

Introduction to Insured Credit

Q4 2024

Highlights



Low credit risk: Access to a portfolio of exclusively A and AA rated, global, well diversified insurance companies, such as AXA, Chubb and Swiss RE, all backed by collateral. Insured Credit transactions are rated A/AA benefitting from the insurance company credit quality and from double recourse: firstly to the collateral for principal & interest and secondly, in case of non-payment of collateral, the insurance companies.



Appealing yield¹: EUR swaps + 225bps.



Attractive capital treatment²: Strategy optimises return on capital and generates organic capital creation for insurance companies and pension funds.



ESG integration: The strategy is able to source assets with strong social and sustainable characteristics which are aligned to UN SDG Goals. Aegon AM performs extensive ESG and sustainability screening of collateral and insurance companies. Only ESG "neutral" or better assets can be invested in.



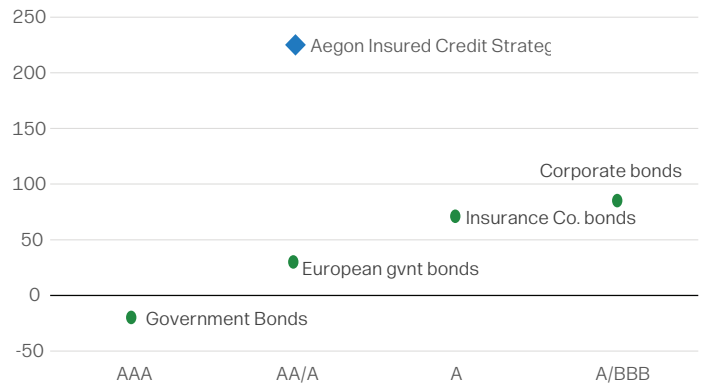
Strong diversification profile: The credit insurance market consists of 60+ insurers providing investors with a broad spectrum of exposure including counterparties not accessible through capital markets.

UN SDG linkage⁴

Strategy can provide investors with scalable opportunities where the underlying collateral has strong links with United Nations' Social Development Goals (SDG's). Thus far the strategy has contributed to 10 different SDG's via its investments.

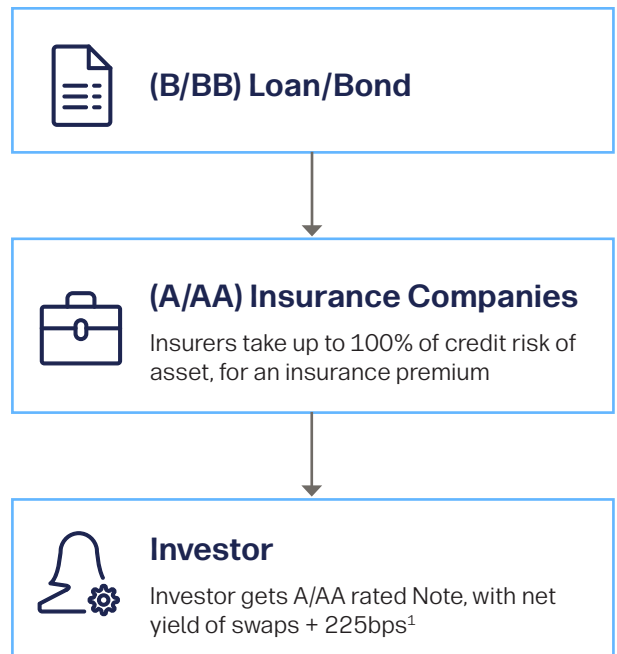


Attractive yield pick-up over Liquid Credit³

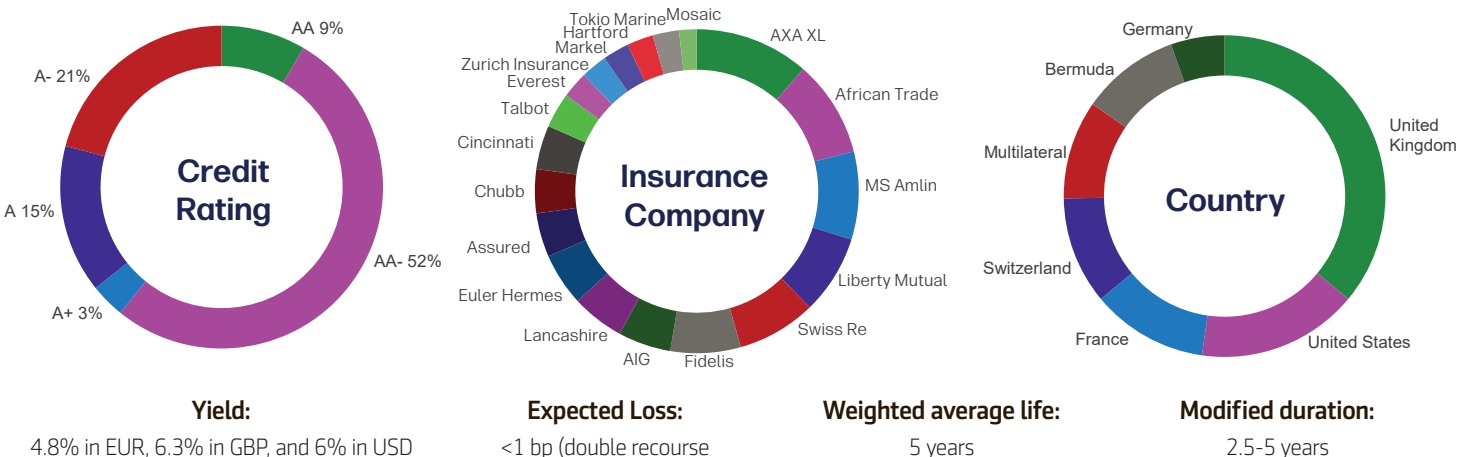


Structure

Comparable to NHG mortgages, government guarantees, covered bonds and CDS basis trades



Model Portfolio⁵



1. All yields are in EUR and gross of fees unless stated otherwise.
2. Subject to regulatory approval.
3. Source: Barclays, Bloomberg (as of August 2024). All yields are in EUR and gross of fees.
4. The strategy has the ability to finance a wide range of projects that can contribute to the UN Sustainable Development Goals, including but not limited to the SDGs mentioned.

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