

### AEGON GLOBAL SUSTAINABLE SOVEREIGN BOND 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 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?

The sustainability research process consists of quantitative and qualitative inputs that inform our sustainability research decisions as described above. As of the process sustainability risks include risks that could violate the cause no significant harm principle for a sovereign. The investable universe consists of sustainable issuers, which performing better on SDGs relative to wealth and regional peers, and have less sustainability risks than Detrimental and Neutral issuers.

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

The sustainability research process described above incorporates PAIs relevant to sovereigns when conducting sustainability research to determine the investable universe. The PAIs for sovereigns overlap with the quantitative and qualitative considerations as part of the sustainability process. The process is designed to evaluate the sustainability ambitions of each sovereign including an analysis of ghg emissions, inequality, human rights, governance and controversies. 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.

##### 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?

These international norms are not directly relevant to sovereign debt investments.

#### (c) Environmental or social characteristics of the financial product

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

This Fund actively avoids investing in securities issued by governments that are under arms embargoes and/or systematically violate human rights by adhering to the exclusions list in the Aegon AM NL Sustainability Risks and Impacts Policy. In addition, the Fund actively invest in sustainable sovereign issuers that are making substantial progress towards achieving the UN Sustainable Development Goals and adopting progressive policies to continue this progress. No reference benchmark has been designated for the purpose of attaining the environmental or social characteristics promoted by the financial product.

#### (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 global sustainable sovereign securities. Securities will be selected taking into account UN SDG parameters, ESG risk materiality and credit risk materiality.

Issuer selection is based on a combination of sustainability and fundamental analysis supported by the Manager's proprietary research. The Manager will select sustainable sovereign issuers that are making substantial progress towards achieving the UN SDGs, and

whose governments are delivering the promise of a continuation of such trend through progressive policies in a credible manner.

The Manager will use a proprietary methodology to classify each country into one of five categories to reflect the strength of a sustainability profile, namely "Leaders", "Influencers", "Improvers", "Neutrals" and "Detriments".

Countries are classified in one of the five categories using the following investment process:

Stage one – Countries will be screened against an exclusion list which would prevent the Manager from purchasing any securities issued by them.

Stage two – Countries with insufficient UN SDG data will be excluded from further assessments. The lack of data does not allow the Manager to assess countries' sustainability profile. Therefore, the Manager will not consider those countries in the Fund investment universe.

Stage three – Consists of two phases: (i) sustainability analysis; and (ii) fundamental analysis

The Manager will only consider countries in the top three categories (Leaders, Influencers, and Improvers) to be part of the investable universe of the Fund.

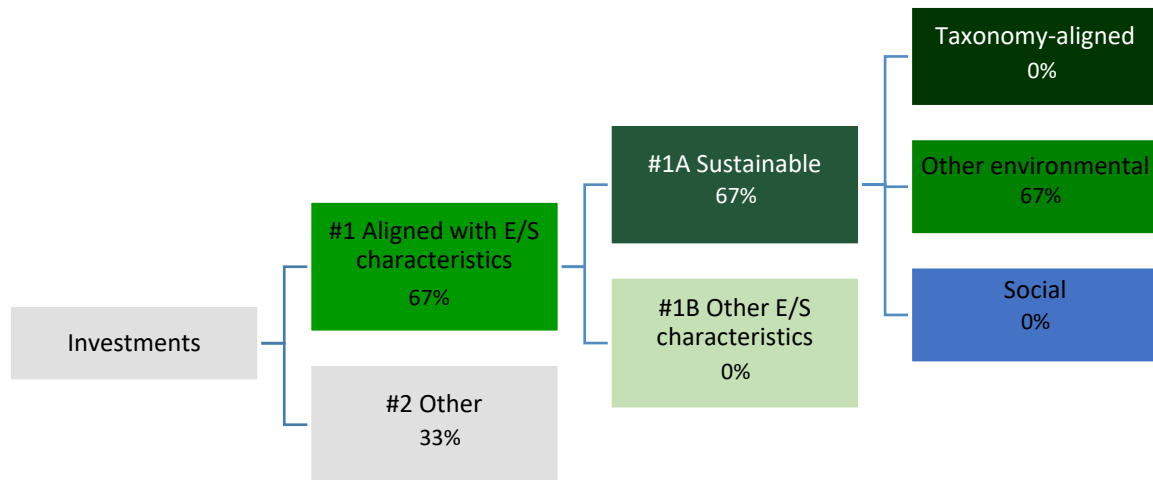
The Aegon AM NL Sustainability Risks and Impacts Policy contains specific ESG criteria used to define an Exclusion List applicable to this Fund. These exclusionary ESG criteria are the binding elements used to attain the Fund's promoted ESG characteristics. The Investment Manager is not allowed to invest in securities issued by issuers on the Exclusion List. In addition, the Investment Manager uses the aforementioned sustainability categories in the investment process. The Investment Manager may only invest in securities issued by countries categorized as Leaders, Influencers or Improvers. This 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?**

This Fund does not invest in company-issued securities. Therefore, the investments cannot be screened against good governance criteria.

#### (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?**

Any sovereign security considered for the Fund must pass through the sustainable investment process to be considered investable. This process applies on a continuous basis. Sustainability research is refreshed at least once in two years, or more regularly if there is a trigger event which may cause a material change to the original case. The Fixed Income Sustainable Investment Committee has sole discretion to change the sustainability rating for any holding, including downgrading it to Neutral or Detrimental category, which would subsequently require it to be sold from the Fund as soon as is reasonably practicable.

In addition, the Manager conducts annual screening of the broadest investment universe and utilizes third-party ESG data to determine which issuers breach the policy's exclusion criteria on an annual basis. These issuers are added to the exclusion list. The exclusion list is monitored and integrated in Portfolio Risk Control processes with daily ex-post monitoring to ensure the Fund adheres to the list.

## (g) Methodologies

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

The strategy excludes a number of securities issued by governments identified according to a set of ESG Exclusion Criteria listed in the Aegon AM NL Sustainability Risks and Impacts Policy using the broadest available coverage universe from our specialist ESG data vendors. These governments are listed in the Exclusion List attached to the same policy, and is updated annually. Therefore, the key sustainability indicators to measure the attainment of the ESG characteristics this strategy promotes is the share of

investments in government-issued debt from countries identified to be engaging in the excluded activities. A full list of these excluded activities and sustainability indicators can be found in the Aegon AM NL Sustainability Risks and Impacts Policy.

In addition, based on the sustainability assessment, the Investment Manager will categorize countries as "leaders", "influencers", "improvers", "neutrals" and "detrimentals", and will only be allowed to invest in the first three categories ("leaders", "influencers", and "improvers").

## (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 has been selected as data source 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 progress towards meeting the Sustainable Development Goals. This analysis is based on a number of data sources including Sustainalytics, and public sources such as the World Bank and the SDG Index published by Bertelsmann Stiftung and the Sustainable Development Solutions Network.

### What measures are taken to ensure data quality?

Data quality is monitored and ensured by the external provider chosen to deliver the data. Data quality is assessed and maintained across several dimensions as defined by each provider. These assurance processes are proprietary to the vendor and Aegon Asset Management has reviewed their reports concerning data quality and assurance. The external providers provide assurance that all commercially reasonable steps are undertaken to guarantee adherence to a quality framework. Upon the identification of data issues, data inaccuracies or technical/application defects, the error is to be investigated and resolved as per the vendor's incident management framework.

### How is data processed?

Exclusionary criteria assessments are performed based on Sustainalytics data retrieved directly from the vendor's system. Aegon Asset Management processes this data by applying our own exclusion criteria to the raw data, in line with our applicable Sustainability Risks and Impacts Policy. Internal qualitative analysis and decisions are stored in internal locations with restricted access rights.

### 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. Data obtained from public sources and data from originators 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, data limitations are tied to availability of reported data by such issuers as well as the coverage of issuers by external ESG data providers and public sources. Where data is estimated, limitations are tied to the accuracy of the proprietary estimation methodologies of external ESG data providers and public sources.

## (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 uses multiple ESG data providers and public sources as inputs to their qualitative analysis. 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)?**

Not applicable.

### **(I) 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



#### Oversigt

Dette produkt fremmer miljømæssige og sociale karakteristika ved aktivt at udelukke visse investeringer, der har en kontinuerlig, betydelig negativ indvirkning på faktorer, der forbindes med bæredygtighed, og ved at søge at udvælge bæredygtige investeringer i henhold til Aegon AM's proprietære metode. I forbindelse med due diligence tager produktet hensyn til væsentlige negative virkninger i det omfang, der findes tilgængelige data, og tager foranstaltninger for at frasortere investeringsmodtagende virksomheder, der ikke lever op til principperne om god forvaltningspraksis. 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 bestimmte Anlagen, die erhebliche negative Auswirkungen auf Nachhaltigkeitsfaktoren haben, aktiv und kontinuierlich ausschließt und nachhaltige Anlagen gemäß der proprietären Methodik von Aegon AM auswählt. Im Rahmen der Due Diligence-Prüfung berücksichtigt das Produkt die wesentlichen negativen Auswirkungen, soweit diese Daten verfügbar sind, und wendet Maßnahmen an, um Unternehmen, in die investiert wird und die die Grundsätze einer guten Unternehmensführung nicht befolgen, herauszufiltern. Der Großteil der Investitionen in das Produkt 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 Entscheidung.



#### Resumen

Este producto promueve características medioambientales y sociales mediante la exclusión activa y continua de determinadas inversiones que tienen una incidencia adversa significativa sobre los factores de sostenibilidad y mediante la selección de inversiones sostenibles según la metodología propia de Aegon AM. En el proceso de diligencia debida, el producto tiene en cuenta las principales incidencias adversas siempre que se disponga de esos datos, y aplica medidas para excluir a aquellas empresas participadas que no siguen los 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 sulkemalla aktiivisesti pois tietyt sijoitukset, joilla on jatkuvasti merkittäviä kestävyystekijöihin liittyviä haitallisia vaikutuksia, sekä valitsemalla kestäviä sijoituksia Aegon AM:n arviointimenetelmän mukaisesti. Huolellisessa tarkastuksessa tuote ottaa huomioon pääasialliset haitalliset vaikutukset siinä määrin kuin kyseiset tiedot ovat saatavilla ja käyttää toimenpiteitä, joilla se seuloa pois sijoituskohteina olevia yrityksiä, jotka eivät noudata hyvää hallintotapaa. Pääosa tuotteen sijoituksista vastaa ympäristöön ja yhteiskuntaan liittyviä ominaisuuksia. Rahaston hoitaja käyttää päätöstä tehdessään laajasti eri lähteistä saatavia erilaisia sisäisiä ja ulkoisia tietoja.



#### Résumé

Ce produit promeut des caractéristiques environnementales et sociales en excluant activement certains investissements ayant une incidence négative importante et continue sur les facteurs de durabilité et en sélectionnant des investissements durables selon la méthodologie exclusive d'Aegon AM. Dans le cadre du devoir de diligence, le produit prend en compte les principales incidences négatives dans la mesure où ces données sont disponibles et des mesures sont prises pour exclure les sociétés en portefeuille qui ne suivent pas les bons principes de 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 aktivno isključuje određena ulaganja koja imaju značajni negativni učinak na čimbenike održivosti na trajnoj osnovi i odabire održiva ulaganja u skladu s vlasničkom metodologijom tvrtke Aegon AM. U dubinskoj analizi proizvod razmatra glavne negativne učinke u mjeri u kojoj su takvi podaci dostupni i primjenjuje mjere za probir društva subjekta ulaganja koja ne slijede dobre upravljačke prakse. Većina ulaganja u proizvod u skladu su s ekološkim i društvenim obilježjima. Upravitelj 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 escludendo attivamente determinati investimenti che hanno un impatto negativo significativo sui fattori di sostenibilità su base continuativa e selezionando gli investimenti sostenibili secondo la metodologia proprietaria di Aegon AM. Nella due diligence, il prodotto considera i principali impatti negativi nella misura in cui tali dati siano disponibili e applica misure per escludere le imprese beneficiarie degli investimenti 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 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.



## Sammendrag

Dette produktet fremmer miljømessige og sosiale egenskaper ved aktivt og fortløpende å utelukke visse investeringer som har en betydelig negativ innvirkning på bærekraftfaktorer, samt ved å velge bærekraftige investeringer i henhold til Aegon AMs egen metodologi. I selskapsgjennomgangen vurderer produktet sentrale negative innvirkninger, i den grad slike data er tilgjengelige, og iverksetter tiltak for å luke ut bedrifter 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 beslutningen sin.



## Resumo

Este produto promove características ambientais e sociais ao excluir ativamente determinados investimentos que têm um impacto adverso significativo em matéria de fatores de sustentabilidade numa base contínua e ao selecionar investimentos sustentáveis, de acordo com a metodologia exclusiva da Aegon AM. Na devida diligência, o produto considera os principais impactos adversos, na medida em que esses dados estejam disponíveis, e aplica medidas para excluir empresas beneficiárias do investimento que não sigam os princípios de boa governança. 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 a sua decisão.



## Sammanfattning

Denna produkt främjar miljörelaterade och sociala attribut genom att aktivt utesluta vissa investeringar som fortlöpande har betydande negativa konsekvenser på vissa hållbarhetsfaktorer och genom att välja hållbara investeringar enligt Aegon AM:s egenutvecklade metod. I företagsbesiktningen beaktar produkten huvudsakliga negativa konsekvenser i den utsträckning sådana uppgifter finns tillgängliga, och produkten tillämpar åtgärder för att utesluta investeringsobjekt som inte följer god förvaltnings sed.

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.