

AEGON VASTGOED FUND INTERNATIONAAL

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 actively excluding certain investments that have a significant adverse impact on sustainability factors on an ongoing basis and by selecting sustainable investments according to Aegon AM's proprietary methodology. In the due diligence, the product considers principal adverse impacts to the extent such data is available, and applies measures to screen out investee companies 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 decision.

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?

First, the Fund uses a mix of quantitative and qualitative approach when analysing companies as to whether the product or practices would be deemed to be harmful to society or the environment. This is generally covered by the exclusions applied to the Fund, but there may be others companies captured as not having a strong enough reason to be included in a fund that is investing in companies resolving long term sustainable problems. Secondly, in the course of the in depth analysis, the Fund looks at the controversies the company may be involved in. Those companies with Sustainability scores of 4 or 5 or with significant supply chain issues could be considered as doing significant harm.

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

PAIs are considered within the thorough, bottom-up sustainability analysis of companies' products and practices undertaken by the Responsible Investment team. This process includes an in depth analysis of the material (single and double) ESG factors for companies and PAIs are considered as part of this. This process also ensures that companies are doing no significant harm. AAM takes its active ownership responsibilities seriously. Company meetings (AGMs, EGMs, etc.) are individually analysed, and AAM votes in meetings taking due consideration of the governance of each company. AAM recognizes that good governance is often key to ensuring the good management of environmental and social issues.

In addition to considering the PAI indicators, certain issuers are excluded on the basis of their activities and associated adverse impacts. These exclusion criteria are outlined in the Aegon AM NL Sustainability Risks and Impacts Policy applicable to this fund and in the product prospectus.

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?

The Investment Manager ensures that the Sustainable Investments are aligned with OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights by periodically screening the portfolio holdings using external specialized 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.

(c) Environmental or social characteristics of the financial product

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

The Fund actively seeks to invest in companies that promote positive environmental, social and governance characteristics. Holdings are categorised into one of six sustainability 'pillars' (themes) based on their most material sustainability contribution. Of the six pillars, three are based on environmental characteristics (Climate Change, Eco Solutions and Resource Efficiency) and three are based on social factors (Inclusion, Health & Wellbeing and Sustainable Growth). Governance is also an underlying pillar that is considered for all holdings. In addition, the Fund avoids investing in companies whose products and services are considered to be unsustainable. These are: adult entertainment, animal testing for cosmetic purposes, gambling, genetic modification for agricultural purposes, tobacco, weapons, nuclear power, fossil fuel extraction and companies failing to adhere to international standards on human rights. It will also adhere to the exclusion criteria outlined in the Aegon AM NL Sustainability Risks and Impacts Policy.

(d) Investment strategy

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

The Fund will invest predominantly in listed real estate equities as described in the Fund's investment policy. The Fund Manager aims to add value by investing in companies that contribute to:

1. the sustainability targets as defined by the United Nations' Sustainable Development Goals,
2. the Fund Manager's sustainability pillars on environmental and social themes (climate change, eco solutions, resource efficiency, sustainable growth, inclusion, health and well being and governance),
3. the financial performance of the Fund.

The investment process focuses on selection of real estate and real estate related companies based on a combination of sustainability, ESG and financial analysis of the companies supported by the Fund Manager's research.

Please refer to the Fund specifications for further details.

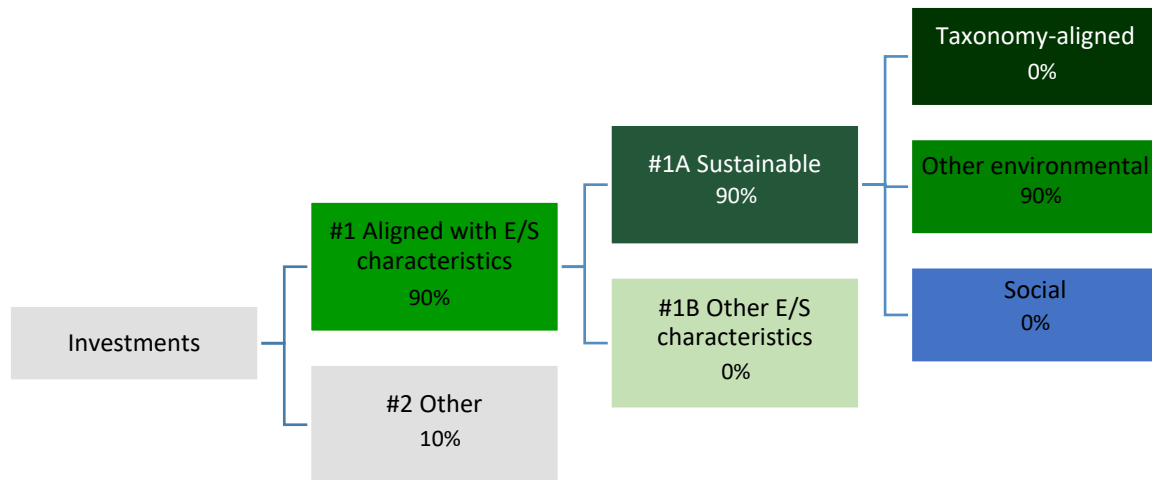
The Aegon AM NL Sustainability Risks and Impacts Policy contains specific ESG criteria used to define an Exclusion List applicable to this Fund. The Investment Manager is not allowed to invest in securities issued by issuers on the Exclusion List. In addition, The Investment Manager is required to follow the product-based exclusions and the detailed bottom up sustainability analysis carried out on each stock proposed for the strategy. The Investment Manager may only invest in securities categorized as 'leaders' and 'improvers'. As part of the sustainability analysis, at least 95% of the portfolio will be invested in sustainable investments according to the AAM's framework. This means that the investment policy is the binding element used to attain the Fund's promoted environmental and/or social characteristics.

The Fund does not commit to a minimum rate to reduce the scope of investments prior to the application of the investment strategy.

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?

Please refer to the previous answer on PAI's in the Sustainable Investments section.

(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 #1A Sustainable covers sustainable investments with environmental or social objectives.
- 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 strategy is implemented in the investment process in two stages: product-based exclusions and bottom up sustainability analysis. Any stock considered for the Fund must pass both stages to be considered investable.

The objective is to have at least 90% of the portfolio consisting of investments that are classified as either “improvers” and “leaders”.

This rule is monitored on a continuous basis in Portfolio Risk Control processes, with ex-ante controls and daily ex-post monitoring to ensure the Fund adheres to the sustainability requirements.

Bottom up research and the assigned classification is continuously monitored by the analysts and portfolio managers during company interactions and research and refreshed on a regular basis, which could be annually or more regularly if there is a trigger event which may cause a material change to the original case, or at least bi-annually.

The Responsible Investment team has sole discretion to change the sustainability rating for any holding, including downgrading it to the 'laggard' category.

(g) Methodologies

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

Several sustainability indicators are used to measure the attainment of the promoted environmental and social characteristics.

First, internal and third-party screening is used to ensure compliance with the exclusions of the Fund. This is monitored by Portfolio Risk Control monthly to ensure that the exclusions are adhered to.

Second, the Responsible Investment team analyses and reviews every holding at least every 12 months. This is also monitored by Portfolio Risk Control and we can report that this analysis cycle is adhered to.

This review includes the categorisation of issuers according to their ESG performances into “Laggards”, “Improvers” and “Leaders.” The fund is only allowed to invest in companies categorised as “improvers” and “leaders” (with the only exceptions in the paragraph below) as these are the companies that we believe fulfil the definition of sustainable investments as articulated in the following answers.

The fund can only temporarily be invested in a stock not yet (or no longer) categorised as an “Improver” or “Leader” in case of i) time sensitive opportunities in the market (like an IPO). In this case the analysis will still be completed after the acquisition of a stock to determine if it is a “Leader” or “Improver”, if not divestment will follow. ii) In case a stock is illiquid to allow for orderly disposal. iii) In case no sustainable “Leader” or “improver” is initially found in a region where the fund needs to be invested in line with its communicated regional diversification strategy. This will be allowed only until a suitable sustainable investment solution is found. The aggregate of not yet categorised holdings (and cash) is in any case limited to 10% of NAV to ensure 90% is always invested in “Leaders” and “Improvers”.

We can report the split “Leaders” and “Improvers” held within the portfolio at any time.

(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?

An external ESG data provider, Sustainalytics and MSCI have been selected as data sources to produce exclusion lists for the attainment of some of the environmental or social characteristics promoted by the financial product. The investment strategy of this fund also relies on proprietary qualitative analysis to categorize issuers on their relative sustainability. This analysis is based primarily on data from GRESB, a specialist ESG data provider for the real estate sector.

What measures are taken to ensure data quality?

Information from other sources, such as company disclosed data, industry publications and press articles will be assessed and corroborated with data from other sources to provide assurance as to its accuracy.

How is data processed?

Data in Aladdin is processed by applying an issuer transversal logic. It operates by taking each security in position and resolving it to the issuer it uses for ESG data inheritance per the defined asset resolution rollup. Once that issuer is defined, a check is performed by the system to confirm if that issuer has coverage for the measure requested.

What proportion of the data is estimated?

The proportion of estimated versus reported data will vary per each underlying data point needed for the calculation for that ESG metric. For certain metrics, external ESG data providers make available further information on the underlying data, indicating the source of the data: estimation based on a proprietary model or issuer disclosures. Additionally, data obtained from public sources may also be estimated to some extent.

(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?

Where data is reported by issuers such as companies, data limitations are tied to availability of reported data by such issuers as well as the coverage of issuers by external ESG data providers. Where data is estimated, limitations are tied to the accuracy of the proprietary estimation methodologies of external ESG data providers.

(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 always maintains at least two ESG data providers and utilises multiple data metrics from their data sets for funds promoting ESG characteristics. This allows Aegon AM to compare different sources to allow sufficient certainty that the promoted ESG characteristics can be reasonably attained.

(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 reference benchmark has been designated for the purpose of attaining the environmental or social characteristics promoted by the financial product.

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



Samenvatting

Dit product promoot de ecologische en sociale kenmerken door actief en op continue basis bepaalde beleggingen uit te sluiten die een belangrijk ongunstig effect hebben op duurzaamheidsfactoren, en door beleggingen te selecteren die volgens de eigen methodologie van Aegon AM duurzaam zijn. In het kader van due diligence houdt het product rekening met de belangrijkste ongunstige effecten voor zover dergelijke gegevens beschikbaar zijn, en past maatregelen toe om ondernemingen waarin is belegd die geen praktijken op het gebied van goed bestuur hanteren, te screenen. 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 beslissing.