a.s.r.
de nederlandse
verzekerings
maatschappij
voor alle
verzekeringen

ASR Private Debt Fund I
Annual report 2022

General information ASR Private Debt Fund I

Supervisory Board
Mr. B. Vliegenthart (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
Mr. P. Klijnsmit

Legal owner of the investments
Stichting Juridisch Eigenaar ASR Private Debt Fund I
Archimedeslaan 10
3584 BA Utrecht

Depositary
BNP Paribas S.A., Netherlands branch
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 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. (hereinafter referred to as ‘a.s.r.’ or ‘ASR Nederland’). a.s.r. vermogensbeheer does not employ any staff members. All activities are carried out by employees of ASR Nederland.

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

- investment institutions that invest in financial instruments; 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 Renewable Infrastructure Debt Fund, ASR Kapitaalmarkt Fonds, ASR Duurzaam Institutioneel Vermogensbeheer Beleggingsfondsen, Loyalis Global Funds, First Liability Matching N.V. and the Luxembourg alternative investment fund ASR Fonds SICAV (‘Société d’investissement à Capital Variable’).

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

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

Providing investment services (amongst other individual asset management)
Pursuant to Section 2:67a(2), paragraphs (a), (b) and (d), of the Financial Supervision Act (Wft), a.s.r. vermogensbeheer is also permitted to offer the following investment services to both professional and non-professional investors:
(a) Managing individual assets;
(b) Providing investment advice on financial instruments;
(d) Receiving and forwarding orders with regard to financial instruments.

These services are regulated in the Wft and the MiFID II (Markets In Financial Instruments Directive).
On this basis, a.s.r. vermogensbeheer acts as an individual asset manager on behalf of the group companies of ASR Nederland N.V., such as entities subject to supervision and for third parties with external mandates.

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 from new and existing participants. This term ends in principle thirty months after the Initial Closing Date (1 January 2021). 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 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.

The ASR Private Debt Fund is a financial product that promotes environmental and social characteristics but does not have sustainable investments as its objective. As such, it is classified as an Article 8 product under the Sustainable Finance Disclosure Regulation (SFDR). The periodic disclosure as referred to in Article 8(1, 2 and 2a) of Regulation (EU) 2019/2088 and Article 6 (paragraph 1) of Regulation (EU) 2020/852, is included in Appendix 2.

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 four sourcing partners: Rabobank, NIBC, Oldenburgische Landesbank 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 offices in the Netherlands, Belgium, Luxembourg or Germany.
- 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) credit 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 45 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. 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.

Depositary
BNP Paribas S.A., Netherlands branch has been appointed Depositary of the Fund. The Depositary 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 depositary 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 Depositary.

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 35 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.

As at 31 December 2022, the minimum threshold is not reached.

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 in writing to the Manager 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 2022, the ASR Private Debt Fund I Net Assets increased from 495 million to €689 million. This increase was mainly due to new loans provided and 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

Long-term partnership with Aegon Asset Management
At the end of October 2022, ASR Nederland and Aegon N.V. (hereinafter 'Aegon') announced that a.s.r. would take over Aegon's Dutch operations. This transaction will be completed by 1 July 2023 at the earliest and is subject to the approval of the central bank of the Netherlands (DNB), among others. The agreements made between the two parties include a long-term agreement between a.s.r. vermogensbeheer and Aegon Asset Management (hereinafter 'Aegon AM') to the effect that, among other things, the investment portfolios relating to the Dutch operations will come under the management of a.s.r. vermogensbeheer, while the management of the ASR (Separate Account) Mortgage Fund, ASR Private Debt Fund I and ASR Renewable Infrastructure Debt Fund will in due course be transferred to Aegon AM. The basic principle in this context is that the service provision will as much as possible be continued unchanged after 1 July 2023. At present, further arrangements are being made with Aegon AM in order to make the transition on 1 July 2023 as smooth as possible.

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 order to comply with article 15, paragraph 1 of the AIFMD, a distinction has been made for the functional and hierarchical relationships between the risk management of funds and the risk management of a.s.r. vermogensbeheer. The director responsible for risk management at a.s.r. vermogensbeheer reports on risk management in relation to funds subject to supervision directly to the CEO (Chief Executive Officer) of ASR Nederland N.V. The risk management of a.s.r. vermogensbeheer complies with the Risk Charter that applies within ASR Nederland N.V. In accordance with the Risk Charter, a.s.r. vermogensbeheer reports for the risk management of a.s.r. vermogensbeheer to the CFO (Chief Financial Officer) of ASR Nederland N.V., via the Manager's CFRO (Chief Financial and Risk Officer) and ASR Nederland N.V.'s Finance & Risk director.

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

Risk 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	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. 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 35 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 35 million.
Counterparty risk	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.
Concentration risk	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.
Liquidity risk	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. 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.
Operational risk	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.

Defined risk	Explanation and mitigating measures
Interest-rate risk	The interest rate on the loans is mainly 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.
Prepayment risk	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.
Valuation risk	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.

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

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

An important part of fund governance is the presence of a Supervisory Board that supervises the management of the Dutch AIFMD investment funds 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 funds.

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 31 December 2022, 194 employees and 187 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 question of 'carried interest' (the share of the profit of the Fund intended for the Manager of the Fund as remuneration for the management).

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

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

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

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 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.

Exclusion criteria for countries and companies

a.s.r. applies a strict exclusions policy for controversial activities and controversial behaviour, which applies to all internally managed portfolios, both for its own investments and investments for third parties. Twice a year a.s.r. publishes a 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

Our portfolios are at minimum characterized by above average ESG scores. Companies are analyzed on a large number of ESG criteria taking into account the materiality for the respective sector/industry sector. The overall ESG score allows us to identify the best ESG scoring companies on a certain sector. The ESG screening is carried out using external data suppliers where ESG themes such as the following ones are analyzed:
- Environment;
  - Strategic management of environmental risks;
  - (Forward looking) Carbon data;
- Labor Rights / Human Resources;
- Human Rights & Community Involvement;
- Corporate Governance & Ethical Behavior.

This is implemented for each fund in a different way.

Climate and energy transition

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

a.s.r. set the following CO_2 reduction targets: 65% reduction in 2030 compared to base year 2015 for the most important asset classes for own account (equities, corporate bonds and government bonds, real estate and mortgages). As well as preventing negative impact, a.s.r. aims to make a positive contribution to the energy transition. To this end, a.s.r. will increase the current impact investing exposure to a total of €4.5 billion in 2024. This budget may also be allocated to other sustainability themes important to a.s.r., such as health, vitality, inclusion and financial self-sufficiency. In addition, a.s.r. has developed and implemented a strategy to further scale back investments in the fossil sector in three phases during the period 2022-2024. As a result, in 2021 a.s.r. has sold exposures on companies involved in products made from thermal coal and excluded companies generating more than 5% of their revenues from unconventional oil and gas (such as shale gas, Arctic drilling and oil sands).

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

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

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

Reporting under the EU Transparency Regulation ('SFDR')

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

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.

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Effect of ESG policy on the Fund's portfolio

All propositions received are screened on social and environmental aspects and governance criteria, based on the a.s.r. SRI (Socially Responsible Investment) policy. At year-end 2022, the Fund had a total of 37 investments, of which 34 have a low ESG risk rating and three have a medium ESG risk rating. The three investments with a medium ESG risk rating are **MCG, Tasman** and **Print**.

The Fund has a total of three investments classified as impact investing: **Green Lease**, **Anton** and **Calvin**. In January, **Glasfaser** merged with **Speedbreak**. The loan was refinanced under the project name **Lightboost** and was subsequently no longer classified as impact investing.

In the fourth quarter, the ESG committee classified the existing investment in **Calvin** as impact investing. **Calvin** develops, produces and sells energy-efficient solutions in the area of heating and cooling, hot water, ventilation and climate control technology. This company's objective is to reduce the energy consumption in a home over the course of its lifespan to net zero. This company has many years' experience with products and solutions that use renewable energy sources for home climate control. The Netherlands has set itself the target to make around 7 million homes gas-free and energy-efficient by 2050. **Calvin** makes a significant contribution to achieving the energy transition target in the Netherlands. At the start of the loan in 2020, sales of sustainable products made up less than 50% of total sales revenue. This share has since risen to 2/3.

None of the Fund's business relations appear on the sanctions lists or are subject to sanctions introduced in connection with the war in Ukraine. The direct exposure of various parties to Russia/Ukraine is limited. One exposure concerns **Sport,** which recorded total sales revenue of €3 million, and **Vault**, which realised 6% of its sales revenue in Russia, but all activities there have been suspended since the start of the war.

During the year, there were also two propositions that classified as impact investing but which the Fund did not pursue any further. This concerned the construction of a Dutch biofuel production facility converting non-recyclable waste into carbon-reducing biomethanol in Amsterdam and the construction of a cutting-edge solar panel factory in Veendam. Although these two propositions are interesting because of the energy transition, the underlying technology is unproven and the proposed financing structure is too aggressive for the Fund.

Market developments and outlook

Economic developments

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

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

Financial markets

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

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

Outlook for the economy and financial markets

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

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

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

Developments in the private debt market

In the second half year of 2022, interest rates and inflation were the central themes. Partly because of a mild start of the winter, no further escalation in the war in Ukraine, a slowdown in worldwide economic growth and the lockdowns in China, demand for gas and oil rose less sharply than was expected earlier. This effect was reflected in falling month-on-month inflation figures towards the end of Q4. Falling inflation and lower GDP expectations meant that the Fed and the ECB could limit interest rate increases. Although the pace of the interest rate hikes decreased, the continuing scarcity on the labour market and the resulting upward pressure on wages led to an upward adjustment of the final target for the interest rate hikes for mid-2023. The net effect was that interest rates in the capital market increased further.

Accordingly, 2022 was characterised byan extremely fast increase in interest rates in the capital markets, which severely affected interest-sensitive asset classes. A fall in the stock market by around 15% in one year is not unprecedented, but in combination with a fall in the bond markets by a similar percentage in the same year it caused historically large losses in well-diversified investment portfolios worldwide.

Despite the cooling of the world economy in the second half of the year, the Dutch economy still achieved growth of around 4% for the year as a whole. This was due primarily to a very strong post-pandemic recovery, which continued in the first half of 2022. The Dutch central bank (De Nederlandsche Bank, DNB) has issued a much lower growth estimate of 0.8% for 2023. Inflation in the Netherlands came to approximately 11.5% for the whole of 2022, and DNB expects it to fall to 5% in 2023. The labour market remains very tight: unemployment was 3.6% in 2022 while the figure expected for 2023 is 4.2%.

Rising interest rates and falling growth expectations have also caused a further drying-up of the M&A market and a further decrease in the issue of new loans. We therefore expect fewer new loans for the coming quarter, although we do expect a number of (minor) increases, refinancing agreements and amendments (e.g., an extension of the term). Companies now have a more inward focus, primarily aimed at implementing price increases to protect their profit margins, addressing staffing shortages, and making cost savings to be able to absorb the impact of potential falls in demand. This will in particular be the case for production-intensive and labour-intensive companies. The fall in energy prices will hopefully bring some relief in 2023 for a number of companies.

In general, we continue to see a robust financial performance for companies in the Private Debt portfolio. Many companies in the portfolio are performing in accordance with or even above their budget. Some companies have reached the covenant levels, but for now these appear to be isolated and business-specific cases rather than driven by the macro environment. There does not appear to be an overall deterioration in credit quality relative to the previous quarter. For example, a number of the companies that appeared to be facing difficulties in Q3 have since found their way back up again. We were able to price the new transactions we conducted in Q4 at considerably higher margins, which resulted in higher illiquidity premiums compared to the bond market.

In the coming period, the Alternative Fixed Income team will focus in particular on monitoring the existing portfolio. The main challenges facing our companies will be possible decreases in volume due to declining consumer confidence, the ability to continue to successfully implement price rises to charge on increased costs, and finding enough staff.

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. The Fund is a financial product that promotes environmental and social characteristics but does not have sustainable investments as its objective. As such, it is classified as an Article 8 product under the SFDR.

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 2022 from € 495 million to € 689 million.

	Net Assets (x €1,000)	Return	IRR***	Dividend per share (x €1)
31-12-2022	688,655	2.25%	3.21%	31.03*
31-12-2021	494,996	2.48%	3.13%	24.04**

Table 3: Return

* Of which 10.56 was paid out in 2023
** Of which 6.82 was paid out in 2022
*** ex-post IRR (realized net IRR)

Value movement per participation in €	2022	2021
Income	39.36	36.59
Changes in value	-0.98	-6.06
Costs	-6.92	-5.59
Result after tax	**31.46**	**24.94**

Table 4: value movement

Amounts per participation are based on the average number of participations during the financial year (12 measurement points during the reporting period).

Total investments in the ASR Private Debt Fund I (hereinafter 'the Fund') increased further during the year, from €490 million to €576 million, with €88 million in uncalled commitments. The Fund reached its highest level in terms of invested capital, with €641 million in investments in 42 investments and €99 million in uncalled commitments, following the acquisition of the NIBC loan portfolio in the third quarter of the year. In the fourth quarter, the total number of investments in the Fund decreased by five to 37.

In the second quarter, the total commitments of the participants in the Fund increased further from €750 million to €1,000 million. No new participants joined the Fund during the year. In the first 24 months, the fund was 67% invested. The performance in this period was 2.37% and the Fund's YTD return was 2.25%, with a realised net IRR of 3.21%.

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In October, the Fund distributed the dividend for the Q3 2022 to the participants, which amounted to €3.57 million or €5.20 per share. The Q4 dividend was declared at €7.26 million or €10.56 per share and was distributed in January 2023. With regard to the financial year 2022, the Fund distributed a total of €19.0 million or €31.03 per share in dividend. The total dividend that has been distributed since the Fund's inception amounts to €28.2 million or €55.07 per share.

New investments
The number of investments in the Fund further increased during the year, with 16 new investments being added to the portfolio: **Anton, Tasman, Centurion, Seven, Prisma, Jupiter, Medicine, MCG, Payroll, Dune, Shelter, Energy, Print, London, Gravity and Flex**, amounting to €243.2 million in total (committed amount). The existing fibre optic transactions with **Glasfaser** and **Speedbreak** were refinanced under the project name **Lightboost**, comprising a €18.2 million term loan and a €16.8 million capex facility. In the second quarter of 2022, **Calvin** was refinanced and also increased with €8.0 million to €29.0 million. No new investments were added to the Fund in the fourth quarter. During this period, there were increases in existing loans to **Cloud** and **Safe** of €10.0 million both.

In June, a.s.r. vermogensbeheer reached agreement with NIBC on the acquisition of a private loans portfolio in the amount of €250 million, of which the Fund acquired €170 million. The portfolio consists of private loans to companies in Northwest Europe. The acquisition is part of a combined bid by a.s.r. and the Oldenburgische Landesbank (OLB) for NIBC's private loans portfolio. The OLB has acquired the German portfolio. The portfolio acquired by the Fund consists of 15 clients, of which 10 are new investments for the Fund, and concerns loans to mostly medium-sized companies in the Netherlands. The loans forming part of this transaction are a solid addition to the portfolio, with an average rating in line with that of the existing portfolio.

Credit applications
The Credit Committee has approved the following credit applications:
(i) €25 million for **Seven**, for the construction of a fibre optic network in rural areas in Germany;
(ii) €35 million for Lightboost, to refinance the existing **Glasfaser** and **Speedbreak** fibre optic transaction. The allocation of Project **Lightboost** eventually amounted to €33 million for the Fund, due to the increased demand from other lenders in this transaction;
(iii) €17.5 million for **Tasman**, the European market leader in processing beef by-products and performing intermediary activities involving 'meat residues';
(iv) €20 million for **Centurion**, a designer and distributor of luxury furniture concepts and accessories;
(v) €25 million for **Prisma**, the largest independent technical installer in the Netherlands;
(vi) €8 million for **Calvin** (increase), the Dutch market leader in products, systems and concepts for sustainable climate control in homes, including heat pumps, ventilation, boilers, electric hot water systems and control systems;
(vii) €15 million for **Wimbledon** (increase), an ICT service provider that offers a complete service package to SMEs with the design and implementation of platforms, support, training, security and cloud infrastructure;
(viii) €11 million for **Fire** (increase), a company specialising in passive fire protection (PFP) and repairs, primarily of primarily water and fire damage;
(ix) €23.5 million for **Cloud** (increase), a supplier of business software that digitalises business processes and implements cloud solutions for SMEs, large companies and the public and semi-public sector;
(x) €7.5 million for **Athena** (increase), an all-round maintenance and renovation company that focuses specifically on residential and commercial buildings in urban areas. This concerns the increase of an existing loan in the Fund. After approval, the total commitments in **Athena** amount to €20.4 million;
(xi) €10 million for **Prisma** (increase), a Dutch installer operating in the maintenance market for hospitals, schools, businesses, as well as numerous niche markets, such as fire safety, data centres and security systems. This application concerns the refinancing of the existing loan and an increase of the commitments to €35 million;
(xii) €7.5 million for **Medicine**, a company engaged in the parallel import and development of generic medicines;
(xiii) €12.3 million for **MCG**, the worldwide market leader in the production of Motion Compensated Gangway Systems (MCGS). This is a patented product that enables technical staff to walk from ship to ship or from ship to offshore structures;
(xiv) €4.4 million for **Spinoza** (increase), a Dutch manufacturer and distributor of special consumer cleaning products that operates primarily in the Dutch and Belgian markets;
(xv) €9.0 million for **Payroll**, a full-service HR services provider and leading market player in the Dutch payrolling market. Its service package includes outsourcing of administrative processes and payrolling solutions to self-employed persons, (smaller) employment agencies and SMEs;
(xvi) €9.7 million for **Dune**, a worldwide producer of protective footwear;

(xvii) €10 million for **Shelter,** the European market leader in the production of steel panels for garage doors. **Shelter** produces sandwich panels for sectional overhead doors (roller doors);
(xviii) €12.5 million for **Jupiter**, a leading manufacturer in the Netherlands, which primarily produces flue gas exhaust systems for central heating boilers;
(xix) €22 million for **Anton** (increase), a medical services provider specialising in the procurement, rental and maintenance of a wide range of medical devices for the sick and disabled. This investee was already included in the portfolio;
(xx) €13 million for **Curaçao** (increase), a Dutch high-tech manufacturing company that develops and produces micro precision components (<0.01 mm, often metal-based) for various end markets in accordance with customer-specific or product-specific requirements;
(xxi) €9.2 million for **Energy**, which operates primarily as a B2C energy supplier via the labels of various budget brands. The company does not generate energy but procures it;
(xxii) €7.9 million for **Spartan**, which produces a wide range of personal care products, including bath and shower, face care, body care, oral care and hair care products;
(xxiii) €15.8 million for **Print**, a producer of high-end printing machines and consumable items;
(xxiv) €13.8 million for **London**, a Dutch broker focusing on the provision of term life insurance, invalidity insurance and mortgage payment protection insurance;
(xxv) €10.3 million for **Flex**, a Dutch employment agency for both technical professionals (civil-engineering, construction and public sectors) and skilled workers (bricklayers, carpenters and painters).

Drawdowns and commitments

During the year, a total of €23.0 million was drawn from the capex facilities of various digital infrastructure projects, including **Fiber, Eden, Speedbreak, FinaFun, Jolene** and **Voltage**. In addition, €23.4 million was drawn from the acquisition/capex facility of **Hammer, Wimbledon, Summer, Tasman** and **Seven**. At the end of 2022, the fund had a total of €88 million in uncalled commitments on 11 different investments.

Overview commitments (x €1,000)	31-12-2022
Eden	5,630
Prisma	28,944
Seven	14,566
Lightboost	10,924
Anton	7,397
Jolene	5,946
FinaFun	3,324
Tasman	1,700
Arches	1,101
Fire	1,000
Athena	7,500

Repayments
In the whole year, 13 investments in the portfolio totalling €232 million were repaid early. This concerns the following investments:
(i) **Glasfaser** (€19.8 million) - refinancing and extension of the existing fibre optic network as part of Project **Lightboost**;
(ii) **Speedbreak** (€20 million) - refinancing and extension of the existing fibre optic network as part of Project **Lightboost**;
(iii) **United** (€15 million) - the management of **United** chose to adopt a new unitranche structure with increased leverage to continue its buy-and-build strategy, and so the loan was repaid early;
(iv) **Calvin** (€3.5 million) - because of the higher margin of the Term Loan C facility, the management decided to repay this loan early when it was due for refinancing;
(v) **Offshore** (€20 million) – the management has decided to repay the loan early due to reorganisation and a change in financing structure;
(vi) **Fiber** (€15.5 million) - the company was able to refinance the fibre optic network with other lenders at lower margins at the beginning of the year;
(vii) **Wimbledon** (€32.1 million) - the management of **Wimbledon** 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 August;
(viii) **London** (€13.8 million) - the company was included in an acquisition, which resulted in early repayment of the existing loan;
(ix) **Payroll** (€9.0 million) - as **Payroll** had a liquidity surplus, the company decided to repay the loan by year-end;
(x) Dispenser (€15 million) - the management chose to arrange an overdraft facility with its principal bank, which meant the term loans were repaid early;
(xi) **Voltage** (€30.6 million) - refinancing with a new financing structure under different conditions with other lenders;
(xii) **AMS** (€10 million) - refinancing with a new financing structure under different conditions with other lenders;
(xiii) **Curaçao** (€28 million) - the company was included in an acquisition, which resulted in an early repayment of the existing loan.

Waiver requests
The Fund received seven material waiver requests, including from:
(i) **Voltage** - this waiver request concerned a change to the organisational structure in order to make future refinancing easier at group level. In addition, the new holding company structure will enable the company to attract mezzanine financing if required. The change of the position of Voltage in the group structure triggered the following in the SFA: (i) the change of control clause and (ii) an event of default, as the parent company is no longer the sole shareholder of Voltage. This waiver request was approved, as the lenders do not suffer any financial or security-related loss as a result of the changes to the group structure;
(ii) **Chamonix** - following last year's breach of both the Debt Service Coverage Ratio and the leverage covenant, the lenders and shareholders agreed the following in order to resolve the breach: (i) an irrevocable shareholders' guarantee for a maximum of €10 million, issued to cover liquidity deficits during the reset period, and (ii) a mandatory equity cure in the event of a covenant breach as of Q3 2022. A covenant reset will be put in place for the leverage ratio for the period of April 2022 and Q2. A covenant holiday will apply to the Debt Service Coverage Ratio up to and including Q3 2022 (because of the shareholders' liquidity guarantee) and the pricing grid will be retrospectively adjusted to a new pricing grid from the date of receipt of the Q3 2021 compliance certificate;
(iii) **Hammer** - this company sells professional and semi-professional machines, workshop equipment and tools by means of both B2B and B2C via its online web shop, retail store and dealer network. The disappointing financial results are due to a combination of events, including the Covid-19 pandemic, supply chain issues, a high US dollar exchange rate, higher costs at a new distribution centre and errors in the implementation of a new ERP system. Because of disappointing financial results, the loan agreement was adjusted and the (internal) rating was downgraded from BB to B. The principal changes at Hammer concerned: (i) a suspension of the Q3 repayment, (ii) allowing additional supplier finance, (iii) reduction of the minimum liquidity buffer, and (iv) a covenant holiday up to and including Q3 2023 and a reset of the leverage and capex covenant from Q4 2023. The lenders will be compensated for the increased credit risk by means of a one-off waiver fee, an increase of the margin and an equity contribution by the shareholders;
(iv) **Spinoza** - disappointing financial results on account of supply chain issues resulted in a breach of the covenants. A covenant reset was agreed in this respect. The lenders will receive a one-off waiver fee as compensation for the credit risk;

(v) **FinaFun** - the company requested the lenders to approve a debt increase by means of the accordion facility to enable the further roll-out of the fibre optic network, and an adjustment of the covenants based on its new prospects;
(vi) **Persee** - as well as an increase of the debt facility to the maximum allowable debt, the company requested other adjustments to the financing structure with a view to a possible future sale of the company;
(vii) **Energy** - a Dutch energy company which intends to merge with another energy company. The preparations for the integration caused a change in the shareholding structure and triggered the change of control clause in the loan documentation. Energy requested the lenders to waive this clause, so that the preparations for the integration can be continued under the current financing conditions.

Review

During the year, 16 investments in the portfolio were reviewed: R**oute24, Arches, Obelix, Spinoza, Persee, Sport, Menü, Chamonix, Cloud, Oak, Safe, Dune, Anton, Flex, Athena and Prisma**. This has resulted in the following rating changes:

Investments	Rating migration
Calvin	BB -> BBB
Curaçao	BB -> BBB
Cloud	BB -> BBB
Hammer	BB -> B
Spinoza	BB -> B

The loans on the watch list are Sport, Hammer, Tasman, Spinoza and Chamonix. The performance of the loans on the watch list shows no further deterioration compared to the end of the reporting period, but significant improvements are still to materialise. The Alternative Fixed Income team is closely involved with these companies, monitoring the progress of improvement programmes and financial performance through lenders' meetings and supplementary discussions with the management and shareholder(s). The rest of the investees in the Fund are expected to perform within the set covenants.

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	31-12-2022	31-12-2021
Services	16.21%	20.20%
Consumer Goods	15.31%	14.16%
Telecommunications	13.99%	14.70%
Capital Goods	12.46%	3.06%
Healthcare	11.58%	5.40%
Basic Industry	10.68%	2.81%
Financial Services	6.03%	2.05%
Retail	5.33%	6.64%
Services Cyclical	3.57%	0,83%
Technology & Electronics	3.40%	10.69%
Energy	1.44%	3.97%
Utility	0.00%	15.49%

Table 5: portfolio breakdown by sector

Loan portfolio by Country	31-12-2022	31-12-2021
Netherlands	78.31%	84.85%
Germany	9.31%	12.70%
Norway	5.53%	-
Belgium	3.73%	-
Spain	2.72%	2.45%
United Kingdom	0.40%	-

Table 6: portfolio breakdown by country

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 (%)	31-12-2022	31-12-2021
BBB	34.90%	21.63%
BB	38.22%	73.56%
B	9.66%	3.93%
Cash	17.22%	0.88%

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 Moody's 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.

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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 2.75 as at 31-12-2022 (31-12-2021: 3.66). The average coupon was 4.95 as at 31-12-2022 (31-12-2021: 3.27).

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 2022.

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

Utrecht, 31 March 2023

ASR Vermogensbeheer N.V.

On behalf of ASR Private Debt Fund I

The management board,

Mr. J.T.M. Julicher (director)
Mr. M.R. Lavooi (director)
Mrs. W.M. Schouten (director)
Mr. P. Klijnsmit (director)

Supervisory Board Report

According to the law and its rules of procedure, the Supervisory Board is responsible for supervising the manager's policy and performance of tasks and the general state of affairs within the funds it supervises, all in the interest of the participants. The Supervisory Board also protects the interests of the participants by supervising compliance by the manager with the Fund Governance Code and advising the manager. The board is responsible for the quality of its own activities. Members are appointed for a term of four years and will retire periodically by rotation in accordance with a schedule to be determined by the board. The board has not set up any committees due to its size.

Composition and rotation schedule
The board's composition, organization and procedures comply with the applicable Corporate Governance Code of Conduct. The members are independent within the meaning of best practice provision III. 2.1 of this code.

The members of the Supervisory Board are Mr. B. Vliegenthart (chair), Mr. R.M.J.W. Beetsma and Mr. O. Labe.

The members have established the following rotation schedule:

Name	Current term expires	Reappointment possible
Mr. Vliegenthart	December 2024	Yes
Mr. Labe	December 2025	Yes
Mr. Beetsma	December 2026	Yes

Members may serve on the board for a maximum of twelve years, unless the Supervisory Board decides otherwise.

Procedures
Four meetings with the manager took place in the reporting year. During the meetings in the reporting year the manager provided the board with extensive information on the features and set-up of the mortgage fund. The board also obtained extensive information on the governance structure of the mortgage fund. One of the ways in which the manager prepared the topics discussed during the meetings was via monthly and quarterly reports. The board concluded that these documents provided the clear information it requested. Open discussions have taken place with the manager regarding policy and the current state of affairs within the mortgage fund, during which the Supervisory Board paid special attention to the following topics:

- the 2021 external audit report;
- the manager's ISAE 3402 type 2 statement;
- the 2021 annual report;
- the 2022 semi-annual report;
- compliance with the Fund Governance Code;
- feedback from participant meetings;
- performance and risk management overviews, including the complaints and incidents register;
- cybersecurity risk management;
- the long-term partnership with Aegon Asset Management.

Word of thanks
We thank the Manager and the staff for their professional and enthusiastic commitment towards achieving the objectives.

Utrecht, 31 March 2023

Mr. B. Vliegenthart, chair
Mr. R.M.J.W. Beetsma
Mr. O. Labe

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Financial statements 2022
ASR Private Debt Fund I

Balance sheet

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

Balance sheet	31-12-2022	31-12-2021	Reference
Investments			
Private loans	569,036	489,979	
Total Investments	**569,036**	**489,979**	1
Receivables	2,069	1,630	2
Other assets			
Cash	118,351	4,355	3
Current liabilities	-801	-968	4
Receivables and other assets less current liabilities	**119,619**	**5,017**	
Assets less current liabilities	**688,655**	**494,996**	
Issued participation capital	682,304	492,463	
Other reserves	-818	-	
Unappropriated result	7,169	2,533	
Total Net Assets	**688,655**	**494,996**	5

Profit and loss account

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

Profit and loss account	01-01-2022 to 31-12-2022	01-01-2021 to 31-12-2021	Reference
Investment income	23,691	12,183	7
Realized changes in the fair value of investments	330	-247	8
Unrealized changes in the fair value of investments	-920	-1,771	8
Total operating income	**23,101**	**10,165**	
Management fee	-2,522	-1,440	
Servicing fee	-359	-203	
Other expenses	-1,285	-219	
Total operating expenses	**-4,166**	**-1,862**	9
Profit after tax	**18,935**	**8,303**	

Cashflow statement

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

Cashflow statement	01-01-2022 to 31-12-2022	01-01-2021 to 31-12-2021	Reference
Total investment result	18,935	8,303	
Changes in the fair value of investments	590	2,018	1
Purchase of investments (-)	-349,068	-526,208	1
Sales of investments (+)	269,421	34,211	1
Increase (-)/Decrease (+) in receivables	-439	-1,630	2
Increase (+)/Decrease (-) in liabilities	-167	968	4
Net cash flow from investment activities	**-60,728**	**-482,338**	
Issue of participations	189,841	492,463	5
Redemption of participations	-	-	5
Dividend	-15,117	-5,770	
Net cash flow from financing activities	**174,724**	**486,693**	
Movement in cash	**113,996**	**4,355**	
Cash per January 1	4,355	-	3
Cash per December 31	118,351	4,355	3
Movement in cash	**113,996**	**4,355**	

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 annual report of the Fund is prepared in accordance with Guideline 615 'Investment Institutions' of the Dutch Accounting Standards Board and Title 9 Book 2 of the Dutch Civil Code (Burgerlijk Wetboek, "BW"). All amounts included in the annual report are in thousands of euros, unless stated otherwise. The amounts stated in the tables are rounded figures, therefore rounding differences may occur. The Manager compiled the financial statements on 31 March 2023.

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

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

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

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

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

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

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

Offsetting

A financial asset and a financial liability 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 fees received on provision of the loans are recorded as part of investment income. At the end of the reporting period 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 a discounted cashflow model. Cashflows for the drawn commitment are generated based on the forward curve with the relevant tenor. The latter might change over time depending on counterparty choices during each interest rate reset. Cashflows for the undrawn commitment are generated based on the applicable commitment fee.

The applied discount curve takes into account credit risk and liquidity risk on top of a risk free rate. The credit risk spread is based on traded instruments with comparable rating, sector and region. The liquidity risk spread is derived from loans which are guaranteed by the Dutch Government (the OHV curve) and an adjustment to properly reflect the differences in risk profile between these loans and a private loan. The option to prepayment a private loan is taken into account by capping the price of a private loan. Here the capping depends on the attractiveness to (partially) prepay a private loan.

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 income and 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.

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Notes to the balance sheet and profit and loss account

1. Investments

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

Investments	31-12-2022	31-12-2021
Private loans	569,036	489,979
Total investments	**569,036**	**489,979**

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

Movement schedule of investments	Fair Value 01-01-2022	Purchases	Repayments	Revaluation	Fair Value 31-12-2022
Private loans	489,979	349,068	-269,421	-590	569,036
Total	**489,979**	**349,068**	**-269,421**	**-590**	**569,036**

Movement schedule of investments	Fair Value 01-01-2021	Purchases	Repayments	Revaluation	Fair Value 31-12-2021
Private loans	-	526,208	-34,211	-2,018	489,979
Total	**-**	**526,208**	**-34,211**	**-2,018**	**489,979**

These amounts also includes the refinancing of certain loans. The net present value calculation is used for the valuation of loans, using the standard approach as described in the principles of valuation.
More information on the risk management with regard to the investments is available in sections Report of the Manager and ASR Private Debt Fund I. A specification of the investments is presented in Appendix 1.

2. Receivables

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

Receivables	31-12-2022	31-12-2021
Accrued interest	1,699	1,195
Other receivables	370	435
Total	**2,069**	**1,630**

Other receivables relate mostly to interest receivables and 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.

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4. Current liabilities

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

Current liabilities	31-12-2022	31-12-2021
Management and servicing fee payable	-801	-576
Other liabilities	-	-392
Total	**-801**	**-968**

5. Issued participation capital, unappropriated result and other reserves

Multi-year overview ASR Private Debt Fund I

Net Asset Value	31-12-2022	31-12-2021
Fund Net Assets (x € 1.000)	688,655	494,996
Number of participations	687,248	491,320
Net Asset Value in euros per participation	**1,002.05**	**1,007.48**

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 31 December 2022 this amounts to € 4,933 (31 December 2021: € 1,300).

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

Issued participation capital	01-01-2022 to 31-12-2022	01-01-2021 to 31-12-2021
Balance at the start of the reporting period	492,463	-
Issued during the reporting period	189,841	492,463
Repaid to participants during the reporting period	-	-
Balance at the end of the reporting period	**682,304**	**492,463**

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

Movement schedule of number of Participations	Number 01-01-2022	Issue	Redemption	Number 31-12-2022
ASR Private Debt Fund I	491,320	195,928	-	687,248

Movement schedule of number of Participations	Number 01-01-2021	Issue	Redemption	Number 31-12-2021
ASR Private Debt Fund I	-	491,320	-	491,320

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

Other reserves	01-01-2022 to 31-12-2022	01-01-2021 to 31-12-2021
Balance at the start of the reporting period	-	-
Addition in the reporting period	2,533	-
Dividend payment	-3,351	-
Balance at the end of the reporting period	**-818**	**-**

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

Unappropriated result	01-01-2022 to 31-12-2022	01-01-2021 to 31-12-2021
Balance at the start of the reporting period	2,533	-
Profit distribution in the previous financial year	-2,533	-
Result of the current financial year	18,935	8,303
Dividend paid with regard to current reporting period	-11,766	-5,770
Balance at the end of the reporting period	**7,169**	**2,533**

6. Contingent assets and liabilities

There are no contingent assets and liabilities

As at 31 December 2022, the total commitment of the Participants of the Fund amounts to EUR 1,000 million (31 December 2021 EUR 750 million), of which EUR 317.7 million (31 December 2021 EUR 257.5 million) is uncalled.

As at 31 December 2022, the commitments of the Fund in respect of private loans amounts to EUR 88.0 million (31 December 2021 EUR 77.3 million).

7. Investment income

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

Investment income	01-01-2022 to 31-12-2022	01-01-2021 to 31-12-2021
Interest from loans	20,484	10,445
Other income from loans	2,945	1,738
Other interest income	262	
Total	**23,691**	**12,183**

Other income from loans relate mostly to fees received regarding loans (such as commitment and waiver fees)

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	01-01-2022 to 31-12-2022 (positive)	01-01-2022 to 31-12-20229 (negative)	01-01-2021 to 31-12-2021 (positive)	01-01-2021 to 31-12-2021 (negative)
Private loans	1,626	-1,296	-	-247
Total	**1,626**	**-1,296**	**-**	**-247**

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	01-01-2022 to 31-12-2022 (positive)	01-01-2022 to 31-12-2022 (negative)	01-01-2021 to 31-12-2021 (positive)	01-01-2021 to 31-12-2021 (negative)
Private Loans	7,027	-7,947	1,300	-3,071
Total	**7,027**	**-7,947**	**1,300**	**-3,071**

9. Operating expenses

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

Operating expenses	01-01-2022 to 31-12-2022	01-01-2021 to 31-12-2021
Management fee	-2,522	-1,440
Servicing fee	-359	-203
Interest charges	-66	-15
Other expenses	-1,219	-204
Total	**-4,166**	**-1,862**

Other expenses mainly relate to fees paid to sourcing partners.

Ongoing Charges Figure (OCF)

	Information Memorandum	01-01-2022 to 31-12-2022	01-01-2021 to 31-12-2021
ASR Private Debt Fund I	0.45%*	0.49%	0.49%

* 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.

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Portfolio Turnover Rate (PTR)

	01-01-2022 to 31-12-2022	01-01-2021 to 31-12-2021
ASR Private Debt Fund I	72.52%	20.32%

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 € 689 million in the Fund (687,248 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 annual report that require any changes or explanatory notes to the financial statements. On 10 January 2022, the Q4 2022 dividend is paid out to the participants, amounting to EUR 7.26 million (EUR 10.56 per participation).

SIGNING OF THE FINANCIAL STATEMENTS
Utrecht, 31 March 2023

ASR Vermogensbeheer N.V.
On behalf of ASR Private Debt Fund I

The management board,

Mr. J.T.M. Julicher (director)
Mr. M.R. Lavooi (director)
Mrs. W.M. Schouten (director)
Mr. P. Klijnsmit (director)

Other information

Independent auditor's report

To: the General Meeting and the Supervisory Board of ASR Private Debt Fund I

Report on the audit of the accompanying financial statements

Our opinion

We have audited the financial statements 2022 of ASR Private Debt Fund I ('the Fund'), based in Utrecht.

In our opinion the accompanying financial statements give a true and fair view of the financial position of ASR Private Debt Fund I as at 31 December 2022, and of its result for 2022 in accordance with Part 9 of Book 2 of the Dutch Civil Code.

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

Basis for our opinion

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

We are independent of ASR Private Debt Fund I in accordance with the 'Wet toezicht accountantsorganisaties' (Wta, Audit firms supervision act), 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 designed our audit procedures in the context of our audit of the financial statements as a whole and in forming our opinion thereon. The information in respect of fraud and non-compliance with laws and regulations and going concern was addressed in this context, and we do not provide a separate opinion or conclusion on these matters.

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

Information in support of our opinion

Audit response to the risk of fraud and non-compliance with laws and regulations

In chapter Risk Management of the management board report, the management board describes its procedures in respect of the risk of fraud and non-compliance with laws and regulations and the supervisory board reflects on this.

As part of our audit, we have gained insights into the Fund and its business environment, and assessed the design and implementation of the Fund's risk management in relation to fraud and non-compliance. Our procedures included, among other things, assessing the Fund's code of conduct, whistleblowing procedures, incidents register and its procedures to investigate indications of possible fraud and non-compliance. Furthermore, we performed relevant inquiries with management, those charged with governance and other relevant functions, such as Internal Audit , Risk Management and Compliance. As part of our audit procedures, we:

- obtained an understanding of how the Fund uses information technology (IT) and the impact of IT on the financial statements, including the potential for cybersecurity incidents to have a material impact on the financial statements;
- assessed other positions held by management board members and/or other employees and paid special attention to procedures and governance/compliance in view of possible conflicts of interest;

- evaluated investigation reports on indications of possible fraud and non-compliance, if any;
- evaluated correspondence with supervisory authorities and regulators.

In addition, we performed procedures to obtain an understanding of the legal and regulatory frameworks that are applicable to the Fund and identified the following areas as those most likely to have a material effect on the financial statements:

- the requirements by or pursuant to the Act on Financial Supervision (Wet op het financieel toezicht, Wft);
- the law on the prevention of money laundering and terrorist financing (Wwft).
- We evaluated the fraud and non-compliance risk factors to consider whether those factors indicate a risk of material misstatement in the financial statements.

We rebutted the presumed fraud risk on revenue recognition as the fund invests in loans that generate interest income based on contractual agreements. The calculation of interest income is considered non-complex and predictable.

Based on the above and on the auditing standards, we identified the following fraud risk that is relevant to our audit, including the relevant presumed risks laid down in the auditing standards, and responded as follows:

Management override of controls (a presumed risk)

Risk:
Management is in a unique position to manipulate accounting records and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively such as estimates related to the valuation of loans.

Responses:
We evaluated the design and the implementation and, where considered appropriate, tested the operating effectiveness of internal controls that mitigate fraud and non-compliance risks, such as processes related to journal entries and estimates.

We performed a data analysis of high-risk journal entries related to manual post-closing entries and evaluated key estimates and judgments for bias by the Fund's management, including retrospective reviews of prior years' estimates with respect to valuation of loans. Where we identified instances of unexpected journal entries or other risks through our data analytics, we performed additional audit procedures to address each identified risk, including testing of transactions back to source information.

We communicated our risk assessment, audit responses and results to management and the Supervisory Board.

Our audit procedures did not reveal indications and/or reasonable suspicion of fraud and non-compliance that are considered material for our audit.

Audit response to going concern

The management board has performed its going concern assessment and has not identified any going concern risks. To assess the management board's assessment, we have performed, inter alia, the following procedures:

- we considered whether the management board's assessment of the going concern risks includes all relevant information of which we are aware as a result of our audit;
- we analysed the company's financial position as at year-end and compared it to the previous financial year in terms of indicators that could identify going concern risks.

The outcome of our risk assessment procedures did not give reason to perform additional audit procedures on management's going concern assessment.

Report on the other information included in the annual report

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

Based on the following procedures performed, we conclude that the other information:
- is consistent with the financial statements and does not contain material misstatements;
- contains the information as required by Part 9 of Book 2 of the Dutch Civil Code regarding the management report and the other information.

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 is responsible for the preparation of the other information, including the management 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 the responsibilities for the financial statements

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

As part of the preparation of the financial statements, the manager is responsible for assessing the company's ability to continue as a going concern. Based on the financial reporting framework mentioned, the manager should prepare the financial statements using the going concern basis of accounting unless the manager either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so. The manager should disclose events and circumstances that may cast significant doubt on the company's ability to continue as a going concern in the financial statements.

The Supervisory Board is responsible for overseeing the Fund's financial reporting process.

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

Utrecht, 31 March 2023
KPMG Accountants N.V.

G.J. Hoeve RA

Appendix 1

Specification of investments ASR Private Debt Fund I

Loan ID	Instrument Name	Rating	Country	Currency	Sector	Nominal value 31-12-2022	Market value 31-12-2022
LF_1062	Project Anton	BBB	NL	EUR	Healthcare	14,603	14,404
LF_1063	Project Anton	BBB	NL	EUR	Healthcare	0	129
LF_1064	Project Jupiter	BBB	NL	EUR	Basic Industry	4,130	4,099
LF_1065	Project Jupiter	BBB	NL	EUR	Basic Industry	7,980	8,010
LF_1066	Project Lightboost	BBB	DE	EUR	Telecommunications	3,926	3,695
LF_1067	Project Spinoza	B	NL	EUR	Consumer Goods	625	625
LF_1068	Project Medicine	B	BE	EUR	Healthcare	580	571
LF_1069	Project Medicine	B	BE	EUR	Healthcare	5,236	5,036
LF_1070	Project Medicine	B	BE	EUR	Healthcare	1,429	1,379
LF_1071	Project MCG	BBB	NL	EUR	Capital Goods	12,333	12,305
LF_1073	Project Energy	B	NL	EUR	Energy	3,997	3,863
LF_1074	Project Energy	B	NL	EUR	Energy	4,576	4,339
LF_1075	Project Dune	B	BE	EUR	Basic Industry	9,677	9,082
LF_1076	Project Flex	BBB	NL	EUR	Services	4,156	4,155
LF_1077	Project Flex	BBB	NL	EUR	Services	3,048	3,047
LF_1080	Project Flex	BBB	NL	EUR	Services	313	313
LF_1081	Project Flex	BBB	NL	EUR	Services	229	229
LF_1082	Project Flex	BBB	NL	EUR	Services	174	174
LF_1083	Project Flex	BBB	NL	EUR	Services	923	923
LF_1084	Project Flex	BBB	NL	EUR	Services	722	722
LF_1088	Project Gravity	B	GB	EUR	Basic Industry	2,751	2,715
LF_1089	Project Print	B	NL	EUR	Capital Goods	15,830	15,114
LF_1090	Project Shelter	BB	BE	EUR	Basic Industry	10,000	9,557
LF_1091	Project Vulcan	BB	DE	EUR	Services Cyclical	9,000	9,162
LF_1092	Project Vulcan	BB	DE	EUR	Services Cyclical	1,000	1,019
LF_1093	Project Vulcan	BB	DE	EUR	Services Cyclical	0	13
LF_1095	Project Cloud	BBB	NO	EUR	Services	10,000	10,004
LF_124333	Project Persee	BBB	NL	EUR	Services	20,000	19,842
LF_124339	Project Spinoza	B	NL	EUR	Consumer Goods	11,250	11,055
LF_124343	Project Menü	BB	DE	EUR	Retail	9,538	9,646
LF_124371	Project Jolene	BBB	NL	EUR	Telecommunications	2,089	2,065
LF_124392	Project Fire	BB	DE	EUR	Services Cyclical	4,000	4,040
LF_124427	Project Obelix	BB	NL	EUR	Healthcare	6,809	6,593
LF_124428	Project Obelix	BB	NL	EUR	Healthcare	10,000	9,366
LF_124448	Project Green Lease	BB	NL	EUR	Financial Services	10,000	9,605
LF_124452	Project Car Lease	BBB	NL	EUR	Financial Services	25,000	24,717
LF_124455	Project Chamonix	BB	NL	EUR	Technology & Electronics	6,021	5,947

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Loan ID	Instrument Name	Rating	Country	Currency	Sector	Nominal value 31-12-2022	Market value 31-12-2022
LF_124456	Project Chamonix	BB	NL	EUR	Technology & Electronics	13,200	13,412
LF_124457	Project Summer	BB	DE	EUR	Healthcare	2,151	2,129
LF_124458	Project Summer	BB	DE	EUR	Healthcare	3,383	3,316
LF_124471	Project Spartan	BB	NL	EUR	Consumer Goods	22,852	22,693
LF_124472	Project Summer	BB	DE	EUR	Healthcare	772	744
LF_124473	Project Hammer	B	NL	EUR	Consumer Goods	5,625	5,486
LF_124474	Project Hammer	B	NL	EUR	Consumer Goods	7,500	7,196
LF_124489	Project Ocean	BB	DE	EUR	Healthcare	1,752	1,725
LF_124493	Project Arches	BB	NL	EUR	Services	3,540	3,512
LF_124494	Project Arches	BB	NL	EUR	Services	3,047	3,001
LF_124495	Project Sport	BB	NL	EUR	Capital Goods	15,000	14,857
LF_124501	Project OAK	BB	NL	EUR	Consumer Goods	21,667	20,842
LF_124508	Project Arches	BB	NL	EUR	Services	4,352	4,323
LF_124521	Project Eden	BB	ES	EUR	Telecommunicati-ons	10,417	10,084
LF_124522	Project Eden	BB	ES	EUR	Telecommunicati-ons	8,953	8,608
LF_124527	Project Cloud	BBB	NO	EUR	Services	27,500	28,036
LF_124532	Project Route 24	BB	NL	EUR	Retail	6,841	6,803
LF_124533	Project Route 24	BB	NL	EUR	Retail	11,313	11,069
LF_124534	Project Route 24	BB	NL	EUR	Retail	2,828	2,781
LF_124552	Project Gamma	BB	NL	EUR	Services	3,994	3,989
LF_124553	Project Gamma	BB	NL	EUR	Services	10,050	9,964
LF_124556	Project Finafun	BB	NL	EUR	Telecommunicati-ons	8,906	9,098
LF_124557	Project Finafun	BB	NL	EUR	Telecommunicati-ons	17,770	17,499
LF_124562	Project Tasman	BB	NL	EUR	Basic Industry	800	811
LF_124567	Project Athena-Biltz	BB	NL	EUR	Basic Industry	5,560	5,351
LF_124568	Project Athena- Biltz	BB	NL	EUR	Basic Industry	6,950	6,754
LF_124603	Project Anton	BBB	NL	EUR	Healthcare	11,259	11,045
LF_124604	Project Anton	BBB	NL	EUR	Healthcare	9,541	9,464
LF_124608	Project Tasman	BB	NL	EUR	Basic Industry	6,938	6,883
LF_124609	Project Tasman	BB	NL	EUR	Basic Industry	7,500	7,502
LF_124617	Project Centurion	BBB	NL	EUR	Consumer Goods	7,639	7,627
LF_124618	Project Centurion	BBB	NL	EUR	Consumer Goods	11,667	11,611
LF_124633	Project Lightboost	BBB	DE	EUR	Telecommunicati-ons	18,150	17,862
LF_124634	Project Seven	BBB	DE	EUR	Telecommunicati-ons	7,599	7,486
LF_124635	Project Seven	BBB	DE	EUR	Telecommunicati-ons	2,836	3,187
LF_124649	Project Calvin	BBB	NL	EUR	Capital Goods	6,344	6,420
LF_124650	Project Calvin	BBB	NL	EUR	Capital Goods	21,750	22,196
LF_124651	Project Prisma	BBB	NL	EUR	Services Cyclical	6,056	6,110
Total investments ASR Private Debt Fund I							569,036

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Appendix 2 Periodic disclosure SFDR

ANNEX IV

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

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

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

Product name: ASR PRIVATE DEBT FUND I
Legal entity identifier(LEI): 7245009J20E8RGEVP872

Environmental and/or social characteristics

Did this financial product have a sustainable investment objective?

☐ **Yes**	☒ **No**
☐ It made **sustainable investments with an environmental objective:** ___%	☒ It **promoted Environmental/Social (E/S) characteristics** and while it did not have as its objective a sustainable investment, it had a proportion of 15% of sustainable investments
☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy	☒ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy	☒ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
	☒ with a social objective
☐ It made **sustainable investments with a social objective:** ___%	☐ It promoted E/S characteristics, but **did not make any sustainable investments**

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

The Fund promotes sustainability characteristics because the sustainability policy of ASR Nederland ("SRI Policy") is applied when the investment decisions are made. The SRI Policy contains the criteria and standards for different sustainability subjects. This policy is periodically adjusted 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 grant Private Debt Loans to companies that are involved in controversial activities as defined in the SRI Policy;
- The granting of Private Debt Loans to companies with systematic and severe violations to human and labour rights, or to the environment, will be excluded (in line with the SRI Policy);
- The Fund does not invest in companies active in the fossil fuel sector;

• The selection of sourcing partners is primarily determined by their ability to source Private Debt loans that have positive impact characteristics;

• Where possible, the Fund will grant loans to companies, or projects, that can be classified as pioneering in the field of sustainability in accordance with the applicable a.s.r. internal definitions of impact investing. These investments are considered sustainable investments. However, the Fund currently does not make a commitment for a minimum proportion of such sustainable investments.

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

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

During the reference year 2022, no investments were made in companies that were not in line with the SRI policy of the Fund Manager. Furthermore, the granting of a Private Debt Loan remains at the discretion of the Fund Manager and follows (at minimum) the exclusion criteria as defined in its sustainability policy. Meaning that certain activities are completely excluded from our investable universe, such as arms production, activities related to gambling, and production of tobacco. These criteria are continuously adapted within the SRI policy. This is monitored continuously and is part of periodic checks performed by the Fund Manager. This is partially measured by means of a threshold of

- 0% on PAI #4 Exposure to companies active in the fossil fuel sector;
- 0% on PAI #14 Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons);
- 0% on PAI #10 Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises

As at 31 December 2022, the Fund has four investments (Calvin, Lease, Anton and Seven) in total of €84 mln or 15% of the total investments (€, excluding cash) that qualified as substainable investments.

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

Borrower	Description	SDG
Calvin	Calvin develops, manufactures and markets energy-efficient solutions in the area of heating and cooling, hot water, ventilation and control technology, thus contributing thus contributing to an energy-neutral, sustainable future. The company strives to reduce energy consumption in a home to zero over its entire lifetime. Calvin has many years of experience with products and solutions to use renewable energy sources for home climate control. The company actively contributes to making homes more energy-	SDG 7 Affordable and Clean Energy - Ensure access to affordable, reliable, sustainable and modern energy for all SDG 13 Climate Action - Take urgent action to combat climate change and its impacts

	efficient and to reducing CO2 emissions, by developing technology and products that products that contribute positively to these goals and by being as energy- neutral as possible in its manufacturing processes and by making products more recyclable. The Netherlands aims to make approximately 7 million homes gasless and energy-efficient by 2050. In addition, Calvin makes an important contribution to the energy transition demand of the Netherlands. Calvin states that 2/3 of their turnover is aligned with the EU Taxonomy.	
Lease	Lease is an electric-only car leasing company founded in 2007 and based in Amsterdam, the Netherlands. Lease is a brand-independent lease company. Its mission is to accelerate the transition to sustainable mobility across Europe by leasing electric cars with a strong focus on self-driving technology.	SDG 7 Affordable and Clean Energy - Ensure access to affordable, reliable, sustainable and modern energy for all SDG 13 Climate Action - Take urgent action to combat climate change and its impacts
Anton	Anton is a company that makes care accessible to those in need of care by renting out care aids (wheelchairs, rollators, crutches, etc.). Because the rental price is generally paid by governments and health insurers (via the WMO, ZVW and WLZ), individuals do not need to purchase care aids themselves, but can borrow them temporarily. This allows a product to be used by multiple care recipients during its technical lifespan, which promotes product circularity and makes safe care aids accessible to lower income groups. In an aging society, these devices allow those in need of care to live at home longer with these care aids and spend a greater portion of care recovery (for example after surgery) at home.	SDG 13 Good health and well-being

Seven	Seven is a regional fiber optic company that wants to roll out fiber optic networks in rural areas in Germany with the focus on small municipalities with 100-1500 households in regions without access to high-speed internet. Fiber optics combined with a good internet connection can support health care in rural areas, especially for the elderly who cannot easily drive to the next doctor who is villages away and allows also enables the use of new technologies such as remote patient care. E-Learning is becoming increasingly important. Education is becoming cheaper and more easily accessible regardless location. People can participate in programs at universities that they could not afford to live in the city. A high-speed internet connection is an important aspect of life for many people, as communication connects people. It will no longer be necessary to travel to larger cities.	SDG 3 Ensure healthy lives and promote well-being for all at all ages SDG 4 Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all SDG 9 Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

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

With regard to sustainable investments, it is taken into account that through the SRI Policy they do not seriously compromise environmental or social sustainability objectives. The SRI Policy takes into account indicators of negative impacts on sustainability factors.

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

The following indicators have been taken into account as part of the investment and monitoring process:

- PAI #4. Exposure to companies active in the fossil fuel sector. The following section reports the PAI at the end of 2022.
- PAI #10. Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises. Companies with serious violations of the UN Global Compact or OECD guidelines are excluded. Indications of serious breach by a portfolio

company may lead to a dialogue with the company. Unsatisfactory results will lead to exclusion from the company. The following section reports the PAI at the end of 2022.

- PAI #14 Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons). Controversial weapons are excluded in line with the SRI Policy. The following section reports the PAI at the end of 2022.

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

In its SRI Policy, the Fund Manager endorses international frameworks such as the OECD guidelines, the UN's guiding principles on business and human rights, the UN Global Compact and the principles and rights from the eight fundamental conventions of the International Labor Organisation. All investments are screened against these principles. Companies that do not comply with the OECD guidelines or the UN Guiding Principles on Business and Human Rights have been (are) excluded in the past reference period.

The EU Taxonomy sets out a “do not significant harm” principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific Union criteria.

The “do no significant harm” principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

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

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

As part of the SRI Policy, the following Principal Adverse Impacts on sustainability factors have been taken into account.

- PAI #4. Exposure to companies active in the fossil fuel sector. The Fund does not invest in companies active in the fossil fuel sector.This is measured by means of a threshold of 0% on PAI #4 Exposure to companies active in the fossil fuel sector. As at 31 December 2022, 0% of investments have been made in companies active in the fossil fuel sector (this indicator was not yet reported the previous year).

- PAI #10. Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises. The granting of Private Debt Loans to companies with systematic and severe violations to human and labour rights, or to the environment, will be excluded (in line with the SRI policy). As at 31 December 2022, 0% of investments have been made in companies that have been involved in violations of UN Global Compact or OECD guidelines (this indicator was not yet reported the previousyear).

- PAI #14 Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons). Controversial weapons are excluded in line with the SRI Policy. As at 31

December 2022, 0% of investments have been made in companies involved in the manufacture or selling of controversial weapons (this indicator was not yet reported previous year).

What were the top investments of this financial product?

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

31-12-2022

Largest investments	Sector	% Assets	Country
Project Cloud	Services	6.69%	NO
Project Anton	Healthcare	6.16%	NL
Project Calvin	Capital Goods	5.03%	NL
Project Finafun	Telecommunications	4.67%	NL
Project Car Lease	Financial Services	4.34%	NL
Project Spartan	Consumer Goods	3.99%	NL
Project Lightboost	Telecommunications	3.79%	DE
Project OAK	Consumer Goods	3.66%	NL
Project Route 24	Retail	3.63%	NL
Project Persee	Services	3.49%	NL
Project Chamonix	Technology & Electronics	3.40%	NL
Project Centurion	Consumer Goods	3.38%	NL
Project Eden	Telecommunications	3.28%	ES
Project Obelix	Healthcare	2.80%	NL
Project Tasman	Basic Industry	2.67%	NL

What was the proportion of sustainability-related investments?

As at 31 December 2022, the total investments (excluding cash) is 100% #1 Aligned with E/S characteristics.

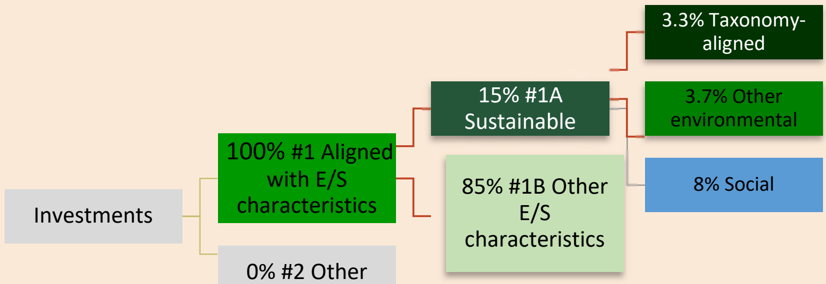
Of these, four investments totaling €84 mln or 15% of total investments qualified as sustainable investments by the Fund Manager, of which

- 3.3% EU-taxonomy aligned, this taxonomy alignment is not subject to an assurance provided by an auditor or third-party review. This alignment is based on Calvin's reported revenue, in which 2/3th is EU-taxonomy aligned. The loan provided to Calvin represents 5% of the total value of the portfolio.
- 3.7% Other environmental
- 8% Social

The remaining 85% #1B Other E/S charateristics are aligned with the E/S characteristics but do not qualify as sustainable investments. See the overview in the figure below.

Asset allocation describes the share of investments in specific assets.

What was the asset allocation?



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

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

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

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to fully renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

In which economic sectors were the investments made?

See table top 15 investment above.

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

3.3% of the total investments is EU-Taxonomy aligned.

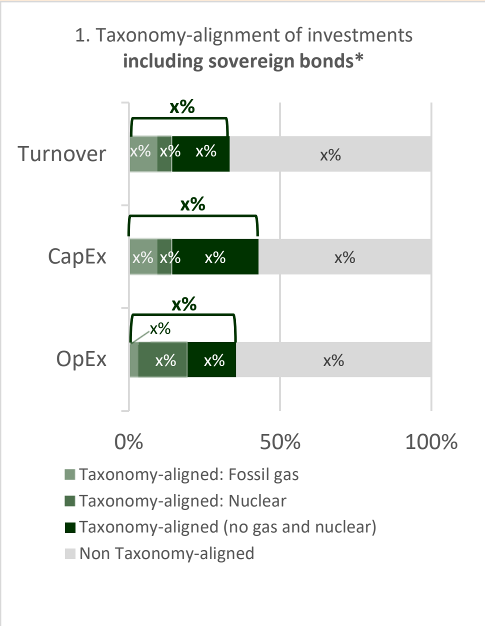
Did the financial product invest in fossil gas and/or nuclear energy related activities complying with the EU Taxonomy[1]?

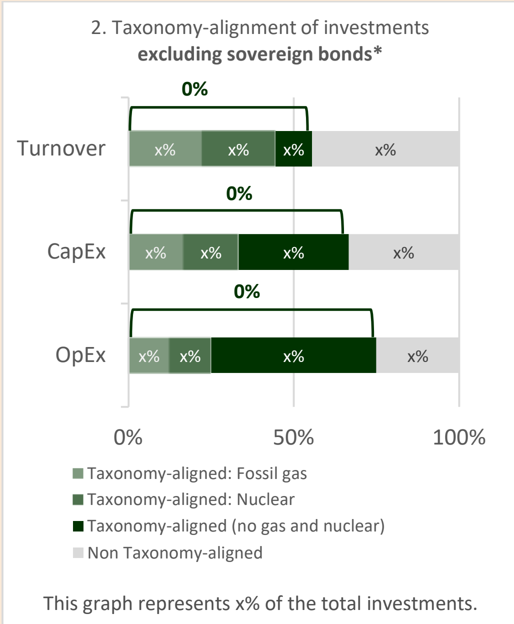
- [ ] Yes:
  - [ ] In fossil gas
  - [ ] In nuclear energy
- [x] No

[1] Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective - see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

Taxonomy-aligned activities are expressed as a share of:
- **turnover** reflecting the share of revenue from green activities of investee companies.
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

The graphs below show in green the percentage of investments that were aligned with the EU Taxonomy. As there is no appropriate methodology to determine the taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.





This graph represents x% of the total investments.

* *For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures.*

Due to the fact that Calvin has not completed its annual statement we report 0% on the turnover, capex and opex. This will be updated in the next periodic report.

What was the share of investments made in transitional and enabling activities?

There is no investment to a minimum proportion of investments in transitional and enabling activities.

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

This is the first reporting on EU-taxonomy aligned investments, so this question has not yet been addressed.

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

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

At the end of 2022, the Fund invested 3.7% of the invested capital in investments with an environmental objective that were not aligned with the EU taxonomy.

What was the share of socially sustainable investments?

At the end of 2022, the fund invested 8% of the invested capital in investments with an social objective that were not aligned with the EU taxonomy.

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

There were no investments included in “Other”.

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

During 2022, the Fund Manager has taken the following measures to comply with the ecological and/or social characteristics:

- At the beginning of the investment process the target company is screened according to the SRI Policy. During the investment process an ESG analysis is performed on material ESG issues and risks relevant to the company. Depending on the outcome of the analysis, the company will be assigned an ESG risk score from low, medium to high. ESG scores are reassessed on an annual basis. Any breach of SRI Policy or severe company specific events will trigger an ad hoc reassessment of the ESG score.

- Possible borrowers are excluded if they conflict with national or international standards as described in the sustainability policy (for example OECD Guidelines, UN Guiding Principles, UN Global Compact, the Sustainable Investment Code or sector-specific criteria in line with climate science). New exclusions during the Reference Period are mainly investments in the fossil energy sector, as a result of policy changes at Fund Manager.

- A dialogue has been initiated with companies in which investments have been made, with the aim of monitoring and improving the applicable sustainability KPI’s and policy.

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

The fund does not make use of a reference benchmark.

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

a.s.r.
Archimedeslaan 10
3584 BA Utrecht
www.asr.nl

ASR Vermogensbeheer N.V. - KvK 30227237 Utrecht

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