 of these Fund Terms and Conditions to the benefit of the Participants, provided that all Participants are treated equally.
- 8.4 Each Defaulting Participant hereby undertakes vis-à-vis the other Participants and the Fund to perform all acts

that may be necessary to execute the transfer of the Participations under Article 8.3 immediately upon the Manager's first request and hereby grants the Manager and the Fund now and in the future an irrevocable power of attorney with right of substitution to transfer the Participations it holds to the Fund in accordance with the provisions of Article 8.3, including the performance of all acts that the authorised representative may consider useful or necessary in that respect.

- 8.5 The provisions of Articles 8.1 to 8.4 inclusive do not diminish the relevant Defaulting Participant's obligation to make its portion of the Outstanding Committed Amount called up in line with the Manager's instruction available to the Fund.

## 9. Participations

- 9.1 The degree of beneficial entitlement to the Fund Assets is expressed in Participations. Each Participation confers entitlement to a proportionate share in the Fund Assets with due observance of the other provisions of these Fund Terms and Conditions. The minimum Committed Amount requirement is at least EUR 1,000,000 (one million euro). The Manager reserves the right to apply a higher minimum Committed Amount in accordance with the provisions of Article 6.1, fourth sentence of these Fund Terms and Conditions. Each increase in the Committed Amount must be at least EUR 1,000,000 (one million).
- 9.2 Subject to Article 17.4 or any expressly contrary provision in these Fund Terms and Conditions, the Manager will treat each Participant equally. This means, among other things, that the Manager, unless expressly provided to the contrary, will apply the same standards to all Participants with regard to reporting, information obligations and notification obligations.
- 9.3 The Participants are liable vis-à-vis the Fund up to the maximum of their Committed Amounts.
- 9.4 Participations are understood to include fractions of Participations that may be issued to four decimal places. The Participations are registered participations. No Participation certificates will be issued.
- 9.5 All benefits and losses connected with the Fund will be enjoyed or borne by the Participants pro rata as described in paragraph 1 of this Article.
- 9.6 Registration is effected by entry in the register of Participants to be kept by the Manager. Registration is effected on the Issue Date. Each registration will include:
- (i) the name and address where the Participant wishes to receive correspondence;
  - (ii) the Participant's seat and actual business location;
  - (iii) the Committed Amount, the Capital Payments, the number of Participations held as well as the date of acquisition of the Participations;
  - (iv) the Participant's tax status for corporate income tax purposes; and
  - (v) any other information that the Manager may deem useful to include in the register of Participants.
- 9.7 A Participant will immediately inform the Manager in Writing of any change of address, change of seat, change of business location and (potential) change of its tax status.
- 9.8 The register will be updated regularly. The register may consist of an automated file.
- 9.9 Upon request, the Manager will provide a Participant with a non-negotiable extract from the register of Participants signed by the Manager, stating as a minimum the number of Participations and the value per Participation of the requesting Participant.
- 9.10 The register is available for inspection by the Participants.

## 10. Determination of the Net Asset Value of the Participations

- 10.1 Subject to the provisions of Articles 6.6 and 6.7 of these Fund Terms and Conditions, the Net Asset Value of Participations issued on a Trading Day is determined monthly on the Valuation Date at period end. Upon determination of the Net Asset Value, the Fund Securities are valued according to generally accepted standards. The fair value of a mortgage receivable is determined by discounting the future contractual cash flows, taking account of early repayments by the mortgagors, given that the difference between those rates and rates offered in the market is smaller than 25 basis points. If this would not be the case, the discount rate would be adjusted downward if the rate exceeds the market by more than 25 basis points, and vice versa in case the rate is more than 25 basis points below the market. Each such adjustment shall be made only to the extent needed to reach a discount rate that differs from the market rate with a maximum of 25 basis points. This adjustment to maintain a maximum limit of 25 basis points between Aegon rates and the market was implemented September 30, 2019. The discount rate will be equal to the rates for comparable mortgages applied by Aegon Hypotheken B.V. at such time based on factors including NHG, LTV Ratio and fixed-rate period. Investments in bonds are valued at market value.
- 10.2 The costs and fees as referred to in Article 17 of the Fund Terms and Conditions will be deducted from the Fund Assets, taking into account as much as possible any costs incurred but not yet paid.
- 10.3 As per the Trading Day of its entry, a Participant is liable for the costs and fees as referred to in Article 17 of these Fund Terms and Conditions in proportion to the called-up part of its Committed Amount. The foregoing

applies by analogy in respect of a Legal Successor, Group Entity, (In)direct Investor or Replacement Investor entering the Fund for the first time as a result of the application of the special arrangement of Articles 6.6 to 6.8 inclusive of these Fund Terms and Conditions.

10.4 The auditor referred to in Article 18 of these Fund Terms and Conditions audits the Net Asset Value determined by the Manager as at 31 December. The Manager will inform all Participants of each determination in accordance with this paragraph.

10.5 If the Manager intends to make material changes to the valuation policy, the Manager will inform each Participant in this respect no later than twenty business days before the entry into force, providing a summary of the intended change.

## 11. Issue of Participations

11.1 Participants may enter the Fund on any Trading Day. As from that Trading Day, participation in the Fund will be for the Participant's account and risk and the Participant will be liable to the Fund up to the maximum of its Committed Amount.

11.2 Participations are only issued by the Manager if and once a Participant has complied with a Call for Payment. This applies with exception for the first issue of Participations to a Legal Successor in which case no Call for Payment will take place and in case of a first issue of Participations to a Group Entity, (In)direct Investor or Replacement Investor, the same exception can apply if the parties involved have agreed. The authority to set the date on which a Call for Payment is issued rests solely with the Manager. A Participation is deemed to have been issued on the Trading Day prior to the Issue Date at the Net Asset Value as calculated on the Valuation Date following that Trading Day. In derogation of the previous sentence, the first issue of Participations to a Legal Successor, Group Entity, (In)direct Investor or Replacement Investor takes place on the Trading Day on which the original Participant's Participations are redeemed in accordance with Article 13.1 and at the Net Asset Value as calculated on the Valuation Date following that Trading Day.

11.3 In principle, any Participations to be issued on any Trading Day are allocated on the basis of all Outstanding Committed Amounts on that Trading Day, irrespective of

- (i) whether the applicants are already Participants; and
- (ii) the date on which the relevant Entry Forms are received within the relevant calendar month, while the Outstanding Committed Amounts of Participants whose Entry Form was received in a previous calendar month will be called up first until these Participants are completely filled.

Consequently, Entry Forms received in a later calendar month will only be processed subsequently. In view of the special characteristics and background of a first issue of Participations to a Legal Successor, Group Entity, (In)direct Investor or Replacement Investor in accordance with Article 11.2 of these Fund Terms and Conditions, the foregoing does not apply to such an issue. In that event, issue takes place without regard to the Outstanding Committed Amounts and all Participations to be issued to the Legal Successor, Group Entity, (In)direct Investor or Replacement Investor are allocated to it in one go on the same Trading Day as the one on which the original Participant's Participations are redeemed in accordance with Article 13.1, final sentence, of these Fund Terms and Conditions. With effect from said Trading Day, the Legal Successor, Group Entity, (In)direct Investor or Replacement Investor is regarded as a Participant for the purposes of these Fund Terms and Conditions, including – without limitation – in respect of the obligation to comply with a Call for Payment from the Manager in connection with the Outstanding Committed Amount of the Participant substituted by the Legal Successor, Group Entity, (In)direct Investor or Replacement Investor.

11.4 With due observance of the provisions in Article 11.3, the Manager will in principle call up the Outstanding Committed Amounts pro rata parte, it being understood that the foregoing does not apply in the event of a first issue of Participations to a Legal Successor, Group Entity, (In)direct Investor or Replacement Investor pursuant to Article 11.2, final sentence, of these Fund Terms and Conditions. The Manager may furthermore deviate from the previous sentence

- (i) on the basis of Article 6.5 of these Fund Terms and Conditions, if and in so far as it has agreed to a request made by a (current or entering) Participant;
- (ii) in the event a (current or entering) Participant has a relatively small Committed Amount in comparison with the Committed Amounts of the other Participants whose Entry Forms have been received in the same calendar month; and
- (iii) in the case referred to in Article 7.3 of these Fund Terms and Conditions.

Calling up the Outstanding Committed Amount from Participants with such a relatively small Committed Amount with priority until such Participants are fully filled will not be deemed to be materially adverse to the other Participants and will prevent having to call up the Outstanding Committed Amount of Participants with a relatively lower Committed Amount over several calendar months in small parts, all such in the sole discretion of the Manager. The Manager will exercise restraint in respect of its authority to call up the Committed Amount from one or several Participants with priority, as mentioned at (iii) above. If the Manager

exercised this authority, it will explain the circumstances on which this was based at the next Meeting of Participants.

- 11.5 Based on the provisions of Article 11.2, the Manager makes a Call for Payment. Each Call for Payment will include a period allowed for payment of up to ten business days between the date of the Call for Payment and the payment date included in the Call for Payment with regard to the amount called up from the relevant (current or entering) Participant.
- 11.6 Each Call for Payment includes a description of the purpose for which the amount called up will be used as well as, if and in so far as applicable, a description of the Investment that will be made, on the understanding that the Manager may exclude specific information if the law or an agreement does not allow the disclosure of such information.
- 11.7 Upon the Fund's first issue of Participations, the issue price per Participation was EUR 10.00 (ten euro). Except in the event of a first issue of Participations to a Legal Successor, Group Entity, (In)direct Investor or Replacement Investor in accordance with Article 11.2, final sentence, the issue price for each subsequent issue of Participations will, in principle, be equivalent to the Net Asset Value, it being understood that, in the event provided for in Article 7.2, the Manager will pass on the Offer Risk to the Entering Participant(s) using the Individual Entry Price in accordance with Articles 11.9 and 11.10.
- 11.8 Subject to the provisions of Article 11.2, final sentence, if and once a Call for Payment has been complied with, the Manager will determine the Net Asset Value on the next Valuation Date. The number of Participations to be issued to a Participant is calculated by dividing the called-up and paid-up portion of the Committed Amount by the Net Asset Value, with due observance of the provisions in Articles 11.7 and 11.9.
- 11.9 If the Offer Risk must be passed on to one or more entering Participant(s) in accordance with Article 7.2 of these Fund Terms and Conditions, the number of Participations to be issued to a Participant upon entry will be calculated according to the following formula (the Individual Entry Price):
- $$\frac{X}{(A \div B)}$$
- in which:
- X is the called-up portion of the Committed Amount;
- A is the sum of the present value of the mortgage receivables that were purchased as a result of the entry of the relevant Participant(s) at the time of that entry; and
- B is the most recently adopted Net Asset Value at the time of that entry.
- 11.10 Within five business days of the Issue Date, the Participant will receive a statement of the number of Participations to be recorded in the register on its behalf.
- 11.11 In the Participants' interest, the issue of Participations in the Fund may be suspended by the Manager if, at the Manager's sole discretion, such suspension is justified by a special circumstance. Such a special circumstance may be a situation in which continuation of the issue of Participations in the Fund can reasonably be expected to result in disproportionate harm to the interests of the majority of the current Participants, or of one or more groups of Participants. Such a special circumstance may also be that, at the Manager's sole discretion, the Fund's investment of the amount to be received for the issue of Participations would be irresponsible or impossible in view of the relevant market conditions.
- 11.12 In the event referred to in Article 11.11, within one month after the suspension the Manager will convene a Meeting of Participants to explain the suspension decision.
- 11.13 All Capital Payments must be made in euro by transfer to the account to be designated by the Manager. The portion of the Committed Amount called up by means of a Call for Payment must be available in the aforementioned account by the date designated by the Manager. If the called-up portion of the Committed Amount has been transferred to that account before the designated date, the Fund will not owe the Participants any compensation in respect of that amount. The Outstanding Committed Amount per Participant will be reduced by the amount of the Capital Payment made by the (current or entering) Participant concerned.
- 11.14 None of the Participants is entitled to suspend its payment or contribution obligations vis-à-vis the Fund (by virtue of Article 6:52 of the Dutch Civil Code) or to rely on a setoff vis-à-vis the Fund.

## 12. Transfer of Participations

- 12.1 A Participant who is no longer a Professional Investor is obliged to promptly transfer its Participations to the Fund, in which respect the Manager will act on behalf of the Fund. The same applies in the event referred to in Article 13.8 of these Fund Terms and Conditions. No restricted rights can be created on Participations.
- 12.2 Participations may only be transferred – with the Manager's assistance – to the Fund and in the manner described in Article 13 of these Fund Terms and Conditions.

## 13. Redemption of Participations

- 13.1 If a Participant wishes to or must transfer one or more Participations to the Fund, where the Manager acts on behalf of the Fund, the Participant shall notify the Manager accordingly in Writing at least one month in advance, stating the amount and/or the number of Participations to be redeemed, at the Manager's discretion. This notification is irrevocable. The redemption of Participations will take place on a Trading Day. The foregoing applies by analogy in the event of a Written request as referred to in Article 6.6 of these Fund Terms and Conditions, it being understood that in case of Legal Succession such a request must cover all Participations held by the Participant at that time. Without prejudice to the provisions of Article 13.2, a Participation is deemed to have been redeemed on the second Trading Day following such Written notification or such Written request (if complied with by the Manager) at the Net Asset Value as calculated on the Valuation Date following that Trading Day.
- 13.2 The Manager, acting in that regard on behalf of the Fund, will immediately proceed to redeem and acquire the Participations concerned, as far as possible pro rata parte of the total number of Participations offered for redemption, irrespective of the calendar month in which the redemption request is received. The exiting Participants from different calendar months will therefore be treated equally in terms of redemption of their Participations and will receive a pro rata parte of the available funds at the Trading Day. The Manager is not obliged to raise funds in order to redeem Participations. Participation redemption will be paid for using the liquid assets released from the cash flows under the Investments or with new issues of Participations in the Fund, if and in so far as sufficient and with the exception of liquid assets intended to be distributed as dividend. As the availability of liquid assets is not necessary to facilitate Participation redemption in connection with Legal Succession or substitution by a Group Entity, (In)direct Investor or Replacement Investor as referred to in Article 6.6 of these Fund Terms and Conditions, the foregoing does not apply to such redemption. In that case, redemption takes place without regard to any outstanding requests for redemption and all Participations to be redeemed are redeemed on the Trading Day mentioned in Article 13.1, final sentence, of these Fund Terms and Conditions. If and as long as one or several Participations are offered to the Fund for redemption, the Manager will not make any further Investments until all Participations offered have been redeemed.
- 13.3 In very exceptional cases and in so far as possible, at a Participant's request Investments may be offered for purchase to Aegon Hypotheken B.V. or another legal entity that is a member of the Aegon group of companies, or a collective investment scheme managed by a manager that is a member of the Aegon group of companies, all of this in accordance with the provisions of the Master Mortgage Receivables Purchase Agreement. In such a case, the provisions of Article 13.2 do not apply. Aegon Hypotheken B.V. or another legal entity within the Aegon group of companies will never be obliged to proceed to effect such a purchase. If any parties are interested in purchasing the Investments offered in this manner, the Manager will submit the proposal to the Participant concerned. The Manager will charge costs to the Participant who wishes to realise its Participations in this manner. These costs consist of the costs for such a transaction plus the difference between the valuation of the relevant Investments applicable at such time and the sales price actually obtained.
- 13.4 The redemption of Participations may be suspended by the Manager if, at the Manager's sole discretion, such suspension is justified by a special circumstance. Such a special circumstance may be a situation in which continuation of the redemption of Participations can reasonably be expected to result in disproportionate harm to the interests of the majority of the current Participants, or of one or more groups of Participants. Where due to substantial or accumulated redemption requests the Fund's liquidity position as a whole does not allow a full and immediate cash redemption, the Manager may under extraordinary circumstances suspend or delay the redemption of Participations, if this is regarded to be in the best interests of the Fund as a whole.
- 13.5 In the event referred to in Article 13.4, the Manager will inform the Participants of the suspension.
- 13.6 The Manager is entitled at all times to impose further conditions on such redemption. In doing so, the Manager will refer to the applicable regulations, the Fund's interests or the interests of the majority of the Participants.
- 13.7 The amount for which the Fund redeems Participations is equal to the product of
- (i) the Net Asset Value on the Valuation Date as referred to in Article 13.1; and
  - (ii) the number of Participations to be redeemed.
- A Participation is extinguished by confusion as a result of its transfer to the Fund. The Participant will be informed of the redemption price after it has been determined and the redemption price will then be paid as soon as possible
- 13.8 The Manager is authorised to redeem a Participant's Participations without its consent if:
- (i) the Manager has reason to assume that a Participant and/or its ultimate beneficiary is not or is no longer a Non-United States Person or can be considered a Specified U.S. Person, or
  - (ii) if the Manager is of the opinion that a Participant has failed to provide any information or sufficient information to enable the Manager to determine the Participant's status (or the status of its ultimate beneficiaries), or
  - (iii) this is required, in the interest of the Fund and / or its Participants, to manage an accumulation of liquid assets in the Fund and the relevant Participant has not requested or opted for the possibility to

(periodically) redeem and (re)invest a pro rata part of the available liquid assets to the AeAM Dutch Mortgage Fund II.

If the Manager avails itself of this authority, the provisions regarding redemption in this Article 13 apply mutatis mutandis, whereby the Manager is deemed to give notification on behalf of the Participant under Article 13.1. The Participant will be informed of the Manager's decision to invoke the aforementioned authority in accordance with Article 21 of these Fund Terms and Conditions. If the Participant's status or a change to the Participant's status under United States law and regulations creates additional reporting or other obligations for the Manager, the Participant will be obliged to compensate the Manager for any resulting damage at the Manager's request.

#### **14. Management and Legal Ownership**

- 14.1 Management of the Fund is performed by the Manager. The Manager acts solely in the interest of the Participants. The Manager is free to select any Fund Securities and is authorised to perform all acts of management with regard to the Fund Assets, with due observance of the provisions of these Fund Terms and Conditions. Management is also understood to include determining and executing the investment policy, making investments and doing everything related to that in the broadest sense of the word. The Manager is only authorised to dispose of the Fund Assets together with the Title Holder. The Manager is authorised, under its own responsibility, to outsource part of the management and the ensuing duties to one or more third parties, not being the Title Holder, to be appointed by the Manager.
- 14.2 The Manager is authorised at all times to make such changes to the Fund Assets as the Manager considers to be in the interest of the joint Participants.
- 14.3 For the purposes of liquidity management, the Manager may temporarily, on behalf of and for the account of the Fund, have an overdraft, take out loans from an entity belonging to the Manager's group or raise funds in any other manner, up to a maximum equal to 5% of the Fund Securities at market conditions and rates in the discretion of the Manager. Such transactions will not be concluded with the purpose of structurally increasing the Fund's position.
- 14.4 For the purposes of liquidity management, the Manager may temporarily, on behalf of and for the account of the Fund, have an overdraft, take out loans from an entity belonging to the Manager's group or raise funds in any other manner, up to a maximum equal to 5% of the Fund Securities at market conditions and rates in the discretion of the Manager. Such transactions will not be concluded with the purpose of structurally increasing the Fund's position.
- 14.5 In so far as necessary, the Fund Securities will be deposited for safe custody with financial institutions generally considered acceptable for this purpose, such in the Title Holder's name. The Fund Assets will be registered for the Fund in the Title Holder's name. All of the Fund's bank accounts will also be registered in the Title Holder's name, with a statement that the Title Holder holds the accounts as the Fund's trustee. The Title Holder always acquires the Fund Assets as trustee on behalf of the Participants and acts solely in the interests of the Participants in that respect.
- 14.6 The Title Holder must hold the Fund Securities in safe custody in such a manner that they can only be disposed of by the Manager and the Title Holder jointly.
- 14.7 The Title Holder hereby authorises the Manager to perform all legal acts with regard to all Fund Securities, including liquid assets, that have been or will be deposited with the Title Holder for safe custody in the Title Holder's name but for the Fund's account. This power of attorney also includes the performance of all acts of disposition, including the acquisition, sale and encumbrance of goods, and taking receipt thereof in accordance with the proper execution of the management duties.
- 14.8 The power of attorney referred to above is restricted to the performance of those legal acts that the Title Holder is authorised to perform by virtue of its duties.
- 14.9 The Manager is obliged to provide the Depositary with all information that, in the Depositary's sole discretion, the Depositary needs in order to properly perform its duties.

#### **15. Replacement of the Manager or Title Holder**

- 15.1 The Manager and/or the Title Holder will retire from office:
  - (i) on a voluntary basis;
  - (ii) due to dissolution, suspension of payments or bankruptcy; and
  - (iii) pursuant to a resolution adopted by the majority of the Participants present or represented at the Meeting of Participants, which majority represents at least 3/4 of the total amount of votes that can be cast by Participants.However, as long as no successive Manager or successive Title Holder has been appointed, the current Manager or current Title Holder, respectively, will continue to act in this capacity.
- 15.2 If the Title Holder wishes to or must resign its position pursuant to Article 15.1, the Manager is authorised to designate and appoint a successor.



- 15.3 If the Manager wishes to or must resign its position pursuant to Article 15.1, the Manager's shareholder is authorised to designate and appoint a successor. No appointment will take place before the Meeting of Participants has been given the opportunity to give its opinion with regard to the suitability of the proposed successor.
- 15.4 If the Manager or the Title Holder wishes to or must resign its position as Manager or Title Holder, as the case may be, in accordance with Article 15.1, a Meeting of Participants shall be convened within four (4) weeks after this has become evident, at which meeting an explanation will be given of the circumstances on which this resignation is based.
- 15.5 If no successor has been appointed within a period of six (6) weeks of the Meeting of Participants referred to in Article 15.4, the Meeting of Participants is authorised to appoint a successor. In that case, the Manager will convene a Meeting of Participants to provide for the appointment of a successor. Such appointment requires a qualified majority of at least 2/3 of the total amount of votes that can be cast by Participants.

## 16. Liability

- 16.1 All liability for the management conducted and its consequences is excluded by the Manager, except in the event of damage incurred by a Participant that is the direct result of an attributable failure by the Manager in the performance of its management duties or of any acts in contravention of these Fund Terms and Conditions.
- 16.2 The Title Holder is liable vis-à-vis the Fund and Participants for any damage incurred by them in so far as the damage is the result of imputable non-performance or improper performance of its obligations, even if the Title Holder has entrusted all or part of the assets deposited with it for safe custody to a third party.
- 16.3 The Depositary is legally liable to the Fund and the Participants for the loss of any financial instrument taken into custody by the Depositary or by a third party to which it has transferred the custody. The Depositary will not be liable if it can demonstrate that the loss was caused by an external event beyond its reasonable control, the consequences of which were unavoidable despite any efforts to prevent them.
- 16.4 The Depositary is also legally liable to the Fund and the Participants for any other losses they suffer due to the Depositary's failure to properly fulfil its obligations under the Depositary Agreement with intent or due to negligence. Participants may indirectly invoke the liability of the Depositary by means of the Manager. If the Manager refuses to cooperate with such a request, the Participants are authorised to file the claim for damages directly with the Depositary.
- 16.5 In accordance with Article 5.1 of these Fund Terms and Conditions, the Fund is only open to participation by natural persons and legal entities (including any ultimate beneficiaries) who (i) are Non-United States Persons; and (ii) cannot be considered Specified U.S. Persons. If a (current or entering) Participant has provided the Manager with inaccurate or incomplete information, or has failed to inform the Manager of its status or a change to its status under United States law and regulations and this creates additional reporting, licence or other obligations for the Manager under the aforementioned regulations, the Participant will be obliged to compensate the Manager for any resulting damage at the Manager's request. The Manager undertakes to observe the requirements of reasonableness and fairness at all times when availing itself of this authority.

## 17. Costs and fees

- 17.1 The Manager receives a fee for the management conducted. This management fee is 0.21% per year and is charged in respect of the Fund Assets on a daily basis as at the end of the previous Trading Day. Any discounts given to Participants will be charged to the management fee. Any additional payments to Aegon Hypotheken B.V. may also be charged to the management fee.
- 17.2 Aegon Hypotheken B.V. charges the Mortgage Servicing Fee directly to the Fund. The Mortgage Servicing Fee is withheld from the cash flows under the Investments consisting of mortgage receivables on a monthly basis. The Mortgage Servicing Fee is 0.27% per year on the principal of the outstanding mortgage receivables.
- 17.3 The Manager charges a service fee on a daily basis as at the end of the previous Trading Day. The service fee is 0.02% per year on the entire Fund Assets. The service fee serves as compensation for costs such as the fee of the Depositary under the Depositary Agreement, regulatory costs, custody costs, auditors' fees, attorneys' and consultants' fees, formation costs, administrative costs and marketing and communication costs.
- 17.4 The Manager is authorised to grant a Participant a discount on the total amount of the costs and fees described in Articles 17.1 to 17.3, inclusive. Such discounts depend on factors such as the market conditions at the time of entry; the size of the Committed Amount, the status of the Participant concerned and other circumstances deemed relevant by the Manager can also play a role. The following statuses can be distinguished:
- (i) 'Seed Capital Investor': the Manager is authorised to grant a discount to the Participant(s) that are/were the first to enter the Fund. The discount is justified by the additional risks these Participants run upon entry due to the Fund's illiquid character. One of the Seed Capital Investors is a party affiliated with the Manager.

- (ii) 'Most Favourable Nation' ("MFN"): if so agreed, the MFN clause entails that if any more favourable arrangement is made, including in respect of the applicable costs and fees, upon the subsequent entry of a Participant with an equal or lower Committed Amount, this arrangement automatically becomes applicable in the relationship between the Manager and the earlier Participant(s) with MFN status.

- 17.5 The Manager will promptly inform earlier Participant(s) with MFN status as referred to in Article 17.4 (ii) if and when a more favourable arrangement is made in respect of the applicable costs and fees, which automatically becomes applicable to them.
- 17.6 If a Participant decides to increase its Committed Amount during the term of the Fund, the Manager is not required to apply any discounts granted previously to the amount by which the Committed Amount is increased.
- 17.7 In so far as applicable, transaction costs incurred in the purchase of Investments are capitalised as part of the acquisition price and are recognised in the income statement as part of the unrealised gains and losses on investments. As a result, no transaction costs are capitalised as at the end of the financial year. Transaction costs incurred on the sale of Investments are recognised as part of the realised gains and losses.

## 18. Reporting

- 18.1 The Fund's financial year coincides with the calendar year.
- 18.2 The Manager keeps the records of the Fund.
- 18.3 Annually, within five months of the end of each financial year, the Manager draws up financial statements that comply with generally accepted standards. The financial statements are adopted by the Manager.
- 18.4 The Manager engages a chartered accountant or any other expert within the meaning of Article 393(1), Book 2 of the Dutch Civil Code – both hereinafter also to be referred to as: auditor – to audit the financial statements adopted as well as the books and records pertaining to the Fund's administration.
- 18.5 The auditor reports to the Manager and the Title Holder with regard to its audit and presents the results of its audit in an opinion. The Manager may withdraw the engagement granted to the expert at all times.
- 18.6 The Manager also draws up an annual report within the period stated in Article 18.3. The annual report will satisfy the applicable Wft requirements.
- 18.7 The Manager sends the financial statements, the auditor's opinion and the annual report to the Participants in accordance with the provisions of Article 21 of these Fund Terms and Conditions within fourteen days of adoption of the financial statements.
- 18.8 The Manager may grant engagements to the auditor referred to in paragraph 4 of this Article or to another expert.
- 18.9 Each month, the Manager provides the Participants in Writing with the following reports pertaining to the mortgage receivables that are part of the Fund Assets:
  - (i) NAV report;
  - (ii) mortgage arrears report;
  - (iii) stratification tables of the mortgages;
  - (iv) Loan-level-data of the mortgages via Portal;
  - (v) Cash flow projections;
  - (vi) Mortgages Monthly;
  - (vii) Look-through reporting;
  - (viii) durations; and
  - (ix) a NAV estimate as at month-end within T+5.
- 18.10 Each quarter, the Manager will send the Participants an invitation to a conference call with the Key Person.
- 18.11 In consultation with the Manager, in addition to the reports mentioned in paragraph 9, additional reports may be provided at extra cost. The Participant must submit a written request to this end with the Manager.

## 19. Key Person

- 19.1 If a Key Person Event occurs at any time, the Manager will promptly notify the Participants.
- 19.2 The following circumstances cannot, in and of themselves, cause a Key Person Event: (i) temporary absence due to illness or holiday for a period of at most six (6) weeks, (ii) time spent by the Key Person on establishing the Fund, operational activities relating to the Fund and the management of the Fund Securities, (iii) time spent on the management of the Manager or (iv) other activities approved by the Meeting of Participants.

## 20. Meeting of Participants

- 20.1 In the situations provided for in these Fund Terms and Conditions, as well as if the Manager considers such desirable in the interest of the Participants, the Manager will convene a Meeting of Participants. The Manager will convene a Meeting of Participants at least once a year. In principle, Meetings of Participants of the AeAM Dutch Mortgage Fund 2 and the Fund will be combined, unless explicitly determined otherwise in the Fund

Terms and Conditions.

- 20.2 At the request of one or more Participants, alone or jointly representing at least 1/4 of the total amount of votes that can be cast by Participants, the Manager will call a Meeting of Participants of the Fund (not combined with the AeAM Dutch Mortgage Fund 2). In such a request, the relevant Participants may ask the Manager in Writing to place one or more items or proposals on the agenda for discussion or voting purposes, along with the accompanying documents.
- 20.3 The following resolutions cannot be adopted by the Manager other than after having obtained prior approval from the Meeting of Participants:
- (i) resolutions to amend the Mortgage Loan Criteria or the investment policy of the Fund, as described in Articles 4.1, 4.3 and 4.6 of these Fund Terms and Conditions; and
  - (ii) resolutions to amend these Fund Terms and Conditions, as a result of which the rights or security of the Participants are reduced or burdens are imposed on them.
- 20.4 Every convening notice for a Meeting of Participants will be effected with due observance of the provisions in Article 21 of these Fund Terms and Conditions, and will state the location where the meeting will be held, as well as the agenda items. If applicable, the agenda will contain the adoption of the annual accounts of the Fund and any proposed change to the applicable tax regime. A Meeting of Participants can also be held by telephone. In addition, either all documents that are important for Participants to note when dealing with the agenda will be enclosed with the convening notice, or the convening notice will state where these documents may be obtained by the Participants free of charge as from the date of the convocation. In an event as referred to in Article 20.2, the Manager is obliged, barring compelling reasons, to place the items or proposals concerned and the accompanying documents on the agenda.
- 20.5 Items that are not on the agenda cannot be discussed.
- 20.6 At the Meeting of Participants, resolutions are adopted by an absolute majority of the votes cast at the meeting, unless these Fund Terms and Conditions prescribe any other majority; these resolutions will be binding on all Participants at such time.
- 20.7 Each Participation confers the right to cast one vote when adopting resolutions.
- 20.8 Blank votes are deemed not to have been cast.
- 20.9 All meetings must be convened with at least eight days' notice, not including the day of convocation and the day of the meeting. Meetings are convened in accordance with the provisions of Article 21 of these Fund Terms and Conditions.
- 20.10 Participants can volunteer for the chairmanship. The chairman of the yearly Meeting of Participants is appointed by the Manager unless the Terms and Conditions determine otherwise. The premise is that the chairmanship rotates every two (2) years between any of the Participants of the AeAM Dutch Mortgage Fund 2 or the Fund. In case several Participants of the AeAM Dutch Mortgage Fund 2 and/or the Fund volunteer for the chairmanship, the Participant with the most assets under management in the AeAM Dutch Mortgage Fund 2 and the Fund will be appointed by the Manager, with the last three (3) chairmen not being eligible. When determining the size of the assets under management, the reference date will be the Trading Day immediately preceding the meeting.
- 20.11 Only natural persons affiliated with a Participant as a director, employee or otherwise may be nominated as candidates for the chairmanship. If none of the Participants of the AeAM Dutch Mortgage Fund 2 or the Fund volunteer, the Manager is authorized to provide and appoint the chairman for the Meeting of Participants. In case of a Meeting of Participants within the meaning of Article 20.2, it will not be combined with the AeAM Dutch Mortgage Fund 2 unless such a request was also made for the AeAM Dutch Mortgage Fund 2 and the chairman will be provided by the Manager.
- 20.12 The Manager will not proceed to an appointment in accordance with the previous paragraphs until all the Participants present at the meeting have been given the opportunity to vote on the proposed appointment. If a majority of the total amount of votes that can be cast by Participants is cast against the appointment of the person concerned, the latter will not be appointed Chairman. In that case, the Manager will consult the Participants present at the meeting in order to find a solution for the situation that has arisen, and subsequently presents a binding nomination. In derogation from Article 19.10, the person concerned will be appointed Chairman for only one year. After this term has elapsed, a new Chairman will be appointed with due observance of the previous paragraphs.
- 20.13 The meeting may be attended by the Manager, the Title Holder and the (Prospective) Participants, as well as any persons who have received permission from the chairman, after prior consent from the Manager.
- 20.14 Minutes are kept of the business transacted at a meeting.
- 20.15 Participants' resolutions may also be adopted outside of a meeting, provided that this is done in Writing, all Participants have been given an opportunity to cast their vote and none of them has objected to this manner of decision-making.

## **21. Communications**

- 21.1 The Manager will make reasonable efforts to satisfy in the short term any reasonable request for information about a Participation that a Participant requires to be able to comply with a request from and notification obligation to the competent regulator.
- 21.2 All notifications and communications to and convocations of Participants are made by the Manager in Writing to the
- 21.3 e-mail or other addresses included in the register of Participants, or on the Manager's website. If the Participant's address is not known to the Manager, it is assumed that the Participant has elected the Manager's office address as its address.

## **22. Amendment of the Fund Terms and Conditions**

- 22.1 These Fund Terms and Conditions may be amended pursuant to a resolution adopted by the Manager. An amendment takes effect on the date to be determined by the Manager without prejudice to the provisions of Article 22.2. The Manager will communicate any amendment to the Fund Terms and Conditions to the Participants in the manner referred to in Article 21 of these Fund Terms and Conditions promptly after a resolution to that end has been adopted.
- 22.2 Without prejudice to the provisions of Article 20.3 at (ii) of the Fund Terms and Conditions, any amendments to the Fund Terms and Conditions, as a result of which the rights or security of the Participants are reduced, or burdens are imposed on them, will not take effect until thirty days have elapsed since the date on which the Participants were notified of those amendments in Writing.

## **23. Dissolution and winding-up**

- 23.1 A resolution to dissolve the Fund will be adopted by the Manager. The Participants will be informed of the Fund's dissolution.
- 23.2 The value per Participation upon dissolution is equal to the calculated Net Asset Value, determined with due observance of Article 10 of these Fund Terms and Conditions, as at the date of dissolution. Redemption of Participations within the meaning of Article 12 and Article 13 of these Fund Terms and Conditions is no longer possible after a resolution to dissolve the Fund has been adopted. In respect of the value determined in this manner, the Participants will only be charged the costs and fees still ongoing within the meaning of Article 17 of these Fund Terms and Conditions and any taxes still owed.
- 23.3 The positive balance remaining after winding-up will be distributed to the Participants in proportion to the number of each Participant's Participations, extinguishing the Participations.
- 23.4 The underlying Fund Terms and Conditions will remain applicable as far as possible during the Fund's dissolution and winding-up.

## **24. Applicable law and disputes**

These Fund Terms and Conditions are governed by Dutch law. All disputes arising under these Terms and Conditions will be submitted to the competent court in The Hague.

# Appendix III Entry Form AeAM Dutch Mortgage Fund

## Entry Form AeAM Dutch Mortgage Fund

The undersigned:

Legal entity's name (the Participant)

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Chamber of Commerce number

---

Bank Account number (IBAN)

---

Contact person

Surname

---

Given names

---

Address

---

Postcode/City

---

Correspondence address

---

Telephone number

---

E-mail

---

Please indicate how the Participant wishes to receive dividend

☐ distributions: ☐ In Cash ☐ In Participations

The (Prospective) Participant guarantees the Manager that the following is true to date:

- (1) The (Prospective) Participant is aware that the terms defined in this form have the meanings assigned to them in the Fund Terms and Conditions, unless otherwise explicitly evident from the wording of this form.
- (2) The (Prospective) Participant has taken note of and declares that it agrees to the full contents of the terms and conditions of management and custody of the AeAM Dutch Mortgage Fund (the Fund) and other appendices, as subsequently amended from time to time (the Fund Terms and Conditions).
- (3) The (Prospective) Participant has been given sufficient opportunity to ask the Manager questions with regard to the Fund's structure, the Fund's investment objectives, the Fund Terms and Conditions and any other aspects concerning participation in the Fund. These questions have been adequately answered by the Manager. Further, the (Prospective) Participant has been given an opportunity to obtain further information on the basis of which the (Prospective) Participant has been able to verify the accuracy of the Information Memorandum and the Fund Terms and Conditions and has been able to properly weigh the benefits and risks involved in participation in the Fund.
- (4) The (Prospective) Participant is aware that the Manager will pass on the Offer Risk referred to in Article 7.2 in accordance with Article 11.9 of the Fund Terms and Conditions, such that the entry of new Participants is price-neutral for the existing Participants to the extent possible.
- (5) The (Prospective) Participant is aware of the risks that may be involved in participation in the Fund.
- (6) The (Prospective) Participant is aware that this Entry Form will not be processed by the Manager until the arrangements with regard to the entry have been definitively agreed in Writing.
- (7) The (Prospective) Participant declares that, at the Manager's request, it will make the amount called up in a Call for Payment available on the account designated for that purpose by the Manager on the payment date indicated by the Manager.
- (8) The (Prospective) Participant declares that it wishes to receive cash distributions by the Fund – if applicable – in the cash account designated by it at the Manager's request.

- (9) The (Prospective) Participant is aware that entry applications are accepted by Aegon Investment Management B.V. in its capacity as Manager when customer due diligence procedures of the Manager have been concluded successfully, a fully completed Entry Form has been received and the (Prospective) Participant has been informed by the Manager of the acceptance by e-mail and/or (confirmation) letter.
- (10) The (Prospective) Participant is aware that once a completed Entry Form is accepted by the Manager, the (Outstanding) Committed Amount is irrevocable and the (Prospective) Participant cannot withdraw any part, unless a Right to Revoke the Committed Amount was granted by the Manager which can still be invoked.
- (11) The (Prospective) Participant is aware that the Manager is entitled not to process an entry form that has not been fully completed or that has not been submitted on time.
- (12) The (Prospective) Participant is aware that the Manager is entitled to refuse an issue in whole or in part without stating reasons or to impose further conditions on such an issue.
- (13) The (Prospective) Participant declares that: (i) it is a "Non-United States Person" within the meaning of Commodity Futures Trading Commission Rule 4.7(a)(1)(iv); and (ii) it cannot be qualified as a "Specified U.S. Person" within the meaning of the Intergovernmental Agreement between the United States and the Netherlands with regard to the Foreign Accounts Tax Compliance Act and that it will promptly inform the Manager in Writing of any changes to its status under the regulations referred to above.
- (14) The (Prospective) Participant declares that the information it has provided to the Manager regarding its "tax residence", as referred to in the Common Reporting Standard, is both accurate and complete, and that it will inform the Manager in Writing of any changes in such information.
- (15) The (Prospective) Participant declares that it has enclosed a clearly legible copy of valid proof of identity (passport, ID card or driving licence) as well as (if the Participant is a legal entity) an extract from the Chamber of Commerce trade register that is not more than three months old and a clearly legible copy of valid proof of identity (passport, ID card or driving licence) of the director(s) signing this form.
- (16) The (Prospective) Participant is aware and that (personal) information regarding the Participant may be shared within the group of Aegon Asset Management entities. Any sharing of information within the group will be subject to all applicable laws and regulations and strict operating controls, as well as the robust data management practices adopted by the Manager. Detailed information on the processing of personal data is included in the privacy statement available on the website.
- (17) The (Prospective) Participant is aware that information regarding the undersigned will be included in the register of Participants in the event of participation in the Fund, which register is available for inspection by the Participants.
- (18) The (Prospective) Participant hereby grants the Manager permission to inform other (potential) Participants of its participation in the Fund, both in Writing and in conversations.
- (19) The (Prospective) Participant wishes to participate in the Fund with a Committed Amount of \_\_\_\_\_ euro (EUR \_\_\_\_\_).

Signature

Signature

Name:

Name:

Date:

Date:

Please complete this form in full and send a signed copy to:

Aegon Investment Management B.V.  
Attn. Operational Account Management  
Aegonplein 50  
2591 TV 's Gravenhage  
AAMAccountManagement@aegonam.com

# Appendix IV Summary of contracts

## Summary of contracts

Aegon Asset Management Hungary B.V.

A shared service centre for transaction processing activities and performance measurement.

Aegon EDC Limited

Services related to the IT infrastructure.

### Servicing Agreement and Master Mortgage Receivables Purchase Agreement in connection with the Fund

A number of agreements have been concluded in connection with the Fund between the Manager and the Title Holder on the one hand and Aegon Hypotheken B.V. on the other:

- (i) Master Mortgage Receivables Purchase Agreement: this agreement forms the basis for (a) the continuous assignment by Aegon Hypotheken B.V. of mortgage loans and claims regarding those loans to the Fund for inclusion in the Fund's portfolio and (b) the passing on to the Fund of payments received by Aegon Hypotheken B.V. under those mortgage loans. In connection with the assignment of mortgages with a savings or capital accumulation component, a number of ancillary agreements have also been concluded pursuant to the Master Mortgage Receivables Purchase Agreement: Bank Savings Participation Agreement, Insurance Savings Participation Agreement, Beneficiary Waiver Agreement. These agreements contain mechanisms providing for continued payment of the credit balance of the relevant accounts and/or pledging of the relevant insurance policies to the Fund. In addition to the Manager and the Title Holder, Aegon Bank N.V. and Aegon Hypotheken B.V., and/or Aegon Levensverzekeringen N.V., respectively, are parties to these agreements. These agreements are available for inspection at the Manager's offices.
- (ii) Servicing Agreement: the Servicing Agreement regulates the services rendered by Aegon Hypotheken B.V. with regard to the Fund. These principally include administering and managing the Fund's mortgage portfolio and communicating with underlying debtors, including taking measures in the event of default.

# Appendix V SFDR Disclosure (Precontractual Information)

## SFDR Disclosure (Precontractual Information)

This Appendix is a part of the Information Memorandum but is separately published on the website: Documents | Aegon Asset Management ([aegonam.com](https://aegonam.com)).



## AeAM Dutch Mortgage Fund

The following are the fund specifications (the 'Specifications') of the AeAM Dutch Mortgage Fund (the 'Fund'). AEGON Investment Management B.V. is the Fund's Manager. These Specifications must be read in conjunction with the Information Memorandum AeAM Dutch Mortgage Fund. These Specifications were updated on 30-04-2025.

### Fund Profile

#### Fund Formation

Formation date: 30/08/2013

#### Legal Status

The Fund is a mutual fund. The Fund is only accessible to professional investors ("*professionele beleggers*") as defined in the Financial Supervision Act (*Wet op het financieel toezicht*).

#### Status for Tax Purposes

The Fund is a closed mutual fund and is transparent for tax purposes. The Fund is not liable for tax pursuant to the Corporation Tax Act (*Wet op de vennootschapsbelasting 1969*) and the Dividend Withholding Tax Act (*Wet op de dividendbelasting 1965*). The Fund's assets, liabilities, income and expenses are directly attributed to its participants.

#### Objective and Benchmark

The investment policy is aimed at achieving a total higher return before management fees than the benchmark as a consequence of the spread that applies to Dutch mortgages in comparison to Dutch government bonds.

The Fund's benchmark is: JP Morgan Government Bond Index Traded Netherlands.

The benchmark(s) used is / are provided by a benchmark supplier located outside the EU. For these benchmark(s) a transition period until 31 December 2025 applies, after which benchmark suppliers are obliged to have their benchmarks registered at ESMA. EURIBOR benchmarks are provided by a benchmark supplier that is registered at ESMA. The Manager uses a Benchmark Regulation Policy and will take measures to guarantee that benchmarks used comply with Benchmark Regulation.

#### Investment Policy

The Fund invests in Dutch mortgage receivables issued by Aegon Hypotheken B.V., which are secured by private Dutch homes. The Fund acquires mortgage receivables by subscribing to a vertical slice of Aegon Hypotheken B.V.'s eligible new mortgage production. In addition, cash may be held to facilitate entry and exit, for example. Cash can be invested in Dutch government bonds. The use of other techniques, instruments and/or structures requires prior approval of the Meeting of Participants.

The Fund participates in: Not applicable

#### Securities Lending & Repo Trading

The Fund is not permitted to engage in securities lending. The Fund is not permitted to engage in repo trading.

#### Currency Policy

The Fund solely invests in assets denominated in euros. As a result there is no currency risk.

#### Dividend Policy

Income from investments will be distributed to participants annually.

### Restrictions

#### Investment Universe

The Fund may invest in mortgage receivables and liquid assets. The liquid assets can be invested in Dutch government bonds. The Fund's freely available cash position must be between -5% and 5% of the Fund's assets. Unused portions of amounts placed under a construction deposit (*bouwdepots*) are not taken into account when determining the exposure to liquid assets.

#### Investment Strategies

The Fund's assets may be invested in:

- National Mortgage Guarantee Scheme (NHG) Mortgages, with a minimum of 50%;
- Non-NHG Mortgages, with a maximum of 50%;
- Loan-to-Value ratio, with a maximum of 106%. The Loan-to-Value ratio is calculated by dividing the total outstanding principle of the mortgage claim by the original market value of the collateral.

## Leverage

The permitted leverage, or the exposure resulting from allowable overdrawn on bank account and / or entering into contracts in derivative financial instruments (calculated on the basis of the commitment method), is maximized at 5% of the Fund's assets. The permitted leverage, based on Gross Method is 105% of the Fund's assets.

## Short-term Variances

Short-term variances from the above-referenced restrictions are permitted due to a major entry into the Fund or exit from the Fund. Such variances must be brought back to within the specified limits as quickly as reasonably possible.

## Risk Profile

The Fund's value trend is dependent on developments on the capital, securities, currency and commodity markets. This means that there is a possibility that:

- The Fund may fail to generate any or may generate only little income;
  - In case of unfavorable market movements, the Fund's value may be completely or partially lost.
- The value of the Fund's investments can fluctuate. Results achieved in the past offer no guarantee for the future.

The overview below contains the risks to which the Fund may be exposed. Each Fund risk is classified as high, medium or low. The risks listed below are not exhaustive. The Fund may be exposed to additional risks. The AeAM Dutch Mortgage Fund prospectus contains a description of the risks. The prospectus also sets out that the market risk may be subdivided into different sub-risks.

| Classifications | Type of risk                                       |
|-----------------|--|
| High            | concentration risk, liquidity risk                 |
| Medium          | interest rate risk                                 |
| Low             | leverage risk, operational risk, counterparty risk |

## Costs and Fees

### Management Fee

The Manager charges a management fee of 0.21 % per year on the Fund's assets for managing the Fund.

### Service Fee

The Manager charges a service fee to the Fund. The service fee is 0.02% per annum. The Mortgage Servicing Fee is 0.27% per annum on the principal of the outstanding mortgage receivables

### Mark-up / Mark-down

The mark-up is 0.00 %. The mark-down is 0.00 %. The mark-up and mark-down accrue to the Fund in full and are not part of the cost ratio referred to below.

### Total Costs charged to the Fund

The ongoing charges figure (OCF) in 2024 was: 0.53%. The OCF includes all costs that were charged to the Fund's assets during the reporting period, excluding the mark-ups and mark-downs of entering and exiting Participants, any investments performance fees and transaction costs, and interest charges on bank accounts.

The Fund can invest in other Aegon funds. In addition to the costs directly recognized by the Fund, the calculation of the Fund's ongoing costs also includes the ongoing costs of other Aegon funds in which the Fund invests and the costs of fee sharing agreements. No other costs are applicable to the Fund, then the costs mentioned in the Information Memorandum and Fund Specifications.

### Entry / Exit

Participants can enter or exit the Fund on a monthly basis at the intrinsic value of the participation in the Fund. The Participants' ability to enter and exit the Fund is at all times dependent on the mortgage production at Aegon Hypotheken B.V. and on the availability of cash in the Fund respectively. The Entry Form must be used to apply for participation in the Fund. The entry and exit process is described in further detail in the Information Memorandum at [www.aegonam.com](http://www.aegonam.com)

## SFDR

Details of how sustainability risks are integrated in investment decisions and the likely impacts of ESG on the returns, corresponding to the Article 6 of the SFDR can be found in the Responsible Investing section of the Prospectus.

This fund aims to promote ESG characteristics, as described in Article 8 of the SFDR.

This Fund invests in mortgage receivables from originators who actively promote environmental considerations as part of their underwriting and lending process. This Fund considers adverse impacts of investment decisions on sustainability factors as referred in article 7 of SFDR. More details of how the Fund considers adverse impacts can be found in the Fund's SFDR disclosures. More information on how this fund promotes ESG characteristics can be found in the SFDR pre-contractual disclosures document included in the Prospectus Appendix VI SFDR Disclosures available on the Website: Documents | Aegon Asset Management ([aegonam.com](http://aegonam.com)).

