

AEGON ABS OPPORTUNITY FUND

Disclaimer: This document is not marketing material. It contains information about this Fund (the product) in relation to the Sustainable Finance Disclosure Regulation. The information is legally required to help you understand the sustainability characteristics and/or objectives and risks of this fund. It is recommended to read this document together with other relevant documentation on this product so you can make an informed decision about whether to invest. Definitions used in this document have the same meaning as those used in the Fund prospectus.

(a) Summary

This product promotes environmental and social characteristics by aiming to invest in issuers presenting lower sustainability risk according to Aegon AM's proprietary methodology, but will not make any sustainable investments. The product does not consider principal adverse impacts since PAI indicator data may be unavailable for this asset class. The product screens out issuers that do not follow good governance principles. The majority of the investments in the product are aligned with the environmental and social characteristics. The manager uses a wide variety of internal and external data from several sources as inputs for its decisions.

For a translation of this summary in one of the official languages of a member state where this financial product is made available, please refer to section (m) Summary Translations furtheron in this document.

(b) No sustainable investment objective

This financial product promotes environmental or social characteristics, but does not have as its objective a sustainable investment.

When funds aims to make one or more sustainable investments:

How the sustainable investments do not significantly harm any of the sustainable investment objectives?

Not applicable

How are the Principal Adverse Impacts (PAI) taken into account?

Not applicable

Are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, including the principles and rights set out in the eight fundamental conventions identified in the Declaration of the International Labour Organisation on Fundamental Principles and Rights at Work and the International Bill of Human Rights?

Not applicable

(c) Environmental or social characteristics of the financial product

What environmental and/or social characteristics are promoted by this financial product?

The characteristics which the Fund promotes are increasing energy efficiency in the real estate sector, electric vehicles adoption, mortgage affordability, and climate change mitigation through investment in low carbon footprint issuers.

The Fund promotes these characteristics by limiting its investment in issuers with elevated ESG and sustainability risks and by excluding issuers receiving the highest ESG risk rating based on the Investment Manager's internal ESG categories that considers the most financially material ESG factors according to the activities of each issuer. The Fund will thereby maximize its exposure to asset pools that promote these environmental and/or social characteristics.

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

(d) Investment strategy

What is the investment strategy used to meet the environmental or social characteristics promoted by this financial product?

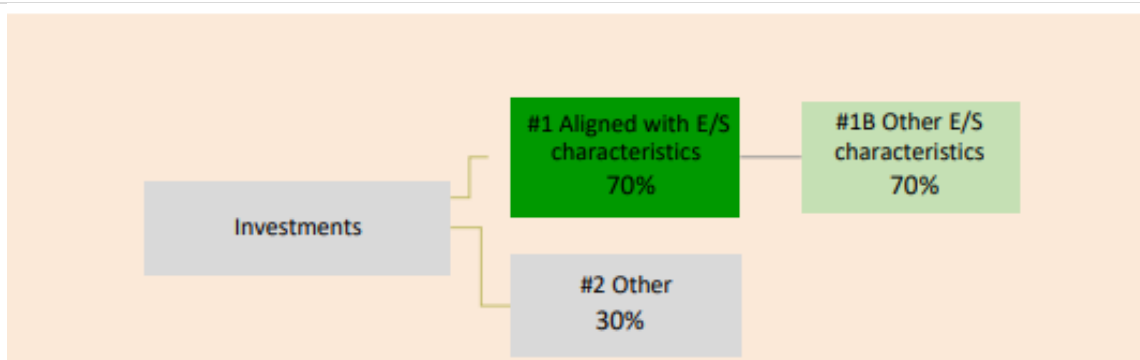
The Fund is actively managed and aims to achieve its objective by investing substantially in asset-backed securities. Asset-backed securities are a type of debt securities such as bonds or notes, whose value and income payments are derived from an underlying pool of assets held by the issuer. The Fund has a focus on asset backed securities with a credit rating which is deemed to be 'non-investment grade'. The Fund may hold bonds and notes with various types of collateral, which include RMBS, consumer loans (e.g. car loans, credit card loans and unsecured consumer loans) (consumer ABS), corporate loans (CLOs not to exceed 50% of the Fund's net assets) and commercial mortgages (CMBS). The Investment Manager will actively select countries and markets in which to invest based on its view of macroeconomic environment and how this might affect issuers, collateral types and ratings within those markets. Individual bonds within those countries and markets predominantly within Europe are then selected based on analysis of their fundamentals, valuation, technical and sentiment. Scenario analysis (analysing portfolios in different market circumstances and economic environments) and stress testing are used to evaluate the performance of potential investments.

The strategy is implemented in the investment process by assessing the ESG category of potential investments using a proprietary methodology to assign an ESG category to the investment. An ESG category is first assigned to (i) the ABS collateral, (ii) the ABS originator and (iii) the country of collateral of each ABS security. The Investment Manager actively engages with ABS issuers and collateral managers in order to obtain any necessary disclosure to inform the ESG category assessment, and to seek to influence them to improve their ESG scores by for example encouraging them to refine their ESG policies. The ESG categories used for the analysis are chosen based on the relevance of each ESG category to a particular sector. For example, Auto ABS environmental scores take into account the percentage of electric cars and hybrid vehicles in the collateral asset pool. These collateral, originator and country categories are then weighted to categorize each issuer into one of five overall ESG risk categories, with 1 representing lowest ESG risk and 5 representing the highest. The Investment Manager may only invest in securities categorized in the lower ESG risk categories of 1, 2 and 3. The Investment Manager is not allowed to invest in ABS securities that face high ESG risk that could affect the issuers fundamentals and credit quality ie, with ESG risk categories of 4 or 5. In case the combined total score of the investment (collateral, country and originator) is downgraded to 4 or 5, the Investment Manager expects to sell the position.

What is the policy to assess good governance practices of the investee companies, including with respect to sound management structures, employee relations, remuneration of staff and tax compliance?

The Investment Manager is required to assess the good governance practices of the issuers. The proprietary methodology used by the Investment Manager to evaluate the ESG categories of originators and countries of originators includes an evaluation of governance practices. The assessment focuses on the governance of processes and transactions, and it establishes the originators' capacity to ensure high quality, control and transparency in the securitization. It is expected that issuers conduct their operations in accordance with the OECD Guidelines for Multinational Enterprises, the UN Guiding Principles (UNGP) on Business and Human Rights, and the UN Global Compact principles. To identify potential breaches of these norms, the corporate holdings of the portfolio are periodically screened using external specialised research, such as controversies, that indicate actual or potential breaches of international norms and standards. Please refer to the Aegon AM NL Sustainability Risks and Impacts Policy for further details of this process.

(e) Proportion of the investments



#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 **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

(f) Monitoring of environmental or social characteristics

How are the environmental or social characteristics promoted by the financial product and the sustainability indicators used to measure the attainment of each of those environmental or social characteristics promoted by the financial product monitored throughout the lifecycle of the financial product and the related internal or external control mechanisms?

The Investment Manager uses a proprietary methodology to assign an ESG category to each security, which are used as holistic sustainability indicators for the achievement of all environment and social characteristics promoted by the Fund. Using this proprietary methodology, the investment team assigns an ESG category to the ABS collateral, the ABS originator and the country of collateral. These categories are then weighted to categorize each issue into one of five ESG risk categories, with 1 representing lowest ESG risk and 5 representing the highest. The Investment Manager may only invest in securities categorized in the lower ESG risk categories of 1, 2 and 3. Therefore, the sustainability indicator used to measure the attainment of the Fund's promoted environment and social characteristics is the percentage share of investments in securities with ESG risk categories 1-3 versus securities with ESG risk categories 4-5 (i.e. the excluded investments). The ESG risk categories are integrated in Portfolio Risk Control processes with ex-post monitoring. In case an issuer is downgraded and this causes breach of the ESG risk category limits, the Investment Manager will reposition the portfolio to comply with the limits above. The ESG category assessment is reviewed on a quarterly basis.

(g) Methodologies

What are the methodologies to measure how the social or environmental characteristics promoted by the financial product are met?

The strategy is implemented in the investment process by assessing the ESG category of potential investments using a proprietary methodology to assign an ESG category to the investment. An ESG category is first assigned to (i) the ABS collateral, (ii) the ABS originator and (iii) the country of collateral of each ABS security. The Investment Manager actively engages with ABS issuers and collateral managers in order to obtain any necessary disclosure to inform the ESG category assessment, and to seek to influence

them to improve their ESG scores by for example encouraging them to refine their ESG policies. The ESG categories used for the analysis are chosen based on the relevance of each ESG category to a particular sector..

(h) Data source and processing

How are the data sources used to attain each of the environmental or social characteristics promoted by the financial product?

Due to the lack of ESG data relevant to these asset classes from specialist data providers, Aegon Asset Management teams work to obtain ESG information directly from the originators for use in our proprietary analysis processes. Portfolio managers engage with the issuers/originators to obtain data.

What measures are taken to ensure data quality?

Given the lack of accounting standards and, in turn, standardised data from data providers and issuers of this type of debt/transaction, a systematic assessment of data quality is challenging and occurs on a case by case basis by the portfolio managers in the context of the overall investment due diligence.

How is data processed?

Data is processed by the portfolio managers during their proprietary analysis processes. Data obtained from issuers is stored in internal locations with restricted access rights.

What proportion of the data is estimated?

Data obtained from public sources and data from originators may be estimated to some extent, however no systematic measures are available to establish whether such data has been estimated and how accurately.

(i) Limitations to methodologies and data

What are potential limitations to the methodologies or data sources and how do such limitation not affect how the environmental or social characteristics promoted by the financial product are met?

Limitations are tied to the data obtained directly from originators, its availability and accuracy.

(j) Due diligence

What due diligence is carried out on the underlying assets of the financial product (including the internal and external controls)?

Aegon AM follows an internal proprietary research process using the data obtained from originators on a case by case basis. ESG data obtained from originators is used as a basis and complement to a holistic analysis of the overall investment which also considers other types of data from other sources.

(k) Engagement policies

What is the engagement policy applied, in the case that engagement is part of the environmental or social investment strategy (including any management procedures applicable to sustainability-related controversies in investee companies)?

This Fund is subject to Aegon AM's Active Ownership Policy, which can be found at www.aegonam.com. For a description of procedures applicable to sustainability related controversies in investee companies for this Fund, we refer to the Sustainability Risks and Impact Policy as referred to in section (d) Investment strategy.

(l) Designated reference benchmark

Has an index been designated as a reference benchmark to meet the environmental or social characteristics promoted by the financial product?

No, there is no ESG index available for strategies investing in asset backed securities.

When fund has a designated reference benchmark

How is that index aligned with the environmental and social characteristics promoted by the financial product?

Not applicable.

What input data is used for the reference benchmark?

Not applicable.

Which methodologies are used to select the data in the reference benchmark?

Not applicable.

Which rebalancing methodologies are used for the reference benchmark?

Not applicable.

How is the reference benchmark calculated?

Not applicable.

If information is available on the website of the benchmark administrator, this is the hyperlink to the website:

Not applicable.

M Summary Translations



Oversigt

Dette produkt fremmer miljømæssige og sociale karakteristika ved at søge at investere i udstedere, der kan præsentere lave bæredygtighedsrisici i henhold til Aegon AM's proprietære metode, men vil ikke foretage nogen bæredygtige investeringer. Produktet tager ikke hensyn til de vigtigste negative indvirkninger (principal adverse impacts, PAI), da PAI-indikatordata muligvis ikke er tilgængelige for denne aktivklasse. Produktet fravælger udstedere, som ikke følger principper for god selskabsledelse. Størstedelen af investeringerne i produktet er i overensstemmelse med de miljømæssige og sociale karakteristika. Forvalterens beslutninger er baseret på en lang række interne og eksterne data fra flere forskellige kilder.



Zusammenfassung

Dieses Produkt bewirbt ökologische und soziale Merkmale, indem es gemäß der proprietären Methode von Aegon AM in Emittenten investiert, die ein geringeres Nachhaltigkeitsrisiko aufweisen. Es werden jedoch keine nachhaltigen Investitionen getätigt. Das Produkt berücksichtigt nicht die wichtigsten nachteiligen Auswirkungen (Principal Adverse Impacts, PAI), da für diese Anlageklasse möglicherweise keine Daten zu PAI-Indikatoren verfügbar sind. Das Produkt filtert Emittenten heraus, die die Grundsätze einer guten Unternehmensführung nicht befolgen. Der Großteil der Investitionen des Produkts sind an den ökologischen und sozialen Merkmalen ausgerichtet. Der Verwalter verwendet eine Vielzahl an internen und externen Daten aus verschiedenen Quellen als Grundlage für seine Entscheidungen.



Resumen

Este producto promueve características medioambientales y sociales mediante el objetivo de invertir en emisores que presentan un menor riesgo de sostenibilidad según la metodología propia de Aegon AM, pero no llevará a cabo ninguna inversión sostenible. El producto no considera las principales incidencias adversas, puesto que puede no haber datos disponibles respecto a los indicadores de PIA para esta clase de activo. El producto excluye a los emisores que no sigan principios de buena gobernanza. La mayoría de las inversiones del producto se ajustan a las características medioambientales y sociales. El gestor utiliza una amplia variedad de datos internos y externos de diversas fuentes a la hora de tomar decisiones.



Yhteenveto

Tämä tuote edistää ympäristöön ja yhteiskuntaan liittyviä ominaisuuksia pyrkimällä sijoittamaan liikkeeseenlaskijoihin, joilla on Aegon AM:n arviointimenetelmän mukaan matalampi kestävyysriski, mutta se ei tee kestäviä sijoituksia. Tuote ei ota huomioon pääasiallisia haitallisia vaikutuksia, koska PAI-indikaattorien tiedot eivät ehkä ole saatavilla tälle omaisuusluokalle. Tuote seuloo pois liikkeeseenlaskijoita, jotka eivät noudata hyvää hallintotapaa. Pääosa tuotteen sijoituksista vastaa ympäristöön ja yhteiskuntaan liittyviä ominaisuuksia. Rahaston hoitaja käyttää päätöksiä tehdessään laajasti eri lähteistä saatavia erilaisia sisäisiä ja ulkoisia tietoja.



Résumé

Ce produit promeut des caractéristiques environnementales et sociales en cherchant à investir dans des émetteurs présentant un risque faible en matière de durabilité selon la méthodologie exclusive d'Aegon AM, mais ne réalisera pas d'investissements durables. Le produit ne prend pas en compte les principales incidences négatives dans la mesure où les données relatives aux indicateurs des principales incidences négatives peuvent ne pas être disponibles pour cette classe d'actifs. Le produit exclut les émetteurs qui ne respectent pas les principes de bonne gouvernance. La majorité des investissements dans le produit sont alignés sur des caractéristiques environnementales et sociales. Le gestionnaire utilise une grande variété de données internes et externes provenant de plusieurs sources pour prendre ses décisions.



Sažetak

Ovaj proizvod promiče ekološka i društvena obilježja tako što cilja na ulaganja u izdavatelje koji predstavljaju manji rizik održivosti prema vlasničkoj metodologiji tvrtke Aegon AM, ali ne provodi održiva ulaganja. Proizvod ne uzima u obzir glavne negativne učinke

budući da podaci o PAI pokazateljima nisu dostupni za ovu klasu imovine. Proizvod probire izdavatelje koji ne slijede načela dobrog upravljanja. Većina ulaganja u proizvod usklađena je s ekološkim i društvenim obilježjima. Voditelj ulaganja upotrebljava širok raspon internih i eksternih podataka iz nekoliko izvora kao ulazne čimbenike za svoju odluku.



Sintesi

Questo prodotto promuove le caratteristiche ambientali e sociali mirando a investire in emittenti che presentano un rischio di sostenibilità inferiore secondo la metodologia proprietaria di Aegon AM, ma non effettuerà investimenti sostenibili. Il prodotto non considera i principali effetti negativi, poiché i dati degli indicatori PAI potrebbero non essere disponibili per questa classe di attività. Il prodotto esclude gli emittenti che non seguono i principi di buona governance. La maggior parte degli investimenti nel prodotto sono in linea con le caratteristiche ambientali e sociali. Il gestore utilizza un'ampia varietà di dati interni ed esterni provenienti da diverse fonti come input per le sue decisioni.



Samenvatting

Dit product promoot de ecologische en sociale kenmerken door te beleggen in emittenten die een lager duurzaamheidsrisico hebben volgens de eigen methodologie van Aegon AM, maar zal geen duurzame beleggingen doen. Het product houdt geen rekening met de belangrijkste ongunstige effecten, aangezien PAI-indicatorgegevens misschien niet beschikbaar zijn voor deze aandelenklasse. Het product screent emittenten die zich niet houden aan de beginselen van goed bestuur. Het grootste deel van de beleggingen in het product is afgestemd op de ecologische en sociale kenmerken. De beheerder gebruikt een grote verscheidenheid aan interne en externe gegevens uit verschillende bronnen als input voor zijn beslissingen.



Sammendrag

Dette produktet fremmer miljømessige og sosiale egenskaper ved å investere i utstedere som kan vise til lavere bærekraftsrisiko i henhold til Aegon AMs egen metodologi, men vil ikke gjøre bærekraftige investeringer. Produktet tar ikke hensyn til betydelige negative innvirkninger, siden PAI-indikatordata kan være utilgjengelige for denne aktivaklassen. Produktet luker ut utstedere som ikke følger gode styringsprinsipper. De fleste investeringene i produktet er i tråd med miljømessige og sosiale egenskaper. Forvalteren bruker et bredt utvalg av interne og eksterne data fra flere kilder som grunnlag for sine beslutninger.



Resumo

Este produto promove características ambientais e sociais ao procurar investir em emittentes que apresentem um risco de sustentabilidade mais baixo, de acordo com a metodologia exclusiva da Aegon AM, mas não fará quaisquer investimentos sustentáveis. O produto não considera os principais impactos negativos, uma vez que os dados do indicador de PIN podem estar indisponíveis para esta classe de ativos. O produto exclui emittentes que não seguem princípios de boa governação. A maioria dos investimentos no produto está alinhada com as características ambientais e sociais. O gestor utiliza uma grande variedade de dados internos e externos provenientes de várias fontes como a base para as suas decisões.



Sammanfattning

Denna produkt främjar miljörelaterade och sociala egenskaper genom att sträva efter att investera i emittenter som uppvisar lägre hållbarhetsrisker enligt Aegon AM:s egenutvecklade metod, men gör inga hållbara investeringar. Produkten beaktar inte huvudsakliga negativa konsekvenser eftersom indikatordata för huvudsakliga negativa konsekvenser inte säkert finns tillgängliga för tillgångsklassen. Produkten utesluter emittenter som inte följer god bolagsstyrning. Merparten av investeringarna i produkten är anpassade till de miljörelaterade och sociala egenskaperna. Investeringsförvaltaren använder en mängd olika interna och externa data från flera källor som beslutsunderlag.