



## INFORMATION MEMORANDUM

### ASR Mortgage Fund

8 March 2022

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## 1. ADDRESSES / CONTACT DETAILS

### *Fund Manager*

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

### *Custodian*

Stichting Juridisch Eigenaar ASR Hypotheekfonds  
Archimedeslaan 10  
3584 BA Utrecht  
The Netherlands

### *AIFMD-Depositary*

BNP Paribas Securities Services S.C.A., Amsterdam Branch  
Herengracht 595  
1017 CE Amsterdam  
The Netherlands

### *Auditor*

Ernst & Young Accountants LLP  
Boompjes 258  
3011 XZ Rotterdam  
The Netherlands

### *Legal and tax advisor*

NautaDutilh N.V.  
Beethovenstraat 400  
1082 PR Amsterdam  
The Netherlands

## **2. IMPORTANT INFORMATION**

Prospective investors in the Fund are expressly warned that participating in the Fund entails financial risks. They must therefore take good note of the contents of this Information Memorandum in its entirety. If necessary, they should consult independent advisers.

It should be noted that forward-looking statements entail, by their very nature, risks and uncertainties since they relate to events and are dependent on circumstances that may or may not occur in the future.

The value of an investment can fluctuate. Results achieved in the past are no guarantee for future performance.

### **No offer**

This Information Memorandum does not constitute an offer to acquire Participations, nor a solicitation of such an offer. It is merely a description of the offer and contains information for Participants and prospective investors in order to make a sound assessment of the offer.

### **No stock exchange listing**

The Participations are not listed on a regulated market or comparable platform.

### **Information**

The Fund Manager declares that, in so far as it can reasonably be expected to be aware, the data in this Information Memorandum reflects the actual situation and that no data has been omitted the inclusion of which would have altered the contents of this Information Memorandum.

This Information Memorandum pertains to the Fund and the Sub Funds and is the AIFMD-prospectus referred to in Article 23 AIFMD with respect to the Fund.

Only the Fund Manager may provide information or make statements concerning the Fund. If any such information has been provided or any such statements have been made by parties other than the Fund Manager, no reliance may be placed on such information or statements. The publication of this Information Memorandum does not mean that the information it contains will still be correct after the date of the Information Memorandum.

This Information Memorandum contains confidential information and may be used only by a prospective investor or Participant to whom the Fund Manager has supplied it, in order to form

an opinion on whether to participate in the Fund. This Information Memorandum should be treated confidentially.

The Fund Manager is responsible for the correctness of this Information Memorandum.

## **Regulation**

On 22 July 2013, the AIFMD was implemented in the Dutch legislation, primarily in the DFSA. The Fund Manager has a license to manage alternative investment funds as referred to in the AIFMD. Under this license, the Fund Manager is subject to ongoing supervision by the Netherlands Authority for the Financial Markets (*AFM*) and the Dutch Central Bank (*DNB*).

Prospective investors shall take due note of the information pertaining to the jurisdiction in which they are established included in the Chapter 3 (*Selling Restrictions*). Parties to whom the Participations are not offered pursuant to the Chapter *Selling Restrictions*, are not permitted to become a Participant of the Fund.

## **Distribution of the Information Memorandum**

Participations may only be offered to and held by investors that fall within the definition of professional investors (*professionele belegger*) as referred to in Section 1:1 of the DFSA (i) who are not transparent for Dutch tax purposes, or (ii) who form a Dutch fund for joint account that is transparent for Dutch tax purposes as a result of applying the repurchase mechanism (*inkoopvariant*) only whereby the investors in this fund are not transparent for Dutch tax purposes. In any event, participation in the Fund is open exclusively to non-consumers.

Non-Dutch investors can be admitted as a Participant provided they are permitted in their jurisdiction to acquire Participations in the Fund without this leading to an authorisation or registration requirement for the Fund, the Fund Manager, the Custodian and/or the AIFM-Depositary being subject to any form of supervision in the jurisdiction of the Participant concerned.

Every Participant is required to seek independent tax, supervisory and other legal advice in this respect, as well as in connection with the risks involved in holding Participations. In addition, a Participant will only be admitted if this does not affect the Fund's tax transparent status under Dutch tax rules.

## **Dutch law**

This Information Memorandum is governed by Dutch law. Each party has the right to submit such a dispute in relation with the Fund to the District Court of Amsterdam.

### 3. SELLING RESTRICTIONS

#### General

This Information Memorandum is directed to Participants and prospective investors. Any reproduction or distribution of this Information Memorandum, in whole or in part, or the disclosure of its contents, without the consent of the Fund Manager, is prohibited. By accepting this Information Memorandum, the Participants and prospective investors agree to keep confidential all information contained herein and to use it for the sole purpose of evaluating a possible investment in the Fund. The Information Memorandum must be returned and/or destroyed if the respective prospective investor decides not to subscribe or acquire a Participation.

This Information Memorandum is the AIFMD-prospectus referred to in Article 23 AIFMD with respect to the Fund. It does not constitute a prospectus within the meaning of Regulation 2017/1129/EU and, as a consequence, has not been prepared in accordance with this regulation and this Information Memorandum has not been approved by, and filed with, the Netherlands Authority for the Financial Markets (*AFM*) as a prospectus under the said regulation.

This Information Memorandum is presented only to Participants and prospective investors in the Netherlands, Belgium, France, Germany, Italy, Luxembourg and the United Kingdom. No offer to participate in the Fund shall be made to Participants outside the aforementioned jurisdictions.

The Fund is marketed in the Netherlands. In addition, the Fund Manager may decide at its sole discretion that the Participations will be marketed outside the Netherlands. Participants who are based outside the Netherlands may participate in the Fund, unless the Fund would as a consequence thereof become subject to additional legal requirements inside or outside the Netherlands.

For the purposes of the AIFMD, the Fund will constitute an EU Alternative Investment Fund whose alternative investment fund manager is the Fund Manager. The Fund Manager is licensed as an fund manager for the Fund and the marketing of the Participations in the Netherlands to professional investors within the meaning of the AIFMD and is supervised by the Netherlands Authority for the Financial Markets (*AFM*) and the Dutch Central Bank (*DNB*).

The offer or sale of the Participations described herein is made only to professional investors (*professionele beleggers*) within the meaning of Section 1:1 DFSA. Pursuant to Section 2:65 of the DFSA, the AIFM is licensed as a manager for the Fund and the marketing of the Participations. Therefore, the AIFM will be supervised by the Netherlands Authority for the Financial Markets (*AFM*) and the Dutch Central Bank (*DNB*).

### **Additional notice to Belgian investors**

Neither this Information Memorandum nor any related documents have been or will be submitted for approval to the Belgian Financial Services and Markets Authority (the "**FSMA**"). The Manager is only permitted to offer Participations and Feeder-Shares in Belgium on basis of the license granted by the Netherlands Authority for the Financial Markets (AFM) and after notification by the AFM to the FSMA of the intended marketing of Participations and Feeder-Shares to investors in Belgium. The information contained in this Information Memorandum and any related documents may not be disclosed to the public in Belgium and no action has been taken or will be taken in Belgium to permit a public offer of the Participations and Feeder-Shares within the meaning of Article 3, 27° of the Belgian Act of 19 April 2014 relating to alternative investment funds and their managers (the "**AIFM Act**"). No Participations and/or Feeder-Shares may be offered or sold to investors in Belgium unless such investors are professional investors within the meaning of Article 3, 30° of the AIFM Act.

### **Additional notice to French investors**

Neither this Information Memorandum nor any other offer material relating to the Participations is intended or will be marketed to investors other than professional investors (as defined under MiFID II). This Information Memorandum nor any other offer material relating to the Participations cannot be distributed or reproduced (in whole or in part) in France by the recipients of this Information Memorandum. This Information Memorandum has been distributed on the understanding that such recipients will only participate in the issue or sale of Participations for their own account and undertake not to transfer, directly or indirectly, Participations to the public in France, other than in compliance with all applicable laws and regulations.

### **Additional notice to German investors**

The Participations in the Fund, which qualify as AIFs in terms of the German law, shall not be distributed or offered to clients that do not qualify as professional investors (*professioneller Anleger*) in terms of the AIFMD and the German Capital Investment Code (*Kapitalanlagegesetzbuch*) respectively, in particular it must not be offered or distributed to retail clients in terms of the German Capital Investment Code. This Information Memorandum shall not be distributed or offered to potential participants that do not qualify as professional investor. Participants in the Fund shall only sell or otherwise dispose of the Participations, if it is ensured that the potential investors also qualify as professional investor in terms of the AIFMD and the German Capital Investment Code and provided that the relevant terms of the Terms and Conditions are observed. This Information Memorandum is directed to the individual addressee only. If an Investor ceases to qualify as professional investor, that Investor shall immediately inform the AIFM.

### **Additional notice to Italian investors**

The offering in Italy of Fund shares/units is reserved only to professional investors, within the meaning of MiFID II. The marketing of the Fund in Italy to the afore-mentioned categories of investors has to be preceded by a notification from the Dutch supervisor AFM to the Commissione Nazionale per le Società e la Borsa ("**CONSOB**"), which is the public authority responsible for regulating the Italian financial markets. The AIFM is not under any obligation to have the offering memorandum approved by CONSOB or by any other competent authority in accordance with Prospectus Directive and Prospectus Regulation. The investor acknowledges the above and hereby agrees not to sell or otherwise transfer any Fund share/unit or to circulate this Information Memorandum in Italy unless expressly permitted by, and in compliance with, applicable law.

### **Additional notice to Luxembourg investors**

Neither this Information Memorandum nor any other offering material relating to the Participations has been nor will be approved by the Luxembourg financial sector supervisory authority, the Commission de Surveillance du Secteur Financier ("**CSSF**"). The Fund Manager is allowed to offer Participations in the Fund, on basis of the license granted by the Netherlands Authority for the Financial Markets. The Fund Manager indeed benefits from a European passport, allowing the Fund Manager to market the Participations to Participants qualifying as "professional investors" (as defined below) in Luxembourg. As such, the Netherlands Authority for the Financial Markets has notified the CSSF of the intended offering of the Participations to such Participants in the Grand Duchy of Luxembourg ("**Luxembourg**"). The Fund and the Fund Manager are subject to the supervision by the Netherlands Authority for the Financial Markets. Neither the Fund nor the Fund Manager are subject to supervision by the CSSF.

The offer may not be advertised and Participations may not be offered or sold, and this Information Memorandum or any other offering material relating to Participations may not be distributed, directly or indirectly, to any individuals or legal entities in Luxembourg other than to "professional investors" within the meaning of Article 1(53) of the Luxembourg law of 12 July 2013 on alternative investment fund managers, implementing Directive 2011/61/EU. Subscription by Participants not qualifying as "professional investors" will be rejected.

### **Additional notice to UK investors**

This Information Memorandum may only be communicated or cause to be communicated in the UK to (i) investors who are "professional investors", as defined in regulation 2(1) of the Alternative Investment Fund Managers Regulations 2013 ("**AIFM Regulations**"), (ii) persons who have professional experience of participating in unregulated schemes, falling within article 19(5) ("investment professionals") of the Financial Services and Markets Act 2000 (Financial



Promotion) Order 2005 (as amended) (the "**Fin Prom Order**"), (iii) persons falling within article 49 ("high net worth companies, unincorporated associations etc") of the Fin Prom Order, or (iv) persons to whom this Information Memorandum may otherwise lawfully be communicated (the persons referred to in (i) to (iv)) being referred to collectively as "relevant persons"). This Information Memorandum must not be acted on or relied on by persons who are not relevant persons. Any investment or investment activity to which this Information Memorandum relates, including participation in the Fund, is available only to relevant persons and will be engaged in only with relevant persons.

This Information Memorandum is not an approved prospectus for the purposes of section 85 of the Financial Services and Markets Act 2000, as amended.

#### **Additional notice to Austrian investors**

Only following the successful completion of the passporting procedure provided for in § 31 of the Austrian Alternative Investment Funds Manager Act (*Alternative Investmentfonds Manager-Gesetz*, "**Austrian AIFMG**"), participations in the Fund may be marketed in Austria in line with the terms of the Austrian Alternative Investment Funds Manager Act exclusively to professional investors within the meaning of § 2(1)(33) of the Austrian Alternative Investment Funds Manager Act. Any marketing activities, including any offer, to other categories of investors are prohibited. The minimum investment per investor exceeds EUR 100.000 and accordingly any public offer of the participations in the Fund is exempted from the prospectus obligation under the Austrian Capital Market Act (*Kapitalmarktgesetz*, "**Austrian KMG**") or the Regulation (EU) 2017/1129.

Neither the Fund, nor the Fund Manager nor any other relevant person in relation to the Fund mentioned in this Information Memorandum is under the supervision of the Austrian Financial Market Authority (*Finanzmarktaufsichtsbehörde*, "**Austrian FMA**") or any other Austrian supervisory authority. In particular the structure of the Fund, its investment objectives, and the investor's participation in the Fund may differ from the structure, investment objectives, investor's participation, etc of investment vehicles provided for in the Austrian Investment Funds Act 2011 (*Investmentfondsgesetz 2011*, "**Austrian InvFG 2011**"), the Austrian Real Estate Investment Funds Act (*Immobilien-Investmentfondsgesetz*, "**Austrian ImmoInvFG**") or the Austrian Capital Markets Act. Neither this Information Memorandum, nor any other document in connection with the Fund and/or participations in the Fund, is a prospectus according to the Austrian Investment Funds Act 2011 or the Austrian Real Estate Investment Funds Act or the Austrian Capital Markets Act and has therefore not been drawn up, audited and published in accordance with such acts. Neither this Information Memorandum, nor any other document connected with the Fund and/or participations in the Fund may be distributed, passed on or disclosed to any other person in Austria, save as specifically agreed with the Fund Manager. This Information Memorandum is distributed under the condition that the foregoing obligations

are accepted by the recipient and that the recipient undertakes to comply with the above restrictions and the confidentiality obligations.

#### **Additional notice to Danish investors**

The Fund may only be marketed to investors in Denmark if the Fund has been registered for marketing in Denmark prior thereto, in accordance with Article 32 of the AIFMD, as implemented by Section 88(1) of the Danish Act on Managers of Alternative Investment Funds (Consolidation Act No. 1047 of 14 October 2019, as amended from time to time) (the "**Danish AIFM Act**"), and provided that marketing is only carried out towards professional investors in Denmark as defined in MiFID II, in accordance with Section 3(1), no. 29 of the Danish AIFM Act. This Information Memorandum must not be distributed to, or relied upon by, investors in Denmark in any other circumstances. Each purchaser of the Participation of the Fund residing in Denmark represents and agrees that it has not offered or sold and will not offer or sell, directly or indirectly, the Participations of the Fund to other investors in Denmark, unless any such offering and/or sale is in accordance with Danish law and any other applicable requirements or limitations following from the documentation relating to the Fund.

#### **Additional notice to Finnish investors**

This Information Memorandum will be delivered and addressed, and investments in the Fund are available solely, to investors who are professional investors (*ammattimainen sijoittaja*) within the meaning of the Finnish Act on Alternative Investment Managers (162/2014, as amended) and qualified investors (*kokenut sijoittaja*) within the meaning of Regulation (EU) 2017/1129. The delivery of this Information Memorandum in Finland is based on appropriate regulatory filings and the authorisation of the Fund Manager to market the Fund in Finland or, in the absence of such filings or authorisation, on an explicit request from the recipient that the Fund Manager provides the recipient with information about the Fund. If you have received it in error please take no further action and return it to us.

#### **Additional notice to Irish investors**

Interests may not be offered or sold by any person in the Republic of Ireland:

- (a) otherwise than to professional investors, in conformity with the provisions of the European Union (Alternative Investment Fund Managers) Regulations 2013 as amended and the requirements of the Central Bank;
- (b) otherwise than in conformity with the provisions of the European Union (Markets in Financial Instruments) Regulations 2017, or any codes of conduct issued in connection therewith, and the provisions of the Investor Compensation Act 1998;
- (c) otherwise than in conformity with the provisions of the Central Bank Acts 1942 to 2018

including any codes of conduct rules made under Section 117(1) of the Central Bank Act 1989 and any regulations issued pursuant to Part 8 of the Central Bank (Supervision and Enforcement) Act 2013 (as amended);

(d) otherwise than in conformity with the provisions of the European Union (Prospectus) Regulations 2019 and any rules issued under the Companies Act 2014 by the Central Bank; and

(e) otherwise than in conformity with the provisions of the Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse and any rules issued under the Companies Act 2014 by the Central Bank.

#### **Additional notice to Norwegian investors**

This Information has not been produced in accordance with the prospectus requirements laid down in the Norwegian Securities Trading Act of 2007. This Information Memorandum has not been approved or disapproved by, or registered with, the Financial Supervisory Authority of Norway (*Finanstilsynet*), the Norwegian Company Registry or the Oslo Stock Exchange. The Fund may be approved for marketing in Norway by Finanstilsynet in accordance with the Alternative Investment Fund Management Act (the "**Norwegian AIFMA**") and is subject to the offering rules of the Norwegian AIFMA. Each investor should carefully consider individual tax issues before investing in the Fund. The offer to participate in the subscription contained in this Information Memorandum is only and exclusively directed to the addressees of this offer, which also must be a "professional investor" as defined in AIFMD ("professional client" in MiFID II). This Information Memorandum must not be copied or otherwise distributed by its recipient.

#### **Additional notice to Spanish investors**

The participations are not intended to be offered, sold or otherwise made available to and shall not be offered, sold or otherwise made available to any retail investor in the Kingdom of Spain. For these purposes, a "retail investor" means a person who is one (or more) of: (i) a retail client (*cliente minorista*) as defined in article 204 of the consolidated text of the Spanish Securities Market Law, approved by Royal Decree 4/2015, of October 23rd; (the "**Spanish Securities Market Law**"); (ii) a client that does not fulfil the criteria established in article 58 or 59 of the Royal Decree 217/2008, of February 15th, on the legal framework for investment firms and other entities providing investment services and, therefore, would not qualify as a professional client (*cliente profesional*) as defined in article 205 of the Spanish Securities Market (even if the client formally request to be treated as a professional investor); (iii) a retail client as defined in point (11) of article 4(1) of MiFID II; (iv) a client that would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II.

### **Additional notice to Swedish investors**

The Fund Manager has duly notified the Swedish Financial Supervisory Authority (Sw. *Finansinspektionen*) (the "**SFSA**") of its intention to market the Fund in Sweden and the Fund Manager may thus market the Fund to professional investors in Sweden under the Swedish Alternative Investment Fund Managers Act (2013:561) (the "**Swedish AIFMA**"). The offer under this Information Memorandum is only directed to professional investors and this Information Memorandum may not be distributed to or made available to non-professional investors in Sweden. Neither the Fund nor the Fund Manager is authorized or supervised by the SFSA under the Swedish Securities Funds Act (2004:46).

Furthermore, this Information Memorandum has not been, nor will it be, registered with or approved by the SFSA under Regulation (EU) 2017/1129. Accordingly, this Information Memorandum may not be distributed or made available, nor may the Participations offered hereunder be marketed and offered, directly or indirectly, for sale in Sweden, other than under circumstances which do not require a prospectus (*prospekt*) under the Regulation (EU) 2017/1129. Prospective investors should not construe the contents of this Information Memorandum as legal or tax advice. This Information Memorandum has been prepared for marketing purposes only and should not be conceived as investment advice.

## 4. SUMMARY

Below is a summary of this Information Memorandum. The summary contains a selection of the subjects in the Information Memorandum and is not intended to be exhaustive. Participants and potential investors who consider investing in the Fund should study the Information Memorandum in its entirety.

### Investment objective

The Fund offers Participants the opportunity to invest in Dutch residential Mortgage Loans which are offered to consumers by ASR Levensverzekering N.V. The objective of the Fund is generating income for the benefit of the Participants by acquiring Mortgage Receivables.

The mortgages from which the Mortgage Receivables are acquired will be serviced by ASR Levensverzekering N.V. and by Stater N.V. as sub-servicer. ASR Vermogensbeheer N.V. (which is the new name of ASR Nederland Beleggingsbeheer N.V.) is Fund Manager.

The Fund consists of two Sub Funds: (i) the sub fund which invests in NHG Mortgage Loans (Sub Fund NHG), and (ii) the sub fund which contains Mortgage Loans for which no NHG Guarantee is requested (Sub Fund non-NHG). The Fund Manager acquires mortgages for the Sub Funds in accordance with the Investment Policy.

### Investment policy

To achieve the investment objective, the Mortgage Loans the Fund invests in have the characteristics at origination as set out in Schedule A to the Terms and Conditions.

### The Fund

The Fund is set up as a tax transparent fund for joint account (*fonds voor gemene rekening*) as referred to in Section 2(3) of the Dutch Corporation Tax Act (*Wet op de vennootschapsbelasting*) 1969. The Fund is governed by the Terms and Conditions (*Annex 1*). By signing the Participation Agreement (*Annex 2*) each Participant agrees to be bound by the Terms and Conditions. The Fund does not have the object of being a partnership, general partnership, limited partnership, public company or dormant partnership under Dutch law.

### Risks

Investing in Mortgage Loans entails certain risks, which are set out in more detail in Chapter 9 of this Information Memorandum. These risks involve among other things the property market and the limited liquidity of the Fund's investments.

## Target group

The Fund is intended primarily for institutional investors, such as pension funds and insurance companies. A Participant should at all times be a professional investor (*professionele belegger*) as referred to in Section 1:1 DFSA, should not be transparent for Dutch tax purposes and should be non-consumer.

## Manager and Custodian

The Fund Manager of the Fund is ASR Vermogensbeheer N.V. The Fund Manager is responsible for developing and formulating the Investment Policy and for its implementation.

The Custodian is Stichting Juridisch Eigenaar ASR Hypotheekfonds. The Custodian is the party holding legal title to all the Fund's assets and liabilities.

## Subscription and redemption of Participations

Only Professional Investors may, by means of a Subscription Form, submit a request to the Fund Manager to accede to the Fund. On the Subscription Form, the Professional Investor shall indicate for which amount it subscribes per Sub Fund. A Subscription Form submitted with the Fund Manager constitutes an offer (*aanbod*) of the relevant prospective Participant to the Fund to accede to the Fund for an amount equal to the Subscription Amount as specified in the Subscription Form.

After acceptance of the subscription, the Fund Manager allocates the Subscription Amount concerned to a quarterly Vintage. The Fund Manager may partially or fully call the Outstanding Subscription Amount of a Participant by means of a Payment Request, whereby the Fund Manager will first call the Outstanding Subscription Amounts subscribed for during the oldest Vintage on a pro rata basis. The Fund Manager will inform the Participant about the number of Participations that the Fund will issue to that Participant following the Subscription Payment.

The Fund Manager is not required to meet Redemption Requests.

In principle, Monthly Repayment Results will be reinvested in new Mortgage Receivables. However, a Participant may request the Fund Manager to use the Monthly Repayment Result that corresponds to its investment to redeem its Participations. As such, the investment of the Participant in the Fund will develop in line with its pro rata participation in the portfolio of the Fund.

A Participant may also request the Fund Manager by means of a Redemption Form to redeem one or more additional Participations. Such request can be met by applying (i) available Outstanding Subscription Amounts and (ii) available Monthly Repayment Results.

### **Tax aspects**

The Fund is set up as a transparent fund for joint account for Dutch tax purposes and is therefore not a taxable entity for Dutch corporate income tax purposes. To this end, the Terms and Conditions contain, amongst other things, certain restrictions with respect to transferability in accordance with applicable Dutch tax law. Participations are non-transferable. In addition, Participations will in principle not be redeemed. Participants may only exit the Fund by requesting the Fund Manager to redeem their Participations. The Participations and the Participant's rights and obligations arising therefrom are, other than by means of redemption by the Fund, non-assignable and non-transferable and may not be encumbered with a right of pledge. For Dutch tax purposes, the Fund's income and profits are directly allocated to the individual Participants in accordance with their pro rata investment. Distributions by the Fund are not subject to Dutch dividend withholding tax.

### **Distributions**

The Fund Manager will, in principle, make preliminary distributions in connection with the Monthly Interest Result and final distributions in connection with the Annual Result.

To the extent possible, the Monthly Interest Result of the preceding month will be distributed in cash to the Participants of each Sub Fund in proportion to the Participations they hold in a Sub Fund on the last day of the preceding calendar month.

Upon the adoption of the Annual Report by the Participants Meeting, the Fund Manager shall determine the final distribution, which, if necessary, will be set-off against preliminary distributions.

### **Fees and costs**

The Fund Manager shall charge a yearly Management Fee of forty-five basis points (0.45%) of the Net Asset Value of each Sub Fund, to be paid in monthly arrears. The Management Fee will be paid to the Fund Manager out of the Fund Assets of each Sub Fund. The Management Fee covers:

- (i) a fee for the activities of the Fund Manager relating to the management of the Fund;
- (ii) costs of the Fund Manager relating to the management of the Fund;

- (iii) a fee for the servicing of the Mortgage Loans of the Fund which the Fund Manager will - on behalf of the Fund - pay through to the Servicer; and
- (iv) a fee for the origination of the Mortgage Loans of the Fund which the Fund Manager will - on behalf of the Fund - pay through to the Originator.

All fees and costs will be borne pro rata by the Sub Funds, unless the Fund Manager determines in its sole discretion that these shall be allocated to a specific Sub Fund.



## **5. DEFINITIONS**

In this Information Memorandum, capitalised terms have the meaning as defined in Clause 1 of the Terms and Conditions, which are included in Annex 1.

## 6. INTRODUCTION

The Fund is formed in 2017 with a view to allowing investors to invest in the Portfolio. The Manager of the Fund is ASR Vermogensbeheer N.V.

The Portfolio will comprise Mortgage Loans originated by ASR Levensverzekering N.V. and entered into by inhabitants of the Netherlands. The Fund consists of a Sub Fund NHG and a Sub Fund non-NHG. Sub Fund NHG contains NHG Mortgage Loans, while the Sub Fund non-NHG contains such Mortgage Loans for which no NHG Guarantee is requested.

The Portfolio provides the opportunity to invest in the Dutch mortgage market, in significant scale through a directly yielding portfolio. It is expected to generate income with low volatility in returns.

Mortgage Loans will be acquired from ASR Levensverzekering N.V. after the first Participants participate in the Fund. The Fund will acquire the Mortgage Loans on each purchase date and fund these Mortgage Loans with the proceeds from the issuance of Participations to Professional Investors and the available Monthly Repayment Result.

The Fund will use the Monthly Interest Result available for the purpose of making preliminary distributions. The Monthly Repayment Result will in principle be reinvested.

In Dutch translations of documents with regard to the Fund, the Fund may also be referred to as 'ASR Hypotheekfonds'.

## 7. DESCRIPTION OF THE DUTCH MORTGAGE MARKET

This section contains a description of the Dutch mortgage market as per September 2019.

### The market in recent years

After the crisis the Dutch mortgage market slowly recovered from a severe reduction in size and house prices. House prices declined during the crisis with approximately 25%. In this period many households had loans higher than the value of their property (houses under water). In this hard times loans in default (3 months behind) rose to about 4%, but losses were still under 1%. The recovery came slow, first with an increasing demand for houses. With the increased demand the prices rose which in its turn made it possible for homeowners where the property was “under water” to sell and relocate, with a further growth as result.

In 2019 the market is back to the same size (€80 - €90 billion per year) as before the crisis and house prices reach record highs. Defaults are as low as 0.08% on the ASR portfolio, and losses are close to zero (no losses yet on the ASR Mortgage Fund).

### Changing legislation

Various restrictions have been introduced in the Netherlands with respect to mortgage lending.

#### *Government guarantees*

In the Netherlands, borrowers can, under certain conditions, obtain a government guarantee for their mortgage loan (*Nationale Hypotheek Garantie*). The guarantee is provided by a foundation which is incorporated for this purpose. The most important condition for obtaining this guarantee is that the maximum amount of the purchase price of the real estate should be below a certain threshold. As per 1 January 2020 the threshold is set at EUR 310,000 for loans without energy saving facilities and EUR 328,600 for loans with energy saving facilities. The threshold is linked to the average housing price.

Also, the maximum loan amount for each mortgage loan which receives the benefit of a government guarantee will, as from origination, on a monthly basis be reduced by an amount which is equal to the amount of the monthly repayments plus interest as if the mortgage loan were to be repaid on a thirty year annuity base. The guarantee is furthermore limited with a 10% haircut of the realized loss.

#### *Maximum loan to value*

The loan to value percentage has been reduced from 112% of the market value of a house to 100% of the market value. The maximum amount of a mortgage loan has been limited to 100% of the value of the property, or 106% when energy savings facilities of 6% are included.

## Traditional mortgage suppliers and newcomers

In the Dutch mortgage market, the three largest banks (Rabobank, ING Bank, ABN AMRO Bank) traditionally have a dominant role (51.3% in the 3rd quarter 2019). Insurance companies had a smaller role, but their position has been increasing since the introduction of the savings mortgage loans in the 1980's and the growing popularity of the life mortgages since the late 1990's. In the 2000's, foreign banks entered the Dutch market (BNP Paribas, Argenta, BOS) but they ended their activities during the crisis. In 2014, the first independent investor based mortgage supplier entered the market. In the beginning of 2017, ASR launched the ASR Mortgage Fund which is predominantly funded by external investors. In the 3rd quarter of 2019 these investor based mortgage suppliers had a market share of 18.3% of new mortgages (source: IG&H).

## Products

The Dutch mortgage market has a history of a very wide selection of mortgage products. Especially products with deferred amortization were very popular until 2013. Since these products are no longer accepted under the current tax regulations, these products are no longer actively sold to first time buyers. However, most of the households who already had a mortgage loan before 2013 still have the tax advantages of these products and are allowed to maintain these advantages until maturity of the loan. Therefore, the traditional mortgage suppliers still offer these products for this group. Newcomers on the Dutch mortgage market offer, generally, only amortizing products and interest only products.

The Originator offers a wide range of products consisting of:

- (1) Linear Mortgage Loans (*lineaire hypotheeken*);
- (2) Interest-only Mortgage Loans (*aflossingsvrije hypotheeken*);
- (3) Annuity Mortgage Loans (*annuïteitenhypotheeken*);
- (4) Extended Annuity Mortgage Loans (*startershypotheek*);
- (5) Sustainability mortgage loans (*Duurzaamheidshypotheek*);
- (6) Life Mortgage Loans (*levenhypotheeken*);
- (7) Bridge Loans (*overbruggingshypotheeken*);

The life mortgage loans are only offered for the own book. The volume of these products is less than 1% of the new originations in 2019.

### *Linear Mortgage Loans*

Under a linear mortgage loan, the borrower repays a fixed amount of the principal each month towards redemption of this mortgage loan (or relevant part thereof) until maturity. Interest is payable monthly and is calculated on the outstanding balance of the mortgage loan. This product makes up for about 5% of the origination in 2019.

### *Interest-only Mortgage Loans*

Under an interest-only mortgage loan, the borrower is not obliged to repay the principal of the relevant mortgage loan (or relevant part thereof) until maturity. If there is no default on the loan at maturity the loan will be prolonged. The loan is always subject to repayment at the time of sale of the property. Interest is payable monthly and is calculated on the outstanding balance of the mortgage loan. In 2019 an interest add-on on this product of 0.2% - 0.3% is applicable. This product makes up for about 15% of the origination in 2019.

### *Common Annuity Mortgage Loans*

Under an annuity mortgage loan, the borrower pays a fixed monthly instalment, made up of an initially high and thereafter decreasing interest portion and an initially low and thereafter increasing repayment portion, and is calculated in such manner that the Annuity Mortgage Loan will be fully redeemed at maturity. The maximum tenor of this loan is 30 years. This product makes up for about 74% of the origination in 2019.

### *Extended Annuity Mortgage loans*

Under an extended annuity mortgage loan, the borrower pays a fixed monthly instalment, made up of an initially high and thereafter decreasing interest portion and an initially low and thereafter increasing principal portion, and calculated in such manner that the Annuity Mortgage Loan will be fully redeemed at maturity. The maximum tenor of this loan is 40 years. Since the maximum duration of tax deductibility is 30 years, part of the loan will not be tax deductible. This part will increase over time and will be administrated separately from the tax deductible part of the loan. This product makes up for about 2% of the origination in 2019

### *Sustainability loans*

The sustainability loans are offered to all customers to enable them to improve there property to a better energy level (less energy usage or higher energy production). The standard maximum amount of this loan is EUR 9,000, but this maximum can be extended up to EUR 25,000. The loan can only be used for sustainable home improvements. The loan is repaid in fifteen years as on the basis of annuities. This product is recently introduced. The estimation is that the type of loans will make up less than 1% of the origination (due to the low principal amounts).

### *Life Mortgage Loans*

Under a life mortgage loan, the borrower does not repay the principal amount until maturity, but instead pays a monthly premium to for a life insurance policy. The premiums paid by the borrowers are invested in investment funds by the insurance company. The borrower aims to repay the full principal with the proceeds of the life insurance policy. This product makes up for less then 1% of the origination in 2019

### *Bridge loans*

A bridge loan is a short loan for maximal 1 year to finance the profits to be made on selling the existing property. The loan is repaid as soon as the existing property is sold. This loan has an add-on to the interstate for 1 year loans of 100bps in 2019. The Fund may acquire Mortgage Receivables resulting from Bridge Mover Mortgage Receivables. No origination fee will be charged for these Mortgage Receivables.

### **Segments of borrowers**

The group of mortgage borrowers can be divided in 3 major groups:

- First time buyers (*starters*)
- Next time buyers (*doorstromers*)
- Refinancers (*oversluiters*)

Since August 2015, the land registry publications include a differentiation on these types of mortgage borrowers.

#### *First time buyers (starters)*

This group has no history of deducting mortgage loan interest payments from income tax, and therefore the vast majority of these applicants applies for an annuity loan. The majority of this group will apply for a government guarantee. This group is the main target for the newcomers on the mortgage market. This market was 2% of the total mortgage production of Q1 2019.

#### *Next time buyers (doorstromers) and refinancers (oversluiters)*

These groups already have a history of deducting mortgage loan interest payments from income tax. This tax history is taken into account by the mortgage advisor. In many cases, the advice is to maintain the same or similar products, either with the same or a different originator. This is the group that takes out the interest only loans. Within this group, next time buyers represented 48% of the total mortgage production of Q1 2019 in the Netherlands and refinancers 22%.

### **Interest Rates**

The Originator offers the following types of interest rates:

#### *Fixed Interest*

A fixed rate of interest subject to resets from time to time (1, 2, 3, 5, 6, 7, 10, 12, 15, 20, 25 or 30 years).

#### *Floating Interest*

An interest subject to reset every month.

## Distribution

Distribution in de Dutch market is dominated by the independent financial brokers. Although the major banks have own branches where consumers can come in for a mortgage advice, the gross majority of the consumers go to an independent financial broker. A very small portion of the market (approximately 3%) is execution only (no advice). In the market of the independent brokers there are some specialized mortgage franchise formulas which make up for about 15% of the market. To create access to the market there are specialized companies (service providers) who make the bridge between Mortgage providers and the independent financial advisers. These service providers mainly service the new players in the market. Mortgage loans of the Originator are exclusively offered by an extensive group of independent mortgage advisors, which are licensed under Dutch law.

## ESG

In 2019 we see several ESG-related activities in the Dutch origination market. Most of them with the emphasis on Environment. Main reason is the recently published Dutch Climate Agreement (following the Paris Agreement). This agreement defines the CO2-reduction goals for the coming years.

### *Environmental*

As a result of the above the society faces challenging but transparent targets for the urban environment, up to 2050. Reason for some parties to take their responsibility and renew their existing propositions. Besides that more and more parties have adapt their product conditions to meet the legal standard in which the maximum loan amount can be increased above 100% market value (up to 106%) for energy saving expenditures.

However, until today just 6% of all new mortgages include an additional amount for energy saving facilities. More in depth, just three parties (including ASR) offer an extra individual sustainability loan with specific terms and rates without discrimination based on the existing energy label of the collateral. We expect more parties going to introduce a similar product in the near future.

### *Social*

The problems in the first time buyer market are still not solved. At this moment first time buyers experience problems to access the housing market and are confronted with high monthly payments. In this problematic market ASR is still the only originator who offers an extended annuity to first time buyers. This will reduce monthly payments.

Automatic interest rate adjustment is becoming the new market standard. When a loan falls in a lower LTV bucket (for example as a result of monthly repayments), the interest rate will

automatically be adjusted. The majority of the top 20 originators currently offer this feature in their products.

### *Governance*

The ASR mortgage department has recently joined the TCFD program (Taskforce Climate-related Financial Disclosures), which will present the first figures in 2020.

ASR is member of the Partnership for Carbon Accounting Financials (“PCAF”), an industry-led partnership to standardize carbon accounting for the financial sector, representing 2.9 trillion dollars in assets. The members have committed themselves to assess and disclose the GHG emissions of their loans and investments.



## 8. INVESTMENT POLICY

The Fund invests primarily in Mortgage Receivables of Dutch Mortgage Loans which are originated by the Originator. The Mortgage Loan criteria and Investment Policy as set out in Schedule A to the Terms and Conditions provide the investment guidelines for Mortgage Loans to be acquired by the Fund. Dutch residential real estate serves as collateral for the Mortgage Loans.

Each Mortgage Loan is entered into after 1 January 2013. The Fund aims to purchase Mortgage Loans that were originated at most 60 days prior to the date of purchase or in respect of which the most recent interest reset date was at most 60 days prior to the date of purchase. Such Mortgage Loans will be acquired against nominal value.

Any Mortgage Loans that were originated more than 60 days prior to the date of purchase or in respect of which the most recent interest reset date was at more than 60 days prior to the date of purchase, will be purchased against market value which is calculated in accordance with the Valuation Method.

The origination date of a Mortgage Loan is determined on the basis of the date on which the Originator becomes lender of record of the Mortgage Loan concerned.

The Fund will consist of a Sub Fund NHG and a Sub Fund Non-NHG. Sub Fund NHG has a lower risk profile and invests in NHG Mortgage Loans. Sub Fund Non-NHG has a higher return profile and invests in Mortgage Loans with different loan-to-value categories for which no NHG Guarantee is requested.

Purpose of the Fund is to invest in a stable fixed-income investment category with a low risk-profile, with Dutch assets, aimed to create a long-term stable and direct income stream. The Sub Funds do not use a benchmark.

The Fund invests in a cross-section of the recent Mortgage Loan production of the Originator, having regard at the investment guidelines set out in Schedule A to the Terms and Conditions. By investing in this 'cross-section', the Fund will have the opportunity to invest in similar Mortgage Loans as ASR Levensverzekering N.V.

### *Integration of sustainability risks in investment decisions*

The Fund Manager applies the Investment Policy for the acquisition of Mortgage Receivables. The Investment Policy addresses certain sustainability-related criteria.

Sustainability risks are part of Fund Manager's ongoing risk assessment of the Fund's portfolio and the Investment Policy. In view hereof, the Fund Manager and the Originator periodically

discuss the impact of sustainability risks on the Dutch housing market, the Fund's Mortgage Receivables and the Originator's mortgage production. If the Fund Manager would – in view of sustainability risks – find a change of the Investment Policy appropriate, it will discuss this topic with the Participants.

*Impact of sustainability risks on the performance of the Fund*

Sustainability risks can have an impact on the performance of the Fund. For instance, the materialisation of climate risks can have a significant impact on the value of the assets that serve as collateral for the Mortgage Receivables.

One of the aims of the abovementioned ongoing risk assessment is to ensure that the possible negative impacts of sustainability risks are mitigated. A potential positive effect of the Fund Manager's risk assessment is additional value-creation for the Fund.

*ESG characteristics of the Fund*

The ESG characteristics of the Fund are set out in Annex 6.

## **9. RISKS**

### **General**

Prospective investors in the Fund are expressly warned that participating in the Fund entails financial risks. They should study and endorse the content of this Information Memorandum and must, if necessary, obtain advice from an independent tax consultant, legal adviser, auditor, actuary or investment consultant.

The value of an investment in the Fund can fluctuate. Results achieved in the past are no guarantee of future performance. No guarantee can be given that Participants will receive back their original investment on leaving the Fund.

### **Investment risk**

The investment results of the Fund depend in part on the performance of the Manager. There is no guarantee that the Fund will achieve its investment objective and that all Mortgage Loans match with the Mortgage Loan criteria or Investment Policy set out Schedule A of the Terms and Conditions.

### **Repayment risk**

The main source of income of the Fund are Mortgage Receivables. If the financial position of mortgagees declines, this may adversely affect the return of the Fund.

### **Property market risk**

The investment results of the Fund depend in part on the state of the property market. Any deterioration in the residential market in the Netherlands may cause falling prices of the residential properties that serve as security for the Mortgage Receivables and hence adversely affect the Fund's return.

### **Risk relating to individual registered properties**

The investment results of the Fund depend in part on the sale price of individual registered properties which are financed by the Mortgage Loans. The value of the registered properties may be adversely affected by such factors as hidden defects at the time of purchase.

## **Concentration risk**

The Fund will invest in Mortgage Loans originated by the Originator and entered into by inhabitants of the Netherlands. Due to the geographical and sector concentration of the Fund's investments, any factors having an impact on these investment areas may have an adverse effect on the Fund's income and/or the value of a Participation.

## **Cost of funding**

The Fund will in principle not use leverage. However, the Fund Manager may decide to use leverage in case of a liquidity shortfall. Such leverage will only be used to a maximum percentage of five percent (5%) of the value of the Fund Assets.

## **Offer Risk**

The purchase price of the Mortgage Receivables that the Fund acquires is equal to their nominal value at the time of issue to the underlying customers, unless the maturity of the Mortgage Loan concerned is over sixty days. During the period between the moment that a mortgage offer is provided to the underlying customer and the moment that the related Mortgage Receivable is delivered to the Fund, the value of those Mortgage Receivables may be subject to change. The Offer Risk is the risk of a decrease in the value of a Mortgage Receivable in aforementioned period. On the other hand, the value of such Mortgage Receivable may also increase in this period, in which event such increase will be for the benefit of the acceding Participant(s).

The Terms and Conditions provide for a calculation mechanism for the determination of the number of Participations to issue to subscribing Participants, that aims to ensure that the Offer Risk relating to the Mortgage Receivables that are acquired with the funds contributed to the Sub Fund by the acceding Participant will be for the account and risk of the acceding Participant(s), and not for the existing Participants, including Participants from which Participations are redeemed, to the extent possible. A Participant that acquires additional Participations shall for this purpose be considered - for that amount - an acceding Participant.

This calculation mechanism entails that the Fund Manager will take the Offer Risk into account in determining the number of Participations to be issued to a Participant for the Issue Price. For that reason, the number of Participations issued to a Participant may deviate from the number of Participations that would be issued for the same Issue Price if the Offer Risk would not be taken into account.

The Offer Risk may also materialise when the Fund acquires new Mortgage Loans with the Monthly Repayment Result. In this event, the Offer Risk will be for the account of all Participants in the Sub Fund concerned on a pro rata basis.

In the context of the Fund, the concept of offer risk therefore has a different, broader meaning than it is usually understood to mean in the mortgage market.

### **Interest rate risk**

High interest rates can adversely affect the value of the assets that serve as security for the Mortgage Loans, while at the same time also affecting the demand for new mortgage loans.

### **Minimum interest rate**

The purchase of new Mortgage Receivables by the Fund from the Originator will - among others - be subject to the condition that those Mortgage Receivables have at least a certain minimum interest rate. The Fund Manager may increase this minimum interest rate subject to a six months' notice (or a an earlier date if this is agreed between the Originator and the Fund). As a consequence of this six months' notice period, the new minimum interest rate will not apply to Mortgage Receivables that the Fund acquires during this period of six months. The Fund Manager may decrease the minimum interest rate with immediate effect. As a consequence thereof, the Fund may use Outstanding Subscription Amounts to acquire Mortgage Receivables to which such lower interest rate applies.

If the Originator offers the Fund Mortgage Receivables to which lower interest rates than the minimum interest rate apply, the Fund may revoke any commitment to acquire Mortgage Receivables from the Originator.

### **Interest reset rate risk**

The Originator is the lender of record of the Mortgage Loans. Therefore, the Originator (i) determines the interest rates that are offered when a borrower initially enters into a Mortgage Loan and (ii) determines the interest rates that are offered to a borrower for the interest reset of such Mortgage Loan.

The interest rates that apply to Mortgage Loans influence the market value of those Mortgage Loans. Therefore, the Originator's policy with regard to interest rates and interest reset rates has a direct influence on the value of the Mortgage Loans and the yield of the Fund.

It is possible that the Originator will apply interest rates that are lower than the minimum interest rates determined by the Fund Manager as referred to above. Such lower interest rate will also

be offered in respect of Mortgage Receivables that have been acquired by the Fund. The Fund will in principle remain entitled to these Mortgage Receivables. As a result, the Mortgage Receivables in which the Fund invests may have the same lower interest rates as offered by the Originator. Having said that, whether this risk will materialise depends on whether the Originator actually applies such low interest rate to its own Mortgage Loan portfolio as well.

### **Insurance risk**

The properties which are financed by the Mortgage Loans of the Fund are insured. The relevant policies generally provide only very limited cover for loss or damage as a consequence of certain exceptional events, such as war, natural disasters or terrorist attacks.

### **Inflation risk**

The Fund Assets or income from the Fund may be worth less in real terms in the future as inflation decreases the value of money. As inflation increases, the real value of the Fund Assets will decline unless it grows by more than the rate of inflation.

### **NHG risk**

Sub Fund NHG invests in NHG Mortgage Loans. If Stichting Waarborgfonds Eigen Woningen would default, this may adversely affect the Fund's return. If Stichting Waarborgfonds Eigen Woningen would cease to provide guarantees, Sub Fund NHG will not be able to acquire new Mortgage Loans.

### **Limited liquidity of investments**

The Mortgage Loans contain limited conditions under which the principal sum can be claimed back. This reduces the liquidity of the Fund's investments and may adversely affect its return.

### **Commitment of Subscription Amounts**

Subscription Amounts are committed for a period of at least six (6) months and a Participant may revoke an Outstanding Subscription Amount only subject to a six (6) months' notice. During this notice period, the Fund Manager may still make a Payment Request with regard to this Outstanding Subscription Amount. Only after completion of this six months' notice period, the Fund Manager may not call a revoked Outstanding Subscription Amount anymore.

## **Tax risk**

The Fund aims to be a tax transparent fund for joint account. As a result, the Fund is not subject to corporate income tax in the Netherlands and distributions and deemed distributions by the Fund to its Participants are not subject to Dutch dividend withholding tax. The tax status of the Fund may change during the term of the Fund. Consequently, the Fund may become subject to corporate income tax or dividend withholding tax in the Netherlands. Whether the Fund qualifies as a tax transparent fund for joint account is assessed based on both the Terms and Conditions as well as all other relevant facts and circumstances.

## **Change in legislation**

A change in the relevant legislation, with or without retroactive effect, for example in relation to property investments, the environment, collective investment schemes or tax regimes, may adversely affect the Fund's return.

## **Majority decisions of Participants**

The power of decision in relation to various subjects is exercised by a given majority of the Participants or the number of voting rights. This may mean that a Participant is bound by a decision to which it has not consented or which it has not approved.

## **Limited marketability**

The Participations are non-transferable. Participations will in principle not be redeemed. Participants may exit the Fund by requesting the Fund Manager to redeem their Participations, but the Fund 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.

## **Conflicts of interest**

As the Fund Manager is also a manager of other collective investment schemes and advises parties on property investments on an individual basis, the possibility that conflicts of interest may arise in certain circumstances cannot be excluded. The Fund Manager should always deal with conflicts of interest in a fair and equitable manner and in accordance with the Terms and Conditions.

## **Insolvency of Custodian**

If the Custodian – Stichting Juridisch Eigenaar ASR Hypotheekfonds – becomes insolvent, it is theoretically possible that creditors of the Custodian that are not creditors of the Fund may seek

recovery against the Fund Assets. In practice, however, the Custodian will have few creditors that are not creditors of the Fund as the Custodian may not perform activities other than those which it performs for the Fund.

### **Interrelationship Sub Funds**

Although highly unlikely, it cannot be fully excluded that a Sub Fund will have a negative Net Asset Value. In such event, the results of the other Sub Fund may be negatively affected.

*The foregoing factors are not exhaustive and do not purport to be a complete explanation of all the risks and considerations involved in investing in the Fund. In particular, the Fund's performance may be affected by changes in market conditions, and legal, regulatory and tax requirements. The Fund will be responsible for paying the fees, charges and expenses referred to in this document regardless of the level of profitability.*



## 10. LEGAL STRUCTURE AND GOVERNANCE

### Fund structure

This section sets out the legal structure of the Fund.

The Fund is set up as a tax transparent fund for joint account (*fonds voor gemene rekening*) as referred to in Section 2 (3) of the Dutch Corporation Tax Act (*Wet op de vennootschapsbelasting*) 1969. The Manager of the Fund is ASR Vermogensbeheer N.V., while Stichting Juridisch Eigenaar ASR Hypotheekfonds acts as Custodian. The Fund is a collective investment scheme. It is a *sui generis* arrangement<sup>1</sup> based on contractual agreements between the Fund Manager, the Custodian and the Participants.

The Fund does not have the object of being a partnership, a general partnership, limited partnership, public company or dormant partnership under Dutch law. The Participants exclusively accede into an agreement with the Fund Manager and the Custodian and do not accede into an agreement with each other. The Participants therefore do not have any mutual rights and obligations towards each other in respect of the Participations they hold in the Fund.

The Terms and Conditions apply from July 7, 2017. They contain a description of the rights and obligations of the Fund Manager, the Custodian and the Participants. The Terms and Conditions include provisions regulating the manner in which the Fund is managed and how the Participations are to be redeemed and issued. They also contain provisions concerning the control exercised by Participants.

The Terms and Conditions may be changed in certain circumstances, subject to the prior consent of the Participants Meeting.

The Fund is established in March 17, 2017 2017 for an unlimited period. The Terms and Conditions set out the situations in which the Fund can be dissolved. This is the case, for example, if the Fund Manager or the Participants Meeting decides so in given circumstances.

### Fund Manager

This section describes the role and responsibilities of the Fund Manager.

The Fund Manager is a manager of alternative investment funds specialising in the management of collective investment institutions and providing investment services. The Fund Manager has obtained an authorisation as referred to in Section 2:65 of the DFSA.

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<sup>1</sup> This is an arrangement that is not referred to as such in the legislation.

Both the Fund Manager and the Fund are subject to the permanent supervision of the Netherlands Authority for the Financial Markets (*Autoriteit Financiële Markten / AFM*) and the Dutch Central Bank (*De Nederlandsche Bank / DNB*).

The Fund Manager recently adapted its risk structure in accordance with the applicable legislation (Article 80 AIFM Regulation). The Fund Manager separated the responsibility for risk management within its organization. In accordance with the AIFM Regulation, a distinction is made between risks with regard to the funds and risks with regard to the organization of the Fund Manager.

The director of the Fund Manager who is responsible for risk management, reports directly to the CEO of ASR Nederland N.V. The director concerned especially reports on the risks that investors run as a result of the investments of the funds under the management of the Fund Manager.

The director of the Fund Manager who is responsible for the risk management of the organization of the Fund Manager, reports directly to the CFO of ASR Nederland N.V. The risk charter of ASR Nederland N.V. is applied for the risk management of the organization of the Fund Manager. The director concerned especially reports on compliance with relevant risk mitigation systems and the solidity and effectiveness of the risk management procedure. The Fund Manager makes an assessment if appropriate measures are taken to prevent any inadequacies for the future.

The areas of the CEO of ASR Nederland N.V. are Human Resources, Corporate Communications, Strategy, Risk Management of the investment funds managed by the Fund Manager, Marketing, Business Support, Corporate Social Responsibility, Audit, Integrity and Legal.

The areas of the CFO of ASR Nederland N.V. are Group Accounting, Reporting & Control, Business Finance & Risk, Group Asset Management, Group Balance Sheet Management and Group Risk Management (excluding Risk Management of the investment funds managed by the Fund Manager).

The Fund Manager also has a supervisory board. This supervisory board focuses, in the interest of the participants of the various funds under management of the Fund Manager, on the following areas:

- (i) the general policy and performance of duties by the Fund Manager;
  - (ii) the state of affairs in the various funds under the management of the Fund Manager;
- and

(iii) the Fund Manager's adherence to the Dufas Fund Governance Code.

In order to keep the Participants informed of its activities, the supervisory board will:

- (i) represented by the chairman, attend at least once a year a participants' meeting.
- (ii) have the opportunity to provide input to Participants every quarter in the quarterly Fund report
- (iii) If the supervisory board deems necessary, it will inform Participants directly

Solely the Fund Manager is responsible for the management of the Fund. In carrying out its task, the Fund Manager acts exclusively in the interest of the Participants. The management and administration of the Fund encompasses investing the Fund Assets in accordance with the Terms and Conditions and all activities in connection therewith.

The Fund Manager performs its activities for the account and risk of the Participants. Any benefits and losses resulting therefrom will be for the benefit of or be borne by the Participants.

The Fund Manager's liability is limited. The Fund Manager will only be liable for a loss suffered by a Participant in connection with the performance of its duties under these Terms and Conditions, if such loss is a direct result of attributable breach (*toerekenbare tekortkoming*) of the Fund Manager under these Terms and Conditions.

The Fund Manager is never liable for indirect loss (*indirecte schade*), consequential loss (*gevolgschade*) and/or loss of profits (*gederfde winst*).

For all losses for which the Fund Manager is liable, the Fund Manager's liability shall be capped to any loss or losses up to the amount of the Management Fee in the twelve (12) months preceding the event that caused the Fund Manager's liability. Any losses or any part of a loss exceeding the amount set out in the previous sentence, are for the expense and account of the Participant or the aggregate Participants, where applicable.

The Fund Manager may outsource (*uitbesteden*) the management and administration of the Fund or any part of it to a third-party in accordance with all applicable legislation. The Fund Manager will only be liable for a loss suffered by a Participant in connection with the performance of its duties by a third party if and to the extent that such loss has arisen as a result of such third party's wilful misconduct or gross negligence (*opzet of grove schuld*).

The Fund Manager can, apart from the management of the Fund, also render advice to other parties on direct investments in mortgages and manage investments on behalf of such parties. The Fund Manager has a policy in place that aims to prevent or manage conflicts of interest between aforementioned parties and the Fund (and its Participants).

The Fund Manager is granted the authority by all Participants, either based on a power of attorney or in its own name based on a mandate, to claim damages and/or conduct legal proceedings pertaining to the Fund and to perform all (preparatory) actions relating thereto according to the Fund Manager and the Fund Manager deems necessary or desirable, under which acceding into a settlement and collecting claims on behalf of the Fund. At request of the Fund Manager, the Participant shall perform all (legal) acts that are necessary in relation to the foregoing. As long as the Participant holds Participations in the Fund, aforementioned power of attorney and mandate cannot be terminated.

In order to cover professional liability risks, the Fund Manager attracted additional own funds in accordance with Article 14 of the AIFM Regulation.

### **Custodian**

The Custodian is the legal owner of the Fund Assets and the debtor of the Fund Obligations. This means that the Custodian acquires and holds the Fund Assets in its own name but for the account and risk of the Fund. The bank accounts of the Sub Funds shall be opened in the name of the Custodian.

The Custodian shall grant a power of attorney to the Fund Manager (i) to acquire, dispose of or encumber assets in the Custodian's name and for the account of the Fund and (ii) to assume obligations in the Custodian's name and for the account of the Fund.

To the extent that the Fund Assets consist of credit (*krediet*) receivables as referred to in the DFSA, the Custodian shall appoint a Servicer (*kredietbeheerder*).

The Custodian's liability is limited: it is never liable for indirect loss (*indirecte schade*), consequential loss (*gevolgschade*) and/or loss of profits (*gederfde winst*).

### **Sub Fund structure**

The Fund consists of two Sub Funds: (i) the sub fund which invests in NHG Mortgage Loans (Sub Fund NHG), and (ii) the sub fund which contains Mortgage Loans for which no NHG Guarantee is requested (Sub Fund non-NHG). Differences in investment policy of both Sub Funds are set out in the Investment Policy.

Participants have the possibility to invest either in one Sub Fund or in both. On the Subscription Form, the Participant indicates for which amount it subscribes per Sub Fund. When the Fund Manager makes a Payment Request, it indicates to which Sub Fund the request pertains.

Upon Redemption, the Participant has to indicate to which Sub Fund his request for Redemption pertains.

As set out in Chapter 13 of this Information Memorandum, during a Participants Meeting, only Participants in a Sub Fund have voting rights in respect of topics that pertain to that specific Sub Fund.

The Fund Manager keeps records for both Sub Funds. Costs are, in so far they are directly attributable to a Sub Fund, charged to that Sub Fund. Costs that are not directly attributable to one of the Sub Funds, are charged to both Sub Funds in proportion to their respective Net Asset Values.

### **Role of the various ASR entities**

Various entities within the ASR group are involved with the Fund. ASR Levensverzekering N.V. originates Mortgage Loans and is the Servicer of those Mortgage Loans. In addition, it anticipates to participate in the Fund. ASR Vermogensbeheer N.V. is the Fund Manager. ASR Schadeverzekering N.V. directly purchases Mortgage Loans from ASR Levensverzekering N.V.

ASR Levensverzekering N.V. is responsible for origination and the pricing of Mortgage Loans. This process does not form part of the operations of the Fund. The Fund Manager will inform ASR Levensverzekering N.V. about the parameters of the Mortgage Loans it wants to purchase. ASR Levensverzekering N.V. and the Fund Manager will meet on a regular basis to discuss the pricing of Mortgage Loans to be originated by ASR Levensverzekering N.V. and that may be acquired by the Fund. The Mortgage Loan criteria and Investment Policy as set out in Schedule A to the Terms and Conditions provide the investment guidelines for Mortgage Loans to be acquired by the Fund.

In principle, ASR Levensverzekering N.V. remains lender of record of the Mortgage Loans. In that capacity ASR Levensverzekering N.V. will - among others - determine which interest rate is offered to borrowers on an interest reset date.

Entities which are part of or linked to the ASR group may participate in the Fund at arm's length basis.

### **AIFMD-Depositary**

The Fund Manager appoints, also for the benefit of the Fund and the Participants, an AIFMD-Depositary pursuant to Section 4:62m of the DFSA. To that end, the Fund Manager accedes into an AIFMD Depositary Agreement with the AIFMD-Depositary. The AIFMD-Depositary is charged with the tasks as set out in Article 21(7)-21(9) and 21(17)(c) AIFMD.

## **Conflicts of interest**

The Fund Manager took organisational and administrative measures to identify, prevent and control conflicts of interest. These measures aim to prevent that conflicts of interest have a negative effect on the interests of the Fund and the Participants. In the event a conflict of interest arises, the Fund Manager shall observe the interests of the Participants, after reasonable consideration of the relevant facts and circumstances. The Fund Manager shall particularly consider the interests of the Participants in case of outsourcing of its activities.

The Fund Manager does not have employees. The individuals responsible for the execution of the investment policy are seconded to the Fund Manager by ASR Nederland N.V. They fall under the remuneration policy of ASR Nederland N.V. On request, the Fund Manager will provide a Participant with a copy of this remuneration policy at no charge.

The Custodian shall act honestly, reasonably and professionally and in the interest of the Fund and the Participants. The Custodian shall not perform activities that may lead to conflicts of interest between the Custodian on the one hand, and the Fund Manager, the Fund or the Participants on the other hand. The Custodian may perform such activities if it has functionally and hierarchically separated its custody activities from the potentially conflicting activities, and the potentially conflicting activities have been properly identified, managed, controlled and communicated to the Participants.

For the role of the ASR group entities that perform activities with respect to the Mortgage Loans, we refer to Chapter 11 of this Information Memorandum.

Participants will not be granted a preferential treatment. The Fund Manager will treat Participants equally in equal circumstances. The equal treatment of Participants is safeguarded by the Terms and Conditions, this Information Memorandum and the legal framework wherein the Fund operates. The Fund Manager will supervise compliance with all applicable rules that aim to ensure equal treatment of Participants.

## **Reporting**

The financial year of the Fund coincides with the calendar year. Each year the Fund Manager must draw up the Annual Accounts and Annual Report of the Sub Funds within six (6) months of the end of the financial year. The Manager engages the Auditor that will audit the Sub Fund's Annual Accounts. Within six (6) months of the end of each financial year, the Manager submits Annual Accounts, the Annual Reports and the Auditor's reports to the Participants Meeting for approval.

## 11. INVESTMENT PROCESS AND PORTFOLIO MANAGEMENT

### General

The Fund will in principle on a monthly basis acquire Mortgage Loans from ASR Levensverzekering N.V. and fund these Mortgage Loans with the proceeds from the issuance of Participations (as set out in Clause 9 of the Terms and Conditions) and the Monthly Repayment Result. Only Professional Investors may acquire Participations.

A Mortgage Loan will first be evaluated in light of the Investment Policy by the Fund Manager before it will be acquired by the Fund. The evaluation process will in principle be carried out by the Fund Manager.

The Fund will acquire Mortgage Loans against their nominal value or market value depending on the date of origination or interest reset. It should be noted that at the moment of the transfer of a Mortgage Loan to the Fund, the market value of such Mortgage Loan may differ from its nominal value. This may for instance be the case if on the day on which the Fund acquires the Mortgage Loan, the interest that applies to the Mortgage Loan concerned, deviates from the interest rates that the Originator offers to its clients for a comparable Mortgage Loan. This risk, the Offer Risk, is described in Chapter 9.

The Fund Manager will monitor the performance of the Fund on an ongoing basis. This monitoring will be based on investor reports and other management information. This is both a backward-looking and forward-looking process, involving reviews of past performance and future business plans and pipe line projections.

A risk assessment, in which context the existing portfolio will be taken into account, will take place on a monthly basis to ensure that the portfolio as a whole is - in the Fund Manager's view - in line with the interests of the Participants.

### Investments and purchase of Mortgage Receivables

Under the Mortgage Receivables Purchase Agreement (attached as Annex 4), the Fund will from time to time be required to purchase Mortgage Receivables and accept the assignment of the Mortgage Receivables offered by the Originator by means of a registered deed of assignment as a result of which legal title to the Mortgage Receivables is transferred to the Fund. The assignment of the Mortgage Receivables to the Fund will not be notified to the borrowers, except upon the occurrence of any assignment notification event. Until such notification the borrowers will only be entitled to validly pay (*bevrijdend betalen*) to the Originator. The Originator will pay or procure payment to the Fund of all proceeds received in respect of the Mortgage Receivables.

The Fund aims to purchase Mortgage Loans at nominal value if these Mortgage Loans were originated at most 60 days prior to the date of purchase or if the interest reset date of these Mortgage Loans was at most 60 days prior to the date of purchase. Other Mortgage Loans will be purchased at market value. In either case, the Fund will also acquire and pay for the accrued interest to the Originator.

The purchase by the Fund of any Mortgage Receivables will in all cases be subject to the condition that on the relevant purchase date the purchase conditions set forth in the Mortgage Receivables Purchase Agreement are complied with, including that (i) the available NHG commitment is sufficient to pay the purchase price for the relevant NHG Mortgage Receivables, (ii) the available non-NHG commitment is sufficient to pay the purchase price for the relevant non-NHG Mortgage Receivables, if any and (iii) the Mortgage Loans comply with the Mortgage Loan criteria set out in Schedule 5 to the Mortgage Receivables Purchase Agreement, after taking into account the sale and purchase of such Mortgage Receivables.

The Originator will on each purchase date with respect to the Mortgage Loans and the Mortgage Receivables resulting therefrom represent and warrant the representations as set out in the Mortgage Receivables Purchase Agreement, including that:

- (a) the Mortgage Receivable is duly and validly existing;
- (b) it has full right and title (*titel*) to the Mortgage Receivable;
- (c) it has the power of disposition (*is beschikkingsbevoegd*) to sell and assign the Mortgage Receivables; and
- (d) the Mortgage Receivable meets the mortgage loan criteria set out in the Mortgage Receivables Purchase Agreement.

### **Servicing Agreement**

In the Servicing Agreement (attached as Annex 5) ASR Levensverzekering N.V. as the Servicer will agree to provide management services to the Fund on a day-to-day basis in relation to the Mortgage Loans and the Mortgage Receivables resulting from such Mortgage Loans, including, without limitation, the collection of payments of principal, interest and other amounts in respect of the Mortgage Receivables, all administrative actions in relation thereto and the implementation of arrears procedures including the enforcement of mortgage rights and any other collateral and prepare and provide the Fund with certain information as required by law, for submission to the relevant regulatory authorities. The Servicer will be obliged to manage the Mortgage Loans and the Mortgage Receivables with the same level of skill, care and diligence as mortgage loans in its own or, as the case may be, the seller's portfolio.



The Servicing Agreement may be terminated by the Fund upon the occurrence of certain termination events, including but not limited to, a failure by the Servicer to comply with its obligations (unless remedied within the applicable grace period), dissolution or liquidation of the Servicer or the Servicer being declared bankrupt or granted a suspension of payments or the Servicer no longer holds a licence as intermediary (*bemiddelaar*) or offeror of credit (*aanbieder*) under the DFSA, provided always that no such termination shall be effective unless on the date prior to the proposed termination date the borrowers have been notified of the assignment of the Mortgage Receivables to the purchaser in accordance with and subject to Clause 8 of the Mortgage Receivables Purchase Agreement. The Servicer shall not be released from its obligations under this Agreement until such substitute servicer has entered into such new agreement

In addition the Servicing Agreement may be terminated by the Servicer upon the expiry of not less than twelve months' notice, subject to (*inter alia*) (i) written approval of the Fund Manager, which approval may not be unreasonably withheld and (ii) appointment of a substitute servicer.

The Servicer's liability is limited: it is never liable for any loss, claim, expense or damage suffered or incurred by the Fund and/or the Fund Manager as a result of the performance by the Servicer of the Mortgage Loan Services save where such loss, liability, claim, expense or damage is suffered or incurred as a result of any gross negligence (*grove nalatigheid*) or wilful misconduct (*opzet*) of the Servicer or any material breach (*toerekenbare tekortkoming*) by the Servicer of the provisions of the Servicing Agreement, in which case the liability of the Servicer is limited to an amount of the higher of (a) EUR 500,000, or (b) the fees the Servicer received or will receive for its services under the Servicing Agreement for the calendar year to which such liability relates.

Any termination of the Servicing Agreement by will only become effective if a substitute servicer is appointed.

## 12. ISSUE, REDEMPTION AND MARKETABILITY

### Participations

The Participations are units in the form of contractual rights administered in the name of the Participant. They may be issued in fractions to five (5) decimal places. Participation certificates will not be issued. Instead, Participations will be issued by means of registration of the issue in the name of the Participant in the Register. The Register serves as conclusive evidence against a Participant, subject to proof to the contrary to be provided by the relevant Participant. The Register will be kept at the office of the Fund Manager for inspection by the Participants.

The Participations and the Participant's rights and obligations arising therefrom are, other than by means of redemption by the Fund, non-assignable and non-transferable and may not be encumbered with a right of pledge.

Participants are not liable for the obligations of the Fund Manager and the Custodian. The liability of the Participants for the losses of the Fund (including sub funds) is capped to the amount of their investment in the Fund plus their Outstanding Subscription Amount, which may be claimed by a bankruptcy trustee in case of the bankruptcy of the Custodian.

If the Fund is no longer considered tax transparent because of a change in the tax status of a Participant, this Participant is liable to the Fund for all financial disadvantages which occurred as a consequence thereof.

### Subscription

This section describes the procedure for the issue of Participations.

Only Professional Investors may, by completing a Subscription Form, request to accede to the Fund. This accession shall take place for at least the Minimum Subscription Amount, which is EUR 5,000,000. On the Subscription Form, the Professional Investor shall indicate for which amount it subscribes per Sub Fund.

A Subscription Form submitted with the Fund Manager constitutes an offer (*aanbod*) of the relevant prospective investor to the Fund to accede to the Fund for an amount equal to the Subscription Amount as specified in the Subscription Form. The Participant may revoke (*herroepen*) such offer subject to a six (6) months' notice.

The Fund Manager may in its sole discretion decide to accept or not to accept a subscription. Following the acceptance of a subscription, the Fund Manager will allocate the Subscription Amount concerned to a (quarterly) Vintage. The Fund Manager will in principle allocate a

Subscription Amount to the Vintage period during which the subscription was accepted. At the request of the Subscriber, the Fund Manager may allocate (part of) the Subscription Amount to one or more Vintage periods which have not commenced yet. If the subscription has been accepted, the Fund Manager will notify the Subscriber to which Vintage the Subscription Amount has been allocated.

The Fund Manager may, if this is in the interest of the Fund, choose to (i) decline the offer, (ii) suspend the offer or (iii) stipulate additional conditions with respect to the offer.

### **Payment Request**

After subscription, the Fund Manager may partially or fully call the Outstanding Subscription Amount of a Participant by means of a Payment Request.

Prior to Outstanding Subscription Amounts being called, the Fund Manager shall apply the available Monthly Repayment Result and, subsequently, the relevant Available Monthly Interest Result to purchase additional Mortgage Receivables.

Thereafter, Outstanding Subscription Amounts shall be called to fund the acquisition of Mortgage Receivables on the basis of the following principles:

- (i) Outstanding Subscription Amounts shall be called in the order of priority based on the Vintage during which the Subscription Form concerned was submitted by the Subscriber;
- (ii) Subscription Forms submitted during the same Vintage shall have equal priority; and
- (iii) Outstanding Subscription Amounts shall in principle not be called during a Vintage prior to the Vintage to which they were allocated.

This entails that Outstanding Subscription Amounts shall be called in accordance with the following procedure:

- (i) The Fund Manager will determine which Outstanding Subscription Amounts are allocated to the current or previous Vintage;
- (ii) Of these Outstanding Subscription Amounts, those in respect of which the Subscription Form was submitted during the oldest Vintage shall be called first;
- (iii) Subsequently, Outstanding Subscription Amounts in respect of which the Subscription Form was submitted during the next oldest Vintage shall be called;
- (iv) This will be repeated until all Outstanding Subscription Amounts that were allocated to the current Vintage period have been called;
- (v) If subsequently, additional Outstanding Subscription Amounts are called (e.g. in the event that the Fund is required to purchase more Mortgage Receivables than anticipated),

Outstanding Subscription Amounts that were allocated to future Vintages shall be called, whereby those allocated to the nearest Vintage shall be called first.

Outstanding Subscription Amounts allocated to a particular Vintage may be called while that Vintage is still open to (prospective) Participants to accede to the Fund or to subscribe for additional Participations.

The Fund Manager will inform the relevant Participants on a monthly basis about the expected Outstanding Subscription Amount it will call before the next Issue Date.

A Participant that receives a Payment Request is obliged to pay the corresponding amount within the payment term specified in the Payment Request, which is at least three (3) Business Days. In an event of emergency the Fund Manager and the Participants shall discuss whether a shorter payment term can be observed.

A Participant that complied with a Payment Request will receive the number of Participations in accordance with the calculation method set out below. A Participant is immediately in default (*in verzuim*) if such Participant does not, not timely or not fully comply with a Payment Request.

### **Issue of Participations**

The issue of Participations will only take place after satisfaction of the Payment Request, unless it concerns Participations that are issued in respect of distribution of the Monthly Interest Result or Annual Result.

If the Fund Manager determines that suspension of the issue of Participations by the Fund is in the interest of the Fund and the Participants, the Fund Manager may temporarily suspend the issue of Participations by the Fund.

A Participation will be deemed to be issued by the Fund on the relevant Issue Date based on the Issue Price.

On the first Issue Date, the Participation Value will be equal to EUR 10,000 (ten thousand euro).

On all subsequent Issue Dates, the Fund Manager will calculate the Issue Price per Participation to be issued in a Sub Fund on the basis of the Net Asset Value at the final day of the preceding calendar month.

### ***Accrued assets and accrued liabilities***

The Fund Manager shall, in determining the number of Participations to be issued to a Participant, take into account the value of the accrued assets (such as the accrued Monthly

Repayment Result and the Monthly Interest Result) and accrued liabilities (such as the accrued Management Fee) per the Issue Date.

#### *Offer risk*

To the extent that the Fund acquires Mortgage Receivables with the Subscription Payment(s) of one or more Participants who accede to the Fund on an Issue Date, the Fund Manager will take the Offer Risk into account in determining the number of Participations to be issued to all Participants to whom Participations are issued on that Issue Date. The Offer Risk will be for the account and risk of the Participants that acquire such Participations on that Issue Date, such that the issue of those Participations is price-neutral for the existing Participants to the extent possible. The number of Participations that a Participant receives for the Issue Price will be calculated in accordance with the following formula:

$X / Y$

Whereby:

- X is the sum of the present value of the Mortgage Receivables that were purchased as a result of the entry of the relevant Participant(s) in the Sub Fund concerned at the time of that entry; and
- Y is the Participation Value of the Sub Fund concerned on the basis of the valuation of the Net Asset Value of the Sub Fund concerned at the final day of the preceding calendar month.

Below, some simplified examples, in which reinvestments are disregarded, of the calculation of the number of Participations to be issued is set out to illustrate this. For each of these examples, the following initial situation applies:

Net Asset Value:	1,000
Number of outstanding Participations:	500
Participation Value:	2
Subscription Payment:	100

#### Example 1 (present value of Mortgage Receivables equals their nominal value)

If the present value of the Mortgage Receivables that are purchased by applying the funds subscribed by the acceding Participant is 100 (which represents the X in the formula set out above), the Participant concerned will receive 50 Participations.

#### Example 2 (present value of Mortgage Receivables is lower than their nominal value)

If the present value of the Mortgage Receivables that are purchased by applying the funds subscribed by the acceding Participant is 96 (which represents the X in the formula set out above), the Participant concerned will receive 48 Participations.

Example 3 (present value of Mortgage Receivables is higher than their nominal value)

If the present value of the Mortgage Receivables that are purchased by applying the funds subscribed by the acceding Participant is 104 (which represents the X in the formula set out above), the Participant concerned will receive 52 Participations.

To the extent that the Fund does not acquire Mortgage Receivables with the Subscription Payment(s), the Fund Manager will not take Offer Risk into account in determining the number of Participations to be issued.

To the extent that on an Issue Date Subscription Payments are both (i) used to redeem Participations of one or more Participants and (ii) used to acquire new Mortgage Receivables, the Offer Risk will be for the account of all Participants that acquire new Participations on that Issue Date on a pro rata basis.

## **Redemption of the Participations**

This section describes the procedure for Redemption of Participations.

In principle, no redemption of the Participations at the request of the Participants will take place. Redemption will only take place at the discretion of the Fund Manager and will only take place on a Redemption Date.

The Fund Manager shall not apply the Monthly Repayment Result, in whole or in part, for redemption if the Monthly Repayment Result is required to acquire Mortgage Receivables, under a commitment of the Fund Manager to the Originator.

### *Monthly pro rata redemption*

A Participant may request the Fund Manager in the Participation Agreement or on a Redemption Form to use the Monthly Repayment Result that corresponds to the amount of Participations obtained as a result of (a) Subscription Payment(s) in accordance with a Subscription Form, to redeem Participations from that Participant. The Fund Manager shall apply the percentage of the Monthly Repayment Result that corresponds to the percentage of Participations that are offered for redemption to redeem Participations from that Participant.

### *Redemption request*

Given the nature of the Fund Assets, the Fund has restricted liquidity and Participants cannot require the Fund Manager to redeem Participations. Nevertheless, if a Participant submits a Redemption Request to the Fund to redeem Participations in addition to the monthly pro rata redemption, the Fund Manager will strive to meet such request.

As of the date of acceptance of the Redemption Request, the Fund Manager will in principle earmark the liquidity that is expected to become available as a result of:

- (i) new subscriptions for Participations; and
  - (ii) additional, future Monthly Repayment Results;
- to redeem the Participations concerned. In other words, as of that date any freely available liquidity will first be earmarked to meet the Redemption Request.

If there are outstanding Redemption Requests, the part of the Monthly Repayment Result that is not earmarked to purchase Mortgage Receivables or for monthly pro rata redemption as set out above shall thus be applied by the Fund Manager to meet Redemption Requests.

In addition, the Fund Manager will call Outstanding Subscription Amounts to make funds available to meet such Redemption Request. Naturally, only Outstanding Subscription Amounts that are not earmarked to purchase Mortgage Receivables can be called for this purpose. In addition, such call can only be made in respect of Outstanding Subscription Amounts allocated to a prior or the current Vintage. The Fund Manager shall not be required to match Outstanding Subscription Amounts with Redemption Requests at the request of a Participant.

Also, the Available Monthly Interest Result can be applied to meet Redemption Requests.

The Redemption Price will be based on the Participation Value on the final day of the preceding calendar month. This Redemption Price will be adjusted by adding the value of the accrued assets (which shall include the accrued Monthly Repayment Result and the accrued Monthly Interest Result) and by deducting the accrued liabilities (which shall include the accrued Management Fee) attributable to the Participations which will be redeemed, whereby the accrual period will be the period between final day of the preceding calendar month and the Redemption Date. The Fund Manager shall calculate the value of the accrued assets and the accrued liabilities concerned.

#### *Redemption Form*

A Participant may submit a request for monthly pro rata redemption and an additional Redemption Request to the Fund Manager by means of a Redemption Form. A Redemption Form submitted with the Fund Manager constitutes an irrevocable offer (onherroepelijk aanbod) to redeem of the relevant Participant to the Fund. The Participant shall indicate to which Sub Fund the request pertains.

#### *Redemption in other situations*

In the following special situations the Manager may redeem Participations by a simple notification to the Participant concerned:

- (i) if the Participant is in default (*in verzuim*) in relation to a Payment Request;

- (ii) if the relevant Participant no longer qualifies as an Professional Investor;
- (iii) if the relevant Participant acted or continues to act in breach of the Terms and Conditions to such a degree that the Fund Manager deems the redemption justified with a view to the interests of the majority of the Participants in the Fund;
- (iv) the Fund is no longer considered tax transparent because of a change in the tax status of the Participant concerned; or
- (v) the number of outstanding Participations of the relevant Participant is so small that this would be detrimental to the adequate and efficient management of the Fund.

### *Special redemption*

If one or more Participants wish to redeem Participations and if one or more Subscribers wish to simultaneously acquire new Participations in situations as set out under (i) – (ii) below, the Participant(s) and Subscriber(s) concerned may request the Fund Manager to facilitate this. The Fund Manager may – at its sole discretion – facilitate a simultaneous redemption and issue of new Participations in the following situations:

- (i) the redeeming Participant(s) and the Subscriber(s) concerned form part of the same Group; or
- (ii) in the view of the Fund Manager there is an objective and close link between the redeeming Participant and the related (*gelieerde*) Subscriber that justifies that the regular calling order on the basis of Vintages shall not apply to the Subscriber.

Examples of an objective and close links as referred to under (ii) above are:

- a Participant wishes to transform its direct participation in the Fund, into an indirect Participation through an investment vehicle;
- an investor wishes to transform its indirect participation in the Fund through an investment vehicle, into a direct participation in the Fund; or
- an investor wishes that its indirect participation in the Fund through an investment vehicle, is to be held by another investment vehicle.

If the Fund Manager decides to facilitate such simultaneous redemptions and issue of new Participations, the regular calling order on the basis of Vintages shall not apply.



### 13. PARTICIPANTS MEETING

The Fund Manager will convene a Participants Meeting at least every year and determines the agenda of the Participants Meeting. One or more Participants that alone or jointly hold at least ten percent (10%) of the Participations in a Sub Fund, or to the extent the Participants Meeting pertains to the Fund as a whole, in the Fund, may instruct the Fund Manager to convene an extraordinary Participants Meeting and may instruct the Fund Manager to place a topic on the agenda.

The Participants Meetings will take place in the Netherlands. The Fund Manager may decide that a Participants Meeting takes place by telephone call or video conference.

Each Participant has a number of votes corresponding to the number of its Participations. If the Fund Manager has indicated that a resolution pertains to one Sub Fund, only Participants in that Sub Fund are allowed to cast a vote in relation to such resolution.

Resolutions of the Participants Meeting are adopted if the Participants present at the Participants Meeting represent at least seventy-five percent (75%) of all votes and a simple majority of votes is cast for the resolution. Resolutions that pertain to a specific Sub Fund are adopted if the Participants present at the Participants Meeting represent at least seventy-five percent (75%) of all votes in that Sub Fund and, unless provided otherwise, a simple majority of the votes in that Sub Fund is cast for the resolution.

If the abovementioned quorum of seventy-five percent (75%) is not met, a second Participants Meeting will be held not less than fourteen (14) calendar days after the first Participants Meeting. At the second Participants Meeting, business shall be transacted regardless of the quorum present at such second Participants Meeting.

If a topic on the agenda only pertains to one specific Sub Fund, only Participants of that Sub Fund have the right to participate in discussions with regard to that topic during the Participants Meeting.

The following resolutions of the Participants Meeting require a larger majority than a simple majority:

- a resolution which aims to change the Terms and Conditions or Investment Policy requires a majority of eighty percent (80%);
- a resolution which aims to remove the Fund Manager requires a majority of eighty percent (80%);
- a resolution with regard to the intended resignation of the Custodian requires an unanimous vote;

- a resolution which aims to amend the Valuation Method requires a majority of eighty percent (80%) of the votes; and
- a resolution which aims to dissolve the Fund requires a majority of eighty percent (80%) of the votes.

## 14. COOPERATION WITH THIRD PARTIES

The outsourcings policy of ASR Nederland N.V. will be applied, where relevant, to key supplier relations. This policy aims to guarantee the continuity and quality of the outsourced activities.

The Fund Manager delegates the following activities to the following parties:

- ASR Levensverzekering N.V.: servicing and credit risk management activities, which services may be subdelegated.
- ASR Nederland N.V.: delivers staff to the Fund Manager and provides input for the valuation of the Mortgage Loans.
- Stater N.V.: responsible for the delivery of portfolio data.
- BNP Paribas Securities Services S.C.A.: depositary activities.
- OSIS B.V.: responsible for preparing the investor reports.

## 15. VALUATION

### Valuation method

The valuation of the Mortgage Loans is estimated using an internal DCF approach based on the projected principal balance run-off of the Mortgages Loans (comprising of the contractual cash flows, adjusted for prepayment) and a discount curve reflecting the interest term structure as of the valuation date. The discount curve is derived from the interest rates that ASR Levensverzekering N.V. offers under its label WelThuis with similar remaining interest period. The Fund Manager will on a monthly basis compare the aforementioned WelThuis interest rates with the average of the top-10 lowest interest rates available in the market (multiple rates per offeror and rates of combined offerors are disregarded). If and when the WelThuis interest rates deviate from this market average with more than 0.20%, the WelThuis interest rates concerned will for the purpose of the valuation of the Fund be replaced with:

- (i) the market average plus 0.20% if the WelThuis interest rate is higher than the market average;
- (ii) the market average minus 0.20% if the WelThuis interest rate is lower than the market average.

The valuation of the Mortgage Loans is calculated on a monthly basis. The description of the valuation methodology will be made available for inspection by the Participants or their representatives at the registered office of the Fund Manager. On request, the Fund Manager may provide a Participant with information with regard to the underlying mortgage portfolio and may charge that Participant costs with regard to the provision of such information.

### Net Asset Value

The Net Asset Value (and the Net Asset Value per Sub Fund ) will be determined at each valuation date and is calculated by the Fund Manager. The Net Asset Value and the Net Asset Value per Participation will be notified to the Participants and will be published on the website [www.asrvermogensbeheer.nl](http://www.asrvermogensbeheer.nl) and in the investor report.

### Compensation for incorrect calculation of the Net Asset Value

If the Fund Manager discovers an error in the calculation of the Net Asset Value, the Fund Manager shall within four (4) Business Days prepare a report on the errors that were made and which correction needs to be made to the Net Asset Value. The Fund Manager shall send this report to each Participant forthwith. If a correction of more than 1% of the Net Asset Value is required, the error caused a direct loss of the Participant, and the loss is the direct result of fraud (*fraude*), willful misconduct or gross negligence (*opzet of grove schuld*) of the Fund Manager, the Fund Manager shall provide the Participant(s) concerned compensation for the actual loss incurred.

## 16. FEES AND COSTS

This section describes the fees and costs in relation to the Fund.

The Fund Manager charges each Sub Fund a yearly Management Fee of forty-five basis points (0.45%) of the Net Asset Value of that Sub Fund. The Management Fee will be payable on a monthly basis and is due on every sixth (6<sup>th</sup>) Business Day of the calendar month following the calendar month to which it pertains. This monthly Management Fee shall be 1/12<sup>th</sup> of forty-five basis points (0.45%) of the Net Asset Value, calculated on the last Business Day of the calendar month concerned.

The Fund Manager can, in its sole discretion, grant a discount on the Management Fee to an individual Participant, which discount shall be the result of a separate agreement between the Fund Manager and the Participant concerned. Such discount shall be reimbursed by the Fund Manager to that Participant from the Management Fee received by the Fund Manager.

The Management Fee covers:

- (i) a fee for the activities of the Fund Manager relating to the management of the Fund;
- (ii) the following costs of the Fund Manager relating to the management of the Fund: costs and fees for the AIFMD-Depositary and the Custodian, costs of accountants, costs of legal and tax assistance, costs of (legal) documentation, annual reports, investor reports, and all other documents pertaining to the Sub Fund, costs of registrations of the (Sub) Fund, costs in relation to calculating and publishing the Net Asset Value, costs in relation to pool data, the costs in relation to the Register, the costs of keeping records, the costs of Participant Meetings and the fees payable to the Authority for the Financial Markets (*Autoriteit Financiële Markten*) and the Dutch Central Bank (*De Nederlandsche Bank*);
- (iii) a fee for the servicing of the Mortgage Loans of the Fund which the Fund Manager will - on behalf of the Fund - pay through to the Servicer; and
- (iv) a fee for the origination of the Mortgage Loans of the Fund which the Fund Manager will - on behalf of the Fund - pay through to the Originator.

All fees and costs will be borne pro rata by the Sub Funds, unless the Fund Manager determines in its sole discretion that these shall be allocated to a specific Sub Fund. All fees are exclusive of VAT (BTW), if applicable.

## 17. DISTRIBUTIONS OF DIVIDENDS AND REPAYMENTS

This section describes the distributions to be made by the Fund.

To the extent possible, the Fund Manager will make preliminary distributions in connection with the Monthly Interest Result and final distributions in connection with the Annual Result.

The Fund Manager shall, to the extent possible, distribute the Monthly Interest Result of the preceding month in cash to the Participants of each Sub Fund in proportion to the Participations they hold in a Sub Fund on the last day of the preceding calendar month.

If a Participant wants to receive the distributions in Participations instead of in cash, it shall inform the Fund Manager in writing at least thirty-five (35) Business Days before the end of a calendar month to which the distribution pertains. The Fund Manager will then in principle provide all following distributions to that Participant in Participations. If the Participant subsequently informs the Fund Manager at least thirty-five (35) Business Days before an Issue Date that it wants to receive the distributions in cash, subsequent distributions shall in principle be made in cash.

If a Participant indicated to the Fund Manager that it wants to receive the distribution in Participations, the Fund Manager shall issue Participations to that Participant on the first Issue Date following the calendar month to which the distribution pertains. The number of Participations to be issued, is based on the Participation Value on the Issue Date.

Upon the adoption of the Annual Report by the Participants Meeting, the Fund Manager shall determine the final distribution, which, if necessary, will be set-off against preliminary distributions.

If the Annual Result is higher than the Monthly Interest Results that were distributed during the preceding calendar year, the Fund shall make a final distribution. If the Annual Result is lower than the Monthly Interest Results that were distributed during the preceding calendar year, (i) the Participants are obliged to re-pay any surplus amounts they received in cash over the preceding year, which surplus amounts will be set off, to the extent possible, with any other distributions that the Fund is obliged to make; and (ii) to the extent the Monthly Interest Result has been provided in Participations, Participations corresponding to the surplus shall be withdrawn by the Fund Manager without consideration.

The Fund Manager may determine that (part of) the Monthly Repayment Result shall be used to reduce the Net Asset Value by repaying an amount on each Participation in the Sub Fund concerned. Such repayment shall be made on a pro rata basis to each Participant and for an identical amount on each Participation and shall entail that the Participation Value shall be

reduced with such amount. The Fund Manager cannot repay an amount that is higher than the Participation Value. The Fund Manager shall inform the Participants of such repayment at least one week in advance.

## 18. REPORTING

The Fund Manager will on a monthly basis provide each Participant with a report which contains information on the subjects set out below. Where possible, the information will be broken down by Sub Fund.

- Net Asset Value.
- Information on the Mortgage Loans of the Fund, such as the number of loans, number of borrowers, amount of original balance of the Mortgage Loans, amount of the outstanding balance, the average original outstanding Mortgage Loan per borrower, the average outstanding Mortgage Loan per borrower, and the average interest rates applicable to the Mortgage Loans of the Fund.
- Mortgage Loans in arrears and defaulted Mortgage Loans.
- Cash flow projection.
- Monthly Interest Result.



## 19. TAX ASPECTS

### Introduction

The following is a general summary of certain material Dutch taxation matters of the acquisition, holding and disposal of the Participations. This summary does not purport to describe all possible tax considerations or consequences that may be relevant to a holder or prospective holder of Participations. This summary does not purport to deal with the tax consequences applicable to all categories of investors, and does not address the tax considerations or consequences for a holder that is an individual. In view of its general nature, it should be treated with corresponding caution. Participants or prospective Participants should consult with their own tax advisers with regard to the tax consequences of investing in the Participations in their particular circumstances. The discussion below is included for general information purposes only.

This summary is based on the tax laws of the Netherlands, published regulations thereunder and published authoritative case law, all as in effect on the date hereof, and all of which are subject to change, possibly with retroactive effect. Where the summary refers to "the Netherlands" or "Dutch" it refers only to the part of the Kingdom of the Netherlands located in Europe.

### Taxation of the Fund

The Fund is set up to qualify as a Dutch fund for joint account (*fonds voor gemene rekening*) which is transparent for Dutch tax purposes. Under Dutch tax law, a fund for joint account qualifies as tax transparent provided that the transferability of the Participations is limited in accordance with the applicable law. In the case at hand, pursuant to the Terms and Conditions, Participations are non-transferable. In addition, Participations will in principle not be redeemed. Participants may exit the Fund by requesting the Fund Manager to redeem their Participations. The Participations and the Participant's rights and obligations arising therefrom are, other than by means of redemption by the Fund, non-assignable and non-transferable and may not be encumbered with a right of pledge. Consequently, pursuant to article 2(3) Dutch Corporate Income Tax Act 1969 (*Wet op de vennootschapsbelasting 1969*), the Fund does not qualify as a taxable entity for Dutch corporate income tax purposes.

### Withholding tax

As long as the Fund qualifies as transparent for Dutch tax purposes, distributions by the Fund are not subject to Dutch dividend withholding tax.

## **Taxation of the Participants resident in the Netherlands**

For Dutch tax purposes, the Fund's income and profits are directly allocated to the individual Participants in accordance with their pro rata investment.

Participants that are subject to Dutch corporate income tax and to which no special regime applies, should in principle include the pro rata part of the income of the Fund in their taxable income (taxable at the general corporate income tax rates). These Participants must report their pro rata share of the investments made by the Fund at fair value on their tax balance sheet at year-end.

## **ANNEX 1 – TERMS AND CONDITIONS**

## **ANNEX 2 – TEMPLATE PARTICIPATION AGREEMENT**

## **ANNEX 3 – TEMPLATE AGREEMENT OF MANAGEMENT AND CUSTODY**

## **ANNEX 4 – MORTGAGE RECEIVABLES PURCHASE AGREEMENT**

## **ANNEX 5 – SERVICING AGREEMENT**

## ANNEX 6 – ESG

Name of the investment fund (the "Fund"): **ASR Mortgage Fund**  
LEI-code of the ASR Vermogensbeheer N.V. (the "Fund Manager"):  
724500BQCNIJ21TMGR57

### Environmental and/or social characteristics

**This product:**

Promotes environmental or social characteristics, but does not have as its objective a sustainable investment

- ☐ The Fund does not invest in sustainable investments.  
☒ The Fund invests partially in sustainable investments

**Has a reference benchmark been designated for the purpose of attaining the environmental or social characteristics promoted by the financial product?**

No

#### I. What environmental and/or social characteristics are promoted by this financial product?

##### ***What environmental and/or social characteristics are promoted by this financial product?***

The Fund promotes the following environmental characteristic:

- The energy efficiency and sustainability of the homes for which the mortgages were provided; and

The Fund promotes the following social characteristic:

- Access to the housing market for first-time buyers.

With the WelThuis sustainability mortgage, a.s.r. facilitates the borrower with accessible and attractive financing for making its home more sustainable, thus contributing to climate change mitigation. Since October 2019, a sustainable mortgage (*verduurzaamingshypotheek*) is offered as standard in every new a.s.r. WelThuis mortgage offer. For a standard amount of EUR 9,000, the borrower has access to a sustainability deposit for two years, from which financing can be drawn upon presentation of proof of purchase of a sustainability measure. The mortgage lender, ASR Levensverzekering N.V., uses a list of sustainability measures for which an additional



credit can be used. These include the installation of solar panels, HR++ glass, roof insulation, a heat pump or heat recovery.

Fund investments in WelThuis starter mortgages (*startershypotheeken*) make the Dutch housing market more accessible to first-time buyers, and therefore have social characteristics.

All investments of the Fund are made in mortgages for the Dutch housing market, originated by ASR Levensverzekering N.V., and are therefore 100% within the Taxonomy Regulation ((EU) 2020/852) and its performance criteria for the built environment.

***What sustainability indicators are used to measure the attainment of the environmental or social characteristics promoted by this financial product?***

The Fund promotes the following social characteristic:

- The level of carbon emissions (CO<sub>2</sub>) from the homes related to the mortgage portfolio;
- Percentage of a.s.r. WelThuis mortgages with a sustainability component in the investment portfolio after 1 year from issue;
- Euro financing included for improving the sustainability of the collateral from agreed sustainability facilities;
- Breakdown by energy label of the underlying homes in the investment portfolio; and
- Percentage of a.s.r. Welthuis starter mortgages in the investment portfolio.

**II. What investment strategy does the Fund follow?**

***What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?***

The a.s.r. WelThuis mortgages in the Fund are originated by ASR Levensverzekering N.V., therefore all mortgage policies of ASR Nederland N.V. apply to this product as well as the general terms and conditions of the WelThuis products. The Fund invests in a cross-section of newly issued a.s.r. WelThuis mortgages.

Borrowers are not required to take out a sustainable mortgage and/or a starter mortgage if they wish to take out a mortgage loan with ASR Levensverzekering N.V. However, the policy of ASR Levensverzekering N.V. is aimed at encouraging the use of the sustainable mortgage and the starter mortgage by borrowers.

***How is that strategy implemented in the investment process on a continuous basis?***

The Fund Manager invests in a cross-section of issued mortgages by ASR Levensverzekering N.V. The Fund Manager can compare the development of the sustainability indicators in the Fund's portfolio with the total portfolio managed by ASR Levensverzekering N.V.

***What is the policy to assess good governance practices of the investee companies?***

The Fund does not invest in companies, but only in a.s.r. WelThuis mortgage receivables of ASR Levensverzekering N.V. This topic is therefore not applicable to this financial product.

***Where can I find further details on the investment strategy?***

More information on the SRI-policy is accessible online on the Fund Manager's website. The Fund's investment policy is also set out in the Information Memorandum.

**III. What is the asset allocation planned for this financial product?**

The Fund invests 100% in Mortgage Receivables which are originated by ASR Levensverzekering N.V.

As per 30 September 2021, 7.8% of the mortgages in Sub Fund Non-NHG and 7.13% in Sub Fund NHG are sustainability mortgages. 0.8% of the mortgages in Sub Fund Non-NHG and 1.92% in Sub Fund NHG are starter mortgages.

In addition, customers can choose to improve their sustainability in other ways through a.s.r. by financing energy-saving measures via a building deposit.

The Fund does not have any minimum ranges for these categories of investments.

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.

In order to provide insight into the applicability of this principle, an improvement in data quality and the availability of the required data using the Taxonomy Regulation is necessary. The sectoral minimum performance criteria for the six EU environmental objectives in the Taxonomy Regulation are still under development and the Taxonomy Regulation will enter into force in stages over the next few years. It is expected that from 2023 onwards, it will be possible to provide more insight into how the principle of “do no significant harm” will be met.

***What other investments does the Fund make, what is their purpose and are there any minimum environmental or social safeguards?***

As explained above, ASR Levensverzekering N.V. aims to provide mortgages with certain sustainability characteristics. The Fund invests in a cross-section of newly issued Mortgage Loans of ASR Levensverzekering N.V. Because not all newly issued Mortgage Loans from ASR Levensverzekering N.V. include a sustainability component and/or starter mortgage, a part of the Mortgage Receivables in which the Fund invests do not meet these characteristics. The Fund invests in these other Mortgage Receivables because the Fund invests a cross-section of ASR Levensverzekering N.V.'s newly issued mortgages. These other investments are not subject to minimum environmental or social safeguards.

**IV. Does this financial product take into account principal adverse impacts on sustainability factors?**

☐ Yes

☒ No

The Fund Manager has included a Principal Adverse Impact (**PAI**) statement on its website. The Fund Manager applies this in the management of investment funds. Not every decision on acquiring a Mortgage Receivable takes the impact on sustainability factors into account. The reason for this is that the Fund's portfolio represents a broad cross-section of ASR Levensverzekering N.V.'s mortgage production.

Nonetheless, through originator ASR Levensverzekering N.V., the aim is to use the policies in place to steer the underlying housing market for which mortgage credit is provided towards sustainability, as well as the broad availability of mortgage financing for first-time buyers in the housing market.

**V. Can I find more product specific information online?**

More product-specific information can be found on the Fund Manager's website.

**VI. Impact of sustainability risks on the Fund's return**

With the aforementioned sustainability policy and investment strategy, the Fund Manager integrates sustainability in its investment process and thus aims to limit and control the impact of sustainability risks on the portfolio's return. This does not alter the fact that sustainability risks can manifest themselves and could have an impact on the investments and the Fund's return.

### Physical risks

The assets in which the Fund invests are exposed to physical climate risks. These can manifest themselves through, for example, floods, storms, heat and limited access to natural resources. This can mean that the assets in which the Fund invests decrease in value. Specifically for the Fund, the following risks are relevant.

- Flood risk: this is a relevant risk for the Fund because the assets in which the Fund invests are partly located in an area at risk of flooding. If a flood occurs in such an area, this is likely to have a negative effect on the value of these assets. Among other things, this could mean that the value of the Fund would be negatively affected. The Fund Manager addresses this by maintaining a sector and geographical spread and by applying an origination policy. This risk is estimated to be small for the Fund.
- Drought risk: for the Fund this is a relevant risk because the assets in which the Fund invests are partly located in an area that is sensitive to periods of drought. If a period of drought occurs in such an area, this is likely to have a negative effect on the value of these assets. Among other things, this may cause the value of the Fund to be adversely affected. The Fund Manager addresses this by applying a sector and geographic spread and by adopting an origination policy. This risk is estimated to be very small for the Fund.
- Storm risk: this is a relevant risk for the Fund because the assets in which it invests are partly located in an area where there is a relatively high probability of storms (damage) occurring. If a (major) storm occurs in this area, this can have a negative effect on the value of these properties and therefore on the value of the Fund. This risk is estimated to be small for the Fund.

### **VII. Integration of sustainability risks into investment decisions**

The Mortgage Loans within the Fund originate from ASR Levensverzekering N.V. Consequently, all the policies of ASR Nederland N.V. apply to this product, as do the general terms and conditions of the WelThuis products.

The Fund Manager maintains a continuous dialogue with the lender on the above-mentioned sustainability issues. The composition of the portfolio with regard to these aspects is reviewed on an ongoing basis.

## DUTCH LANGUAGE VERSION

Naam van het beleggingsfonds (het "Fonds"): **ASR Hypotheekfonds**

LEI-code van de ASR Vermogensbeheer N.V. (de "Beheerder"): 724500BQCNIJ21TMGR57

### Duurzaamheidsdoelstelling

#### Dit product:

Promoot milieu- of sociale kenmerken, maar heeft duurzame beleggingen (*sustainable investments*) niet als doelstelling.

☐ Het Fonds belegt in zijn geheel niet in duurzame beleggingen.

☒ Het Fonds belegt gedeeltelijk in duurzame beleggingen.

**Is er een referentiebenchmark aangewezen aan de hand waarvan de verwezenlijking van de door dit financiële product gepromote milieu- of sociale kenmerken kan worden gemeten?**

Nee

### I. Welke milieu- of sociale kenmerken worden door dit financiële product gepromoot?

#### ***Welke milieu- of sociale kenmerken worden door dit financiële product gepromoot?***

Het Fonds promoot het volgende milieukenmerk:

- De energiezuinigheid en duurzaamheid van de woningen ten behoeve waarvan de hypotheek is verstrekt; en

Het Fonds promoot het volgende sociale kenmerk:

- Toegang tot de woningmarkt voor starters.

Het Fonds promoot deze kenmerken op de volgende wijze:

Met de WelThuis verduurzamingshypotheek faciliteert a.s.r. de geldnemer met toegankelijke en aantrekkelijke financiering voor het verduurzamen van de woning, en draagt daarmee bij aan mitigatie van klimaatverandering. Sinds oktober 2019 wordt standaard in elke nieuwe a.s.r. WelThuis hypotheekofferte een verduurzamingshypotheek geoffreerd. Voor een standaardbedrag van EUR 9.000 heeft de geldnemer gedurende twee jaar de beschikking over een verduurzamingsdepot, waaruit financiering kan worden opgenomen tegen overlegging van

aankoopbewijzen van een verduurzamingsmaatregel. De hypotheekverstrekker, ASR Levensverzekering N.V., hanteert een lijst met verduurzaamingsmaatregelen waarvoor additioneel krediet aangewend kan worden. Denk hierbij aan de installatie van zonnepanelen, HR++ glas, dakisolatie, warmtepomp of warmteterugwinning.

Fondsbeleggingen in WelThuis startershypotheken maken de Nederlandse woningmarkt toegankelijker voor starters, en hebben daarmee een sociaal kenmerk.

Alle beleggingen van het Fonds worden gedaan in hypotheken voor de Nederlandse woningmarkt, georigineerd door ASR Levensverzekering N.V., en vallen daardoor voor 100% binnen de Taxonomie-verordening ((EU) 2020/852) en de daarin neergelegde prestatiecriteria voor de gebouwde omgeving.

***Welke duurzaamheidsindicatoren worden gehanteerd om de mate waarin de door dit financiële product gepromote milieu- of sociale kenmerken zijn verwezenlijkt te meten?***

- De mate van koolstofuitstoot (CO<sub>2</sub>) van de woningen gerelateerd aan de hypothekenportefeuille;
- Percentage a.s.r. WelThuis hypotheken met een verduurzamingscomponent in de beleggingsportefeuille na 1 jaar vanaf verstrekking;
- Opgenomen euro financiering ten behoeve van verduurzaming van het onderpand uit overeengekomen verduurzamingsfaciliteiten;
- Verdeling naar energielabel van de onderliggende woningen in de beleggingsportefeuille; en
- Percentage a.s.r. Welthuis startershypotheken in de beleggingsportefeuille.

## **II. Welke beleggingsstrategie volgt het Fonds?**

***Wat zijn de bindende elementen van de gebruikte beleggingsstrategie op basis waarvan beleggingen worden geselecteerd die bijdragen aan de beoogde promotie van de milieu- of sociale kenmerken van dit financiële product?***

De a.s.r. WelThuis hypotheken in het Fonds zijn georigineerd door ASR Levensverzekering N.V., zodoende zijn alle hypothecaire beleidsstukken van ASR Nederland N.V. van kracht op dit product, evenals de algemene voorwaarden van de WelThuis producten. Het Fonds belegt in een dwarsdoorsnede van nieuwe productie a.s.r. WelThuis-hypotheken.

Geldnemers zijn niet verplicht om een verduurzamingshypotheek en/of een startershypotheek af te sluiten als zij een hypothecair krediet bij ASR Levensverzekering N.V. wensen af te sluiten. Het beleid van ASR Levensverzekering N.V. is er echter wel op gericht om het gebruik door geldnemers van de verduurzamingshypotheek en de startershypotheek te stimuleren.

***Hoe wordt die strategie doorlopend in het investeringsproces toegepast?***

De Beheerder neemt een dwarsdoorsnede van de hypotheekproductie van ASR Levensverzekering N.V. af. De beheerder kan de ontwikkeling van de duurzaamheidsindicatoren in de fondsportefeuille vergelijken met de totale door ASR Levensverzekering N.V. beheerde portefeuille.

***Wat is het beleid om good governance-aspecten van de ondernemingen waarin wordt geïnvesteerd te beoordelen?***

Het Fonds belegt niet in ondernemingen, maar uitsluitend in a.s.r. WelThuis hypotheekvorderingen van ASR Levensverzekering N.V. Dit onderwerp is daarom niet van toepassing op dit financiële product.

***Waar kan ik meer informatie vinden over de beleggingsstrategie?***

Meer product specifieke informatie kan worden gevonden op de volgende website:  
[www.asrvermogensbeheer.nl/](http://www.asrvermogensbeheer.nl/)

**III. Wat is de beoogde *asset allocation* van dit financiële product?**

Het Fonds belegt 100% in hypotheekvorderingen die zijn georigineerd door ASR Levensverzekering N.V.

Op 30 september 2021 heeft 7,8% van de hypotheeklen in het subfonds non-NHG en 7,13% in subfonds NHG van het hypotheekfonds een verduurzamingshypotheek. 0,8% van de hypotheeklen in subfonds non-NHG en 1,92% van subfonds NHG van het hypotheekfonds is een startershypotheek.

Daarnaast kunnen klanten er wel voor kiezen om op andere manieren te verduurzamen via a.s.r. door via een bouwdepot energiebesparende maatregelen te financieren.

Het Fonds kent geen minimumbandbreedtes van deze categorieën beleggingen.

Het beginsel “geen ernstige afbreuk doen” is alleen van toepassing op de onderliggende beleggingen van het financiële product die rekening houden met de EU-criteria voor ecologisch duurzame economische activiteiten. De onderliggende beleggingen van het resterende deel van dit financiële product houden geen rekening met de EU-criteria voor ecologisch duurzame economische activiteiten.

Om inzicht te kunnen geven in de toepasselijkheid van dit beginsel, is een verbetering van de datakwaliteit en de beschikbaarheid van de benodigde data aan de hand van de Taxonomieverordening noodzakelijk. De sectorale minimum prestatiecriteria voor het zestal EU-milieudoelstellingen in de Taxonomieverordening zijn nog in ontwikkeling en de Taxonomieverordening zal komende jaren stapsgewijs in werking treden. Verwacht wordt dat vanaf 2023 meer inzicht kan worden gegeven in de wijze waarop aan het beginsel van “geen ernstige afbreuk doen”.

***Welke overige beleggingen doet het Fonds, wat is het doel ervan en zijn er minimumwaarborgen op milieu- of sociaal gebied?***

Zoals hierboven uiteengezet, beoogt ASR Levensverzekering N.V. het verstrekken van hypotheekvorderingen met bepaalde duurzaamheidskenmerken te promoten. Het Fonds belegt in een dwarsdoorsnede van nieuwe productie van ASR Levensverzekering N.V. Omdat niet alle nieuwe productie van ASR Levensverzekering N.V. een duurzaamheidscomponent en/of starterhypotheek bevat, voldoen sommige vorderingen waarin het Fonds belegt niet aan deze kenmerken. Het Fonds belegt in deze overige vorderingen uit hoofde van hypothecair krediet omdat het Fonds een dwarsdoorsnede van de nieuwe productie van ASR Levensverzekering N.V. belegt. Voor deze overige beleggingen gelden geen minimumwaarborgen op milieu- of sociaal gebied.

**IV. Houdt dit financiële product rekening met de belangrijkste negatieve gevolgen (*principal adverse impacts*) voor duurzaamheidsfactoren?**

- ☒ Ja  
☐ Nee

De Beheerder heeft een *Principal Adverse Impact (PAI)* verklaring opgenomen op haar website. De Beheerder past dit toe bij het beheer van haar beleggingsfondsen. Niet bij elke beslissing over het verwerven van een hypotheekvordering, wordt impact op duurzaamheidsfactoren meegenomen. De reden hiervoor is dat de portefeuille van het Fonds een dwarsdoorsnede van de hypotheekproductie van ASR Levensverzekering N.V. vertegenwoordigt.

Dat neemt niet weg dat via aanbieder ASR Levensverzekering N.V. ernaar wordt gestreefd om door middel van het gevoerde beleid te sturen op verduurzaming van de onderliggende woningvoorraad waarvoor hypothecair krediet wordt verstrekt, alsmede de brede beschikbaarheid van hypothecaire financiering voor starters op de woningmarkt.

**V. Kan ik online meer product specifieke informatie vinden?**

Meer product specifieke informatie kan worden gevonden op de website van de Beheerder.



## VI. Effect van duurzaamheidsrisico's op het rendement van het Fonds

Met het genoemde duurzaamheidsbeleid en beleggingsstrategie verankert de Beheerder duurzaamheid in haar beleggingsproces en beoogt daarmee de impact van duurzaamheidsrisico's op het rendement van de portefeuille te beperken en te beheersen. Dat laat onverlet dat duurzaamheidsrisico's zich kunnen manifesteren en een impact op de beleggingen en het rendement van het Fonds zouden kunnen hebben.

### Fysieke risico's

De objecten waarin het Fonds belegt staan bloot aan fysieke klimaatrisico's. Deze kunnen zich manifesteren door bijvoorbeeld overstromingen, storm, hitte en een beperkte toegang tot natuurlijke hulpbronnen. Dit kan betekenen dat de objecten waarin het Fonds belegt minder waard worden. Specifiek voor het Fonds zijn met name de volgende risico's relevant.

- Overstromingsrisico: voor het Fonds is dit een relevant risico omdat de objecten waarin het Fonds belegt, zich voor een deel bevinden in een gebied met overstromingsrisico. Als een overstroming plaatsvindt in een dergelijk gebied, heeft dit waarschijnlijk een negatief effect op de waarde van deze objecten. Dit kan onder andere meebrengen dat de waarde van het Fonds negatief beïnvloed wordt. De Beheerder adresseert dit door het hanteren van een sectorale en geografische spreiding en het hanteren van een originatiebeleid. Dit risico wordt voor het Fonds ingeschat als klein.
- Droogterisico: voor het Fonds is dit een relevant risico omdat de objecten waarin het Fonds belegt, zich voor een deel bevinden in een gebied dat gevoelig is voor perioden van droogte. Als een periode van droogte plaatsvindt in een dergelijk gebied, heeft dit waarschijnlijk een negatief effect op de waarde van deze objecten. Dit kan onder andere meebrengen dat de waarde van het Fonds negatief beïnvloed wordt. De Beheerder adresseert dit door het hanteren van een sectorale en geografische spreiding en het hanteren van een originatiebeleid. Dit risico wordt voor het Fonds ingeschat als zeer klein.
- Stormrisico: voor het Fonds is dit een relevant risico omdat de objecten waarin het Fonds belegt, zich voor een deel bevinden in een gebied waar de kans op storm(schade) zich relatief vaker kan voordoen. Als een (grote) storm plaatsvindt in dit gebied, kan dit een negatief effect op de waarde van deze objecten hebben, en daarmee de waarde van het Fonds. Dit risico wordt voor het Fonds ingeschat als zeer klein.

## **VII. Integratie van duurzaamheidsrisico's in beleggingsbeslissingen**

De hypothecaire leningen binnen het Fonds zijn afkomstig van ASR Levensverzekering N.V. Zodoende zijn alle beleidsstukken van ASR Nederland N.V. van kracht op dit product, evenals de algemene voorwaarden van de WelThuis producten.

De Beheerder voert een continue dialoog met de kredietverstrekker over de hierboven genoemde duurzaamheidsonderwerpen. Er wordt doorlopend bekeken hoe de portefeuille ten aanzien van deze aspecten is opgebouwd.