

SFDR Disclosures

Appendix V

01 September 2023

Contents

AeAM Dutch Mortgage Fund

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Template pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.



AeAM Dutch Mortgage Fund

Legal entity identifier: 5493009ZIRT0TOO3ZP50

Environmental and/or social characteristics

Does this financial product have a sustainable investment objective?

Yes No

It will make a minimum of **sustainable investments with an environmental objective**: ___%

in economic activities that qualify as environmentally sustainable under the EU Taxonomy

in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

It will make a minimum of **sustainable investments with a social objective**: ___%

It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of ___% of sustainable investments

with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy

with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

with a social objective

It promotes E/S characteristics, but **will not make any sustainable investments**

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

This fund invests in mortgage receivables from originators who actively promote environmental considerations as part of their underwriting and lending process. No reference benchmark has been designated for the purpose of attaining the environmental or social characteristics promoted by the financial product.

● **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 checks if the originator actively offers sustainability loans for every borrower and favourable financing conditions for homes with superior energy performance. Therefore, the sustainability indicators used to measure the attainment of the ESG characteristics this strategy promotes is the number of sustainability loans and the number of loans with favourable financing conditions. The originator should also be able to report on the sustainability indicators.

● **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

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.

Any other sustainable investments must also not significantly harm any environmental or social objectives.

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.



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

The Investment Manager considers one principal adverse impact indicator:

The degree of energy inefficiency of the financed properties

By ensuring that the Investment Manager solely selects mortgage originators that offer favourable financing conditions for homes with superior energy performance, this financial product effectively takes into account the energy efficiency of the real estate assets being financed. 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 will invest predominantly in mortgage receivables as described in the Fund's investment policy.

The strategy is implemented using an investment process as outlined in the fund supplement.

In addition, the strategy is implemented in the investment process by evaluating the originators at least semi-annually in line with service-level agreements. The Investment Manager also receives semi-annual ESG reports based on quarterly data from the originator which includes the disclosure and tracking of relevant environmental characteristics.

● ***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?***

The Investment Manager selects mortgage originators for inclusion in the fund based on an evaluation of their loan underwriting criteria with respect to the consideration of environmental factors which enable the promotion of environmental characteristics. As a minimum, the originator should actively offer sustainability loans for every borrower and favourable financing conditions for homes with superior energy performance. The originator should also be able to report on the sustainability indicators.

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

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

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

N/A

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

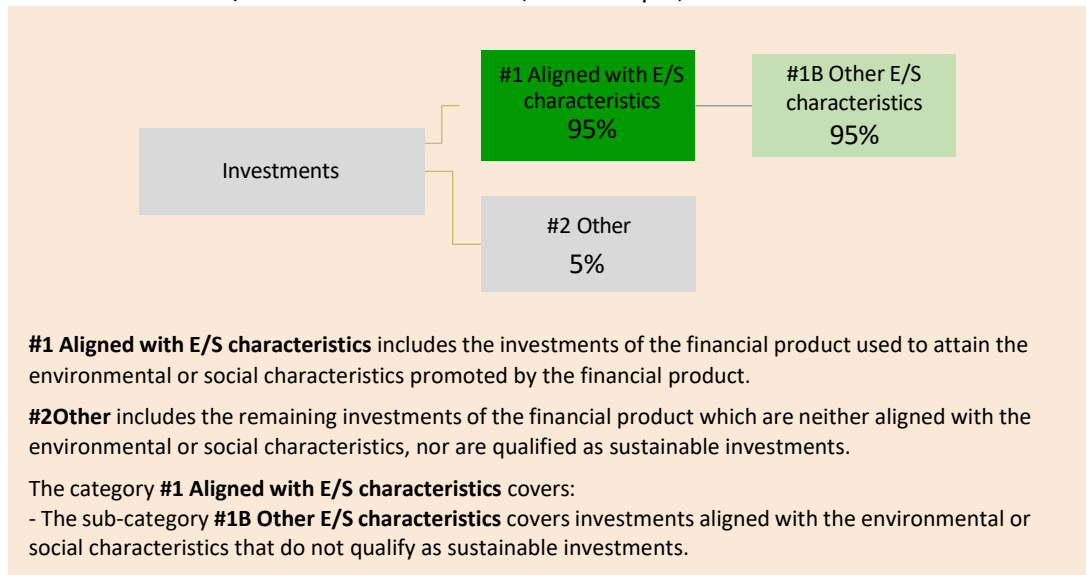
The underlying investments in this Fund are not companies. Therefore, the investments cannot be screened against good governance criteria.



What is the asset allocation planned for this financial product?

The Manager will invest 95% of the portfolio in mortgage receivables that promote the environmental and/or social characteristics in a manner as described above. A minor portion of the portfolio, 5%, may be invested in ancillary assets that are not aligned with environmental and/or social characteristics, for example, cash and cash like instruments.

Asset allocation describes the share of investments in specific assets.



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2 Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:

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

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 Fund does not use derivatives to attain its promoted ESG characteristics.



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

The investment policy, as set out in the relevant Fund specification, describes how the relevant 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 relevant Funds seek to promote environmental characteristics, however do not make any assessment of whether its investments are Taxonomy-aligned; as such, the relevant Funds will invest 0% of their respective Net Asset Value in Taxonomy-aligned investments, unless otherwise disclosed in the relevant Supplement.

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

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.

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

Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy¹?

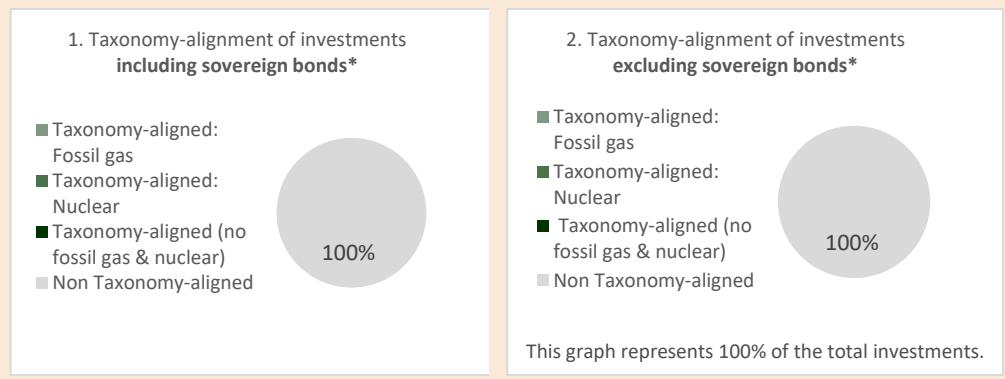
Yes

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



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

¹ 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.



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

This Fund is allowed to invest only in mortgages receivables. The Fund may hold derivatives and cash with the purpose of efficient portfolio management, according to the disclosures made in its prospectus. These other investments are not subject to any environmental or social safeguards.



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, there are no ESG index available for strategies investing in mortgage receivables.

● *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

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