ASR Pensioen Staatsobligatie Fonds 15+ Jaar

Annual Report

2020

a.s.r.
de nederlandse
vermogens
beheerders

General information ASR Pensioen Staatsobligatie Fonds 15+ Jaar

Office address of the Manager
ASR Vermogensbeheer N.V.
Archimedeslaan 10
3584 BA Utrecht
Website: 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

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
1 October 2017

ASR Pensioen Staatsobligatie Fonds 15+ Jaar

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Management board's 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 15+ 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.

a.s.r. vermogensbeheer's objective is to manage investment institutions and to provide investment services to group companies of ASR Nederland N.V. (hereinafter referred to as 'a.s.r.' or 'ASR Nederland') and on behalf of third parties. a.s.r. vermogensbeheer offers investment services for pension funds, insurers, guarantee and donor-advised funds, charitable organizations, regional authorities, healthcare and educational institutions, network companies, housing associations and other players in the social domain, with a focus on services as tailor-made solutions with a sound return and a sustainable character. a.s.r. vermogensbeheer also offers institutional investment funds. The product range consists of European corporate bonds, interest rate overlay, European government bonds, European stocks, balanced mandates, tailored bond portfolios, private loans, fixed-rate index investments, real estate and mortgages. Other investment categories are purchased by a.s.r. vermogensbeheer in accordance with a.s.r.'s quality and sustainability criteria.

a.s.r. vermogensbeheer does not employ any staff members. All activities are carried out by employees of ASR Nederland N.V. on the basis of an employee loan agreement.

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 ESG IndexPlus Institutionele Fondsen, ASR ESG IndexPlus Fondsen, ASR Mortgage Fund, ASR Separate Account Mortgage Fund, ASR Private Debt Fund I, ASR Kapitaalmarkt Fonds, ASR Deposito Fonds, ASR Duurzaam Institutioneel Vermogensbeheer Beleggingsfondsen, Loyalis Global Funds, First Liability Matching N.V. and the Luxembourg alternative investment fund ASR Fonds SICAV ('Sociéte d'investissement á Capital Variable').

The license of a.s.r. vermogensbeheer is 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 ASR Levensverzekering N.V. invests for the purpose of its unit-linked products, 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 and ASR Amerika Aandelen Basisfonds.

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 (OTSOs) and for third parties with external mandates.

a.s.r. vermogensbeheer is a member of DUFAS (Dutch Fund and Asset Management Association), the Dutch association of investment institutions and asset managers. a.s.r. vermogensbeheer follows the code of conduct that has been drawn up by this industry organisation. This code of conduct sets out good practices relating to fund governance and offers further guidelines for the organisational structure and procedures of managers of investment institutions, with the aim of ensuring that managers act in the interests of the participants in their investment institutions and structure their organisations in a way that prevents conflicts of interest.

Fund profile

Structure of the Fund

The Fund was established on 1 October 2017 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 15+ Jaar	Mr. M. (Marèn) Klap

Investment philosophy of the Fund
The goal of the Fund is to provide an investment in a diversified portfolio of Investment Grade fixed-income securities and instruments with a long duration, primarily issued by government authorities and denominated in euros. The benchmark is the Bank of America/Merrill Lynch 15+ Year AAA-AA Euro Government Index (Bloomberg ticker EG68).

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. vermogensbeheer. a.s.r. vermogensbeheer 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. vermogensbeheer. 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 2020, the Fund Net Asset Value increased by €4.7 million to €244.5 million. Due to an internal conversion process (Loyalis) there has been inflow into the Fund. In addition, the continued favorable interest rate environment contributed to a positive return.

x 1,000	31-12-2020	31-12-2019	% change	€ change
Fund Net Asset Value	€ 244,462	€ 239,793	1.95%	€ 4,669

Developments affecting the fund during the reporting period

Composition of the Manager's management board

Mr. J.J.M. de Wit has resigned as director with effect from 11 November 2019. Mrs. W.M. Schouten was appointed on 1 May 2020. The directors of ASR Vermogensbeheer N.V. under the Articles of Association are Mr. J.Th.M. Julicher (chair), Mr. M.R. Lavooi and Mrs. W.M. Schouten.

In addition, Ms. A. van Melick, as member of the Executive Board of ASR Nederland N.V., is also considered a day-to-day co-policymaker of ASR Vermogensbeheer N.V. following the resignation of Mr. C. Figee, and on those grounds has undergone a reliability assessment as referred to in Section 4:9 of the Dutch Financial Supervision Act (Wft).

The persons mentioned have been assessed for reliability and have been approved by the AFM.

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 primarily 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 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 by the Risk Management Committee (RMC). The RMC documents are submitted to the Investment & Policy Committee (IPC). The board is represented within the IPC. As from January 2021, both committees have been merged into a combined IPC / RMC, in which again also the board is represented.

Insight into risks

The (semi) annual reports serves, among other things, to provide 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 (DUFAS code of conduct)

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 endorsed the code of conduct drawn up by the sector organization DUFAS (Dutch Fund and Asset Management Association). This code of conduct sets out best practices relating to fund governance and offers further guidelines for the organizational structure and procedures of managers of investment institutions, with the aim of ensuring that managers act in the interests of the participants in their investment institutions, and structure their organizations in a way that prevents conflicts of interest.

An important part of fund governance is the presence of a Supervisory Board or entity that is sufficiently independent from the Manager and that supervises the management of the 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.

The Manager has set out its ‘principles of fund governance’ in a Fund Governance Code. 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 line with the AIFMD legislation (Article 80), responsibility for risk management is a separate activity within the Manager’s organization. In accordance with the AIFM Directive, a distinction is made between risks relating to the funds and risks relating to the Manager’s organization.

The director responsible for risk management at the Manager, reports on risk management in relation to funds subject to supervision directly to the CEO (Chief Executive Officer) of ASR Nederland N.V. The management organization’s risk management complies with the Risk Charter that applies within ASR Nederland N.V. In accordance with the Risk Charter, the Manager accounts for the management organization’s risk management to the CFO (Chief Financial Officer) of ASR Nederland N.V., by means of the Manager’s CFRO and ASR Nederland’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 Risk Management Committee 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
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 2020 165 employees and 159 FTEs were subcontracted by a.s.r. vermogensbeheer pursuant to an employee loan agreement with ASR Nederland N.V. The personnel expenses, which are charged to a.s.r. vermogensbeheer 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 and has therefore 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 salary expenses of the Directors are included in the recharged personnel expenses.

The table below includes the total remuneration with regard to the employees loaned by the Manager (numbers according to the year-end 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).

Personnel expenses (in euros)	01-01-2020 to 31-12-2020	No. of employees
Management Board	889,902	3*
Identified Staff	283,056	1**
Employees	20,429,609	161
Total	**21,602,567**	**165**

* The 2020 Management Board's remuneration relates to two management board members up to April 2020.

** The 2020 Identified Staff's remuneration related to two employees up to mid June 2020.

Sustainability policy

ASR as sustainable investor
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. Over the years a.s.r. has expanded its efforts from the original exclusion criteria to a focus on making a positive contribution to a more sustainable world. A regular update on this is given in our quarterly reports on sustainable business practice.

All investments managed by a.s.r. vermogensbeheer (AVB) are screened using our Socially Responsible Investment (SRI) policy (see www.asrnederland.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. pursues a strict exclusion policy for countries who do not respect the democratic freedoms or those countries with a poor score regarding corruption and environmental management.

a.s.r. guarantees full compliance with its own SRI policy through the internal implementation by the investment departments, the compliance process and independent external assurance by Forum Ethibel.

For a.s.r., sustainability is an essential part of the investment vision. a.s.r. believes that the integration of ESG 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. a.s.r.publishes twice a year a new list of excluded companies and once a year a new list of excluded countries (https://www.asrnl.com/about-asr/sustainable-business/sustainable-investor).

ESG integration for best-in-class investments
a.s.r. prefers companies that score above average in terms of ESG policy and implementation. On the basis of research conducted by research agencies Vigeo Eiris (V.E.) and MSCI, companies are classified according to their sustainability characteristics. Companies that perform well in their sector in terms of climate, environment, ethical conduct, sound policy, social impact and human rights are qualified as 'best-in-class'.

For government bonds a.s.r. also employs a ‘best-in-class’ approach, with countries being selected on the basis of their SDG score, as published in the SDG Index: the weighted average SDG score of the a.s.r. government bond portfolio must be in the first quartile (best-in-class) of the SDG index.

Engagement
In 2020, 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 has been published on a.s.r.’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: :
   - The COVID-19 pandemic played a role in our engagements in 2020. a.s.r. engaged with various pharmaceutical companies, for example, and urged them not to place financial interest above the interests of society as a whole when developing and distributing vaccines and medicines for COVID-19. a.s.r. also paid additional attention to production chains in the clothing industry and the meat processing industry, where the risk of human rights and labour rights violations during the pandemic is substantial.

   - a.s.r. undertook multiple initiatives in relation to biodiversity in 2020. a.s.r. is active in the Biodiversity workflow via De Nederlandsche Bank’s Sustainable Finance Platform. The working group published two papers in 2020. In addition, a.s.r. engaged in dialogue with the governments of Brazil and Indonesia to make clear its objections to new legislation that facilitates deforestation. By signing the Finance for Biodiversity Pledge, a.s.r. has committed to working on measuring the biodiversity footprint of its investments in the coming years and to formulating biodiversity targets by 2024 at the latest. In this context, a.s.r. has joined a pilot by the Biodiversity Accounting for Financials Platform that aims to further elaborate a methodology for measuring the footprint.

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 within their role 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. The focus of 2020 is access to medicines, with a contribution by a.s.r. to activities such as those described above. In addition, a.s.r. also signed the 'Green Recovery Statement' to call on the government to take sustainability and inclusiveness as the starting point for the COVID-19 recovery plans in the Netherlands and the rest of Europe.

The most recent overview of companies being talked to and their status can be found on a.s.r.'s website. (www.asrnederland.nl/over-asr/duurzaam-ondernemen).

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. a.s.r. voted at more than 97% of the AGMs. At 455 of the 1092 AGMs, a.s.r. voted against or abstained on at least one item. Common ESG topics were transparency on lobbying practices, human rights, climate change and equal pay for men and women. More information on the voting policy, including the use of voting advisors for engagement activities, can be found on https://www.asrvermogensbeheer.nl/overig/stembeleid.

Climate and energy transition
The 'climate change and energy transition' theme has been an explicit part of a.s.r.'s strategic investment policy since 2016. a.s.r. has analysed the risks for the 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. In 2020, the climate scenarios in the SAA were expanded further through the addition of physical risks. This approach has been selected as Best Practice by the UN PRI. In the 2020 Annual Report, a.s.r. reported once again on climate risks and opportunities in accordance with the TCFD (Taskforce on Climate-related Financial Disclosures) and the steps that were taken in this regard in the previous year.

In June 2020, a.s.r. set CO2 reduction targets: 50% reduction in 2030 compared to 2015 for the equities, corporate bonds and government bonds asset classes. Furthermore, a.s.r. was involved in the development of a robust method for financial institutions to set reduction targets consistent with the science and the Climate Agreement and joined the Net Zero Asset Manager Alliance.

Recognition for a.s.r.'s socially responsible investment policy
- In January 2020, a.s.r. received the highest ratings in the Fair Insurance Guide (Eerlijke Verzekeringswijzer) for the sixth time.
- a.s.r. once again received an A+ rating for sustainability strategy from the UN PRI.
- a.s.r. was recognised by PAX as the best-performing insurer in a study on investments in the arms industry. All investments in arms have been excluded by a.s.r.

Market developments and outlook

Economic developments
For the global economy, 2020 has become the most turbulent year since World War II. This is mainly due to the ‘COVID-19’ pandemic. In the first half of the year, the global economy experienced its deepest recession since 1945. The United States, Latin America and Europe were particularly hard hit. Within Europe, the United Kingdom took the hardest hit, not only because it was relatively badly affected by the coronavirus pandemic, but also because of Brexit. The ‘last-minute’ Brexit deal reached on Christmas Eve 2020 avoided the catastrophic scenario of a ‘no-deal’ Brexit, but 2020 nevertheless became the worst year economically for the United Kingdom in the past three centuries.

The global recession in the first half of 2020 was followed in the second half by a faster and stronger recovery than expected. Interestingly, after a strong recovery in the third quarter, economic data continued to point to a continued recovery of growth well into the fourth quarter of 2020. This was despite a resurgence of the coronavirus in the autumn that led to more and more ‘lockdowns’ and other restrictive measures towards the end of 2020, especially in the United States and Europe. The fact that the damage to the global economy was still relatively limited on balance was mainly due to the rapid turnaround of the economies in Asia, which were not affected as badly by the coronavirus as most other regions.

Another important factor that prevented an even deeper recession in 2020 was the large-scale intervention of governments and central banks. Soon after the outbreak of the coronavirus pandemic in the spring of 2020, large-scale stimulus packages went into effect in both the United States and the European Union, followed later in the year by a second round. In the United States, a stimulus package worth $900 billion was adopted at the end of 2020. In the European Union, a fiscal stimulus package worth €750 billion was adopted just before Christmas 2020.

Mainly due to the coronavirus pandemic, inflation remained low in 2020. This is certainly true in the eurozone, where inflation fell to -0.3% year-on-year at the end of 2020. In the United States, inflation is still higher than in Europe in absolute terms, but it has fallen slightly, to 1.2% year-on-year at the end of 2020. Low inflation has given central bankers plenty of room to continue, and even expand, the extremely accommodating monetary policy of recent years. In addition, the focus in 2020 was no longer on interest rate cuts, because interest rates are already historically low and in some places (like the eurozone) are even negative, but on increasing the size of the buying programmes, mainly of bonds, better known as ‘quantitative easing’ or simply ‘QE’.

Financial markets
Given the deep recession that the global economy went through, 2020 was actually a remarkably good year for financial markets, especially stock markets. Measured over the whole of 2020, all asset classes delivered positive returns, ranging from 2 – 3% for corporate bonds and 5% for government bonds to around 6 – 10% for equities. The only exceptions were European equities, and especially European listed property, which on balance produced negative returns over the entire year. Asian equities and the US stock market actually performed above average.

Bond investors benefited from falling capital market interest rates and thus rising bond prices. Within Europe, government bonds from Southern European countries benefited most from the stimulus measures by governments and central banks (e.g. the ECB’s PEPP- and PSPP-programmes), as well as from an increased risk appetite among investors. Interest rates on Spanish and Portuguese 10-year bonds were around 0% by the end of 2020 and those on Greek and Italian bonds around 0.5%. In the meantime, German and Dutch 10-year interest rates remained negative, both at around -0.5% at the end of 2020. Outside Europe, including in the United States and Australia, capital market rates at the end of 2020 were also well below those at the beginning of the year.

Outlook for the economy and financial markets
After the disastrous year of 2020, 2021 looks set to be a year of economic growth recovery. In the short term, ‘lockdowns’ and other restrictive measures continue to dominate the economic environment, but as vaccination rates increase during the year, a robust economic growth recovery is to be expected. The fiscal stimulus packages announced towards the end of 2020 in the European Union and the United States will further fuel the growth recovery. Moreover, political risk is less of a concern now than it was until recently, with the United States presidential election and Brexit behind us.

That is not to say, however, that there are no longer any risks for the global economy. One risk scenario is that the ‘COVID-19’ virus spreads and/or mutates faster than the vaccination rate increases, requiring ‘lockdowns’ to be maintained for longer than currently anticipated. Furthermore, even in a more favorable scenario, the deep recession of 2020 will leave its mark for some time, for example in the form of higher unemployment rates and increasing numbers of bankruptcies. A risk that is perhaps still underestimated is that, as the economic growth recovery continues in 2021, inflationary pressures may also increase. In the US, further large-scale fiscal stimulus programmes are expected from the incoming Biden administration, which could lead to possible overheating of the US economy and increasing inflationary pressures later in the year. If this were to happen more quickly or intensively than currently expected, central banks may also be forced to raise interest rates or otherwise shift to tighter monetary policy earlier than expected. However, to the extent that this is even a risk, it does not seem likely that this scenario will already occur in the first half of 2021.

For financial markets, the baseline scenario of a strong growth recovery in 2021 continues to be an argument for an above-average allocation to relatively 'risky' asset classes, such as equities and corporate bonds. However, it should be noted that, in 2020, the prices of these asset classes have already anticipated economic recovery to a great extent. Consequently, return expectations for almost all investments are now moderately positive at best. For the time being, government bonds continue to benefit from the combination of low inflation and very accommodating monetary policies by central banks, particularly through the various buying programmes, but as the economic recovery continues, the sentiment towards inflation and interest rates may turn. This constitutes a risk for the price development of government bonds. For listed property, higher interest rates are also a potential threat.

ASR Pensioen Staatsobligatie Fonds 15+ return and portfolio policy

Nearly all fixed-income investments showed a positive return in 2020. Yields declined, curves flattened and credit spreads, after an extremely volatile first six months, ended the year at low levels. Inflation expectations were also volatile. Historical lows were reached in the first six months, followed by a recovery in the second half of the year. After deducting 0.20% in costs, the fund return for the reporting period was 11.85% compared to 11.39% for the benchmark: a positive relative performance of 0.46% after costs. The return of the Fund is based on the intrinsic value less costs.

Return reference date	Fund	Benchmark
31-12-2020	11.85 %	11.39 %
31-12-2019	14.12 %	13.83 %
31-12-2018	3.52 %	4.17 %
31-12-2017*	0.06 %	-0.19 %

*Relates to total return over the period 1 November 2017 to 31 December 2017

Value movement per participation	2020	2019	01-11-2017 to 31-12-2018
Income	0.96	1.05	1.23
Changes in value	6.24	7.08	0.79
Costs	-0.13	-0.12	-0.13
Result after tax	**7.07**	**8.01**	**1.89**

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

The year began with the same positive sentiment seen at the end of 2019. Concerns about the trade war and Brexit seemed to have disappeared, and a further economic recovery was under way. This came to an abrupt end when it emerged in February that the outbreak of the coronavirus would not remain limited to China. The speed and seriousness of the situation was overwhelming, forcing governments around the world to impose strict lockdowns to prevent the spread of infections. This had a dramatic effect on the economy, especially in the second quarter. While the central banks intervened immediately, the main difference from previous crises was that governments now also took rapid and decisive action with an accommodative fiscal policy. After the markets had initially taken a deep recession into account, there was an equally rapid recovery in market sentiment. The sharp decline in interest rates was reversed, and credit spreads and inflation expectations jumped immediately from recession to recovery levels. Most of the volatility took place during the first half of the year. In the second half, the markets found an oasis of calm. The combination of extremely accommodative monetary policy, fiscal stimulus and a recovering economy caused interest rates to move in a tight range at low levels, with the increased supply of debt keeping pace with increased demand from the central banks. While interest curves gradually flattened and credit spreads narrowed, inflation expectations edged higher each month, especially when a combination of positive news on vaccines and the disappearance of uncertainty regarding the US elections and Brexit supported market sentiment.

The Fund held a neutral interest-rate position throughout the year. Some limited interest curve positions were taken, such as an underweight position in medium-term maturities against an overweight position in longer-term maturities, which delivered a small but positive result. The longer-term inflation-linked bonds in the Fund had a difficult first quarter and made a negative contribution in this period. The recovery in inflation expectations in the following three quarters led to most of the loss being recouped. The positive relative return was mainly due to our top-down positioning with respect to credit risk. The year began with an overweight position that was reduced somewhat in the first quarter, before the outbreak of the coronavirus crisis. The reduction was not sufficient to fully neutralise the market turbulence, which led to a negative performance in the first quarter. In the second quarter, our conviction that the market would recover was supported by aggressive monetary and fiscal policy, turning the loss in the first quarter into a substantial gain. This was due to several successful country selections. Firstly, an overweight in Belgium against an underweight in France. Secondly, an overweight in Lithuania against countries including Austria and Germany, but the largest contribution came from the addition of supranational bonds when these were attractively priced (including EFSF) and participation in new and extremely popular bonds issued by the European recovery fund.

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 35 bonds within the Fund.

Sector allocation	**31-12-2020**	**31-12-2019**
Sovereign	95.74 %	93.47 %
Quasi Government	4.26 %	6.53 %

Country allocation	**31-12-2020**	**31-12-2019**
France	38.72 %	39.03 %
Germany	26.07 %	23.70 %
Belgium	12.06 %	12.91 %
The Netherlands	9.44 %	9.79 %
Austria	8.86 %	10.13 %
Supranationals	2.02 %	2.25 %
Chile	1.17 %	0.00 %
Finland	1.09 %	1.43 %
New Zealand	0.36 %	0.35 %
Lithuania	0.21 %	0.00 %
Ireland	0.00 %	0.41 %

Credit risk:
In 2020, there were no bankruptcies in the portfolio and the Fund had a higher exposure to credit risk.

Rating	**31-12-2020**	**31-12-2019**
AAA	36.80 %	31.28 %
AA	61.82 %	68.72 %
A	1.38 %	0.00 %

Interest-rate risk:
The Fund had a slightly lower interest rate sensitivity than the benchmark throughout the year.

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.

Inflation risk
The inflation risk remained stable throughout the reporting period.

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 (%)
	31-12-2020	**31-12-2020**	**31-12-2020**
Total	15.9	15.9	0.0
Spread	0.8	0.9	-0.1
Interest Rate	15.1	15.0	0.1
FX	0.0	-	0.0
Inflation	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 2020 and the effect of this scenario on an annual basis.

Scenarios for the investment portfolio	Profit and loss account (%)	Profit and loss account EUR (x 1,000)
	31-12-2020	**31-12-2020**
Corporate shock	-20.9%	-51,120
Financial shock	-13.7%	-33,382
Interest rate shock	-22.6%	-55,214

- 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 2020.

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, 12 April 2021

ASR Vermogensbeheer N.V.
On behalf of ASR Pensioen Staatsobligatie Fonds 15+ jaar

The management,

Mr. J.T.M. Julicher (director)
Mr. M.R. Lavooi (director)
Mrs. W.M. Schouten (director)
Mr. N.H. van den Heuvel (CFRO)

Financial Statements 2020

ASR Pensioen Staatsobligatie Fonds 15+ Jaar

Balance sheet

Balance sheet as at 31 December 2020 (before profit appropriation x €1,000)

Balance sheet	31-12-2020	31-12-2019	Reference
Investments	235,130	230,759	
Total Investments	**235,130**	**230,759**	**1**
Receivables	2,776	2,340	**2**
Other assets			
Cash	6,639	6,738	**3**
Current liabilities	-83	-44	**4**
Receivables and other assets less current liabilities	**9,332**	**9,034**	
Assets less current liabilities	**244,462**	**239,793**	
Issued participation capital	165,248	185,651	
Other reserves	54,142	8,417	
Unappropriated result	25,072	45,725	
Total Net Assets	**244,462**	**239,793**	**5**

Profit and loss account

Profit and loss account for the period from 1 January 2020 until 31 December 2020 (x € 1,000)

Profit and loss account	01-01-2020 to 31-12-2020	01-01-2019 to 31-12-2019	Reference
Investment income	3,426	5,975	**6**
Realized changes in the fair value of investments	8,672	34,348	**7**
Unrealized changes in the fair value of investments	13,445	6,062	**7**
Total operating income	**25,543**	**46,385**	
Management fee	-225	-330	
Service fee	-225	-330	
Interest charges	-21	-	
Total operating expenses	**-471**	**-660**	**8**
Profit after tax	**25,072**	**45,725**	

Cashflow statement

Cashflow statement for the period 1 January 2020 to 31 December 2020 (x €1,000)
Prepared according to the indirect method

Cashflow statement	01-01-2020 to 31-12-2020	01-01-2019 to 31-12-2019	Reference
Total investment result	25,072	45,725	
Changes in the fair value of investments	-22,117	-40,410	1
Purchase of investments (-)	-231,904	-434,732	1
Sales of investments (+)	249,650	501,765	1
Increase (-)/Decrease (+) in receivables	-436	1,013	2
Increase (+)/Decrease (-) in liabilities	39	-13	4
Net cash flow from investment activities	**20,304**	**73,348**	
Issue of participations	43,126	90,014	5
Redemption of participations	-63,529	-157,664	5
Net cash flow from financing activities	**-20,403**	**-67,650**	
Movement in cash	**-99**	**5,698**	
Cash per January 1	6,738	1,040	3
Cash per December 31	6,639	6,738	3
Movement in cash	**-99**	**5,698**	

Principles of valuation and determination of results

General

ASR Pensioen Staatsobligatie Fonds 15+ (the Fund) was established on 1 October 2018 in the form of a mutual fund. The activities commenced on 2 November 2017.

The obligations under the Financial Supervision Act (Wft) are not applicable to the Manager as far as the ASR Pensioen Staatsobligatie Fonds 15+ 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, in Title 9, Book 2, of the Dutch Civil Code (Burgerlijk Wetboek, "BW") and in the Financial Supervision Act. 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 12 April 2021.

Reporting period and corresponding figures

The annual report covers the period from 1 January 2020 up to 31 December 2020. Prior period comparative figures relate to the period 1 January 2019 to 31 December 2019.

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 2020.

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 fund conditions have remained unchanged. 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

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 2020 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	31-12-2020	31-12-2019
Government bonds	235,130	230,759

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

Investments	01-01-2020 to 31-12-2020	01-01-2019 to 31-12-2019
Balance at the start of the reporting period	230,759	257,382
Purchases	231,904	434,732
Sales	-249,650	-501,765
Changes in values	22,117	40,410
Balance at the end of the reporting period	**235,130**	**230,759**

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

2. Receivables

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

Receivables	31-12-2020	31-12-2019
Interest receivable on investments	1,963	2,311
Receivables from participants for subscriptions	810	29
Other receivables	3	-
Balance at the end of the reporting period	**2,776**	**2,340**

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	31-12-2020	31-12-2019
Management and service fees payable	-82	-44
Payable in respect of participant redemptions	-1	-
Balance at the end of the reporting period	**-83**	**-44**

5. Issued share capital, unappropriated result and other reserves

ASR Pensioen Staatsobligatie Fonds 15+ multi-year overview

Net Asset Value	31-12-2020	31-12-2019	31-12-2018
Fund Net Assets (x € 1,000)	244,462	239,793	261,718
Number of participations	3,697,864	4,057,153	5,053,413
Net Asset Value in euros per participation	66.11	59.10	51.79

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

Issued share capital	01-01-2020 to 31-12-2020	01-01-2019 to 31-12-2019
Balance at the start of the reporting period	185,651	253,301
Issues during the reporting period	43,126	90,014
Redemptions during the reporting period	-63,529	-157,664
Balance at the end of the reporting period	**165,248**	**185,651**

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

Schedule of movements in the number of participations	01-01-2020 to 31-12-2020	01-01-2019 to 31-12-2019
Balance at the start of the reporting period	4,057,153	5,053,413
Issues during the reporting period	680,473	1,623,103
Purchase during the reporting period	-1,039,762	-2,619,363
Balance at the end of the reporting period	**3,697,864**	**4,057,153**

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

Other reserves	01-01-2020 to 31-12-2020	01-01-2019 to 31-12-2019
Balance at the start of the reporting period	8,417	-
Profit distribution of the previous financial year	45,725	8,417
Balance at the end of the reporting period	**54,142**	**8,417**

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

Unappropriated result	01-01-2020 to 31-12-2020	01-01-2019 to 31-12-2019
Balance at the start of the reporting period	45,725	8,417
Profit distribution of the previous financial year	-45,725	-8,417
Unappropriated result of the current financial year	25,072	45,725
Balance at the end of the reporting period	**25,072**	**45,725**

6. Investment income

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

Investment income	01-01-2020 to 31-12-2020	01-01-2019 to 31-12-2019
Interest on bonds	3,272	5,663
Other income	154	312
Total	**3,426**	**5,975**

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

Changes in the fair value of investments	01-01-2020 to 31-12-2020 (positive)	01-01-2020 to 31-12-2020 (negative)	01-01-2019 to 31-12-2019 (positive)	01-01-2019 to 31-12-2019 (negative)
Realized	9,277	-605	35,720	-1,372
Unrealized	13,475	-30	9,652	-3,590

8. Operating expenses

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

Operating expenses	01-01-2020 to 31-12-2020	01-01-2019 to 31-12-2019
Management fee	-225	-330
Service fee	-225	-330
Interest charges	-21	-
Total	**-471**	**-660**

Ongoing Charges Figure (OCF)

Fund	Information memorandum	01-01-2020 to 31-12-2020	01-01-2019 to 31-12-2019
ASR Pensioen Staatsobligatie Fonds 15+	0.20%	0.20%	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	01-01-2020 to 31-12-2020	01-01-2019 to 31-12-2019
ASR Pensioen Staatsobligatie Fonds 15+	166.52%	207.85%

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 (€ 225,000) and a service fee (€ 225,000).
- 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, 12 April 2021

ASR Vermogensbeheer N.V.
On behalf of ASR Pensioen Staatsobligatie Fonds 15+ Jaar

The management,

Mr. J.T.M. Julicher (director)
Mr. M.R. Lavooi (director)
Mrs. W.M. Schouten (director)
Mr. N.H. van den Heuvel (CFRO)

Other information

Independent auditor’s report

To: the participants of ASR Pensioen Staatsobligatie Fonds 15+ Jaar

Report on the audit of the accompanying financial statements

Our opinion

We have audited the financial statements 2020 of ASR Pensioen Staatsobligatie Fonds 15+ Jaar (or hereafter ‘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 15+ Jaar as at 31 December 2020, and of its result for 2020 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 2020;
2. the profit and loss account for 2020; and
3. the notes comprising a summary of the accounting policies and other explanatory information.

The 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 15+ 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 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 that consists of:

- the General information ASR Pensioen Staatsobligatie Fonds 15+ Jaar;
- the Management board's report;
- the Appendices; and
- the Other information pursuant to Part 9 of Book 2 of the Dutch Civil Code.

Based on the following procedures performed, we conclude that the other information:

- is consistent with the financial statements and does not contain material misstatements;
- contains the information as required by Part 9 of Book 2 of the Dutch Civil Code.

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 Part 9 of Book 2 of the Dutch Civil Code and 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, ASR Vermogensbeheer N.V., is responsible for the preparation of the other information, including the Management board's report, in accordance with Part 9 of Book 2 of the Dutch Civil Code, and Other information pursuant to Part 9 of Book 2 of the Dutch Civil Code.

Description of 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 Fund'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, 12 April 2021
KPMG Accountants N.V.

G.J. Hoeve RA

Appendices

Appendix 1

Specification of investments
ASR Pensioen Staatsobligatie Fonds 15+ Jaar

(Market value x € 1,000)

Instrument Name	Rating	Instrument type	Country	Currency	Number	Price as at 31-12-2020	Market value 31-12-2020
FRANKRIJK_4%_25/04/2055	AA	Bond	FR	EUR	10,439,000	217.06	22,659
DUITSLAND_0%_15/08/2050	AAA	Bond	DE	EUR	19,732,000	105.09	20,736
FRANKRIJK_1.75%_25/06/2039	AA	Bond	FR	EUR	12,415,000	132.23	16,416
DUITSLAND_2.5%_04/07/2044	AAA	Bond	DE	EUR	9,251,000	168.16	15,557
FRANKRIJK_3.25%_25/05/2045	AA	Bond	FR	EUR	7,877,000	172.93	13,622
DUITSLAND_3.25%_04/07/2042	AAA	Bond	DE	EUR	7,551,000	180.10	13,599
NEDERLAND_0.5%_15/01/2040	AAA	Bond	NL	EUR	10,975,000	115.05	12,626
FRANKRIJK_1.75%_25/05/2066	AA	Bond	FR	EUR	6,534,000	152.41	9,958
BELGIE_3.75%_22/06/2045	AA-	Bond	BE	EUR	5,214,000	183.91	9,589
FRANKRIJK_1.25%_25/05/2036	AA	Bond	FR	EUR	6,761,000	120.33	8,136
OOSTENRIJK_3.15%_20/06/2044	AA+	Bond	AT	EUR	4,173,000	175.58	7,327
OOSTENRIJK_4.15%_15/03/2037	AA+	Bond	AT	EUR	3,965,000	171.47	6,799
FRANKRIJK_2%_25/05/2048	AA	Bond	FR	EUR	4,254,000	145.83	6,204
BELGIE_1.6%_22/06/2047	AA-	Bond	BE	EUR	4,625,000	133.53	6,176
FRANKRIJK_0.5%_25/05/2040	AA	Bond	FR	EUR	5,281,000	107.98	5,702
DUITSLAND_4.25%_04/07/2039	AAA	Bond	DE	EUR	2,800,000	188.98	5,291
BELGIE_4.25%_28/03/2041	AA-	Bond	BE	EUR	2,697,000	182.36	4,918
BELGIE_1,7%_22/06/2050	AA	Bond	BE	EUR	2,814,000	138.61	3,901
NEDERLAND_2.75%_15/01/2047	AAA	Bond	NL	EUR	1,994,000	178.90	3,567
OOSTENRIJK_3.8%_26/01/2062	AA+	Bond	AT	EUR	1,336,000	244.37	3,265
INTL BK RECON & DEVELOP_0%_03/01/2051	AAA	Bond	SP	EUR	3,050,000	99.89	3,047
NEDERLAND_4%_15/01/2037	AAA	Bond	NL	EUR	1,682,000	171.70	2,888
CHILI_1.25%_29/01/2040	A+	Bond	CL	EUR	2,600,000	105.48	2,742
BELGIE_1.45%_22/06/2037	AA-	Bond	BE	EUR	2,200,000	124.30	2,734
NEDERLAND_3.75%_15/01/2042	AAA	Bond	NL	EUR	1,402,000	187.04	2,622
FINLAND_2.625%_04/07/2042	AA+	Bond	FI	EUR	1,466,000	159.41	2,337
FRANKRIJK_4%_25/04/2060	AA	Bond	FR	EUR	930,000	230.03	2,139
OOSTENRIJK_2.1%_20/09/2117	AA+	Bond	AT	EUR	920,000	224.28	2,063
DUITSLAND_0%_15/05/2035	AAA	Bond	DE	EUR	1,853,000	105.78	1,960
DUITSLAND_IL_0.1%_15/04/2046	AAA	Index bond	DE	EUR	1,227,000	149.34	1,945
EU_0.3%_04/11/2050	AA	Bond	SP	EUR	1,600,000	108.38	1,734
RESFER_2.25%_20/12/2047	AA	Bond	FR	EUR	1,200,000	140.19	1,682
FRANKRIJK_1.25%_25/05/2034	AA	Bond	FR	EUR	1,202,000	119.16	1,432
DUITSLAND_IL_0.1%_15/04/2023	AAA	Index bond	DE	EUR	1,177,000	102.91	1,311
OOSTENRIJK_1.5%_20/02/2047	AA+	Bond	AT	EUR	922,000	138.48	1,277
DUITSLAND_2.5%_15/08/2046	AAA	Bond	DE	EUR	641,000	172.58	1,106
FRANKRIJK_1.5%_25/05/2031	AA	Bond	FR	EUR	870,000	119.42	1,039
FRANKRIJK_5.75%_25/10/2032	AA	Bond	FR	EUR	587,000	172.63	1,013
FRANKRIJK_4.5%_25/04/2041	AA	Bond	FR	EUR	525,000	189.57	995
BELGIE_5%_28/03/2035	AA-	Bond	BE	EUR	561,000	174.55	979
AUCKLAND COUNCIL_0.125%_26/09/2029	AA	Bond	NZ	EUR	850,000	100.98	858
LITOUWEN_0.5%_28/07/2050	A+	Bond	LT	EUR	490,000	101.52	497
NEDERLAND_5.5%_15/01/2028	AAA	Bond	NL	EUR	310,000	144.06	447
FINLAND_1.375%_15/04/2047	AA+	Bond	FI	EUR	169,000	137.17	232
Total investments ASR Staatsobligatie Fonds 15+							**235,130**

ASR Vermogensbeheer N.V.

Archimedeslaan 10

3584 BA Utrecht

www.asrnederland.nl

a.s.r.
de nederlandse
vermogens
beheerders