

ASR Pensioen Mixfondsen  
Annual Report

2019

— a.s.r. —  
de nederlandse  
vermogens  
beheerders

# General information ASR Pensioen Mixfondsen

**Office address of the Manager**

ASR Vermogensbeheer N.V.

Archimedeslaan 10

3584 BA Utrecht

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

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

**Board of the Manager**

J.Th.M. Julicher

M.R. Lavooi

**Legal owner of the investments**

Stichting ASR Bewaarder

Archimedeslaan 10

3584 BA Utrecht

**External Auditor**

Ernst & Young Accountants LLP

Wassenaarseweg 80

2596 CZ Den Haag

**Legal advisor of the Manager**

De Brauw Blackstone Westbroek N.V.

Claude Debussylaan 80

1082 MD Amsterdam

**Date of incorporation**

30 September 2013

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# Management board's report

## General

ASR Vermogensbeheer N.V. (hereinafter referred to as 'a.s.r. vermogensbeheer' or 'the Manager') is the manager of the ASR Pensioen Mixfondsen ('the Fund'). a.s.r. vermogensbeheer has its registered office in Utrecht and is listed in the Commercial Register of the Chamber of Commerce in Utrecht under number 30227237. a.s.r. vermogensbeheer is wholly owned by ASR Nederland N.V.

a.s.r. vermogensbeheer's objective is to provide investment services, manage assets and act as asset manager on behalf of third parties. a.s.r. vermogensbeheer offers asset management services for pension funds, insurers, guarantee funds and donor-advised funds, charitable organizations, regional authorities, healthcare and educational institutions, network companies, housing associations and other players in the social domain, with a focus on services as tailor-made solutions with a sound return. a.s.r. vermogensbeheer also offers institutional investment funds and integral management with modular elements such as ALM advice or reports for regulators. The product range consists of European corporate bonds, interest rate overlay, European government bonds, European stocks, American stocks, balanced mandates, tailored bond portfolios, mutual loans, fixed-rate index investments, real estate and mortgages. We purchase other investment categories in accordance with a.s.r.'s quality and sustainability criteria.

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

## AIFM license

a.s.r. vermogensbeheer holds a license as manager of alternative investment institutions as referred to in Section 2:65 (1) (a) of the Financial Supervision Act (*Wet op het financieel toezicht*, "Wft").

Pursuant to Section 1: 102, paragraph 2, of the Wft, the scope of the license is limited to the offering of participations in:

- investment institutions that invest in financial instruments; and
- investment institutions that invest in mortgage claims;

Under this license, a.s.r. vermogensbeheer acts as the manager of the following alternative investment institutions: ASR Beleggingsfondsen, ASR Mixfondsen, the Luxembourg alternative investment institution ASR Fonds SICAV ('Société d'investissement à Capital Variable'), ASR Hypotheekfondsen, ASR Kapitaalmarktfondsen, ASR Depositofondsen, ASR ESG IndexPlus Institutionele Fondsen, ASR ESG IndexPlus Fondsen, ASR Duurzaam Institutioneel Nederlandse Aandelen Fondsen, First Liability Matching N.V., Loyalis Global Funds and the ASR Separate Account Mortgage Fund.

a.s.r. vermogensbeheer also acts as the manager of ASR Beleggingspools, ASR Vastgoed Basisfondsen, ASR Amerika Aandelen Basisfondsen, ASR Basisfondsen, ASR Beleggingsmixfondsen, ASR Pensioen Staatsobligaties 15+ Jaar, ASR Pensioen Staatsobligaties 10-15 Jaar and ASR Pensioen Mixfondsen. Pursuant to Section 1:13a (1) (g) of the Wft, the management of these investment vehicles is exempt from the obligations set out in the Wft and derived regulations, and the management is therefore not subject to supervision by the Dutch Authority for the Financial Markets (AFM).

a.s.r. vermogensbeheer has been granted a license by the Dutch Authority for the Financial Markets (AFM) to provide additional investment services to professional clients pursuant to Section 2:67a (2) (a), (b) and (d) of the Wft. The license permits a.s.r. vermogensbeheer to provide investment services to professional clients. a.s.r. vermogensbeheer is therefore permitted to carry out asset management on behalf of third parties, including managing individual assets of pension funds, insurers, charitable foundations and government institutions. a.s.r. vermogensbeheer can also provide investment advice on financial instruments and receive and forward client orders relating to financial instruments.

## Fund profile

### Structure of the Fund

The Fund was established on 30 September 2013. In January 2014, the first policyholder premiums were invested in the Subfunds according to the specific distribution of the Subfund in question, with the aim of achieving the best possible result based on the risk profile. The life cycles for pension accrual were changed with effect from 1 January 2016 to achieve a better long-term return. Due to the introduction of the Dutch Premium Schemes (Improvements) Act (continued investment) (Wet verbeterde premieregeling), ASR Pensions has developed a new strategic investment policy in relation to the new life cycles based on analyses. The start date is 1 January 2018.

The Fund is an umbrella fund that is divided into a number of Subfunds by means of the issue of various series of Participations. Each series of Participations (Subfund) has its own investment policy, specific name, risk profile, cost structure, administration and price-setting.

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

It is possible to invest in the following Subfunds by means of an insurance product offered by a.s.r. Pensions:

Subfund	Manager
ASR Pensioen Mixfonds Defensief (APMD)	Mr. J.P.W.E. Gijbbers
ASR Pensioen Mixfonds Neutraal (APMN)	Mr. J.P.W.E. Gijbbers
ASR Pensioen Mixfonds Offensief (APMA)	Mr. J.P.W.E. Gijbbers

### Investment philosophy of the Fund

The aim of the Fund is to offer a well-balanced fund portfolio for varying risk profiles. The Fund is offered within pension schemes on the basis of a defined contribution. The Fund is an important part of the investment portfolio, which is designed for capital appreciation. The capital of each Subfund is invested in varying proportions within a tactical range in a number of investment categories, namely shares (Europe/United States/Pacific region excluding Japan/Emerging Markets), government bonds (Eurozone/Emerging Markets) and corporate bonds (Eurozone/Emerging Markets/Worldwide).

### Manager and Legal Owner

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

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

### Meetings of Participants

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

### Voting policy

In accordance with the Dutch Corporate Governance Code and the a.s.r. Socially Responsible Investment Policy, voting policy has been developed, on the basis of which a.s.r. fulfils its role as an institutional investor at shareholder meetings. This voting policy is applied to all listed shares in companies managed by a.s.r. vermogensbeheer. The account of how voting rights have been exercised provides a complete insight into the exercising of voting rights at shareholder meetings. Further information regarding voting policy is included in 'Sustainability policy' paragraph.

### Dividend policy

The Fund does not distribute dividends.

**Costs and fees**

The Fund does not charge any transaction costs for the issue and purchase of Participations, also referred to as entry and exit charges. However, the underlying investment funds that are the subject of investment often charge a fee for the issue and purchase of participations in the relevant funds. These fees are credited to the investment funds to compensate for transaction costs incurred if underlying investments need to be acquired due to issuance or if investments need to be sold due to purchase.

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

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

**Securities lending**

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

**Transactions with related parties**

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

**Available documentation**

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

**Complaints**

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

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

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

## Report of the manager

### Key figures

In 2019, the Fund capital increased significantly by more than €1.2 billion. This was mainly due to an internal conversion process (Generali) and changes in the life cycles of the ASR Werknemers Pensioen pension product. In addition, the favourable interest rate environment contributed to a positive return, in both absolute and relative terms.

A breakdown of the fund capital according to the Subfunds can be found below:

x 1,000	31-12-2019	31-12-2018	% change	€ change
ASR Pensioen Mixfonds Defensief	€ 335,094	€ 286,349	17.02%	€ 48,745
ASR Pensioen Mixfonds Neutraal	€ 2,802,853	€ 1,672,235	67.71%	€ 1,130,618
ASR Pensioen Mixfonds Offensief	€ 91,170	€ 48,798	86.83%	€ 42,372
<b>Fund capital</b>	<b>€ 3,229,117</b>	<b>€ 2,007,382</b>	<b>60.86%</b>	<b>€ 1,221,735</b>

The return on the Fund is based on the Net Asset Value less costs. The returns shown in the table below are one-year returns.

Return calculation	Reference date	Fund	Benchmark
ASR Pensioen Mixfonds Defensief	31-12-2019	22.26 %	21.63 %
ASR Pensioen Mixfonds Neutraal	31-12-2019	24.58 %	23.98 %
ASR Pensioen Mixfonds Offensief	31-12-2019	26.80 %	26.08 %

The benchmark for the Fund is a combination of the representative benchmarks that apply to each investment category in which the fund invests.

#### ASR Pensioen Mixfonds Defensief

Value movement per participation	2019	2018	2017	2016	2015
Income	0.15	0.13	0.30	0.10	0.02
Changes in value	13.76	-4.66	1.22	5.93	0.75
Costs	-0.20	-0.19	-0.20	-0.20	-0.20
<b>Result after tax</b>	<b>13.71</b>	<b>-4.72</b>	<b>1.32</b>	<b>5.83</b>	<b>0.57</b>

#### ASR Pensioen Mixfonds Neutraal

Value movement per participation	2019	2018	2017	2016	2015
Income	0.17	0.14	0.29	0.17	0.04
Changes in value	15.05	-3.36	3.36	7.22	-0.59
Costs	-0.21	-0.19	-0.20	-0.19	-0.20
<b>Result after tax</b>	<b>15.01</b>	<b>-3.41</b>	<b>3.45</b>	<b>7.20</b>	<b>-0.75</b>

#### ASR Pensioen Mixfonds Offensief

Value movement per participation	2019	2018	2017	2016	2015
Income	0.20	0.13	0.30	8.04	0.04
Changes in value	16.53	-4.17	4.02	7.81	-1.81
Costs	-0.22	-0.20	-0.20	-0.20	-0.20
<b>Result after tax</b>	<b>16.51</b>	<b>-4.23</b>	<b>4.12</b>	<b>15.65</b>	<b>-1.97</b>

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

## Developments affecting the fund during the reporting period

### *Composition of the Manager's management board*

On 11 November 2019, Mr. J.J.M. de Wit stepped down as a director of the Manager. The management board currently consists of two persons, which meets the minimum requirements set for the Manager.

### *Adjustment investment policy*

In October 2019, the investment policy of ASR Pensioen Mixfondsen was adjusted. The reason for this was the improved risk-return ratio based on an evaluation cycle (and change cycle) of DC Pensioenbeleggingen, also known as a.s.r. Werknemers Pensioen. On the basis of these analyses, the strategic weightings have been adjusted. The reason is that ASR Pensioen has adopted the proposal to adjust the life cycles, to invest more in equities within the three ASR Pensioen Mixfondsen, to add a later phasing-out period to the neutral/defensive profile and to add a government bond fund with a high duration. Within the ASR Pensioen Mixfondsen, the equities category was increased by 5% and bonds decreased by 5%. More investments are being made worldwide. With this, the most efficient allocation for a slightly higher risk budget has been determined. The amount of the costs, in terms of Current Costs Factor (maximum of 0.29% on an annual basis), has remained unchanged.

In November 2019, the conversion of the allocation in the ASR Pensioen Mixfondsen to High Yield bonds was implemented in two sustainable variants for the Europe region and the United States region. These new index trackers were developed by a.s.r. vermogensbeheer in cooperation with BlackRock and were introduced on Euronext Amsterdam in November 2019. This will make the life cycles of the a.s.r. Werknemers Pensioen even more sustainable, thanks to exclusions of controversial activities and exclusions due to gross violations of the UN Global Compact standards. In addition, these index trackers invest more in companies that score above average in their sector for their corporate social responsibility policies.

## Risk management

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

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

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

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

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

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

Regular reviews are also conducted during the year, in which new developments are also taken into account and it is assessed whether any changes or improvements to the risk management system are required.

## Insight into risks

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

The overview included in the appendix entitled 'Specification of Investments per Subfund' provides information on the level of diversification of investments in terms of both region and currency and by individual name, as well as information on the interest rate and the remaining term per investment in the case of fixed-income investments. It also gives an indication of price risk, among other

things. In terms of derivative financial instruments, insofar as these instruments are part of the portfolio at the time of reporting, breakdowns are included in the explanatory notes to the balance sheet and/or profit and loss account where relevant.

#### **Fund governance and policy regarding conflicts of interest (DUFAS code of conduct)**

In order to provide the Participants with guarantees that the management of the Fund will be carried out in a controlled and ethical manner and that the services will be provided with due care as referred to in the Wft, the Manager has endorsed the code of conduct drawn up by the sector organization DUFAS (Dutch Fund and Asset Management Association). This code of conduct sets out best practices relating to fund governance and offers further guidelines for the organizational structure and procedures of managers of investment institutions, with the aim of ensuring that managers act in the interests of the participants in their investment institutions, and structure their organizations in a way that prevents conflicts of interest.

An important part of fund governance is the presence of a Supervisory Board or entity that is sufficiently independent from the Manager and that supervises the management of the investment institutions by the Manager. This supervisory body has the task of monitoring compliance by the manager with its obligation to act in the interests of the participants in its investment institutions.

The Manager has set out its 'principles of fund governance' in a Fund Governance Code. In addition, the Manager has drawn up a policy regarding conflicts of interest for all its activities. The principles underlying the policy are the avoidance and management of conflicts of interest that could be disadvantageous to clients of the Manager, and the equal and fair treatment of clients.

The Fund Governance Code and the Conflict of Interest policy can be found on the Manager's website.

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

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

In line with the AIFMD legislation (Article 80), responsibility for risk management is a separate activity within the Manager's organization. In accordance with the AIFM Directive, a distinction is made between risks relating to the funds and risks relating to the Manager's organization.

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

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

#### **Risk and limit control**

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

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

The risk associated with the Subfunds is limited by distributing the assets of a Subfund across a large number of securities. As each Subfund pursues its own investment policy, the risks vary for each Subfund. The risks for each Subfund will be described in greater detail in the Subfunds section. A full list of risk factors can be found in Section 4 Risk Profile of the prospectus.

Daily monitoring takes place based on the limits set out in the mandate and the prospectus. If the limits have been exceeded, immediate action will be taken. The Risk and Compliance division produces a monthly dashboard that clearly and quickly identifies whether any incidents have occurred or limits have been exceeded, as well as the severity and the impact of the report. The dashboard is discussed

by the Risk Management Committee at its monthly meetings, and also shared with the Supervisory Board. A report register is also kept to monitor action taken following an incident report.

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

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

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

#### Monitoring operational risks

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

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

# Sustainability policy

## ASR as sustainable investor

Already since 2007 a.s.r. has a formally approved investment policy which is being applied to all its investments, both for own account as for third party clients. With the years a.s.r. expanded the efforts from the original exclusionary criteria to focus on achieving a positive contribution to a more sustainable world. A regular update can be found in our quarterly ESG reports on <https://www.asrnl.com/about-asr/sustainable-business>.

All investments managed by a.s.r. asset management are screened against the Socially Responsible Investment (SRI) policy (see [www.asrnl.com](http://www.asrnl.com)), focusing on aspects such as governance, social and environmental criteria. Countries and businesses that do not meet the criteria are excluded. These include producers of controversial or offensive weapons, tobacco, and the gambling industry and companies that derive the majority of their revenues from mining of coal, tar sands and oil shale, coal-fired electricity production and nuclear energy. a.s.r. also assesses businesses on their level of compliance with international conventions such as the OECD guidelines, the UN Guiding Principles and UN Global Compact.

a.s.r. safeguarded the full compliance of its SRI policy using a three-step process: internal teams implementation (investment departments), compliance process (Risk) and independent external assurance (by Forum Ethibel). Sustainability is an essential part of a.s.r.'s investment beliefs. For a.s.r., the integration of ESG factors in the management of its investments contributes directly to the reduction of risks (both financial and reputational risks) and has a positive effect on its long-term performance. a.s.r.'s SRI policy has been integrated into its internal investment practice through:

### Exclusion criteria for countries and companies

a.s.r. pursues a strict exclusion policy for controversial activities which it applies to all internally managed portfolios, both for its own account and for third parties. In 2019 this policy was expanded by tightening the policy on fossil fuels: the threshold for companies deriving revenues from coal mining, tar sands and oil shale was lowered from 30% to 20%. Companies deriving more than 50% of their revenue from coal-fired electricity production were also excluded. By the end of 2019, 270 of the screened companies had been excluded due to involvement in human rights violations, labour rights violations, environmental violations, armaments, tobacco, gambling, coal mining, coal-fired electricity generation, tar sands & oil shale and nuclear energy-related activities. With regard to investments in sovereign debt, a.s.r. has excluded 82 countries that are poor performers in the annual Freedom in the World report or which score a low ranking on the Corruption Perceptions Index or on the Environmental SDGs.

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

Best-in-class investing is part of a.s.r.'s selection process for companies based on ESG best practices and products. a.s.r. favours companies that achieve an above-average performance in ESG policy and implementation. Based on Vigeo Eiris research, which is ISO 9001-certified, companies are classified as pioneering, best-in-class and sustainable companies using a relative, sector-based ranking for six domains of analysis: Human Resources, Environment, Market Ethics, Good Governance, Social Impact and Human Rights. A detailed description of these criteria is published on the a.s.r. website (<https://www.asrnl.com/about-asr/sustainable-business>). In 2019, a.s.r. expanded its ESG research capabilities by entering into partnership with MSCI ESG. With this partnership, a.s.r. is able to collect more ESG data.

For sovereign bonds, a.s.r. applies a best-in-class selection of countries based on their Sustainable Development Goals (SDG) performance, in line with the SDG country ranking published by the SDG Index: the weighted average score of the a.s.r. sovereign portfolio is ranked in the first quartile (best-in-class) of the SDG Index.

### Engagement

In 2019, a.s.r. increased its engagement efforts to actively promote higher sustainability practices. The list of engaged companies is published on the a.s.r. website, including the reason and status of the engagement.

a.s.r. actively engaged with a total of 22 companies. Besides a.s.r. joined several collective engagements. a.s.r. defines three types of engagement:

1. Engagement for the purpose of influencing: this type of engagement is used to move companies towards better sustainable practices. In 2019, the issues addressed included the following:
  - Global Compact breaches through a.s.r.'s partnership with Robeco: the updated list of companies under engagement and their status can be found on the website of a.s.r.
  - Living wages through the Platform Living Wage Financials (PLWF): the PLWF is a collaborative partnership between 13 financial institutions to engage listed companies in the garment, agri-food and retail sector to address living wage issues in their supply chain. In 2019, a.s.r. actively contributed to the engagement of 8 of the companies and finalised the development of the methodology for the food-agri and retail sectors.

- Fur and exotic leather through collaborative engagement: the use of real fur and exotic leather is attracting growing criticism and major luxury brands have declared their intention to step out of the fur business. Together with two peer investors, a.s.r. has successfully closed the engagement with 5 luxury brands on taking steps towards phasing out fur in 2019.
- 2. Engagement for the purpose of monitoring: sustainability is a standard topic on a.s.r.'s agenda at meetings with companies from its investment portfolio. a.s.r. has also been in dialogue with other players in the investment landscape, such as fund and index providers, to actively encourage a further ESG integration for their role in the investment chain.
- 3. Public engagement: In 2019, a.s.r. continued to actively participate in the implementation of the International Corporate Social Responsibility (ICSR) sector covenant, together with peers, the public sector and various Non-Governmental Organisations (NGOs). a.s.r. played an active role in three working groups (general assembly, development of specific guidelines for a climate policy and the extra yearly 'Do-Good' working group for the sector). The first ICSR assessment was published in November 2019 with a positive evaluation.

At the Platform Carbon Accounting Financials (PCAF), a.s.r. made an active contribution to four working groups for general PCAF management and for developing a carbon accounting methodology for real estate, mortgages and indirect investments, and also road tested different methodologies for setting Science-based Targets (SBT's).

In August 2019, a.s.r. committed itself to a collaborative engagement with the Access to Medicine Index to promote access to medicines (SDG3) among the 19 companies from the Index. In 2019, a.s.r. was involved in the start of a new Biodiversity Working Group under the Sustainable Finance Platform of the Dutch Central Bank (SDG 14+15). It also joined the FAIRR initiative, which addresses ESG issues in animal protein supply chains (SDG 12). a.s.r. took part in a number of UN PRI (United Nations Principles for Responsible Investment) initiatives: the signing of the UN PRI coordinated response to the Vale Dam failure, the UN PRI Investor statement on deforestation and forest fires in Brazil (SDG 15) and the UN PRI Investor statement to Support the UN Women's Empowerment Principles (SDG 5).

### Voting

A shareholders' right to vote is essential for a proper functioning of a corporate governance system. a.s.r. exercises this right whenever relevant. a.s.r.'s voting policy ([www.asrnl.com](http://www.asrnl.com)) has been developed in accordance with the Dutch Corporate Governance Code and a.s.r.'s SRI policy. This policy is applicable to all internally managed listed equities. In 2019 a.s.r. developed further specifications with its proxy voting provider to flag ESG-related issues. Further information regarding the voting policy including the use of advisors and engagement activities can be found on <https://www.asrvermogensbeheer.nl/overig/stembeleid>.

In 2019, a.s.r. voted at nearly 97% of the shareholder meetings held. Of the 1052 shareholder's meetings, 408 had at least one vote Against, Withheld or Abstained from a.s.r. 60 of these 408 meetings had one or more votes against remuneration with regard to the Board of Directors or Supervisory Board and 174 meetings had one or more votes against appointments. During the year several voting themes were subject in the shareholder meetings. The majority of proposals (41%) concerned an ask for increased transparency on lobbying practices and political contributions. Also, many shareholder proposals addressed gender equality in 2019 (23%). The voting accountability report provides a quarterly review of how a.s.r. exercised its voting rights at shareholder meetings. The full report for 2019 is available on a.s.r.'s website.

### Climate and energy transition

a.s.r. has integrated climate change and energy transition into its strategic asset allocation as an explicit theme/driver since 2016, and has also taken measures to implement its commitment across the investment portfolio. a.s.r. has analysed and identified risks for the investment portfolio both bottom-up - taking into account stranded assets and changing business models in for example the mining and energy sectors – and top-down, in its strategic asset allocation (SAA) using climate scenario's. In the ASR 2019 Annual Report, a.s.r. will report on climate risks and opportunities according to the TCFD (Taskforce on Climate-related Financial Disclosures) for the first time.

a.s.r. is involved in the development of a robust methodology for financial institutions to set Greenhouse Gas reduction targets and manage the scope 3 downstream emissions of their investments. This is being led by the SBTi (Science Based Targets initiative) – in collaboration with over 40 global financial institutions and various knowledge partners such as PCAF, Navigant and the 2° Investing Initiative – and is meant to align investment (and lending) portfolios with decarbonization pathways that fit with the ambition of the Paris Agreement. a.s.r. expects a globally coordinated and agreed methodology to become available in 2020 which will allow a.s.r. to deliver on its commitments under the "Klimaatakkoord" as articulated in this report.

**Responsible investing by a.s.r. is recognized**

In 2019, a.s.r.'s ESG investing policy was recognised by a number of external parties:

- a.s.r. was awarded the number 1 position in the Dutch Insurers Benchmark by the Dutch Association of Investors for Sustainable Development (VBDO). a.s.r. was cited as having the best practice in the report 'Dutch institutional investors and climate change'
- a.s.r. was recognised in 3 different ways by UNPRI:
  - UN PRI qualified a.s.r. as the 2019 Group Leader. The title was awarded for the first time this year to the top 10% members of UN PRI for their efforts in selecting external asset managers for listed and private equity.
  - The Platform Living Wage Financials (PLWF), in which a.s.r. is a partner, won the UN PRI prize for best initiative in the field of socially responsible investment and active shareholding.
  - a.s.r. sustainable investing strategy was awarded the highest score by UN PRI assessment, scoring the same or better than the sector average in all areas, with the highest possible score A+ given for its strategy and governance and the ESG management of its equity investment.
- The peace organisation PAX included a.s.r. in its Hall of Fame for the 5<sup>th</sup> time in recognition of its policy against nuclear weapons.
- In a new practice study by the Fair Insurance Guide on investments by insurers in the pharmaceutical industry, a.s.r. was identified as one of the top 3 insurers taking affordable medicines and whether the pharmaceutical companies pay taxes in a fair manner into account. Later in 2019, a.s.r. was ranked as one of two insurers with a very low exposure to shale gas companies.

# Market developments and outlook

## Economic developments

There was pressure on the growth of the world economy for much of 2019 due to two main themes: one was the trade war between the US and (especially) China; the other was Brexit. The growth rate of the world economy for the whole of 2019 was ultimately about 3%. This growth rate is the lowest since 2009, at the height of the financial crisis. However, the situation today is much less dramatic than ten years ago, when the growth of the world economy stalled to a rounded 0%. In 2019, the world economy grew not much less than the average growth over the past ten years of about 3.5%.

Uncertainty about the course of the trade war was the main reason for the slowdown in the global economy over 2019. The trade war affects all the economies involved directly through a lower contribution to economic growth from exports and imports, and indirectly through a decrease in the contribution from corporate investments, which are being postponed or adjusted because of uncertainty about the next steps in the trade war.

Aside from the trade war, continued uncertainty about Brexit (particularly for the European countries and the UK itself) and increased tensions in the Middle East caused confidence in the near future to decline, especially among companies. This situation is clearly reflected in the trend in producer confidence indicators, which declined steadily worldwide in 2019. At this stage of the economic cycle, growth is mainly driven by consumer spending. In 2019, this component remained resilient. Finally, government spending also made a predominantly positive contribution to growth in 2019.

## Inflation

Meanwhile, the inflation situation has not changed significantly in 2019. Both in the US and in the eurozone, headline inflation was under pressure for most of 2019, although it increased again towards the end of 2019. Core inflation (excluding volatile food and energy prices) increased slightly during the year, mainly due to increasing wage pressure. This factor played a role in both the US and the eurozone. Both headline and core inflation ended up around 2% in the US and 1.3% in the eurozone at the end of 2019.

## Interest rates

For central banks, the combination of disappointing economic growth figures, heightened political risk and limited inflationary pressure prompted a remarkable turnaround in monetary policy over 2019. While the US central bank (the Fed) expected at the end of 2018 to raise interest rates in 2019, it instead cut the base rate in three steps by a total of 75 basis points during the course of the year. In the meantime, outgoing ECB President Mario Draghi increased the supply of money. In September, while the ECB lowered the interest rate only slightly (European deposit rates went from -0.4% to -0.5%), Draghi also announced that the previously discontinued 'quantitative easing' (QE) programme would be resumed, with monthly purchases of government and corporate bonds of €20 billion.

## Financial markets

Considering the disappointing development of the global economy, 2019 was actually a remarkably good investment year. On balance, 2019 was indeed the best year of the past decade for many investors. However, it is important to note that part of the returns achieved in 2019 were making up for the lost ground following the mediocre investment year 2018, certainly after the markedly poor last quarter of 2018.

The general rule for investors in 2019 was that risk-taking was rewarded. Equities were the best-performing asset class, with returns around 20–30% over the year as a whole. While the US stock market was the best-performing in 2019, emerging markets and Asian equities caught up towards the end of the year.

Although government bonds (the 'safest' asset class) also yielded positive returns in 2019, they lagged behind other asset classes. Government bond yields were mainly achieved in the period up to the end of August. Before this time, long-term interest rates had been falling, even resulting in negative interest rates on an ever-increasing number of government bonds. Interest rates recovered somewhat in the final months of the year.

As real estate and corporate bonds fall between equities and government bonds in terms of risk/return characteristics, they also yielded returns that were higher than those on government bonds but lower than those on equities in 2019.

**Outlook for the economy and financial markets**

Following a continuous deterioration for most of 2019, economic growth prospects stabilised or improved slightly towards the end of the year. Recently, inflationary pressures have also increased slightly, both in the US and in the eurozone. However, the outlook for the economy and the financial markets is completely different compared to the expectation three months ago, with the outbreak of the COVID-19 coronavirus from a local epidemic in the Chinese city Wuhan to the biggest pandemic since the Spanish Flu 100 years ago. A global recession is unavoidable, the current question is mainly how long this will last. As long as there are not any signs that the spread of the virus is stopped, it is not possible to make a substantiated prediction. For financial markets, this is expected to result in continuous volatility in the first place. It should be noticed that the exceptional measures of governments and central banks – which were announced towards the end of the first quarter of 2020 - will do as much as possible to reduce economical damage as well as possible financial systemic risk.

With the strong price movements in recent period, the valuation of the different asset classes has changed seriously, but this does not provide a clear view yet. Based on price-earnings ratio, stock seems much cheaper than one quarter ago, but the question rises whether the expected deterioration of the corporate profits is fully taken into account. For government bonds the question rises whether current – still historically low - interest rates are a good reflection of the combination of further large-scale monetary expansion and the fundamental shift in the budgetary policy of many countries. Also the markets for corporate bonds (for example 'high yield') and real estate (for example 'mortgage REIT's') look vulnerable here and there (but especially in the United States). Therefore, it is not advisable to hold overly pronounced tactical positions in investment portfolios on balance.

## Subfunds

### General

The ASR Pensioen Mixfondsen offer the opportunity to invest in an actively managed investment portfolio for long-term capital appreciation, consisting of a combination of government bonds, corporate bonds and shares. These ASR Pensioen Mixfondsen have the risk profiles Defensive, Neutral and Offensive, as reflected by the investment results for 2019. The policy for the Subfunds is to maintain a position around the neutral weighting for the various investment categories and to avoid unnecessary transaction costs. The names of the different Subfunds have been abbreviated as follows:

Subfund	Abbreviation
ASR Pensioen Mixfonds Defensief	APMD
ASR Pensioen Mixfonds Neutraal	APMN
ASR Pensioen Mixfonds Offensief	APMA

The only costs charged within the Subfunds are a management fee and a service fee. These fees are calculated daily based on the fund Net Asset Values, and paid to the Manager every month.

Fund characteristics	
Management fee	0.20 %
Service fee	0.09 %
Entry charge	0.00 %
Exit charge	0.00 %

### Return and portfolio policy

The various Subfunds each have their own distribution across the investment categories, with bonds representing the lowest and shares the highest risk. The following table shows the neutral distribution of the various investment categories across the Subfunds. A neutral distribution across the investment categories is determined with a maximum and minimum limit, based on macroeconomic forecasts. On 21 October 2019, the new investment policy took effect, to which the following strategic weightings apply. An increasing risk is involved, specifically the higher percentage of equities in ASR Pensioen Mixfonds Defensief (from 65% to 70%), Neutraal (from 75% to 80%) and Offensief (from 85% to 90%), which increases the risk of fluctuations in the value of the investments.

Investment categories	APMD			APMN			APMA		
	Old	New	Δ	Old	New	Δ	Old	New	Δ
<b>Shares</b>									
European Shares	28.15%	28.00%	-0.15%	32.16%	32.00%	-0.16%	36.17%	36.00%	-0.17%
North American Shares	27.36%	28.00%	0.64%	32.00%	32.00%	0.00%	36.64%	36.00%	-0.64%
Emerging Markets Shares	4.80%	7.00%	2.20%	5.36%	8.00%	2.64%	6.03%	9.00%	2.97%
Pacific Region ex Japan Shares	4.69%	7.00%	2.31%	5.48%	8.00%	2.52%	6.16%	9.00%	2.84%
	<b>65.00%</b>	<b>70.00%</b>	<b>5.00%</b>	<b>75.00%</b>	<b>80.00%</b>	<b>5.00%</b>	<b>85.00%</b>	<b>90.00%</b>	<b>5.00%</b>
<b>Bonds</b>									
Euro Government Bonds	17.31%	15.00%	-2.31%	9.80%	8.00%	-1.80%	4.25%	4.00%	-0.25%
Global High Yield Bonds	4.25%	5.00%	0.75%	5.00%	4.00%	-1.00%	4.25%	2.00%	-2.25%
Emerging Markets Bonds	4.25%	5.00%	0.75%	5.00%	4.00%	-1.00%	4.25%	2.00%	-2.25%
Euro Corporate Bonds	9.19%	5.00%	-4.19%	5.20%	4.00%	-1.00%	4.25%	2.00%	-0.25%
	<b>35.00%</b>	<b>30.00%</b>	<b>-5.00%</b>	<b>25.00%</b>	<b>20.00%</b>	<b>-5.00%</b>	<b>15.00%</b>	<b>10.00%</b>	<b>-5.00%</b>

The strong recovery on the stock markets in the first quarter of 2019 made up for the sharp decline in financial markets at the end of 2018. The rest of the calendar year also showed a positive sentiment on balance, with equity prices continuing to rise. At the same time, bond investors received support from the central banks, which further eased their monetary policy. This led to lower interest rates on the capital market and consequently higher bond prices. In these market conditions, listed real estate equities performed extremely well. Investors will consequently look back with satisfaction on the results achieved in 2019, with the best returns for the higher risk profiles. Thanks to the victory of the Conservatives in the British general election and the 'Phase One' agreement between the United States and China, the

biggest risk factors of this calendar year have to a certain degree faded into the background. For the time being, the central banks do not consider it necessary to increase monetary support because of the tolerable economic figures, although inflation targets are not being met.

This favourable picture is reflected in the absolute returns of the ASR Pensioen Mixfondsen. This year, the Defensieve Mixfonds achieved a net fund return of 22,26%, the Pensioen Mixfonds Neutraal showed a price rise of 24.58% and the Mixfonds Offensief was even 26.80% higher. Key contributors to these results came from equity exposures, where annual returns for Asia/Pacific and Emerging Markets exceeded 20%, the performance of European equities exceeded 25% and US equities exceeded 30%. The total return on Euro government bonds and corporate bonds was positively influenced by the fall in capital market interest rates, so that we recorded a result of over 6% for the full calendar year in these categories. In addition, corporate bonds benefited from the decrease in the risk premium demanded by investors, which is particularly reflected in yields for High Yield bonds. Debt securities from Emerging Countries also performed well, partly driven by a stronger US dollar against the euro.

In the a.s.r. tactical vision, an underweight for government bonds was maintained throughout the year. This was offset by overweight positions in equities and/or corporate bonds, with the remainder being held in cash. Thus following the sharp rise in the stock markets at the beginning of this year, profits were taken during the first quarter and the positioning for equities was reduced from overweight to neutral. Instead, an overweight allocation was partly taken for investment-grade Euro corporate bonds. At the beginning of the fourth quarter, half of the cash position was added to the allocation to equities, and the remaining liquid assets were invested in government bonds at the end of the year. On balance, the result on this tactical positioning was positive for 2019, mainly thanks to the underweighting for government bonds. This was more than sufficient to offset the negative contributions from tactical overweight positions in liquid assets (with a negative return) and corporate bonds. Finally, we saw generally positive contributions due to the positioning in the investment portfolios of the various underlying funds, with a clearly better result than their respective benchmarks being achieved for European equities and US equities in particular. On balance, there was a positive effect for the relative performance.

We consequently see a clear outperformance in the ASR Pensioen Mixfondsen over the entire calendar year. The net fund return of the ASR Pensioen Mixfonds Defensief was 0.63% higher than the corresponding benchmark for the full year 2019. The ASR Pensioen Mixfonds Neutraal outperformed its benchmark by 0.60% and the ASR Pensioen Mixfonds Offensief recorded an outperformance of 0.72% over the same period.

Subfund	Reference date	Fund Net Asset Value (x 1,000)	Subfund Return	Benchmark Return
APMD	31-12-2019	€ 335,094	22.26 %	21.63 %
APMN	31-12-2019	€ 2,802,853	24.58 %	23.98 %
APMA	31-12-2019	€ 91,170	26.80 %	26.08 %

### Risk management

Within the Subfunds, risks occur if investments are made outside the established weightings and/or too much liquid assets are held. There are indirect risks associated with the underlying ASR Basic Funds. Given the neutral/strategic weighting of the Subfunds, they are indirectly exposed to the following risks:

APMD	This Subfund has the smallest equity exposure. Within APMD, the risks are mitigated by investing in various global funds and tracking the benchmark. The main risks affecting bonds are market, credit, political and economic, and currency risk.
APMN	This Subfund has approximately 80% equity exposure. Within APMN, the risks are mitigated by investing in various global funds and tracking the benchmark. The main risks affecting bonds are market, credit, political and economic and currency risk.
APMA	This Subfund has approximately 90% equity exposure. Within APMA, the risks are mitigated by investing in various global funds and tracking the benchmark. The main risks affecting bonds are market, credit, political and economic and currency risk.

#### Market risk:

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

#### Currency risk:

ASR Pensioen Mixfondsen invest in investments denominated in euros and/or a currency other than euros. Where the underlying investment funds make investments in currencies other than the euro, there is an indirect currency risk. As the value of the assets in

the underlying investment funds is recorded in euros, investments in another currency (such as pounds sterling and/or US dollars) must be converted into euros. Exchange rate fluctuations can lead to negative foreign exchange results, with a negative impact on the value of the investments.

*Risk associated with investing in other investment institutions:*

The Subfunds invest in underlying investment institutions. The Subfunds are therefore dependent on the investment policy, the investment approach and the risk profile of these other investment institutions. The Subfunds fundamentally have no influence on these aspects.

Other risks do not apply to the subfund or did not occur.

An important key risk factor that has recently emerged is the COVID-19 coronavirus. So far, it has proven difficult to predict the course of this virus and hence its effects on the global economy. A global recession is unavoidable, the current question is mainly how long this will last. As long as there are not any signs that the spread of the virus is stopped, it is not possible to make a substantiated prediction. For financial markets, this is expected to result in continuous volatility in the first place. It should be noticed that the exceptional measures of governments and central banks – which were announced towards the end of the first quarter of 2020 - will do as much as possible to reduce economical damage as well as possible financial systemic risk.

**Annual reports for underlying investment funds**

For a more detailed explanation of the fund returns and information on the risks associated with the underlying investment funds, please see the 2019 annual report for the ASR ESG IndexPlus Institutionele Fondsen and the ASR Amerika Aandelen Basisfonds, published on [www.asr.nl](http://www.asr.nl). The annual and semi-annual reports of the underlying funds managed by BNP Paribas Asset Management, Northern Trust Fund Managers (Ireland) Ltd and BlackRock Asset Management Ireland Ltd can be found on the websites of the relevant fund managers, or obtained from a.s.r. vermogensbeheer upon request.

# In Control statement

## AO/IC Statement

The Manager's description of its business operations meets the requirements of the Financial Supervision Act (Wet op het financieel toezicht, "Wft"). The Manager has reviewed various aspects of its business operations during the past financial year. In the course of these activities, no findings were made that would lead to the conclusion that the description of the structure of the business operations does not meet the requirements as set out in the Wft and related legislation.

The Manager has also come across no findings that indicate that the business operations do not function effectively or in accordance with the description. We therefore declare with a reasonable degree of certainty that the business operations functioned in accordance with the stated description in 2019.

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

Utrecht, 20 April 2020

ASR Vermogensbeheer N.V.  
On behalf of ASR Pensioen Mixfondsen

The management,

Mr. J.T.M. Julicher (director)  
Mr. M.R. Lavooi (director)  
Mr. R.S. Gokoel (CFRO)  
Mr. M.W. Wissels (authorized representative)

# **Financial statements 2019**

## **ASR Pensioen Mixfondsen Defensief**

## Balance sheet

Balance sheet as at 31 December 2019 (before profit appropriation x €1,000)

Balance sheet	31-12-2019	31-12-2018	Reference
Investments			
Equity and participations in investment funds	332,961	284,709	
<b>Total investments</b>	<b>332,961</b>	<b>284,709</b>	<b>1</b>
Receivables	128	52	<b>2</b>
Other assets			
Cash	2,090	1,731	<b>3</b>
Current liabilities	-85	-143	<b>4</b>
<b>Receivables and other assets less current liabilities</b>	<b>2,133</b>	<b>1,640</b>	
<b>Assets less current liabilities</b>	<b>335,094</b>	<b>286,349</b>	
Issued participation capital	287,328	301,546	
Other reserves	-15,197	589	
Unappropriated result	62,963	-15,786	
<b>Total Net Assets</b>	<b>335,094</b>	<b>286,349</b>	<b>5</b>

## Profit and loss account

Profit and loss account for the period from 1 January 2019 until 31 December 2019 (x € 1,000)

Profit and loss account	01-01-2019 to 31-12-2019	01-01-2018 to 31-12-2018	Reference
Investment income	455	278	
Realized changes in the fair value of investments	8,625	-129	<b>6</b>
Unrealized changes in the fair value of investments	54,600	-15,460	<b>6</b>
Other income	218	156	<b>7</b>
<b>Total operating income</b>	<b>63,898</b>	<b>-15,155</b>	
Management fee	-637	-431	
Service fee	-287	-194	
Interest charges	-11	-6	
<b>Total operating expenses</b>	<b>-935</b>	<b>-631</b>	<b>8</b>
<b>Profit after tax</b>	<b>62,963</b>	<b>-15,786</b>	

# Cashflow statement

Cashflow statement for the period 1 January 2019 to 31 December 2019 (x €1,000)

Prepared according to the indirect method

Cashflow statement	01-01-2019 to 31-12-2019	01-01-2018 to 31-12-2018	Reference
Total investment result	62,963	-15,786	
Changes in the fair value of investments	-63,225	15,589	1
Purchase of investments (-)	-66,964	-193,914	1
Sales of investments (+)	81,937	73,903	1
Increase (-)/Decrease (+) in receivables	-76	-24	2
Increase (+)/Decrease (-) in liabilities	-58	100	4
<b>Net cash flow from investment activities</b>	<b>14,577</b>	<b>-120,132</b>	
Issue of participations	5,579	133,672	5
Redemption of participations	-19,797	-11,825	5
<b>Net cash flow from financing activities</b>	<b>-14,218</b>	<b>121,847</b>	
<b>Movement in cash</b>	<b>359</b>	<b>1,715</b>	
Cash per January 1	1,731	16	3
Cash per December 31	2,090	1,731	3
<b>Movement in cash</b>	<b>359</b>	<b>1,715</b>	

# Principles of valuation and determination of results

## General

ASR Pensioen Mixfondsen ('the Fund') was established on 30 September 2013 in the form of a mutual fund with Subfunds within an umbrella structure, and the activities commenced on 18 November 2013. The Fund included the following Subfunds as at 31 December 2019:

1. ASR Pensioen Mixfonds Defensief
2. ASR Pensioen Mixfondsen Neutraal
3. ASR Pensioen Mixfondsen Offensief

The obligations under the Financial Supervision Act (Wft) are not applicable to the Manager as far as the ASR Pensioen Mixfondsen is concerned. Potential investors, namely group companies of the Manager within the meaning of Section 1:13a (1) (g) of the Wft, are therefore again reminded that the Fund is not subject to supervision by the AFM. Nevertheless, the Manager has decided to voluntarily prepare the annual report on the Fund with due observance of the applicable rules as set out in Guideline 615 'Investment Institutions' of the Dutch Accounting Standards Board, in Title 9, Book 2, of the Dutch Civil Code (Burgerlijk Wetboek, "BW") and in the Financial Supervision Act. All amounts included in the annual report are in thousands of euros, unless stated otherwise. The amounts stated in the tables are rounded figures. Rounding differences may occur as a result. The manager compiled the financial statements on 20 April 2020.

## Reporting period and corresponding figures

The annual report covers the period from 1 January 2019 to 31 December 2019. Prior period comparative figures relate to the period 1 January 2018 to 31 December 2018.

## Foreign Currency

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

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

No investments in foreign currency were recorded within the Fund as at 31 December 2019.

## Manager

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

## Legal Owner

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

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

## Basis of preparation

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

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

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

#### **Offsetting**

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

#### **Related party transactions**

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

#### **Investments**

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

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

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

#### **Cash**

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

#### **Other assets and liabilities**

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

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

#### **Determining the result**

The result is determined as the difference between the income and the expenditure. Income and expenditure are allocated to the period to which they relate. The result also includes direct investment income, such as dividend. The dividend concerns the gross dividend after deduction of commission and nondeductible dividend tax. Results in foreign currencies are translated into euros at the exchange rates applicable on the transaction date.

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

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

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

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

#### **Income tax**

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

**Management fee**

Costs are charged to the Fund by the Manager for the management of the Fund Net Assets. The provisions made are transferred to the Manager on a monthly basis. The annual management fee is 0.20% (2018: 0,20%).

**Service fee**

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

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

The annual service fee is 0.09% (2018: 0.09%). The Manager ultimately pays the costs actually incurred that fall under the service fee.

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

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

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

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

No costs are charged by the Fund for the issue and redemption of participations.

**Cash flow statement**

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

# Notes to the balance sheet and profit and loss account

## 1. Investments

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

Investments	31-12-2019	31-12-2018
AEIIEAF Participatieklasse C	95,530	82,408
AEIIEBF Participatieklasse C	53,423	51,477
AEIIESF Participatieklasse C	8,057	23,669
ASR Amerika Aandelen Basisfonds	94,618	75,591
BNP Paribas Easy Pac. ex JPN ex C-W	23,485	14,238
ISHARES EUR GLOBAL HY CORP BOND	6,634	-
ISHARES USD GLOBAL HY CORP BOND	9,893	12,604
ISHARES JPM USD EM BND EUR A	16,611	13,047
NT TR-EM CU ESG EI UC FGR-A	24,710	11,675
<b>Total investments</b>	<b>332,961</b>	<b>180,287</b>

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

Investments	31-12-2019	31-12-2018
Balance at the start of the reporting period	284,709	180,287
Purchases	66,964	193,914
Sales	-81,937	-73,903
Changes in values	63,225	-15,589
<b>Balance at the end of the reporting period</b>	<b>332,961</b>	<b>284,709</b>

The intrinsic value, as published by the fund manager, is used for the valuation of participations in investment funds. The investments in i-Shares are valued at fair value, the fair value is derived from noted market prices.

## 2. Receivables

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

Receivables	31-12-2019	31-12-2018
Expense reimbursement receivable from the manager	24	16
Refundable dividend tax	104	36
<b>Balance at the end of the reporting period</b>	<b>128</b>	<b>52</b>

## 3. Cash

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

#### 4. Current liabilities

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

Current liabilities	31-12-2019	31-12-2018
Management and service fees payable	-85	-143
<b>Balance at the end of the reporting period</b>	<b>-85</b>	<b>-143</b>

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

ASR Pensioen Mixfonds Defensief multi-year overview

Net Asset value	31-12-2019	31-12-2018	31-12-2017
Fund Net Assets (x € 1,000)	335,094	286,349	180,288
Number of participations	4,478,216	4,678,815	2,837,419
Net Asset Value in euros per participation	74.83	61.20	63.54

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

Issued share capital	2019	2018
Balance at the start of the reporting period	301,546	179,699
Issues during the reporting period	5,579	133,672
Redemptions during the reporting period	-19,797	-11,825
<b>Balance at the end of the reporting period</b>	<b>287,328</b>	<b>301,546</b>

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

Schedule of movements in the number of participations	2019	2018
Balance at the start of the reporting period	4,678,815	2,837,419
Issued during the reporting period	83,668	2,025,690
Purchase during the reporting period	-284,267	-184,294
<b>Balance at the end of the reporting period</b>	<b>4,478,216</b>	<b>4,678,815</b>

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

Other reserves	2019	2018
Balance at the start of the reporting period	589	82
Addition in the reporting period	-15,786	507
<b>Balance at the end of the reporting period</b>	<b>-15,197</b>	<b>589</b>

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

Unappropriated result	2019	2018
Balance at the start of the reporting period	-15,786	507
Profit distribution in the previous financial year	15,786	-507
Unappropriated result of the current financial year	62,963	-15,786
<b>Balance at the end of the reporting period</b>	<b>62,963</b>	<b>-15,786</b>

## 6. Changes in the fair value of investments

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

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

Changes in the fair value of investments	01-01-2019 to 31-12-2019 (positive)	01-01-2019 to 31-12-2019 (negative)	01-01-2018 to 31-12-2018 (positive)	01-01-2018 to 31-12-2018 (negative)
Realized	8,626	-1	640	-769
Unrealized	54,629	-29	401	-15,861

## 7. Other income

The other operating income consists of expenses reimbursed by the Manager and can be broken down as follows (x €1,000):

Reimbursement of expenses by the manager	01-01-2019 to 31-12-2019	01-01-2018 to 31-12-2018
BNP Building Blocks	218	156
<b>Total</b>	<b>218</b>	<b>156</b>

## 8. Operating expenses

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

Operating expenses	01-01-2019 to 31-12-2019	01-01-2018 to 31-12-2018
Management fee	-637	-431
Service fee	-287	-194
Interest charges	-11	-6
<b>Total</b>	<b>-935</b>	<b>-631</b>

## Total Expenses Ratio (OCF)

Information memorandum	01-01-2019 to 31-12-2019	01-01-2018 to 31-12-2018
ASR Pensioen Mixfonds Defensief	0.29%	0.29%

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

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

**Overview of costs**

Costs directly financed by the Subfunds		Imported costs from underlying investment funds	Expense reimbursement received from the Manager	Total OCF
Management fee	Service fee	BNP Building Blocks		01-01-2019 to 31-12-2019
0.20%	0.09%	0.07%	-0.07%	0.29%

The Manager pays the Subfunds an expense allowance to offset the costs associated with investments in the BNP funds.

**Portfolio Turnover Ratio (PTR)**

	01-01-2019 to 31-12-2019	01-01-2018 to 31-12-2018
ASR Pensioen Mixfonds Defensief	38.77%	57.12%

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

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

**Related party transactions**

The Fund has the following relationships with related parties:

- ASR Vermogensbeheer N.V. is the Manager of the Fund and charges a management fee (€ 637.000) and a service fee (€ 287.000).
- The board of ASR Vermogensbeheer N.V. has no participations in the fund.
- ASR Levensverzekering N.V. participates in the Fund for risk and expense of policyholders by means of acquired participations.

In addition, ASR Levensverzekering N.V. participates by means of capital as follows:

Capital	Participations 31-12-2019 (in units)	Market value 31-12-2019 (x € 1,000)	Participations 31-12-2018 (in units)	Market value 31-12-2018 (x € 1,000)
ASR Pensioen Mixfonds Defensief	4,434,919	331,853	4,643,406	284,181

Transactions with related parties have been conducted in line with market conditions. See Note 2 (receivables) and Note 4 (current liabilities) for the balance sheet positions with related parties.

**Personnel**

The Manager does not employ any personnel. As at 31 December 2019 159 employees and 155 FTEs were subcontracted by a.s.r. vermogensbeheer pursuant to an employee loan agreement with ASR Nederland N.V. The personnel expenses, which are charged to a.s.r. vermogensbeheer consist entirely of fixed remuneration (AIFMD Article 22, paragraph 2 e). The Manager does not share in the investment performance as remuneration for the management of the investment funds and has therefore no question of 'carried interest' (the share of the profit of the Fund intended for the Manager of the Fund as remuneration for the management). The salary expenses of the Directors are included in the recharged personnel expenses.

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

<b>Personnel expenses (in euros)</b>	<b>01-01-2019 to 31-12-2019</b>	<b>No. of employees</b>
Management Board	886,997	2*
Identified Staff	390,611	3
Employees	19,340,815	154
<b>Total</b>	<b>20,618,423</b>	<b>159</b>

\* The 2019 Management Board's remuneration relates to three management board members up to mid November 2019.

#### **Other**

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

#### **Profit appropriation**

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

#### **Proposed dividend**

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

#### **Events after the balance sheet date**

An important key risk factor that has recently emerged is the COVID-19 coronavirus. So far, it has proven difficult to predict the course of this virus and hence its effects on the global economy. A global recession is unavoidable, the current question is mainly how long this will last. As long as there are not any signs that the spread of the virus is stopped, it is not possible to make a substantiated prediction. For financial markets, this is expected to result in continuous volatility in the first place. It should be noticed that the exceptional measures of governments and central banks – which were announced towards the end of the first quarter of 2020 - will do as much as possible to reduce economical damage as well as possible financial systemic risk.

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

#### **SIGNING OF THE FINANCIAL STATEMENTS**

Utrecht, 20 April 2020

ASR Vermogensbeheer N.V.

On behalf of ASR Pensioen Mixfonds Defensief

The management,

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

Mr. M.R. Lavooi (director)

Mr. R.S. Gokoel (CFRO)

Mr. M.W. Wissels (authorized representative)

# Other information

## Independent auditor's report

To: the participants and manager of the ASR Pensioen Mixfondsen Defensief

### Report on the audit of the financial statements 2019 included in the annual report

#### Our opinion

We have audited the financial statements 2019 of ASR Pensioen Mixfondsen Defensief, based in Utrecht.

In our opinion the accompanying financial statements give a true and fair view of the financial position of ASR Pensioen Mixfondsen Defensief as at 31 December 2019, and of its result for 2019 in accordance with Part 9 of Book 2 of the Dutch Civil Code.

The financial statements comprise:

- the balance sheet as at 31 December 2019;
- the profit and loss account for 2019;
- the notes comprising a summary of the accounting policies and other explanatory information.

#### The basis for our opinion

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

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

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

#### Emphasis of matter relating to Corona developments

The developments surrounding the Corona (Covid-19) virus have a profound impact on people's health and on our society as a whole, as well as on the operational and financial performance of organizations and the assessment of the ability to continue as a going concern. The financial statements and our auditor's report thereon reflect the conditions at the time of preparation. The situation changes on a daily basis giving rise to inherent uncertainty. The impact of these developments on ASR Pensioen Mixfondsen Defensief is disclosed in the Management board's report in paragraph Outlook for the economy and financial markets and the disclosure about events after the balance sheet date on page 30. We draw attention to these disclosures. Our opinion is not modified in respect of this matter.

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

In addition to the financial statements and our auditor's report thereon, the annual report contains other information that consists of:

- The general information;
- The manager's report;
- Other information as required by Part 9 of Book 2 of the Dutch Civil Code.

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

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

We have read the other information. Based on our knowledge and understanding obtained through our audit of the financial statements or otherwise, we have considered whether the other information contains material misstatements. By performing these procedures, we comply with the requirements of Part 9 of Book 2 of the Dutch Civil Code and the Dutch Standard 720. The scope of the procedures performed is substantially less than the scope of those performed in our audit of the financial statements.

The manager is responsible for the preparation of the other information, including the management report in accordance with Part 9 of Book 2 of the Dutch Civil Code and other information required by Part 9 of Book 2 of the Dutch Civil Code.

## Description of responsibilities for the financial statements

### Responsibilities of the manager for the financial statements

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

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

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

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

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

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

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

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

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

The Hague, 20 April 2020

Ernst & Young Accountants LLP

signed by M.J. Knijnenburg RA

# **Financial statements 2019**

## **ASR Pensioen Mixfondsen Neutraal**

## Balance sheet

Balance sheet as at 31 December 2019 (before profit appropriation x €1,000)

Balance sheet	31-12-2019	31-12-2018	Reference
Investments			
Equity and participations in investment funds	2,784,737	1,661,478	
<b>Total investments</b>	<b>2,784,737</b>	<b>1,661,478</b>	<b>1</b>
Receivables	1,807	4,420	<b>2</b>
Other assets			
Cash	17,011	7,182	<b>3</b>
Current liabilities	-702	-845	<b>4</b>
<b>Receivables and other assets less current liabilities</b>	<b>18,116</b>	<b>10,757</b>	
<b>Assets less current liabilities</b>	<b>2,802,853</b>	<b>1,672,235</b>	
Issued participation capital	2,350,882	1,708,151	
Other reserves	-35,916	46,316	
Unappropriated result	487,887	-82,232	
<b>Total Net Assets</b>	<b>2,802,853</b>	<b>1,672,235</b>	<b>5</b>

## Profit and loss account

Profit and loss account for the period from 1 January 2019 until 31 December 2019 (x € 1,000)

Profit and loss account	01-01-2019 to 31-12-2019	01-01-2018 to 31-12-2018	Reference
Investment income	3,938	2,040	
Realized changes in the fair value of investments	41,658	-951	<b>6</b>
Unrealized changes in the fair value of investments	447,352	-79,925	<b>6</b>
Other income	1,742	1,238	<b>7</b>
<b>Total operating income</b>	<b>494,690</b>	<b>-77,598</b>	
Management fee	-4,634	-3,171	
Service fee	-2,085	-1,427	
Interest charges	-84	-36	
<b>Total operating expenses</b>	<b>-6,803</b>	<b>-4,634</b>	<b>8</b>
<b>Profit after tax</b>	<b>487,887</b>	<b>-82,232</b>	

# Cashflow statement

Cashflow statement for the period 1 January 2019 to 31 December 2019 (x €1,000)

Prepared according to the indirect method

Cashflow statement	01-01-2019 to 31-12-2019	01-01-2018 to 31-12-2018	Reference
Total investment result	487,887	-82,232	
Changes in the fair value of investments	-489,010	80,876	1
Purchase of investments (-)	-1,051,449	-622,615	1
Sales of investments (+)	417,200	309,274	1
Increase (-)/Decrease (+) in receivables	2,613	-4,151	2
Increase (+)/Decrease (-) in liabilities	-143	502	4
<b>Net cash flow from investment activities</b>	<b>-632,902</b>	<b>-318,346</b>	
Issue of participations	796,050	413,403	5
Redemption of participations	-153,319	-89,829	5
<b>Net cash flow from financing activities</b>	<b>642,731</b>	<b>323,574</b>	
<b>Movement in cash</b>	<b>9,829</b>	<b>5,228</b>	
Cash per January 1	7,182	1,954	3
Cash per December 31	17,011	7,182	3
<b>Movement in cash</b>	<b>9,829</b>	<b>5,228</b>	

# Principles of valuation and determination of results

## General

ASR Pensioen Mixfondsen ('the Fund') was established on 30 September 2013 in the form of a mutual fund with Subfunds within an umbrella structure, and the activities commenced on 18 November 2013. The Fund included the following Subfunds as at 31 December 2019:

1. ASR Pensioen Mixfonds Defensief
2. ASR Pensioen Mixfondsen Neutraal
3. ASR Pensioen Mixfondsen Offensief

The obligations under the Financial Supervision Act (Wft) are not applicable to the Manager as far as the ASR Pensioen Mixfondsen is concerned. Potential investors, namely group companies of the Manager within the meaning of Section 1:13a (1) (g) of the Wft, are therefore again reminded that the Fund is not subject to supervision by the AFM. Nevertheless, the Manager has decided to voluntarily prepare the annual report on the Fund with due observance of the applicable rules as set out in Guideline 615 'Investment Institutions' of the Dutch Accounting Standards Board, in Title 9, Book 2, of the Dutch Civil Code (Burgerlijk Wetboek, "BW") and in the Financial Supervision Act. All amounts included in the annual report are in thousands of euros, unless stated otherwise. The amounts stated in the tables are rounded figures. Rounding differences may occur as a result. The manager compiled the financial statements on 20 April 2020.

## Reporting period and corresponding figures

The annual report covers the period from 1 January 2019 to 31 December 2019. Prior period comparative figures relate to the period 1 January 2018 to 31 December 2018.

## Foreign Currency

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

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

No investments in foreign currency were recorded within the Fund as at 31 December 2019.

## Manager

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

## Legal Owner

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

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

## Basis of preparation

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

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

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

#### **Offsetting**

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

#### **Related party transactions**

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

#### **Investments**

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

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

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

#### **Cash**

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

#### **Other assets and liabilities**

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

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

#### **Determining the result**

The result is determined as the difference between the income and the expenditure. Income and expenditure are allocated to the period to which they relate. The result also includes direct investment income, such as dividend. The dividend concerns the gross dividend after deduction of commission and nondeductible dividend tax. Results in foreign currencies are translated into euros at the exchange rates applicable on the transaction date.

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

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

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

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

#### **Income tax**

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

**Management fee**

Costs are charged to the Fund by the Manager for the management of the Fund Net Assets. The provisions made are transferred to the Manager on a monthly basis. The annual management fee is 0.20% (2018: 0,20%).

**Service fee**

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

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

The annual service fee is 0.09% (2018: 0.09%). The Manager ultimately pays the costs actually incurred that fall under the service fee.

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

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

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

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

No costs are charged by the Fund for the issue and redemption of participations.

**Cash flow statement**

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

# Notes to the balance sheet and profit and loss account

## 1. Investments

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

Investments	31-12-2019	31-12-2018
AEIIEAF Participatieklasse C	906,435	554,258
AEIIEBF Participatieklasse C	254,186	171,823
AEIIESF Participatieklasse C	46,500	69,818
ASR Amerika Aandelen Basisfonds	899,456	518,474
BNP Paribas Easy Pac. ex JPN ex C-W	223,046	95,238
ISHARES USD GLOBAL HY CORP BOND	66,063	-
ISHARES EUR GLOBAL HY CORP BOND	44,432	84,448
ISHARES JPM USD EM BND EUR A	110,756	87,423
NT TR-EM CU ESG EI UC FGR-A	233,863	79,996
<b>Total investments</b>	<b>2,784,737</b>	<b>1,661,478</b>

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

Investments	31-12-2019	31-12-2018
Balance at the start of the reporting period	1,661,478	1,429,013
Purchases	1,051,449	622,615
Sales	-417,200	-309,274
Changes in values	489,010	-80,876
<b>Balance at the end of the reporting period</b>	<b>2,784,737</b>	<b>1,661,478</b>

The intrinsic value, as published by the fund manager, is used for the valuation of participations in investment funds. The investments in i-Shares are valued at fair value, the fair value is derived from noted market prices.

## 2. Receivables

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

Receivables	31-12-2019	31-12-2018
Receivables from participants for subscriptions	752	4,026
Expense reimbursement receivable from the manager	190	110
Refundable dividend tax	865	284
<b>Balance at the end of the reporting period</b>	<b>1,807</b>	<b>4,420</b>

## 3. Cash

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

#### 4. Current liabilities

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

Current liabilities	31-12-2019	31-12-2018
Payable in respect of participant redemptions	-1	-11
Management and service fees payable	-701	-834
<b>Balance at the end of the reporting period</b>	<b>-702</b>	<b>-845</b>

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

ASR Pensioen Mixfonds Neutraal multi-year overview:

Net Asset Value	31-12-2019	31-12-2018	31-12-2017
Fund Net Assets (x € 1,000)	2,802,853	1,672,235	1,430,893
Number of participations	36,282,302	26,966,575	22,108,319
Net Asset Value in euros per participation	77.25	62.01	64.72

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

Issued share capital	2019	2018
Balance at the start of the reporting period	1,708,151	1,384,577
Issues during the reporting period	796,050	413,403
Redemptions during the reporting period	-153,319	-89,829
<b>Balance at the end of the reporting period</b>	<b>2,350,882</b>	<b>1,708,151</b>

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

Schedule of movements in the number of participations	2019	2018
Balance at the start of the reporting period	26,966,575	22,108,319
Issued during the reporting period	11,501,969	6,237,151
Purchase during the reporting period	-2,186,242	-1,378,895
<b>Balance at the end of the reporting period</b>	<b>36,282,302</b>	<b>26,966,575</b>

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

Other reserves	2019	2018
Balance at the start of the reporting period	46,316	21,285
Addition in the reporting period	-82,232	25,031
<b>Balance at the end of the reporting period</b>	<b>-35,916</b>	<b>46,316</b>

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

Unappropriated result	2019	2018
Balance at the start of the reporting period	-82,232	25,031
Profit distribution in the previous financial year	82,232	-25,031
Unappropriated result of the current financial year	487,887	-82,232
<b>Balance at the end of the reporting period</b>	<b>487,887</b>	<b>-82,232</b>

## 6. Changes in the fair value of investments

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

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

Changes in the fair value of investments	01-01-2019 to 31-12-2019 (positive)	01-01-2019 to 31-12-2019 (negative)	01-01-2018 to 31-12-2018 (positive)	01-01-2018 to 31-12-2018 (negative)
Realized	41,658	-	3,502	-4,453
Unrealized	447,498	-146	2,446	-82,371

## 7. Other income

The other operating income consists of expenses reimbursed by the Manager and can be broken down as follows (x €1,000):

Reimbursement of expenses by the manager	01-01-2019 to 31-12-2019	01-01-2018 to 31-12-2018
BNP Building Blocks	1,742	1,238
<b>Total</b>	<b>1,742</b>	<b>1,238</b>

## 8. Operating expenses

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

Operating expenses	01-01-2019 to 31-12-2019	01-01-2018 to 31-12-2018
Management fee	-4,634	-3,171
Service fee	-2,085	-1,427
Interest charges	-84	-36
<b>Total</b>	<b>-6,803</b>	<b>-4,634</b>

## Total Expenses Ratio (OCF)

Information memorandum	01-01-2019 to 31-12-2019	01-01-2018 to 31-12-2018
ASR Pensioen Mixfonds Neutraal	0.29%	0.29%

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

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

**Overview of costs**

Costs directly financed by the Subfunds		Imported costs from underlying investment funds	Expense reimbursement received from the Manager	Total OCF
Management fee	Service fee	BNP Building Blocks		01-01-2019 to 31-12-2019
0.20%	0.09%	0.08%	-0.08%	0.29%

The Manager pays the Subfunds an expense allowance to offset the costs associated with investments in the BNP funds.

**Portfolio Turnover Ratio (PTR)**

	01-01-2019 to 31-12-2019	01-01-2018 to 31-12-2018
ASR Pensioen Mixfonds Neutraal	22.42%	27.15%

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

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

**Related party transactions**

The Fund has the following relationships with related parties:

- ASR Vermogensbeheer N.V. is the Manager of the Fund and charges a management fee (€ 4,634,000) and a service fee (€ 2,085,000).
- The board of ASR Vermogensbeheer N.V. has no participations in the fund.
- ASR Levensverzekering N.V. participates in the Fund for risk and expense of policyholders by means of acquired participations.

In addition, ASR Levensverzekering N.V. participates by means of capital as follows:

Capital	Participations 31-12-2019 (in units)	Market value 31-12-2019 (x € 1,000)	Participations 31-12-2018 (in units)	Market value 31-12-2018 (x € 1,000)
ASR Pensioen Mixfonds Neutraal	22,685,160	1,752,457	18,104,952	1,122,714

Transactions with related parties have been conducted in line with market conditions. See Note 2 (receivables) and Note 4 (current liabilities) for the balance sheet positions with related parties.

**Personnel**

The Manager does not employ any personnel. As at 31 December 2019 159 employees and 155 FTEs were subcontracted by a.s.r. vermogensbeheer pursuant to an employee loan agreement with ASR Nederland N.V. The personnel expenses, which are charged to a.s.r. vermogensbeheer consist entirely of fixed remuneration (AIFMD Article 22, paragraph 2 e). The Manager does not share in the investment performance as remuneration for the management of the investment funds and has therefore no question of 'carried interest' (the share of the profit of the Fund intended for the Manager of the Fund as remuneration for the management). The salary expenses of the Directors are included in the recharged personnel expenses.

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

<b>Personnel expenses (in euros)</b>	<b>01-01-2019 to 31-12-2019</b>	<b>No. of employees</b>
Management Board	886,997	2*
Identified Staff	390,611	3
Employees	19,340,815	154
<b>Total</b>	<b>20,618,423</b>	<b>159</b>

\* The 2019 Management Board's remuneration relates to three management board members up to mid November 2019.

#### **Other**

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

#### **Profit appropriation**

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

#### **Proposed dividend**

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

#### **Events after the balance sheet date**

An important key risk factor that has recently emerged is the COVID-19 coronavirus. So far, it has proven difficult to predict the course of this virus and hence its effects on the global economy. A global recession is unavoidable, the current question is mainly how long this will last. As long as there are not any signs that the spread of the virus is stopped, it is not possible to make a substantiated prediction. For financial markets, this is expected to result in continuous volatility in the first place. It should be noticed that the exceptional measures of governments and central banks – which were announced towards the end of the first quarter of 2020 - will do as much as possible to reduce economical damage as well as possible financial systemic risk.

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

#### **SIGNING OF THE FINANCIAL STATEMENTS**

Utrecht, 20 April 2020

ASR Vermogensbeheer N.V.

On behalf of ASR Pensioen Mixfonds Neutraal

The management,

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

Mr. M.R. Lavooi (director)

Mr. R.S. Gokoel (CFRO)

Mr. M.W. Wissels (authorized representative)

# Other information

## Independent auditor's report

To: the participants and manager of the ASR Pensioen Mixfondsen Neutraal

### Report on the audit of the financial statements 2019 included in the annual report

#### Our opinion

We have audited the financial statements 2019 of ASR Pensioen Mixfondsen Neutraal, based in Utrecht.

In our opinion the accompanying financial statements give a true and fair view of the financial position of ASR Pensioen Mixfondsen Neutraal as at 31 December 2019, and of its result for 2019 in accordance with Part 9 of Book 2 of the Dutch Civil Code.

The financial statements comprise:

- the balance sheet as at 31 December 2019;
- the profit and loss account for 2019;
- the notes comprising a summary of the accounting policies and other explanatory information.

#### The basis for our opinion

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

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

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

#### Emphasis of matter relating to Corona developments

The developments surrounding the Corona (Covid-19) virus have a profound impact on people's health and on our society as a whole, as well as on the operational and financial performance of organizations and the assessment of the ability to continue as a going concern. The financial statements and our auditor's report thereon reflect the conditions at the time of preparation. The situation changes on a daily basis giving rise to inherent uncertainty. The impact of these developments on ASR Pensioen Mixfondsen Neutraal is disclosed in the Management board's report in paragraph Outlook for the economy and financial markets and the disclosure about events after the balance sheet date on page 43. We draw attention to these disclosures. Our opinion is not modified in respect of this matter.

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

In addition to the financial statements and our auditor's report thereon, the annual report contains other information that consists of:

- The general information;
- The manager's report;
- Other information as required by Part 9 of Book 2 of the Dutch Civil Code.

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

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

We have read the other information. Based on our knowledge and understanding obtained through our audit of the financial statements or otherwise, we have considered whether the other information contains material misstatements. By performing these procedures, we comply with the requirements of Part 9 of Book 2 of the Dutch Civil Code and the Dutch Standard 720. The scope of the procedures performed is substantially less than the scope of those performed in our audit of the financial statements.

The manager is responsible for the preparation of the other information, including the management report in accordance with Part 9 of Book 2 of the Dutch Civil Code and other information required by Part 9 of Book 2 of the Dutch Civil Code.

## Description of responsibilities for the financial statements

### Responsibilities of the manager for the financial statements

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

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

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

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

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

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

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

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

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

The Hague, 20 April 2020

Ernst & Young Accountants LLP

signed by M.J. Knijnenburg RA

# **Financial statements 2019**

## **ASR Pensioen Mixfondsen Offensief**

## Balance sheet

Balance sheet as at 31 December 2019 (before profit appropriation x €1,000)

Balance sheet	31-12-2019	31-12-2018	Reference
Investments			
Equity and participations in investment funds	90,608	48,251	
<b>Total investments</b>	<b>90,608</b>	<b>48,251</b>	<b>1</b>
Receivables	148	222	<b>2</b>
Other assets			
Cash	437	349	<b>3</b>
Current liabilities	-23	-24	<b>4</b>
<b>Receivables and other assets less current liabilities</b>	<b>562</b>	<b>547</b>	
<b>Assets less current liabilities</b>	<b>91,170</b>	<b>48,798</b>	
Issued participation capital	77,533	50,646	
Other reserves	-1,848	924	
Unappropriated result	15,485	-2,772	
<b>Total Net Assets</b>	<b>91,170</b>	<b>48,798</b>	<b>5</b>

## Profit and loss account

Profit and loss account for the period from 1 January 2019 until 31 December 2019 (x € 1,000)

Profit and loss account	01-01-2019 to 31-12-2019	01-01-2018 to 31-12-2018	Reference
Investment income	138	56	
Realized changes in the fair value of investments	984	7	<b>6</b>
Unrealized changes in the fair value of investments	14,518	-2,737	<b>6</b>
Other income	47	31	<b>7</b>
<b>Total operating income</b>	<b>15,687</b>	<b>-2,643</b>	
Management fee	-137	-88	
Service fee	-62	-40	
Interest charges	-3	-1	
<b>Total operating expenses</b>	<b>-202</b>	<b>-129</b>	<b>8</b>
<b>Profit after tax</b>	<b>15,485</b>	<b>-2,772</b>	

# Cashflow statement

Cashflow statement for the period 1 January 2019 to 31 December 2019 (x €1,000)

Prepared according to the indirect method

Cashflow statement	01-01-2019 to 31-12-2019	01-01-2018 to 31-12-2018	Reference
Total investment result	15,485	-2,772	
Changes in the fair value of investments	-15,502	2,730	1
Purchase of investments (-)	-40,449	-22,875	1
Sales of investments (+)	13,594	6,746	1
Increase (-)/Decrease (+) in receivables	74	-212	2
Increase (+)/Decrease (-) in liabilities	-1	16	4
<b>Net cash flow from investment activities</b>	<b>-26,799</b>	<b>-16,367</b>	
Issue of participations	30,408	18,820	5
Redemption of participations	-3,521	-2,233	5
<b>Net cash flow from financing activities</b>	<b>26,887</b>	<b>16,587</b>	
<b>Movement in cash</b>	<b>88</b>	<b>220</b>	
Cash per January 1	349	129	3
Cash per December 31	437	349	3
<b>Movement in cash</b>	<b>88</b>	<b>220</b>	

# Principles of valuation and determination of results

## General

ASR Pensioen Mixfondsen ('the Fund') was established on 30 September 2013 in the form of a mutual fund with Subfunds within an umbrella structure, and the activities commenced on 18 November 2013. The Fund included the following Subfunds as at 31 December 2019:

1. ASR Pensioen Mixfonds Defensief
2. ASR Pensioen Mixfondsen Neutraal
3. ASR Pensioen Mixfondsen Offensief

The obligations under the Financial Supervision Act (Wft) are not applicable to the Manager as far as the ASR Pensioen Mixfondsen is concerned. Potential investors, namely group companies of the Manager within the meaning of Section 1:13a (1) (g) of the Wft, are therefore again reminded that the Fund is not subject to supervision by the AFM. Nevertheless, the Manager has decided to voluntarily prepare the annual report on the Fund with due observance of the applicable rules as set out in Guideline 615 'Investment Institutions' of the Dutch Accounting Standards Board, in Title 9, Book 2, of the Dutch Civil Code (Burgerlijk Wetboek, "BW") and in the Financial Supervision Act. All amounts included in the annual report are in thousands of euros, unless stated otherwise. The amounts stated in the tables are rounded figures. Rounding differences may occur as a result. The manager compiled the financial statements on 20 April 2020.

## Reporting period and corresponding figures

The annual report covers the period from 1 January 2019 to 31 December 2019. Prior period comparative figures relate to the period 1 January 2018 to 31 December 2018.

## Foreign Currency

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

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

No investments in foreign currency were recorded within the Fund as at 31 December 2019.

## Manager

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

## Legal Owner

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

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

## Basis of preparation

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

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

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

**Offsetting**

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

**Related party transactions**

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

**Investments**

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

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

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

**Cash**

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

**Other assets and liabilities**

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

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

**Determining the result**

The result is determined as the difference between the income and the expenditure. Income and expenditure are allocated to the period to which they relate. The result also includes direct investment income, such as dividend. The dividend concerns the gross dividend after deduction of commission and nondeductible dividend tax. Results in foreign currencies are translated into euros at the exchange rates applicable on the transaction date.

**Changes in the fair value of investments**

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

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

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

**Income tax**

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

**Management fee**

Costs are charged to the Fund by the Manager for the management of the Fund Net Assets. The provisions made are transferred to the Manager on a monthly basis. The annual management fee is 0.20% (2018: 0.20%).

**Service fee**

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

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

The annual service fee is 0.09% (2018: 0.09%). The Manager ultimately pays the costs actually incurred that fall under the service fee.

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

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

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

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

No costs are charged by the Fund for the issue and redemption of participations.

**Cash flow statement**

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

# Notes to the balance sheet and profit and loss account

## 1. Investments

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

Investments	31-12-2019	31-12-2018
AEIIEAF Participatieklasse C	32,983	18,256
AEIIEBF Participatieklasse C	4,505	2,393
AEIIESF Participatieklasse C	94	524
ASR Amerika Aandelen Basisfonds	32,880	17,232
BNP Paribas Easy Pac, ex JPN ex C-W	8,270	3,116
ISHARES USD GLOBAL HY CORP BOND	1,041	-
ISHARES EUR GLOBAL HY CORP BOND	701	2,067
ISHARES JPM USD EM BND EUR A	1,747	2,139
NT TR-EM CU ESG EI UC FGR-A	8,387	2,524
<b>Total investments</b>	<b>90,608</b>	<b>48,251</b>

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

Investments	31-12-2019	31-12-2018
Balance at the start of the reporting period	48,251	34,852
Purchases	40,449	22,875
Sales	-13,594	-6,746
Changes in values	15,502	-2,730
<b>Balance at the end of the reporting period</b>	<b>90,608</b>	<b>48,251</b>

The intrinsic value, as published by the fund manager, is used for the valuation of participations in investment funds. The investments in i-Shares are valued at fair value, the fair value is derived from noted market prices.

## 2. Receivables

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

Receivables	31-12-2019	31-12-2018
Receivables from participants for subscriptions	113	210
Expense reimbursement receivable from the manager	5	3
Refundable dividend tax	30	9
<b>Balance at the end of the reporting period</b>	<b>148</b>	<b>222</b>

## 3. Cash

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

#### 4. Current liabilities

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

Current liabilities	31-12-2019	31-12-2018
Management and service fees payable	-23	-24
<b>Balance at the end of the reporting period</b>	<b>-23</b>	<b>-24</b>

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

ASR Pensioen Mixfonds Offensief multi-year overview:

Net Asset Value	31-12-2019	31-12-2018	31-12-2017
Fund Net Assets (x € 1,000)	91,170	48,798	34,983
Number of participations	1,145,250	777,292	530,977
Net Asset Value in euros per participation	76.61	62.78	65.89

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

Issued share capital	2019	2018
Balance at the start of the reporting period	50,646	34,059
Issues during the reporting period	30,408	18,820
Redemptions during the reporting period	-3,521	-2,233
<b>Balance at the end of the reporting period</b>	<b>77,533</b>	<b>50,646</b>

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

Schedule of movements in the number of participations	2019	2018
Balance at the start of the reporting period	777,292	530,977
Issued during the reporting period	417,377	279,644
Purchase during the reporting period	-49,419	-33,329
<b>Balance at the end of the reporting period</b>	<b>1,145,250</b>	<b>777,292</b>

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

Other reserves	2019	2018
Balance at the start of the reporting period	924	298
Addition in the reporting period	-2,772	626
<b>Balance at the end of the reporting period</b>	<b>-1,848</b>	<b>924</b>

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

Unappropriated result	2019	2018
Balance at the start of the reporting period	-2,772	626
Profit distribution in the previous financial year	2,772	-626
Unappropriated result of the current financial year	15,485	-2,772
<b>Balance at the end of the reporting period</b>	<b>15,485</b>	<b>-2,772</b>

## 6. Changes in the fair value of investments

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

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

Changes in the fair value of investments	01-01-2019 to 31-12-2019 (positive)	01-01-2019 to 31-12-2019 (negative)	01-01-2018 to 31-12-2018 (positive)	01-01-2018 to 31-12-2018 (negative)
Realized	985	-1	127	-120
Unrealized	14,521	-3	54	-2,791

## 7. Other income

The other operating income consists of expenses reimbursed by the Manager and can be broken down as follows (x €1,000):

Reimbursement of expenses by the manager	01-01-2019 to 31-12-2019	01-01-2018 to 31-12-2018
BNP Building Blocks	47	31
<b>Total</b>	<b>47</b>	<b>31</b>

## 8. Operating expenses

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

Operating expenses	01-01-2019 to 31-12-2019	01-01-2018 to 31-12-2018
Management fee	-137	-88
Service fee	-62	-40
Interest charges	-3	-1
<b>Total</b>	<b>-202</b>	<b>-129</b>

## Total Expenses Ratio (OCF)

Information memorandum	01-01-2019 to 31-12-2019	01-01-2018 to 31-12-2018
ASR Pensioen Mixfonds Offensief	0.29%	0.29%

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

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

**Overview of costs**

Costs directly financed by the Subfunds		Imported costs from underlying investment funds	Expense reimbursement received from the Manager	Total OCF
Management fee	Service fee	BNP Building Blocks		01-01-2019 to 31-12-2019
0.20%	0.09%	0.07%	-0.07%	0.29%

The Manager pays the Subfunds an expense allowance to offset the costs associated with investments in the BNP funds.

**Portfolio Turnover Ratio (PTR)**

	01-01-2019 to 31-12-2019	01-01-2018 to 31-12-2018
ASR Pensioen Mixfonds Offensief	29.32%	19.59%

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

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

**Related party transactions**

The Fund has the following relationships with related parties:

- ASR Vermogensbeheer N.V. is the Manager of the Fund and charges a management fee (€ 137,000) and a service fee (€ 62,000).
- The board of ASR Vermogensbeheer N.V. has no participations in the fund.
- ASR Levensverzekering N.V. participates in the Fund for risk and expense of policyholders by means of acquired participations.

In addition, ASR Levensverzekering N.V. participates by means of capital as follows:

Capital	Participations 31-12-2019 (in units)	Market value 31-12-2019 (x € 1,000)	Participations 31-12-2018 (in units)	Market value 31-12-2018 (x € 1,000)
ASR Pensioen Mixfonds Offensief	667,085	53,821	491,369	30,848

Transactions with related parties have been conducted in line with market conditions. See Note 2 (receivables) and Note 4 (current liabilities) for the balance sheet positions with related parties.

**Personnel**

The Manager does not employ any personnel. As at 31 December 2019 159 employees and 155 FTEs were subcontracted by a.s.r. vermogensbeheer pursuant to an employee loan agreement with ASR Nederland N.V. The personnel expenses, which are charged to a.s.r. vermogensbeheer consist entirely of fixed remuneration (AIFMD Article 22, paragraph 2 e). The Manager does not share in the investment performance as remuneration for the management of the investment funds and has therefore no question of 'carried interest' (the share of the profit of the Fund intended for the Manager of the Fund as remuneration for the management). The salary expenses of the Directors are included in the recharged personnel expenses.

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

<b>Personnel expenses (in euros)</b>	<b>01-01-2019 to 31-12-2019</b>	<b>No. of employees</b>
Management Board	886,997	2*
Identified Staff	390,611	3
Employees	19,340,815	154
<b>Total</b>	<b>20,618,423</b>	<b>159</b>

\* The 2019 Management Board's remuneration relates to three management board members up to mid November 2019.

#### **Other**

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

#### **Profit appropriation**

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

#### **Proposed dividend**

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

#### **Events after the balance sheet date**

An important key risk factor that has recently emerged is the COVID-19 coronavirus. So far, it has proven difficult to predict the course of this virus and hence its effects on the global economy. A global recession is unavoidable, the current question is mainly how long this will last. As long as there are not any signs that the spread of the virus is stopped, it is not possible to make a substantiated prediction. For financial markets, this is expected to result in continuous volatility in the first place. It should be noticed that the exceptional measures of governments and central banks – which were announced towards the end of the first quarter of 2020 - will do as much as possible to reduce economical damage as well as possible financial systemic risk.

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

#### **SIGNING OF THE FINANCIAL STATEMENTS**

Utrecht, 20 April 2020

ASR Vermogensbeheer N.V.

On behalf of ASR Pensioen Mixfondsen Offensief

The management,

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

Mr. M.R. Lavooi (director)

Mr. R.S. Gokoel (CFRO)

Mr. M.W. Wissels (authorized representative)

# Other information

## Independent auditor's report

To: the participants and manager of the ASR Pensioen Mixfondsen Neutraal

### Report on the audit of the financial statements 2019 included in the annual report

#### Our opinion

We have audited the financial statements 2019 of ASR Pensioen Mixfondsen Offensief, based in Utrecht.

In our opinion the accompanying financial statements give a true and fair view of the financial position of ASR Pensioen Mixfondsen Offensief as at 31 December 2019, and of its result for 2019 in accordance with Part 9 of Book 2 of the Dutch Civil Code.

The financial statements comprise:

- the balance sheet as at 31 December 2019;
- the profit and loss account for 2019;
- the notes comprising a summary of the accounting policies and other explanatory information.

#### The basis for our opinion

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

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

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

#### Emphasis of matter relating to Corona developments

The developments surrounding the Corona (Covid-19) virus have a profound impact on people's health and on our society as a whole, as well as on the operational and financial performance of organizations and the assessment of the ability to continue as a going concern. The financial statements and our auditor's report thereon reflect the conditions at the time of preparation. The situation changes on a daily basis giving rise to inherent uncertainty. The impact of these developments on ASR Pensioen Mixfondsen Neutraal is disclosed in the Management board's report in paragraph Outlook for the economy and financial markets and the disclosure about events after the balance sheet date on page 56. We draw attention to these disclosures. Our opinion is not modified in respect of this matter.

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

In addition to the financial statements and our auditor's report thereon, the annual report contains other information that consists of:

- The general information;
- The manager's report;
- Other information as required by Part 9 of Book 2 of the Dutch Civil Code.

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

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

We have read the other information. Based on our knowledge and understanding obtained through our audit of the financial statements or otherwise, we have considered whether the other information contains material misstatements. By performing these procedures, we comply with the requirements of Part 9 of Book 2 of the Dutch Civil Code and the Dutch Standard 720. The scope of the procedures performed is substantially less than the scope of those performed in our audit of the financial statements.

The manager is responsible for the preparation of the other information, including the management report in accordance with Part 9 of Book 2 of the Dutch Civil Code and other information required by Part 9 of Book 2 of the Dutch Civil Code.

## Description of responsibilities for the financial statements

### Responsibilities of the manager for the financial statements

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

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

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

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

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

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

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

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

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

The Hague, 20 April 2020

Ernst & Young Accountants LLP

signed by M.J. Knijnenburg RA

# Appendices

# Appendix 1 – Specification of investments

## ASR Pensioen Mixfonds Defensief

Name of Instrument	Instrument type	Quantity	Price	Market value 31-12-2019
AEIIEAF Participatieklasse C	Fund certificate	1,626,679	58.73	95,530
AEIIEBF Participatieklasse C	Fund certificate	1,000,578	53.39	53,423
AEIIESF Participatieklasse C	Fund certificate	148,938	54.10	8,057
ASR Amerika Aandelen Basisfonds	Fund certificate	1,290,891	73.30	94,618
BNP Paribas Easy - MSCI Pacific	Fund certificate	12,051	1,948.76	23,485
iShares EUR High Yield Corp Bond	Fund certificate	1,305,587	5.08	6,634
iShares JP Morgan ESG USD EM B	Fund certificate	3,234,796	5.14	16,611
iShares USD High Yield Corp Bond	Fund certificate	2,182,854	4.53	9,893
Northern Trust - Emerging Markets	Fund certificate	1,736,448	14.23	24,710
<b>Total ASR Pensioen Mixfonds Defensief</b>				<b>332,961</b>

## ASR Pensioen Mixfonds Neutraal

Name of Instrument	Instrument type	Quantity	Price	Market value 31-12-2019
AEIIEAF Participatieklasse C	Fund certificate	15,434,681	58.73	906,435
AEIIEBF Participatieklasse C	Fund certificate	4,760,777	53.39	254,187
AEIIESF Participatieklasse C	Fund certificate	859,521	54.10	46,500
ASR Amerika Aandelen Basisfonds	Fund certificate	12,271,425	73.30	899,456
BNP Paribas Easy - MSCI Pacific	Fund certificate	114,455	1,948.76	223,046
iShares EUR High Yield Corp Bond	Fund certificate	8,744,755	5.08	44,432
iShares JP Morgan ESG USD EM B	Fund certificate	21,568,870	5.14	110,756
iShares USD High Yield Corp Bond	Fund certificate	14,576,911	4.53	66,063
Northern Trust - Emerging Markets	Fund certificate	16,434,426	14.23	233,862
<b>Total ASR Pensioen Mixfonds Neutraal</b>				<b>2,784,737</b>

## ASR Pensioen Mixfonds Offensief

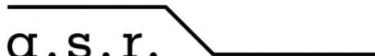
Name of Instrument	Instrument type	Quantity	Price	Market value 31-12-2019
AEIIEAF Participatieklasse C	Fund certificate	561,633	58.73	32,983
AEIIEBF Participatieklasse C	Fund certificate	84,371	53.39	4,505
AEIIESF Participatieklasse C	Fund certificate	1,735	54.10	94
ASR Amerika Aandelen Basisfonds	Fund certificate	448,590	73.30	32,880
BNP Paribas Easy - MSCI Pacific	Fund certificate	4,244	1,948.76	8,270
iShares EUR High Yield Corp Bond	Fund certificate	137,931	5.08	701
iShares JP Morgan ESG USD EM B	Fund certificate	340,226	5.14	1,747
iShares USD High Yield Corp Bond	Fund certificate	229,599	4.53	1,041
Northern Trust - Emerging Markets	Fund certificate	589,446	14.23	8,387
<b>Total ASR Pensioen Mixfonds Offensief</b>				<b>90,608</b>

**ASR Vermogensbeheer N.V.**

Archimedeslaan 10

3584 BA Utrecht

[www.asr.nl](http://www.asr.nl)



**α.s.r.**  
de nederlandse  
vermogens  
beheerders