

# US HIGH YIELD ESG

First Quarter 2024

## Investment strategy objective

Outperform the benchmark over a full credit cycle while focusing on investments with a favorable ESG profile

## Benchmark

Bloomberg US Corporate High Yield Index

## Assets

Strategy assets \$848.0 MM

## Inception date

March 1, 2019

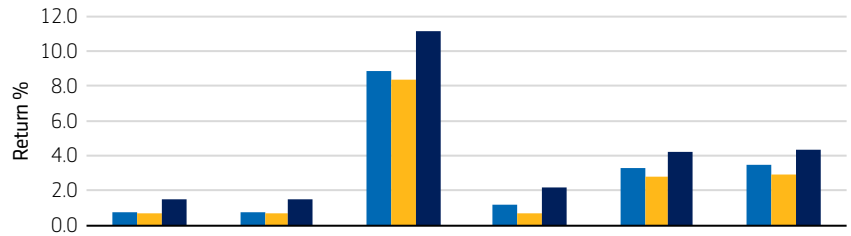
## Portfolio managers

**Kevin Bakker, CFA**  
Portfolio Manager

**Ben Miller, CFA**  
Portfolio Manager

**Jim Schaeffer**  
Portfolio Manager

## Composite returns vs. benchmark



As of 3/31/2024	QTD	YTD	1 yr	3 yr	5 yr	Since inception
Composite Gross (%)	0.77	0.77	8.85	1.17	3.28	3.44
Composite Net (%)	0.66	0.66	8.36	0.68	2.78	2.94
Benchmark (%)	1.47	1.47	11.15	2.19	4.21	4.33

Past performance is not indicative of future results. Returns are gross and net of management fees and include the reinvestment of all income. Returns for period longer than 12 months have been annualized.

## Characteristics

	Portfolio	Benchmark
Number of Issues	141	880
Number of Issuers	249	1,864
Average Quality <sup>1</sup>	BB-	B+
Yield-to-Worst <sup>2</sup>	7.22%	7.74%
Weighted Average Life (yrs)	4.65	4.44
Effective Duration (yrs)	3.26	3.31

## Credit Quality Allocation (%)<sup>1</sup>

	Portfolio	Benchmark
BBB	8.93	0.88
BB	47.41	47.16
B	35.07	38.58
CCC & Below	7.29	13.39
NR	0.03	0.00
Cash and Cash Equivalents	1.26	0.00

## Sector allocation (%)

	Portfolio	Benchmark
Financial Institutions	12.10	11.28
Banking	4.41	0.99
Brokerage/Asset Managers/Exchanges	1.11	1.05
Finance Companies	0.90	3.27
Financial Other	0.00	1.32
Insurance	2.63	2.23
REITs	3.03	2.42
Industrial	81.25	85.25
Basic Industry	6.01	5.37
Capital Goods	16.74	11.07
Communications	12.81	14.24
Consumer Cyclical	21.05	19.74
Consumer Non-Cyclical	16.05	11.66
Energy	0.71	12.05
Industrial Other	0.00	1.40
Technology	5.56	7.42
Transportation	2.30	2.31
Utility	5.39	2.80
Electric	5.39	2.80
Government Related	0.00	0.66
Cash & Cash Equivalent	1.26	0.00

## Top ten holdings (%)

Parent Issuer	ESG category	Portfolio
PATTERN ENERGY OPERATIONS LP / PATTERN ENERGY OPERATIONS INC	1) Leader	2.04
CENTURY COMMUNITIES INC	2) Minimal Risk	1.95
FORD MOTOR COMPANY	3) Event Risk	1.88
DANA INC	2) Minimal Risk	1.79
HANNON ARMSTRONG SUSTAINABLE INFRASTRUCTURE CAPITAL INC	1) Leader	1.75
CLEARWAY ENERGY GROUP LLC	2) Minimal Risk	1.65
POST HOLDINGS INC	2) Minimal Risk	1.62
HILTON WORLDWIDE HOLDINGS INC	1) Leader	1.50
ADVANCED DRAINAGE SYSTEMS INC	2) Minimal Risk	1.50
GRAPHIC PACKAGING HOLDING CO	2) Minimal Risk	1.49

Source: Aegon AM. Percentages based on market value as of 3/31/2024. Numbers may not add due to rounding. The portfolio information above reflects a representative account in the composite. Please refer to the disclosures at the end of this material for additional important information. The above information represents the top 10 largest long positions in the representative account based on the aggregate dollar value. The specific securities identified and described do not represent all of the securities purchased, sold, or recommended for the representative account, and the reader should not assume that investments in the securities identified and discussed were or will be profitable. All information is provided for informational purposes only and should not be deemed as a recommendation to buy the securities mentioned. Top 10 holdings excludes cash and cash equivalent positions. The ESG category allocation reflects holdings, excluding cash and cash equivalents, based on the firm's proprietary assessment of the issuer's ESG profile. <sup>1</sup>Credit quality indicators for the representative account and the benchmark are calculated internally and reflect a proprietary methodology which is described further in the disclosures at the end of this material. <sup>2</sup>Yield-to-worst should not be interpreted as performance. Please see the composite trailing return data herein.

For institutional investor use only

Aegon Asset Management is the global investment management brand of Aegon Ltd. Fixed income strategies described herein are offered by Aegon Asset Management US. See disclosures for more detail.

The following Aegon affiliates are collectively referred to herein as Aegon Asset Management: Aegon USA Investment Management, LLC (Aegon AM US), Aegon USA Realty Advisors, LLC (Aegon RA), Aegon Asset Management UK plc (Aegon AM UK), and Aegon Investment Management B.V. (Aegon AM NL). Each of these Aegon Asset Management entities is a wholly owned subsidiary of Aegon Ltd.

**Past performance is not indicative of future results.** The net of fees performance is time weighted and includes the reinvestment of dividends, interest, and other earnings, and is calculated net of model fees and expenses. The gross of fees performance figures do not reflect the deduction of investment advisory fees (as described in the firm's ADV, Part 2), and other expenses. Cash is included in the calculation of performance. The client's return will be reduced by the management fees and any other expenses it may incur in the management of its investment advisory account. The volatility of the performance shown may be materially different from the individual performance attained by any specific investor. In addition, client holdings may differ significantly from the securities that comprise the index. It is not possible to invest directly in an index, which also does not take into account trading commissions and costs. In addition, the actual investment advisory fees incurred by the client will vary according to the asset classes in the account and the size of the account. An individual client's actual returns may differ from the results shown for reasons such as the timing of investments and withdrawals.

**This material is to be used for institutional investors and not for any other purpose.** This communication is being provided for informational purposes in connection with the marketing and advertising of products and services. This material contains current opinions of the manager and such opinions are subject to change without notice. Aegon AM US is under no obligation, expressed or implied, to update the material contained herein. This material contains general information only on investment matters; it should not be considered a comprehensive statement on any matter and should not be relied upon as such. If there is any conflict between the enclosed information and Aegon AM US' ADV, the Form ADV controls. The information contained does not take into account any investor's investment objectives, particular needs, or financial situation. Nothing in this material constitutes investment, legal, accounting or tax advice, or a representation that any investment or strategy is suitable or appropriate to you. The value of any investment may fluctuate. Investors should consult their investment professional prior to making an investment decision. Aegon AM US is not undertaking to provide impartial investment advice or give advice in a fiduciary capacity for purposes of any applicable federal or state law or regulation. By receiving this communication, you agree with the intended purpose described above.

Strategies described herein are supported in part by investment models and/or other analytical tools. These models or tools inform but do not dictate investment recommendations. There is no assurance that these models or tools will work as intended, produce accurate results, or be free from defects, all of which could impact investment performance. Models or tools may be discontinued or modified for any reason and without notice.

Individual accounts may vary based on restrictions, substitutions, cash flows, and other factors. The mention of specific securities illustrates application of the firm's investment approach only and is not to be considered a recommendation by the firm. Specific securities identified and described do not represent all securities purchased or sold for the portfolio, and it should not be assumed that investment in these securities were or will be profitable, or that investment recommendations or decisions that the firm makes in the future will be profitable. Portfolio holdings are subject to change daily. There can be no assurance that securities purchased remain in the portfolio or that securities sold have not been repurchased. There is no guarantee these investments or portfolio strategies will work under all market conditions or are suitable for all investors and each investor should evaluate their ability to invest over the long-term, especially during periods of increased market volatility. Results for certain charts and

graphs are included for illustrative purposes only and should not be relied upon to assist or inform the making of any investment decisions.

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 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.

The firm's research teams may incorporate ESG-related factors into their analysis as applicable to their asset class and the output may differ as warranted.

Specific sectors mentioned do not represent all sectors in which Aegon AM US seeks investments. It should not be assumed that investments of securities in these sectors were or will be profitable.

Effective June 1, 2022, credit quality calculations are sourced to Aegon AM and reflect a proprietary methodology. Credit quality calculations prior to June 1, 2022, may be different. Credit ratings for the portfolio reflect the Bloomberg Indices credit quality methodology which is the middle rating of the three agencies, if only rated by two agencies it uses the lower rating and if only rated by one entity it uses that rating. Ratings are calculated by applying the methodology to available ratings from rating agencies. If the rating is NR on a structured security, the methodology will look to both DBRS and Kroll and use the lower rating; if rated by one, use that rating; else it will remain NR. Average Quality excludes cash and securities that are not rated. The credit quality of a security or group of securities does not ensure the stability or safety of the overall portfolio. NR includes securities that are not rated by S&P®, Moody's®, or Fitch and may contain bonds, equities and/or bank loans.

Diversification does not ensure a profit nor guarantee against loss.

The US dollar is the currency used to express performance.

The information shown reflects a representative account from the composite. This account was selected utilizing the firm's representative account selection policy which takes into consideration various factors including, but not limited to, cash flow volatility, client-specific constraints, track record length, tracking error, holdings, vehicle/client type and its percentage of the overall composite. This information is provided for illustrative purposes only and no guarantee is being made that the structure or actual account holdings of any account will be the same or similar results will be achieved.

Aegon USA Investment Management, LLC ("AUIM"), a wholly owned indirect subsidiary of Aegon Ltd., is a US-based investment adviser registered with the Securities and Exchange Commission ("SEC") and part of Aegon Asset Management, the global investment management brand of Aegon Group. AUIM operates under the brand name Aegon Asset Management US ("Aegon AM US") and is a limited liability company formed on June 1, 2001 and began managing assets on December 1, 2001. The firm definition was revised January 1, 2018 to better reflect AUIM's brand name and relationship within the global Aegon Asset Management organization.

Aegon AM US claims compliance with the Global Investment Performance Standards (GIPS®). Please contact Aegon AM US at 877-234-6862 to obtain a GIPS Composite Report for the strategy presented in this advertisement. GIPS® is a registered trademark of CFA Institute. CFA Institute does not endorse or promote this organization, nor does it warrant the accuracy or quality of the content contained herein.

©2024 Aegon Asset Management or its affiliates. All rights reserved.

AdTrax: 2482842.23.

Exp Date: 8/31/24