



ASR Private Debt Fund

Semi-annual report 2021



General information

Supervisory Board

Mr. B. Vliegthart (chairman)

Mr. R.M.W.J. Beetsma

Mr. O.J. Labe

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 Juridisch Eigenaar ASR Private Debt Fund I

Archimedeslaan 10

3584 BA Utrecht

Depository

BNP Paribas Securities Services SCA

Herengracht 595

1017 CE Amsterdam

External Auditor

KPMG Accountants N.V.

Papendorpseweg 83

3528 BJ Utrecht

Legal Advisor of the Manager

NautaDutilh N.V.

Beethovenstraat 400

1082 PR Amsterdam

Date of incorporation 1 January 2021



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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 AIF (Alternative Investment Fund) manager of the ASR Private Debt Fund I (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; and
- investment institutions that invest in mortgage claims;
- 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 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 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 and ASR Basisfondsen.

**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.

Profile**Structure of the fund**

The Fund is classified as an Alternative Investment Fund (AIF) and was established on 1 January 2021. The Fund is structured as a closed-end tax transparent fund. The Fund is open to Professional Investors only.

The Fund has a Commitment Period, during which the Manager can accept Commitments. This term ends in principle eighteen months after the Initial Closing Date (1 January 2022). The Fund has an Investment Period, during which the Fund can invest in Private Debt Loans. This term ends in principle 36 months after the Initial Closing Date. Both the Commitment Period and the Investment Period may be extended under certain conditions as explained in the Information Memorandum.

The end date of the Fund is ten (10) years after the Initial Closing Date. This term may be extended by the Participants. At a Subsequent Closing (during the Commitment Period), new Participants will be admitted to the Fund. The funds contributed to the Fund by the newly admitted Participants shall be used to redeem Participations of the existing Participants for such amounts that all Participants shall have the same percentage of their Commitment contributed to the Fund.

Investment objective and philosophy of the Fund

The Fund offers Participants the opportunity to invest in a broadly diversified portfolio of Private Debt Loans originated in cooperation with sourcing partners that are considered eligible by the Manager for this purpose. Currently, the Fund cooperates with three sourcing partners: Rabobank, NIBC and Triodos. The investment objective of the Fund is generating income for the benefit of the Participants seeking an attractive risk adjusted return (unleveraged) due to the illiquid character of Private Debt Loans compared with traditional fixed income investments such as corporate bonds. The Fund does not follow a benchmark.



The Fund is managed in compliance with the ESG policy drafted by the Manager. To achieve the investment objective, the Private Debt Loans in which the Fund invests have amongst other the following characteristics at origination:

- The Fund aims to invest mainly in Private Debt Loans (in primary and secondary markets) which are granted to companies with registered office in the Netherlands, Belgium, Luxembourg and Germany.
- The Fund exclusively invests in Private Debt Loans granted to companies operating in sectors as described in the Information Memorandum.
- Private Debt Loans investments will exclusively be denominated in Euro.
- The Fund invests in Private Debt Loans on pari passu basis with co-lenders.
- The Private Debt Loans will at the time of acquisition by the Fund exclusively be senior loans.
- The investments are in principle held until the maturity date of these Private Debt Loans.
- The Fund targets to invest all Capital Commitments it received in Private Debt Loans during the Investment Period.
- The target weighted average life of the portfolio of Private Debt Loans shall be between 3 and 5 years measured at the end of the Investment Period of the Fund.
- The maturity of any investment when it is entered into shall not exceed the remaining term of the Fund (total of in principle 10 years) as from the date of completion of such investment.
- The target weighted average (implied) rating of the portfolio of Investments is BB or higher measured at the end of the Investment Period. The minimum investable Private Debt Loan (implied) rating shall be with a B rating or higher.
- The Fund shall in principle aim for a minimum participation of EUR 5 million and maximum EUR 35 million per Private Debt Loan.

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 ('AFM') as referred to in Section 2:65 and 2:67a, paragraph 2(a), (b) and (d) of the Financial Supervision Act (Wet op het financieel toezicht).

The Legal Owner of the Fund is Stichting Juridisch Eigenaar ASR Private Debt Fund I 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 78015278.

The relationship between the Manager and the Legal Owner is set out in an agreement ('Agreement of Management and Custody'). This agreement governs the appointment of the Manager and determines the conditions under which the Manager is charged with the management of the Fund's assets.

Depository

BNP Paribas Securities Services SCA has been appointed Depository of the Fund. The Depository is an entity subject to regulatory supervision whose legal responsibilities include monitoring cash flows, complying with investment policy and verifying the ownership of the financial assets within the Fund.

Alternative Investment Fund Managers Directive (AIFMD)

a.s.r. vermogensbeheer holds an AIFMD license and meets the requirements applicable to an AIFM, a more detailed description of which can be found in the report of the Manager. These requirements include the appointment of an independent depository and having a risk management policy, a conflict of interest policy, an outsourcing policy, a remuneration policy (see also www.asr.nl) and a fund assets valuation policy. The requirements also relate to the annual reporting and capital requirements for the Manager and the Depository.

**Investment committee**

If an Investment Committee is installed (after the minimum threshold regarding the number of Participants is reached), the following acts of the Manager require the prior written approval of the Investment Committee:

- (a) credit approvals exceeding the amount of EUR 25 million (twenty-five million euro);
- (b) commencement of a material litigation;
- (c) transactions or agreements which involve a conflict of interest on the part of either the Manager or any of its Affiliates, or a Participant.

Supervisory Board

The Fund has a Supervisory Board. The Supervisory Board is responsible for supervising the Manager's policy and performance of tasks and the general state of affairs within the Fund. The Supervisory Board is also charged with supervising compliance by the Manager with the Fund Governance Code and advises the Manager. The Supervisory Board's tasks and activities are set out in the Fund Conditions and the Supervisory Board regulations as referred to in Article 19 of the Fund Conditions. In fulfilling their duties, the members of the Supervisory Board will focus on the interest of the Fund and the collective interests of all participants in the Fund.

Meetings of participants

A Meeting of Participants is held at least once a year, subject to the relevant provisions of the Information Memorandum.

Distribution of interest income and repayments

During the Investment Period, repayments on loans will be reinvested and interest income is available for distribution. After this period, both repayments and interest income will be available for distribution. At the beginning of each quarter, the amount available for distribution generated in the preceding quarter is distributed to the Participants (after settling fees and costs payable). Participations will receive an equal share of the interest income of the preceding quarter.

Costs and fees

New Participants shall pay an Entry Fee to the Fund in accordance with the Information Memorandum. The Fund shall pay the Entry Fee at a pro rata basis to the Existing Participants.

Transactions with related parties

Where transactions are conducted with parties related to ASR Nederland, they will take place on the basis of conditions in line with the market. Where such transactions take place outside a regulated market, they will be carried out on an arm's length basis. If the transaction with a related party involves the issue and/or purchase 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 will not take place.

Available documentation

The articles of association of the Manager and the Depositary 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 Information Memorandum, 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

During the first half-year of 2021, the ASR Private Debt Fund I Net Assets increased to €313 million. At 1 January 2021 (the Initial Closing Date), the Fund acquired a portfolio of Private Debt Loans (€202 million) from Group companies of ASR Nederland in exchange for Participations. The remaining increase was mainly due to new loans provided (less instalments on existing loans). Refer to section 'return and portfolio policy' for an extensive description of the developments within the portfolio.

Developments affecting the fund during the reporting period

Sustainable Finance Disclosure Regulation

As from March 2021, the new disclosure obligations from the Sustainable Finance Disclosure Regulation (SFDR) are applicable. As a result, the Information Memorandum of the Fund has been amended in the beginning of 2021. The Fund has been classified as an 'article 8' fund (a fund promoting social and environmental characteristics).

Risk management

Manager's risk structure

Risk management is the continuous and systematic risk monitoring of the organization and its activities in order to consciously take risks, reduce the likelihood of risks materializing 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 Participants. 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.

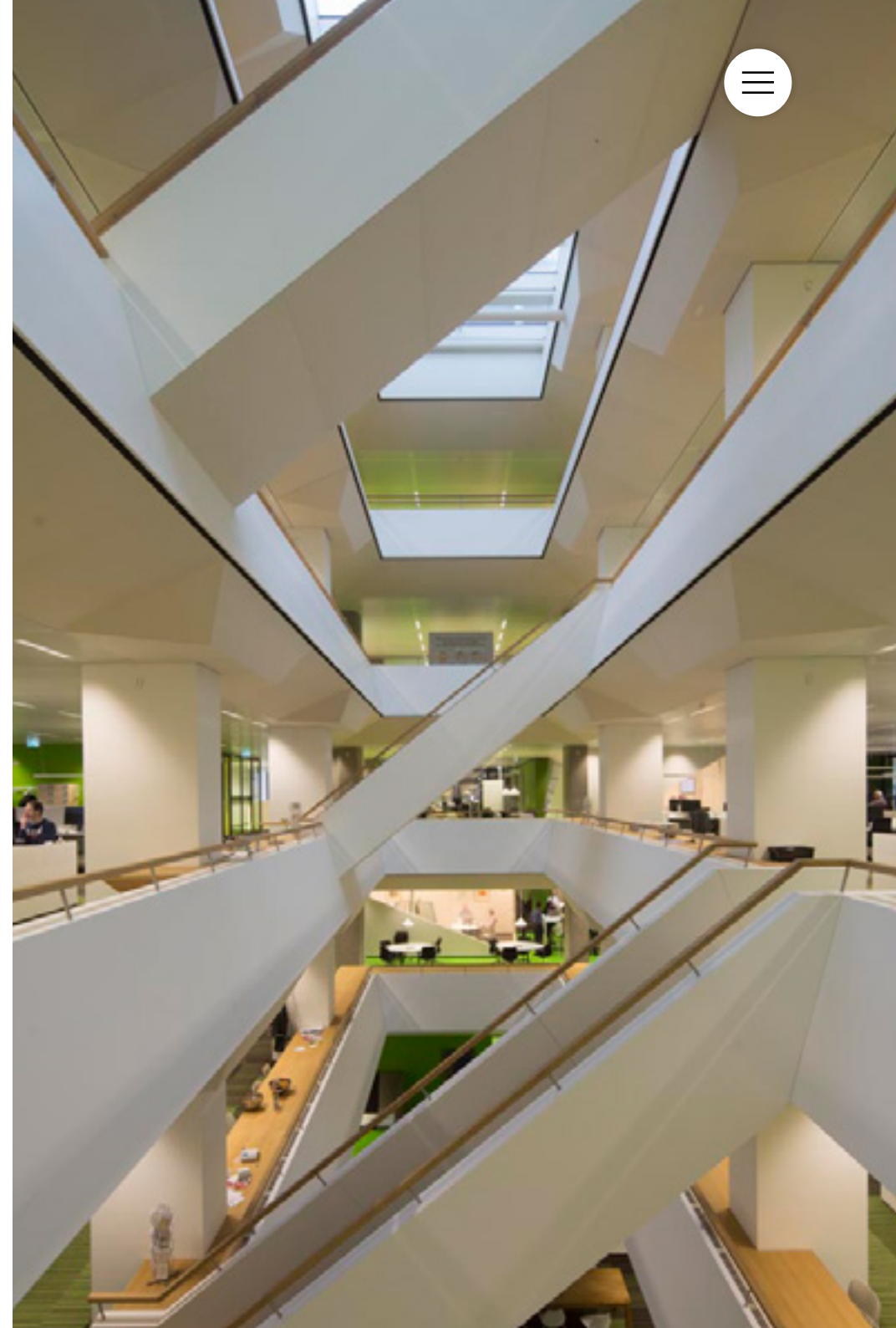
The director responsible for risk management at a.s.r. vermogensbeheer reports on risk management in relation to funds subject to supervision directly to the CEO (Chief Executive Officer) of ASR Nederland N.V. The risk management of a.s.r. vermogensbeheer complies with the Risk Charter that applies within ASR Nederland N.V. In accordance with the Risk Charter, a.s.r. vermogensbeheer reports for risk management of a.s.r. vermogensbeheer to the CFO (Chief Financial Officer) of ASR Nederland N.V., via the Manager's CFRO 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 management

The Manager uses a system of risk management measures to ensure that the Fund continuously comply with the requirements set out in the Fund Conditions and in the legal frameworks.

The Fund is sensitive to market movements in general (market risk), as well as to fluctuations in the interest rate risk, liquidity risk and credit risk. However, the maximum loss for Participants is limited to the value of the Participations they hold. The main risks involved in investing in the Fund are described in the following table. An overview of all risk factors can be found in section 9 of the Information Memorandum.





Defined risk	Explanation and mitigating measures
Credit risk	<p>The Fund is largely exposed to the borrower's creditworthiness (credit risk). Credit risk is defined as the risk that a borrower will fail to meet its contractual obligations in accordance with agreed terms of the loan at any time during the term of the loan i.e. defaulting on interest and or repayment obligations, breaching financial covenants and other liabilities.</p> <p>This risk is managed by a credit approval process, in which a credit analysis is carried out and approval of the Credit Committee is needed before the loan can be acquired. If the investment concerns an investment amount in excess of EUR 25 million, approval from the Fund's Investment Committee is needed. Before the Investment Committee is installed, the Fund cannot acquire loans in excess of EUR 25 million.</p>
Counterparty risk	<p>Counterparty risk is the risk that business will be conducted with an unreliable or uncreditworthy party. Customer due diligence procedures and measures apply for the purpose of managing this risk. The aim of these customer due diligence procedures and measures is to manage financial and/or non-financial losses resulting from the acceptance of potentially undesirable participants and transaction parties.</p>
Concentration risk	<p>The Fund contains a limited number of investments and there may be a concentration of loans to companies in the same industry, while some sectors are completely excluded. As a result, the performance of a number of investments or a particular industry can affect the total fund return. To (partially) mitigate the concentration risk, limits are set in place by the Manager on exposures to single borrowers or sectors as described in the Investment Policy.</p>
Liquidity risk	<p>Liquidity risk is the risk that the Fund will not be able to obtain the financial resources required to meet its obligations on time, and the risk that Participants will not have sufficient opportunity to withdraw from the Fund within a reasonable timeframe. The Fund invests in Private Debt Loans which are not tradeable by nature and therefore there is no (or very limited) liquidity. During the Investment Period, only interest income is available for distributions. After the Investment Period, also repayments on loans become available for distributions.</p> <p>The Participations are non-transferable and will in principle not be redeemed. Participants may exit the Fund by requesting the Manager to redeem their Participations, but the Manager is not obliged to grant a redemption request. This entails that redemption may not be possible or be possible only to a very limited extent.</p>
Operational risk	<p>Operational risk is the risk that errors will not be identified timely or that fraud may occur due to failing or inadequate internal processes, human error or system limitations, and unexpected external events. The Manager has a system that involves monitoring procedures, measuring defined constraints and identifying where limits have been exceeded to allow swift and appropriate action and risk mitigation. An escalation procedure is available as an additional tool for the rapid resolution of situations where limits have been exceeded. The most important processes carried out within the Manager are included in a.s.r. vermogensbeheer's ISAE 3402 Type II report.</p>
Interest-rate risk	<p>The interest rate on the loans is based on the risk-free floating interest rate plus a surcharge for credit risk. With a rising (declining) interest rate, the return on the loans therefore increases (decreases). However, the return on fixed rate loans has a negative correlation with the interest movement. Holding fixed rate loans in the Fund increases interest rate sensitivity hence increasing the duration of the Fund.</p>
Prepayment risk	<p>The performance of the Fund may be affected by early redemption on loans. The Private Debt Loans can be redeemed or called before the legal term. The degree to which loans are repaid early is influenced by changes in interest rates or variety of, economic, geographic and other factors over which the Manager has no control. The amount of early redemptions cannot be predicted. Prepayment Risk can be (partially) mitigated if a penalty or make-whole call provision is attached to a loan, whereby the borrower must make a payment to the lender in an amount that the lender will forgo if the borrower pays the loan off early. The penalty of make-whole clause, which benefits the fund's return, but does not compensate completely for the missed return.</p>
Valuation risk	<p>In the absence of a liquid market for Private Debt Loans, the fair value of the individual Fund Assets will be determined in accordance with the Valuation Method. Although the Valuation Method is in conformity with market standards and is periodically reviewed by the Manager, there is a risk of the Net Asset Value being calculated incorrectly by the Manager.</p>

Table 1: main risks



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.

One of the purposes of the semi-annual and annual reports is to provide an insight into the risks that have occurred at the end of the reporting period. The best way to obtain this insight is by reviewing this risk section in conjunction with the risk management paragraph as included in Section 'ASR Private Debt Fund I', which provides more detailed information on the specific portfolio risks.

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 good 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 the Manager acts in the interests of the participants in its investment institutions, and structures its 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 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.

Personnel

The Manager does not employ any personnel. As at 30 June 2021, 172 employees and 163 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, hence there is no issue 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 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).

Personnel expenses (in euros)	01-01-2021 to 30-06-2021	No. of employees
Management Board	535,771	3
Identified Staff	112,596	1
Employees	11,389,907	168
Total	12,038,274	172

Table 2: Personnel expenses

Sustainability policy

a.s.r. as a 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 / best-in-class investments

All our portfolios are at minimum characterized by above average ESG scores. Companies are analyzed on numerous 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 the sector. The ESG screening is carried out by our external data suppliers where ESG domains such as the following ones are integrated:

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

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.

March 2021 saw the implementation of the Level 1 requirements under the SFDR, an EU Regulation to improve transparency on sustainability considerations within financial products. The Fund has been classified as a fund promoting social and environmental characteristics ('Article 8').



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.

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 Initiative.

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.

The ESG policy of the Private Debt Fund

ASR Nederland's sustainability policy (the SRI Policy) contains the criteria and standards for various sustainability topics. This policy is continuously amended on the basis of new insights and expectations. The Manager applies this policy in managing the Fund in accordance with the following criteria:

- The Fund will not acquire Private Debt Loans which are granted to companies or in respect of projects that are involved in controversial activities as mentioned in the SRI Policy. Also, the acquisition of Private Debt Loans granted to companies with systematic and severe violations to human and labour rights or to the environment will be excluded.
- The Fund will favour loans to companies and in respect of projects that can be classified as pioneering and best-in-class in the field of ESG and in the field of impact investing.

The Manager applies the following list of sustainability indicators to select investments:

- Environmental management;
- Personnel matters;
- Human rights;
- Community involvement;
- Conduct with respect to consumer rights, suppliers and subcontractors, and business ethics; and
- Good governance.

In addition to the sustainability indicators mentioned above, the Manager applies more specific indicators for sustainability topics, such as animal welfare, food safety, hazardous chemicals, alcohol, weapons, gambling, tobacco and nuclear energy. Sustainability indicators also apply to countries in which the Fund invests, namely in the field of political freedoms, corruption and environmental management. These additional sustainability indicators are continuously aligned with the current sustainability policy.

Effect of ESG policy on the fund's portfolio

All proposals received are screened on social and environmental aspects and governance criteria, based on the a.s.r. SRI (Socially Responsible Investment) policy. The Fund has four investments that qualify as impact investments: Calvin, Green Lease, Glasfaser and Summer. Vega also qualified as an impact investment, but the loan was repaid early in June.



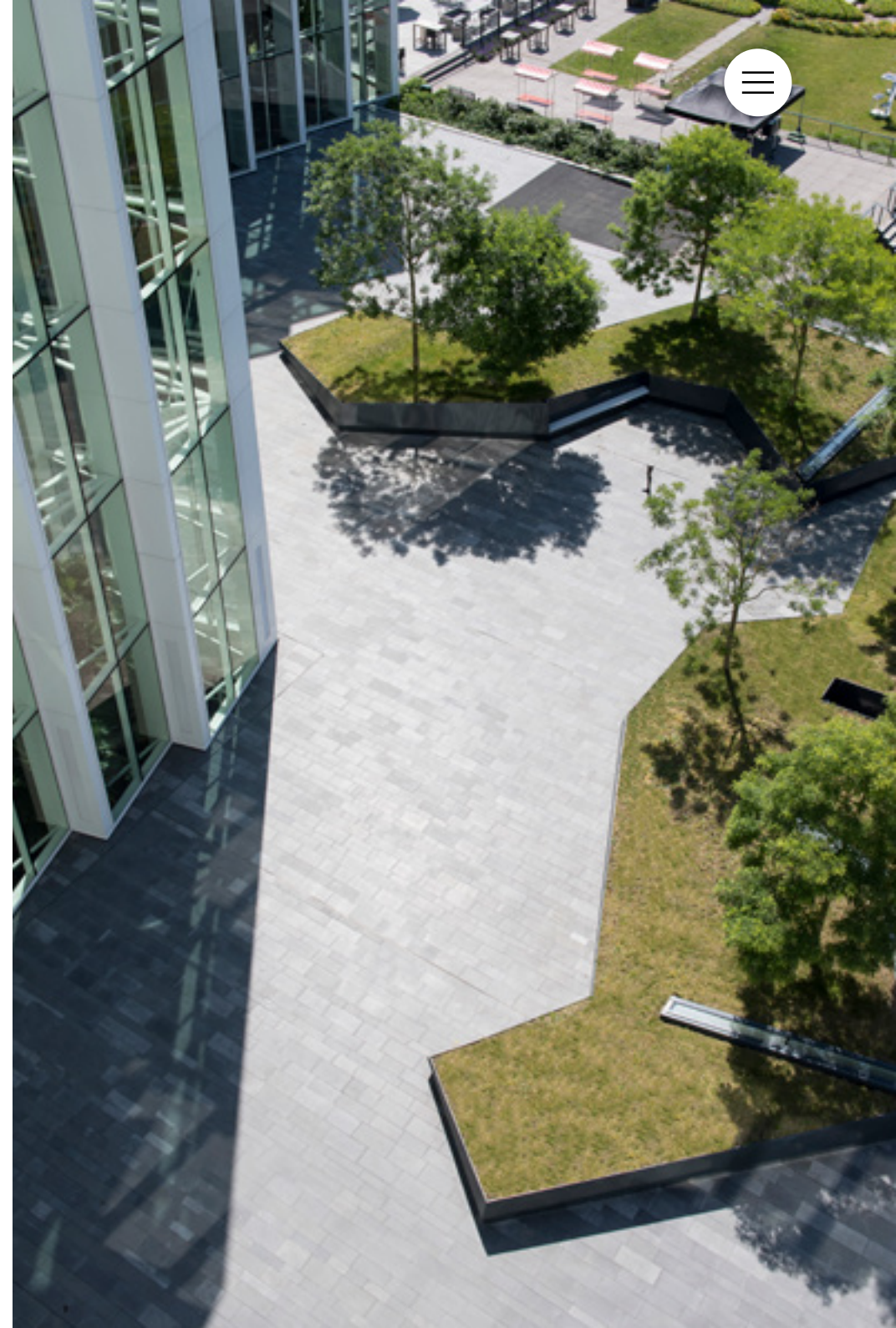
Calvin is the Dutch market leader in products, systems and concepts for sustainable climate control in homes, offering solutions including heat pumps, ventilation, boilers, electric hot water systems and control systems (with IoT infrastructure). The company has a sustainable business profile by offering integrated sustainable system solutions that enable completely energy neutral living and operates in a rapidly growing market. Due to the Paris Climate Agreement and the earthquakes resulting from years of gas extraction in Groningen, the energy transition in the Netherlands has accelerated. From July 2018 onward, it was prohibited in the Netherlands to connect new homes to the gas grid, and all Dutch homes must be energy neutral by 2050. This means conventional heating systems will have to be replaced by more costly and complex climate control systems. In this rapidly changing environment, Calvin has a unique concept that is not offered by other companies in the market. This concept includes engineering & consultancy, service and maintenance, and Calvin is the only party offering a 25-year warranty.

Green Lease is a Dutch car leasing company that aims to accelerate the transition to fully electric mobility in the Netherlands. The company stands out from other car leasing companies by focusing entirely on electric vehicles and services related to electric mobility solutions. Green Lease's strategy is focused on sustainable, zero-emission mobility with an emphasis on electric transport. An important aspect is that the Green Lease business model is not primarily driven by Dutch or other tax policy, but by general trends in the mobility sector and by Total Cost Ownership (TCO). In the long term, fully electric vehicles (FEVs) are expected to have a lower TCO than conventional fossil-fueled vehicles, as FEVs have fewer rotating parts (just one part, being the rotor) than vehicles with an internal combustion engine (hundreds of rotating parts), resulting in much lower repair and maintenance costs (e.g. no filter and oil changes) and fuel costs. The growth of electric driving is expected to accelerate further with the introduction of the second generation of FEVs, which will be more affordable and have better battery performance, as well as attractive features driven by technological innovation, such as self-driving, connectivity and safety features.

Glasfaser is a German private investment company that has laid fibre optic cables providing broadband internet to approximately 2.5 million addresses in the Netherlands (30% of Dutch households). Glasfaser manages, operates and maintains the cable network under its own control, with the aim of maintaining the high quality of the network. Today, getting a good home internet connection is a crucial part of the well-being of all people, comparable to getting access to electricity, running water, telephone and postage services several decades ago. People in areas without fast internet, mainly rural areas, are at such a disadvantage compared to those in cities that it may prompt them to move. Access to fast internet provides a boost to businesses, increases the efficiency of local governments (e-government administrative processes) and is also important for health care and education. The financing of the roll-out of optic fibre broadband, mainly in the rural areas of Germany, was realised jointly with Triodos.

Summer is a German care provider that focuses on care for the elderly. The company was founded in 2007 and has since been running a successful business model in residential care for the elderly by offering rental apartments in combination with home and day care services. Summer operates 9 residential care centres, comprising 512 assisted living apartments for residents requiring medium to high levels of care. These are relatively small-scale care centres in smaller municipalities, allowing residents to live close to their loved ones and their home towns. Summer is a leading player in the regional market for assisted living, providing added value by enabling residents to live an independent life, even those who require high levels of care (most patients are highly to very highly dependent on care). In addition, Summer's prices are competitive. The personal contribution it charges residents is good value for money in comparison with the personal contributions of residents in nursing homes.

One of the investment proposals we did not pursue any further concerned a company trading in rubber that did not have a sustainability strategy. The Fund is reluctant to invest in companies linked to the fossil sector. During this period, there were also two proposals that qualify as impact investing but which the Fund did not pursue any further. One of these concerned a chemicals company that develops 100% vegetable, recyclable and biodegradable polymers with a wide range of applications, such as plastic packaging and films. Although this proposal was interesting because it involves technology that makes plastics more sustainable, the proposed financing structure was deemed too aggressive for the fund. The other proposition concerned a solar panels proposition that has been postponed due to the debate around solar panels from China that are produced through forced labour.



Market developments and outlook

Economic developments in the first half-year of 2021

Given the increased vaccination rate in large parts of the world (especially in developed countries), growth prospects for the global economy have improved significantly over the past six months. China, which was the first major economy to bring the COVID-19 pandemic under control, is leading the way. Other countries with a fast vaccination roll-out (the US and the UK in particular) have also been witnessing a clear recovery of economic growth for some time now. The pace of vaccinations in mainland Europe was initially relatively slow, but has picked up significantly in recent months, and as a result, the European economies also appear to be catching up. For many less developed economies, the picture is considerably less favourable. This applies especially to South-East Asia and Africa. In Latin America, too, vaccination rates for a long time lagged behind those in Europe and the US, but countries like Brazil, Argentina and Mexico have been catching up.

However, as economic growth has picked up, inflationary pressures have also increased. In the eurozone, inflation was still below 0% at the start of 2021, but it has now risen to 2% on an annual basis. This means it has reached the ECB's inflation target of 'below but close to 2%' for the first time in three years. US inflation has gone up even faster and now stands at 5% on an annual basis, its highest level since the summer of 2008, on the eve of the credit crisis. While 'core inflation' (excluding volatile food and energy prices) remains fairly modest in the eurozone at 1% year-on-year, it has reached almost 4% in the US, which is its highest level since 1992.

Financial markets in the first half-year of 2021

For financial markets, 'reflation' was the main theme in the first half of 2021. This translated into higher share prices and higher capital market interest rates. US stock markets and, to a slightly lesser extent, European stock markets performed particularly well, with price increases of 15 to 20% over

the first half of the year. European government bonds yielded negative returns in the first half of 2021. For corporate bonds, the combination of tighter credit spreads and higher capital market interest rates resulted in flat to slightly negative returns on balance. The riskier high-yield corporate bonds mostly outperformed the investment-grade corporate bonds deemed to be safer. Lastly, European listed property recorded a remarkable recovery from earlier price declines in the second quarter.

Outlook for the economy and financial markets

As COVID-19 infection rates decline and lockdowns and other restrictions are relaxed, an economic boom seems almost inevitable in the coming months. Assuming that vaccination rates continue to increase worldwide, keeping the pandemic under control, the most likely scenario is a continued recovery of the global economy in the period thereafter. However, we cannot discount the possibility that new variants of the COVID-19 virus or a rapid spread of existing variants (such as the now rapidly spreading 'delta' or 'Indian' variant) will throw a spanner in the works. Another risk factor for the global economy is the possible scaling back of government stimulus measures. We can expect these measures to remain in place as long as economies are still in the recovery phase, but as governments rapidly accumulate more debt, this also increases the likelihood that they will deem it advisable (or be forced) to scale back their fiscal stimulus.

On balance, it still appears that 2021 will be a year of significantly above-average economic growth. In 2022, too, the global economy is still expected to grow at above-average rates, and most economies are only expected to fall back to 'normal' growth rates in 2023.



As far as the inflation outlook is concerned, the big question is whether the recent higher inflation figures signal a definitive turning point. The economic recovery has already caused scarcity in several markets. This scarcity is contributing to higher prices (and/or wages) and may prove less temporary than is currently believed. In addition, the energy transition may continue to cause scarcity, and therefore upward price pressure, in the coming years, for example in the markets for certain metals.

'Reflation' is expected to remain an important theme going forward, also for financial markets, and may have the effect of driving up interest rates. Furthermore, the anticipated gradual scaling back of central banks' asset purchase programmes may also contribute to higher interest rates. This is generally good for relatively 'risky' investment categories, such as shares and listed property, and bad for government bonds. However, the combination of higher capital market interest rates, increased share prices and tighter credit spreads triggered a change in the valuation of the various investment categories in the first half of 2021: shares have become relatively 'more expensive', while government bonds have become 'cheaper'. This means a less pronounced tactical positioning might be better. In addition, of all investment categories, corporate bonds appear to be the most vulnerable if interest rates rise further.

Developments in the private debt market

Despite the second COVID-19 lockdown, the value of corporate lending to non-financial corporations remained stable in the past six months (figures from De Nederlandsche Bank). However, the long-term downward trend in bank lending continued. Banks have sufficient liquidity, but they are still reluctant to further increase their lending due to concentration risk and capital requirements. Some sectors, such as digital infrastructure, logistics, ICT, education, the food industry, food retail, health care and social services, manufacturing and postal and courier services, generally did very well during the pandemic. But other sectors, such as hospitality, culture, sports and leisure, aviation and non-food retail, will continue to feel the impact of the pandemic for a long time to come.

According to Statistics Netherlands (CBS), in April 2021, business confidence was positive for the first time since the start of the pandemic. The producer confidence indicator reached 11.5 in June 2021, the highest score since the low point of -28.7 in April last year. As such, producer confidence in June was also well above the long-term average for the past 20 years, which stands at 0.3. The economic picture for Dutch SMEs improved slightly in the second quarter compared to the first quarter. The rising number of vacancies also points to a recovery of the labour market.

Due to the high vaccination rate and a further easing of restrictions, the recovery is expected to continue in the second half of the year. The support packages have prevented massive insolvencies of medium-sized companies, which has also kept loan default rates at banks relatively low. While some sectors were hit hard by the pandemic, other sectors actually saw an increase in revenue. In addition, the pandemic has accelerated the digitalisation of businesses and the home-working trend, boosting the demand for faster fibre optic internet connections, cloud services and cybersecurity. The second quarter also saw an increase in deal activity, particularly in the ICT and digital infrastructure market. Private equity players are paying higher multiples, and lenders are willing to accept larger investment exposures and lower margins.

It is expected that deal activity will decrease in the summer months due to the holiday period. The positive sentiment and confidence for the second half of 2021 are based on the expectation that social distancing measures will be eased further, providing a further boost to businesses. We expect that many companies will continue to make investments and acquisitions after the summer. We remain confident that the strong momentum in the first half of the year will continue after the summer. On balance, we remain positive about the overall development of credit quality and the performance of the companies in the portfolio.

ASR Private Debt Fund I

The Fund offers Participants the opportunity to invest in a broadly diversified portfolio of Private Debt Loans originated in cooperation with sourcing partners that are considered eligible by the Manager for this purpose. The investment objective of the Fund is generating income for the benefit of the Participants seeking an attractive risk adjusted return (unleveraged) due to the illiquid character of Private Debt Loans compared with traditional fixed income investments such as corporate bonds.

Characteristics	ASR Private Debt Fund I
Management fee	0.40% of the total assets of the Fund (exclusive of VAT, if applicable)
Servicing fee	0.05% of the total assets of the Fund (exclusive of VAT, if applicable)

Table 2: Fund charges

* The management fee also covers costs which are payable by a.s.r. vermogensbeheer to the originator or any other third party for the ongoing operational management of private loans

Return and portfolio policy

The Net Assets saw an increase in the first half-year of 2021 from € 0 million to € 313 million.

	Net Assets (x €1,000)	Return	Gross IRR	Dividend per share (x €1)
30-06-2021	313,032	1.19%	1.79%	2.40
31-12-2020	-	-	-	-

Table 3: Return

Value movement per participation in €	2021
Income	17.57
Changes in value	-0.79
Costs	-2.58
Result after tax	14.19

Table 4: Value movement

Amounts per participation are based on the average number of participations during the financial year (6 measurement points during the reporting period).

On 1 January 2021, the ASR Private Debt Fund I ('APDF') was launched with €375 million in commitments. As part of this, the first portfolio of loans and associated commitments (which meet the fund conditions) was transferred from ASR entities to APDF. These are the investments in Car Lease, Dispensing, AMS, Spinoza, Flex, Menü, Fire, Vega and Voltage. In February, the remainder of the portfolio was transferred after administrative approval; this concerns the investments in Fiber, Glasfaser, Persee, Offshore, Speedbreak and Cloud.

The total commitments of the participants in APDF increased further in the second quarter from €375 million to €750 million. The fund's YTD performance is 1.186% (based on the Net Asset Value and dividend paid) with a realised gross IRR of 1.789% (based on cashflows from subscriptions excluding costs). In April, the fund paid its Q1 dividend to participants of €639 thousand, or €2.40 per share.

The Q2 dividend of € 2.4 million was paid in August.



New investments

The number of investments in APDF continued to grow in the first half of the year with the addition of eight new investments totalling €124 million: Calvin, Obelix, Curaçao, Green Lease, Charmonix, Summer, Spartan and Hammer. The uncalled commitments for Summer and Hammer amount to €2.3 million and €3.75 million respectively. This period also saw capital calls for Speed-break, Glasfaser and Voltage of €4.71million, €671 thousand and €2.6 million respectively. The commitment to Voltage totalling €15 million has now been fully called.

Credit applications

We have approved the following credit applications:

- 1) €22 million for Chamonix, an Eindhoven-based company that manufactures moulds for the health care sector;
- 2) €10 million for Green Lease, a company that exclusively leases electric vehicles;
- 3) €21 million for Oak, a leading Dutch manufacturer and distributor of customised and standard wood and other products for the home improvement, construction and renovation markets;
- 4) €15 million for Summer, a German care provider for the elderly that offers rental apartments in combination with home and day care services. Due to the strong interest from other lenders in this transaction, the final allocation of Summer for APDF amounted to €6.5 million;
- 5) €25 million for Jolene, a fibre optic project of the largest Dutch telecommunications provider;
- 6) €20 million for Sport, the global market leader in synthetic surfaces for outdoor sports pitches and playgrounds (artificial grass and polyurethane);
- 7) €15 million for Arches, a software company from Hengelo that supplies software solutions to public and semi-public institutions throughout the Netherlands;
- 8) €20 million for Shelter, the European market leader in the production of steel panels for garage doors;
- 9) €15 million for Spartan, a leading Dutch manufacturer of personal care products under its own brand and private labels.

Due to the strong interest from other lenders in these transactions, the final allocation of Jolene and Sport for APDF was €8 million and €15 million respectively. For Shelter, APDF did not receive an allocation. Furthermore, the credit committee approved €25 million in refinancing for Car Lease. Due to the lower margin in the refinancing, the size of Car Lease in the portfolio was reduced from €35 million to €25 million. The transactions for Oak, Sport and Arches are still in the documentation stage and will be completed and booked out in the next quarter. At the end of H1 2021, APDF had a total of €84 million in uncalled commitments on eight different investments.

Repayments

In the first half of the year, six loans in the portfolio totalling €30.3 million were repaid early. This concerned the investments in Brauerei (€6 million), Warmte (€5 million), Flex (€6.9 million), Vega (€2.4 million) and Car Lease (€10 million).

In the case of Brauerei, management decided to stop utilising the term loan facility in the business financing structure, and so the loan was repaid according to schedule at the end of March. Vega, a Dutch manufacturer of meat substitutes, was included in a takeover, which resulted in an early repayment of the existing loan. Heat was able to refinance with other lenders at lower margins than quoted by APDF. The management of Flex chose to adopt a new unitranche structure with increased leverage to continue its buy-and-build strategy, and so the loan was repaid early in June.

Waiver requests

APDF received six administrative waiver requests, including from:

- 1) Menü – given the continuation of the COVID-19 pandemic, APDF has extended the liquidity covenant with Menü (replacing the leverage covenant) until June 2021, increasing the monthly liquidity covenant to €10 million instead of €6 million and prohibiting the payment of dividends during the waiver period;
- 2) Cloud – adjustments to the organisational structure and loan documentation in connection with a takeover in Belgium;



- 3) Green Lease – with the addition of the new Danish entity to the existing documentation;
- 4) Obelix – extending the term until December 2021 inclusive with regard to the pledging of shares of an entity of the company;
- 5) Persee – adjustments to the loan documentation in connection with raising the overdraft facility;
- 6) Dispenser – adjustment of the organisational structure and transfer of the pledged shares from private ownership to a personal holding company.

The loans in APDF are performing as expected and without defaults.

Review

During this period, three loans in the portfolio were reviewed: Cloud, Spinoza and Calvin.

Cloud is a supplier of business software that digitalises business processes and implements cloud solutions for SMEs, large companies and the public and semi-public sector. Cloud was active in the market, with eight takeovers in Europe, and performed well, increasing its revenue and EBITDA by 18% and 25% respectively. The company's leverage fell further to 2.9x in Q1 2021. Spinoza is a Dutch manufacturer and distributor of special consumer cleaning products. The company's revenue for 2020 outperformed the budget by 6% and was up by 19.1% year-on-year, partly due to increased sales in the retail segment in the Netherlands and Belgium and a positive impact from the pandemic. The company's Total Leverage and Senior Loan Leverage of 3.96x and 2.85x respectively are well within the maximum covenants. Calvin is the market leader in the Netherlands in developing, producing and selling energy-efficient solutions in the area of heating and cooling, hot water, ventilation and climate control technology. The company achieved a very strong financial performance in the recent period. EBITDA improved significantly in the beginning of 2021, outperforming the budget. The result forecast for 2026 is expected to be exceeded in 2021 already, with leverage reaching 2.37x later this year.

Risk management:

The main portfolio-specific risks associated with the Fund are:

Concentration risk:

If multiple investments are made in the same sector, geographical area or investment category, concentrations can occur in these sectors, areas or categories resulting in a risk that this concentration will make the investment portfolio as a whole more sensitive to general and specific market movements in these sectors, areas and categories. The Manager will seek to limit the risk to the investor to an acceptable level by maintaining a certain degree of diversification across the investments.

Loan portfolio by sector	30-06-2021
Utility	20.78%
Services	17.46%
Consumer goods	15.54%
Technology & Electronics	11.80%
Telecommunications	9.91%
Healthcare	8.14%
Energy	6.56%
Retail	3.26%
Financial Services	3.23%
Cash	2.01%
Services cyclical	1.31%

Table 5: Portfolio breakdown by product



Loan portfolio by Country	30-06-2021
Netherlands	91.57%
Germany	8.43%

Table 6: Portfolio breakdown by province

The percentages in the above and below tables have been calculated based on the market value of loans.

Credit risk:

The Fund invests in private loans that are characterized by a credit risk. The value of the private loans is influenced in part by positive or negative developments in the creditworthiness of the debtor. A deterioration in creditworthiness can potentially mean that the debtor is no longer able to meet his or her obligations.

Breakdown by credit rating (%)	30-06-2021
BBB	30.48%
BB	67.51%
Cash	2.01%

Table 7: portfolio breakdown by credit rating

These ratings are determined by the Manager using the following waterfall structure:

- First, the rating of a loan is checked with an external rating agency, in the following order: (i) S&P, (ii) Moody's and (iii) Fitch, to determine whether there is a public rating available.
- If such a rating is not available, the rating of the borrower is applied, using the same order of rating agencies.
- If a rating of the borrower is also not available, an estimate is made of the creditworthiness of the borrower by the Alternative Fixed Income department of the Manager based on Moodys RiskCalc and internally validated and consequently approved by the Credit Committee.

At the end of the reporting period, all loans were rated by means of the internal rating process.

Interest-rate risk:

The value of the investments is sensitive to changes in the interest rate. Rising interest rates will generally lead to a fall in the value of the loan portfolio. The modified duration of the portfolio was 3.56 as at 30-06-2021. The average coupon was 3.09 as at 30-06-2021.



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 not come across any findings that indicate that the business operations do not function effectively or not 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 the first half-year of 2021.

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. For 2021, the Manager will also opt for the external audit opinion in the ISAE 3402 Type II report.

Utrecht, 27 August 2021

ASR Vermogensbeheer N.V.

On behalf of ASR Private Debt Fund I

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)





Interim financial statements

For the six-month period ended 30 June 2021

ASR Private Debt Fund I





Balance sheet

Balance sheet as at 30 June 2021 (before profit appropriation x €1,000)

Balance sheet	30-06-2021	Reference
Investments		
Private loans	306,045	
Total Investments	306,045	1
Receivables	12,046	2
Other assets		
Cash	10,306	3
Current liabilities	-15,365	4
Receivables and other assets less current liabilities	6,987	
Assets less current liabilities	313,032	
Issued participation capital	310,034	
Other reserves	-	
Unappropriated result	2,998	
Total Net Assets	313,032	5



Profit and loss account

Profit and loss account for the period from 1 January 2021 until 30 June 2021 (x € 1,000)

Profit and loss account	01-01-2021 to 30-06-2021	Reference
Investment income	4,502	7
Realized changes in the fair value of investments	-118	8
Unrealized changes in the fair value of investments	-86	8
Total operating income	4,298	
Management fee	-546	
Service fee	-77	
Other expenses	-38	
Total operating expenses	-661	9
Profit after tax	3,637	



Cashflow statement

Cashflow statement for the period 1 January 2021 to 30 June 2021 (x €1,000)
Prepared according to the indirect method.

Cashflow statement	01-01-2021 to 30-06-2021	Reference
Total investment result	3,637	
Changes in the fair value of investments	204	1
Purchase of investments (-)	-362,212	1
Sales of investments (+)	55,963	1
Increase (-)/Decrease (+) in receivables	-12,046	2
Increase (+)/Decrease (-) in liabilities	15,365	4
Net cash flow from investment activities	-299,089	
Issue of participations	310,034	5
Redemption of participations	-	5
Dividend	-639	
Net cash flow from financing activities	309,395	
Movement in cash	10,306	
Cash per January 1	-	3
Cash per June 30	10,306	3
Movement in cash	10,306	

Principles of valuation and determination of results

General

The ASR Private Debt Fund I ('the Fund') was established on 1 January 2021 in the form of a mutual fund. The Fund is structured as a closed-end tax transparent fund.

The semi-annual report of the Fund is prepared in accordance with 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 semi-annual report are in thousands of euros, unless stated otherwise. The amounts stated in the tables are rounded figures, therefore rounding differences may occur. The Manager compiled the Interim financial statements on 27 August 2021.

Reporting period and comparative figures

The semi-annual report covers the period from 1 January 2021 to 30 June 2021. No prior period comparative figures are applicable.

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 30 June 2021.

Manager

a.s.r. vermogensbeheer is the manager within the meaning 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 administration and financial accounts. 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 Juridisch Eigenaar ASR Private Debt Fund I acts as the owner (the title holder) in a legal sense, in accordance with the general management and custody conditions, at the expense and risk of the Participants of the Fund. As set out in the Information Memorandum, the Foundation has been appointed as the Custodian of the Fund under the conditions of the Management and Custody Agreement.

Depositary

As set out in the Information Memorandum, the Manager appointed BNP Paribas Securities Services SCA as the Depositary for the Fund. The Depositary is an entity under legal supervision whose legal duties include monitoring cash flows, compliance with the investment policy and ownership verification with regard to the financial assets of the investment funds.



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 are netted and entered in the balance sheet as a net amount if there is a legal or contractual right to settle the asset item and the liability whilst being netted at the same time, and there is in addition the intention to settle the items in this manner. The interest income and interest expenses associated with the financial assets and liabilities entered as netted will also be recognized as netted.

Related party transactions

A related party is a party that can exert a predominant policy-setting influence on another party, or can exert a significant influence on the financial and business policy of the other party. Transactions with related parties are performed at rates in line with the market.

Investments

The Fund invests in Private loans originated in cooperation with sourcing partners that are considered eligible by the Manager for this purpose. The loans are initially valued at purchase price (which is the nominal value, except for the initial portfolio which is acquired at fair value). Upfront fee received on provision of the loans are recorded as part of investment income. At year-end the loans are valued at their fair value. Unrealized and realized changes in the fair value of investments are recognized in the profit and loss account. A revaluation reserve will be created for unrealized changes in fair value, insofar as the fair value exceeds the historic cost price, for the difference between the fair value and the historic cost price.

The fair value of a Private loan is determined by discounting the cash flows of such loan with a credit curve plus a surcharge for the illiquidity premium and other relevant elements like upfront fees when applicable. The credit curve used for the discounting of the cash flow of the loan is determined by a recurring (implied) rating process, so that the credit curve can be adjusted in the event of a changing creditworthiness of the borrower. Illiquidity is measured by taking the difference between liquid Dutch Government issues and illiquid Dutch Semi-government loans, as expressed by Dutch Brokerage Firm OHV. Loan individual liquidity characteristics are measured by taking the difference between the actual loan spread and the calculated loan spread (including the aforementioned OHV difference) at the time of issuance of the loan (agreement on the loan terms). The second portion attributed to illiquidity (of an individual loan) is kept constant over the life of the loan. As the first component of the illiquidity surcharge is based on market levels, the illiquidity surcharge as a whole will fluctuate with market movements.



The standard approach is only appropriate as long as a full repayment of the loan is expected. If a loan is transferred to the special care department of the originator, the valuation methodology will be based on an expected recovery approach.

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 in 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.

Determination of 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. 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.

The changes in fair value of private loans are in principle always unrealized since the loans are held to the end of the period of maturity, with the exception of the early repayment of the loans by the borrower.

Any purchase and sales costs of investments are included in the cost price or deducted respectively from the sales proceeds of the respective investments and therefore form part of the changes in fair value of investments.

Income tax

The Fund is a closed-end mutual fund and tax transparent, 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 Assets. The provisions made are transferred to the Manager on a monthly basis. The amount of the management fee is 0.40% on an annual basis (exclusive of Dutch VAT, if applicable). This management fee serves also to cover the costs which are payable by a.s.r. vermogensbeheer to the originator or any other third party for the ongoing operational management of private loans.

Servicing 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 or the investment committee.

The annual service fee is 0.05% (exclusive of Dutch VAT, if applicable). The Manager ultimately pays the costs actually incurred related to the service fee.

Costs on the issue and redemption of Participations

The Fund does not charge any costs on the issue and redemption of Participations. However, at each closing date, any new Participants pay an entry fee to Participants whose participations are redeemed (if such redemption is required to maintain the equal ratio between the capital commitment and the drawn amounts per Participant). The entry fee will be paid to the Fund and will be paid through to Participants whose Participations are redeemed as a result of the new Participant acceding to the Fund.

Cashflow 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	30-06-2021
Private loans	306,045
Total investments	306,045

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

Movement schedule of investments					
	Fair Value 01-01-2021	Purchases	Repayments	Revaluation	Fair Value 30-06-2021
Private loans	-	362,212	-55,963	-204	306,045
Total	-	362,212	-55,963	-204	306,045

The net present value calculation is used for the valuation of loans. Please refer to the principles of value calculation for the assumptions applied to this connection.



2. Receivables

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

Receivables	30-06-2021
Accrued interest	1,594
Receivables from participants for subscriptions	10,311
Other receivables	141
Total	12,046

Other receivables relate mostly to fees to be received regarding loans (such as commitment and waiver fees).

3. Cash

Cash relates to 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	30-06-2021
Management and servicing fee payable	-365
Payable in respect of securities transactions	-15,000
Total	-15,365

Other liabilities mainly relate to fees payable.

5. Issued participation capital, unappropriated result and other reserves

Multi-year overview ASR Private Debt Fund I

Net Asset Value	30-06-2021
Fund Net Assets (x € 1.000)	313,032
Number of participations	310,034
Net Asset Value in euros per participation	1,009.67

For investments for which no frequent market quotation is available, a revaluation reserve must be formed for unrealized changes in fair value – insofar as the fair value exceeds the historic cost price. As at 30 June 2020 this amounts to € 623.

The development of the subscribed participation (Unit) capital during the reporting period is as follows (x €1,000):

Issued participation capital	01-01-2021 to 30-06-2021
Balance at the start of the reporting period	-
Issued during the reporting period	310,034
Repaid to participants during the reporting period	-
Balance at the end of the reporting period	310,034

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

Movement schedule of number of Participations	Number 01-01-2021	Issue	Redemption	Number 30-06-2021
ASR Private Debt Fund I	-	310,034	-	310,034



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

Other reserves	01-01-2021 to 30-06-2021
Balance at the start of the reporting period	-
Addition in the reporting period	-
Dividend payment	-
Balance at the end of the reporting period	-

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

Unappropriated	01-01-2021 to 30-06-2021
Balance at the start of the reporting period	-
Profit distribution in the previous financial year	-
Result of the current financial year	3,637
Dividend paid with regard to current reporting period	-639
Balance at the end of the reporting period	2,998

6. Contingent assets and liabilities

There are no contingent assets and liabilities

As at 30 June 2021, the total commitment of the Participants of the Fund amounts to EUR 750 million, of which EUR 440 million is uncalled.

As at 30 June 2021, the commitments of the Fund in respect of private loans amounts to EUR 84 million.

7. Investment income

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

Investment income	01-01-2021 to 30-06-2021
Interest from loans	3,787
Other income from loans	715
Total	4,502

8. Changes in the fair value of investments

The realized changes in the fair value of the 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 specified as follows (x €1,000):

Realized changes in the fair value of investments	01-01-2021 to 30-06-2021 (positive)	01-01-2021 to 30-06-2021 (negative)
Private loans	-	-118
Total	-	-118



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

Unrealized changes in the fair value of investments	01-01-2021 to 30-06-2021 (positive)	01-01-2021 to 30-06-2021 (negative)
Private Loans	623	-709
Total	623	-709

9. Operating expenses

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

Operating expenses	01-01-2021 to 30-06-2021
Management fee	-546
Servicing fee	-77
Other expenses	-38
Total	-661

Other expenses refer to the change in the provision for credit losses.

Ongoing Charges Figure (OCF)		
	Information Memorandum	01-01-2021 to 30-06-2021
ASR Private Debt Fund I	0.45%*	0.48%

* exclusive of VAT, if applicable

The Ongoing Charges Figure (OCF) includes all costs charged to the Fund in the reporting period including the management and service fee of the underlying funds and pools, excluding the interest charges, any taxes and transaction costs as a result of the acquisitions and disposals of investments which the Fund carries out. 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 net asset value is calculated once a month for the Fund. The number of measurement points is considered as the weighted average.

The difference between the actual OCF and the OCF according to the Information Memorandum relates to the VAT calculated on a part of the management fees.

Portfolio Turnover Rate (PTR)	
	01-01-2021 to 30-06-2021
ASR Private Debt Fund I	41.98%

The Portfolio Turnover Ratio (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. 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 executed 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 redemptions 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 relations with related parties:

- a.s.r. vermogensbeheer is the Manager of the Fund and charges a management fee and servicing fee;
- At the Initial Closing Date, the Fund has acquired a portfolio of Private Debt Loans (amounting to €202 million) from Group companies of ASR Nederland in exchange for Participations;
- Group companies of ASR Nederland participate for an amount of € 313 million in the Fund (310,034 participations).

Transactions with related parties are performed at rates in line with the market.

Profit appropriation

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

Proposed dividend

At the beginning of each quarter, the amount available for distribution generated in the preceding quarter is distributed to the Participants (after settling fees and costs payable). Participations will receive an equal share of the interest income of the preceding quarter. The amount available for distribution is determined at the discretion of the Manager.

Events subsequent to the balance sheet date

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

SIGNING OF THE INTERIM FINANCIAL STATEMENTS

Utrecht, 27 August 2021

ASR Vermogensbeheer N.V.

On behalf of ASR Private Debt Fund I

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



Appendices

Specification of investments ASR Private Debt Fund I

Loan ID	Instrument Name	Rating	Country	Currency	Sector	Nominal value 30-06-2021	Market value 30-06-2021
124341	Project AMS	BB	NL	EUR	Services	10.000.000	10.148.661
124419	Project Calvin	BB	NL	EUR	Utility	5.106.250	5.119.655
124420	Project Calvin	BB	NL	EUR	Utility	16.125.000	16.207.354
124421	Project Calvin	BB	NL	EUR	Utility	3.500.000	3.510.217
124452	Project Car Lease	BBB	NL	EUR	Utility	25.000.000	24.980.492
124456	Project Chamonix	BB	NL	EUR	Technology & Electronics	13.200.000	13.209.727
124455	Project Chamonix	BB	NL	EUR	Technology & Electronics	8.800.000	8.783.937
124346	Project Cloud	BB	NL	EUR	Services	8.000.000	8.156.148
124347	Project Cloud	BB	NL	EUR	Services	6.000.000	6.027.350
124430	Project Curaçao	BB	NL	EUR	Technology & Electronics	15.000.000	14.919.694
124413	Project Dispenser	BBB	NL	EUR	Consumer Goods	15.000.000	14.890.013
124338	Project Fiber	BB	NL	EUR	Services	7.500.000	7.645.383
124403-01	Project Fiber	BB	NL	EUR	Services	480.000	470.728
124403-02	Project Fiber	BB	NL	EUR	Services	1.120.000	1.130.957
124403-03	Project Fiber	BB	NL	EUR	Services	480.000	483.166
124392	Project Fire	BB	DE	EUR	Services Cyclical	4.000.000	4.081.722
124390	Project Glasfaser	BBB	NL	EUR	Telecommunications	10.970.265	11.182.727
124391-01	Project Glasfaser	BBB	NL	EUR	Telecommunications	7.838.620	7.994.660
124391-02	Project Glasfaser	BBB	NL	EUR	Telecommunications	73.767	73.813
124391-03	Project Glasfaser	BBB	NL	EUR	Telecommunications	135.484	136.428



Loan ID	Instrument Name	Rating	Country	Currency	Sector	Nominal value 30-06-2021	Market value 30-06-2021
124391-04	Project Glasfaser	BBB	NL	EUR	Telecommunications	462.557	462.550
124448	Project Green Lease	BB	NL	EUR	Financial Services	10.000.000	10.049.711
124473-01	Project Hammer	BB	NL	EUR	Consumer Goods	5.625.000	5.563.786
124474-01	Project Hammer	BB	NL	EUR	Consumer Goods	5.625.000	5.560.217
124343	Project Menü	BB	DE	EUR	Retail	10.000.000	10.204.453
124427	Project Obelix	BB	NL	EUR	Healthcare	9.726.027	9.681.974
124428	Project Obelix	BB	NL	EUR	Healthcare	10.000.000	9.926.691
114440	Project Offshore	BB	NL	EUR	Energy	20.000.000	20.262.217
124333	Project Persee	BBB	NL	EUR	Services	20.000.000	20.389.597
124368	Project Speedbreak	BB	DE	EUR	Telecommunications	6.315.790	6.438.995
124369-01	Project Speedbreak	BB	DE	EUR	Telecommunications	3.846.882	3.861.115
124369-02	Project Speedbreak	BB	DE	EUR	Telecommunications	871.076	872.313
124339	Project Spinoza	BB	NL	EUR	Consumer Goods	7.500.000	7.653.351
124458	Project Summer	BB	DE	EUR	Healthcare	3.383.333	3.376.376
124457	Project Summer	BB	DE	EUR	Healthcare	2.305.000	2.296.954
124472-01	Project Summer	BB	DE	EUR	Healthcare	200.633	195.174
124402-01	Project Voltage	BBB	NL	EUR	Utility	6.489.929	6.580.789
124402-02	Project Voltage	BBB	NL	EUR	Utility	2.909.371	2.913.806
124402-03	Project Voltage	BBB	NL	EUR	Utility	2.984.972	2.986.535
124402-04	Project Voltage	BBB	NL	EUR	Utility	772.482	774.209
124402-05	Project Voltage	BBB	NL	EUR	Utility	1.843.246	1.845.176
124471	Project Spartan	BB	NL	EUR	Consumer Goods	15.000.000	14.996.426
Total investments ASR Private Debt Fund I							306.045.249

ASR Vermogensbeheer N.V.

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