

January 2024

Highlights

Low credit risk: Access to de-risked alternative debt assets with double recourse. The credit risk on the underlying asset is mitigated via the use of non-payment insurance transforming assets into A/AA rated notes with double recourse: 1) debt collateral for principal & interest and 2) non-payment of collateral insured by A/AA rated insurance companies

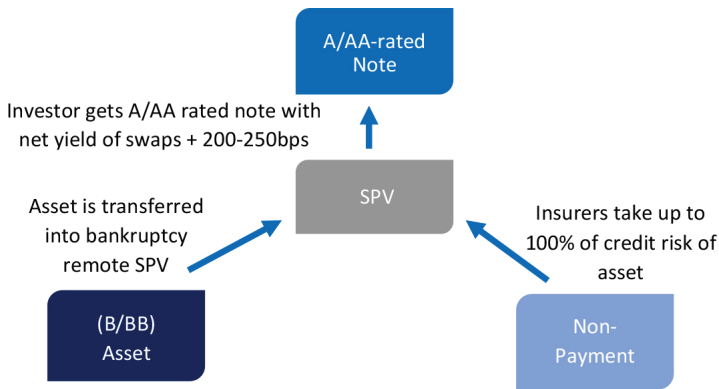
Yield pick-up¹: EUR swaps + 200-250bps.

Attractive capital treatment²: Strategy optimises return on capital for insurance companies and pension funds

ESG: ESG and sustainability screening of collateral and insurers. Only ESG 'neutral' or better can be invested in

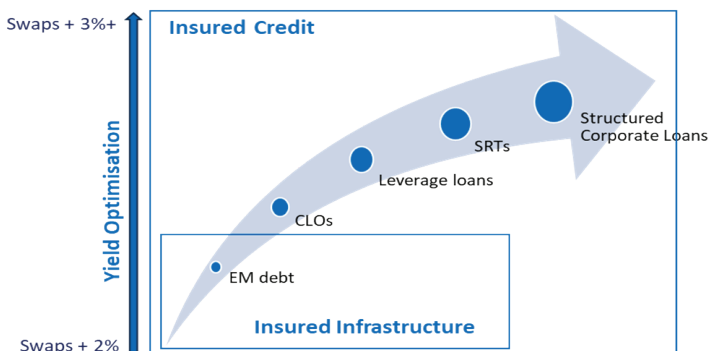
Exposure Diversification: The credit insurance market consists of 60+ insurers providing investors with a broad spectrum of exposure including counterparties not accessible through capital markets.

Structure

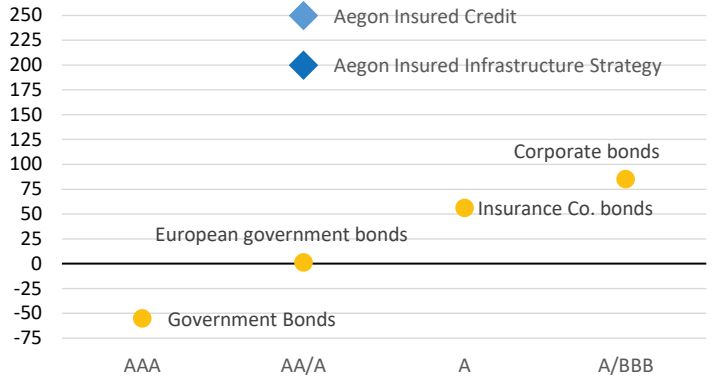


Preferred Allocation & Yield Optimisation

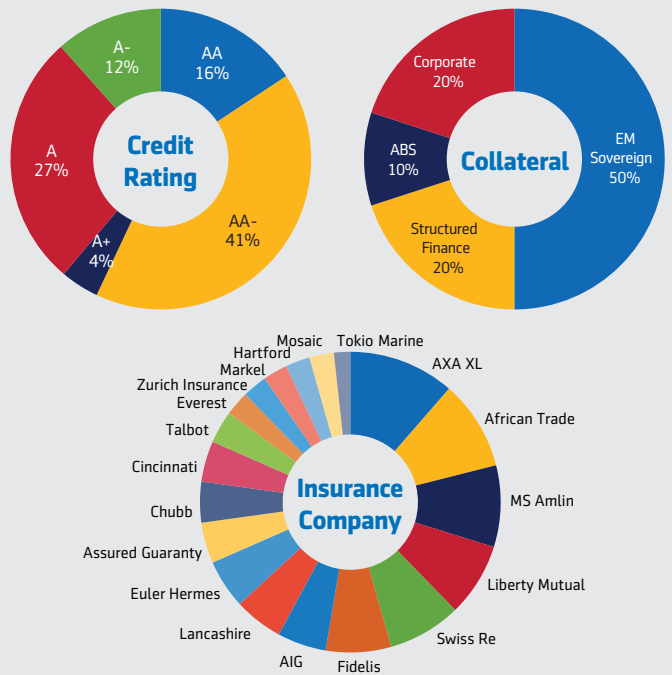
Investors can select their preferred allocation and optimise yield requirements depending on risk and collateral appetite and portfolio objectives.



Attractive Yield pick-up over Liquid Credit³



Model Portfolio



Yield:	5.6% in EUR, 7.7% in GBP, and 7% in USD
Expected Loss:	<1 bp (double recourse)
Weighted average life:	5 years
Modified duration:	2.5-5 years

Source: Aegon Asset Management as at 31 December 2023 Model Portfolio

ESG⁴
Strategy can provide investors with scalable opportunities where the underlying collateral has strong alignment with United Nations' Social Development Goals (SDG's). Thus far the strategy has contributed to 10 different SDG's via its investments.

1. All yields are in EUR and gross of fees unless stated otherwise.
2. Subject to regulatory approval
3. Source: Barclays, Bloomberg (as of August 2023). All yields are in EUR and gross of fees
4. The strategy has the ability to finance a wide range of projects that can contribute to the UN Sustainable Development Goals, including but not limited to the SDGs mentioned

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