Annual Report 2024

AEAM Dutch Mortgage Fund 3

1 January 2024 through 31 December 2024

aegon asset management

Contents

1 General information

Manager
Aegon Investment Management B.V. (AIM), established in The Hague, of which the board consist of:
- D.F.R. Jacobovits de Szeged
- W.H.M. van de Kraats
- T.E.J.F. Stassen
- O.A.W.J. van den Heuvel (resigned as of 07/11/2024)
- R.R.S. Santokhi (resigned as of 01/02/2024)

Change of Fund Manager During the Financial Year
As of 1 July 2024, the fund is managed by Aegon Investment Management B.V. Prior to this transition, the fund was managed by a.s.r. vermogensbeheer N.V. under the name ASR Mortgage Fund.

Depositary
Citibank Europe Plc (Netherlands Branch), established in Schiphol, is appointed as the depositary of the fund. Aegon Custody B.V. fulfils the role of legal owner. The board of Aegon Custody B.V. consists of AIM.

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Independent auditor
EY Accountants B.V.
Antonio Vivaldistraat 150
1083 HP Amsterdam

Management and administration
The AEAM Dutch Mortgage Fund 3 does not employ any personnel and uses the services of AIM for management and administration. The personnel of AIM is legally employed by Aegon Nederland B.V.

Information memorandum
A prospectus has been prepared for this product and is available at www.aegonam.com. The prospectus contains information about the fund, costs and risks.

Starting date
The fund started on 17 March 2017.

Profile
The fund is a fund for joint account (Dutch: “fonds voor gemene rekening”) consisting of two subfunds, AEAM Dutch Mortgage Fund 3 – NHG and AEAM Dutch Mortgage Fund 3 – non-NHG. The participations are only available to qualified investors (Dutch: “gekwalificeerde beleggers”) as defined in the Dutch Act on Financial Supervision (Dutch: “Wet op het financieel toezicht”).

Objective
The Fund offers investors the opportunity to invest in private residential mortgages in the Netherlands. The aim of the Fund is to generate a stable and direct income stream for the participants in the long term. The Subfunds do not use benchmarks. The Subfunds use a composed ML SWAP Index as benchmark.

Investment policy
The Fund invests in mortgage loans recently issued in the Netherlands by ASR Levensverzekering N.V. The Fund acquires mortgages by subscribing to a cross-section of the new mortgage production. Residential homes in the Netherlands serve as collateral for the loans. All loans acquired are subject to the Fund’s strict selection criteria. The main selection criteria are: right of first mortgage, a fixed-rate period longer than five years, a Loan-to-Value (LTV) ratio of maximum 100% (106% in case of financing of energy saving measures), no savings-based mortgages and limits on the share of interest-only mortgages in the portfolio.

Sustainability policy
We confirm that the environmental and social characteristics as stated in the prospectus at the beginning of the reporting period in relation to this fund have been met.

Information regarding the environmental or social characteristics of this financial product is available in the appendix (Periodic Sustainability Notes AEAM Dutch Mortgage Fund 3, including information to which environmental objectives the investments of this fund contribute and how and to what extent the investments take place in economic activities that take into account the EU criteria for environmentally sustainable economic activities as set out in the EU taxonomy (2020/852). The “do no significant harm” principle only applies to the investments underlying this financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining part of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Marketability
The participations of the fund are registered and cannot be transferred, with the exception of redemption of participations by the fund manager. The fund manager does not issue participations.

Fiscal status
The fund is fiscally transparent, which means that the fund is not liable for corporate tax (or subject to any other tax on profits) and is not subject to dividend withholding tax. The assets, liabilities and results of the fund are directly allocated for tax purposes to the participants of the fund in proportion to their participation. Income or capital gains earned by a participant are regarded as income or capital gains made on the assets of the fund.

Dividend policy

The fund pays monthly dividends to participants based on the monthly interest results of the mortgage receivables and final distributions in connection with the annual result in proportion to the participations held. Dividend is either issued as participations or distributed as cash.

Subscription and redemption fee

The fund does not charge a subscription or redemption fee on entry or exit of the fund.

Management fee

The manager charges a management fee for managing the fund's assets. The management fee is determined as a percentage on an annual basis. The management fee is charged to the fund each day based on the net asset value of the fund at the end of the preceding trading day.

2 Report from the manager

2.1 Economic developments

Global Economy in 2024

The global economy experienced a slight slowdown in growth in 2024 compared to 2023. This was partly due to lower growth in China and the US. However, what stood out in 2024 was the significant differences in economic conditions across regions. The US economy remained very strong, while Europe struggled with the aftermath of the energy crisis and the slowdown in global trade. China continued to grow relatively strongly but faced a severe downturn in the real estate market and rising unemployment.

Geopolitical tensions dominated headlines. The war in Ukraine dragged on. The realization that the world is divided into different competing blocs has led companies to relocate production chains. This process will likely continue in the coming years.

2024 was marked by numerous elections worldwide. Trump's election in the US is expected to lead to further trade tensions. Meanwhile, the parliamentary elections in France resulted in an unstable government, worsening governability and increasing the likelihood of new elections.

United States: Exceptionally Strong

In 2024, the US economy exhibited remarkable developments, characterized by robust growth, changing labor market dynamics, and evolving monetary policy.

The US economy continued to grow significantly, at a pace exceeding its long-term growth potential. This growth was mainly driven by strong consumer spending, which remained resilient despite various economic challenges. The US growth rate was notably stronger than in other developed countries for several reasons. The US has become a major energy producer, keeping energy prices low. Additionally, high government investments provided economic stimulus. Moreover, the US has been more effective in implementing new technological innovations in business.

The number of jobs continued to increase. Due in part to relatively high immigration, the labor force expanded. However, some signs indicate a cooling labor market, with a slight increase in the unemployment rate.

Inflation remained a key concern throughout the year. While inflation declined over the year, core inflation remained high due to strong wage growth. The Federal Reserve cut interest rates multiple times but maintained a restrictive policy for the time being.

Despite strong economic indicators, consumer confidence was notably weak, influenced by inflation in previous years.

Trump's victory in the November presidential election is expected to result in a shift in economic policy in the coming years. Reducing regulatory pressure and increasing trade tariffs appear to be key policy priorities.

Eurozone: Stagnation

In 2024, the Eurozone experienced a series of significant economic developments, marked by both challenges and cautious optimism.

The ECB cut its key interest rates four times in 2024. Declining inflation allowed the central bank to pursue a less restrictive policy.

Inflation in the Eurozone showed signs of moderation, averaging 2.4% for the year. This was a significant improvement compared to previous years, driven by lower energy prices and improved supply chain conditions. However, inflation excluding energy and food remained high at 2.9%, indicating continued price pressures in core sectors.

Economic growth in the Eurozone was modest, with a projected GDP growth of 0.8% for 2024. There was significant divergence within the Eurozone. Germany continued to struggle with the energy crisis and declining demand from China. Meanwhile, Spain performed exceptionally well, with reforms and a strong tourism sector driving high growth.

The Eurozone labor market remained robust, with unemployment rates at historically low levels. This employment stability contributed to rising real incomes, which in turn supported household consumption. The gradual easing of financing conditions also encouraged business investment, albeit cautiously.

Global trade dynamics continued to influence the Eurozone's economic performance. While there was a slight recovery in global trade in 2024, downside risks such as trade protectionism and geopolitical tensions persisted.

The Eurozone faced an ongoing energy transition challenge in 2024, mainly due to efforts to reduce dependence on Russian fossil fuels. While significant progress was made in increasing the share of renewable energy in the energy mix, the transition was not without difficulties. Energy prices remained volatile. These challenges highlighted the need for continued investments in energy infrastructure and innovation to ensure long-term energy security and stability.

Looking ahead, the Eurozone's economic outlook remains mixed. The expected recovery is anticipated to be gradual, supported by rising real incomes and a less restrictive monetary policy. However, the region must navigate potential headwinds, including trade disruptions and geopolitical risks.

China

China's growth in 2024 was around the 5% target set by the government. Inflation in China was exceptionally low compared to other countries.

China faces significant challenges. The real estate market remains weak. Since housing is a key component of Chinese household wealth, this has resulted in low consumer confidence and reduced spending. The government has implemented various policy measures to support the housing market; however, these measures are more limited compared to previous interventions. Likely, housing prices had risen too far, and the government does not want to create a new bubble.

Due to geopolitical tensions with the US, the Chinese government has heavily invested in energy infrastructure and the technology sector. This will reduce dependence on energy and technology imports in the coming years.

The government's restrictive interventions in the private sector raise concerns about stifled innovation. Additionally, the new US administration is likely to announce new tariffs. As a result, China's economic growth may slow down in the coming years.

2.2 Financial markets

Housing Market

The Dutch housing market found its upward momentum again in 2024, after a year of stabilization in 2023. Starting from mid-2023, we saw a slight increase in house prices. This trend continued into 2024. This has led to an increase in the price index from the CBS (Statistics Netherlands) in December 2024, which was 11.0% higher than a year earlier and 7.7% higher compared to the previous peak in the summer of 2022. According to the Dutch Association of Real Estate Agents (NVM), the average sale price of an existing home at the end of 2024 was 483,500 euros. This marks several consecutive quarters of price increases. The average sale price is now 11.5% higher than at the end of 2023. By the end of last year, 3.3% more homes were for sale compared to the end of 2023. This keeps the pressure on the home-buying market stable. The new construction market continued its recovery in 2024, with more supply and higher sales figures. Due to quick sales and limited variety, the supply remains tight, which continues to drive prices up.

2.3 Investment policy

The investment policy differs per Subfund. The key figures are included in the individual annual reports of the Subfunds, and the investment policy, type of investments and the Subfund's benchmark are discussed.

2.4 Risk management

The fund manager has the responsibility to manage the financial risks of all funds. The fund manager has identified a number of financial risks, of which the most important are:

- Interest risk
- Inflation risk
- Credit risk
- Liquidity risk
- Climate Risk
- Leverage (a measure of the degree of the applied leverage)
- Operational risk management
- Fraud risk.

For each type of risk, risk criteria have been set in the form of restrictions in order to manage these risks. These restrictions are included in the fund mandates where they are tailored to the strategy of the fund. All restrictions are, where possible, monitored on a daily basis by the manager and by Citibank, which operates independently as depositary. Citibank has been appointed as depositary following the Alternative Investment Fund Managers Directive (AIFM-Directive) which requires managers to appoint an independent body to perform monitoring tasks.

In addition to restrictions monitoring, the manager monitors control limits which are intended to prevent breaches of restrictions. These control limits have tighter criteria than the restrictions and are used as a warning in order to prevent restrictions being breached. When breaches of restrictions occur, relevant stakeholders will be notified and further actions shall be determined to resolve the breaches as quickly as possible. All breaches and warnings are periodically reported to all internal stakeholders, including the management and all relevant external stakeholders if necessary.

Below is a description of the objectives and policies of the fund on risk management with respect to the use of financial instruments when managing risks. Also included is an explanation of the risk management measures that are in place.

Interest risk
Interest risk occurs as a result of investments in fixed income securities. Interest risk is usually measured by the duration.

Inflation risk
Inflation risk occurs as a result of changes in the inflation level of a country. This has an effect on various financial instruments, specifically instruments with a fixed interest rate. Inflation risk is already included within other risks, such as interest risk, and therefore no additional specific measures are required to manage this risk.

Credit risk
Credit risk is the risk that a counterparty is unable to meet the obligations as set out in the terms of a financial instrument. This risk can result in the loss of the nominal amount or lead to a significant increase in spreads when dealing on the market.

Credit risk is managed by imposing restrictions on the maximum Loan-to-Value ratio.

The restrictions as mentioned above are managed based on the Loan-to-Value ratio when acquiring the mortgage receivables on the current date.

For newly acquired mortgage receivables, restrictions imposed will apply on additional purchases of mortgage receivables. The measure that is taken:

- Loan-to-Value ratio is maximised at 100% (or 106% when financing energy saving measures)

Liquidity risk

Liquidity risk is the risk the fund is not able to quickly sell an investment for a reasonable price. This risk is related to the volume of the fund and the individual positions compared to the volume and liquidity of the investments in the portfolio.

The fund manager has an appropriate liquidity management system which includes procedures to monitor the liquidity risk of each fund and to ensure that the liquidity of the fund is aligned with the underlying obligations.

The liquidity management system:

- keeps a level of liquidity in a fund that matches the underlying obligations, based on an estimate of the relative liquidity of the underlying assets in the market;
- monitors the liquidity profile of the funds' portfolio. This takes into account the possible marginal contribution of the individual assets that may have a material effect on liquidity, as well as the material liabilities and obligations that a fund can have in relation to its underlying obligations. For this purpose, AIM includes the profile of the investors base, the nature of the investments, the relative size of the investments and the redemption conditions in its assessment;
- implements the instruments and arrangements necessary to manage the liquidity risk of each fund. The fair treatment of all participants with regard to each fund must be considered.

Climate Risk

Climate risk includes both physical climate risk and transition climate risk. Physical climate risk arises from weather-related events whereas transition climate risk is associated with the move to a low-carbon economy. Climate risk can have a financial impact on the AAM funds on account of climate risk exposure from underlying investments in companies and countries. AAM measures the financial impact of climate risk by developing the climate scenario analysis skill to help better understand climate risk and how to ultimately respond to it. This includes the development of applications where the financial impact of climate risk will be quantified and analyzed using climate-adjusted valuations and risk metric models.

Leverage

Leverage expresses the relation between the exposure of the fund and the net asset value of the fund. The leverage in the fund is calculated in two different ways: the gross method and the commitment method. Both methods are prescribed by the AIFMD.

The gross method:

- excludes from the calculations the value of the cash and cash equivalents and the highly liquid investments in euro of the fund that can immediately be converted into cash and cash equivalents, subject to an insignificant risk of changes in value and provide a yield not exceeding the yield on three months high-quality government bonds;
- converts derivative positions (using specific conversion methods) to the equivalent position of the underlying assets;
- excludes loans that are cash borrowings for which the amount due is known;
- includes exposures due to reinvested cash borrowings, expressed as the higher of the market value of the investments or the total amount of borrowed cash; and
- includes positions in repo- or reverse repo transactions and security lending arrangements.

The commitment method:

- converts derivatives positions (using specific conversion methods) to their equivalent position in the underlying assets, provided certain criteria are met;
- takes into account clearing and hedging arrangements (also under certain conditions);
- calculates the exposure created by the reinvestment of loans and borrowings, when the reinvestment increases the exposure of the fund; and
- excludes derivatives that are used for currency hedging purposes.

Each fund has leverage restrictions that are monitored just like other investment restrictions. In the case of investments in third-party funds, the leverage of such third-party funds is not included in the leverage calculations of the fund or fund structure.

Risk limits management

Risk limits management is undertaken to ensure that the risk profile of the fund can be effectively monitored. The Dutch authority for the financial market (AFM) receives a message if there is a mismatch between the risk profile of the fund and the risk limits or when there is a substantial risk that such a mismatch might occur. The match between the risk limits and risk profile is checked at least annually.

For every type of financial risk, applicable measures are defined to manage these risks. The most appropriate measures may vary per fund, based on the strategy of the fund. For the selected measures, appropriate risk limits are set, which are actively monitored. This will ensure that the fund act within their mandates.

To provide for an efficient and effective risk management process, the risk measures and the resulting risk limits meet the following principles:

- Quantitative limits are measurable;
- Restrictions or limits have clear definitions;
- Measures are chosen in such a way that the measurements and monitoring can be automated;
- Multiple restrictions with a similar objective are avoided, except when there is a legitimate reason;
- Each fund has limits for all identified risks, and
- Restrictions are designed to reduce complexity, hence a restriction per type of risk instead of combining different types of risks to a restriction.

The risk limits of the fund are monitored on a daily basis. Monitoring consists of the calculation of the control variables for each of the fund, comparison of the internal and external risk limits and the escalation of overruns within the organisation.

The calculation for most limits is delegated to Citibank. In its role as depositary and fund administrator, Citibank has full transparency on the funds, for which Citibank checks the compliance of the limits and performs relevant calculations within their systems. AIM receives warnings (breaches of internal limits) and infringements (breaches of external limits) with all applicable data and validation checks. All limits are checked by AIM and are reported in an overview of warnings and breaches.

These warnings and breaches are analysed and different processes are followed depending on the materiality of the warning or breach. Immaterial warnings are usually resolved within few days and are only reported to the portfolio manager if they remain outstanding for a longer period. Material warnings are reported to the portfolio manager for validation of the warning and to verify the solution. High risk problems are immediately reported to the Chief Investment Officer (CIO). On a weekly basis, all outstanding material warnings and breaches are internally reported to, among others, the management. On a monthly basis, the Risk Control Committee is informed on all the warnings and breaches, including the status or the solution.

During the reporting year, there were no breaches of restrictions.

Operational risk management

The fund manager has defined operational risk as follows: “The risk of a loss as result of inadequate or failing internal processes, people and systems or external events”. The fund manager has designed a comprehensive framework for the definition and classification of risks and the organisation of risk management activities.

The operational risk management policy includes the strategy and the objectives for the operational risk management and the processes that the fund manager has designed to achieve these objectives. The objectives for operational risk management (ORM) are:

- all major operational risks are identified, measured, evaluated, prioritised, managed, monitored and treated in a consistent and effective way throughout the organisation;
- appropriate and reliable tools for risk management (including the main risk indicators, database with risk events, risk & control self-assessments, monitoring reviews, and stress and scenario tests) are used to support management reporting, decision-making and assessment of required (reserve) capital;
- all directors, management and staff are responsible for managing the operational risks in line with the roles and responsibilities; and
- key stakeholders timely receive a reliable confirmation that the organisation manages its activities for the important operational risks.

Risk management by the fund manager

AIM has organized the risk management governance according to the Three Lines of defence Model. This model distributes the responsibilities, the tasks and the set of instruments and measures needed to be ‘in control’. This model ensures independent monitoring of the risk management activities in the organization by the risk management, compliance and internal audit function.

- First Line of defence

The first line of defence is executed by the line organization. They are responsible for the performance of the primary operational processes. Many of the risk management measures are embedded in these processes and provide reasonable assurance that the processes are performed properly. Common used control measures are, for example, the segregation of duties, the four-eyes principle and reconciliations.

The monitoring of positions and the related investment risks takes place on the level of the total client portfolios, the investment portfolios and the individual external asset managers.

- Second Line of defence

The second line is formed by the Enterprise Risk Management (ERM), Portfolio Risk Management (PRM), Portfolio Risk Control (PRC) and Compliance. The task of the second line is to identify, record and monitor AIM’s operational, investment portfolio and compliance risks and to test, advise and support the line organization in risk management. The risk management and compliance officers undertake activities to strengthen the risk culture within AIM, monitor that management actually takes its responsibilities and enter into a dialogue about this with management.

- Third Line of defence

Internal Audit forms the Third Line of defence. This department is completely independent. Internal Audit has the mandate to assess all processes in the first and second line.

Operational risks of the Fund

The risks are identified based on the Risk Control Self Assessment (RCSA). An effective set of control measures limits the risk of exceeding the risk tolerances for the operational risk. The most important operational risks and the risk management with regards to the multi-manager funds are:

- Inadequate selection of external managers resulting in underperforming managers which may cause incidents. This can lead to operational losses and reputational damage.

Control measures
Risks in relation to the selection process are managed by means of a robust and intensive selection process aimed at appointing high-quality managers for each asset class and subclass worldwide. Important selection criteria include: the investment philosophy used, the investment process, the personnel and organization, performance and opportunities for diversification. There are strict procedures for documenting the outcomes of the due diligence investigation into external managers and the resulting opinion, the confirmation of selected managers in the portfolio manager meeting and the authorization of a selected manager by the Manager Equities, Fixed Income & Commodities and the Head of Multi-Manager Investments. The process is also assessed by Portfolio Risk Control, Responsible Investment, Portfolio Risk Management, Legal and Operational Due Diligence before the contract is signed.

- Inadequate drafting and conclusion of contracts (Investment Management Agreement or IMA) with the result that legal safeguards are insufficient and that there is insufficient insight into the performance (qualitative and quantitative) of the manager to be able to make proper adjustments. This can lead to operational losses and reputational damage.

  Control Measures
  Risks related to the conclusion of contracts with external managers are managed because contracts are drawn up by expert lawyers on the basis of standard contracts. The IMA is always tested by the legal department.

- Unreliable execution of processes by the external manager resulting in underperformance, incidents and a lack of transparency. This can lead to operational losses and reputational damage.

  Control measures
  Risks are managed by monitoring the documentation of the investment management agreements, assessment of the external managers by the portfolio managers and an annual assessment of the assurance reports of the auditors of the external manager, Fund Administrator (Citibank), PRC department and department. This includes, amongst other things, checks on the performance of external managers (qualitative/quantitative), compliance breaches and fee notes. Portfolio managers continuously monitor the performance of the external managers on the basis of portfolio information, company news, attribution analyses and risk and return criteria. There is also a clear dismissal policy on the basis of qualitative and quantitative criteria.

The purpose of operational risk monitoring is to protect the investments of the customers of the fund manager, to ensure that customers are treated fairly and to ensure that the manager meets all his legal obligations. Risk monitoring also includes providing feedback to the company on the effectiveness of their operational management measures and comparing the current operational risk profile with the established risk tolerance. An important part is testing of internal controls to provide for an independent assessment of the adequacy of the design and the operational effectiveness of key operational management measures that have been established by the management. The outcome of this is reviewed by an independent auditor and reported in a ISAE3402 Type II statement. Furthermore, compliance of the policy of the fund manager and Aegon Group is monitored and any failures are reported to the responsible management.

Continuity management
The purpose of continuity management by the fund manager is to ensure the continuity of its activities, to establish trust, safeguarding of assets, to meet obligations, comply with the internal and external regulations and to prevent or mitigate damage and risk. The fund manager has taken measures to reduce the risk of a disruption of continuity to an acceptable level as much as possible.

The fund manager has taken measures to limit the risk of disruption to the continuity as much as possible to an acceptable level.

An acceptable level of risk is determined by striking a balance between the cost of risk mitigation measures and the value of the fund manager's assets. This will ensure that the fund manager maintains a prudent operational risk profile both under normal business conditions and under extreme circumstances resulting from unforeseen events.

The responsibility for the adequate establishment of continuity management is part of the primary process. It is the responsibility of Operational Risk Management to independently supervise that the fund manager properly fulfils his responsibilities.

Risk awareness and embedding within the organisation
The fund manager is well aware of the attention directed towards demeanour and conduct in regards to the risk management and compliance, the so called soft controls.

The policy is aimed at the fund manager complying to the statutory, administrative and societal norms. This entails that a breach, or the appearance of a breach, of valid law and legislation can affect trust adversely:

- while performing financial services and the ensuing commitments towards customers of the fund manager;
- in the financial markets wherein the fund manager operates.

Compliance to the external regulations has additionally been given shape by the composition of internal regulations. The various regulations that apply to the fund manager and/or her employees, are listed on the intranet and are available to all employees.

The customer is the point of focus and the know-your-customer rules have already been applied with the fund manager before it was recorded in the legislation and the provision of information receives ample attention, for example in the form of tailored customer reports.

To maintain confidence in the financial markets, the fund manager handles various procedures that, as per example, are focused on avoiding conflicts of interest and to ensure that no customers with a heightened level of integrity risk (for example due to money laundering or the financing of terrorism) are being admitted.

The fund manager additionally handles the procedures that guarantee that (international) sanction laws are being met. Sanctions could, for example, relate to certain persons, whose assets need to be frozen or to which no financial services should be given. Sanctions could also entail that no investments are allowed to be made in certain areas and/or instruments. When new sanctions are being issued or current sanctions are being altered, the compliance department will forward this information as quickly as possible to the relevant departments that apply such alterations in the portfolios.

An important part of the organizational embedding of risk management and compliance is, among others, the raising of awareness in regards to the relevant law and regulations and the monitoring of processes and procedures. The integrity risk of the fund manager is being controlled through internal guidelines, pre-employment screening, codes of conduct, e-learning modules for all employees and measures in the customer acceptation process. The compliance role plays an important part in the creation of the desired degree of risk awareness.

Fraud Risk
AIM runs the risk that its own employees and/or third parties will perform an intentional act using deception in order to obtain an unlawful or unlawful advantage. Fraud committed both internally and externally can lead to significant financial and reputational damage for AIM. In addition, the (financial) interests of its customers can be damaged by fraud.

Fraud risk is limited by various control measures present in the first line, such as authorization checks, system-enforced checks on payments, reconciliation checks and the automated segregation of duties for payment systems. All these control measures are periodically tested and evaluated and further monitored by the involvement of the second line (ERM, PRM, PRC and Compliance) and the third line (Internal Audit).

Among other things, training sessions for employees and conducting due diligence with regard to customers and business partners can restrict fraud risk .

Both fraud risks are managed through the anti-fraud program that applies within Aegon Group to all Aegon entities, including AIM B.V. This program contains specific key requirements that serve as a handle for managing fraud risks. For example, all Aegon entities must determine their tolerance for fraud-related damages, record fraud incidents and report them internally, and have procedures in place to say goodbye to customers, business partners and employees who have committed fraud.

SIRA is performed every year by the various Aegon Group entities. Compliance took part in this exercise once more in 2023 on behalf of AIM B.V with the intention of identifying and managing integrity risks. In the 1st phase, the focus was on gaining insight into the exposure of AIM B.V. to such risks through its strategy, customers, culture, business partners and products. In the 2nd phase, the integrity risk was assessed and valued. This has resulted in the valuation of integrity risks without the existence of control measures (inherent risk) and with the existence of control measures as they work in practice (residual risk).

One integrity risk that Compliance assumes with relation to AIM B.V. is fraud risk which has been assessed and valued within the SIRA 2024. This was done on the basis of various scenarios such as:

- Unauthorized transactions;
- Accounting fraud;
- Theft of goods (internally related);
- Forgery, impersonation and fraudulent applications;
- Fraudulent claims;
- Fraudulent invoices and theft of goods (externally related).

The inherent risk associated with the four fraud categories and the related scenarios has been assessed as outside the risk tolerance in the context of the SIRA 2024. However, given the existing control measures and their effectiveness in practice, the remaining risks in all four fraud categories have been assessed as below or within the risk tolerance. The valuation took place along two axes (1) the degree of probability that the risk will occur (2) the degree of impact on, among other things, AAM NL's business operations if the risk occurs. Specific controls were not taken into account when assessing inherent risk. The assessment of the residual risk took into account the specific controls as existing and operating in practice.

These are some examples of control measures that AIM B.V. has been determined to implement during the SIRA 2024 by Compliance:

- three lines of defense framework in which the second and third line advise, challenge and monitor the first line, also in terms of fraud risk management;
- cooperation with reputable external parties as custodian and/or administrator as laid down in agreements for the funds under management;
- the existence of relevant policy documents such as Whistleblower Policy, Code of Conduct, Code of Ethics, and Conflicts of Interest Policy, the use of which is encouraged and reviewed;
- the existence of reporting and escalation procedures where Compliance can report and explain incidents, deficiencies, defects, etc. including recommendation for remedial measures;
- the written recording of responsibilities and powers that ensure separation of functions.

DUFAS
AIM has joined the Dutch Fund and Asset Management Association (DUFAS).

GIPS
Aegon Investment Management B.V. also voluntarily complies with the Global Investment Performance Standards (GIPS). This GIPS verification of the investment funds is carried out annually by an external accounting firm. This has been done since the year 2000 with a positive final assessment. Aegon Investment Management B.V. thus meets the obligations set by GIPS and this underlines the reliability of the performance measurement of our investment funds.

2.5 Notes on the remuneration policy

Remuneration Policy
For the remuneration policy AIM, being part of Aegon N.V., is bound to the Aegon Group Global Remuneration Framework. This framework is designed in line with relevant laws and regulations, such as the Dutch law on remuneration policy for financial institutions. The Framework includes principles and guidelines for a careful, controlled and sustainable remuneration policy, that adheres to the strategic goals, HRM aspirations and core values of Aegon Ltd. This also meets the AIFMD requirements for the remuneration policy, including contributing to effective and efficient risk management and not encouraging taking more risks than allowed by the investment policy and fund terms and conditions. In situations of delegation of fund management after the AIFMD became effective, AIM monitors that the AIFMD or equivalent guidelines and restrictions for remuneration are in place. This framework is tested annually against laws and regulations, amended where necessary and presented to the Remuneration Committee of Aegon Group for approval. This body also monitors the remuneration of all AIM employees that have been designated as Material Risk Taker (MRT).

Transparency of remuneration rules in relation to the integration of sustainability risks
Alignment of the remuneration rules with sustainability risks is an important part of the AAM compensation program. AAM's global compensation rules encompass our global focus on integrating critical sustainability factors into multiple components of the variable compensation structure.

Performance indicators are a fundamental part of AAM's variable compensation program. In order to obtain an accurate representation of total performance from a long-term perspective, the remuneration rules contain limits on unadjusted financial performance indicators at both organizational and individual levels.

At the organizational level, the focus on sustainability is reflected by indicators that show the long-term sustainability of business results, including one, three and five year investment results, customer satisfaction and collaboration within and between teams.

Individual objectives ensure that all stakeholders have direct insight into how they contribute to AAM's strategy and sustainability goals. As an illustration, these indicators currently include components such as:

- A goal for all employees that includes core components of our culture, including accepting diversity of thought, demonstrating inclusive and respectful behavior, complying with company rules and successfully completing related training and adhering to risk management components.
- Professional objectives from an investor perspective including ensuring that ESG factors are considered in relation to each fund's risk and performance objectives while meeting responsibilities regarding client confidentiality.
- The board has individual goals regarding Inclusion & Diversity goals within the organization.

Our remuneration rules also outline management assessments that focus on risk alignment and the sustainability of business performance. Such assessments may result in a downward adjustment of variable remuneration elements. The assessments specifically include Bonus Malus provisions described in the remuneration rules.

Fixed remuneration
Fixed remuneration of AIM employees consists of the monthly salary, a flexible budget (including, among others, holiday allowance and 13th month allowance), pension allowance and other secondary employment terms that are customary in the Dutch market. AIM has different salary systems for employees under collective employment agreements (‘CAO gebonden posities’), portfolio managers and senior management positions. All three systems are reviewed annually on market conformity using various external market surveys on remuneration.

Variable remuneration
A selection of AIM employees is eligible for variable remuneration. This variable remuneration is an integral part of the total remuneration package. For the calculation of the annual budget for variable remuneration, a so called bonus pool method is used. This means that the size of the pool (in other words, the budget) is determined by comparing the actual results to the predetermined goals. This consists of a mix of long term and short term fund results, client

satisfaction, profitability, sales figures, risk management and Aegon N.V. results. Granting of any variable remuneration, within the budget, is done based on individual performance. For granting of variable remuneration, based on the bonus pool and at individual level, the performance indicators consist for a maximum of 50% of non-risk adjusted financial performance indicators and for at least 50% of non-financial indicators.

In addition, employees that are not eligible for variable remuneration can, under strict conditions, be granted a variable remuneration.

Material Risk Taker (MRT)
On the basis of the AIFMD selection criteria, 5 internal positions have been qualified as MRT, of which 4 are senior management positions. This concerns staff members of which professional activities have significant influence on the risk profile of AIM and/or the managed funds.

When qualifying for a certain fixed income and variable remuneration, no distinction is made between MRT and other employees. Different rules do, however, apply in the area of personal targets and payment of variable remuneration. The personal targets of Identified Staff are assessed in advance on the degree of risk control and are, where required, adjusted accordingly. In addition, in case of MRT variable remuneration is not paid in cash in one instalment. The initial 50% are paid directly in cash after the year of performance. The other 50% are paid directly in instruments, the so-called phantom shares. The phantom shares are subject to a holding period of three years. They are made available after that. Before each of these elements is paid, it is established whether there are still facts on the basis of which the variable remuneration should be adjusted downward. The phantom shares are linked to the fund performances of the main funds of the Manager. After allocation the shares are held for a year before they are settled and paid to the employee in cash.

Remuneration overview
The table below consists of the fixed remuneration (12 times the monthly salary, income tax, social security contributions, pension contributions and the flexible budget) and the variable remuneration granted to all employees and temporary employees of AIM in 2024. The amounts have been split to management, MRT and other employees.

Personnel compensation for the financial year 2024

Groups (amounts x € 1,000)	Number of personnel	FTE[(1)]	Fixed salary[(2)]	Variable remuneration
Board of directors	4	4	1,804	690
MRT	5	5	2,044	1,525
Other staff	382	355	46,357	7,257
Total AIM employees	**391**	**364**	**50,205**	**9,472**

Personnel compensation for the financial year 2023

Groups (amounts x € 1,000)	Number of personnel	FTE[(1)]	Fixed salary[(2)]	Variable remuneration
Board of directors	4	3	1,127	474
MRT	7	6	2,132	1,114
Other staff	425	385	45,245	5,415
Total AIM employees	**436**	**394**	**48,504**	**7,003**

[(1)] 1 FTE = 40 contractual hours per week
[(2)] This consists of twelve times the monthly salary and a fixed flexible budget (including, among others, holiday allowance and 13th month allowance).

The remuneration for the employees includes activities performed for Aegon Nederland N.V. Employees are not directly employed by or working exclusively for specific individual funds. The total remuneration has not been allocated to the individual funds, since the information required for this allocation is not readily available.

There are no employees for which the total remuneration is greater than 1 million euro.

The manager does not receive any compensation other than the predetermined management fee, which is a percentage of the net asset value. Therefore, there is no carried interest.

Delegated functions
In accordance with article 22 (2) (e) of the AIFMD, the manager is obligated to provide further details of the remuneration policy. This includes external parties to which portfolio management and risk management activities are delegated. For outsourcing relationships a proportionally effective remuneration policy is applicable. Aegon has, in accordance with AIFMD, tried to obtain the quantitative information from its external portfolio managers and risk managers. However, this information is not available at the required level. For a best estimate of the costs associated with the remuneration policy for these external portfolio managers and risk managers, we refer to the management fees charged. The management fees are disclosed in the annual report of the relevant Aegon funds.

2.6 Laws and regulations

The fund is subject to the regulatory supervision of the Dutch Act on Financial Supervision (Wet op het financieel toezicht).

The annual report is prepared in accordance with Title 9 of Book 2 of the Dutch Civil Code, the Dutch financial reporting standards (‘Richtlijnen voor de jaarverslaggeving’) and the Dutch Act on Financial Supervision (Wet op het financieel toezicht).

2.7 General outlook

Housing Market

In 2023, we already saw a return to old trends and the housing market regained its stability. This process continued into 2024, with mortgage rates maintaining the cautious downward trend that had already begun. House prices initially showed a declining trend from the second half of 2022, caused by the sharp rise in interest rates. By mid-2023, we saw this downward trend reverse into a slight increase in house prices, which has continued through 2024. As a result of strong interventions in 2022, we saw inflation start to decrease in 2023. We have now reached a point where inflation has significantly fallen, but now shows a stable or slightly increasing trend. The first interest rate cuts by the central bank took place in 2024, but since the decline has stagnated by the end of 2024, there has been market uncertainty about the previously communicated interest rate reduction path by the central bank. The central bank states that interest rates will reach around 2% by mid-2025 if economic forecasts hold true. However, the current market consensus seems to be that a longer period will be needed before rates reach this level. Therefore, 2025 promises to be a very exciting year for the short end of the interest rate curves. Mortgage lenders will want to maintain their margins and closely monitor these movements of central banks. However, there seems to be room to lower mortgage rates slightly again. Such a potential slight decline would increase the chance of further house price increases.

As a result of the higher mortgage rates, fewer refinancers, and falling house prices, 2022 saw a reduced number of transactions. In 2023, the number of transactions remained stable around this lower level. In 2024, the number of transactions showed an increase, and the expectation is that 2025 will see a similar number. The recovery for first-time buyers, due to the decrease in house prices and increased supply, was short-lived. There was a brief period of falling house prices, but the existing shortage of newly completed homes and the resulting imbalance in supply and demand quickly regained control. This led to rising prices and a declining supply of homes. The lagging housing production has long been on the political agenda, but during the elections of November 2023, it became one of the main topics. The newly formed government has not yet been able to come up with structural solutions during its early period. Given the very complicated mix of subareas involved, it is logical that no simple solution is immediately available. In the medium term, the outlook still does not look good for first-time buyers, and there is work to be done for the government to come up with a well-thought-out long-term vision.

The Hague, 26 March 2025

The investment manager

Signed on behalf of Aegon Investment Management B.V. by:

D.F.R. Jacobovits de Szeged
W.H.M. van de Kraats
T.E.J.F. Stassen

3 Annual Report 2024 AEAM Dutch Mortgage Fund 3 - NHG

3.1 General information

Starting date
The fund started on 17 March 2017.

Profile
The fund is a fund for joint account (Dutch: “fonds voor gemene rekening”). The participations are only available to qualified investors (Dutch: “gekwalificeerde beleggers”) as defined in the Dutch Act on Financial Supervision (Dutch: “Wet op het financieel toezicht”).

Investment policy
The Fund invests primarily in Mortgage Receivables of Dutch Mortgage Loans which are originated by ASR Levensverzekering N.V., which are secured by Dutch residential real estate. The Fund acquires mortgages by subscribing to a vertical slice of ASR Levensverzekering N.V.'s eligible mortgage production. In addition, cash may be held to facilitate exit and distribution of dividends, for example. The use of other techniques, instruments and/or structures requires prior approval of the Meeting of Participants.

Objective
The objective of the Fund is generating income for the benefit of the Participants by acquiring Mortgage Receivables.

Sustainability policy
We confirm that the environmental and social characteristics as stated in the prospectus at the beginning of the reporting period in relation to this fund have been met.

Information regarding the environmental or social characteristics of this financial product is available in the appendix (Periodic Sustainability Notes AEAM Dutch Mortgage Fund 3 - NHG), including information to which environmental objectives the investments of this fund contribute and how and to what extent the investments take place in economic activities that take into account the EU criteria for environmentally sustainable economic activities as set out in the EU taxonomy (2020/852). The “do no significant harm” principle only applies to the investments underlying this financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining part of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Information regarding the environmentally and social characteristics of this financial product is available in the annex (Periodieke duurzaamheidstoelichting AEAM Dutch Mortgage Fund 3 - NHG.

Benchmark
The Fund has a Composed ML SWAP Index as its benchmark.

Restrictions
Investment strategies
The net asset value may be invested in:

- NHG Mortgages;
- Non-NHG Mortgages
- Loan-to-Value ratio, with a maximum of 106**%.**
- Maximum of 25% interest only mortgages

The Loan-to-Value ratio is calculated by dividing the total outstanding principal of the mortgage claim by the originally calculated market value of the collateral.

Leverage
The Fund may not engage in securities lending transactions, use leverage, enter into derivatives and/or enter into FX transactions. In case of a liquidity shortfall, the Fund may apply leverage. This leverage may - in total - not exceed five percent of the value of the Fund Assets.

Marketability
The participations of the fund are registered and cannot be transferred, with the exception of redemption of participations by the fund manager. The fund manager does not issue participations.

Fiscal status
The fund is fiscally transparent, which means that the fund is not liable for corporate tax (or subject to any other tax on profits) and is not subject to dividend withholding tax. The assets, liabilities and results of the fund are directly allocated for tax purposes to the participants of the fund in proportion to their participation. Income or capital gains earned by a participant are regarded as income or capital gains made on the assets of the fund.

Dividend policy
The fund pays monthly dividends to participants based on the monthly interest results of the mortgage receivables and final distributions in connection with the annual result in proportion to the participations held. Dividend is either issued as participations or distributed as cash.

Subscription and redemption fee
The fund does not charge a subscription or redemption fee on entry or exit of the fund.

Management fee
The manager charges a management fee for managing the fund's assets. The management fee is determined as a percentage on an annual basis. The management fee is charged monthly calculated on the last bussines day of the calendar month concerned.

3.2 Report of the Investment Manager

In 2024 the AeAM Dutch Mortgage Fund 3 NHG realised a return of 5,56% after cost. The return can be explained by the following factors: The change of the market value of the mortgages and the received interest. During the year the weighted ASR mortgage interest rate for the AeAM Dutch Mortgage Fund 3 NHG decreased slightly. This decrease in mortgage interest rates resulted in a positive effect on the market value of the mortgages. Over the year the market value of the mortgages increased with 3.57%. Adding the interest received of 1.99% and deducting the fees resulted in total return of 5.56%.

The return of 5.56% after cost is an outperformance of 2.02% compared to the benchmark. The fund has a Composed ML SWAP Index as its benchmark. During 2024 the swap curve lowered slightly, mortgage rates showed a similar lowering trend but to a bigger extend. This resulted in a positive relative performance for the fund on a mark-to-market bases. Additionally the yield on Dutch mortgages is higher (per the beginning of January, the 10yr swap rate was 2.4% versus a yield of 3.88% for the fund), the combination was more than enough to beat the benchmark leading to the overall outperformance against the benchmark.

The fund invests in new mortgages on Dutch residences, granted by ASR after 1 January 2013, and thus bears debtor risk via mortgages. These new mortgages comply with the more stringent granting criteria, implemented since January 2013. The maximum LTV (loan compared to value of collateral) against which mortgages can be granted decreased in several steps to the maximum of 100%, before energy saving measures. Moreover, repayment has become the norm. A considerable part of the mortgages in the fund has a straight-line or other form of repayment (87.2%). At the end of December 2024 the percentage of NHG mortgages was 90.3%. At the end of December the fund duration is 7.3. The fund does not make use of derivatives.

The fund has dealt with the various risks as follows:

- Concentration risk: With more than 13,000 loans in the fund, the fund is considered to be sufficiently diversified.
- Currency risk: The fund does not run any currency risk.
- Liquidity risk: Investing in illiquid mortgages will involve liquidity risk. The monthly cashflows from the mortgages will be used to facilitate potential redemptions.

In the second part of 2023 we have seen property prices starting to increase again after a small correction in the 12 months before. This increasing house price trend has continued in 2024. Due to a very tight labour market we have seen salaries increase which has helped keep affordability slightly improving. These developments have further strengthened the credit profile of the fund resulting in a very low debt-service-to-income ratio (average per the end of December was 18%) and low LTV (average per the end of December was 62%).

3.3 Key Figures

Key figures	2024	2023	2022
Overview per participation[1]			
Changes in fair value	322.55	182.52	(2,281.85)
Investment result	222.06	204.62	192.76
Other results	(3.15)	-	-
Total result	**541.46**	**387.14**	**(2,089.09)**
Management fee and other expenses	(43.33)	(39.28)	(42.41)
Net result	**498.13**	**347.86**	**(2,131.50)**
Dividend paid per participation[2]	(177.33)	(162.86)	(150.33)
Net asset value (x € 1,000)	2,096,614	1,974,141	1,824,907
Outstanding number of participations	226,508	220,792	208,306
Net asset value per participation	9,256.25	8,941.18	8,760.70
Performance[3]			
Performance (net asset value)	5.56%	3.98%	(19.44%)
Performance benchmark	3.47%	-	-
Outperformance	2.02%	-	-
Outperformance since inception	8.94%	-	-
Annualized outperformance since inception	1.14%	-	-

The outperformance figures are presented in 2024 for the first time, therefore no comparative figures available.

[1] Amounts per participation are based on the average number of participations during the year.
[2] Dividend paid reflects the actual dividend paid per participation.
[3] The performance is the time weighted return after costs calculated on a daily basis. There is no benchmark information available before 2024

Financial Statements 2024 AEAM Dutch Mortgage Fund 3 - NHG

3.4 Balance sheet as at 31 December

Balance Sheet (before appropriation of result) (amounts x € 1,000)	Reference	2024	2023
Assets			
Investments			
Mortgage receivables		2,057,721	1,945,913
Total investments	3.7.1	**2,057,721**	**1,945,913**
Receivables			
Outstanding transactions in financial instruments		111	15,907
Receivables from mortage receivables		22,239	-
Other receivables	3.7.3	4,262	20,181
Total receivables		**26,612**	**36,088**
Other assets			
Cash and cash equivalents	3.7.4	12,840	9,286
Total other assets		**12,840**	**9,286**
Total assets		**2,097,173**	**1,991,287**
Liabilities			
Net asset value			
Net assets before result		1,987,194	1,899,085
Result for the year		109,420	75,056
Total net asset value	3.7.5	**2,096,614**	**1,974,141**
Short term liabilities			
Other payables and liabilities	3.7.7	559	17,146
Total short term liabilities		**559**	**17,146**
Total liabilities		**2,097,173**	**1,991,287**

3.5 Profit and loss statement

Profit and loss statement			
(amounts x € 1,000)	Reference	2024	2023
Direct result			
Interest mortgage receivables		48,449	43,927
Interest bank accounts		329	224
Total direct result		**48,778**	**44,151**
Realised investment results			
Unrealised investment results	3.7.10	70,851	40,237
Total indirect result		**70,851**	**40,237**
Total investment result		**119,629**	**84,388**
Other results			
Restitution management fee		8	-
Other results		(699)	(856)
Total other results		**(691)**	**(856)**
Total operating income		**118,938**	**83,532**
Operating expenses			
Management fee		(9,054)	(8,476)
Interest bank accounts		(29)	-
Bank charges		(1)	-
Other expenses		(434)	-
Total operating expenses	3.7.12	**(9,518)**	**(8,476)**
Net result		**109,420**	**75,056**

3.6 Cash flow statement

Cash flow statement			
(amounts x € 1,000)	Reference	2024	2023
Cash flow from investment activities			
Mortgage loans issued		(232,233)	(253,347)
Mortgage loans repayments		207,072	141,110
Mortgage loans receivables		(22,239)	-
Interest received		48,463	43,593
Provision doubtful mortgage debtors		49	12,904
Received restitution management fee		8	-
Received other results		(699)	(856)
Management fee paid		(9,520)	(8,423)
Interest paid		(29)	-
Other expenses paid		(371)	98
Net cash flow from investment activities		**(9,499)**	**(64,921)**
Cash flow from financing activities			
Subscriptions		75,567	123,654
Redemptions		(23,040)	(14,399)
Paid out dividend		(39,474)	(35,077)
Net cash flow from financing activities		**13,053**	**74,178**
Net cash flow		**3,554**	**9,257**
Cash and cash equivalents opening balance		9,286	29
Cash and cash equivalents closing balance	3.7.4	**12,840**	**9,286**

aegon asset management

3.7. Notes to the financial statements

General
The accounting principles and the method of calculating the ratios are included in chapter 5.

Comparison to the previous year
The accounting principles have remained unchanged in comparison to the previous year. The financial statements have been prepared on the basis of the going concern assumption.

Change in presentation
As of 1 July 2024, the management of the Fund transitioned from a.s.r. vermogensbeheer to Aegon Investment Management B.V. To align the Fund's financial statement presentation and risk disclosures with the presentation of other mortgage funds managed by Aegon Investment Management, changes have been made to the format and structure of the financial statements. This presentation change does not result in any material adjustments compared to prior years. It is solely intended to ensure consistency and comparability with other funds under Aegon Investment Management's oversight, particularly regarding the presentation of risk disclosures and other related information.

Going concern
The financial statements of the fund have been prepared on a going concern basis. This is based on the reasonable assumption that the fund is, and will be, able to continue its activities in the foreseeable future.

3.7.1 Investments

Movement schedule of investments		
(amounts x € 1,000)	2024	2023
Mortgage receivables		
Opening balance	1,945,913	1,809,346
Provisions	232,233	253,347
Repayments	(191,276)	(157,017)
Revaluation	70,851	40,237
Closing balance	**2,057,721**	**1,945,913**

The distribution of the investment portfolio according to the method of valuation is shown below:

Investments by valuation method		
(amounts x € 1,000)	2024	2023
Net present value	2,057,721	1,945,913
Closing balance	**2,057,721**	**1,945,913**

3.7.2 Risks with respect to financial instruments

This paragraph shows the important risks associated with the investments of the fund.

Price risk
Price risk can be dividend into:
- Currency risk is the risk that the value of a financial instrument will fluctuate as a result of changes in exchange rates;
- Market risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices, either caused by factors that exclusively apply to the individual instrument or the issuer thereof or by factors that influence all instruments that are traded in the market;
- Interest rate risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market interest rates.

The concept of price risk does not only comprise possibility of losses but also the possibility of gains.

Currency risk
The fund has euro investments only and is therefore not exposed to significant currency risk.

Market risk
The risk that relates to changes in market prices is limited by the spread in mortgage products and regions. The market price is influenced by the limitation in mortgage tradability.

Mortageportfolio to product	2024	2023
Product		
Annuity	83.4%	83.0%
Interest-only	12.8%	12.9%
Linear repayment	3.8%	4.1%
Total as at 31 december	**100.0%**	**100.0%**

Distribution portfolio by region

Mortgage receivable portfolio by province	2024	2023
Province		
Drenthe	4.1%	4.1%
Flevoland	2.4%	2.4%
Friesland	4.9%	4.9%
Gelderland	13.7%	13.6%
Groningen	4.8%	4.9%
Limburg	9.9%	10.1%
Noord-Brabant	14.6%	14.6%
Noord-Holland	8.8%	8.9%
Overijssel	9.1%	9.1%
Utrecht	5.8%	5.8%
Zeeland	3.2%	3.2%
Zuid-Holland	18.4%	18.3%
Data not available	0.3%	0.1%
Total as at 31 december	**100.0%**	**100.0%**

Interest rate risk
The fund invests in long term fixed income securities and is therefore exposed to significant interest rate risk. The table below categorises the mortgage receivables and call money into fixed interest maturity buckets. In this table no consideration is given to (early) repayment of mortgage receivables.

Remaining fixed rate period 2024						
(amounts x € 1,000)			2024			
	Shorter than 1 year	**Between 1 and 5 years**	**Between 5 and 10 years**	**Between 10 and 20 years**	**Longer than 20 years**	**Total**
Mortgage receivables	18,711	86,104	309,841	1,065,223	577,842	2,057,721
Total	**18,711**	**86,104**	**309,841**	**1,065,223**	**577,842**	**2,057,721**

Remaining fixed rate period 2023						
(amounts x € 1,000)			2023			
	Shorter than 1 year	**Between 1 and 5 years**	**Between 5 and 10 years**	**Between 10 and 20 years**	**Longer than 20 years**	**Total**
Mortgage receivables	11,870	3,113	283,520	1,063,636	583,774	1,945,913
Total	**11,870**	**3,113**	**283,520**	**1,063,636**	**583,774**	**1,945,913**

Cash flow risk
Cash flow risk is the risk that future cash flows of a monetary financial instrument will fluctuate in size.

The fund has limited investments in financial instruments with variable interest rates and is therefore not exposed to significant cash flow risk.

Credit risk
Credit risk is the risk that counterparties of investments cannot meet their obligations, causing the fund to incur a financial loss.

The amount which best represents the maximum credit risk of the fund is € 2,116,346,000 (2023: € 1,991,287,000). The fund primarily invests in mortgages for which the collateral consists of privately owned Dutch residential property. The credit risk is therefore initially hedged by the property that serves as collateral for the mortgages provided. In addition, credit risk is hedged by limiting the LTFV (volume of loans in relation to the execution value of the collateral) in the fund mandate and by setting a maximum amount per loan.

A significant amount of the mortgage portfolio is subject to the NHG-arrangement.

Allocation of mortgage receivables portfolio by remaining debt at year-end		
	2024	2023
Remaining debt		
Lower than 100.000	1.6%	1.5%
100.000 – 150.000	11.8%	11.9%
150.000 – 200.000	24.9%	26.6%
200.000 – 250.000	27.1%	29.1%
250.000 – 300.000	18.4%	19.4%
Higher than 300.000	16.2%	11.5%
Total as at 31 december	**100.0%**	**100.0%**

Allocation of mortgage receivables remaining debt in relation to fair value of the underlying property	2024	2023
Remaining debt		
0 through 50%	21.4%	4.9%
50% through 100%	78.4%	94.2%
100% through 110%	0.2%	1.9%
Total as at 31 December	**100.0%**	**100.0%**

The NHG mortgages represent 90.3% of the total of mortgages.[4]

Overdue mortgage receivable payments 2024 (amounts x € 1.000)	Amount overdue	Outstanding nominal
Outstanding debt		
Not overdue	-	2,045,283
Overdue up to 3 months	55	10,793
Overdue between 3 and 6 months	13	630
Overdue for more than 6 months	40	1,015
Total as at 31 December 2024	**108**	**2,057,721**

The total losses on mortgage receivables in 2024 amount to € 49.416 (2023: € 0).

Liquidity risk
Liquidity risk, also known as 'funding risk', is the risk that the fund is not able to meet the financial obligations associated with its financial instruments or redemptions by participants. Liquidity risk can, among others, occur from the inability to sell a financial asset in the short term for (an amount close to) its fair value.

The investments of the fund cannot be liquidated immediately. The fund is therefore exposed to significant liquidity risk. This liquidity risk is reduced by existing restrictions for withdrawals from the fund. Participants can exit the fund on the first working day of each month.

The redemption of participations will be financed using the cash flows under the Investments or arising from new issues of participations in the fund. Mortgage receivables are illiquid investments that normally cannot be liquidated. Therefore, upon exit from the fund, participants will be dependent on the available cash and the new inflow of (prospective) participants into the fund. As a result of this restricted liquidity, outflow from the fund may take a long time.

If the liquidity of the fund 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.

3.7.3 Other receivables

Other receivables (amounts x € 1,000)	2024	2023
Construction depots receivable	-	16,234
Accrued interest	4,262	3,947
Total as at 31 December	**4,262**	**20,181**

[4] Information for 2023 unavailable.

3.7.4 Cash and cash equivalents

No restrictions on the use of cash and cash equivalents exist.

3.7.5 Net asset value

Movement schedule net asset value		
(amounts x € 1,000)	2024	2023
Net asset value participants		
Opening balance	1,974,141	1,824,907
Subscriptions	75,567	123,654
Redemptions	(23,040)	(14,399)
Dividends	(39,474)	(35,077)
Closing balance	**1,987,194**	**1,898,174**
Net result for the year	**109,420**	**75,056**
Total net asset value as at 31 December	**2,096,614**	**1,974,141**

Investments without a quoted market price in an active market require a revaluation reserve for the unrealised positive revaluation. The unrealised positive revaluation for these investments amounts to € 75.296.000 (2023: € 4,445,000).

Movement schedule of participations		
	2024	2023
Number of participations as at 1 January	220,792	208,306
Subscriptions	8,252	14,131
Redemptions	(2,536)	(1,645)
Number of participations as at 31 December	**226,508**	**220,792**

Historical summary			
	2024	2023	2022
Net asset value (X € 1,000)	2,096,614	1,974,141	1,824,907
Number of participations outstanding (units)	226,508	220,792	208,306
Net asset value per participation in €	9,256.25	8,941.18	8,760.70

3.7.6 Payables to credit institutions

The debts to credit institutions consist of short-term debts in the current account of the fund’s banker.

3.7.7 Other payables

Other payables		
(amounts x € 1,000)	2024	2023
Construction deposits payable	-	16,234
Management fee payable	277	743
Mortgage debtors in advance	233	169
Other liabilities	49	-
Total as at 31 December	**559**	**17,146**

3.7.8 Off balance sheet items

Construction deposits
The fund has provided mortgages where part of the mortgage is reserved in the form of construction deposits. As of 31 December 2024, an amount of €19 million in construction deposits has not yet been withdrawn by the borrowers. This amount represents an obligation of the fund to make additional payments from this deposit in the future. This obligation is not included in the balance sheet.

3.7.9 Profit and loss statement

The accounting principles and the method of calculating the ratios are included in chapter 5.

3.7.10 Indirect result

Changes in fair value of investments		
(amounts x € 1,000)	2024	2023
Unrealised price- and currency gains mortgage receivables	70,851	40,237
Total as at 31 December	**70,851**	**40,237**

3.7.11 Subscription and redemption fee

The fund does not charge subscription and redemption fees.

3.7.12 Costs and fees

Management fee
The annual management fee amounts to 0.45% per year.

Audit fee
The audit fees for the audit of the annual report and any tax advice and other non-audit services are paid by the manager from the management fee. The costs for the audit for the 2024 financial year amount to EUR 70,746. The external auditor has not performed tax advice or non-audit services for the fund.

Ongoing Charges Figure (OCF)
The OCF is a standard for ongoing costs that are charged to the fund during the reporting period. For the calculation of the OCF, the following needs to be considered:

- The OCF represents the ratio between ongoing costs and the average net asset value. The ongoing costs include all expenses that have been charged to the fund during the reporting period, with the exception of subscription- and redemption fees, performance fees, transaction costs for investments and interest expenses on bank accounts. The fund can invest in other Aegon funds. In addition to the costs directly recognised 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 as well as the costs of fee sharing agreements.
- The average net asset value is based on the number of days when a net asset value calculation was performed during the reporting period.

OCF		
(amounts x € 1,000)	2024	2023
Average net asset value	2,021,144	1,885,417
Total costs within the fund including fee sharing agreements	9,040	8,476
Total costs	**9,040**	**8,476**
OCF	**0.45%**	**0.45%**

Turnover Ratio (TR)
The Turnover Ratio gives an indication of the turnover of the fund's investment portfolio by providing insight in the extent to which the fund manager actively changes the investment portfolio based on his investment decisions. The Turnover Ratio gives information on the relative amount of transaction costs involved with portfolio management. Active portfolio management means higher transaction costs. A turnover ratio of 200 indicates that purchase- and sales transactions have been executed for twice the amount of the average net asset value on top of the purchase- and sales transactions caused by subscriptions and redemptions of participants. Transaction in call money are not included in the calculation of the TR.

Subscriptions and redemptions of participations are netted on a daily basis to determine the actual in- or outflow on a daily basis. The purpose of this is to better align the in- or outflow with the purchases and sales as a result of transactions with participants. As a result, the amounts may differ from the amounts as stated in the movement schedule of the net asset value and the cash flow statement.

A fund can invest partially or entirely in participations in other Aegon investment funds in which the actual purchases and sales of investments take place. The TR of the underlying Aegon investment funds is more relevant and will be disclosed in the Financial Statements of this particular Aegon investment fund.

The Turnover Ratio is calculated as follows:
[(Total 1 – Total 2) / X] * 100
Total 1: the total amount of securities transactions (securities purchases + securities sales).
Total 2: the total amount of transactions (subscriptions + redemptions) of participations of the fund.
X: the average net asset value of the fund (determined in line with the related OCF method)

TR		
(amounts x € 1,000)	2024	2023
Provisions	232,233	253,347
Repayments	191,276	157,017
Total investment transactions	**423,509**	**410,364**
Subscriptions	75,567	123,654
Redemptions	23,040	14,399
Total movements in participations	**98,607**	**138,053**
Average net asset value	2,021,144	1,885,417
TR	**16**	**14**

Related parties
All transactions with related parties have been entered into at arm's length and under normal market conditions. For completeness purposes, the related parties and information on the agreements with these parties are detailed below.

Fund manager
The funds use the services of the fund manager, AIM, and do not employ any personnel. The personnel that AIM uses is employed by Aegon Employees Netherlands B.V. The expenses for the use of the personnel of the fund manager are covered by the management fee that the fund pays to the fund manager.

Legal owner
Aegon Custody B.V. serves as legal owner of the investments. Aegon Custody B.V. was incorporated on 25 April 1991. The legal owner is a private limited liability company with its registered office at Aegonplein 50, 2591 TV, The Hague. Aegon Custody B.V. is a fully-owned subsidiary of Aegon Asset Management Holding B.V. It is registered in the Chamber of Commerce register of The Hague under number 27134727.

Aegon Ltd.
Aegon Ltd. renders the following services for the benefit of the fund, represented by the fund manager and the legal owner:
- Cash management: Aegon Ltd. performs day-to-day cash management duties and manages the funds' aggregate cash pool.
- Currency management: Aegon Ltd. is the counterparty for certain funds that do not have their own bank account in foreign currency for currency transactions. All settlements and corporate actions in foreign currency of these funds are booked on the currency accounts of Aegon Ltd. and charged to the euro account of the relevant funds;

a.s.r.
Aegon Group has a strategic interest in a.s.r. with combined rights. AIM remains part of Aegon Group. AIM and a.s.r. have entered a long-term asset management agreement for the management of, among other things, the illiquid investments of Aegon Nederland and a.s.r., investments of Aegon's premium pension institution Cappital, a.s.r.'s mortgage funds, a.s.r.'s private debt fund and a.s.r.'s Renewable Energy fund.

a.s.r. was the fund manager of AEAM Dutch Mortgage Fund 3 - NHG untill 30 June 2024.

Aegon Asset Management UK plc.
The fund manager has a service level agreement with Aegon Asset Management UK plc. regarding the calculation of fund- and benchmark performance that the manager uses for reporting on the funds.

Aegon USA Investment Management, LLC
An Investment Management Agreement has been made with Aegon USA Investment Management LLC regarding the management of the American portfolio.

Aegon Employees Netherlands B.V.
The funds use the services of the manager, AIM, and do not employ any staff themselves. Personnel used by AIM are employed by Aegon Employees Netherlands B.V. Aegon Employees Netherlands B.V. is part of Aegon Ltd.

Outsourcing
The fund manager has delegated tasks to the following parties in the context of the management of the fund:
- Aegon Asset Management Value Hub B.V.: shared service centre for transaction processing and performance measurement;
- Aegon Derivatives N.V.: services related to the management of cash and collateral;
- Aegon EDC Limited: IT infrastructure services;
- Aegon USA Investment Management LLC: external asset manager for certain equity portfolios;
- External asset manager(s) for management of the investment portfolio;
- Citibank N.A. (London Branch): operational execution of securities lending transactions, fund accounting and corporate actions;
- Aegon Ltd. (Group Treasury): services in the field of cash management;
- Aegon Asset Management UK Plc.: calculation of fund performance and benchmark performance;

Stater N.V.
The fund pays Stater N.V. a fee, which is included in the management fee, for services related to the distribution of mortgage receivables and the management of the mortgage portfolio. These services consist, among others, of administration of the mortgage portfolio, communication with overdue debtors, provision of payments regarding mortgage receivables loans and providing management reports to the fund.

Liability of the depositary
The depositary is liable to the the fund and the participants for the loss of any financial instrument taken into custody by the depositary or 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 his reasonable control, the consequences of which were unavoidable despite any efforts to prevent them.

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

Hard commissions and softdollar arrangements
The fund does not enter into hard commission arrangements. With regard to soft dollar arrangements. AIM is charged by brokers for research information. This research information is beneficial to the fund and its participants.

Proposed profit appropriation
The Board of Management proposes to add the profit for the financial year to the fund's participants capital.

3.7.13 Events after the balance sheet date

There have been no subsequent events after the balance sheet date that require further explanation.

The Hague, 26 March 2025

The investment manager

Signed on behalf of Aegon Investment Management B.V. by:

D.F.R. Jacobovits de Szeged
W.H.M. van de Kraats
T.E.J.F. Stassen

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Independent auditor's report

To: the participants and the manager of AeAM Dutch Mortgage Fund 3 - NHG

Report on the audit of the financial statements 2024 included in the annual report

Our opinion

We have audited the accompanying financial statements for the financial year ended 31 December 2024 of AeAM Dutch Mortgage Fund 3 - NHG based in The Hague.

In our opinion, the financial statements give a true and fair view of the financial position of AeAM Dutch Mortgage Fund 3 - NHG as at 31 December 2024 and of its result for 2024 in accordance with Part 9 of Book 2 of the Dutch Civil Code.

The financial statements comprise:
- The balance sheet as at 31 December 2024
- The profit and loss account for 2024
- The notes comprising a summary of the accounting policies and other explanatory information

Basis for our opinion

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. Our responsibilities under those standards are further described in the Our responsibilities for the audit of the financial statements section of our report.

We are independent of AeAM Dutch Mortgage Fund 3 - NHG (the investment fund) in accordance with the Wet toezicht accountantsorganisaties (Wta, Audit firms supervision act), the Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore, we have complied with the Verordening gedrags- en beroepsregels accountants (VGBA, Dutch Code of Ethics for professional accountants).

We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information in support of our opinion

We designed our audit procedures in the context of our audit of the financial statements as a whole and in forming our opinion thereon. The following information in support of our opinion and any findings were addressed in this context, and we do not provide a separate opinion or conclusion on these matters.

Our focus on fraud and non-compliance with laws and regulations

Our responsibility

Although we are not responsible for preventing fraud or non-compliance and we cannot be expected to detect non-compliance with all laws and regulations, it is our responsibility to obtain reasonable assurance that the financial statements, taken as a whole, are free from material misstatement, whether caused by fraud or error.

Our audit response related to fraud risks

We identified and assessed the risks of material misstatements of the financial statements due to fraud. During our audit we obtained an understanding of the investment fund and its environment and the components of the system of internal control, including the risk assessment process and the manager's process for responding to the risks of fraud and monitoring the system of internal control, as well as the outcomes.
We refer to section "Risk management" of the annual report for the manager's (fraud) risk assessment.

We evaluated the design and relevant aspects of the system of internal control and in particular the fraud risk assessment, as well as the Aegon Code of Conduct, Whistleblower Policy, Code of Ethics, Conflicts of Interest Policy and incident registration. We evaluated the design and the implementation of internal controls designed to mitigate fraud risks.

As part of our process of identifying fraud risks, we evaluated fraud risk factors with respect to financial reporting fraud, misappropriation of assets and bribery and corruption. We evaluated whether these factors indicate that a risk of material misstatement due to fraud is present.

We incorporated elements of unpredictability in our audit. We also considered the outcome of our other audit procedures and evaluated whether any findings were indicative of fraud or non-compliance.

We addressed the risks related to management override of controls, as this risk is present in all organizations. For these risks we have performed procedures among other things to evaluate key accounting estimates for management bias that may represent a risk of material misstatement due to fraud, in particular relating to important judgment areas and significant accounting estimates as disclosed in section 'Principles for valuation and determination of the result and the calculation method of ratios' and in the Notes to the financial statements. We have also used data analysis to identify and address high-risk journal entries and evaluated the business rationale (or the lack thereof) of significant extraordinary transactions, including those with related parties.

Additionally, we have performed specific procedures in response to integrity risks arising from the potential conflict of interest between the manager and the participants of the investment fund. According to our assessment, primarily the costs withdrawn from the investment fund (and other payments from the assets of the investment fund, if any) that are revenues for the manager or for related parties of the manager give rise to this risk. Therefore, we verified amongst others that the management fee and service fee have been calculated in accordance with the prospectus and on the basis of the audited financial information in the financial statements or the underlying general ledger.

When identifying and assessing fraud risks, we presumed that there are risks of fraud in revenue recognition, in particular relating to the recognition of indirect result as a result of incorrect valuation of mortgages due to the subjective elements in (the assumptions applied in) valuation.
We designed and performed our audit procedures responsive to this presumed fraud risk and verified amongst others in cooperation with our own specialists a sample of the fair value calculations by discounting future cashflows and evaluating the appropriateness of the yield curve applied, including risk-related spreads.

We considered available information and made enquiries of AEGON Asset Management Holding B.V., including internal audit and the legal, compliance and risk departments.

The fraud risks we identified, enquiries and other available information did not lead to specific indications for fraud or suspected fraud potentially materially impacting the view of the financial statements.

Our audit response related to risks of non-compliance with laws and regulations
We performed appropriate audit procedures regarding compliance with the provisions of those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. Furthermore, we assessed factors related to the risks of non-compliance with laws and regulations that could reasonably be expected to have a material effect on the financial statements.
In line with NBA Practice Note 1142 from the professional body for auditors in the Netherlands (NBA) on the "Specific obligations from laws and regulations on financial supervision for the internal auditor and the external auditor of investment firms, alternative investment funds (managers) and (management companies of) undertakings for collective investment in transferable securities", our assessment is based on our general industry experience, through discussions with the manager, inspection of the integrity risk analysis (SIRA) of the manager, reading minutes, inspection of internal audit reports — insofar as relevant for the fund (management) — and reports from the compliance department, as well as performing substantive audit procedures of classes of transactions, account balances or disclosures.

We also inspected the reports of the legal department and correspondence with regulatory authorities and remained alert to any indication of (suspected) non-compliance throughout the audit. Finally, we obtained written representations that all known instances of non-compliance with laws and regulations have been disclosed to us.

Our audit response related to going concern
As disclosed in the paragraph 'Going concern' in the Notes to the financial statements, the financial statements have been prepared on a going concern basis. When preparing the financial statements, the manager made a specific assessment of the investment fund's ability to continue as a going concern and to continue its operations for the foreseeable future.

We discussed and evaluated the specific assessment with the manager exercising professional judgment and maintaining professional skepticism. We considered whether the manager's going concern assessment, based on our knowledge and understanding obtained through our audit of the financial statements or otherwise, contains all relevant events or conditions that may cast significant doubt on the investment fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion.

Based on our procedures performed, we did not identify material uncertainties about going concern. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the investment fund to cease to continue as a going concern.

Report on other information included in the annual report

The annual report contains other information in addition to the financial statements and our auditor's report thereon.

Based on the following procedures performed, we conclude that the other information:

- Is consistent with the financial statements and does not contain material misstatements
- Contains the information as required by Part 9 of Book 2 of the Dutch Civil Code for the management report and the other information as required by Part 9 of Book 2 of the Dutch Civil Code

We have read the other information. Based on our knowledge and understanding obtained through our audit of the financial statements or otherwise, we have considered whether the other information contains material misstatements. By performing these procedures, we comply with the requirements of Part 9 of Book 2 of the Dutch Civil Code and the Dutch Standard 720. The scope of the procedures performed is substantially less than the scope of those performed in our audit of the financial statements.

The manager is responsible for the preparation of the other information, including the management report in accordance with Part 9 of Book 2 of the Dutch Civil Code and other information required by Part 9 of Book 2 of the Dutch Civil Code.

Description of responsibilities regarding the financial statements

Responsibilities of the manager for the financial statements

The manager is responsible for the preparation and fair presentation of the financial statements in accordance with Part 9 of Book 2 of the Dutch Civil Code. Furthermore, the manager is responsible for such internal control as the manager determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

As part of the preparation of the financial statements, the manager is responsible for assessing the investment fund's ability to continue as a going concern. Based on the financial reporting framework mentioned, the manager should prepare the financial statements using the going concern basis of accounting unless the manager either intends to liquidate the investment fund or to cease operations, or has no realistic alternative but to do so. The manager should disclose events and circumstances that may cast significant doubt on the investment fund's ability to continue as a going concern in the financial statements.

Our responsibilities for the audit of the financial statements

Our objective is to plan and perform the audit engagement in a manner that allows us to obtain sufficient and appropriate audit evidence for our opinion.

Our audit has been performed with a high, but not absolute, level of assurance, which means we may not detect all material misstatements, whether due to fraud or error during our audit.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. The materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

We have exercised professional judgment and have maintained professional skepticism throughout the audit, in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements. The Information in support of our opinion section above includes an informative summary of our responsibilities and the work performed as the basis for our opinion.

Our audit included among others:

- Identifying and assessing the risks of material misstatement of the financial statements, whether due to fraud or error, designing and performing audit procedures responsive to those risks, and obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion
  The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control
- Obtaining an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the investment fund's internal control
- Evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the manager
- Evaluating the overall presentation, structure and content of the financial statements, including the disclosures
- Evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation

Communication

We communicate with the manager regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant findings in internal control that we identify during our audit.

Amsterdam, 26 March 2025

EY Accountants B.V.

signed by Q. Tsar

4 Annual report 2024 AEAM Dutch Mortgage Fund 3 non-NHG

4.1. General information

Starting date
The fund started on 17 March 2017.

Profile
The fund is a fund for joint account (Dutch: "fonds voor gemene rekening"). The participations are only available to qualified investors (Dutch: "gekwalificeerde beleggers") as defined in the Dutch Act on Financial Supervision (Dutch: "Wet op het financieel toezicht").

Investment policy
The Fund invests primarily in Mortgage Receivables of Dutch Mortgage Loans which are originated by ASR Levensverzekering N.V., which are secured by Dutch residential real estate. The Fund acquires mortgages by subscribing to a vertical slice of ASR Levensverzekering N.V.'s eligible mortgage production. In addition, cash may be held to facilitate exit and distribution of dividends, for example. The use of other techniques, instruments and/or structures requires prior approval of the Meeting of Participants.

Objective
The objective of the Fund is generating income for the benefit of the Participants by acquiring Mortgage Receivables.

Sustainability policy
We confirm that the environmental and social characteristics as stated in the prospectus at the beginning of the reporting period in relation to this fund have been met.

Information regarding the environmental or social characteristics of this financial product is available in the appendix (Periodic Sustainability Notes AEAM Dutch Mortgage Fund 3 non-NHG, including information to which environmental objectives the investments of this fund contribute and how and to what extent the investments take place in economic activities that take into account the EU criteria for environmentally sustainable economic activities as set out in the EU taxonomy (2020/852). The "do no significant harm" principle only applies to the investments underlying this financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining part of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Information regarding the environmentally and social characteristics of this financial product is available in the annex (Periodieke duurzaamheidstoelichting AEAM Dutch Mortgage Fund 3 non-NHG.

Benchmark
The Fund has a Composed ML SWAP Index as its benchmark.

Restrictions
Investment strategies
The net asset value may be invested in:
- NHG Mortgages;
- Non-NHG Mortgages;
- Loan-to-Value ratio, with a maximum of 106**%;**
- Maximum of 50% interest only mortgages.

The Loan-to-Value ratio is calculated by dividing the total outstanding principal of the mortgage claim by the originally calculated market value of the collateral.

Leverage
The Fund may not engage in securities lending transactions, use leverage, enter into derivatives and/or enter into FX transactions. In case of a liquidity shortfall, the Fund may apply leverage. This leverage may - in total - not exceed five percent of the value of the Fund Assets.

Marketability
The participations of the fund are registered and cannot be transferred, with the exception of redemption of participations by the fund manager. The fund manager does not issue participations.

Fiscal status
The fund is fiscally transparent, which means that the fund is not liable for corporate tax (or subject to any other tax on profits) and is not subject to dividend withholding tax. The assets, liabilities and results of the fund are directly allocated for tax purposes to the participants of the fund in proportion to their participation. Income or capital gains earned by a participant are regarded as income or capital gains made on the assets of the fund.

Dividend policy
The fund pays monthly dividends to participants based on the monthly interest results of the mortgage receivables and final distributions in connection with the annual result in proportion to the participations held. Dividend is either issued as participations or distributed as cash.

Subscription and redemption fee
The fund does not charge a subscription or redemption fee on entry or exit of the fund.

Management fee
The manager charges a management fee for managing the fund's assets. The management fee is determined as a percentage on an annual basis. The management fee is charged monthly calculated on the last bussines day of the calendar month concerned.

4.2. Report of the Investment Manager

In 2024 the AeAM Dutch Mortgage Fund 3 Non-NHG realised a return of 5.71% after cost. The return can be explained by the following factors: The change of the market value of the mortgages and the received interest. During the year the weighted ASR mortgage interest rate for the AeAM Dutch Mortgage Fund 3 Non-NHG decreased slightly. This decrease in mortgage interest rates resulted in a positive effect on the market value of the mortgages. Over the year the market value of the mortgages increased with 3.55%. Adding the interest received of 2.14% and deducting the fees resulted in total return of 5.56%.

The return of 5.71% after cost is an outperformance of 2.14% compared to the benchmark. The fund has a Composed ML SWAP Index as its benchmark. During 2024 the swap curve lowered slightly, mortgage rates showed a similar lowering trend but to a bigger extend. This resulted in a positive relative performance for the fund on a mark-to-market bases. Additionally the yield on Dutch mortgages is higher (per the beginning of January, the 10yr swap rate was 2.4% versus a yield of 4.0% for the fund), the combination was more than enough to beat the benchmark leading to the overall outperformance against the benchmark.

The fund invests in new mortgages on Dutch residences, granted by ASR after 1 January 2013, and thus bears debtor risk via mortgages. These new mortgages comply with the more stringent granting criteria, implemented since January 2013. The maximum LTV (loan compared to value of collateral) against which mortgages can be granted decreased in several steps to the maximum of 100%, before energy saving measures. Moreover, repayment has become the norm. A considerable part of the mortgages in the fund has a straight-line or other form of repayment (75.2%). At the end of December the fund duration is 7.5. The fund does not make use of derivatives.

The fund has dealt with the various risks as follows:

- Concentration risk: With more than 26,000 loans in the fund, the fund is considered to be sufficiently diversified.
- Currency risk: The fund does not run any currency risk.
- Liquidity risk: Investing in illiquid mortgages will involve liquidity risk. The monthly cashflows from the mortgages will be used to facilitate potential redemptions.

In the second part of 2023 we have seen property prices starting to increase again after a small correction in the 12 months before. This increasing house price trend has continued in 2024. Due to a very tight labour market we have seen salaries increase which has helped keep affordability slightly improving. These developments have further strengthened the credit profile of the fund resulting in a very low debt-service-to-income ratio (average per the end of December was 18%) and low LTV (average per the end of December was 65%).

4.3. Key Figures

Key figures	2024	2023	2022
Overview per participation[5]			
Changes in fair value	322.42	198.94	(2,212.72)
Investment result	239.72	223.82	214.53
Other results	(5.39)	-	-
Total result	**556.75**	**422.76**	**(1,998.19)**
Management fee and other expenses	(41.66)	(39.51)	(42.43)
Net result	**515.09**	**383.25**	**(2,040.62)**
Dividend paid per participation[6]	(193.82)	(182.40)	(171.58)
Net asset value (x € 1,000)	6,827,587	6,413,533	5,947,598
Outstanding number of participations	736,303	715,519	678,795
Net asset value per participation	9,272.80	9,272.78	8,761.99
Performance[7]			
Performance (net asset value)	5.71%	4.40%	(19.20%)
Performance benchmark	3.49%	-	-
Outperformance	2.14%	-	-
Outperformance since inception	11.01%	-	-
Annualized outperformance since inception	1.36%	-	-

The outperformance figures are presented in 2024 for the first time, therefore no comparative figures available.

[5] Amounts per participation are based on the average number of participations during the year.
[6] Dividend paid reflects the actual dividend paid per participation.
[7] The performance is the time weighted return after costs calculated on a daily basis. There is no benchmark information available before 2024

Financial Statements 2024 AEAM Dutch Mortgage Fund 3 non-NHG

4.4. Balance sheet as at 31 December

Balance Sheet			
(before appropriation of result) (amounts x € 1,000)	Reference	2024	2023
Assets			
Investments			
Mortgage receivables		6,732,390	6,332,861
Total investments	4.7.1	**6,732,390**	**6,332,861**
Receivables			
Outstanding transactions in financial instruments		175	113
Receivables from mortage receivables		47,736	-
Other receivables	4.7.3	14,755	103,481
Total receivables		**62,666**	**103,594**
Other assets			
Cash and cash equivalents	4.7.4	34,106	29,243
Total other assets		**34,106**	**29,243**
Total assets		**6,829,162**	**6,465,698**
Liabilities			
Net asset value			
Net assets before result		6,457,552	6,145,943
Result for the year		370,028	267,597
Total net asset value	4.7.5	**6,827,580**	**6,413,540**
Short term liabilities			
Other payables and liabilities	4.7.7	1,582	52,158
Total short term liabilities		**1,582**	**52,158**
Total liabilities		**6,829,162**	**6,465,698**

4.5. Profit and loss statement

Profit and loss statement			
(amounts x € 1,000)	Reference	2024	2023
Direct result			
Interest mortgage receivables		170,951	155,953
Interest bank accounts		1,258	601
Total direct result		**172,209**	**156,554**
Unrealised investment results	4.7.10	231,619	138,682
Total indirect result		**231,619**	**138,682**
Total investment result		**403,828**	**295,236**
Other results			
Early repayment charge		70	-
Other results		(3,941)	476
Total other results		**(3,871)**	**476**
Total operating income		**399,957**	**295,712**
Operating expenses			
Management fee		(29,762)	(27,632)
Interest bank accounts		(165)	-
Other expenses		(2)	(7)
Total operating expenses	4.7.12	**(29,929)**	**(27,639)**
Net result		**370,028**	**268,073**

4.6. Cash flow statement

Cash flow statement			
(amounts x € 1,000)	Reference	2024	2023
Cash flow from investment activities			
Mortgage loans issued		(625,320)	(668,457)
Mortgage loans repayments		457,348	373,254
Mortgage loans receivables		(47,736)	-
Interest received		171,262	155,038
Received early repayment charge		70	-
Received other results		(3,941)	476
Received other mortgage payments		40,323	(1,718)
Management fee paid		(30,955)	(27,476)
Interest paid		(165)	-
Other expenses paid		(35)	199
Net cash flow from investment activities		**(39,149)**	**(169,160)**
Net cash flow from financing activities			
Subscriptions		441,580	364,548
Redemptions		(256,265)	(39,335)
Dividend paid		(141,303)	(127,344)
Net cash flow from financing activities		**44,012**	**197,869**
Net cash flow		**4,863**	**29,185**
Cash and cash equivalents opening balance		29,243	58
Cash and cash equivalents closing balance	4.7.4	**34,106**	**29,243**

4.7. Notes to the financial statements

General
The accounting principles and the method of calculating the ratios are included in chapter 5.

Comparison to the previous year
The accounting principles have remained unchanged in comparison to the previous year. The financial statements have been prepared on the basis of the going concern assumption.

Change in presentation
As of 1 July 2024, the management of the Fund transitioned from a.s.r. vermogensbeheer to Aegon Investment Management B.V. To align the Fund's financial statement presentation and risk disclosures with the presentation of other mortgage funds managed by Aegon Investment Management, changes have been made to the format and structure of the financial statements. This presentation change does not result in any material adjustments compared to prior years. It is solely intended to ensure consistency and comparability with other funds under Aegon Investment Management's oversight, particularly regarding the presentation of risk disclosures and other related information

Going concern
The financial statements of the fund have been prepared on a going concern basis. This is based on the reasonable assumption that the fund is, and will be, able to continue its activities in the foreseeable future.

4.7.1 Investments

Movement schedule of investments		
(amounts x € 1,000)	2024	2023
Mortgage receivables		
Opening balance	6,332,861	5,899,089
Provisions	625,320	668,457
Repayments	(457,410)	(373,367)
Revaluation	231,619	138,682
Closing balance	**6,732,390**	**6,332,861**

The distribution of the investment portfolio according to the method of valuation is shown below:

Investments by valuation method		
(amounts x € 1,000)	2024	2023
Net present value	6,732,390	6,332,861
Closing balance	**6,732,390**	**6,332,861**

4.7.2 Risks with respect to financial instruments

This paragraph shows the important risks associated with the investments of the fund.

Price risk
Price risk can be dividend into:

- Currency risk is the risk that the value of a financial instrument will fluctuate as a result of changes in exchange rates;
- Market risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices, either caused by factors that exclusively apply to the individual instrument or the issuer thereof or by factors that influence all instruments that are traded in the market;
- Interest rate risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market interest rates.

The concept of price risk does not only comprise possibility of losses but also the possibility of gains.

Currency risk
The fund has euro investments only and is therefore not exposed to significant currency risk.

Market risk
The risk that relates to changes in market prices is limited by the spread in mortgage products and regions. The market price is influenced by the limitation in mortgage tradability. The mortgage receivables can only be sold to a party affiliated with Aegon.

Mortageportfolio to product

	2024	2023
Product		
Annuity	72.4%	72.1%
Interest-only	24.8%	25.0%
Linear repayment	2.8%	2.9%
Total as at 31 december	**100.0%**	**100.0%**

Distribution portfolio by region

Mortgage receivable portfolio by province

	2024	2023
Province		
Drenthe	2.0%	2.0%
Flevoland	2.3%	2.3%
Friesland	2.0%	2.0%
Gelderland	11.1%	11.2%
Groningen	1.8%	1.9%
Limburg	4.7%	4.8%
Noord-Brabant	15.7%	15.7%
Noord-Holland	19.1%	19.0%
Overijssel	5.0%	5.0%
Utrecht	13.3%	13.3%
Zeeland	1.3%	1.3%
Zuid-Holland	21.3%	21.3%
Data not available	0.4%	0.2%
Total as at 31 december	**100.0%**	**100.0%**

Interest rate risk
The fund invests in long term fixed income securities and is therefore exposed to significant interest rate risk. The table below categorises the mortgage receivables and call money into fixed interest maturity buckets. In this table no consideration is given to (early) repayment of mortgage receivables.

Remaining fixed rate period 2024

(amounts x € 1,000)	2024					
	Shorter than 1 year	**Between 1 and 5 years**	**Between 5 and 10 years**	**Between 10 and 20 years**	**Longer than 20 years**	**Total**
Mortgage receivables	70,270	311,872	962,059	3,936,743	1,451,446	6,732,390
Total	**70,270**	**311,872**	**962,059**	**3,936,743**	**1,451,446**	**6,732,390**

Remaining fixed rate period 2023

(amounts x € 1,000)	2023					
	Shorter than 1 year	**Between 1 and 5 years**	**Between 5 and 10 years**	**Between 10 and 20 years**	**Longer than 20 years**	**Total**
Mortgage receivables	52,263	15,199	1,011,359	3,871,282	1,382,458	6,332,861
Total	**52,263**	**15,199**	**1,011,359**	**3,871,282**	**1,382,458**	**6,332,861**

Cash flow risk

Cash flow risk is the risk that future cash flows of a monetary financial instrument will fluctuate in size.

The fund has limited investments in financial instruments with variable interest rates and is therefore not exposed to significant cash flow risk.

Credit risk

Credit risk is the risk that counterparties of investments cannot meet their obligations, causing the fund to incur a financial loss.

The amount which best represents the maximum credit risk of the fund is € 6,880,441,000 (2023: € 6,465,698,000). The fund primarily invests in mortgages for which the collateral consists of privately owned Dutch residential property. The credit risk is therefore initially hedged by the property that serves as collateral for the mortgages provided. In addition, credit risk is hedged by limiting the LTFV (volume of loans in relation to the execution value of the collateral) in the fund mandate and by setting a maximum amount per loan.

A significant amount of the mortgage portfolio is subject to the NHG-arrangement.

Allocation of mortgage receivables portfolio by remaining debt at year-end

	2024	2023
Remaining debt		
Lower than 100.000	0.6%	0.6%
100.000 – 200.000	6.3%	6.1%
200.000 – 300.000	21.3%	21.4%
300.000 – 400.000	33.1%	34.3%
400.000 – 500.000	20.1%	20.2%
Higher than 500.000	18.6%	17.4%
Total as at 31 december	**100.0%**	**100.0%**

Allocation of mortgage receivables remaining debt in relation to fair value of the underlying property

	2024	2023
Remaining debt		
0 through 50%	6.0%	4.9%
50% through 100%	93.2%	94.2%
more than 100%	0.8%	0.9%
Total as at 31 December	**100.0%**	**100.0%**

Overdue mortgage receivable payments 2024 (amounts x € 1.000)	Amount overdue	Outstanding nominal
Outstanding debt		
Not overdue	-	6,710,247
Overdue up to 3 months	72	19,791
Overdue between 3 and 6 months	15	901
Overdue for more than 6 months	63	1,451
Total as at 31 December 2024	**150**	**6,732,390**

The total losses on mortgage receivables in 2024 amount to € 0 (2023: € 7.000).

Liquidity risk
Liquidity risk, also known as 'funding risk', is the risk that the fund is not able to meet the financial obligations associated with its financial instruments or redemptions by participants. Liquidity risk can, among others, occur from the inability to sell a financial asset in the short term for (an amount close to) its fair value.

The investments of the fund cannot be liquidated immediately. The fund is therefore exposed to significant liquidity risk. This liquidity risk is reduced by existing restrictions for withdrawals from the fund. Participants can exit the fund on the first working day of each month.

The redemption of participations will be financed using the cash flows under the Investments or arising from new issues of participations in the fund. Mortgage receivables are illiquid investments that normally cannot be liquidated. Therefore, upon exit from the fund, participants will be dependent on the available cash and the new inflow of (prospective) participants into the fund. As a result of this restricted liquidity, outflow from the fund may take a long time.

If the liquidity of the fund 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.

4.7.3 Other receivables

Other receivables (amounts x € 1,000)	2024	2023
Construction deposits receivable	-	49,350
Accrued interest	14,755	13,808
Other mortgage receivables	-	40,323
Total as at 31 December	**14,755**	**103,481**

4.7.4 Cash and cash equivalents

No restrictions on the use of cash and cash equivalents exist.

4.7.5 Net asset value

Movement schedule net asset value		
(amounts x € 1,000)	2024	2023
Net asset value participants		
Opening balance	6,413,540	5,947,598
Subscriptions	441,580	364,548
Redemptions	(256,265)	(39,335)
Dividends	(141,303)	(127,344)
Closing balance	**6,457,552**	**6,145,467**
Net result for the year	**370,028**	**268,073**
Total net asset value as at 31 December	**6,827,580**	**6,413,540**

Investments without a quoted market price in an active market require a revaluation reserve for the unrealised positive revaluation. The unrealised positive revaluation for these investments amounts to € 231,619,000 (2023: € 0).

Movement schedule of participations		
	2024	2023
Number of participations as at 1 January	715,819	678,795
Subscriptions	48,561	41,209
Redemptions	(28,077)	(4,485)
Number of participations as at 31 December	**736,303**	**715,519**

Historical summary			
	2024	2023	2022
Net asset value (X € 1,000)	6,827,580	6,413,540	5,947,598
Number of participations outstanding (units)	736,303	715,519	678,795
Net asset value per participation in €	9,272.80	8,963.49	8,761.99

4.7.6 Payables to credit institutions

The debts to credit institutions consist of short-term debts in the current account of the fund's banker.

4.7.7 Other payables

Other payables		
(amounts x € 1,000)	2024	2023
Construction deposits payable	-	49,350
Other payables	1,220	2,413
Mortgage debtor in advance	362	395
Total as at 31 December	**1,582**	**52,158**

4.7.8 Off balance sheet items

Construction deposits
The fund has provided mortgages where part of the mortgage is reserved in the form of construction deposits. As of 31 December 2024, an amount of €51 million in construction deposits has not yet been withdrawn by the borrowers. This amount represents an obligation of the fund to make additional payments from this deposit in the future. This obligation is not included in the balance sheet.

4.7.9 Profit and loss statement

The accounting principles and the method of calculating the ratios are included in chapter 5.

4.7.10 Indirect result

Changes in fair value of investments		
(amounts x € 1,000)	2024	2023
Unrealised price- and currency gains mortgages	231,619	138,682
Total as at 31 December	**231,619**	**138,682**

4.7.11 Subscription and redemption fee

The fund does not charge subscription and redemption fees.

4.7.12 Costs and fees

Management fee
The annual management fee amounts to 0.45% per year.

Audit fee
The audit fees for the audit of the annual report and any tax advice and other non-audit services are paid by the manager from the management fee. The costs for the audit for the 2024 financial year amount to EUR 70,746. The external auditor has not performed tax advice or non-audit services for the fund.

Ongoing Charges Figure (OCF)
The OCF is a standard for ongoing costs that are charged to the fund during the reporting period. For the calculation of the OCF, the following needs to be considered:

- The OCF represents the ratio between ongoing costs and the average net asset value. The ongoing costs include all expenses that have been charged to the fund during the reporting period, with the exception of subscription- and redemption fees, performance fees, transaction costs for investments and interest expenses on bank accounts. The fund can invest in other Aegon funds. In addition to the costs directly recognised 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 as well as the costs of fee sharing agreements.
- The average net asset value is based on the number of days when a net asset value calculation was performed during the reporting period.

OCF		
(amounts x € 1,000)	2024	2023
Average net asset value	6,641,605	6,147,026
Total costs within the fund including fee sharing agreements	29,741	27,632
Total costs	**29,741**	**27,632**
OCF	**0.45%**	**0,45%**

Turnover Ratio (TR)
The Turnover Ratio gives an indication of the turnover of the fund’s investment portfolio by providing insight in the extent to which the fund manager actively changes the investment portfolio based on his investment decisions. The Turnover Ratio gives information on the relative amount of transaction costs involved with portfolio management. Active portfolio management means higher transaction costs. A turnover ratio of 200 indicates that purchase- and sales transactions have been executed for twice the amount of the average net asset value on top of the purchase- and sales transactions caused by subscriptions and redemptions of participants. Transaction in call money are not included in the calculation of the TR.

Subscriptions and redemptions of participations are netted on a daily basis to determine the actual in- or outflow on a daily basis. The purpose of this is to better align the in- or outflow with the purchases and sales as a result of transactions with participants. As a result, the amounts may differ from the amounts as stated in the movement schedule of the net asset value and the cash flow statement.

The Turnover Ratio is calculated as follows:
[(Total 1 – Total 2) / X] * 100
Total 1: the total amount of securities transactions (securities purchases + securities sales).
Total 2: the total amount of transactions (subscriptions + redemptions) of participations of the fund.
X: the average net asset value of the fund (determined in line with the related OCF method)

TR		
(amounts x € 1,000)	2024	2023
Provisions	625,320	668,457
Repayments	457,410	373,367
Total investment transactions	**1,082,730**	**1,041,827**
Subscriptions	441,580	364,548
Redemptions	256,265	39,335
Total movements in participations	**697,845**	**403,883**
Average net asset value	6,641,605	6,147,026
TR	**6**	**10**

Related parties

All transactions with related parties have been entered into at arm's length and under normal market conditions. For completeness purposes, the related parties and information on the agreements with these parties are detailed below.

Fund manager
The funds use the services of the fund manager, AIM, and do not employ any personnel. The personnel that AIM uses is employed by Aegon Employees Netherlands B.V. The expenses for the use of the personnel of the fund manager are covered by the management fee that the fund pays to the fund manager.

Legal owner
Aegon Custody B.V. serves as legal owner of the investments. Aegon Custody B.V. was incorporated on 25 April 1991. The legal owner is a private limited liability company with its registered office at Aegonplein 50, 2591 TV, The Hague. Aegon Custody B.V. is a fully-owned subsidiary of Aegon Asset Management Holding B.V. It is registered in the Chamber of Commerce register of The Hague under number 27134727.

Aegon Ltd.
Aegon Ltd. renders the following services for the benefit of the fund, represented by the fund manager and the legal owner:

- Cash management: Aegon Ltd. performs day-to-day cash management duties and manages the funds' aggregate cash pool.
- Currency management: Aegon Ltd. is the counterparty for certain funds that do not have their own bank account in foreign currency for currency transactions. All settlements and corporate actions in foreign currency of these funds are booked on the currency accounts of Aegon Ltd. and charged to the euro account of the relevant funds;

a.s.r.
Aegon Group has a strategic interest in a.s.r. with combined rights. AIM remains part of Aegon Group. AIM and a.s.r. have entered a long-term asset management agreement for the management of, among other things, the illiquid investments of Aegon Nederland and a.s.r., investments of Aegon's premium pension institution Cappital, a.s.r.'s mortgage funds, a.s.r.'s private debt fund and a.s.r.'s Renewable Energy fund.

a.s.r. was the fund manager of AEAM Dutch Mortgage Fund 3 - NHG untill 30 June 2024.

Aegon Asset Management UK plc.
The fund manager has a service level agreement with Aegon Asset Management UK plc. regarding the calculation of fund- and benchmark performance that the manager uses for reporting on the funds.

Aegon USA Investment Management, LLC
An Investment Management Agreement has been made with Aegon USA Investment Management LLC regarding the management of the American portfolio.

Aegon Employees Netherlands B.V.
The funds use the services of the manager, AIM, and do not employ any staff themselves. Personnel used by AIM are employed by Aegon Employees Netherlands B.V. Aegon Employees Netherlands B.V. is part of Aegon Ltd.

Outsourcing
The fund manager has delegated tasks to the following parties in the context of the management of the fund:
- Aegon Asset Management Hungary B.V.: shared service centre for transaction processing and performance measurement;
- Aegon Derivatives N.V.: services related to the management of cash and collateral;
- Aegon EDC Limited: IT infrastructure services;
- Aegon USA Investment Management LLC: external asset manager for certain equity portfolios;
- External asset manager(s) for management of the investment portfolio;
- Citibank N.A. (London Branch): operational execution of securities lending transactions, fund accounting and corporate actions;
- Aegon Ltd. (Group Treasury): services in the field of cash management;
- Aegon Asset Management UK Plc.: calculation of fund performance and benchmark performance;

Stater N.V.
The fund pays Stater N.V. a fee, which is included in the management fee, for services related to the distribution of mortgage receivables and the management of the mortgage portfolio. These services consist, among others, of administration of the mortgage portfolio, communication with overdue debtors, provision of payments regarding mortgage receivables loans and providing management reports to the fund.

Liability of the depositary
The depositary is liable to the the fund and the participants for the loss of any financial instrument taken into custody by the depositary or 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 his reasonable control, the consequences of which were unavoidable despite any efforts to prevent them.

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

Hard commissions and softdollar arrangements
The fund does not enter into hard commission arrangements. With regard to soft dollar arrangements. AIM is charged by brokers for research information. This research information is beneficial to the fund and its participants.

Proposed profit appropriation
The Board of Management proposes to add the profit for the financial year to the fund's participants capital.

4.7.13 Events after the balance sheet date

There have been no events after the balance sheet date that require further explanation.

The Hague, 26 March 2025

The investment manager

Signed on behalf of Aegon Investment Management B.V. by:

D.F.R. Jacobovits de Szeged
W.H.M. van de Kraats
T.E.J.F. Stassen

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Independent auditor's report

To: the participants and the manager of AeAM Dutch Mortgage Fund 3 non-NHG

Report on the audit of the financial statements 2024 included in the annual report

Our opinion

We have audited the accompanying financial statements for the financial year ended 31 December 2024 of AeAM Dutch Mortgage Fund 3 non-NHG based in The Hague.

In our opinion, the financial statements give a true and fair view of the financial position of AeAM Dutch Mortgage Fund 3 non-NHG as at 31 December 2024 and of its result for 2024 in accordance with Part 9 of Book 2 of the Dutch Civil Code.

The financial statements comprise:
- The balance sheet as at 31 December 2024
- The profit and loss account for 2024
- The notes comprising a summary of the accounting policies and other explanatory information

Basis for our opinion

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. Our responsibilities under those standards are further described in the Our responsibilities for the audit of the financial statements section of our report.

We are independent of AeAM Dutch Mortgage Fund 3 non-NHG (the investment fund) in accordance with the Wet toezicht accountantsorganisaties (Wta, Audit firms supervision act), the Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore, we have complied with the Verordening gedrags- en beroepsregels accountants (VGBA, Dutch Code of Ethics for professional accountants).

We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information in support of our opinion

We designed our audit procedures in the context of our audit of the financial statements as a whole and in forming our opinion thereon. The following information in support of our opinion and any findings were addressed in this context, and we do not provide a separate opinion or conclusion on these matters.

Our focus on fraud and non-compliance with laws and regulations

Our responsibility

Although we are not responsible for preventing fraud or non-compliance and we cannot be expected to detect non-compliance with all laws and regulations, it is our responsibility to obtain reasonable assurance that the financial statements, taken as a whole, are free from material misstatement, whether caused by fraud or error.

Our audit response related to fraud risks

We identified and assessed the risks of material misstatements of the financial statements due to fraud. During our audit we obtained an understanding of the investment fund and its environment and the components of the system of internal control, including the risk assessment process and the manager's process for responding to the risks of fraud and monitoring the system of internal control, as well as the outcomes.
We refer to section "Risk management" of the annual report for the manager's (fraud) risk assessment.

We evaluated the design and relevant aspects of the system of internal control and in particular the fraud risk assessment, as well as the Aegon Code of Conduct, Whistleblower Policy, Code of Ethics, Conflicts of Interest Policy and incident registration. We evaluated the design and the implementation of internal controls designed to mitigate fraud risks.

As part of our process of identifying fraud risks, we evaluated fraud risk factors with respect to financial reporting fraud, misappropriation of assets and bribery and corruption. We evaluated whether these factors indicate that a risk of material misstatement due to fraud is present.

We incorporated elements of unpredictability in our audit. We also considered the outcome of our other audit procedures and evaluated whether any findings were indicative of fraud or non-compliance.

We addressed the risks related to management override of controls, as this risk is present in all organizations. For these risks we have performed procedures among other things to evaluate key accounting estimates for management bias that may represent a risk of material misstatement due to fraud, in particular relating to important judgment areas and significant accounting estimates as disclosed in section 'Principles for valuation and determination of the result and the calculation method of ratios' and in the Notes to the financial statements. We have also used data analysis to identify and address high-risk journal entries and evaluated the business rationale (or the lack thereof) of significant extraordinary transactions, including those with related parties.

Additionally, we have performed specific procedures in response to integrity risks arising from the potential conflict of interest between the manager and the participants of the investment fund. According to our assessment, primarily the costs withdrawn from the investment fund (and other payments from the assets of the investment fund, if any) that are revenues for the manager or for related parties of the manager give rise to this risk. Therefore, we verified amongst others that the management fee and service fee have been calculated in accordance with the prospectus and on the basis of the audited financial information in the financial statements or the underlying general ledger.

When identifying and assessing fraud risks, we presumed that there are risks of fraud in revenue recognition, in particular relating to the recognition of indirect result as a result of incorrect valuation of mortgages due to the subjective elements in (the assumptions applied in) valuation.
We designed and performed our audit procedures responsive to this presumed fraud risk and verified amongst others in cooperation with our own specialists a sample of the fair value calculations by discounting future cashflows and evaluating the appropriateness of the yield curve applied, including risk-related spreads.

We considered available information and made enquiries of AEGON Asset Management Holding B.V., including internal audit and the legal, compliance and risk departments.

The fraud risks we identified, enquiries and other available information did not lead to specific indications for fraud or suspected fraud potentially materially impacting the view of the financial statements.

Our audit response related to risks of non-compliance with laws and regulations
We performed appropriate audit procedures regarding compliance with the provisions of those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. Furthermore, we assessed factors related to the risks of non-compliance with laws and regulations that could reasonably be expected to have a material effect on the financial statements.
In line with NBA Practice Note 1142 from the professional body for auditors in the Netherlands (NBA) on the "Specific obligations from laws and regulations on financial supervision for the internal auditor and the external auditor of investment firms, alternative investment funds (managers) and (management companies of) undertakings for collective investment in transferable securities", our assessment is based on our general industry experience, through discussions with the manager, inspection of the integrity risk analysis (SIRA) of the manager, reading minutes, inspection of internal audit reports — insofar as relevant for the fund (management) — and reports from the compliance department, as well as performing substantive audit procedures of classes of transactions, account balances or disclosures.

We also inspected the reports of the legal department and correspondence with regulatory authorities and remained alert to any indication of (suspected) non-compliance throughout the audit. Finally, we obtained written representations that all known instances of non-compliance with laws and regulations have been disclosed to us.

Our audit response related to going concern
As disclosed in the paragraph 'Going concern' in the Notes to the financial statements, the financial statements have been prepared on a going concern basis. When preparing the financial statements, the manager made a specific assessment of the investment fund's ability to continue as a going concern and to continue its operations for the foreseeable future.

We discussed and evaluated the specific assessment with the manager exercising professional judgment and maintaining professional skepticism. We considered whether the manager's going concern assessment, based on our knowledge and understanding obtained through our audit of the financial statements or otherwise, contains all relevant events or conditions that may cast significant doubt on the investment fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion.

Based on our procedures performed, we did not identify material uncertainties about going concern. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the investment fund to cease to continue as a going concern.

Report on other information included in the annual report

The annual report contains other information in addition to the financial statements and our auditor’s report thereon.

Based on the following procedures performed, we conclude that the other information:

- Is consistent with the financial statements and does not contain material misstatements
- Contains the information as required by Part 9 of Book 2 of the Dutch Civil Code for the management report and the other information as required by Part 9 of Book 2 of the Dutch Civil Code

We have read the other information. Based on our knowledge and understanding obtained through our audit of the financial statements or otherwise, we have considered whether the other information contains material misstatements. By performing these procedures, we comply with the requirements of Part 9 of Book 2 of the Dutch Civil Code and the Dutch Standard 720. The scope of the procedures performed is substantially less than the scope of those performed in our audit of the financial statements.

The manager is responsible for the preparation of the other information, including the management report in accordance with Part 9 of Book 2 of the Dutch Civil Code and other information required by Part 9 of Book 2 of the Dutch Civil Code.

Description of responsibilities regarding the financial statements

Responsibilities of the manager for the financial statements

The manager is responsible for the preparation and fair presentation of the financial statements in accordance with Part 9 of Book 2 of the Dutch Civil Code. Furthermore, the manager is responsible for such internal control as the manager determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

As part of the preparation of the financial statements, the manager is responsible for assessing the investment fund’s ability to continue as a going concern. Based on the financial reporting framework mentioned, the manager should prepare the financial statements using the going concern basis of accounting unless the manager either intends to liquidate the investment fund or to cease operations, or has no realistic alternative but to do so. The manager should disclose events and circumstances that may cast significant doubt on the investment fund’s ability to continue as a going concern in the financial statements.

Our responsibilities for the audit of the financial statements

Our objective is to plan and perform the audit engagement in a manner that allows us to obtain sufficient and appropriate audit evidence for our opinion.

Our audit has been performed with a high, but not absolute, level of assurance, which means we may not detect all material misstatements, whether due to fraud or error during our audit.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. The materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

We have exercised professional judgment and have maintained professional skepticism throughout the audit, in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements. The Information in support of our opinion section above includes an informative summary of our responsibilities and the work performed as the basis for our opinion.

Our audit included among others:

- Identifying and assessing the risks of material misstatement of the financial statements, whether due to fraud or error, designing and performing audit procedures responsive to those risks, and obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion
  The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control
- Obtaining an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the investment fund's internal control
- Evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the manager
- Evaluating the overall presentation, structure and content of the financial statements, including the disclosures
- Evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation

Communication

We communicate with the manager regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant findings in internal control that we identify during our audit.

Amsterdam, 26 March 2025

EY Accountants B.V.

signed by Q. Tsar

5 Principles of valuation and determination of the result and the calculation method of ratios

General
The financial statements are prepared in accordance with Title 9 of Book 2 of the Dutch Civil Code and the Dutch Act on Financial Supervision ("Wet op het financieel toezicht"). The financial statements are prepared according to the financial statements models for investment institutions as established by the legislator. Wording may be used that deviates from these models to better reflect the contents of the specific items.

Unless indicated otherwise, amounts are reflected in euro.

Comparison to the previous year
The accounting principles have remained unchanged in comparison to the previous year. The financial statements have been prepared on the basis of the going concern assumption.

Foreign currencies
The reporting and functional currency of the fund is the euro due to the issue of participations in euro and most of the transactions being in euro. Monetary assets and liabilities in foreign currency are translated by the closing rate. Non-monetary assets and liabilities that are valued on a historical cost basis are translated by the rate of the foreign currency at the date of the transaction.

Cash flow statement
The cash flow statement is prepared using the direct method. A distinction is made between cash flows arising from financing activities which reflect all cash flows between the fund and its participants and the cash flows from investment activities which reflect the operations activities of the fund.

Cash and cash equivalents consist of cash at banks and bank overdrafts.

Principles for valuation
Unless stated otherwise, assets and liabilities are included in the balance sheet at nominal value. Investments are valued at fair value. The manner in which this fair value is determined is further explained in the paragraph Fair value determination.

Investments
Investments in mortgage receivables are held to maturity. These investments are not considered to be part of the trading portfolio.

Criteria for recognition on the balance sheet
Financial instruments are recognised in the balance sheet when the fund becomes a party in the contractual clauses of the financial instrument. The fair value of the financial instruments at initial recognition is the cost price of the financial instruments.

A financial instrument is no longer recognised in the balance sheet if a transaction leads to the transfer of all or nearly all economic benefits and all or nearly all risks of the financial instrument to a third party.

Recognition of transaction
Transactions are processed based on settlement date (settlement date accounting).

Transaction cost recording
Transaction costs for purchases of investments are included in the cost price of the investments and are accounted for as part of the unrealised result on investments in the profit and loss statement. As a result, no transaction costs are expensed at the end of the year. Transaction costs related to sales of investments are accounted for as part of the realised result on investments. Transaction costs upon purchases of derivatives are directly accounted for in the profit and loss statement.

Fair value determination
The mortgage receivables are acquired from Aegon Hypotheken B.V. at their fair value. At the date of transfer, mortgage receivables are assumed to have been acquired at the conditions then applicable. The fair value of a mortgage is determined by discounting the future contractual cash flows against the Aegon interest rate, taking into account early repayments by the customer. As a result of this method, the fair value on the transfer date is equal to the nominal value. The market value of the mortgage portfolio is determined on a monthly basis in a corresponding manner.

The market value of call money is based on the theoretical price, calculated using data from active markets.

Asset and liabilities
Assets and liabilities are valued at fair value upon initial recognition. Subsequently, assets and liabilities are valued at amortised cost. When no premium, discount or transaction costs apply, the amortised cost equals the nominal value of the asset or liability.

Cash and cash equivalents
Cash and cash equivalents are valued at nominal value.

Net asset value
In the net asset value of the fund, the transactions with participants and the appropriation of the result are recorded. Transactions with participants are processed against the subscription- or redemption price excluding subscription or redemption fee or dilution levy.

Income and expense recognition
The profit and loss statement accounts for income and expenses resulting from business operations during the year. Transaction costs for investments and derivatives are directly accounted for in the profit and loss statement.

Interest income and expenses
Interest is accounted for in the period to which it relates. Interest income and expenses are processed on a time proportion basis, considering the effective interest rate of the concerned assets and liabilities.

Revaluation of investments
Changes in fair value of mortgage receivables are generally accounted for as unrealised result because the mortgage receivables are held to maturity, except for the premature repayment of mortgages by the issuer. Since all transactions are in euro, no currency results exist.

Expenses
Expenses are recorded in the period to which they relate.

6 Other information

6.1. Management board interests

During 2024, the board members of the investment manager held no direct or indirect interests in the fund or in any of the external managers appointed by the fund.

Periodic sustainability disclosure AEAM Dutch Mortgage Fund 3

Template periodic disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Product name: AEAM Dutch Mortgage Fund 3 NHG
Legal entity identifier: 724500MQJNFZAYPMCW50

Environmental and/or social characteristics

Did this financial product have a sustainable investment objective?

☐ **Yes**	☒ **No**
☐ It made **sustainable investments with an environmental objective:** ___%	☒ It **promoted Environmental/Social (E/S) characteristics** and while it did not have as its objective a sustainable investment, it had a proportion of 9,66% of sustainable investments
☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy	☒ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy	☐ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
	☐ with a social objective
☐ It made **sustainable investments with a social objective:** ___%	☐ It promoted E/S characteristics, but **did not make any sustainable investments**

To what extent were the environmental and/or social characteristics promoted by this financial product met?

The Investment Manager checks if the originator actively offers sustainability loans for every borrower, favourable financing conditions for homes with superior energy performance and starter mortgages. Therefore, the sustainability indicators used to measure the attainment of the ESG characteristics this strategy promotes is the number of newly originated sustainability loans and the number of newly originated starter loans. During 2024 for this fund 290 new sustainability loans were originated and the number of newly originated starters mortgages for 2024 was 15. By ensuring that the Investment Manager solely selects mortgage originators that actively promote E/S characteristics, this financial product effectively takes into account the energy efficiency of the real estate assets being financed.

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

How did the sustainability indicators perform?

N/A

…and compared to previous periods?

N/A

What were the objectives of the sustainable investments that the financial product partially made and how did the sustainable investment contribute to such objectives?

There are no sustainable investments made in/for this financial product. It only promotes E/S characteristics in the form of sustainability loans, favourable financing conditions for certain mortgages and starters mortgages.

How did the sustainable investments that the financial product partially made not cause significant harm to any environmental or social sustainable investment objective?

N/A

How were the indicators for adverse impacts on sustainability factors taken into account?

N/A

Were sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:

N/A

The EU Taxonomy sets out a "do not significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific Union criteria.

The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the Union criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the Union criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.

How did this financial product consider principal adverse impacts on sustainability factors?

The Investment Manager considers one principal adverse impact indicator: The degree of energy inefficiency of the financed properties. By ensuring that the Investment Manager solely selects mortgage originators that offer favourable financing conditions for homes with superior energy performance, this financial product effectively takes into account the energy efficiency of the real estate assets being financed. More information on how PAIs were considered during a specific reporting period can be found in the SFDR periodic disclosure.

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

PAI Metrics:

Adverse sustainability indicator		Metric	Impact 2024
Climate and other environment-related indicators			
Greenhouse gas emissions	1. GHG emissions	Scope 1 GHG emissions (tCO2eq)	0
		Scope 2 GHG emissions (tCO2eq)	0
		Scope 3 GHG emissions (tCO2eq)	0
		Total GHG emissions (tCO2eq)	0
	2. Carbon footprint	Carbon footprint (tCO2eq/EURm)	0
	3. GHG intensity of investee companies	GHG intensity of investee companies (tCO2eq/EURm)	0
	4. Exposure to companies active in the fossil fuel sector	Share of investments in companies active in the fossil fuel sector	0
	5. Share of non-renewable energy consumption and production	Share of non-renewable energy consumption of investee companies from non-renewable energy sources compared to renewable energy sources, expressed as a percentage	0
		Share of non-renewable energy production of investee companies from non-renewable energy sources compared to renewable energy sources, expressed as a percentage	0
	6. Energy consumption intensity per high impact climate sector	Agriculture, Forestry & Fishing (GWh/EURm)	0
		Construction (GWh/EURm)	0
		Electricity, Gas, Steam and Air Conditioning Supply (GWh/EURm)	0
		Manufacturing (GWh/EURm)	0
		Mining & Quarrying (GWh/EURm)	0
		Real Estate Activities (GWh/EURm)	0
		Transportation & Storage (GWh/EURm)	0
		Water Supply, Sewerage, Waste Management & Remediation (GWh/EURm)	0
		Wholesale & Retail Trade & Repair of Motor Vehicles & Motorcycles (GWh/EURm)	0
Biodiversity	7. Activities negatively affecting biodiversity-sensitive areas	Share of investments in investee companies with sites/operations located in or near to biodiversity sensitive areas where activities of those investee companies negatively affect those areas	0
Water	8. Emissions to water	Tonnes of emissions to water generated by investee companies per million EUR invested, expressed as a weighted average	0

Waste	9. Hazardous waste ratio	Tonnes of hazardous waste generated by investee companies per million EUR invested, expressed as a weighted average	0
Social and employee, respect for human rights, anti-corruption and anti-bribery matters			
	10. Violations of UN Global Compact principles and OECD Guidelines for Multinational Enterprises	Share of investments in investee companies that have been involved in violations of the UNGC principles or OECD Guidelines for Multinational Enterprises	0
	11. Lack of processes and compliance mechanisms to monitor compliance with UNGC principles and OECD Guidelines for Multinational Enterprises	Share of investments in investee companies without policies to monitor compliance with the UNGC principles or OECD Guidelines for Multinational Enterprises or grievance/complains handling mechanisms to address violations	0
	12. Unadjusted gender pay gap	Average unadjusted gender pay gap of investee companies	0
	13. Board gender diversity	Average ratio of female to male board members in investee companies	0
	14. Exposure to controversial weapons (anti-personnel mines, cluster munitions	Share of investments in investee companies involved in the manufacture or selling of controversial weapons	0

Indicators applicable to investments in sovereigns and supranationals

Adverse sustainability indicator		Metric	Impact 2024
Environmental	15.GHG intensity	GHG intensity of investee countries (KtonCO2eq/EURm)	0
Social	16.Investee countries subject to social violations	Number of investee countries subject to social violations (absolute number and relative number divided by all investee countries), as referred to in international treaties and conventions, United Nations principles and, where applicable, national law	0

Indicators applicable to investments in real estate assets

Adverse sustainability indicator		Metric	Impact 2024
Fossil fuels	17.Exposure to fossil fuels through real estate assets	Share of investments in real estate assets involved in the extraction, storage, transportation or manufacture of fossil fuels	0
Energy efficiency	18.Exposure to energy-inefficient real estate assets	Share of investments in energy-inefficient real estate assets	73.23% (100%)

Other Corporate indicators for principal adverse impact

Adverse sustainability indicator		Metric	Impact 2024
Greenhouse gas emissions	2.4 Investing in companies without carbon emission reduction initiatives	Share of investments in investee companies without carbon emission reduction initiatives aimed at aligning with the Paris Agreement	0
Human rights	3.9 Lack of a Human Rights Policy	Share of investments in companies without a human rights policy	0

Other Corporate indicators for principal adverse impact

Adverse sustainability indicator		Metric	Impact 2024
	Share of bonds not issued under Union legislation on environmentally sustainable bonds	Share of bonds not issued under Union legislation on environmentally sustainable bonds	0
	Average income inequality score	Average income inequality score	0

Data provided by ISS ESG

General explanation

PAI's are an average of four quarters.

Calculation of above PAI metrics follows the Regulatory Technical Standards as required by COMMISSION DELEGATED REGULATION (EU) 2022/1288) and supplemental advice from the published Q&As (including JC 2022 47; JC 2022 62) and uses data from our external data provider as input, where available. In the case of our mortgage products, the PAI data is provided by Aegon Hypotheken B.V and ASR Levensverzekering N.V.

What were the top investments of this financial product?

Largest investments	Sector	% Assets	Country
ASR Levensverzekering N.V.	Mortgages	98,14	Netherlands

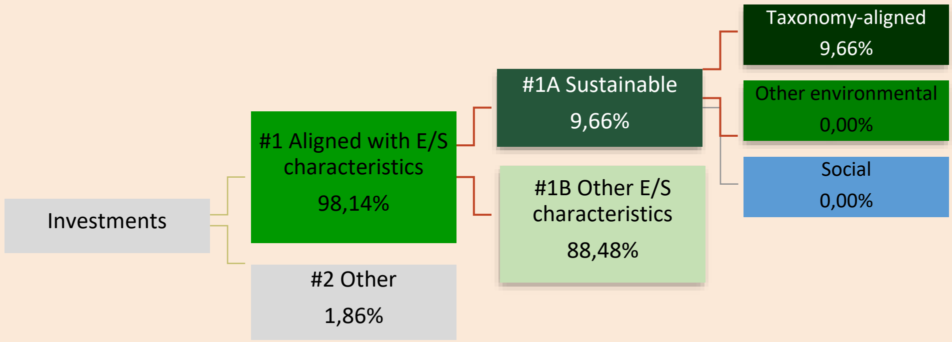
This Subfund invests in mortgage loans. The Subfund invests in Dutch residential mortgage loans which are granted to consumers by ASR Levensverzekering N.V. The objective of the Subfund is generating income for investors by acquiring mortgage receivables

The list includes the investments constituting **the greatest proportion of investments** of the financial product during the reference period which is: 1-1-2024 untill 31-12-2024

What was the proportion of sustainability-related investments?

Asset allocation describes the share of investments in specific assets.

What was the asset allocation?



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

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

The category **#1 Aligned with E/S characteristics** covers:
- The sub-category **#1A Sustainable** covers environmentally and socially sustainable investments.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

In which economic sectors were the investments made?

Sector	% Assets
Mortgages	98,14%

The sector allocation may not be 100%. There may be investments that cannot be assigned to a sector (e.g. cash, derivatives).

To what extent were the sustainable investments with an environmental objective aligned with the EU Taxonomy?

The percentage of sustainable investments with an environmental objective aligned with the EU Taxonomy made by this product is 9,66% of the invested mortgage receivebles. To reach this conclusion, the Fund Manager has reviewed the current holdings based on reported Taxonomy alignment from the data provider.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to fully renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

Taxonomy-aligned activities are expressed as a share of:
- **turnover** reflecting the share of revenue from green activities of investee companies.
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

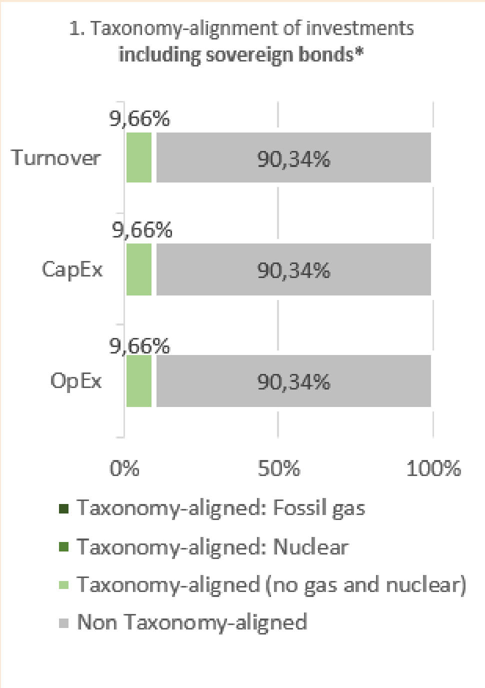
Did the financial product invest in fossil gas and/or nuclear energy related activities complying with the EU Taxonomy[1]?

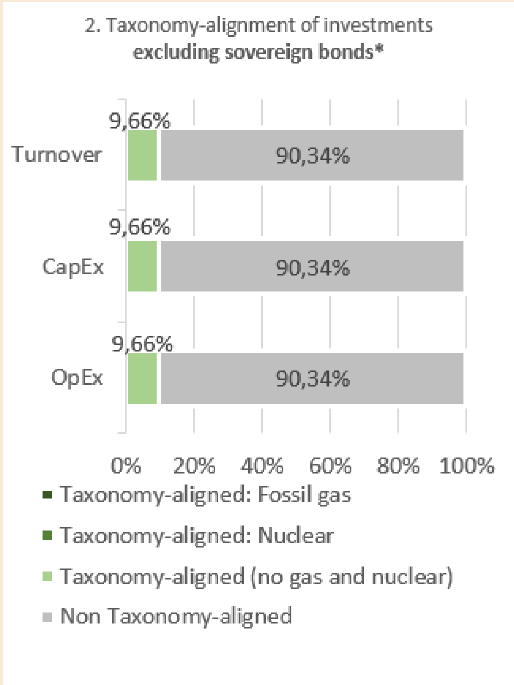
☐ **Yes:**

☐ In fossil gas ☐ In nuclear energy

☒ **No**

The graphs below show in green the percentage of investments that were aligned with the EU Taxonomy.As there is no appropriate methodology to determine the taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.





**For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures*

[1] Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective - see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

What was the share of investments made in transitional and enabling activities?

Financial metrics	Type of activity	Share of investments %
Turnover	Transition	0,00%
Turnover	Enabling	0,00%
CapEx	Transition	0,00%
CapEx	Enabling	0,00%
OpEx	Transition	0,00%
OpEx	Enabling	0,00%

are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under Regulation (EU) 2020/852.

How did the percentage of investments that were aligned with the EU Taxonomy compare with previous reference periods?

The percentage of investments that were aligned with the EU Taxonomy increased from 8% to 10% compared to the previous reference period.

What was the share of sustainable investments with an environmental objective not aligned with the EU Taxonomy?

N/A

What was the share of socially sustainable investments?

N/A

What investments were included under "other", what was their purpose and were there any minimum environmental or social safeguards?

The manager has invested in other investments for the purpose of efficient portfolio management, for example, derivatives, cash and cash equivalents. These other investments are not subject to the fund's environmental or social criteria.

What actions have been taken to meet the environmental and/or social characteristics during the reference period?

The Fund will invest predominantly in mortgage receivables as described in the Fund's investment policy. The strategy is implemented using an investment process as outlined in the fund supplement. In addition, the strategy is implemented in the investment process by evaluating the originators at least semi-annually in line with service-level agreements. The Investment Manager also receives quarterly ESG reports from the originator which includes the disclosure and tracking of relevant environmental characteristics.

How did this financial product perform compared to the reference benchmark?

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

- ***How does the reference benchmark differ from a broad market index?***

  N/A

- ***How did this financial product perform with regard to the sustainability indicators to determine the alignment of the reference benchmark with the environmental or social characteristics promoted?***

  N/A

- ***How did this financial product perform compared with the reference benchmark?***

  N/A

- ***How did this financial product perform compared with the broad market index?***

  N/A

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

Template periodic disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Product name: AEAM Dutch Mortgage Fund 3 non-NHG
Legal entity identifier: 724500MQJNFZAYPMCW50

Environmental and/or social characteristics

Did this financial product have a sustainable investment objective?

☐ **Yes**	☒ **No**
☐ It made **sustainable investments with an environmental objective:** ___%	☒ It **promoted Environmental/Social (E/S) characteristics** and while it did not have as its objective a sustainable investment, it had a proportion of 15,78% of sustainable investments
☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy	☒ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy	☐ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
	☐ with a social objective
☐ It made **sustainable investments with a social objective:** ___%	☐ It promoted E/S characteristics, but **did not make any sustainable investments**

To what extent were the environmental and/or social characteristics promoted by this financial product met?

The Investment Manager checks if the originator actively offers sustainability loans for every borrower, favourable financing conditions for homes with superior energy performance and starter mortgages. Therefore, the sustainability indicators used to measure the attainment of the ESG characteristics this strategy promotes is the number of newly originated sustainability loans and the number of newly originated starter loans. During 2024 for this fund 537 new sustainability loans were originated and the number of newly originated starters mortgages was for 2024 29. By ensuring that the Investment Manager solely selects mortgage originators that actively promote E/S characteristics, this financial product effectively takes into account the energy efficiency of the real estate assets being financed.

How did the sustainability indicators perform?

N/A.

…and compared to previous periods?

N/A

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

What were the objectives of the sustainable investments that the financial product partially made and how did the sustainable investment contribute to such objectives?

There are no sustainable investments made in/for this financial product. It only promotes E/S characteristics in the form of sustainability loans, favourable financing conditions for certain mortgages and starters mortgages.

How did the sustainable investments that the financial product partially made not cause significant harm to any environmental or social sustainable investment objective?

N/A.

How were the indicators for adverse impacts on sustainability factors taken into account?

N/A.

Were sustainable investments aligned with the OECD [] Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:

N/A.

The EU Taxonomy sets out a "do not significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific Union criteria.

The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the Union criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the Union criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.

How did this financial product consider principal adverse impacts on sustainability factors?

The Investment Manager considers one principal adverse impact indicator: The degree of energy inefficiency of the financed properties. By ensuring that the Investment Manager solely selects mortgage originators that offer favourable financing conditions for homes with superior energy performance, this financial product effectively takes into account the energy efficiency of the real estate assets being financed. More information on how PAIs were considered during a specific reporting period can be found in the SFDR periodic disclosure.

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

PAI Metrics:

Adverse sustainability indicator		Metric	Impact 2024
Climate and other environment-related indicators			
Greenhouse gas emissions	1. GHG emissions	Scope 1 GHG emissions (tCO2eq)	0
		Scope 2 GHG emissions (tCO2eq)	0
		Scope 3 GHG emissions (tCO2eq)	0
		Total GHG emissions (tCO2eq)	0
	2. Carbon footprint	Carbon footprint (tCO2eq/EURm)	0
	3. GHG intensity of investee companies	GHG intensity of investee companies (tCO2eq/EURm)	0
	4. Exposure to companies active in the fossil fuel sector	Share of investments in companies active in the fossil fuel sector	0
	5. Share of non-renewable energy consumption and production	Share of non-renewable energy consumption of investee companies from non-renewable energy sources compared to renewable energy sources, expressed as a percentage	0
		Share of non-renewable energy production of investee companies from non-renewable energy sources compared to renewable energy sources, expressed as a percentage	0
	6. Energy consumption intensity per high impact climate sector	Agriculture, Forestry & Fishing (GWh/EURm)	0
		Construction (GWh/EURm)	0
		Electricity, Gas, Steam and Air Conditioning Supply (GWh/EURm)	0
		Manufacturing (GWh/EURm)	0
		Mining & Quarrying (GWh/EURm)	0
		Real Estate Activities (GWh/EURm)	0
		Transportation & Storage (GWh/EURm)	0
		Water Supply, Sewerage, Waste Management & Remediation (GWh/EURm)	0
		Wholesale & Retail Trade & Repair of Motor Vehicles & Motorcycles (GWh/EURm)	0
Biodiversity	7. Activities negatively affecting biodiversity-sensitive areas	Share of investments in investee companies with sites/operations located in or near to biodiversity sensitive areas where activities of those investee companies negatively affect those areas	0
Water	8. Emissions to water	Tonnes of emissions to water generated by investee companies per million EUR invested, expressed as a weighted average	0

Waste	9. Hazardous waste ratio	Tonnes of hazardous waste generated by investee companies per million EUR invested, expressed as a weighted average	0

Social and employee, respect for human rights, anti-corruption and anti-bribery matters

	10. Violations of UN Global Compact principles and OECD Guidelines for Multinational Enterprises	Share of investments in investee companies that have been involved in violations of the UNGC principles or OECD Guidelines for Multinational Enterprises	0
	11. Lack of processes and compliance mechanisms to monitor compliance with UNGC principles and OECD Guidelines for Multinational Enterprises	Share of investments in investee companies without policies to monitor compliance with the UNGC principles or OECD Guidelines for Multinational Enterprises or grievance/complains handling mechanisms to address violations	0
	12. Unadjusted gender pay gap	Average unadjusted gender pay gap of investee companies	0
	13. Board gender diversity	Average ratio of female to male board members in investee companies	0
	14. Exposure to controversial weapons (anti-personnel mines, cluster munitions	Share of investments in investee companies involved in the manufacture or selling of controversial weapons	0

Indicators applicable to investments in sovereigns and supranationals

Adverse sustainability indicator		Metric	Impact 2024
Environmental	15.GHG intensity	GHG intensity of investee countries (KtonCO2eq/EURm)	0
Social	16.Investee countries subject to social violations	Number of investee countries subject to social violations (absolute number and relative number divided by all investee countries), as referred to in international treaties and conventions, United Nations principles and, where applicable, national law	0

Indicators applicable to investments in real estate assets

Adverse sustainability indicator		Metric	Impact 2024
Fossil fuels	17.Exposure to fossil fuels through real estate assets	Share of investments in real estate assets involved in the extraction, storage, transportation or manufacture of fossil fuels	0
Energy efficiency	18.Exposure to energy-inefficient real estate assets	Share of investments in energy-inefficient real estate assets	58.86% (100%)

Other Corporate indicators for principal adverse impact

Adverse sustainability indicator		Metric	Impact 2024
Greenhouse gas emissions	2.4 Investing in companies without carbon emission reduction initiatives	Share of investments in investee companies without carbon emission reduction initiatives aimed at aligning with the Paris Agreement	0
Human rights	3.9 Lack of a Human Rights Policy	Share of investments in companies without a human rights policy	0

Other Corporate indicators for principal adverse impact

Adverse sustainability indicator		Metric	Impact 2024
	Share of bonds not issued under Union legislation on environmentally sustainable bonds	Share of bonds not issued under Union legislation on environmentally sustainable bonds	0
	Average income inequality score	Average income inequality score	0

Data provided by ISS ESG

General explanation

PAI's are an average of four quarters.

Calculation of above PAI metrics follows the Regulatory Technical Standards as required by COMMISSION DELEGATED REGULATION (EU) 2022/1288) and supplemental advice from the published Q&As (including JC 2022 47; JC 2022 62) and uses data from our external data provider as input, where available. In the case of our mortgage products, the PAI data is provided by Aegon Hypotheken BV. and ASR Levensverzekering N.V.

What were the top investments of this financial product?

Largest investments	Sector	% Assets	Country
ASR Levensverzekering N.V.	Mortgages	98,61	Netherlands

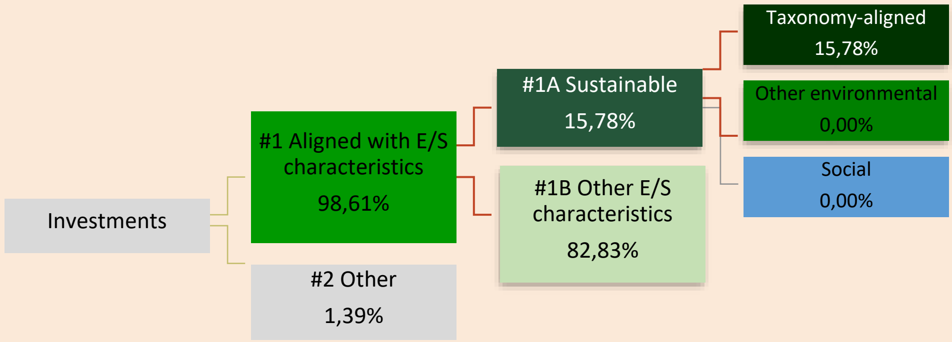
This Subfund invests in mortgage loans. The Subfund invests in Dutch residential mortgage loans which are granted to consumers by ASR Levensverzekering N.V. The objective of the Subfund is generating income for investors by acquiring mortgage receivables.

The list includes the investments constituting **the greatest proportion of investments** of the financial product during the reference period which is: 1-1-2024 untill 31-12-2024

What was the proportion of sustainability-related investments?

Asset allocation describes the share of investments in specific assets.

What was the asset allocation?



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

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

The category **#1 Aligned with E/S characteristics** covers:
- The sub-category **#1A Sustainable** covers environmentally and socially sustainable investments.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

In which economic sectors were the investments made?

Sector	% Assets
Mortgages	98,61%

The sector allocation may not be 100%. There may be investments that cannot be assigned to a sector (e.g. cash, derivatives).

To what extent were the sustainable investments with an environmental objective aligned with the EU Taxonomy?

The percentage of sustainable investments with an environmental objective aligned with the EU Taxonomy made by this product is 15,78% of the invested mortgage receivebles. To reach this conclusion, the Fund Manager has reviewed the current holdings based on reported Taxonomy alignment from the data provider.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to fully renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies.
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

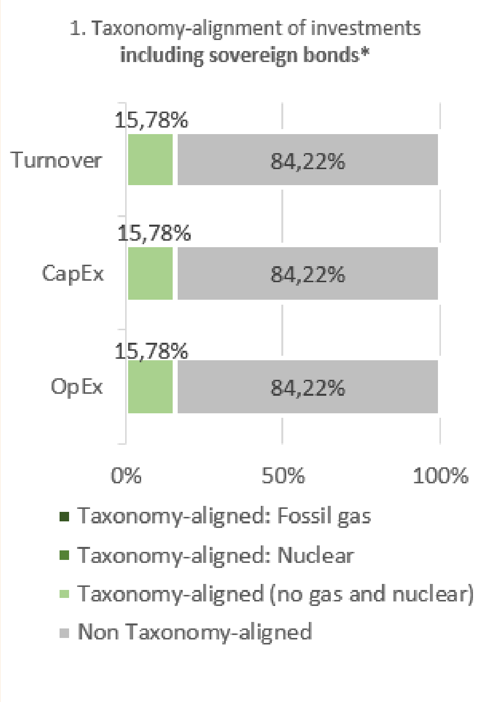
Did the financial product invest in fossil gas and/or nuclear energy related activities complying with the EU Taxonomy[1]?

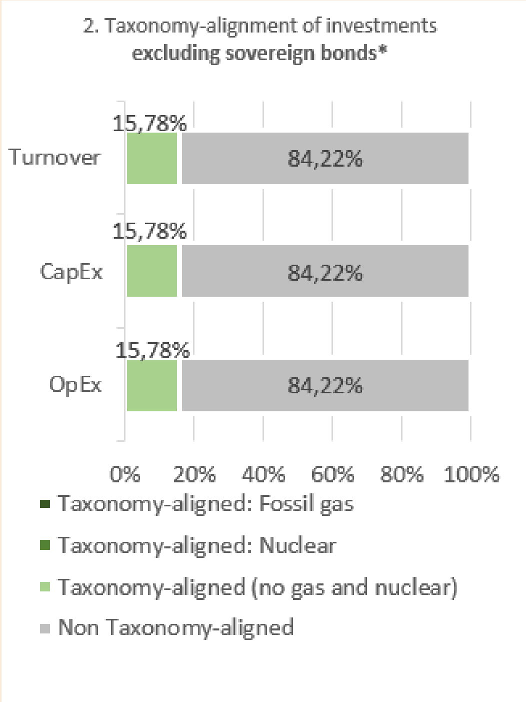
☐ **Yes:**

☐ In fossil gas ☐ In nuclear energy

☒ **No**

The graphs below show in green the percentage of investments that were aligned with the EU Taxonomy.As there is no appropriate methodology to determine the taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.





**For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures*

[1] Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective - see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

What was the share of investments made in transitional and enabling activities?

Financial metrics	Type of activity	Share of investments %
Turnover	Transition	0,00%
Turnover	Enabling	0,00%
CapEx	Transition	0,00%
CapEx	Enabling	0,00%
OpEx	Transition	0,00%
OpEx	Enabling	0,00%

are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under Regulation (EU) 2020/852.

How did the percentage of investments that were aligned with the EU Taxonomy compare with previous reference periods?

The percentage of investments that were aligned with the EU Taxonomy increased from 15% to 16% compared to the previous reference period.

What was the share of sustainable investments with an environmental objective not aligned with the EU Taxonomy?

N/A.

What was the share of socially sustainable investments?

N/A.

What investments were included under "other", what was their purpose and were there any minimum environmental or social safeguards?

The manager has invested in other investments for the purpose of efficient portfolio management, for example, derivatives, cash and cash equivalents. These other investments are not subject to the fund's environmental or social criteria.

What actions have been taken to meet the environmental and/or social characteristics during the reference period?

The Fund will invest predominantly in mortgage receivables as described in the Fund's investment policy. The strategy is implemented using an investment process as outlined in the fund supplement. In addition, the strategy is implemented in the investment process by evaluating the originators at least semi-annually in line with service-level agreements. The Investment Manager also receives quarterly ESG reports from the originator which includes the disclosure and tracking of relevant environmental characteristics.

How did this financial product perform compared to the reference benchmark?

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

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

- ***How does the reference benchmark differ from a broad market index?***

  N/A.

- ***How did this financial product perform with regard to the sustainability indicators to determine the alignment of the reference benchmark with the environmental or social characteristics promoted?***

  N/A.

- ***How did this financial product perform compared with the reference benchmark?***

  N/A.

- ***How did this financial product perform compared with the broad market index?***

  N/A.