

ASR Pensioen  
Staatsobligatie Fonds 20+ Jaar

Annual Report

2022

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a.s.r. —  
de nederlandse  
vermogens  
beheerders

# General information ASR Pensioen Staatsobligatie Fonds 20+ Jaar

**Office address of the Manager**

ASR Vermogensbeheer N.V.

Archimedeslaan 10

3584 BA Utrecht

Website: [www.asrvermogensbeheer.nl](http://www.asrvermogensbeheer.nl)

Commercial Register of the Chamber of Commerce in Utrecht, number 30227237

**Board of the Manager**

Mr. J.Th.M. Julicher

Mr. M.R. Lavooi

Mrs. W.M. Schouten

Mr. P. Klijnsmit

**Legal owner of the investments**

Stichting ASR Bewaarder

Archimedeslaan 10

3584 BA Utrecht

**External auditor**

KPMG Accountants N.V.

Papendorpseweg 83

3528 BJ Utrecht

**Legal advisor of the Manager**

De Brauw Blackstone Westbroek N.V.

Claude Debussylaan 80

1082 MD Amsterdam

**Date of incorporation**

19 November 2019

# ASR Pensioen Staatsobligatie Fonds 20+ Jaar

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# Management Board report

## General

ASR Vermogensbeheer N.V. (hereinafter referred to as 'a.s.r. vermogensbeheer' or 'the Manager') is the manager of the ASR Pensioen Staatsobligatie Fonds 20+ Jaar ('the Fund'). a.s.r. vermogensbeheer has its registered office in Utrecht and is listed in the Commercial Register of the Chamber of Commerce in Utrecht under number 30227237. a.s.r. vermogensbeheer is wholly owned by ASR Nederland N.V. (hereinafter referred to as 'a.s.r.' or 'ASR Nederland'). a.s.r. vermogensbeheer does not employ any staff members. All activities are carried out by employees of ASR Nederland.

## Management of investment institutions (collective asset management) – AIFM license

a.s.r. vermogensbeheer holds a license as manager of alternative investment institutions as referred to in Section 2:65 (1) (a) of the Financial Supervision Act (*Wet op het financieel toezicht*, "Wft"). This relates to the license under the AIFMD (Alternative Investment Fund Managers Directive). Pursuant to Section 1: 102, paragraph 2, of the Wft, the scope of the license is limited to the offering of participations in:

- investment institutions that invest in financial instruments;
- investment institutions that invest in mortgage claims; and
- investment institutions that invest in private loans (non-tradeable bonds or other non-tradeable debt instruments).

Under this license, a.s.r. vermogensbeheer acts as the manager of amongst other the following alternative investment institutions: ASR Duurzaam Amerikaanse Aandelen Fonds, ASR Vooruit Mixfondsen, ASR ESG IndexPlus Institutionele Fondsen, ASR ESG IndexPlus Fondsen, ASR Mortgage Fund, ASR Separate Account Mortgage Fund, ASR Private Debt Fund I, ASR Renewable Infrastructure Debt Fund, ASR Kapitaalmarkt Fonds, ASR Duurzaam Institutioneel Vermogensbeheer Beleggingsfondsen, Loyalis Global Funds, First Liability Matching N.V. and the Luxembourg alternative investment fund ASR Fonds SICAV ('Société d'investissement à Capital Variable').

The license of a.s.r. vermogensbeheer has been extended with a license to manage or offer money market funds (MMFs), on the basis of Article 4 of the Money Market Fund Regulation (MMFR).

a.s.r. vermogensbeheer also acts as the manager of a number of investment funds which are not subject to a license obligation. Pursuant to Section 1:13a (1) (g) of the Wft, the management of these investment vehicles is exempt from the obligations set out in the Wft and derived regulations, and the management is therefore not subject to supervision by the Dutch Authority for the Financial Markets (AFM). These are investment funds in which group companies of ASR Nederland N.V. invests, such as ASR Pensioen Mixfondsen, ASR Pensioen Staatsobligatiefonds 15+ Jaar, ASR Pensioen Staatsobligatiefonds 10-15 Jaar, ASR Pensioen Staatsobligatiefonds 20+ Jaar, ASR Beleggingsmixfondsen, ASR Beleggingspools, ASR Basisfondsen, ASR Paraplufonds, ASR Duurzaam Wereldwijd Aandelen Fonds and ASR Duurzaam Azië Aandelen Fonds.

## Providing investment services (amongst other individual asset management)

Pursuant to Section 2:67a(2), paragraphs (a), (b) and (d), of the Financial Supervision Act (Wft), a.s.r. vermogensbeheer is also permitted to offer the following investment services to both professional and non-professional investors:

- (a) Managing individual assets;
- (b) Providing investment advice on financial instruments;
- (d) Receiving and forwarding orders with regard to financial instruments.

These services are regulated in the Wft and the MiFID II (Markets In Financial Instruments Directive).

On this basis, a.s.r. vermogensbeheer acts as an individual asset manager on behalf of the group companies of ASR Nederland N.V., such as entities subject to supervision and for third parties with external mandates.

# Fund profile

## Structure of the Fund

The Fund was established on 19 November 2019 and is a mutual fund established in the Netherlands with an open-ended character. The open-ended character refers to the option offered by the Fund to deposit and withdraw funds each business day. The Participants in the Fund are only entitled to a proportional share of the Fund corresponding to the number of Participations they hold in the Fund. The Participations are not listed on any stock exchange.

The Fund is offered within pension schemes on the basis of a defined contribution, potentially combined with an investment in a well-diversified mixed fund. The Fund aims to provide a greater degree of certainty regarding the amount of the final pension benefit. On the retirement date, participants purchase pension benefits for their retirement pension (and partner's pension where applicable). The cost of these benefits depends on the market interest rate applicable at the time.

The Fund is exempt from the obligation to draw up a prospectus, as referred to in the Dutch Financial Supervision Act (*Wet op het financieel toezicht*, Wft). An Information Memorandum is available, however, which contains useful information for potential Policyholders. The document serves to provide participants with information and is based on self-regulation by the insurance industry, as encouraged by the Dutch Association of Insurers (Verbond van Verzekeraars).

It is possible to invest in the Fund by means of the ASR Pensions insurance product Premium-Based Pension Profile and Premium-Based Pension – Free Investment:

The Fund	Fund Manager
ASR Pensioen Staatsobligatie Fonds 20+ Jaar	Mr. M. (Marèn) Klap

Although the Fund does not have to comply with the Sustainable Finance Disclosure Regulation (SFDR), the information regarding the sustainability performance in accordance with the SFDR is included in Appendix 2. The Fund is classified as a financial product which promotes environmental and social characteristics but does not have sustainable investments as its objective.

### Investment philosophy of the Fund

The objective of the ASR Pensioen Staatsobligatie Fonds 20+ Jaar is to offer an investment in a diversified portfolio of Investment Grade fixed-interest securities and long-dated instruments, primarily issued by governments and denominated in euros. The benchmark is the BofA Merrill Lynch 20+ Year AAA-AA Euro Government Index (Q7AN).

The investment policy is focused on generating a target return over a three-year period that at least equals the return on the established representative benchmark, after deduction of all costs applicable to this Fund.

The Fund is managed in compliance with the ESG policy drafted by the Manager.

### Manager and Legal Owner

The Fund has a Manager and a Legal Owner. The Manager of the Fund is a.s.r. 5ermogensbeheer. A.s.r. 5ermogensbeheer holds a license issued by the Dutch Authority for the Financial Markets (hereinafter referred to as the 'AFM') as referred to in Section 2:65 and 2:67 of the Financial Supervision Act. Potential investors, namely group companies of ASR Nederland N.V. within the meaning of Section 1:13a(g) of the Wft, are therefore specifically reminded that the Fund is not subject to supervision by the AFM. As a result, the obligations under the Financial Supervision Act are not applicable to the Manager as far as the Fund is concerned.

The Legal Owner of the Fund is Stichting ASR Bewaarder. The Legal Owner was established on 17 June 1996 and is a foundation within the ASR Nederland N.V. group of companies. The Legal Owner has its registered office in Utrecht and is registered in the Commercial Register of the Chamber of Commerce under number 41135730.

### Meetings of Participants

Meetings of Participants will be held if the Manager considers this in the interests of the Participants. Individual or groups of Participants will not be entitled to convene meetings of Participants.

### Voting policy

In accordance with the Dutch Corporate Governance Code and the a.s.r. Socially Responsible Investment Policy, voting policy has been developed, on the basis of which a.s.r. fulfils its role as an institutional investor at shareholder meetings. This voting policy is applied to all listed shares in companies managed by a.s.r. 5ermogensbeheer. The account of how voting rights have been exercised

provides a complete insight into the exercising of voting rights at shareholder meetings. Further information regarding voting policy is included in 'Sustainability policy' paragraph.

**Dividend policy**

The Fund does not distribute dividends.

**Costs and fees**

The Fund charges a fee for the issue and purchase of Participations. The Manager calculates the entry or exit charge (transaction costs) based on the actual average transaction costs it incurs when buying and selling investments. These charges are credited to the Fund to compensate for transaction costs incurred. Furthermore, the Manager charges a management and service fee to the Fund.

**Compensation in the event of an incorrectly calculated Net Asset Value**

If the Net Asset Value of the Fund has been incorrectly calculated and the difference with the correct Net Asset Value is at least 1%, the Manager will compensate the current Participants in the Fund for any adverse effects. This compensation will only take place if the Manager identifies the incorrect calculation within thirty days after the date on which the Net Asset Value was incorrectly calculated.

**Securities lending**

The Fund does not currently lend securities. Underlying securities may be lent out subject to the conditions set out in the Information Memorandum and/or the Terms and Conditions of Management and Custody.

**Transactions with related parties**

Where transactions are conducted with parties related to ASR Nederland N.V., they will take place on the market conditions. Where such transactions take place outside a regulated market, such as a stock market or other recognized open market, the transaction will be based on an independent value assessment. If the transaction with a related party involves the issue and/or redemption of participation rights in an investment institution, the consideration will be calculated in the same way as for any other participant. In that case, an independent value assessment as referred to in the preceding paragraph will not take place.

**Available documentation**

The articles of association of the Manager and the Legal Owner are available for inspection at the offices of the Manager. A copy of the Manager's license and of the Articles of Association can be obtained free of charge. Current information about the Fund, as well as the prospectus, the annual report and the semi-annual report can be obtained from the Manager free of charge upon written request. This information will also be published on the Manager's website.

**Complaints**

Complaints may be submitted to the Manager in writing at the following address.

ASR Vermogensbeheer N.V.  
Archimedeslaan 10  
3584 BA Utrecht  
The Netherlands

The Manager is registered with the Netherlands Financial Services Complaints Tribunal (KiFiD).

## Report of the Manager

### Key figures

In 2022, the Fund Net Asset Value decreased with €8.2 million to €136.6 million. This was mainly due to continued net inflow.

X 1,000	31-12-2022	31-12-2021	% change	€ change
<b>Fund Net Asset Value</b>	€ 136,648	€ 144,880	5.68 %	€ 8,232

### Developments affecting the fund during the reporting period

There are no relevant developments to mention regarding the Fund.

### Risk management

Risk management depends on the risk profile of the Fund. The basic principle of risk management is therefore not to limit risks as much as possible, but to aim for the best possible risk-reward ratio within acceptable limits.

The Manager of the Fund applies a system of risk management measures to ensure that the Fund in general and the investment portfolio in particular continue to comply with the preconditions set out in the prospectus, the legal frameworks and the more fund-specific internal implementation guidelines.

These guidelines have been drawn for the purpose of, among other things, the level of diversification within the portfolio, the creditworthiness of debtors with whom business is conducted and the liquidity of investments.

For example, a broad and effective spread of investments is expected to reduce recognized price risks, while selection based on creditworthiness and limit monitoring make it possible to manage credit risks. Liquidity risks are limited by investing primarily in marketable, listed securities.

By using derivative financial instruments, it is possible to hedge or manage price risks such as currency risks and interest-rate risks. These instruments also provide opportunities for efficient portfolio management, for example in anticipation of the issue and redemption of participations. Derivatives will also be used in such a way that the portfolio as a whole remains within the investment restrictions. The Manager's business procedures, insofar as they apply to the activities of the investment institution, are geared in part towards the management of operational risks.

Regular board meetings are also held to keep the board up to date with the current situation. The Risk Management division monitors on a daily basis whether the various portfolios comply with the implementing guidelines (mandates) issued and reports on this in the limits report. This limits report is discussed in the Risk Management Committee / Investment & Policy Committee (RMC/IPC) in which the board was represented.

### Insight into risks

The (semi) annual reports provide, among other things, an insight into the risks that have occurred at the end of the reporting period.

The overview included in the appendix entitled 'Specification of Investments' provides information on the level of diversification of investments in terms of both region and currency and by individual name, as well as information on the interest rate and the remaining term per investment in the case of fixed-income investments. It also gives an indication of price risk, among other things. In terms of derivative financial instruments, insofar as these instruments are part of the portfolio at the time of reporting, breakdowns are included in the explanatory notes to the balance sheet and/or profit and loss account where relevant.

### Fund governance and policy regarding conflicts of interest

In order to provide the Participants with guarantees that the management of the Fund will be carried out in a controlled and ethical manner and that the services will be provided with due care as referred to in the Wft, the Manager has drawn up a code of conduct. This code of conduct has the aim of ensuring that the Manager acts in the interests of the participants in its investment institutions and structures the organization of the Manager in a way that prevents conflicts of interest.

An important part of fund governance is the presence of a Supervisory Board that supervises the management of the Dutch AIFMD investment institutions by the Manager. This supervisory body has the task of monitoring compliance by the Manager with its obligation to act in the interests of the participants in its investment institutions. In addition, the Manager has drawn up a policy regarding conflicts of interest for all its activities. The principles underlying the policy are the avoidance and management of conflicts of interest that could be disadvantageous to clients of the Manager, and the equal and fair treatment of clients. The Fund Governance Code and the Conflict of Interest policy can be found on the Manager's website.

### **Manager's risk structure**

Risk management is the continuous and systematic monitoring of the organization and its activities in order to consciously take risks, reduce the likelihood of risks or limit the consequences of such events. The objectives are controlled and ethical business practices, compliance with the laws and regulations and to act in the interest of the Participant. The key to this is ensuring that the main risks that affect management are identified and clarified so that appropriate management measures can be taken and the effectiveness of these measures can be monitored.

In order to comply with article 15, paragraph one of the AIFMD, a distinction has been made for the functional and hierarchical relationships between the risk management of funds and the risk management of a.s.r. Vermogensbeheer. The director responsible for risk management at a.s.r. Vermogensbeheer reports on risk management in relation to funds subject to supervision directly to the CEO (Chief Executive Officer) of ASR Nederland N.V. The risk management of a.s.r. Vermogensbeheer complies with the Risk Charter that applies within ASR Nederland N.V. In accordance with the Risk Charter, a.s.r. Vermogensbeheer reports for the risk management of a.s.r. Vermogensbeheer to the CFO (Chief Financial Officer) of ASR Nederland N.V., via the Manager's CFRO (Chief Financial and Risk Officer) and ASR Nederland N.V.'s Finance & Risk director.

A.s.r. Vermogensbeheer applies the 'Three lines of defense' model as its risk management model. This model clearly sets out the responsibilities in relation to risk management. The business units within the first line of defense are responsible for the adequate management of the risks related to the business operations in the relevant business unit. The second line of defense is responsible for implementing an integrated and effective risk management framework for the first line of defense and monitoring risk management. The second line of defense is formed at ASR Nederland N.V. level and consists of the Group Risk Management division and the Integrity division (including Compliance). The Audit division forms the third line of defense and is responsible for independently assessing the effectiveness of the risk management system, the internal control structure and the soundness of the governance structure.

### **Risk and limit control**

The Manager uses a system of risk management measures to ensure that the Fund in general and the investment portfolio in particular continue to comply with the preconditions set out in the prospectus, the legal frameworks and the more fund-specific internal implementing guidelines (mandate).

The Fund is sensitive to market movements in general (market risk), and to fluctuations in the prices of individual investment instruments in particular. The maximum loss for Participants is limited to the value of the Participations they hold.

The risk associated with the Fund is limited by distributing the Fund's assets across a number of securities. A full list of risk factors can be found in the Risk Profile section (Section 4) of the Information Memorandum.

Daily monitoring takes place based on the limits set out in the mandate and the prospectus. If the limits have been exceeded, immediate action will be taken. The Risk and Compliance division produces a monthly dashboard that clearly and quickly identifies whether any incidents have occurred or limits have been exceeded, as well as the severity and the impact of the report. The dashboard is discussed by the RMC/IPC at its monthly meetings, and also shared with the Supervisory Board. A report register is also kept to monitor action taken following an incident report.



A.s.r. vermogensbeheer has defined the following key risks and the associated limits:

Defined risk	Explanation and mitigating measures
Market risk	Market risk is managed by means of diversification of the portfolio and is monitored by means of restrictions/limits.
Making investments with borrowed money	A negative bank balance is permitted up to 5% of the fund capital for a period of 30 working days.
Derivatives risk	Derivatives are only used for hedging purposes to mitigate the risk associated with the Fund and must not have a leverage effect.
Counterparty risk	Unlisted transactions (also referred to as OTC transactions) are only carried out with validated counterparties. In the case of derivatives, only agreements that comply with the ISDA and CSA framework are concluded.
Liquidity risk	The Fund only invests in readily marketable investments that are listed on an official securities market within the Eurozone.
Operational risk	A system is in place that involves monitoring procedures, measuring defined constraints and identifying where limits have been exceeded to allow swift and appropriate action and risk reduction. An escalation procedure is available as an additional tool for the rapid resolution of situations where limits have been exceeded.

No limits were exceeded and no incidents occurred in the reporting period that have had a material impact on the Fund. Furthermore, no significant changes or improvements to the risk management system were required.

#### Monitoring operational risks

In addition to the risks that are measured on a daily basis, other incidents are reported using an incident form. Examples include an incorrect Net Asset Value, late delivery of the Net Asset Value, etc. All incidents that occur are analyzed and documented. A record is kept of these reports in the report register. All resulting actions are implemented and monitored by the Risk Management division.

During the reporting period there was no negative impact on the Fund in terms of the Net Asset Value and the participants.

#### Personnel

The Manager does not employ any personnel. As at 31 December 2022, 194 employees and 187 FTEs were subcontracted by a.s.r. 9ermogensbeheer pursuant to an employee loan agreement with ASR Nederland N.V. The personnel expenses, which are charged to a.s.r. 9ermogensbeheer consist entirely of fixed remuneration (AIFMD Article 22, paragraph 2 e). The Manager does not share in the investment performance as remuneration for the management of the investment funds, hence there is no question of 'carried interest' (the share of the profit of the Fund intended for the Manager of the Fund as remuneration for the management).

The table below includes the total remuneration with regard to the employees loaned by the Manager (numbers according to the end of the reporting period position). Allocation of these amounts to the Fund is not possible since relevant information is not available. Further information about the remuneration policy is included on the website ([www.asr.nl](http://www.asr.nl)).

Personnel expenses (in euros)	01-01-2022 to 31-12-2022	No. of employees
Identified Staff	3,371,413	11*
Employees	24,814,219	183
<b>Total</b>	<b>28,185,632</b>	<b>194</b>

\*The 2022 Identified Staff remuneration relates to three Management Board members and eight Identified Staff members.

## Sustainability policy

### ASR as sustainable investor

This section describes a.s.r.'s approach to sustainable investing. It explains how a.s.r. deals with its own investments, and also how a.s.r. 10ermogensbeheer addresses sustainability in its fund management activities. The following section is not specific to the Fund.

Since 2007 a.s.r. has employed a formally approved investment policy that is applied to all investments, both own investments and investments for third parties. This policy has been further tightened in subsequent years and is reviewed annually, or more frequently if necessary. The investment policy focuses on sustainable and responsible investing, as well as impact investing.. A regular update on this is given in our quarterly reports on sustainable investments.

All investments managed by a.s.r. 10ermogensbeheer are screened using our Socially Responsible Investment (SRI) policy (see [www.asrvermogensbeheer.nl](http://www.asrvermogensbeheer.nl)) for social and environmental aspects and management criteria, etc. Countries and companies that do not meet the requirements are excluded. These include producers of controversial or conventional weapons and tobacco, the gambling industry and companies that derive most of their profits from the extraction of coal, tar sands and oil shale, the production of coal-fired electricity and nuclear energy. In addition, a.s.r. assesses companies on their compliance with international agreements such as the OECD guidelines and UN guidelines such as the Global Compact.

A.s.r. ensures full compliance with its own SRI policy for both investments in its own funds and direct investments in equities and bonds, through implementation of this SRI policy by its internal investment departments, its internal compliance process and independent external assurance from Forum Ethibel.

Regarding funds managed by an external manager, a.s.r. requires the external managers of these investment funds to strive to invest in line with a.s.r.'s sustainability policy as far as possible. A.s.r.'s aim in this respect is that these investment funds should invest in line with the United Nations Principles for Responsible Investment (UN PRI), the United Nations Global Compact (UN GC) and standards defined by the Dutch Association of Insurers relating to the exclusion of investments in controversial weapons

a.s.r.'s investment policy is forward-looking and sustainability is an essential part of the strategy. A.s.r. believes that the integration of sustainability factors in the management of its investments contributes directly to the reduction of risks (both financial and reputational) and has a positive impact on long-term performance. The SRI policy of a.s.r. is embedded in internal investment practice in the following ways:

### Exclusion criteria for countries and companies

a.s.r. applies a strict exclusions policy for controversial activities and controversial behaviour, which applies to all internally managed portfolios, both for its own investments and investments for third parties. Twice a year, a.s.r. publishes a revised list of excluded companies and once a year a revised list of excluded countries (<https://www.asrvermogensbeheer.nl>).

### ESG integration / best-in-class investments

Our portfolios are at minimum characterized by above average ESG scores. Companies are analyzed on a large number of ESG criteria taking into account the materiality for the respective sector/industry sector. The overall ESG score allows us to identify the best ESG scoring companies on a certain sector. The ESG screening is carried out using external data suppliers where ESG themes such as the following ones are analyzed:

- Environment;
  - Strategic management of environmental risks;
  - (Forward looking) Carbon data;
- Labor Rights / Human Resources;
- Human Rights & Community Involvement;
- Corporate Governance & Ethical Behavior.

This is implemented for each fund in a different way.

## Engagement

During 2022, a.s.r. successfully completed a number of engagement processes and further expanded the number of ongoing processes. The list of companies with which a.s.r. has entered into a constructive dialogue is published on a.s.r. 11ermogensbeheer's website, stating the reason for and status of the dialogue.

a.s.r. distinguishes three types of engagement:

1. Engagement to exercise influence: this involves an attempt to persuade companies to adopt better sustainability practices. A selection of key themes in the previous year:
  - a.s.r. discussed the challenges with key players in the mining sector. The mining sector faces many challenges, in terms of climate change as well as human rights. Given the need to accelerate the energy transition, the dependency on the extraction of minerals and other natural resources is increasing. At the same time, the extraction of raw materials such as cobalt and lithium poses significant environmental risks and is often accompanied by human rights violations. We try to minimise these risks through engagement.
  - a.s.r. is in dialogue with a large food producer on the subject of soy, which is a key contributor to deforestation and thus biodiversity loss. The focus of these discussions is on discouraging and 11ermogensb further deforestation. In this context, we are looking beyond the production of soy and aim to contribute to solutions that really make a difference. We are discussing the purchasing and use of sustainable soy, both directly and indirectly through animal feed. We are also discussing the transition to locally produced animal feed and the transition from animal protein to vegetable protein in the company's vegetable products.
  - a.s.r. endorses the initiative launched by the FAIRR investor network that calls upon the United Nations to draw up a global plan to make the agricultural sector sustainable. This would curb one of the biggest sources of emissions that are harmful to the climate. A.s.r. has also signed the Valuing Water Finance Initiative, a new global investor-led effort to encourage corporate water users and polluters to value water as a financial risk. The aim is to drive the necessary large-scale change to better protect water systems.
2. Engagement for monitoring purposes: sustainability is a subject that for a.s.r. is always on the agenda at meetings with companies in its investment portfolio. In addition, a.s.r. is in discussion with other players within the investment landscape, such as fund and index providers, in order to actively promote further ESG integration in the investment chain.
3. Public engagement: a.s.r. is actively involved in the implementation of the IMVO sector covenant (International Corporate Social Responsibility), together with other insurers, the public sector and various NGOs. In 2021 and 2022, the main focus of our sustainability efforts was on biodiversity.

## Voting

a.s.r. exercises its voting rights as a shareholder where relevant. The voting policy of a.s.r. has been developed in accordance with the Dutch Corporate Governance Code and a.s.r.'s SRI policy. This policy applies to all internally managed listed shares. In 2022, 217 unique proposals related to ESG issues were available. A.s.r. voted on all the proposals. In nearly 60% of the votes, a.s.r. voted against the management's recommendations. Frequently occurring ESG issues included action on climate change, transparency about lobbying practices, human rights, and equal pay for men and women. More information on the voting policy, including the use of our provider for proxy voting services, can be found on <https://asrvermogensbeheer.nl/duurzaam-beleggen/active-ownership>.

## Climate and energy transition

The 'climate change and energy transition' theme has been an explicit part of the investment policy since 2016. A.s.r. has analysed the risks for its own investment portfolio in two ways: both bottom-up – taking account of stranded assets and changing business models in, for example, the mining and energy sectors – and top-down, in the Strategic Asset Allocation (SAA) based on climate scenarios.

a.s.r. set the following CO<sub>2</sub> reduction targets: 65% reduction in 2030 compared to base year 2015 for the most important asset classes for own account (equities, corporate bonds and government bonds, real estate and mortgages). As well as preventing negative impact, a.s.r. aims to make a positive contribution to the energy transition. To this end, a.s.r. will increase the current impact investing exposure to a total of €4.5 billion in 2024. This budget may also be allocated to other sustainability themes important to a.s.r., such as health, vitality, inclusion and financial self-sufficiency. In addition, a.s.r. has developed and implemented a strategy to further scale back investments in the fossil sector in three phases during the period 2022-2024. As a result, in 2021 a.s.r. has sold exposures on companies involved in products made from thermal coal and excluded companies generating more than 5% of their revenues from unconventional oil and gas (such as shale gas, Arctic drilling and oil sands).

In 2022, a.s.r. 11ermogensbeheer started with phase 2 of its Fossil Exit Strategy. We analysed to what extent companies in our portfolios are 'Paris-aligned', based on which we requested the remaining unconventional oil and gas companies in our portfolios to provide insight into their climate actions and ambitions. We have found that despite all net-zero commitments, many companies still need to take a lot more action to achieve the objectives of the Paris Agreement. The engagement process has already started and we have had the first discussions with all of these companies.

**Recognition for a.s.r.'s responsible investment policy**

- Once again, the a.s.r. sustainable investment policy is rated best in the Dutch insurance sector by the Fair Insurance Guide (*Eerlijke Verzekeringwijzer*). On 12 of the 14 themes a.s.r. has the highest score and a.s.r. scores 100% on 4 themes namely Health, Human Rights, Nature and Weapons. It is the 7<sup>th</sup> consecutive time that a.s.r. received the highest ratings in this assessment.
- A study conducted by the Dutch Association of Investors for Sustainable Development (VBDO) found that a.s.r., together with six other companies out of a total of 34 finance companies in the study, was 'leading' on the issue of biodiversity. VBDO published its findings for the 2022 Annual General Meetings season at the end of June. A.s.r.'s biodiversity strategy and targets are cited as examples to follow in the sector.
- With a perfect score of 10, a.s.r. is the highest rated among nine insurers in the 'Insuring Biodiversity' case study commissioned by the Fair Insurance Guide (EVW), which reviewed the biodiversity policies and actions of the Dutch insurance sector. With this case study, the EVW aims to contribute to the intentions of the insurers and to reduce the negative impact on biodiversity.

**Reporting under the EU Transparency Regulation ('SFDR')**

The above text describes the sustainability policy generally applied by the Manager. It also applies to investments made by a.s.r. for its own account. The Manager applies a different version of its sustainability policy to each fund under its management. A detailed account of the sustainability performance achieved by the Fund is presented in Appendix 2.

# Market developments and outlook

## Economic developments

At a growth rate of around 3%, 2022 has turned out to be a mediocre year for the world economy. The strong growth recovery of 2021 did not continue unabated in 2022, a.o. due to supply constraints (in the aftermath of the coronavirus pandemic) and the war in Ukraine. However, there were significant differences among regions. The US economy had a difficult first half year, but recovered in the second half of 2022. By contrast, the European economy started the year well, but slumped as the consequences of the war in Ukraine began to be felt more acutely. The Chinese economy continued to be adversely affected by the coronavirus pandemic throughout the year. Initially, China's zero-Covid policy hampered business activities, and when this policy was eventually abandoned after large-scale protests, infections shot up straight away.

Even more than moderate economic growth, in 2022 the decisive factor from a macroeconomic perspective was inflation. In many countries, inflation rose to the highest levels in at least 40 years. In June, inflation in the US peaked at 9.1% year-on-year. Inflation in the eurozone reached even higher levels, at 10.6% year-on-year in October. The Netherlands even recorded a peak level of 17.1% year-on-year in September. Inflationary pressures also rose sharply outside Europe and the US, with Turkey (85% inflation year-on-year in October) as an extreme example. Even in Japan, which has been fighting deflation for decades, inflation is now nearly 4%. Only in China did inflation not rise above 3%, which was due in part to the continuing lockdowns and modest growth.

## Financial markets

Investors will remember 2022 first and foremost as the year of rising interest rates. These caused negative returns not just on government bonds, but also on almost all other asset classes. This made 2022 an exceptional investment year. Years with negative returns on equities are not unusual (this century alone, there had been six before 2022), but these negative returns are usually offset by positive returns on (government) bonds. Years with negative returns on bonds are very rare, and an annual return on European government bonds of -18.5%, as in 2022, is particularly exceptional. The combination of negative annual returns on both equities and bonds only happened twice before in the past 100 years, in 1931 and 1969.

As stated earlier, the price trend for equities was negative in 2022, but in varying degrees for the respective regions. Throughout 2022, emerging markets were the worst performing region with an annual return of -15%, closely followed by American equities. Measured in US dollars, the loss for American stock exchanges was even greater, at more than -20%. This is due primarily to the loss on tech equities: the Nasdaq index lost about one third of its value in 2022. European stock exchanges, where tech companies have a relatively smaller presence, fell by 'only' 9.5% on average in 2022, while Asian equities fell by 12%. At sector level, listed real estate was by far the worst performing asset class, with an annual return of -40%.

## Outlook for the economy and financial markets

Looking at 2023, expectations for the world economy are not particularly high. The global growth figure is expected to be lower rather than higher compared to 2022, in the range of 2.5-3%. Europe in particular is facing a difficult time. The consequences of the war in Ukraine on food and energy prices and the resulting sharp fall in purchasing power among European consumers will maintain a dampening effect on the growth potential. Although the US economy is less vulnerable to high energy prices than the European economy, businesses and consumers in the US are expected to be increasingly affected by the soaring interest rates in the course of 2023, while the expensive dollar puts pressure on US exports. For China, the third large economic region in the world, the quite unexpected abandonment of the zero-Covid policy is favourable in principle, but much will depend on how the Chinese authorities will deal with the potential resurgence of the coronavirus, given the low effectiveness of Chinese vaccines and the underdeveloped Chinese healthcare system (particularly the limited availability of ICU beds).

Both in the eurozone and the US, the rate of inflation is expected to gradually fall in 2023 towards 3-4%. This is still well above the 2% targets set by the ECB and the Fed, and it is therefore unlikely that both central banks have finished increasing their base rates. Although these rates have already been raised significantly in 2022 (from -0.5% to 2% in the eurozone and from approximately 0% to 4.5% in the US), one or more interest rate moves are expected in the first half year of 2023, both in the US and the eurozone. The main question is whether central banks will be prepared to heap more pressure on the already modest economic outlook by further (and perhaps unduly) increasing interest rates, certainly if there is a sharp drop in inflationary pressure (in line with expectations). As an alternative for interest rate hikes, the Fed and the ECB might at some point in 2023 place greater emphasis on accelerated reduction of their balance sheets, in other words 'quantitative tightening' instead of the 'quantitative easing' of recent years.

With regard to financial markets, we do not expect to see a sudden 'regime shift' as compared to 2022, at least in the short term. For now, therefore, we proceed from a base scenario of (slightly) higher capital market interest rates, even though these rates have already risen significantly in the course of 2022. Although rapidly falling inflationary pressure and/or deteriorating economic growth figures may put an end to the interest rates rises at some point in 2023, this does not seem likely in the short term. Such a scenario is not very favourable to equities and other more risky asset classes, as we found out in 2022. This suggests limited upside potential for assets such as equities and listed real estate, at least in the short term. Corporate bonds may be a relatively 'safer' option, but this asset class is not likely to generate high returns either in the near future if interest rates continue to rise.

## ASR Pensioen Staatsobligatie Fonds 20+ return and portfolio policy

Compared to -39.18% for the benchmark, the fund achieved an annual return of -38.86% after costs, representing a positive relative performance of 32 basis points.

Return reference date	Fund	Benchmark
31-12-2022	-38.86 %	-39.18 %
31-12-2021	-9.45 %	-9.47 %
31-12-2020*	9.50 %	8.94 %

\*Relates to total (annualized) return over the period 19 November 2019 to 31 December 2020

Value movement per participation	2022	2021	19-11-2019 to 31-12-2020
Income	0.02	0.72	0.94
Changes in value	-0.50	-5.58	4.65
Costs	0.00	-0.11	-0.12
<b>Result after tax</b>	<b>-0.48</b>	<b>-4.97</b>	<b>5.47</b>

Amounts per participation are based on the average number of participations during the financial year.

The theme of 2022 was inflation. After years of below target inflation and almost desperate attempts by central bankers to increase the inflation rate, inflation rose strongly above central bank targets. After the supply chain disruptions stemming from the covid pandemic that already led to higher prices in the previous year, inflation accelerated further as a result of rising energy, food and other commodity prices. This could mostly be attributed to the Russian invasion in Ukraine at the end of February. Commodity markets panicked and for Europe, especially the rise in European gas contracts led to double-digit inflation rates, not seen for decades. Governments worldwide reacted surprisingly forcefully and united to mitigate the economic consequences. As a result of this, gas prices dropped rapidly to pre-war levels and with some luck of a warm winter, energy shortages were prevented. The higher inflation numbers took a toll on economic growth, but the damage was much smaller than feared just after the invasion in Ukraine.

The high inflation forced hawkish actions by central bankers after a decade of ultraloose monetary policy. The first reaction by central banks was raising the policy rates. The ECB took its deposit rate from -0.50% in July to +2% in December. Secondly, the QE program was stopped and the announcement was made to phase out the TLTRO program, a very favorable lending program for banks. Thirdly, the ECB announced to shrink its balance significantly in 2023 by stopping to reinvest maturing bonds. All in all, 2022 was a very challenging year for many market participants, maybe illustrated best by the price development of swaptions. Swaptions, generally used to offer protection to fixed income portfolios in case of extreme interest rate movements, increased to a peak price, about fourfold the price at the beginning of the year in October.

Although inflation is expected to fall sharply next year towards the 2% target, central bankers will continue to pursue a tightening policy until they are confident that inflation will stay at the desired level. Growth will remain under pressure, as the effect of the euphoria following the lifting of all coronavirus restrictions is fading and the risk remains that the war started by Russia will escalate. The only tailwind where growth is concerned seems to come from China, which recently finally abandoned its zero-Covid policy.

The fund had an underweight interest rate positioning, but was also in line with the benchmark for short periods following sharp interest rate rises. All in all, the interest rate positioning made a positive contribution. The selection of maturities also made a positive contribution of a few basis points, due to the decision to invest less in government bonds with a greater interest rate risk and lower returns, a consequence of an inverted yield curve on long maturities. The overweight in credit risk, especially through loans that fluctuate more in line with swap rate movements than government bond yield movements, made a neutral contribution in the first three quarters. With sentiment improving in the final quarter, this ultimately resulted in a substantial positive contribution.

No liquidations occurred in 2022. Interest rates rose sharply. Credit spreads went up slowly, but had a strong final quarter. Inflation forecasts rose further, in line with the constantly higher than expected inflation rates. Because of the upgrade of Ireland's rating by Moody's in May, Ireland was added to the fund's benchmark in June 2022.

The main risks that affect or could potentially affect the Fund are:

*Market risk:*

The Fund is sensitive to both market movements in general and fluctuations in the prices of individual investment instruments in particular. Fluctuations in the value of the participations of the Fund and in the interest revenue have a direct impact on the value of a Participation in a Fund. Associated declines can be caused by both general economic developments and developments in relation to a specific category of investments. The Manager will seek to limit this risk as much as possible by distributing the assets across a large number of (categories of) securities. Investments are made in around 36 bonds within the Fund.

<b>Sector allocation</b>	<b>31-12-2022</b>	<b>31-12-2021</b>
Sovereign	94.61 %	97.30 %
Quasi Government	5.39 %	2.70 %

<b>Country allocation</b>	<b>31-12-2022</b>	<b>31-12-2021</b>
France	37.75 %	35.89 %
Germany	23.98 %	28.19 %
Belgium	11.43 %	9.30 %
Austria	8.34 %	9.42 %
The Netherlands	6.42 %	10.57 %
Supranationals	4.81 %	1.55 %
Ireland	3.68 %	-
Finland	2.51 %	2.23 %
Lithuania	0.40 %	1.50 %
Canada	0.36 %	0.71 %
Slovakia	0.33 %	0.64 %

*Credit risk:*

In 2022, there were no bankruptcies in the portfolio and the Fund had a higher exposure to credit risk.

<b>Rating</b>	<b>31-12-2022</b>	<b>31-12-2021</b>
AAA	31.43 %	40.31 %
AA	67.85 %	57.54 %
A	0.72 %	2.15 %

*Interest-rate risk:*

The investments in fixed income instruments are sensitive to the interest rate risk. The value of bonds moves inversely to the interest rate. Meaning the value of the portfolio will fall if the interest rate rises and vice versa.

*Currency risk:*

The Fund invests exclusively in euro-denominated bonds.

*Return risk:*

Active portfolio management within the limits of the mandate can lead to a deviation from the benchmark.

*Expected impact of stress scenarios on the investment portfolio:*

The 'VaR' table provides an insight into the 'Value at Risk', the maximum loss expected over a year, with a probability of 97.5%. The historical VaR is based on the daily return distribution over the last five years:

VaR	Portfolio VaR	Benchmark	+/- VaR
	(%)	VaR	(%)
	<b>31-12-2022</b>	<b>31-12-2022</b>	<b>31-12-2022</b>
Total	35.2	35.7	-0.5
Spread	2.4	2.8	-0.4
Interest Rate	32.8	32.9	-0.1
FX	0.0	0.0	0.0
Inflation	0.0	0.0	0.0

With regard to the investment portfolio and linked to market risk, the 'scenarios for the investment portfolio' table provides insight into sensitivities based on historical stress scenarios and historical sensitivities. The historical scenarios have been derived from key events in the recent past and the effect these events have had on the value of the investments. The value of the investment portfolio is based on the value as at 31 December 2022 and the effect of this scenario on an annual basis.

Scenarios for the investment portfolio	Profit and loss	Profit and loss
	account	account
	(%)	(EUR x 1,000)
	<b>31-12-2022</b>	<b>31-12-2022</b>
Corporate shock	-20.2%	-27,469
Financial shock	-16.0%	-21,771
Interest rate shock	-24.9%	-33,962

- Corporate shock: a shock of two standard deviations in the iBoxx Euro Overall Index related to European corporate bonds.
- Financial shock: a shock of two standard deviations in the EMU Corporates/Financials Index related to corporate bonds of banks and insurers.
- Interest rate shock: a shock of 100 basis points over the Euro government curve.

All the above-mentioned risks fall within the mandate and are managed and mitigated in a timely manner where necessary.



## In Control statement

The Manager's description of its business operations meets the requirements of the Financial Supervision Act (*Wet op het financieel toezicht*, "Wft"). The Manager has reviewed various aspects of its business operations during the past financial year. In the course of these activities, no findings were made that would lead to the conclusion that the description of the structure of the business operations does not meet the requirements as set out in the Wft and related legislation. The Manager has also come across no findings that indicate that the business operations do not function effectively or in accordance with the description. We therefore declare with a reasonable degree of certainty that the business operations functioned in accordance with the stated description in 2022.

The Fund's asset management is carried out by ASR Nederland N.V. staff employed by the Manager under an employee loan agreement. The Manager has issued an ISAE 3402 Type II report and has obtained an assurance report on this. This report confirms the Manager's view regarding the investment and other processes.

Utrecht, 31 March 2023

ASR Vermogensbeheer N.V.

On behalf of ASR Pensioen Staatsobligatie Fonds 20+ Jaar

The management board,

Mr. J.T.M. Julicher (director)

Mr. M.R. Lavooi (director)

Mrs. W.M. Schouten (director)

Mr. P. Klijnsmit (director)

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# **Financial Statements 2022**

## **ASR Pensioen**

## **Staatsobligatie Fonds 20+ Jaar**

## Balance sheet

Balance sheet as at 31 December 2022 (before profit appropriation x €1,000)

Balance sheet	31-12-2022	31-12-2021	Reference
Investments			
Government bonds	135,031	142,968	
<b>Total Investments</b>	<b>135,031</b>	<b>142,968</b>	<b>1</b>
Receivables	1,592	1,284	<b>2</b>
Other assets			
Cash	70	653	<b>3</b>
Current liabilities	-45	-25	<b>4</b>
<b>Receivables and other assets less current liabilities</b>	<b>1,617</b>	<b>1,912</b>	
<b>Assets less current liabilities</b>	<b>136,648</b>	<b>144,880</b>	
Issued participation capital	208,190	145,462	
Other reserves	-582	12,533	
Unappropriated result	-70,960	-13,115	
<b>Total Net Assets</b>	<b>136,648</b>	<b>144,880</b>	<b>5</b>

## Profit and loss account

Profit and loss account for the period from 1 January 2022 until 31 December 2022 (x € 1,000)

Profit and loss account	01-01-2022 to 31-12-2022	01-01-2021 to 31-12-2021	Reference
Investment income	2,694	1,891	<b>6</b>
Realized changes in the fair value of investments	-35,013	-4,993	<b>7</b>
Unrealized changes in the fair value of investments	-38,331	-9,732	<b>7</b>
<b>Total operating income</b>	<b>-70,650</b>	<b>-12,834</b>	
Management fee	-146	-135	
Service fee	-146	-135	
Interest charges	-18	-11	
<b>Total operating expenses</b>	<b>-310</b>	<b>-281</b>	<b>8</b>
<b>Profit after tax</b>	<b>-70,960</b>	<b>-13,115</b>	

# Cashflow statement

Cashflow statement for the period 1 January 2022 to 31 December 2022 (x €1,000)

Cashflow statement	01-01-2022 to 31-12-2022	01-01-2021 to 31-12-2021	Reference
Total investment result	-70,960	-13,115	
Changes in the fair value of investments	73,344	14,725	1
Purchase of investments (-)	-312,567	-138,232	1
Sales of investments (+)	247,160	114,705	1
Increase (-)/Decrease (+) in receivables	-308	407	2
Increase (+)/Decrease (-) in liabilities	20	-21	4
<b>Net cash flow from investment activities</b>	<b>-63,311</b>	<b>-21,531</b>	
Issue of participations	116,598	33,481	5
Redemption of participations	-53,870	-13,591	5
<b>Net cash flow from financing activities</b>	<b>62,728</b>	<b>19,890</b>	
<b>Movement in cash</b>	<b>-583</b>	<b>-1,641</b>	
Cash per January 1	653	2,294	3
Cash per December 31	70	653	3
<b>Movement in cash</b>	<b>-583</b>	<b>-1,641</b>	

# Principles of valuation and determination of results

## General

ASR Pensioen Staatsobligatie Fonds 20+ (the Fund) was established on 19 November 2019 in the form of a mutual fund. The activities commenced on 19 November 2019.

The obligations under the Financial Supervision Act (Wft) are not applicable to the Manager as far as the ASR Pensioen Staatsobligatie Fonds 20+ jaar is concerned. Potential investors, namely group companies of the Manager within the meaning of Section 1:13a (1) (g) of the Wft, are therefore again reminded that the Fund is not subject to supervision by the AFM. Nevertheless, the Manager has decided to voluntarily prepare the annual report on the Fund with due observance of the applicable rules as set out in Guideline 615 'Investment Institutions' of the Dutch Accounting Standards Board and Title 9 Book 2 of the Dutch Civil Code (Burgerlijk Wetboek, "BW"). All amounts included in the annual report are in thousands of euros, unless stated otherwise. The amounts stated in the tables are rounded figures. Rounding differences may occur as a result. The Manager compiled the financial statements on 31 March 2022.

## Reporting period and corresponding figures

The annual report covers the period from 1 January 2022 up to 31 December 2022. Prior period comparative figures relate to the period 1 January 2021 to 31 December 2021.

## Foreign Currency

Transactions in foreign currency are converted at the rate of exchange on the transaction date. Assets and liabilities in foreign currency are converted into euros at the rate of exchange on the balance sheet date.

Currency differences arising from the conversion are presented in the profit and loss account under realized and unrealized changes in the fair value of investments.

No investments in foreign currency were recorded within the Fund as at 31 December 2022.

## Manager

ASR Vermogensbeheer N.V. (hereinafter referred to as the Manager) is the Manager within the definition of Section 1.1 of the Financial Supervision Act (Wet op het financieel toezicht, hereinafter referred to as the Wft). The Manager is responsible for managing the fund assets in accordance with the investment policy and performing the participant and financial administration. The Manager holds a license granted by the supervisory authority in accordance with Section 2:65 (1) (a) of the Wft and is included in the register kept by the Dutch Authority for the Financial Markets (Autoriteit Financiële Markten, AFM).

## Legal Owner

Stichting ASR Bewaarder acts, in accordance with the general terms and conditions of management and custody, as the owner (title-holder) in a legal sense at the risk and expense of the participants in the Fund.

The primary duty of the Legal Owner is to carry out the depositary functions referred to in Section 4:37f of the Wft on the Fund's behalf. The Legal Owner is liable vis-à-vis the Fund or the participants for the loss of financial instruments taken into custody by it or by a third party to which it has outsourced custody. Further information on the duties, responsibilities and liability of the Legal Owner can be found in the prospectus.

## Basis of preparation

The annual report is prepared on a going concern basis. An asset will be recognized in the balance sheet if it is probable that the future economic benefits will flow to the Fund and its value can be reliably determined. A liability will be recognized in the balance sheet if it is probable that its settlement can be associated with an outflow of funds and the extent of the amount can be reliably determined. The manner in which the asset management activities are structured may result in the legal ownership of an asset and/or liability, of which all or nearly all rights to the economic benefits and risks flow to the Fund, vesting with related parties.

Income is recognized in the profit and loss account if an increase in the economic potential associated with an increase in an asset or a decrease in a liability has taken place, the extent of which can be reliably determined. Expenses are recognized if a decrease in the economic potential associated with a decrease in an asset item or an increase in a liability has taken place, the extent of which can be reliably determined.

If a transaction results in (practically) all future economic benefits and risks with regard to an asset item or a liability being transferred to a third party, the asset item or the liability will no longer be recognized in the balance sheet. Furthermore, assets are no longer recognized in the balance sheet from the moment when the probability conditions of the future economic benefits and reliability of

the value assessment can no longer be satisfied. A liability will no longer be recognized in the balance sheet from the moment when the probability conditions of the expected outflow of funds and reliability of the value assessment can no longer be satisfied.

### **Offsetting**

A financial asset and a financial liability is netted and recognized in the balance sheet as a net amount if there is a legal or contractual right to settle the asset and the liability whilst being netted at the same time, and there is in addition the intention to settle the items in this manner. Interest income and interest expenses related to financial assets and liabilities recognized on a net basis are also recognized on a net basis.

### **Related party transactions**

A related party is a party that can exert significant influence on another party or can exert a significant influence on the financial and business policy of another party. Transactions with related parties are effected at arm's length rates.

### **Investments**

Investments are valued at the purchase price at the time of acquisition, which is the market value of the asset or liability plus purchase costs. Investments in bonds are valued individually at market value, which is considered equivalent to the last known mid-market price on the balance sheet date or is based on broker quotes received. Realized and unrealized changes in value within the portfolio are recognized in the profit and loss account.

The following investment acquisition and selling costs are charged to the Fund:

**Purchase and selling costs of the investments:** costs charged by the broker for the purchase and sale of listed investments. Upon purchase, broker costs are capitalized as part of the purchase price. When periodically determining the market value of investments, the costs are presented in the profit and loss account as part of the unrealized changes in value. Costs associated with the sale of investments are presented as part of the realized changes in value.

**Transaction costs of investments:** costs associated with the settlement of purchase and sale transactions by the custodian of the Fund.

### **Cash**

Bank account credit balances are stated at fair value, which is the nominal value. Cash includes current account credit balances with banks, any cash at bank and on hand and outstanding time and other deposits insofar as not included in the investments.

### **Other assets and liabilities**

Receivables are initially stated at fair value, including transaction costs. Receivables are subsequently revalued at amortized cost based on the effective interest method, without deducting impairment losses. Provisions are determined on the basis of individual assessment of the recoverability of the receivables.

Current liabilities, accruals and deferred income are initially stated at fair value. Current liabilities, accruals and deferred income are subsequently revalued at amortized cost based on the effective interest method. If there is no premium or discount and there are no transaction costs, the amortized cost is equal to the nominal value of the debt.

### **Determining the result**

The result is determined as the difference between the income and the expenditure. Income and expenditure are allocated to the period to which they relate. The result also includes direct investment income, such as interest. Interest income refers to the interest received on bonds and deposits. Results in foreign currencies are translated into euros at the exchange rates applicable on the transaction date.

### **Changes in the fair value of investments**

Realized changes in value are determined by deducting the average cost price (including purchase costs) from the sales proceeds (including selling costs). Unrealized changes in value are determined by deducting the average cost price (including purchase costs) from the balance sheet value at the end of the financial year.

The realized and unrealized changes in value of investments are presented in the period to which they relate as realized or unrealized changes in the fair value of investments respectively under investment income in the profit and loss account.

Investment purchase and selling costs are included in the cost price or deducted from the sales proceeds respectively for the related investments and are therefore part of the changes in the fair value of investments.

**Income tax**

The Fund is a tax transparent mutual fund, meaning that the Fund is not tax liable for income tax and is not subject to the payment of dividend tax.

**Management fee**

Costs are charged to the Fund by the Manager for the management of the Fund Net Assets. The provisions made are transferred to the Manager on a monthly basis. The annual management fee is 0.10%.

**Service fee**

The Manager also receives a monthly service fee that is deducted from the Fund. The service fee covers other costs, such as:

- auditor, legal and tax advisor fees;
- costs associated with the preparation, printing and sending of the Information Memorandum, annual and semi-annual reports and any other documents relating to the Fund;
- costs associated with calculating and publishing the net asset values;
- costs associated with maintaining the participant register and keeping financial and investment accounting records;
- costs associated with meetings of participants.

The annual service fee is 0.10%. The Manager ultimately pays the costs actually incurred related to the service fee.

**Costs associated with investments in other investment funds**

If the Fund invests in other investment funds, the costs incurred within these funds, such as a management fee, service fee and other costs, may be indirectly financed by the Fund.

In the Information Memorandum, the Fund has explicitly reserved the option to invest in other investment funds. The Manager aims to keep the overall cost level, including the costs of underlying funds, at the same level as if the investments were made without the involvement of another investment fund.

If a portion of the fees charged within the investment funds that are the subject of investment is refunded (return commission), this will be credited to the Fund. The entry or exit charges are included directly in the purchase or selling price and are charged to the profit and loss account under investment income.

As at 31 December 2022 the Fund has no investments in other investment funds.

**Fees in relation to securities lending**

The net proceeds generated by securities lending are in principle credited to the Fund. The net proceeds are the proceeds relating to securities lending less a fee for the Manager in line with market conditions, and any costs charged by the parties involved in the lending transactions.

Securities lending involves the provision of securities on loan, whereby legal ownership is transferred to a third party but beneficial ownership remains with the Fund. Loaned securities have therefore been included under investments and are recognized at the share price at the end of the reporting period. Collateral was received to cover the risk of non-return. This collateral is not included in the balance sheet.

No securities were provided on loan during the reporting period.

**Costs for the issue and redemption of participations**

The Fund charges a fee (0.15% of the Net Asset Value) for the issue and redemption of participations. These fees are credited to the Fund to compensate for transaction costs incurred if underlying investments need to be purchased due to issuance or if investments need to be sold due to redemption.

The Manager calculates the entry or exit charge based on the actual average transaction costs it incurs when buying and selling investments. The entry or exit charges are included directly in the purchase or selling price and on revaluation are charged to the profit and loss account at the end of the reporting period. The Manager may adjust this percentage if the market conditions change to such an extent that the entry and exit charge are no longer representative of the actual transaction costs incurred.

**Cash flow statement**

The cashflow statement has been prepared according to the 'indirect method', whereby a distinction is made between cash flows from investment and financing activities. Cash relates to credit balances with banks that are available on demand. In the cash flow from investment activities, the result is adjusted for costs that are not expenditure and proceeds that are not revenue.

# Notes to the balance sheet and profit and loss account

## 1. Investments

The investments can be broken down as follows (x €1,000):

Investments	31-12-2022	31-12-2021
Government bonds	135,031	142,968

The movement in investments during the reporting period was as follows (x €1,000):

Investments	01-01-2022 to 31-12-2022	01-01-2021 to 31-12-2021
Balance at the start of the reporting period	142,968	134,166
Purchases	312,567	138,232
Sales	-247,160	-114,705
Changes in values	-73,344	-14,725
<b>Balance at the end of the reporting period</b>	<b>135,031</b>	<b>142,968</b>

The investments are valued at fair value, which is derived from quoted market prices.

More information on the risk management with regard to the investments is available in sections Report of the Manager and ASR Pensioen Staatsobligatie Fonds 20+ return and portfolio policy.

A specification of the investments is presented in Appendix 1.

## 2. Receivables

The other receivables have a term of less than one year and can be broken down as follows (x €1,000):

Receivables	31-12-2022	31-12-2021
Interest receivable on investments	1,592	1,243
Receivables from participants for subscriptions	-	41
<b>Balance at the end of the reporting period</b>	<b>1,592</b>	<b>1,284</b>

## 3. Cash

Cash concerns credit balances with banks that are available on demand.

## 4. Current liabilities

The current liabilities all have a term of less than one year and can be broken down as follows (x €1,000):

Current liabilities	31-12-2022	31-12-2021
Management and service fees payable	-26	-25
Payable in respect of participant redemptions	-19	-
<b>Balance at the end of the reporting period</b>	<b>-45</b>	<b>-25</b>



## 5. Issued share capital, unappropriated result and other reserves

ASR Pensioen Staatsobligatie Fonds 20+ multi-year overview

Net Asset Value	31-12-2022	31-12-2021	31-12-2020
Fund Net Assets (x € 1,000)	136,648	144,880	138,105
Number of participations	4,474,744	2,900,813	2,503,829
Net Asset Value in euros per participation	30.54	49.94	55.16

The movement in issued share capital during the reporting period was as follows (x €1,000):

Issued share capital	01-01-2022 to 31-12-2022	01-01-2021 to 31-12-2021
Balance at the start of the reporting period	145,462	125,572
Issues during the reporting period	116,598	33,481
Redemptions during the reporting period	-53,870	-13,591
<b>Balance at the end of the reporting period</b>	<b>208,190</b>	<b>145,462</b>

The movement in the number of participations during the reporting period was as follows:

Schedule of movements in the number of participations	01-01-2022 to 31-12-2022	01-01-2021 to 31-12-2021
Balance at the start of the reporting period	2,900,813	2,503,829
Issues during the reporting period	2,830,063	657,026
Purchase during the reporting period	1,256,132	-260,042
<b>Balance at the end of the reporting period</b>	<b>4,474,744</b>	<b>2,900,813</b>

The movement in other reserves during the reporting period was as follows (x €1,000):

Other reserves	01-01-2022 to 31-12-2022	01-01-2021 to 31-12-2021
Balance at the start of the reporting period	12,533	-
Profit distribution of the previous financial year	-13,115	12,533
<b>Balance at the end of the reporting period</b>	<b>-582</b>	<b>12,533</b>

The movement in unappropriated result during the reporting period was as follows (x €1,000):

Unappropriated result	01-01-2022 to 31-12-2022	01-01-2021 to 31-12-2021
Balance at the start of the reporting period	-13,115	12,533
Profit distribution of the previous financial year	13,115	-12,533
Unappropriated result of the current financial year	-70,960	-13,115
<b>Balance at the end of the reporting period</b>	<b>-70,960</b>	<b>-13,115</b>

## 6. Investment income

The investment income can be broken down as follows (x €1,000):

<b>Investment income</b>	<b>01-01-2022 to 31-12-2022</b>	<b>01-01-2021 to 31-12-2021</b>
Interest on bonds	2,590	1,891
Proceeds in relation to participant subscriptions and redemptions	91	-
Other income	13	-
<b>Total</b>	<b>2,694</b>	<b>1,891</b>

## 7. Changes in the fair value of investments

The realized changes in the fair value of investments are the results from sales, including any selling costs.  
The unrealized changes in the fair value of investments held include any purchasing costs.

The changes in the fair value of investments can be broken down as follows (x €1,000):

<b>Changes in the fair value of investments</b>	<b>01-01-2022 to 31-12-2022 (positive)</b>	<b>01-01-2022 to 31-12-2022 (negative)</b>	<b>01-01-2021 to 31-12-2021 (positive)</b>	<b>01-01-2021 to 31-12-2021 (negative)</b>
Realized	329	-35,342	807	-5,800
Unrealized	-	-38,331	4	-9,736

## 8. Operating expenses

The operating expenses can be broken down as follows (x €1,000):

<b>Operating expenses</b>	<b>01-01-2022 to 31-12-2022</b>	<b>01-01-2021 to 31-12-2021</b>
Management fee	-146	-135
Service fee	-146	-135
Interest charges	-18	-11
<b>Total</b>	<b>-310</b>	<b>-281</b>

## Ongoing Charges Figure (OCF)

<b>Fund</b>	<b>Information memorandum</b>	<b>01-01-2022 to 31-12-2022</b>	<b>01-01-2021 to 31-12-2021</b>
ASR Pensioen Staatsobligatie Fonds 20+ Jaar	0.20%	0.20%	0.20%*

\* The annualized OCF amounts to 0,20%

The Ongoing Charges Figure (OCF) includes all costs charged to the Fund in the reporting period, including the management and service fees of the underlying investment funds, excluding interest charges, any taxes and transaction costs arising from the purchase and sale of investments. The OCF is calculated by dividing the total costs in the reporting period by the average Net Asset Value of the Fund.

The average Net Asset Value of the Fund is the sum of the Net Asset Values divided by the number of times at which the Net Asset Value is calculated during the reporting year. The number of measurement points is regarded as a weighted average.

**Portfolio Turnover Rate (PTR)**

Fund	01-01-2022 to 31-12-2022	01-01-2021 to 31-12-2021
ASR Pensioen Staatsobligatie Fonds 20+ Jaar	265.95 %	152.89 %

The Portfolio Turnover Rate (PTR) provides an indication of the turnover rate of the investments relative to the average fund capital and is a benchmark for the degree to which an investment policy is active or less active. For example, a turnover ratio of 200% indicates that purchase and sales transactions amounting to twice the value of the average fund capital have been carried out in addition to purchase and sales transactions resulting from subscriptions and redemptions.

In the calculation used, the turnover is equal to the sum of purchases and sales of investments in the reporting period less the sum of issues and purchases of participations. This includes all investment categories except deposits with an original term of less than one month. The PTR is determined by the turnover expressed as a percentage of the average Net Asset Value of the Fund, calculated in the same way as when determining the OCF for the reporting period.

**Related party transactions**

The Fund has the following relationships with related parties:

- ASR Vermogensbeheer N.V. is the Manager of the Fund and charges a management fee (€ 146,000) and a service fee (€ 146,000).
- The board of ASR Vermogensbeheer N.V. has no participations in the Fund.

**Other**

Entry charges, exit charges, management fees and service fees are exempt from VAT.

**Profit appropriation**

Following the adoption of the annual report, the profit is added to the other reserves as part of the fund assets.

**Proposed dividend**

The Fund does not distribute dividends. Dividends received by the Fund are reinvested and are reflected in the value movement of the Fund.

**Events after the balance sheet date**

No events occurred in the period up to the preparation of this annual report that require any changes or explanatory notes to the financial statements.

**SIGNING OF THE FINANCIAL STATEMENTS**

Utrecht, 31 March 2023

ASR Vermogensbeheer N.V.

On behalf of ASR Pensioen Staatsobligatie Fonds 20+ Jaar

The management board,

Mr. J.T.M. Julicher (director)

Mr. M.R. Lavooi (director)

Mrs. W.M. Schouten (director)

Mr. P. Klijnsmit (director)

# Other information

## Independent auditor's report

To: the General Meeting and the Manager of ASR Pensioen Staatsobligatie Fonds 20+ Jaar

### Report on the audit of the accompanying financial statements

#### Our opinion

We have audited the financial statements 2022 of ASR Pensioen Staatsobligatie Fonds 20+ Jaar ('the Fund'), based in Utrecht.

In our opinion the accompanying financial statements give a true and fair view of the financial position of ASR Pensioen Staatsobligatie Fonds 20+ Jaar as at 31 December 2022, and of its result for 2022 in accordance with Part 9 of Book 2 of the Dutch Civil Code.

The financial statements comprise:

1. the balance sheet as at 31 December 2022;
2. the profit and loss account for 2022; and
3. the notes comprising a summary of the accounting policies and other explanatory information.

#### Basis for our opinion

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. Our responsibilities under those standards are further described in the 'Our responsibilities for the audit of the financial statements' section of our report.

We are independent of ASR Pensioen Staatsobligatie Fonds 20+ Jaar in accordance with the 'Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten' (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore, we have complied with the 'Verordening gedrags- en beroepsregels accountants' (VGBA, Dutch Code of Ethics).

We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Report on the other information included in the annual report

In addition to the financial statements and our auditor's report thereon, the annual report contains other information.

Based on the following procedures performed, we conclude that the other information is consistent with the financial statements and does not contain material misstatements;

We have read the other information. Based on our knowledge and understanding obtained through our audit of the financial statements or otherwise, we have considered whether the other information contains material misstatements.

By performing these procedures, we comply with the requirements of the Dutch Standard 720. The scope of the procedures performed is less than the scope of those performed in our audit of the financial statements.

The manager is responsible for the preparation of the other information.

### Description of the responsibilities for the financial statements

#### Responsibilities of the manager for the financial statements

The manager is responsible for the preparation and fair presentation of the financial statements in accordance with Part 9 of Book 2 of the Dutch Civil Code. Furthermore, the manager is responsible for such internal control as the manager determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to errors or fraud.

As part of the preparation of the financial statements, the manager is responsible for assessing the company's ability to continue as a going concern. Based on the financial reporting framework mentioned, the manager should prepare the financial statements using the going concern basis of accounting unless the manager either intends to liquidate the Fund or to cease operations, or has no realistic

alternative but to do so. The manager should disclose events and circumstances that may cast significant doubt on the company's ability to continue as a going concern in the financial statements.

### **Our responsibilities for the audit of the financial statements**

Our objective is to plan and perform the audit engagement in a manner that allows us to obtain sufficient and appropriate audit evidence for our opinion.

Our audit has been performed with a high, but not absolute, level of assurance, which means we may not have detected all material errors and fraud during our audit.

Misstatements can arise from fraud or errors and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements. The materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

We have exercised professional judgement and have maintained professional scepticism throughout the audit, in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements. Our audit included among others:

- identifying and assessing the risks of material misstatement of the financial statements, whether due to errors or fraud, designing and performing audit procedures responsive to those risks, and obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from errors, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtaining an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control;
- evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the manager;
- concluding on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company ceasing to continue as a going concern;
- evaluating the overall presentation, structure and content of the financial statements, including the disclosures; and
- evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the manager regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant findings in internal control that we identify during our audit.

Utrecht, 31 March 2023  
KPMG Accountants N.V.

G.J. Hoeve RA

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# Appendices



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## **Appendix 2 Sustainability performance of the Fund**



ANNEX IV

Product name: ASR Pensioen Staatsobligatiefonds 20+ Jaar  
 Legal entity identifier: 724500TLRTZYUAUOFA11

## Environmental and/or social characteristics

### Did this financial product have a sustainable investment objective?

<input checked="" type="radio"/> <input type="radio"/> <b>Yes</b>	<input type="radio"/> <input checked="" type="radio"/> <b>No</b>
<input type="checkbox"/> It made <b>sustainable investments with an environmental objective</b> : ____% <ul style="list-style-type: none"> <li><input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy</li> <li><input type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</li> </ul> <input type="checkbox"/> It made <b>sustainable investments with a social objective</b> : ____%	<input checked="" type="checkbox"/> It <b>promoted Environmental/Social (E/S) characteristics</b> and while it did not have as its objective a sustainable investment, it had a proportion of 11% of sustainable investments <ul style="list-style-type: none"> <li><input type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy</li> <li><input checked="" type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</li> <li><input checked="" type="checkbox"/> with a social objective</li> </ul> <input type="checkbox"/> It promoted E/S characteristics, but <b>did not make any sustainable investments</b>

The definition of sustainable investments is currently still being developed, both in legislative interpretation and in the market. Based on these developments, ASR Vermogensbeheer N.V. ("ASR Vermogensbeheer", "AVB" or the "Manager") will be able to update the definition of sustainable investments in 2023. In calculating the percentage of sustainable investments, ASR Vermogensbeheer applies the methodology described under the heading 'What were the objectives of the sustainable investments partially made by the financial product, and how did the sustainable investments contribute to achieving those objectives'.

### To what extent were the environmental and/or social characteristics promoted by this financial product met?

The SRI policy of ASR Vermogensbeheer ('sustainability policy', see the website of ASR Vermogensbeheer) sets out the environmental and/or social characteristics used by the Manager. The Fund promotes sustainability characteristics by applying this sustainability policy when making investment decisions. The sustainability policy is continuously assessed against the latest insights and developments and adjusted where AVB considers this relevant.

The following environmental and social characteristics are promoted in respect of this Fund:

**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 include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.



1. **Exclusions:** Exclude countries that do not fit within the sustainability policy restrictions.
  - o **Environmental:** Countries believed to have a poor environmental performance are excluded. Specifically, we do not invest in countries that achieve an average score of less than 50 on the SDG Index in the area of SDG 7 (affordable and clean energy), SDG 13 (climate action), SDG 14 (Life below water) and SDG 15 (Life on land).
  - o **Social:** Countries believed to have no basic political freedoms and no protection of civil rights are excluded. Specifically, we do not invest in countries that are classified as 'not free' by 'Freedom in the World' (an annual report published by the US NGO 'Freedom House').
  - o **Governance:** Countries believed to be highly corrupt are excluded. Specifically, we do not invest in countries with a score of less than 30 on the Corruption Perceptions Index published by Transparency International.
2. **Green Bond investments:** This Fund has the objective always to invest more in Green Bonds than the financial benchmark applied. AVB selects green bonds that meet the ICMA Green Bond Principles standard or Climate Bond Initiative Green Bond Methodology, in accordance with four minimum criteria: 1. Use of the revenue 2. Project evaluation and selection process 3. Management of the revenue 4. Reporting
3. **Governments with a relatively better SDG score:** The weighted average SDG score of the Fund's investments has to be in the top 25% of the SDG Index issued by the Bertelsmann Stiftung (the 'SDG Index'). This Sustainable Development Goals ('SDG') Index provides a periodic ranking of countries and their performance on the United Nations sustainability goals. More information about the SDG Index is available on <https://www.sdgindex.org/>

Through the sustainability indicators in the next question, we provide insight into the extent to which these characteristics are met.

● ***How did the sustainability indicators perform? ...and compared to previous periods?***

The indicators used to measure the sustainability characteristics performed as follows:

1. **Exclusions:** The exclusions applied in 2022 were in line with the sustainability policy (as described above). Accordingly, there were no investments in countries which fail to meet the applicable sustainability policy. This is monitored all the time.
2. **Green Bond investments:** This Fund has the objective always to invest more in Green Bonds than the financial benchmark applied.

As at year-end 2022, 11.23% of the Fund's investments are investments in Green Bonds, which is more than the figure for the financial benchmark, where investments in Green Bonds make up 4.04% at year-end 2022.

As at year-end 2021, investments in Green Bonds amounted to 7.94%.

3. **Governments with a relatively better SDG score:** The weighted average SDG score of the Fund's investments should be in the top 25% of the SDG Index.

The Fund's average SDG score as at year-end 2022 was 81.86. This means that the target of being in the top 25% was achieved, since at year-end 2022 a score above 75 was in the top 25% SDG score of the benchmark.

At 31 December 2021, the Fund's SDG score was 80.69 whereby a score above 75 was in the top 25% SDG score of the benchmark.

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

● ***What were the objectives of the sustainable investments that the financial product partially made and how did the sustainable investment contribute to such objectives?***

Since the sustainable investments are government green bonds and the EU Green Bond Standard has not yet entered into force, the following criteria are used to measure whether green bonds contribute to an environmental objective:

- **Compliance with the ICMA Green Bond Principles standard or Climate Bond Initiative Green Bond Methodology**, in accordance with four minimum criteria: 1. Use of the revenue 2. Project evaluation and selection process 3. Management of the revenue 4. Reporting
  
- **Investments compliant with the Green Bond Principles make a significant contribution to one of the following environmental objectives:**
  - o Renewable energy
  - o Energy efficiency
  - o Pollution prevention and control
  - o Environmentally sustainable management of living natural resources and land use
  - o Terrestrial and aquatic biodiversity conservation
  - o Sustainable transport
  - o Climate change adaptation
  - o Circular economy adapted products, production technologies and processes
  - o Buildings compliant with green standards recognised at regional, national or international level

● ***How did the sustainable investments that the financial product partially made not cause significant harm to any environmental or social sustainable investment objective?***

In May 2022, the European Commission explained that the OECD Guidelines and UN Guiding Principles on Business and Human Rights are aimed at companies, which means that this question does not apply to investments in governments.

— ***How were the indicators for adverse impacts on sustainability factors taken into account?***

The following indicators have been taken into account:

**PAI for countries #15 Carbon footprint.** The carbon footprint is measured and monitored as part of the investment process. The PAI as at year-end 2022 is reported in the next section.

**PAI for countries #16 Investee countries subject to social violations.** Countries appearing on the sanctions lists of the United Nations, the European Union, the Netherlands, FATF, OFAC and the UK are excluded. The PAI as at year-end 2022 is reported in the next section.

**PAI for countries Table III #19 Average freedom of expression score.** Countries believed to have no basic political freedoms and no protection of civil rights are excluded. Specifically, we do not invest in countries that are classified as 'not free' by 'Freedom in the World' (an annual report published by the US NGO 'Freedom House'). The PAI as at year-end 2022 is reported in the next section.

**PAI for countries Table III #21 Average corruption score.** Countries believed to be highly corrupt are excluded. Specifically, we do not invest in countries with a score of less than 30 on the Corruption Perceptions Index published by Transparency International. The PAI as at year-end 2022 is reported in the next section.

**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.

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

In May 2022, the European Commission explained that the OECD Guidelines and UN Guiding Principles on Business and Human Rights are aimed at companies, which means that this question does not apply to investments in governments.

*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 Union 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.*



## How did this financial product consider principal adverse impacts on sustainability factors?

As part of the sustainability policy, the following principal adverse sustainability impact indicators have been taken into account.

**PAI for countries #15 Carbon footprint.** The carbon footprint is measured and monitored as part of the investment process. As at year-end 2022, the average emission figure is 59.2t CO<sub>2</sub>eq per million euros of invested capital. This average was calculated on the basis of 100% of the investments about which data was available. As at year-end 2021, the average figure was 90.6t CO<sub>2</sub>eq per million euros of invested capital.

**PAI for countries #16 Investee countries subject to social violations.** As at year-end 2022, 0% of the investments were investments in countries subject to social violations. This percentage was calculated on the basis of 100% of the investments about which data was available. Many countries were already excluded on the basis of this criterion in 2021, but this indicator was not yet reported back then.

**PAI for countries Table III #19 Average freedom of expression score.** Countries believed to have no basic political freedoms and no protection of civil rights are excluded. Specifically, we do not invest in countries that are classified as ‘not free’ by ‘Freedom in the World’ (an annual report published by the US NGO ‘Freedom House’). As at year-end 2022, 100% of the portfolio is classified as ‘free’. (This indicator was not yet reported in 2021.) These results were calculated on the basis of 100% of the investments about which data was available.

**PAI for countries Table III #21 Average corruption score.** Countries believed to be highly corrupt are excluded. Specifically, we do not invest in countries with a score of less than 30 on the Corruption Perceptions Index published by Transparency International, which are therefore regarded as highly corrupt. The Corruption Perceptions Index awards countries a score of 0-100. As at year-end 2022, the fund’s average score is 75 (this indicator was not yet reported in 2021). This percentage was calculated on the basis of 100% of the investments in government bonds.



## What were the top investments of this financial product?

The list includes the investments constituting the **greatest proportion of investments** of the financial product during the reference period which is: 31-12-2022

Largest investments	Sector	% assets	Country
FRANKRIJK_2%_25/05/2048	Sovereign	12.08%	FR
DUISSLAND_1.25%_15/08/2048	Sovereign	10.94%	DE
FRANKRIJK_0.5%_25/06/2044	Sovereign	8.19%	FR
BELGIE_1.4%_22/06/2053	Sovereign	7.63%	BE
FRANKRIJK_4%_25/04/2055	Sovereign	7.26%	FR
OOSTENRIJK_3.8%_26/01/2062	Sovereign	6.74%	AT
DUISSLAND_0%_15/08/2052	Sovereign	6.59%	DE
FRANKRIJK_4%_25/04/2060	Sovereign	6.15%	FR
DUISSLAND_2.5%_15/08/2046	Sovereign	5.56%	DE
NEDERLAND_0%_15/01/2052	Sovereign	3.56%	NL
FRANKRIJK_1.5%_25/05/2050	Sovereign	3.50%	FR
EU_3%_04/03/2053	Supranational	2.58%	SP
IERLAND_1.5%_15/05/2050	Sovereign	2.46%	IE
NEDERLAND_0.5%_15/01/2040	Sovereign	1.85%	NL
BELGIE_1.6%_22/06/2047	Sovereign	1.73%	BE

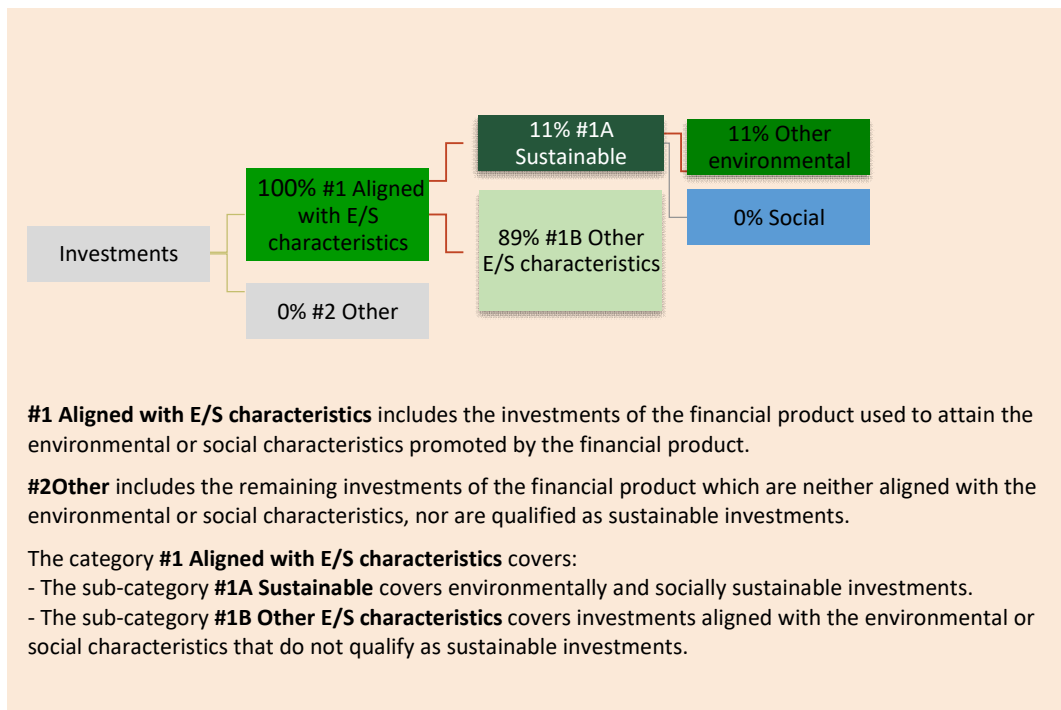


## What was the proportion of sustainability-related investments?

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

Of the investments (excluding cash and, where applicable, derivatives), 100% is invested in #1 Aligned with the E/S characteristics stated and 0% in #2 Other. 11% is invested in #1A Sustainable investments (subcategory Other environmental and social) and the remaining part (95%) of the investments in #1B Other E/S characteristics. See the overview in the figure below. In the allocation between environmental and social sustainable investments, the investments which generate more than 20% sustainable revenue and thereby primarily gain revenue from social objectives were fully assigned to Social in the figure below. In addition to investments, this Fund also holds a small percentage in cash (no more than 5 percent).

### ● *What was the asset allocation?*



### ● *In which economic sectors were the investments made?*

More information on this subject can be found in the Fund's annual report.



## To what extent were the sustainable investments with an environmental objective aligned with the EU Taxonomy?

The Manager has included 0% EU Taxonomy aligned investments, in line with the European Commission's further explanation (May 2022) that if a manager cannot obtain reliable EU Taxonomy details, it must report a minimum degree of 0%. When the EU Green Bond Standard takes effect, the Manager will be able to measure the extent to which the Green Bonds are aligned with the EU Taxonomy..

### ● Did the financial product invest in fossil gas and/or nuclear energy related activities complying with the EU Taxonomy<sup>1</sup>?

Yes:

In fossil gas

In nuclear energy



No

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to fully 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.

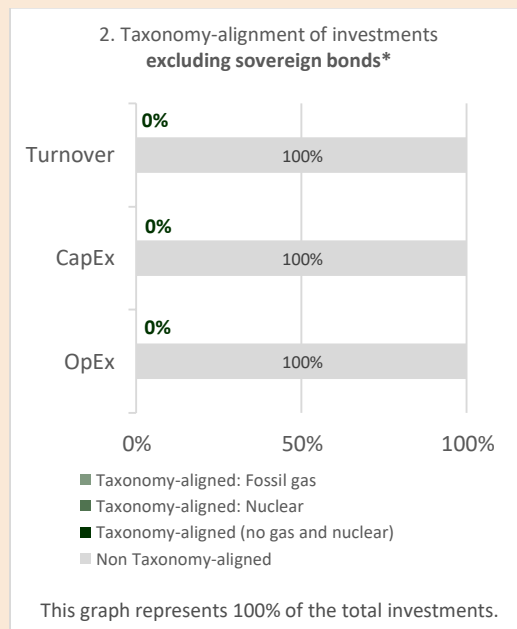
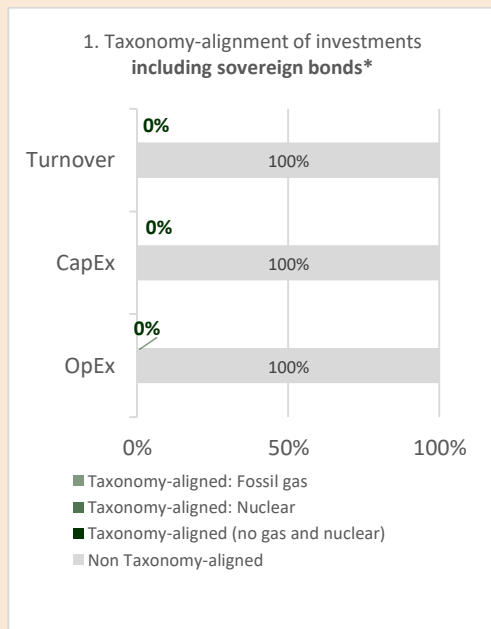
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<sup>1</sup> Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective - see explanatory 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.

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.

**The graphs below show in green the percentage of investments that were 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 was the share of investments made in transitional and enabling activities?**

The Fund has not invested in transitional and enabling activities..

● **How did the percentage of investments that were aligned with the EU Taxonomy compare with previous reference periods?**

As this is the first reporting period on EU Taxonomy aligned investments, there are no reference period figures yet.





are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under Regulation (EU) 2020/852.



### **What was the share of sustainable investments with an environmental objective not aligned with the EU Taxonomy?**

As at year-end 2022, the Fund has invested 11% of the invested capital in investments with an environmental objective not aligned with the EU Taxonomy.



### **What was the share of socially sustainable investments?**

As at year-end 2022, the Fund has invested 0% of the invested capital in social sustainable investments



### **What investments were included under “other”, what was their purpose and were there any minimum environmental or social safeguards?**

No investments were included under ‘Other’.



### **What actions have been taken to meet the environmental and/or social characteristics during the reference period?**

The Manager took the following measures in 2022 in order to meet the environmental and/or social characteristics:

- The portfolio manager considers the E/S characteristics stated and associated indicators when taking investment decisions. The data used for this purpose is updated and externally validated once every six months. An updated list of excluded investments is drawn up after each update, which can be viewed here: <https://asvermogensbeheer.nl/kennisbank/beleidstukken/uitgesloten-landen-en-bedrijven>.
- The portfolio manager focuses on the percentage of sustainable investments in the portfolio.
- The portfolio manager focuses on the average SDG score in the portfolio. The Fund’s average SDG score as at year-end 2022 was 81.86. Where possible, the Fund invests in investments with an even higher SDG score within the applicable investment policy.



### **How did this financial product perform compared to the reference benchmark?**

The Fund does not compare its sustainability characteristics with a benchmark. However, the Fund does use the SDG index of the Bertelsmann Stiftung.

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

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