



Irina Kurochkina, CFA
Portfolio Manager



Gerard Moerman, PhD
Head of Fixed Income, LDI
and Investment Solutions

Fund overview

The Aegon Sustainable Sovereign Bond Fund aims to invest in financially strong countries that contribute to the improvements in sustainability targets as defined by the **United Nations Sustainable Development Goals (SDGs)**. We believe our actively managed portfolio can offer investors strong capital-preservation characteristics with attractive yields.

The Fund has been developed by Aegon AM's Responsible Investment and Fixed Income teams to help meet client demand for the adoption and integration of sustainable principles as one of the cornerstones of asset allocation. It is based on internal research that began in 2017 to integrate the materiality of environmental, social and governance (ESG) factors into sovereign bond portfolios. For more information on the Fund, please contact our client team or visit www.aegonam.com/gssbf.

Fund Facts

Fund launch	13 October 2021
Fund size	EUR 116m (as of 30 April 2024)
Objective	To invest in financially strong countries that contribute to the improvements in sustainability targets as defined by the UN Sustainable Development Goals (SDGs)
Reference Benchmark	<ul style="list-style-type: none"> • ICE BofA Global Government Index (WOG1 Index) • Used for duration and credit risk reference
Investment Universe	<ul style="list-style-type: none"> • Global universe of bonds issued by governments and supranational entities • Investment grade bonds in hard currencies (fully hedged to base currency) • Only issuers classified as leaders, influencers or improvers in sustainability based on Aegon AM methodology
Portfolio profile	<ul style="list-style-type: none"> • Average credit rating of AA- • Average duration of 7.5 years • Diversified portfolio of around 30 issuers • Focus on issuers with strong sustainability and ESG profiles
Investment Vehicle	<ul style="list-style-type: none"> • Irish UCITS ICAV umbrella • Base currency: EUR. GBP share class available
EU SFDR	Article 9

Why invest?

The focus of the strategy is to generate long-term value by incorporating sustainability without taking unnecessary risks and without sacrificing investment results. The asset class offers historically attractive yields with strong capital-preservation characteristics and high liquidity. The strategy is highly scalable given the size of the government bonds universe.

Sustainability alignment	Full sustainability integration into portfolio construction to align investments with the UN SDGs, based on our proprietary research
Robust process	The investable universe is defined according to the clear internal governance that follows high standards on the ESG disclosures
Global diversification	Provides risk-return advantages while reflecting diverse sustainability challenges and reducing concentration risks

Building a sustainable portfolio in sovereign bonds

Constructing a sustainably aligned sovereign portfolio starts with comprehensive bottom-up research and requires a thorough country-by-country assessment. The sustainability assessment defines the investable universe, where only issuers classified as ‘Leaders’, ‘Influencers’ or ‘Improvers’ are eligible for investment. Consequently, the portfolio does not invest in countries considered not sustainable (‘Neutral’ or ‘Detrimental’).

We base our sustainability methodology on the works of the Bertelsmann-Stiftung and Sustainable Development Solutions Network (SDSN) partnership, sponsored by the United Nations. Our transparent scoring methodology is founded on this independent and credible framework and leverages reliable data sources. By using more than 100 indicators per country we have built an SDG scoring methodology that allows us to reflect our views on sustainability in 172 countries across the world.



Our investment process follows four principal stages:

1. Data coverage check	We exclude from further assessment those countries with insufficient UN SDG data.
2. Exclusions	Our exclusions list is aligned with the restrictive measures against countries under arms embargos and governments that systematically violate human rights.
3. Sustainability assessment	This analysis is based on Aegon AM’s proprietary methodology. It results in the country classification and defines the investment universe of the Fund. On a case-by-case basis our Fixed Income Sustainability Committee assesses the sustainability profiles of sovereign issuers and makes a final decision on each country’s classification.
4. Final portfolio construction	The final portfolio includes fundamentally attractive countries within our sustainable universe. We assess the materiality of ESG risks at this stage, which complements our fundamental analysis. We select countries that contribute to portfolio diversification by considering regional diversity and potential risk/return improvements.

More details of our process are available on request, including an introductory presentation and standard RFP.

Local accountability, global resources

The Fund is managed by the investment team based in the Netherlands that is supported by the specialised resources of Aegon AM’s global platform.

Sovereign Credit, Rates and Currency	Credit Research¹	Responsible Investment
9 portfolio managers 16 years’ experience	26 professionals 16 years’ experience	21 professionals 13 years’ experience
Macro Strategy²	Emerging Market Debt³	LDI and Investment Solutions
6 professionals 18 years’ experience	7 professionals 19 years’ experience	6 professionals 19 years’ experience

Source: Aegon AM. Years of experience reflects average industry experience attained on 1 January 2024. Personnel may be employed by any of the Aegon Asset Management affiliates. Supporting resources includes some teams that may support multiple platforms. ¹The credit research team covers public, developed market issuers globally, including public leveraged loan issuers include individuals with dual roles. ²May include individuals with dual roles. ³Includes sovereign research.

Important information

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

This is a marketing communication. Please refer to the following legal documents of the UCITS before making any final investment decisions. For UK investors: please refer to the Prospectus and the UCITS KIID. For EU investors: please refer to the Prospectus and the PRIIPs KID. The relevant documents can be found at aegonam.com. The principal risk of this product is the loss of capital.

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

Aegon Asset Management Europe ICAV is an umbrella type open-ended investment company with variable capital, registered in the Republic of Ireland (Company No. C153036) at 25-28 North Wall Quay, International Financial Services Centre, Dublin 1. Board of Directors: M. Kirby, S. Donald and B. Wright. Aegon Asset Management Europe ICAV is regulated by the Central Bank of Ireland. Aegon Investment Management B.V (Aegon AM NL) is the appointed management company. Aegon AM NL (Chamber of Commerce number: 27075825) is registered with and supervised by the Dutch Authority for Financial Markets (AFM). [For Switzerland, ICAV is a UCITS which is authorised for distribution by FINMA as a Foreign Collective Investment Scheme. The Disclosures are available from www.aegonam.com or from the Representative and Paying Agent in Switzerland, CACEIS (SA) Switzerland, Chemin de Precossy 7-9, CH-1260 Nyon / VD, Suisse, Phone: +41 22 360 94 00, Fax: +41 22 360 94 60]

Aegon Asset Management UK plc is authorized and regulated by the Financial Conduct Authority. Aegon Investment Management B.V. (Chamber of Commerce number: 27075825) is registered with the Netherlands Authority for the Financial Markets as a licensed fund management company. On the basis of its fund management license Aegon Investment Management B.V. is also authorized to provide individual portfolio management and advisory services. Aegon AM NL also operates through branches in Germany and Spain. These branches are regulated by the BaFin (Germany) and CNMV (Spain) based on the home-host state supervision rules.

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

Please visit <https://www.aegonam.com/en/contact/> for an English summary of investor rights and more information on access to collective redress mechanisms"

AdTrax: 4202046.3. | Expiry Date: 7 May 2025