

# Aegon Sustainable Diversified Growth Fund

Aegon Asset Management UK plc is the Authorised Corporate Director (ACD) of this Fund  
SDR Consumer Facing Disclosure | March 2025



This product invests mainly in assets that focus on sustainability for people or the planet. Sustainable investment labels help investors find products that have a specific sustainability goal. See [FCA website](#) for more information.

## Sustainability goal

The goal is to provide a total return (capital growth plus income, gross of fees) that exceeds the UK Consumer Prices Index (CPI) by at least 3% per annum over any 5 year period by investing in:

### Corporates

Via public equity and fixed income instruments which align with one or more of the following themes:

- 1. Climate Change:** reducing polluting emissions through insight and innovation.
- 2. Eco-Solutions:** offering products and services that help protect and improve the planet's ecosystems.
- 3. Resource Efficiency:** minimising the use of finite resources through automation and circular economies.
- 4. Health & Wellbeing:** enhancing human wellbeing through improved healthcare, diet, and fitness.
- 5. Inclusion:** addressing inequality and helping solve demographic challenges.
- 6. Sustainable Growth:** promoting innovation and disruptive growth with positive first or second order impacts.

### Countries (Government and Public Securities)

The Fund will invest in those countries that are making substantial progress in achieving positive environmental and social outcomes as defined by the United Nation's 17 **Sustainable Development Goals** (UN SDGs).

Corporates and countries must meet thresholds to qualify as sustainable. The Fund invests at least 70% in assets that meet these criteria.



**Risk:** Performance may differ from funds without sustainability criteria.

## Sustainability approach

### Exclusions

We employ a focused set of exclusions to eliminate clear negative impacts on the environment or society. Full exclusion criteria is available at:

[www.aegonam.com/esg-screening-policy](http://www.aegonam.com/esg-screening-policy)

### Corporates

We use a proprietary framework to assess sustainability, focusing on 'Products' (revenue alignment to six themes) and 'Practices' (responsible ESG management). Corporates are rated on an inverted scale of 1 to 5, ensuring they support sustainable themes and operate responsibly without conflicting revenue.

Corporates must score 3 or better in both Products and Practices to be considered sustainable. Scores of 4 or 5 are classed as 'laggards' and excluded. Thresholds for each score are detailed on [page 2](#). Corporates are classified as "Sustainable" or "Sustainable Leader" based on their contribution to the themes.

### Countries (Government and Public Securities)

Sustainability is determined using a proprietary quantitative framework that measures progress towards positive environmental and social outcomes as defined by the UN SDGs. Countries must achieve an aggregated score of 50 or higher to be deemed "sustainable" and meet the Fund's sustainability objective. Our framework incorporates external data on country-level achievement of individual UN SDGs and applies the our proprietary weighting methodology to calculate a single score. This score represents the weighted average progress towards important UN SDGs for each country.

Further details on the framework are on [page 2](#).

Proprietary country level score	Sustainability category
0-40	Detrimental
40-50	Neutral
50-60	Sustainable
60-70	Sustainable Influencer
70-100	Sustainable Leader

### Cash and other

To manage liquidity and protect against market conditions, up to 30% of the Fund's value may be invested in government and public securities classified as 'neutral', as well as derivatives for investment and hedging, money market instruments, cash, and near-cash. These assets will not be held to meet the sustainability objective and will not conflict with the sustainability objective.

### Stewardship

Stewardship supports corporates in remaining sustainable and striving to deliver long-term value, focusing on corporate holdings. Engagement is driven by ESG scoring and company strategy, involving direct dialogues, collaborative engagements, proxy voting, and ESG risk management, tracked through four key milestones.

If progress is lacking, escalation may occur as per our **Active Ownership Policy**. If a corporate no longer meets the standards in the sustainable approach divestment will also be used.

Thresholds for each score

Product score	Practice score
1 Corporates with revenue alignment of 50% or more to one of the themes detailed in the sustainability approach	1 Manages all material sustainability risk factors *effectively
2 Corporates with revenue alignment of 20-50% to one of the themes detailed in the sustainability approach	2 Company addresses all material sustainability risk factors *but management of them could improve
3 Large corporates with a revenue alignment of between 1-19.9% to one of the themes detailed in the sustainability approach	3 Majority of material sustainability risk factors *addressed
4 Revenues associated with vital services to the excluded activities, or that have no revenue alignment to the sustainability themes	4 Minority of material sustainability factors *being addressed
5 Revenues associated with excluded activities	5 Not addressing material sustainability risk factors*

\*as identified by the [Sustainability Accounting Standards Board](#).  
Corporates that achieve at least a 1 on Products or Practices and 2 on the other are classified as a "Sustainable Leader"


Sustainability metrics

KPI 1	Gross % of fund		KPI 2	Corporates classified as:			
	Sustainable Approach	95%		Sustainable Leaders	38.2%		
	Other	5%		Sustainable	35.7%		
KPI 3	Countries classified as:						
	Sustainable leader	Sustainable influencer	Sustainable	Neutral	Detrimental		
	0.0%	17.3%	3.8%	0.0%	0.0%		
Additional KPI's	Example of KPI's used at corporates asset levels	MWh of renewable energy installed	Number of customers served with water supply and wastewater treatment services	Tonnes of solid waste recycled	Number of affordable homes built	Number of people benefitting from healthcare	Percentage of customers served that are small, medium enterprises

The fund invests at least 70% in assets that meet our sustainability criteria but does not target a minimum level for any of the individual metrics.

**Sustainable investing** focuses on choosing corporates and countries that prioritise environmental and social outcomes. While it may appeal to those who prioritise responsible resource use and positive societal and environmental impact, it may not align with the preferences of every investor.

Further information and useful links



Further information on the Fund's sustainability approach and characteristics can be found in the prospectus which can be found here: [www.aegonam.com/sustainablediversifiedgrowthfund](http://www.aegonam.com/sustainablediversifiedgrowthfund)

Fund identifier: FCA PRN reference: **645340**

ISIN codes are available here: [www.aegonam.com/sustainable-diversified-growth-factsheet](http://www.aegonam.com/sustainable-diversified-growth-factsheet)

Visit our website for help understanding financial term definitions: [www.aegonam.com/glossary](http://www.aegonam.com/glossary)

Disclosures

**Past performance is not a guide to future performance. Capital at risk.**

This is not intended to be used for marketing purposes and does not constitute investment advice or recommendation and should not be relied upon as such. Please read the Key Investor Information, Supplementary Information Document and Application Form carefully. The documents are available on our website at [www.aegonam.com/documents](http://www.aegonam.com/documents).

All data as at 31 December 2024, and unless otherwise stated all data is sourced to Aegon Asset Management. The document is accurate at the time of writing but is subject to change without notice.

Aegon Asset Management UK plc is registered in Scotland (SC113505) at 3 Lochside Crescent, Edinburgh, Scotland, EH12 9SA. Aegon Asset Management UK plc is authorized and regulated by the Financial Conduct Authority.