

## **Aegon Global Equity Income Fund**

### **Supplement**

**Dated 30 June 2023**

This Supplement contains specific information in relation to the Aegon Global Equity Income Fund (the **Fund**), a sub-fund of Aegon Asset Management Investment Company (Ireland) plc (the **Company**) an umbrella type open-ended investment company with variable capital and segregated liability between sub-funds governed by the laws of Ireland and authorised by the Central Bank of Ireland (the **Central Bank**).

**This Supplement forms part of and should be read in conjunction with the Prospectus dated 30 June 2023, as amended from time to time (the Prospectus).**

The Directors of the Company, whose names appear in the **Directors of the Company** section of the Prospectus, accept responsibility for the information contained in the Prospectus and this Supplement. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case) such information is in accordance with the facts and does not omit anything likely to affect the import of such information. The Directors accept responsibility accordingly.

**Investors should also note that subscriptions for Shares of the Fund is not the same as making a deposit with a bank or other deposit taking body. The principal invested in the Fund is capable of fluctuation and the value of the Shares is not insured or guaranteed.**

**Shareholders should note that all or part of the fees and expenses (including investment management fees) may be charged (in whole or part) to the capital of the Fund. Where such fees and expenses are charged to capital, Shareholders may not receive back the full amount invested on repurchases of Shares which would have the effect of lowering the capital value of your investment.**

Words and expressions defined in the Prospectus shall, unless the context otherwise requires, have the same meaning when used in this Supplement.

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## 1. INVESTMENT OBJECTIVE

The investment objective is to provide income and capital growth over the longer term by investing in the global equities market. The Fund will aim to deliver a yield higher than that generally available from investment in global equities.

## 2. MANAGER AND INVESTMENT MANAGER

The Company has appointed the Manager, Aegon Investment Management B.V., as the management company and global distributor of the Company.

The Manager has appointed the Investment Manager, Aegon Asset Management UK plc, as the investment manager of the Company.

Please refer to the **MANAGEMENT OF THE COMPANY** section of the Prospectus for further details.

## 3. INVESTMENT POLICIES

The Investment Manager in seeking to achieve the Fund's investment objective, intends to invest primarily in a portfolio of global equity securities providing an above average yield (i.e. a higher yield than the yield of the overall global equity market). The Fund may also invest to a limited extent, in other securities and instruments as described below.

In selecting investments, the Investment Manager shall seek to invest in equity securities that have the potential for growth of income and capital and the Investment Manager shall seek to identify companies with attractive long-term business prospects that generate cash and produce attractive levels of dividend income.

The Fund shall invest in a diversified portfolio of equity securities. The Investment Manager may invest the Fund's assets in securities of companies across a broad range of industries and sectors, with a wide range of market capitalisations and in companies domiciled throughout the world. The Fund will not concentrate on any particular sector or geographic location, however it is intended that, under normal market conditions, the majority of the Fund's investments will be concentrated in liquid shares of companies with a market capitalisation in excess of £1 billion.

### **Equity Securities:**

The Fund shall directly invest at least 80% of the Net Asset Value of the Fund in equity securities. Equity securities shall comprise common stocks of companies which are either incorporated, listed, carrying on business dealt in or traded on a Recognised Market (as defined in the Prospectus) or which are otherwise permitted for this Fund.

All the Fund's equity investments including indirect exposure (but for the avoidance of doubt excluding ancillary liquidity assets, index traded futures, collective investment schemes and all other securities as set out in the section "Other Securities and Investments" below) are subject to the Investment Manager's ESG criteria (detailed below).

In summary, the Investment Manager will firstly apply an exclusionary screen to exclude investments which the Investment Manager considers have a negative impact on society and/or the environment. Securities that appear on the 'Exclusion List' and the 'Watch List' of the Investment Manager's Sustainability Risks and Impacts Policy will be excluded from the investable universe.

ESG analysis then will be integrated into the bottom-up stock selection process carried out by the Investment team on securities in the remaining universe. The analysis will seek to determine how significant ESG factors are to the specific investment under consideration, how the security being analysed is performing on those ESG factors and whether this performance is improving, deteriorating or remaining static over time.

This analysis will be combined with ESG ratings from MSCI, as well as other relevant investment factors in the portfolio construction process. The Fund will aim to have a greater exposure than the MSCI ACWI Index to securities with positive ESG characteristics, as defined by MSCI ESG ratings, and will seek to have at least a weighting of 1.2 times (20% higher exposure than) the MSCI ACWI Index in securities ranked either AAA or AA (the two highest ratings) by MSCI at the portfolio level. Full details MSCI

methodology can be found at <https://www.msci.com/documents/1296102/21901542/ESG-Ratings-Methodology-Exec-Summary.pdf>.

The methodology looks to assess (i) What the most material ESG issues are for a company and the industry it operates in, (ii) How exposed the company is to these, (iii) How well the company is managing these and (iv) the overall picture of the company and how it compares to its global industry peers.

For further details in respect of the Fund's promotion of ESG characteristics, please refer to Appendix I to this Supplement.

**Other Securities and Investments:**

The Fund may also hold ancillary liquid assets such as cash, cash investments, bank deposits, short term certificates or high quality short-term money market instruments including, but not limited to, commercial paper and treasury bills but the Investment Manager would not expect to hold substantial amounts of assets in these forms except if such investments were considered to be in the best interests of the Shareholders in the Fund.

The Fund may invest up to 10% of the Fund's Net Asset Value in other open-ended collective investment schemes.

The Fund may use financial indices, such as FTSE 100 and the S&P 500, for efficient portfolio management purposes which is further described below. The Fund's use of underlying indexes will be in accordance with the Central Bank UCITS Regulations.

The Fund may enter into stock-lending and repurchase/reverse repurchase agreements for the purposes of efficient portfolio management subject to the conditions and limits for such arrangements set down in the Central Bank UCITS Regulations.

Although it is the intention of the Investment Manager to invest primarily in equity securities, in circumstances where the Investment Manager is unable to identify suitable equity investments, the Fund may invest up to 20% of its assets in preferred stocks, convertible securities, rights, warrants, American Depositary Receipts, Global Depositary Receipts and fixed income securities such as corporate, convertible and government bonds or notes (which may be fixed or floating rate and shall primarily be investment grade (although may include non-investment grade to a limited extent)).

The Fund may invest in equity and index warrants. Equity warrants are securities that give the holder the right, but not the obligation, to subscribe for newly created equity issues of the issuing company or a related company at a fixed price either on a certain date or during a set period. Changes in the value of a warrant do not necessarily correspond to changes in the value of its underlying security. The price of a warrant may be more volatile than the price of its underlying security, and a warrant may offer greater potential for capital appreciation as well as capital loss. Warrants do not entitle a holder to dividends or voting rights with respect to the underlying security and do not represent any rights in the assets of the issuing company. A warrant ceases to have value if it is not exercised prior to its expiration date. These factors can make warrants more speculative than other types of investments.

The Fund may invest in fixed-income obligations convertible into equity securities of global issuers. The convertible securities in which the Fund may invest include warrants, convertible debt and convertible preferred stock. They may be converted at either a stated price or at a stated rate into underlying shares of common stock. Because of this feature, convertible securities enable an investor to benefit from increases in the market price of the underlying common stock. Convertible securities provide higher yields than the underlying equity securities, but generally offer lower yields than non-convertible securities of similar quality. The value of convertible securities fluctuates in relation to changes in interest rates like bonds, and in addition, fluctuates in relation to the value of the underlying common stock.

The Fund may invest in rights which are a type of security entitling holders to purchase new shares issued by the corporation at a predetermined price (normally less than the current market price) in proportion to the number of shares already owned. Rights are issued only for a short period of time, after which they expire.

The assets of the Fund may be denominated in US Dollars or other currencies that may or may not be hedged back to US Dollars at the Investment Manager's discretion.

### **Financial Derivative Instruments (FDI):**

The Fund may invest in FDI for the purposes of efficient portfolio management (**EPM**), subject to the conditions described in the Prospectus.

In particular, the Fund may invest in futures, options and forwards, each of which is described in the Prospectus. The underlying assets of these FDI will be one of the asset classes referred to above in this **Investment Policies** section.

Generally, the futures contracts in which the Fund will invest will be in relation to: (i) equities/stocks of companies (worldwide); and (ii) the value of financial indices such as FTSE 100 and S&P 500.

Generally the put/call options the Fund may purchase will be in relation to equities/stocks of companies (worldwide); and (ii) put/call options in relation to the types of futures contracts described above.

### **Other Information**

The Fund will be able to take long and/or short positions across the assets described in the investment policy. It is anticipated that the Fund may hold between 100% to 150% of its assets in long positions and up to 50% of its assets in short positions.

The Investment Manager uses a risk management technique known as relative value-at-risk (**VaR**) to measure the Fund's global exposure.

VaR is an advanced risk measurement methodology used to assess the Fund's global exposure, as set out in the RMP. VaR will be used by the Fund in accordance with the requirements of the Central Bank pursuant to which the VaR of the Fund's portfolio shall not exceed twice the VaR of the reference portfolio; and the one-tailed confidence interval shall not be less than 95% with a one month holding period. The historical observational period will be not less than 3 years. VaR will be calculated on a daily basis.

The reference portfolio for the purpose of relating VaR is the MSCI AC World Index (the **Index**). It is a stock market index of over 6,000 global stocks. It is maintained by MSCI Inc., formerly Morgan Stanley Capital International and is often used as a benchmark for global stock funds. The risk profile of the Index is consistent with the investment objectives, policies and limits of the Fund. As it is not expected that the risk profile of the Fund will change frequently, the Fund is managed and marketed with reference to this Index. It is, therefore, appropriate to monitor the global exposure of the Fund using relative VaR.

The level of leverage of the Fund (calculated using the sum of the notionals of the FDIs used by the Fund) under normal circumstance is expected to be in the range of 0% to 50% of the Net Asset Value of the Fund. It is possible that there may be higher leverage levels from time to time during abnormal market conditions and, for example, at times when there is low volatility.

The collateral management policy is set out in the Prospectus.

### **Use of benchmarks**

The Fund is actively managed and does not have any limits on the weightings of sectors or countries within the portfolio relative to any benchmark, save for the target of having 1.2x the exposure of the MSCI ACWI in stocks rated AAA and AA for ESG by MSCI. Additional Benchmarks may be used from time to time as performance comparators and any such use will be disclosed in the Key Investor Information Document for the Fund.

### **SFDR**

As described at Appendix I, the Fund promotes ESG characteristics by screening securities to identify those which breach certain principles the Investment Manager consider relevant to sustainability and excluding those securities listed in both the exclusion list and watch list set out in the Investment Manager's Sustainability and Risk Impacts Policy. It will also engage with investee companies by applying the active ownership principles described in the Prospectus. As such, the Fund is categorised as falling within the scope of Article 8 of SFDR.

## **4. EFFICIENT PORTFOLIO MANAGEMENT – REPO AND STOCK LENDING TRANSACTIONS**

The Fund may enter into repurchase agreements and reverse repurchase agreements ("**repo transactions**") and stock lending transactions for the purposes of Efficient Portfolio Management in accordance with the conditions set out in the Prospectus and the investment restrictions, conditions and limits laid down by the Central Bank.

**5. SECURITIES FINANCING TRANSACTIONS**

The Fund may engage in securities financing transactions as described in the Prospectus. The Fund's exposure to SFTs is as set out below (in each case as a percentage of Net Asset Value):

	Expected	Maximum
Repo Transactions	0-20%	40%
Stock Lending	0-20%	40%

**6. INVESTMENT RESTRICTIONS**

The general investment restrictions set out under the heading **FUNDS - Investment Restrictions** in the Prospectus shall apply to the Fund.

**7. HEDGED AND UNHEDGED SHARE CLASSES**

The Base Currency of the Fund is US Dollar.

The classes of Shares of the Fund are listed in the section entitled **Key Information for Buying and Selling**. Please contact the Manager / Global Distributor for details of what Share classes are currently available for subscription.

For the hedged Share classes of the Fund, the Investment Manager intends to hedge the currency exposure of the currency(ies) of the Fund's underlying assets in order to attempt to mitigate the effect of fluctuations in the exchange rate between the currency(ies) of the Fund's underlying assets and the Share class currency. This is 'Method 2 (Portfolio Currency Hedging)' of Share class currency hedging, as explained in the Prospectus under the heading 'Hedged and Unhedged Share Classes'.

This section should be read in conjunction with the section entitled **Hedged and Unhedged Share Classes** in the Prospectus.

**8. BORROWINGS**

In accordance with the general provisions set out in the Prospectus under the heading **FUNDS - Borrowing and Lending Powers** the Fund may borrow up to 10% of its net assets on a temporary basis.

**9. RISK FACTORS**

The general risk factors set out under the heading **RISK FACTORS** section of the Prospectus apply to the Fund. These risk factors are not purported to be exhaustive and potential investors should review the Prospectus and this Supplement carefully and consult with their professional advisers before making a subscription request for Shares. The investments of the Fund may be subject to market fluctuations, currency fluctuations, emerging markets risks, custody and settlement risks, registration risk and foreign exposure risk.

**10. DIVIDEND POLICY**

The Directors may declare dividends for the Income Share classes on a quarterly basis at close of business on the last Business Day of July, October, January and April. Dividends shall be declared out of the accumulated revenue (consisting of all revenue accrued including interest and dividends) less any applicable expenses). The Directors currently intend to pay dividends equal to substantially all of the

income arising to the income Share classes. This will also ensure that the income Share classes can qualify as reporting funds for UK tax purposes. Any such dividend in relation to the income Share classes will be paid out of income arising indirectly from its holdings in investments and from any other income that may accrue to the Fund. Dividends will be paid by telegraphic transfer within two months of the relevant declaration date.

The Company will operate grouping for equalisation with respect to income shares. Each Class of each Fund will operate its own equalisation account. Shares purchased during a distribution period are called Group 2 Shares. Shares purchased during any previous distribution period are called Group 1 Shares. Group 2 Shares contain in their purchase price an amount called equalization which represents a proportion of the net income of the Fund that has accrued up to the date of purchase. The amount of equalisation is averaged across all the Shareholders of Group 2 Shares and is refunded to them as part of their first distribution. It may be treated as a return of capital for tax purposes.

As set out in section 11.3 of the Prospectus, equalisation data will be provided in respect of Reporting Shares on the Shareholder reports referred in section 11.3 of the Prospectus. Group 2 Shareholders investing in Reporting Shares can use the equalisation data to reduce their reportable income for a period.

Each holder of Income Shares has the option to take dividends in cash or to reinvest in the relevant Fund by the allotment of additional Shares at Net Asset Value per Share provided that no Preliminary Charge will be payable on any Shares so allotted of the Fund. The Fund's default position unless specifically advised on the application form will be to reinvest dividends into the Shares of the Fund. Those Shareholders wishing to have their distribution of income automatically paid in cash should elect for such method when completing the Application Form. Payment will be made by telegraphic transfer to an account in the name of the Shareholder within 2 months of the declaration date. Distributions not claimed within six years from their due date will lapse and will revert to assets of the Fund.

Accumulation shares may, at the discretion of the Directors, be issued on the basis that no dividends will be declared in respect of those Shares and that any income available for distribution will form part of the assets of the Fund and will be applied when calculating the subscription price and the repurchase price as part of the proportion of the Fund which is attributable to the holders of that class of Shares.

This section should be read in conjunction with the section entitled **Dividend Policy** in the Prospectus.

## 11. PROFILE OF A TYPICAL INVESTOR

The Fund is designed for retail and institutional investors seeking pooled exposure to the global equity market, and who are comfortable with a higher level of investment risk. It is expected that the Fund will be held as part of a diversified portfolio which may include other assets such as bonds, equities, property and cash. Share prices will fluctuate and may fall in value. It is important to understand that the Fund should be viewed as a medium to long term investment. The Fund may not be appropriate for investors who plan to invest in the short term.

## 12. KEY INFORMATION FOR BUYING AND SELLING

### Base Currency

The Base Currency of the Fund is US Dollar.

### Share Class Information

Share Class	Currency	Hedging	Dividend Policy	Minimum Initial Investment Amount (US\$ or equivalent in another acceptable currency, unless	Minimum Additional Investment Amount (US\$ or equivalent in another acceptable currency)	Minimum Withdrawal Amount (US\$ or equivalent in another acceptable currency)	Minimum Residual Holding (US\$ or equivalent in another acceptable currency)

				otherwise specified)*			
Class A	Sterling, Euro, US Dollar, Swiss Franc, Swedish Krona, Norwegian Krone, Danish Krone, Icelandic Króna, Japanese Yen, Brazilian Real***	Hedged**, Unhedged	Accumulation, Income	1,000	1,000	1,000	1,000
Class B	Sterling, Euro, US Dollar, Swiss Franc, Swedish Krona, Norwegian Krone, Danish Krone, Icelandic Króna, Japanese Yen, Brazilian Real***	Hedged**, Unhedged	Accumulation, Income	500,000	1,000	1,000	1,000
Class C	Sterling, Euro, US Dollar, Swiss Franc, Swedish Krona, Norwegian Krone, Danish Krone, Icelandic Króna, Japanese Yen, Brazilian Real***	Hedged**, Unhedged	Accumulation, Income	1,000,000	20,000	20,000	200,000
Class D	Sterling, Euro, US Dollar, Swiss Franc, Swedish Krona, Norwegian Krone, Danish Krone, Icelandic Króna, Japanese Yen, Brazilian Real***	Hedged**, Unhedged	Accumulation, Income	500	N/A	N/A	N/A
Class G	Sterling, Euro, US Dollar, Swiss Franc, Swedish Krona, Norwegian Krone, Danish Krone, Icelandic Króna, Japanese Yen, Brazilian Real***	Hedged**, Unhedged	Accumulation, Income	500	N/A	N/A	N/A
Class I	Sterling, Euro, US Dollar, Swiss Franc, Swedish Krona, Norwegian Krone, Danish Krone, Icelandic Króna, Japanese Yen, Brazilian Real***	Hedged**, Unhedged	Accumulation, Income	EUR1,000,000	N/A	N/A	N/A
Class J	Sterling, Euro, US Dollar, Swiss Franc, Swedish Krona, Norwegian Krone, Danish Krone, Icelandic Króna, Japanese Yen, Brazilian Real***	Hedged**, Unhedged	Accumulation, Income	250,000,000	10,000,000	10,000,000	225,000,000
Class S	Sterling, Euro, US Dollar, Swiss Franc,	Hedged**, Unhedged	Accumulation, Income	100,000,000	10,000,000	10,000,000	50,000,000

	Swedish Krona, Norwegian Krone, Danish Krone, Icelandic Króna, Japanese Yen, Brazilian Real***						
Class X	Sterling, Euro, US Dollar, Swiss Franc, Swedish Krona, Norwegian Krone, Danish Krone, Icelandic Króna, Japanese Yen, Brazilian Real***	Hedged**, Unhedged	Accumulation, Income	250,000	N/A	N/A	N/A
Class Z	Sterling, Euro, US Dollar, Swiss Franc, Swedish Krona, Norwegian Krone, Danish Krone, Icelandic Króna, Japanese Yen, Brazilian Real***	Hedged**, Unhedged	Accumulation, Income	250,000,000	10,000,000	10,000,000	225,000,000

*\*For hedged Share classes the minimum investment amount is \$10,000,000 (or its foreign currency equivalent).*

*\*\*Share classes denominated in US Dollar are not available as currency hedged Share classes as the Base Currency of the Fund is US Dollar.*

*\*\*\*Notwithstanding any section in the Prospectus or Supplement, the settlement currency for subscriptions and redemptions relating to the Brazilian Real Share classes is US Dollar. In accordance with the terms of Prospectus, the Net Asset Value of the Brazilian Real Share classes shall be published in US Dollar.*

Please contact the Manager / Global Distributor for details of what Share classes are currently available for subscription.

The Directors (or the Manager or its delegates on their behalf) may waive such minimum investment levels in their absolute discretion.

### **Initial Offer Period**

The Initial Offer Period for each Share class which has not launched has commenced and they will continue to be available for subscription at the Initial Issue Price, as set out below, until 5.00 pm (Irish time) on 2 January 2024. The Initial Offer Period of each class of Shares may be extended or shortened as the Directors may determine and any change will be notified to the Central Bank in accordance with its requirements. After the Initial Offer Period of each class, Shares of such class will be available for subscription at the Net Asset Value per Share.

### **Initial Issue Price**

1. Sterling Classes GBP 10
2. Euro Classes (except I Classes) EUR 10
3. Euro Classes (I Classes) EUR 10,000
4. US Dollar Classes USD 10
5. Swiss Franc Classes CHF 10
6. Swedish Krona Classes SEK 100
7. Norwegian Krone Classes NOK 100

8.	Danish Krone Classes	DKK 100
9.	Icelandic Króna Classes	ISK 1000
10.	Japanese Yen Classes	JPY 1000
11.	Brazilian Real Classes	BRL 100

### **Business Day**

Any day (except Saturday or Sunday) on which the banks in both Ireland and the UK are open generally for business, or such other day as the Directors may, in consultation with the Manager and with the consent of the Depositary, determine and notify to Shareholders in advance.

### **Dealing Day**

The Fund shall be open to dealing on every Business Day.

### **Dealing Deadline**

In respect of a Dealing Day, the Dealing Deadline for Subscriptions and Redemptions is defined as 11.00 am (Irish time) on the relevant Dealing Day or such other day or time as the Directors may determine provided it is prior to the relevant Valuation Point.

### **Settlement Date**

Subscription monies must be received by and generally payment for Shares redeemed will be effected by the 3rd Business Day falling after the Dealing Day on which the redemption request is received. However, the Company may, at its absolute discretion, refuse to satisfy a redemption request or make any other payment to a Shareholder or at the direction of a Shareholder if such payment would result in a breach of the guidelines in operation from time to time in relation to the detection and prevention of money laundering. Redemption proceeds will be paid in the currency of the relevant Share class.

### **Preliminary Charge**

The Company may levy an initial charge of up to 5% of the Net Asset Value per Share in connection with the subscription of Class A, D, G and X Shares of the Fund. This fee will be retained for the benefit of the Global Distributor. The Global Distributor may, at its sole discretion and in accordance with applicable laws and regulations, (i) share any or all of the fee with the Sub-Distributors, (ii) pay commission to financial intermediaries including but not limited to sub-distributors, intermediaries, advisers and introducing agents who refer and/or advise prospective investors out of the initial charge and/or (iii) waive the initial charge for certain prospective investors based on factors deemed appropriate by the Global Distributor.

There is no preliminary charge payable on any Class other than Class A, D, G and X Shares.

### **Exchange Charge**

The Directors reserve the right at their sole discretion, to impose an exchange fee of up to 1.5% of the total repurchase price of the Shares in respect of an exchange of Shares held in one class for Shares in another class but such fee is charged only if exchanges are in excess of 5 in a calendar year.

### **Dilution Adjustment**

Please refer to the section entitled Dilution Adjustment in the Prospectus.

### **Valuation Point**

Shall mean 12:00 Noon (Irish time) on each Dealing Day or such other day or time as may be determined by the Directors and approved by the Depositary.

### **13. CHARGING OF FEES AND EXPENSES TO CAPITAL**

The fees and expenses (including management fees) of the Fund may be charged (in whole or part) to the capital of the Fund in order to enable the Fund to pay a larger distribution amount and/or in circumstances where there is insufficient income being received by the Fund and/or as an efficient and accurate method of ensuring that fees incurred at a Share class level are apportioned to the relevant Share classes.

In circumstances where such fees and expenses are charged to capital, there may be a lack of potential for capital growth meaning the capital value of a shareholder's investment may be eroded and due to such capital erosion the value of future returns may also be diminished. As such, income may be achieved by forgoing the potential for future capital growth.

The Fund's objective is to provide income and capital growth rather than capital growth alone. Dividends paid in circumstances where fees and expenses are charged to capital should be understood as a type of capital reimbursement. Any income statement issued to shareholders where fees and/or expenses have been charged to capital shall include a statement to explain the effect of this accounting policy and, if applicable, that the shareholder's capital amount has been reduced.

### **14. FEES AND EXPENSES**

#### **14.1. Management Fee**

The fee payable to the Manager will be no more than 1% per annum of the Net Asset Value of each class. Such fees shall be accrued daily and payable monthly in arrears. The Manager shall also be entitled to be reimbursed out of the assets of the Fund for reasonable out-of-pocket expenses incurred by the Manager or the Investment Manager in the performance of its duties.

The Manager shall be responsible for discharging from this fee the fees of the Investment Manager.

The Manager (or its delegate) may agree at its discretion to rebate a portion of the management fees with respect to certain Shareholders' investment in the Fund. Any such rebate or reduction will not entitle other Shareholders to a similar waiver.

Neither the Manager nor the Investment Manager will charge a performance fee.

#### **14.2. Administration Fee**

The fee payable to the Administrator shall not exceed 1% per annum (plus VAT, if any) of the Net Asset Value of the Fund. Such fee shall be accrued daily and payable monthly in arrears.

The Administrator will also be entitled to receive any out-of-pocket expenses incurred.

#### **14.3. Depositary Fee**

The fee payable to the Depositary for the services provided to the Company shall not exceed 0.5% per annum (plus VAT, if any) of the Net Asset Value of the Fund subject to a minimum fee of £3000 per annum. The Depositary's fees will be accrued daily and shall be payable monthly in arrears.

The Depositary will also be entitled to receive any out-of-pocket expenses incurred (including any transaction charges or sub-custodian fees at normal commercial rates).

#### **14.4. Registration Fee**

The fee payable to the Administrator for the delegated registration services will not exceed 0.5% per annum (plus VAT, if any) of the Net Asset Value of the Fund. Such fee shall be accrued daily and payable monthly in arrears.

#### **14.5. Distribution Fee**

In addition to the preliminary charge that may be paid to the Global Distributor as referred to above, the fee payable to the Global Distributor for its services in the distribution of Shares of the Fund shall not exceed 1% per annum of the Net Asset Value attributable to the Class A Shares, and shall not exceed 1.5% per annum of the Net Asset Value attributable to the Class D and Class G Shares. The Global Distributor shall be responsible for the discharge of any fees due to the Sub-Distributors and may, at its sole discretion and in accordance with applicable laws and regulations, pay commission to financial intermediaries including but not limited to sub-distributors, intermediaries and advisers who refer and/or advise prospective investors out of the Global Distributor's fee as set out above. Where taken, this fee shall be accrued daily and payable monthly in arrears.

14.6. **Establishment Costs and Expenses**

There are no further establishment costs to be paid or amortised by the Fund.

15. **REPORTING FUND STATUS**

It is the current intention of the Directors to apply to HM Revenue and Customs for **Reporting Fund** status on any of the sub-funds' Share classes which shall be directed towards the UK market.



Index in securities ranked either AAA or AA (the two highest ratings) by MSCI at the portfolio level.

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

● ***What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?***

The Investment Manager will firstly apply an exclusionary screen to exclude investments which the Investment Manager considers have a negative impact on society and/or the environment. Securities whose issuer has been identified according to a set of ESG exclusion and watch list criteria (as detailed in the description of the Fund's investment strategy below) will be excluded. Therefore, the key sustainability indicators to measure the attainment of the ESG characteristics this strategy promotes is the share in of investments in companies identified to be engaging in excluded activities.

ESG analysis then will be integrated into the bottom-up stock selection process carried out by the Investment team on securities in the remaining universe. The analysis will seek to determine how significant ESG factors are to the specific investment under consideration, how the security being analysed is performing on those ESG factors and whether this performance is improving, deteriorating or remaining static over time.

● ***What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?***

N/A

● ***How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?***

N/A

How have the indicators for adverse impacts on sustainability factors been taken into account?

N/A

How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:

N/A

**Sustainability indicators** measure how the environmental or social characteristics promoted by the financial product are attained.

**Principal adverse impacts** are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

*The EU Taxonomy sets out a “do not significant harm” principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.*

The “do no significant harm” principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.



### **Does this financial product consider principal adverse impacts on sustainability factors?**

Yes, the Fund considers principal adverse impacts (PAIs) on sustainability factors. The Investment Manager interprets consideration to mean awareness of the PAI indicators, where data is available. Certain security types or asset classes may have limited or no PAI data available. PAIs are taken into account within the context of the Fund’s investment objective.

The Investment Manager considers PAIs, where data is available, alongside other factors in its investment decisions. PAI factors will be included in the applicable reports alongside the sustainability risk assessment (ESG integration) for consideration in our investment process. However, PAIs may be no more significant than other factors in the investment selection process, such that PAIs may not be determinative in deciding to include or exclude any particular investment in the portfolio.

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 description of the Fund's investment strategy below. Further details are also set out in the Investment Manager’s Sustainability Risks and Impacts Policy applicable to the Fund (the “Aegon AM UK Sustainability Risks and Impacts Policy”), which can be found on the Aegon AM website documents section ([www.aegonam.com](http://www.aegonam.com)).

More information on how PAIs were considered during a specific reporting period can be found in the SFDR periodic disclosure.



### **What investment strategy does this financial product follow?**

The Fund intends to invest primarily in a portfolio of global equity securities providing an above average yield (i.e. a higher yield than the yield of the overall global equity market). In selecting investments, the Investment Manager shall seek to invest in equity securities that have the potential for growth of income and capital and the Investment Manager shall seek to identify companies with attractive long-term business prospects that generate cash and produce attractive levels of dividend income.

In addition, the Fund adheres to the Investment Manager’s ESG criteria, which combines an initial exclusionary screen and integration of ESG analysis in the investment process, based on an internal ESG analysis and the consideration of ESG external ratings.

**The investment strategy** guides investment decisions based on factors such as investment objectives and risk tolerance.

### *Screening*

A screen will be applied to the universe of the equity investments (but for the avoidance of doubt excluding ancillary liquidity assets, index traded futures, collective investment schemes and all other securities as set out in the section "Other Securities and Investments" of the Fund Supplement) according to exclusionary criteria and a watch list, as detailed below.

The Fund shall not be invested in companies that fall within the exclusionary criteria which excludes securities and/or companies that engage in activities related to controversial arms trade or the production, maintenance or use of controversial weapons based on widely accepted international treaties, standards and guidelines from the Fund's investment universe. The current exclusionary criteria address:

- Companies involved in development, production, maintenance and trade of anti-personnel mines, biological or chemical weapons, cluster munitions and ammunitions containing depleted uranium;
- Companies involved in the production and maintenance of nuclear weapons for any country other than those allowed to possess nuclear weapons based on international agreements;
- Companies that produce or develop key and dedicated components for controversial weapons, as listed above, or offer essential services for their use;
- Companies involved in controversial arms trade to countries where a United Nations Security Council, European Union, United States or other relevant multilateral arms embargo is in place;
- Companies that hold a stake of 20% or more in, or are currently 50% or more owned by, a company that is involved in controversial weapons based on the above criteria;
- Investments in any form of government-issued debt from countries that are under an arms embargo of the United Nations, the European Union, or the United States.
- Russian and Belarussian companies.

A watch list is also maintained, and the Fund will commit to treating the watch list as a hard restriction, notwithstanding the flexibility in the Aegon AM UK Sustainability Risks and Impacts Policy, and as such shall not invest in companies that are listed in the watch list. The watch list criteria currently seeks to identify companies whose activities as regards climate change, tobacco, or human rights potentially create an adverse impact on sustainability factors. The current watch list criteria includes:

### *Climate change*

- Companies that currently derive 30% or more of their revenue from the exploration, mining or refining of thermal coal.
- Companies that produce more than 20 million tons of thermal coal annually and are actively expanding exploration, mining or refining operations;
- Companies that own coal-fired electricity generation capacity greater than 10 gigawatts and are actively expanding coal-fired electricity production capacity;
- Companies that derive 30% or more of their total oil equivalent production from oil sands;
- Companies building or operating pipelines that significantly facilitate export of oil extracted from oil sands.

### *Human rights*

-Investments in any form of government-issued debt (e.g. government bonds) from countries whose governments systematically breach human rights.

#### *Tobacco*

-Companies that derive 5% or more of their revenues from tobacco production.

Further details and the full exclusion and watch lists are set out in the Aegon AM UK Sustainability Risks and Impacts Policy.

#### *ESG Analysis*

Investments which pass the screening criteria form the investment universe which is then subject to further fundamental and ESG analysis from which the “best in class” investments will be selected. As part of a holistic process, the Investment Manager will use a combination of external third party research and internal analysis to evaluate ESG related risks and opportunities.

ESG analysis will be integrated into the bottom up stock selection process through the use of an ESG analysis framework, which is applied to all equity analysis. This is a three-stage framework used to determine the materiality of the identified ESG factors from a risk and return perspective:

**Stage 1: Identifying:** the most material ESG factors for a given company and assessing how the company performs on those factors (green, amber, red).

**Stage 2: Assessing:** the materiality of the ESG factors identified in Step 1 to the overall investment case (high, medium, low)

**Stage 3: Further Assessment:** as to whether the company’s performance on ESG factors is improving, remaining static or deteriorating over time.

In addition to the above, external ESG ratings from MSCI will also be considered in the process and the Fund uses these to set target weights for stocks with high ratings. The Fund will aim to have a greater exposure than the MSCI ACWI Index to securities with positive ESG characteristics, as defined by MSCI ESG ratings, and will seek to have at least 1.2.x (20% greater exposure) than the MSCI ACWI Index to AAA and AA (companies defined as ‘Leader’ / the two highest ratings by MSCI) companies at the portfolio level based on the MSCI ESG rating.

The MSCI methodology looks to assess (i) What the most material ESG issues are for a company and the industry it operates in, (ii) How exposed the company is to these, (iii) How well the company is managing these and (iv) the overall picture of the company and how it compares to its global industry peers. Full details MSCI methodology can be found at <https://www.msci.com/documents/1296102/21901542/ESG-Ratings-Methodology-Exec-Summary.pdf>.

There is no minimum rating which a security must have in order to be eligible for the Fund (except having passed the exclusionary screen).

#### *Portfolio construction*

The Investment Manager will assess an investment opportunity’s relative attractiveness by reviewing the fundamental factors, including ESG factors, alongside valuation metrics and market technicals, with the relative importance of each factor depending on the individual circumstances of the company being analysed. The Investment Manager will then determine how these fit with the portfolio’s current holdings to determine the appropriate position size.

The Investment Manager's Responsible Investment team leads on its proxy voting and engagement activities and will engage with investee companies where the Investment Manager's analysis has concluded that improvements could be made in the company's ESG performance.

If an existing holding is subsequently added to the Investment Manager's exclusion list or watch list, then the Investment Manager will sell the position as soon as reasonably practical and always whilst seeking best execution and acting in the best interests of Shareholders.

● ***What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?***

As detailed above, specific ESG criteria are used to define an exclusion list and a watch list applicable to the Fund. The Investment Manager is not allowed to invest in securities issued by issuers on the exclusion list and watch list. These exclusions are the binding elements of the Fund's investment strategy used to attain the Fund's promoted ESG characteristics.

● ***What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?***

N/A

● ***What is the policy to assess good governance practices of the investee companies?***

The Investment Manager is required to assess the good governance practices of issuers. It is expected that companies 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 specialized research, such as controversies, that indicate actual or potential breaches of international norms and standards. Please refer to the Aegon AM UK Sustainability Risks and Impacts Policy for further details of this process.

**What is the asset allocation planned for this financial product?**

The Fund will invest a minimum of 80% of the Net Asset Value of the Fund in equity securities that promote the environmental and/or social characteristics in a manner as described above. A minor portion of the portfolio, 20%, may be invested in other assets that are not aligned with environmental and/or social characteristics, for example, ancillary liquidity assets, index traded futures, collective investment schemes.

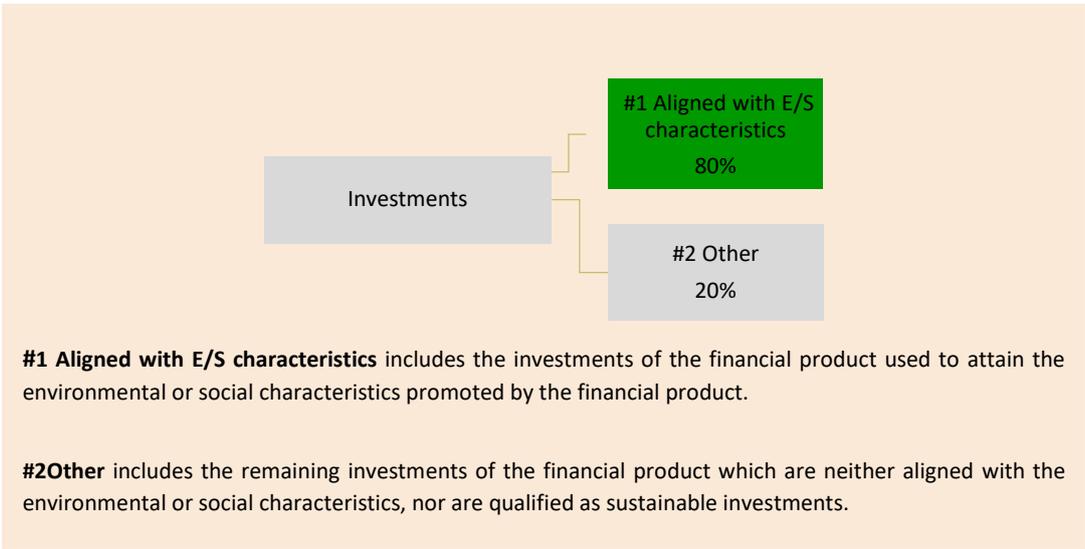
**Good governance** practices include sound management structures, employee relations, remuneration of staff and tax compliance.



**Asset allocation** describes the share of investments in specific assets.

Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.



● **How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?**

The exclusionary criteria that the Fund follows also apply to single name derivatives which may be used in the investment process. Therefore, single name derivatives should be aligned with the environmental or social characteristics promoted by the Fund. The Fund does not use derivatives on indexes to attain its promoted ESG characteristics.



**To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?**

The investment strategy, as set out in the section above "What investment strategy does this financial product follow?", describes how the Fund promotes ESG characteristics through, amongst other things, consideration of a wide range of environmental characteristics, including the Climate Objectives.

In order for an investment to qualify as environmentally sustainable as at the date hereof, it must meet a number of different criteria, including that it contributes substantially to a Climate Objective, as measured according to the technical screening criteria set out in the Taxonomy Regulation, and that it must not significantly harm any of the environmental objectives set out in the Taxonomy Regulation.

The Fund seeks to promote environmental characteristics, however does not make any assessment of whether its investments are Taxonomy-aligned; as such, the Fund will invest 0% of its Net Asset Value in Taxonomy-aligned investments.

The “do no significant harm” principle referred to above applies only to those investments underlying the Fund that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of the Fund do not take into account the EU criteria for environmentally sustainable economic activities.

● **Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy<sup>1</sup>?**

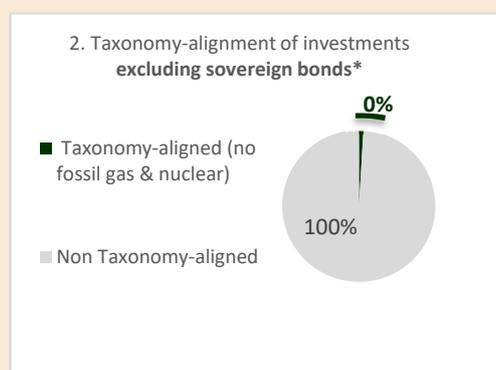
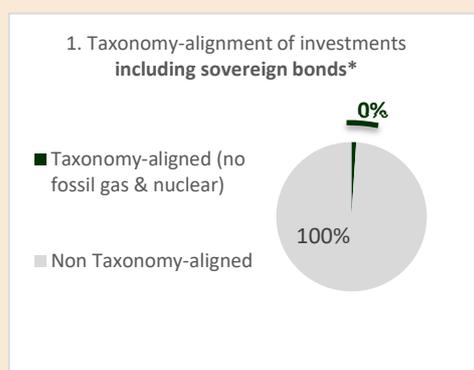
Yes

In fossil gas

In nuclear energy

No

*The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds\*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.*



\* For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures

● **What is the minimum share of investments in transitional and enabling activities?**

N/A

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

**Enabling activities** directly enable other activities to make a substantial contribution to an environmental objective.

**Transitional activities** are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

<sup>1</sup> Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective - see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214

 are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.



**What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?**

N/A



**What is the minimum share of socially sustainable investments?**

N/A



**What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?**

The Fund may invest in other investments for the purpose of efficient portfolio management, for example, ancillary liquid assets, index traded derivatives, collective investment schemes. These other investments are not subject to the Fund's environmental or social criteria.



**Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?**

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

**Reference benchmarks** are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

● *How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?*

N/A

● *How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?*

N/A

● *How does the designated index differ from a relevant broad market index?*

N/A

● *Where can the methodology used for the calculation of the designated index be found?*

N/A



**Where can I find more product specific information online?**

More product-specific information can be found on the website: [www.aegonam.com](http://www.aegonam.com)