

# ASR Pensioen Staatsobligatie Fonds 10-15 Jaar

## Annual Report

# 2021

α.s.r.  
de nederlandse  
vermogens  
beheerders

# General information ASR Pensioen Staatsobligatie Fonds 10-15 Jaar

**Office address of the Manager**

ASR Vermogensbeheer N.V.

Archimedeslaan 10

3584 BA Utrecht

The Netherlands

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

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

**Board of the Manager**

Mr. J.Th.M. Julicher

Mr. M.R. Lavooi

Mrs. W.M. Schouten

**Legal owner of the investments**

Stichting ASR Bewaarder

Archimedeslaan 10

3584 BA Utrecht

**External auditor**

KPMG Accountants N.V.

Papendorpseweg 83

3528 BJ Utrecht

**Legal advisor of the Manager**

De Brauw Blackstone Westbroek N.V.

Claude Debussylaan 80

1082 MD Amsterdam

**Date of incorporation**

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 Staatsobligatie Fonds 10 – 15 Jaar ('the Fund'). a.s.r. vermogensbeheer has its registered office in Utrecht and is listed in the Commercial Register of the Chamber of Commerce in Utrecht under number 30227237. a.s.r. vermogensbeheer is wholly owned by ASR Nederland N.V.

a.s.r. vermogensbeheer's objective is to manage investment institutions and to provide investment services to group companies of ASR Nederland N.V. (hereinafter referred to as 'a.s.r.' or 'ASR Nederland') and on behalf of third parties. a.s.r. vermogensbeheer offers investment services for pension funds, insurers, guarantee and donor-advised funds, charitable organizations, regional authorities, healthcare and educational institutions, network companies, housing associations, etc. a.s.r. vermogensbeheer offers institutional investment funds and individual asset management mandates as well. The product range consists of European corporate bonds, interest rate overlay, European government bonds, global stocks, balanced mandates, tailored bond portfolios, private debt, structured fixed income and mortgages. Other investment categories are purchased by a.s.r. vermogensbeheer in accordance with a.s.r.'s quality and sustainability criteria.

a.s.r. vermogensbeheer does not employ any staff members. All activities are carried out by employees of ASR Nederland N.V.

## Management of investment institutions (collective asset management) – AIFM license

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

- investment institutions that invest in financial instruments;
- investment institutions that invest in mortgage claims; and
- investment institutions that invest in private loans (non-tradeable bonds or other non-tradeable debt instruments).

Under this license, a.s.r. vermogensbeheer acts as the manager of amongst other the following alternative investment institutions: ASR Duurzaam Amerikaanse Aandelen Fonds, ASR Vooruit Mixfondsen, ASR ESG IndexPlus Institutionele Fondsen, ASR ESG IndexPlus Fondsen, ASR Mortgage Fund, ASR Separate Account Mortgage Fund, ASR Private Debt Fund I, ASR Kapitaalmarkt Fonds, ASR Duurzaam Institutioneel Vermogensbeheer Beleggingsfondsen, Loyalis Global Funds, First Liability Matching N.V. and the Luxembourg alternative investment fund ASR Fonds SICAV ('Société d'investissement à Capital Variable').

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

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

## Providing investment services (amongst other individual asset management)

Pursuant to Section 2:67a(2), paragraphs (a), (b) and (d), of the Financial Supervision Act (Wft), a.s.r. vermogensbeheer is also permitted to offer the following investment services to both professional and non-professional investors:

- Managing individual assets;
- Providing investment advice on financial instruments;
- Receiving and forwarding orders with regard to financial instruments.

These services are regulated in the Wft and the MiFID II (Markets In Financial Instruments Directive).

On this basis, a.s.r. vermogensbeheer acts as an individual asset manager on behalf of the group companies of ASR Nederland N.V., such as entities subject to supervision (OTSOs) and for third parties with external mandates.

# Fund profile

## Structure of the fund

The Fund was established on 30 September 2013 and is a mutual fund established in the Netherlands with an open-ended character. The open-ended character refers to the option offered by the Fund to deposit and withdraw funds each business day. The Participants in the Fund are only entitled to a proportional share of the Fund corresponding to the number of Participations they hold in the Fund. The first policyholder premiums were invested in the Fund in January 2014. The Participations are not listed on any stock exchange.

The Fund is offered within pension schemes on the basis of a defined contribution, potentially combined with an investment in a well-diversified mixed fund. The Fund aims to provide a greater degree of certainty regarding the amount of the final pension benefit. On the retirement date, participants purchase pension benefits for their retirement pension (and partner's pension where applicable). The cost of these benefits depends on the market interest rate applicable at the time.

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

It is possible to invest in the fund by means of an insurance product, in this case the Employee Pension product (a defined contribution pension scheme) of De Amersfoortse:

The Fund	Fund Manager
ASR Pensioen Staatsobligatie Fonds 10-15 Jaar	Mr. M. (Marèn) Klap

### Investment philosophy of the Fund

The goal of the Fund is to provide an investment in a diversified portfolio of Investment Grade fixed-income securities and instruments with a long duration, primarily issued by government authorities and denominated in euros. The benchmark is the Bank of America/Merrill Lynch 5+ Year AAA-AA Euro Government Index (Bloomberg ticker EG6L).

The investment policy is focused on generating a target return over a three-year period that at least equals the return on the established representative benchmark, after deduction of all costs applicable to this Fund.

The Fund is managed in compliance with the ESG policy drafted by the Manager.

### Manager and Legal Owner

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

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

### Meetings of Participants

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

### Voting policy

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

**Dividend policy**

The Fund does not distribute dividends.

**Costs and fees**

The Fund charges a fee for the issue and purchase of Participations. The Manager calculates the entry or exit charge (transaction costs) based on the actual average transaction costs it incurs when buying and selling investments. These charges are credited to the Fund to compensate for transaction costs incurred. Furthermore, the Manager charges a management and service fee to the Fund.

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

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

**Securities lending**

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

**Transactions with related parties**

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

**Available documentation**

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

**Complaints**

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

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

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

# Report of the Manager

## Key figures

In 2021, the Fund Net Asset Value increased by €68.8 million to €420.7 million. This was mainly due to continued net inflow.

x 1,000	31-12-2021	31-12-2020	% change	€ change
<b>Fund Net Asset Value</b>	€ 420,671	€ 351,861	19.56 %	68,810

## Developments affecting the fund during the reporting period

There are no relevant developments to mention regarding the Fund.

## Risk management

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

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

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

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

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

Regular board meetings are also held to keep the board up to date with the current situation. The Risk division monitors on a daily basis whether the various portfolios comply with the implementing guidelines (mandates) issued and reports on this in the limits report. This limits report is discussed by the Risk Management Committee (RMC). The RMC documents are submitted to the Investment & Policy Committee (IPC). The board is represented within the IPC. As from January 2021, both committees have been merged into a combined IPC / RMC, in which again also the board is represented.

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

The overview included in the appendix entitled 'Specification of Investments' provides information on the level of diversification of investments in terms of both region and currency and by individual name, as well as information on the interest rate and the remaining term per investment in the case of fixed-income investments. It also gives an indication of price risk, among other things. In terms of derivative financial instruments, insofar as these instruments are part of the portfolio at the time of reporting, breakdowns are included in the explanatory notes to the balance sheet and/or profit and loss account where relevant.

## Fund governance and policy regarding conflicts of interest

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

An important part of fund governance is the presence of a Supervisory Board that supervises the management of the Dutch AIFMD investment 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. 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 a.s.r. vermogensbeheer reports on risk management in relation to funds subject to supervision directly to the CEO (Chief Executive Officer) of ASR Nederland N.V. The risk management of a.s.r. vermogensbeheer complies with the Risk Charter that applies within ASR Nederland N.V. In accordance with the Risk Charter, a.s.r. vermogensbeheer reports for the risk management of a.s.r. vermogensbeheer to the CFO (Chief Financial Officer) of ASR Nederland N.V., via the Manager's CFRO (Chief Financial and Risk Officer) and ASR Nederland N.V.'s Finance & Risk director.

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

### **Risk and limit control**

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

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

The risk associated with the Fund is limited by distributing the Fund's assets across a number of securities. A full list of risk factors can be found in the Risk Profile section (Section 4) of the Information Memorandum.

Daily monitoring takes place based on the limits set out in the mandate and the prospectus. If the limits have been exceeded, immediate action will be taken. The Risk and Compliance division produces a monthly dashboard that clearly and quickly identifies whether any incidents have occurred or limits have been exceeded, as well as the severity and the impact of the report. The dashboard is discussed by the Risk Management Committee at its monthly meetings, and also shared with the Supervisory Board. A report register is also kept to monitor action taken following an incident report.



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

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

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

#### Monitoring operational risks

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

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

#### Personnel

The Manager does not employ any personnel. As at 31 December 2021, 182 employees and 175 FTEs were subcontracted by a.s.r. vermogensbeheer pursuant to an employee loan agreement with ASR Nederland N.V. The personnel expenses, which are charged to a.s.r. vermogensbeheer consist entirely of fixed remuneration (AIFMD Article 22, paragraph 2 e). The Manager does not share in the investment performance as remuneration for the management of the investment funds, hence there is no question of 'carried interest' (the share of the profit of the Fund intended for the Manager of the Fund as remuneration for the management).

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

Personnel expenses (in euros)	01-01-2021 to 31-12-2021	No. of employees
Identified Staff*	1,296,739	4**
Employees	23,514,533	178
<b>Total</b>	<b>24,811,272</b>	<b>182</b>

\*In 2022 six Identified Staff members (no Management Board members) have been appointed in addition based on the IFD/IFR regulation.

\*\*The 2021 Identified Staff remuneration relates to three Management Board members and one Identified Staff member.

# Sustainability policy

## ASR as sustainable investor

This section describes a.s.r.'s approach to sustainable investing. It explains how a.s.r. deals with its own investments, and also how a.s.r. vermogensbeheer addresses sustainability in its fund management activities. The following section is not specific to the Fund.

Since 2007 a.s.r. has employed a formally approved investment policy that is applied to all investments, both own investments and investments for third parties. Over the years a.s.r. has expanded its efforts from the original exclusion criteria to a focus on making a positive contribution to a more sustainable world. A regular update on this is given in our quarterly reports on sustainable business practice.

All investments managed by a.s.r. vermogensbeheer are screened using our Socially Responsible Investment (SRI) policy (see [www.asrvermogensbeheer.nl](http://www.asrvermogensbeheer.nl)) for social and environmental aspects and management criteria, etc. Countries and companies that do not meet the requirements are excluded. These include producers of controversial or conventional weapons and tobacco, the gambling industry and companies that derive most of their profits from the extraction of coal, tar sands and oil shale, the production of coal-fired electricity and nuclear energy. In addition, a.s.r. assesses companies on their compliance with international agreements such as the OECD guidelines and UN guidelines such as the Global Compact.

a.s.r. ensures full compliance with its own SRI policy for both investments in its own funds and direct investments in equities and bonds, through implementation of this SRI policy by its internal investment departments, its internal compliance process and independent external assurance from Forum Ethibel.

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

Regarding funds managed by an external manager, a.s.r. requires the external managers of these investment funds to strive to invest in line with a.s.r.'s sustainability policy as far as possible. a.s.r.'s aim in this respect is that these investment funds should invest in line with the United Nations Principles for Responsible Investment (UN PRI), the United Nations Global Compact (UN GC) and standards defined by the Dutch Association of Insurers relating to the exclusion of investments in controversial weapons

For a.s.r., sustainability is an essential part of the investment vision. a.s.r. believes that the integration of ESG factors in the management of its investments contributes directly to the reduction of risks (both financial and reputational) and has a positive impact on long-term performance. The SRI policy of a.s.r. is embedded in internal investment practice in the following ways:

### Exclusion criteria for countries and companies

a.s.r. applies a strict exclusions policy for controversial activities and controversial behaviour, which applies to all internally managed portfolios, both for its own investments and investments for third parties. Twice a year, a.s.r. publishes a revised list of excluded companies and once a year a revised list of excluded countries (<https://www.asrvermogensbeheer.nl>).

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

Our portfolios are at minimum characterized by above average ESG scores. Companies are analyzed on a large number of ESG criteria taking into account the materiality for the respective sector/industry sector. The overall ESG score allows us to identify the best ESG scoring companies on a certain sector. The ESG screening is carried out using external data suppliers where ESG themes such as the following ones are analyzed:

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

This is implemented for each fund in a different way.

### Engagement

During 2021, a.s.r. successfully completed a number of engagement processes and further expanded the number of ongoing processes. The list of companies with which a.s.r. has entered into a constructive dialogue is published on a.s.r. vermogensbeheer's website, stating the reason for and status of the dialogue.

a.s.r. distinguishes three types of engagement:

1. Engagement to exercise influence: this involves an attempt to persuade companies to adopt better sustainability practices. A selection of key themes in the previous year:

- The COVID-19 pandemic plays an important role in our engagements. a.s.r. continued to engage with various pharmaceutical companies, for example, and urged them not to place financial interest above the interests of society as a whole when developing and distributing vaccines and medicines for COVID-19.
  - a.s.r. undertook multiple initiatives in relation to biodiversity in 2021 and the first half-year of 2021. a.s.r. is active in the Biodiversity workflow via De Nederlandsche Bank's Sustainable Finance Platform. The working group published the papers "From Pledges to Action". By signing the Finance for Biodiversity Pledge, a.s.r. has committed to working on measuring the biodiversity footprint of its investments in the coming years and to formulating biodiversity targets by 2024 at the latest.
  - a.s.r. is participating in a joint engagement programme targeting deforestation. As part of this programme, we confront companies with satellite images that provide insight into changes in vegetation due to the expansion of plantations (e.g. palm oil plantations) or forest fires. In June 2021, this initiative won an Environmental Finance Award in the category 'ESG engagement initiative of the year'.
  - Other current engagements focus on topics such as human rights violations associated with cobalt mining, climate change, and sustainable food production.
2. Engagement for monitoring purposes: sustainability is a subject that for a.s.r. is always on the agenda at meetings with companies in its investment portfolio. In addition, a.s.r. is in discussion with other players within the investment landscape, such as fund and index providers, in order to actively promote further ESG integration in the investment chain.
  3. Public engagement: a.s.r. is actively involved in the implementation of the IMVO sector covenant (International Corporate Social Responsibility), together with other insurers, the public sector and various NGOs. In 2021, the main focus of our sustainability efforts was on biodiversity, to which a.s.r. contributes by means of activities such as those described above. In addition, in the context of the G7 and G20 summits a.s.r. called on governments to stimulate an effective and fair approach to tackle the COVID-19 pandemic worldwide. In the run-up to the COP26 summit in Glasgow, we called on governments to take ambitious steps in the area of NDCs (Nationally Determined Contributions) and agricultural policy. The most recent overview of companies being talked to and their status can be found on a.s.r.'s website (<https://asrvermogensbeheer.nl/duurzaam-beleggen/active-ownership>).

### Voting

a.s.r. exercises its voting rights as a shareholder where relevant. The voting policy of a.s.r. has been developed in accordance with the Dutch Corporate Governance Code and a.s.r.'s SRI policy. This policy applies to all internally managed listed shares. Common ESG topics during 2021 were transparency on lobbying practices, human rights, climate change and equal pay for men and women. More information on the voting policy, including the use of voting advisors for engagement activities, can be found on <https://asrvermogensbeheer.nl/duurzaam-beleggen/active-ownership>.

### Climate and energy transition

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

In 2021, the climate scenarios in the SAA were again expanded further. This approach was selected as Best Practice by the UN PRI. In the 2021 Annual report, a.s.r. reported once again on climate risks and opportunities in accordance with the TCFD (Taskforce on Climate-related Financial Disclosures) and the steps that were taken in this regard in the previous year.

a.s.r. set the following CO2 reduction targets: 65% reduction in 2030 compared to base year 2015 for the most important asset classes for own account (equities, corporate bonds and government bonds, real estate and mortgages). In addition, a.s.r. has developed and implemented a strategy to further scale back investments in the fossil sector in three phases during the period 2022-2024. Accordingly, we brought investments in coal and unconventional oil and gas by the end of 2021 in line with applicable policy adjustments.

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

- In January 2020, a.s.r. received the highest ratings in the Fair Insurance Guide (Eerlijke Verzekeringswijzer) for the sixth time. At the end of 2022, a new update will be published.
- a.s.r. once again received an A+ rating for sustainability strategy from the UN PRI.
- a.s.r. was again recognised by PAX as the best-performing insurer in a study on investments in the arms industry. All investments in arms have been excluded by a.s.r.

**Reporting under the EU Transparency Regulation ('SFDR')**

The above text describes the sustainability policy generally applied by the Manager. It also applies to investments made by a.s.r. for its own account.

The Manager applies a different version of its sustainability policy to each fund under its management. A detailed account of the sustainability performance achieved by the Fund is presented in Appendix 2.

# Market developments and outlook

## Economic developments

In 2021, the global economy made a very strong recovery from the deepest (and shortest) recession since World War II. For the global economy as a whole, growth in 2021 was around 6%. China was the first major economy to recover, followed by the US and the eurozone, with growth rates for 2021 of 8%, 6% and 5% respectively. The economic growth recovery was mainly due to the earlier than expected availability of 'Covid-19' vaccines, and was also fueled by particularly generous monetary and fiscal policies. Especially in the second half of the year, the growth recovery was hampered by capacity shortages on the supply side of the economy.

Equally remarkable is the fact that in 2021, the inflation picture has changed from fear of 'deflation' to 'reflation' (and fear of 'stagflation'). In the eurozone, inflation jumped from 0-1% to 5%, and in the US it even reached 7% year-on-year. The increased inflationary pressure was initially mainly due to the economic growth recovery and was therefore labelled 'mainly temporary' by central banks and others. The inflationary pressure gradually also turned out to be at least partly due to supply-side problems in the economy, and thus perhaps less temporary than previously thought. This also increased the pressure on central banks to start phasing out the extremely accommodating monetary policy of recent years.

## Financial markets

Financial markets were also strongly influenced by 'Covid-19' in 2021, but in a different way than in 2020: capital market interest rates left behind the historical lows of 2019-2020 and (particularly developed) stock markets showed strong price increases.

Although strong growth and inflation data contributed to higher government bond yields, they still remained below average from a historical perspective. In the eurozone, long-term interest rates rose by 25-50 basis points. Dutch, German and Swiss 10-year interest rates thus ended at around 0%. Within the eurozone, southern European interest rates rose the most with Italian and Greek 10-year interest rates ending up above 1%. Elsewhere, long-term interest rates rose even faster, by 50-100 basis points (US, UK and Australia) to almost 150 basis points (New Zealand). Interest rates on Japanese and Chinese government bonds remained virtually unchanged.

For corporate bonds, credit spreads had already crept up towards 'pre-coronavirus' levels during the course of 2020. In 2021, these remained virtually flat: corporate bonds in 2021 were hardly sensitive to developments that set other markets in motion, such as news about 'Covid-19', rising interest rates, etc. Purchases by central banks (in particular the ECB) continued to support the corporate bond market, but the question is for how much longer.

Stock markets performed above average in 2021, although this was mainly in developed markets. Both US and European stock markets rose by more than 15%. For European investors in US equities, the appreciation of the dollar against the euro (almost 10%) was an additional factor for their returns on investment. Emerging markets lagged well behind developed stock markets, mainly due to Asian stock markets, including China, Taiwan and South Korea. The Japanese stock market's performance was subdued, with a relatively slight price increase of around 5% on balance.

## Outlook for the economy and financial markets

For 2022, we expect a further recovery of the global economy. With expected growth of around 4%, the recovery may be less spectacular than in 2021, but it is still very significant. The US economy showed the strongest growth recovery among the major regions in 2021, but is expected to fall back to growth of approximately 3.5-4% in 2022, similar to that in the eurozone. A major risk is that the gap between developed and emerging economies will widen as the focus of the coronavirus pandemic shifts to emerging countries, where the vaccination rate is still low, although several countries (including China, India and Brazil) have recently caught up. The war in Ukraine poses a second significant risk to economic growth, especially for Europe, but (mainly through higher food prices) also for emerging markets e.g. in Eastern Europe, Africa and the Middle East.

The sharp rise in inflationary pressures in 2021 is expected to continue at least into the first half of 2022, as the recent capacity issues prove less incidental than previously thought. Besides, due to the war in Ukraine food and energy prices are rising significantly. Eventually, inflationary pressures in the eurozone are expected to fall to the ECB's 2% target, but this is unlikely to happen before the end of 2022. In the US inflation could remain well above 4%, even at the end of 2022. In the longer term, structural factors (e.g. ageing population, technology & internet, weakening labour productivity growth and labour market flexibility) will continue to put a brake on inflationary pressures.

As far as monetary policy is concerned, at least in the first half of 2022 no interest rate increases are to be expected from the ECB. However, the ECB will start winding down the current 'quantitative easing' programmes. This applies first and foremost to PEPP, the €1,850 billion 'Covid-19' emergency programme. For the Fed, further monetary tightening in 2022 seems inevitable, given the combination of economic growth recovery and sharply rising inflationary pressures in the US. In the US, too, the reduction in quantitative easing comes before interest rate increases, however in the course of 2022 the Fed is likely to increase interest rates several times.

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The combination of good economic growth prospects, inflation risks and the threat of monetary tightening creates a challenging environment for financial markets. Possibly higher than expected inflation and any subsequent monetary tightening by central banks pose a risk to government bonds. In addition, capital market interest rates are still relatively low from a historical perspective, even after the (limited) interest rate increases in 2021. Corporate bonds can continue to benefit from the economic growth recovery, but are vulnerable to rising interest rates (especially from a total return perspective). The valuation of corporate bonds is also not very attractive given the current historically low credit spreads.

Equities and property are more suitable as inflation hedges than bonds, but after last year's price increases they are not particularly attractive either, although the latter applies most to US (tech) equities. For property, economic recovery is a plus, but possibly higher interest rates are a disadvantage. Moreover, the damage to shops and offices incurred during the pandemic may turn out to be partly structural.

## ASR Pensioen Staatsobligatie Fonds 10-15 Jaar return and portfolio policy

Compared to -5.03% for the benchmark, the Fund achieved an annual return of -4.92% after costs, representing a positive relative performance of 13 basis points. In the final days of the year, we temporarily lost a few basis points due to price volatility.

Return Reference date	Fund	Benchmark
31-12-2021	-4.92 %	-5.03 %
31-12-2020	6.70 %	6.33 %
31-12-2019	7.96 %	7.73 %
31-12-2018	2.21 %	2.43 %
31-12-2017	7.07 %	6.70 %

Value movement per participation	2021	2020	2019	2018	2017
Income	1.17	1.19	1.10	1.10	1.34
Changes in value	-4.62	3.79	4.48	0.39	-1.99
Costs	-0.16	-0.16	-0.15	-0.14	-0.14
<b>Result after tax</b>	<b>-3.61</b>	<b>4.82</b>	<b>5.43</b>	<b>1.35</b>	<b>-0.79</b>

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

2021 was the year when economies and markets continued to recover after the shock caused by the coronavirus in early 2020. This led to higher interest rates, steeper yield curves, higher inflation (expectations) and ultimately higher credit spreads. The first three effects are fundamentally logical, but the higher credit spreads are not. However, this effect can also be explained by the same fundamental improvement because it also reduced the need for very generous monetary policies while governments' borrowing requirements remained very high.

As stated, further economic recovery was the theme of 2021, but this recovery was erratic. When the coronavirus mutated into a more contagious, and still quite aggressive, delta variant, lockdowns were again a frequently used tool to keep hospital admissions manageable. With the availability of vaccines and an ultimately rapid vaccination drive, especially in developed countries, the battle with the coronavirus seemed largely won. In the last quarter, a new mutation, the omicron variant, introduced another wave of fear into the markets. However, this was short-lived when it turned out that this variant was more contagious, but also less pathogenic. The impact on economic growth was thus largely over in 2021. Other factors that positively influenced growth were generous fiscal and monetary policies.

The story about the other, and probably more important for interest rate markets, fundamental factor, inflation, was considerably more interesting. The (partial) closure of economies, especially at the outbreak of the pandemic, was accompanied by a fall in demand, deflationary, which was stronger than the inflationary effect of the breakdown of supply of goods and services. However, as fears of the virus subsided, demand recovered while supply lagged sharply behind. This drove up inflation to levels not seen for many years. For much of 2021, central banks were given the benefit of the doubt by markets with the message that rising inflation would only be temporary. However, this picture changed dramatically in the final months of the year. With ever increasing inflation rates, the temporariness was increasingly called into question and central bankers were also forced to reconsider their opinion. All the major central banks announced tighter monetary policies, which pushed up interest rates and increased credit spreads. Inflation will also remain the major market theme in 2022. Although, especially in Europe, a substantial portion of the inflation will normalise on its own once supply and demand are more in balance and the effect of higher commodity prices diminishes in the year-on-year comparisons, it is uncertain how fast and to what level inflation will fall back.

The Fund was underweight in interest rate risk all year and thereby earned a few basis points. The curve positioning also yielded a few basis points. In the first three quarters, the fund was underweight in medium-term maturities, but it was not until the end of September that the benefits of this were felt when the long end of the curve flattened considerably. The underweighting to longer maturities was then shifted, and this positioning made a positive contribution in the last quarter. In the first quarter, the Fund had an overweight in inflation-linked bonds that benefited from increased inflation expectations. The position was subsequently phased out. The Fund had an overweight in credit risk at the beginning of the year. This was reduced as credit spreads declined and implemented by means of an overweight in semi-government bonds versus government bonds. When zooming in on individual country/debtor choices, underweight positions in Germany and France made a positive contribution, as did an overweight in Belgium and Lithuania.

Negative contributions came from positions in supranational and Canadian debtors, which were affected by a widening spread between sovereign and swap rates, the natural basis for many semi-governmental loans.

No bankruptcies occurred in 2021. Interest rates were volatile, but 10-year German government yields ultimately rose by about 40 basis points. Credit spreads increased slowly, especially towards the end of the year. Inflation expectations rose further in line with continually higher-than-expected inflation figures.

The main risks that affect or could potentially affect the Fund are:

*Market risk:*

The Fund is sensitive to both market movements in general and fluctuations in the prices of individual investment instruments in particular. Fluctuations in the value of the participations of the Fund and in the interest revenue have a direct impact on the value of a Participation in a Fund. Associated declines can be caused by both general economic developments and developments in relation to a specific category of investments. The Manager will seek to limit this risk as much as possible by distributing the assets across a large number of (categories of) securities. Investments are made in 91 bonds within the Fund.

<b>Sector allocation</b>	<b>31-12-2021</b>	<b>31-12-2020</b>
Sovereign	93.97%	91.35%
Quasi Government	6.03%	8.65%

<b>Country allocation</b>	<b>31-12-2021</b>	<b>31-12-2020</b>
France	37.47%	41.50%
Germany	26.11%	17.17%
Belgium	10.94%	11.19%
The Netherlands	9.52%	11.18%
Austria	4.99%	7.48%
Supranationals	2.31%	3.21%
Other	8.66%	8.27%

*Credit risk:*

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

<b>Rating</b>	<b>31-12-2021</b>	<b>31-12-2020</b>
AAA	38.77%	33.36%
AA	56.61%	63.12%
A	4.62%	3.52%

*Interest-rate risk:*

The investments in fixed income instruments are sensitive to the interest rate risk. The value of bonds moves inversely to the interest rate, meaning the value of the portfolio will fall if the interest rate rises and vice versa.

*Currency risk:*

The Fund invests exclusively in euro-denominated bonds.

*Return risk:*

Active portfolio management within the limits of the mandate can lead to a deviation from the benchmark.



*Expected impact of stress scenarios on the investment portfolio:*

The 'VaR' table provides an insight into the 'Value at Risk', the maximum loss expected over a year, with a probability of 97.5%. The historical VaR is based on the daily return distribution over the last five years:

VaR	Portfolio VaR	Benchmark VaR	+/- VaR
	(%)	(%)	(%)
	31-12-2021	31-12-2021	31-12-2021
Total	7.9	10.1	-2.2
Spread	0.2	0.0	0.2
Interest Rate	7.7	10.1	-2.4
FX	0.0	0.0	0.0
Inflation	0.0	0.0	0.0

With regard to the investment portfolio and linked to market risk, the 'scenarios for the investment portfolio' table provides insight into sensitivities based on historical stress scenarios and historical sensitivities. The historical scenarios have been derived from key events in the recent past and the effect these events have had on the value of the investments. The value of the investment portfolio is based on the value as at 31 December 2021 and the effect of this scenario on an annual basis.

Scenarios for the investment portfolio	Profit and loss account	Profit and loss account
	(%)	(EUR x 1.000)
	31-12-2021	31-12-2021
Corporate shock	-12.2%	-51,346
Financial shock	-8.6%	-36,086
Interest rate shock	-12.1%	-50,910

- Corporate shock: a shock of two standard deviations in the iBoxx Euro Overall Index related to European corporate bonds.
- Financial shock: a shock of two standard deviations in the EMU Corporates/Financials Index related to corporate bonds of banks and insurers.
- Interest rate shock: a shock of 100 basis points over the Euro government curve.

All the above-mentioned risks fall within the mandate and are managed and mitigated in a timely manner where necessary.

## In Control statement

The Manager's description of its business operations meets the requirements of the Financial Supervision Act (*Wet op het financieel toezicht*, "Wft"). The Manager has reviewed various aspects of its business operations during the past financial year. In the course of these activities, no findings were made that would lead to the conclusion that the description of the structure of the business operations does not meet the requirements as set out in the Wft and related legislation. The Manager has also come across no findings that indicate that the business operations do not function effectively or in accordance with the description. We therefore declare with a reasonable degree of certainty that the business operations functioned in accordance with the stated description in 2021.

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

Utrecht, 31 March 2022

ASR Vermogensbeheer N.V.

On behalf of ASR Pensioen Staatsobligatie Fonds 10-15 Jaar

The management,

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

Mr. M.R. Lavooi (director)

Mrs. W.M. Schouten (director)

Mr. N.H. van den Heuvel (CFRO)

# **Financial Statements 2021**

**ASR Pensioen**

**Staatsobligatie Fonds 10-15 Jaar**

## Balance sheet

Balance sheet as at 31 December 2021 (before appropriation of the result x €1,000)

Balance sheet	31-12-2021	31-12-2020	Reference
Investments	414,614	332,717	
<b>Total investments</b>	<b>414,614</b>	<b>332,717</b>	<b>1</b>
Receivables	4,140	3,614	<b>2</b>
Other assets			
Cash	1,990	16,702	<b>3</b>
Current liabilities	-73	-1,172	<b>4</b>
<b>Receivables and other assets less current liabilities</b>	<b>6,057</b>	<b>19,144</b>	
<b>Assets less current liabilities</b>	<b>420,671</b>	<b>351,861</b>	
Issued participation capital	386,319	298,768	
Other reserves	53,093	34,188	
Unappropriated result	-18,741	18,905	
<b>Total Net Assets</b>	<b>420,671</b>	<b>351,861</b>	<b>5</b>

## Profit and loss account

Profit and loss account for the period from 1 January 2021 until 31 December 2021 (x € 1,000)

Profit and loss account	01-01-2021 to 31-12-2021	01-01-2020 to 31-12-2020	Reference
Investment income	6,081	4,671	<b>6</b>
Realized changes in the fair value of investments	-7,099	7,349	<b>7</b>
Unrealized changes in the fair value of investments	-16,899	7,495	<b>7</b>
<b>Total operating income</b>	<b>-17,917</b>	<b>19,515</b>	
Management fee	-383	-293	
Service fee	-383	-293	
Interest charges	-58	-24	
<b>Total operating expenses</b>	<b>-824</b>	<b>-610</b>	<b>8</b>
<b>Profit after tax</b>	<b>-18,741</b>	<b>18,905</b>	

## Cashflow statement

Cashflow statement for the period 1 January 2021 to 31 December 2021 (x €1,000)

Prepared according to the indirect method

Cashflow statement	01-01-2021 to 31-12-2021	01-01-2020 to 31-12-2020	Reference
Total investment result	-18,741	18,905	
Changes in the value of investments	23,998	-14,844	1
Purchase of investments (-)	-439,800	-414,092	1
Sales of investments (+)	333,905	373,190	1
Increase (-)/Decrease (+) in receivables	-526	-874	2
Increase (+)/Decrease (-) in liabilities	-1,099	1,122	4
<b>Net cash flow from investment activities</b>	<b>-102,263</b>	<b>-36,593</b>	
Issue of participations	115,950	122,411	5
Redemption of participations	-28,399	-71,836	5
<b>Net cash flow from financing activities</b>	<b>87,551</b>	<b>50,575</b>	
<b>Movement in cash</b>	<b>-14,712</b>	<b>13,982</b>	
Cash per January 1	16,702	2,720	3
Cash per December 31	1,990	16,702	3
<b>Movement in cash</b>	<b>-14,712</b>	<b>13,982</b>	

## Principles of valuation and determination of results

### General

ASR Pensioen Staatsobligatie 10-15 Jaar (the Fund) was established on 30 September 2013 in the form of a mutual fund. The activities commenced on 18 November 2013.

The obligations under the Financial Supervision Act (Wft) are not applicable to the Manager as far as the ASR Pensioen Staatsobligatie Fonds 10-15 Jaar is concerned. Potential investors, namely group companies of the Manager within the meaning of Section 1:13a (1) (g) of the Wft, are therefore again reminded that the Fund is not subject to supervision by the AFM. Nevertheless, the Manager has decided to voluntarily prepare the annual report on the Fund with due observance of the applicable rules as set out in Guideline 615 'Investment Institutions' of the Dutch Accounting Standards Board and Title 9 Book 2 of the Dutch Civil Code (Burgerlijk Wetboek, "BW"). All amounts included in the annual report are in thousands of euros, unless stated otherwise. The amounts stated in the tables are rounded figures. Rounding differences may occur as a result. The Manager compiled the financial statements on 31 March 2022.

### Reporting period and corresponding figures

The annual report covers the period from 1 January 2021 up to 31 December 2021. Prior period comparative figures relate to the period 1 January 2020 to 31 December 2020.

### 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 2021.

### 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 Manager is responsible for managing the fund assets in accordance with the investment policy and performing the participant and financial administration. The Manager holds a license granted by the supervisory authority in accordance with Section 2:65 (1) (a) of the Wft and is included in the register kept by the Dutch Authority for the Financial Markets (Autoriteit Financiële Markten, AFM).

### Legal Owner

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

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

### Basis of preparation

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

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

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

**Offsetting**

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

**Related party transactions**

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

**Investments**

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

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

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

Transaction costs of investments: costs associated with the settlement of purchase and sale transactions by the custodian of the Fund.

**Cash**

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

**Other assets and liabilities**

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

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

**Determining the result**

The result is determined as the difference between the income and the expenditure. Income and expenditure are allocated to the period to which they relate. The result also includes direct investment income, such as interest. Interest income refers to the interest received on bonds and deposits. Results in foreign currencies are translated into euros at the exchange rates applicable on the transaction date.

**Changes in the value of investments**

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

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

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

**Income tax**

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

**Management fee**

Costs are charged to the Fund by the Manager for the management of the Fund Net Assets. The provisions made are transferred to the Manager on a monthly basis. The annual management fee is 0.10%.

**Service fee**

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

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

The annual service fee is 0.10%. The Manager ultimately pays the costs actually incurred related to the service fee.

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

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

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

If a portion of the fees charged within the investment funds that are the subject of investment is refunded (return commission), this will be credited to the Fund. The entry or exit charges are included directly in the purchase or selling price and are charged to the profit and loss account under investment income.

As at 31 December 2021 the Fund has no investments in other investment funds.

**Fees in relation to securities lending**

The net proceeds generated by securities lending are in principle credited to the Fund. The net proceeds are the proceeds relating to securities lending less a fee for the Manager in line with market conditions, and any costs charged by the parties involved in the lending transactions.

Securities lending involves the provision of securities on loan, whereby legal ownership is transferred to a third party but beneficial ownership remains with the Fund. Loaned securities have therefore been included under investments and are recognized at the share price at the end of the reporting period. Collateral was received to cover the risk of non-return. This collateral is not included in the balance sheet.

No securities were provided on loan during the reporting period.

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

The Fund charges a fee (0.15% of the Net Asset Value) for the issue and redemption of participations. These fees are credited to the Fund to compensate for transaction costs incurred if underlying investments need to be purchased due to issuance or if investments need to be sold due to redemption.

The Manager calculates the entry or exit charge based on the actual average transaction costs it incurs when buying and selling investments. The entry or exit charges are included directly in the purchase or selling price and on revaluation are charged to the profit and loss account at the end of the reporting period. The Manager may adjust this percentage if the market conditions change to such an extent that the entry and exit charge are no longer representative of the actual transaction costs incurred.

**Cash flow statement**

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



## Notes to the balance sheet and profit and loss account

### 1. Investments

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

Investments	31-12-2021	31-12-2020
Government bonds	414,614	332,717
<b>Total investments</b>	<b>414,614</b>	<b>332,717</b>

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

Investments	31-12-2021	31-12-2020
Balance at the start of the reporting period	332,717	276,971
Purchases	439,800	414,092
Sales	-333,905	-373,190
Changes in values	-23,998	14,844
<b>Balance at the end of the reporting period</b>	<b>414,614</b>	<b>332,717</b>

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

### 2. Receivables

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

Receivables	31-12-2021	31-12-2020
Interest receivable on investments	3,893	2,814
Receivables from participants for subscriptions	247	796
Other receivables	-	4
<b>Total</b>	<b>4,140</b>	<b>3,614</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	31-12-2021	31-12-2020
Management and service fees payable	-73	-118
Payable in respect of securities transactions	-	-1,054
<b>Balance at the end of the reporting period</b>	<b>-73</b>	<b>-1,172</b>

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

ASR Pensioen Staatsobligatie Fonds 10 – 15 Jaar multi-year overview

Net Asset Value	31-12-2021	31-12-2020	31-12-2019
Fund Net Assets (x € 1,000)	420,671	351,861	282,381
Number of participations	5,777,442	4,594,451	3,934,152
Net Asset Value in euros per participation	72.81	76.58	71.78

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

Issued share capital	2021	2020
Balance at the start of the reporting period	298,768	248,193
Issued during the reporting period	115,950	122,411
Redemptions during the reporting period	-28,399	-71,836
<b>Balance at the end of the reporting period</b>	<b>386,319</b>	<b>298,768</b>

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

Schedule of movements in the number of participations	2021	2020
Balance at the start of the reporting period	4,594,451	3,934,152
Issues during the reporting period	1,567,688	1,630,599
Redemptions during the reporting period	-384,697	-970,300
<b>Balance at the end of the reporting period</b>	<b>5,777,442</b>	<b>4,594,451</b>

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

Other reserves	2021	2020
Balance at the start of the reporting period	34,188	9,207
Profit distribution of the previous financial year	18,905	24,981
<b>Balance at the end of the reporting period</b>	<b>53,093</b>	<b>34,188</b>

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

Unappropriated result	2021	2020
Balance at the start of the reporting period	18,905	24,981
Profit distribution of the previous financial year	-18,905	-24,981
Unappropriated result of the current financial year	-18,741	18,905
<b>Balance at the end of the reporting period</b>	<b>-18,741</b>	<b>18,905</b>

## 6. Investment income

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

Investment income	01-01-2021 to 31-12-2021	01-01-2020 to 31-12-2020
Interest on bonds	5,876	4,393
Proceeds in relation to participant subscriptions and redemptions	204	278
Other income	1	-
<b>Total</b>	<b>6,081</b>	<b>4,671</b>

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

Changes in the fair value of investments	01-01-2021 to 31-12-2021 (positive)	01-01-2021 to 31-12-2021 (negative)	01-01-2020 to 31-12-2020 (positive)	01-01-2020 to 31-12-2020 (negative)
Realized	1,878	-8,977	8,261	-912
Unrealized	89	-16,988	7,848	-353

## 8. Operating expenses

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

Operating expenses	01-01-2021 to 31-12-2021	01-01-2020 to 31-12-2020
Management fee	-383	-293
Service fee	-383	-293
Interest charges	-58	-24
<b>Total</b>	<b>-824</b>	<b>-610</b>

## Ongoing Charges Figure (OCF)

Fund	Information memorandum	01-01-2021 to 31-12-2021	01-01-2020 to 31-12-2020
ASR Pensioen Staatsobligatie Fonds 10-15 Jaar	0.20%	0.20%	0.20%

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

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

**Portfolio Turnover Rate (PTR)**

Fund	01-01-2021 to 31-12-2021	01-01-2020 to 31-12-2020
ASR Pensioen Staatsobligatie Fonds 10-15 Jaar	164.09%	202.16%

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

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

**Related party transactions**

The Fund has the following relationships with related parties:

- ASR Vermogensbeheer N.V. is the Manager of the Fund and charges a management fee (€ 383,000) and a service fee (€ 383,000).
- The board of ASR Vermogensbeheer N.V. has no participations in the Fund.

**Other**

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

**Profit appropriation**

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

**Proposed dividend**

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

**Events after the balance sheet date**

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

**SIGNING OF THE FINANCIAL STATEMENTS**

Utrecht, 31 March 2022

ASR Vermogensbeheer N.V.  
On behalf of ASR Pensioen Staatsobligatie Fonds 10-15 Jaar

The management,

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

## Other information

### Independent auditor's report

To: the participants of ASR Pensioen Staatsobligatie Fonds 10-15 Jaar

#### Report on the audit of the accompanying financial statements

##### Our opinion

We have audited the financial statements 2021 of ASR Pensioen Staatsobligatie Fonds 10-15 Jaar (or hereafter 'the Fund'), based in Utrecht.

In our opinion the accompanying financial statements give a true and fair view of the financial position of ASR Pensioen Staatsobligatie Fonds 10-15 Jaar as at 31 December 2021, and of its result for 2021 in accordance with Part 9 of Book 2 of the Dutch Civil Code.

The financial statements comprise:

1. the balance sheet as at 31 December 2021;
2. the profit and loss account for 2021; and
3. the notes comprising a summary of the accounting policies and other explanatory information.

##### Basis for our opinion

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

We are independent of ASR Pensioen Staatsobligatie Fonds 10-15 Jaar in accordance with the 'Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten' (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore, we have complied with the 'Verordening gedrags- en beroepsregels accountants' (VGBA, Dutch Code of Ethics).

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

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

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

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

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

We have read the other information. Based on our knowledge and understanding obtained through our audit of the financial statements or otherwise, we have considered whether the other information contains material misstatements.

By performing these procedures, we comply with the requirements of Part 9 of Book 2 of the Dutch Civil Code and the Dutch Standard 720. The scope of the procedures performed is less than the scope of those performed in our audit of the financial statements.

The manager, ASR Vermogensbeheer N.V., is responsible for the preparation of the other information, including the management report, in accordance with Part 9 of Book 2 of the Dutch Civil Code, and other information pursuant to Part 9 of Book 2 of the Dutch Civil Code.

#### Description of the responsibilities for the financial statements

##### Responsibilities of the manager for the financial statements

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

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

The manager should disclose events and circumstances that may cast significant doubt on the Fund's ability to continue as a going concern in the financial statements.

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

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

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

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

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

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

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

Utrecht, 31 March 2022  
KPMG Accountants N.V.

G.J. Hoeve RA

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# Appendices

## Appendix 1 - Specification of investments

### ASR Pensioen Staatsobligatie Fonds 10-15 Jaar

(Market value x € 1.000)

Instrument Name	Rating	Instrument type	Country	Currency	Number	Price as at 31-12-2021	Market value 31-12-2021
FRANKRIJK_5.5%_25/04/2029	AA	Bond	FR	EUR	13,836,000	141.32	19,553
FRANKRIJK_2.5%_25/05/2030	AA	Bond	FR	EUR	15,857,000	121.01	19,189
DUITSLAND_4%_04/01/2037	AAA	Bond	DE	EUR	9,873,000	162.13	16,007
FRANKRIJK_5.75%_25/10/2032	AA	Bond	FR	EUR	8,545,000	159.73	13,649
DUITSLAND_0%_15/05/2035	AAA	Bond	DE	EUR	11,508,000	100.23	11,535
DUITSLAND_4.75%_04/07/2040	AAA	Bond	DE	EUR	5,902,000	189.44	11,180
DUITSLAND_0.25%_15/02/2029	AAA	Bond	DE	EUR	10,492,200	104.39	10,952
FRANKRIJK_1.75%_25/06/2039	AA	Bond	FR	EUR	8,809,000	120.78	10,640
DUITSLAND_4.75%_04/07/2028	AAA	Bond	DE	EUR	7,877,000	134.45	10,590
NEDERLAND_0.75%_15/07/2028	AAA	Bond	NL	EUR	9,728,000	106.95	10,404
FRANKRIJK_0.25%_25/11/2026	AA	Bond	FR	EUR	10,047,000	102.83	10,332
DUITSLAND_4.25%_04/07/2039	AAA	Bond	DE	EUR	5,708,000	176.06	10,050
NEDERLAND_0.5%_15/01/2040	AAA	Bond	NL	EUR	8,991,190	106.38	9,565
FRANKRIJK_4%_25/04/2055	AA	Bond	FR	EUR	5,073,000	188.22	9,548
DUITSLAND_4.75%_04/07/2034	AAA	Bond	DE	EUR	5,806,000	162.73	9,448
FRANKRIJK_2.75%_25/10/2027	AA	Bond	FR	EUR	7,728,000	117.85	9,107
DUITSLAND_0%_15/08/2030	AAA	Bond	DE	EUR	8,851,000	102.29	9,053
BELGIE_1.25%_22/04/2033	AA	Bond	BE	EUR	7,715,000	111.94	8,636
BELGIE_0.9%_22/06/2029	AA-	Bond	BE	EUR	7,552,670	107.49	8,119
FRANKRIJK_1.25%_25/05/2036	AA	Bond	FR	EUR	7,087,000	110.90	7,859
FRANKRIJK_1.25%_25/05/2034	AA	Bond	FR	EUR	6,982,000	110.70	7,729
FRANKRIJK_1%_25/05/2027	AA	Bond	FR	EUR	7,039,000	107.02	7,533
FRANKRIJK_0.5%_25/06/2044	AA	Bond	FR	EUR	6,577,000	95.55	6,285
FRANKRIJK_1.5%_25/05/2031	AA	Bond	FR	EUR	4,980,000	112.82	5,619
NEDERLAND_0.25%_15/07/2029	AAA	Bond	NL	EUR	5,406,000	103.38	5,588
FRANKRIJK_4%_25/04/2060	AA	Bond	FR	EUR	2,750,000	197.43	5,429
BELGIE_0.8%_22/06/2028	AA	Bond	BE	EUR	5,054,000	106.66	5,390
DUITSLAND_2.5%_15/08/2046	AAA	Bond	DE	EUR	3,303,000	159.66	5,274
FRANKRIJK_0.5%_25/05/2040	AA	Bond	FR	EUR	5,375,000	97.73	5,253
FRANKRIJK_4.5%_25/04/2041	AA	Bond	FR	EUR	2,983,000	171.03	5,102
DUITSLAND_5.5%_04/01/2031	AAA	Bond	DE	EUR	3,186,000	153.41	4,888
OOSTENRIJK_2.4%_23/05/2034	AA+	Bond	AT	EUR	3,670,000	126.93	4,658
BELGIE_1.7%_22/06/2050	AA	Bond	BE	EUR	3,793,000	119.44	4,531
OOSTENRIJK_2.1%_20/09/2117	AA+	Bond	AT	EUR	2,742,000	153.84	4,218
BELGIE_4.25%_28/03/2041	AA-	Bond	BE	EUR	2,539,000	164.77	4,184
NEDERLAND_2.5%_15/01/2033	AAA	Bond	NL	EUR	3,208,000	127.48	4,090
ONTFFT_0.9%_20/05/2041	AA+	Bond	CA	EUR	3,600,000	99.18	3,570
LITOUWEN_0.5%_28/07/2050	A+	Bond	LT	EUR	3,926,000	90.30	3,545
DUITSLAND_3.25%_04/07/2042	AAA	Bond	DE	EUR	2,063,000	167.12	3,448
BELGIE_4.5%_28/03/2026	AA-	Bond	BE	EUR	2,720,000	121.40	3,302
FINLAND_2.75%_04/07/2028	AA+	Bond	FI	EUR	2,540,000	119.69	3,040
FRANKRIJK_0.75%_25/05/2028	AA	Bond	FR	EUR	2,793,000	106.00	2,961
FRANKRIJK_1.75%_25/05/2066	AA	Bond	FR	EUR	2,352,000	125.46	2,951
LUXEMBURG_0%_13/11/2026	AAA	Bond	LU	EUR	2,910,000	100.71	2,931
QUEBEC_0.25%_05/05/2031	AA-	Bond	CA	EUR	2,800,000	98.37	2,754
WALLONIE_IL_2.03%_26/01/2023	A-	Index bond	BE	EUR	2,250,000	105.87	2,675
NEDERLAND_0%_15/07/2030	AAA	Bond	NL	EUR	2,648,000	100.98	2,674
INTL BK RECON & DEVELOP_0%_03/01/2051	AAA	Bond	SP	EUR	3,076,000	86.37	2,657
NEDERLAND_0%_15/01/2027	AAA	Bond	NL	EUR	2,601,000	101.92	2,651
FRANKRIJK_3.25%_25/05/2045	AA	Bond	FR	EUR	1,690,000	154.33	2,608
FINLAND_0.125%_15/04/2052	AA+	Bond	FI	EUR	2,759,000	89.56	2,471
NEDERLAND_0%_15/01/2038	AAA	Bond	NL	EUR	2,512,000	97.10	2,439





## Appendix 2

### Sustainability performance of the Fund – period from 1 January 2021 to 31 December 2021.

This information is provided subject to the periodic reporting obligations for financial products as stated in Article 8(1) of EU Regulation 2019/2088 and Article 6 of EU Regulation 2020/852.

**Product name:** ASR Pensioen Staatsobligatiefonds 10 – 15 Jaar (the 'Fund')

**LEI number of the Manager:** 724500BQCNIJ21TMGR57

## Environmental and/or social characteristics

**This product:** while promoting environmental or social (E/S) characteristics, does not have sustainable investments as an objective.

[...] The Fund does not invest entirely in sustainable investments (as defined in Article 2(17) of the SFDR (EU Regulation 2019/2088)).

[√] The Fund invests partially in sustainable investments (as defined in Article 2(17) of the SFDR (EU Regulation 2019/2088)).

### 1 To what extent have the environmental and/or social characteristics promoted by this Fund been achieved?

The Fund promotes sustainability characteristics, as it applies a sustainability policy ('**SRI policy**') in its investment decisions. The Manager applies this policy with respect to the following sustainability characteristics of the Fund:

- i. The Fund may not invest in government bonds issued by countries that do not accord with the applicable SRI policy.
- ii. The weighted average SDG score of the Fund has to be in the top 25% of the SDG Index issued by the Bertelsmann Stiftung (the '**SDG Index**'). This Sustainable Development Goals ('**SDG**') Index provides a periodic ranking of countries and their performance on the United Nations sustainability goals.

The score for the related sustainability indicators over the reference period is discussed further in Section 1.1.

For more details on the social and environmental characteristics promoted continually by the Fund, see the section titled 'What environmental or social characteristics does this financial product promote?'

#### **Note on the current qualification of the Fund under the EU Taxonomy Regulation**

The sFund invests mainly in government bonds. These instruments are not covered by the Taxonomy Regulation.

It is therefore not possible to state in this report the extent to which these investments contribute to the objectives as formulated in the Taxonomy Regulation, including the two environmental objectives (the mitigation of climate change and adaptation to climate change) that were established in December 2021.

The Fund can invest in Green Bonds, when these adhere to well-known market standards, such as those under the Climate Bonds Initiative, Green Bond Principles, or the forthcoming EU Green Bond Standard. There is no minimum defined for investments in Green Bonds.

#### **1.1 What has been the performance on the sustainability indicators?**

**Indicator 1** – no investments in government bonds issued by countries that do not accord with the applicable SRI policy.

No investments were made in countries that do not accord with the applicable SRI policy during the reference period. This is continually monitored and is part of periodic checks carried out by external parties.

**Indicator 2** – the weighted average SDG score of the Fund's investments.

The Fund's average SDG score during the reference period was within the 25% percentile. At 31 December 2021, the Fund's SDG score was 80.47, with a 25% percentile of 74.54 in the benchmark.

## 1.2 ... and compared to previous reference periods?

This is the first occasion on which periodic reporting has been prepared on the basis of Article 11 of EU Regulation 2019/2088 ('SFDR'). There are therefore no previous reference periods available for comparison.

## 1.3 What were the objectives of the sustainable investments partially made by the Fund, and how did the sustainable investments contribute to achieving these objectives?

The Fund's investments promote sustainability and have certain ecological or social characteristics. Investments are made only in government bonds issued by countries with relatively high scores on the SDG Index, and an exclusion policy is applied on the basis of the SRI policy of a.s.r. Our investment policy thus makes a significant contribution to achieving sustainability objectives. At the same time, apart from Green Bonds included in the portfolio, the Fund's investments do not have a specific sustainable investment objective as defined in Article 9 of the SFDR.

## 1.4 To what extent have the sustainable investments partially made for the financial product avoided significant harm to a sustainable environmental or social investment objective (the 'do no significant harm' principle)?

With respect to Green Bonds, these instruments strive to achieve a sustainable investment objective, so it is less likely that these will involve significant harm to environmental or social objectives. Within the current frameworks, however, this is not necessarily the case, as from a technical point of view, sustainable investments may have negative social effects. The Manager monitors the objectives of the Green Bonds and aims to fulfil the 'do no significant harm' principle by investing exclusively according to the requirements of its SRI policy.

## 1.5 How are indicators of adverse impacts on sustainability factors taken into account?

The availability of good and reliable data is key to proper due diligence on the sustainability aspects of investments and the inclusion of adverse impacts on sustainability factors in investments. These data are not always available (in February 2022). The Manager is actively engaged in the development of market standards for sustainability data for the financial sector and aims to apply the available data as effectively as possible and contribute to better data availability.

The Manager expects that, with the introduction of sustainability regulation (such as the Regulatory Technical Standards ('RTS') under the SFDR) and the refinement and elaboration of transparency requirements, it will be increasingly better placed to assess the impact of the investments under its management on the basis of sustainability factors in the years to come. For now, the Manager has posted a declaration on its website explaining how it strives to minimise any potentially negative effects. Among other things, this is achieved by investing as much as possible in businesses that display relatively good performance with respect to sustainability in comparison to the direct sector peers and avoiding investment in companies and countries that do not qualify under the restrictions of the SRI policy.

## 1.6 Are sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights?

The Fund invests in government bonds and does not invest in equities issued by companies. This section therefore does not apply to the Fund.

## 2 How is account taken of the principal adverse impacts for sustainability factors with respect to this financial product?

The management of the Fund takes account of principal adverse impacts ('PAI'). A statement on this is posted on the Manager's website. In it, the Manager explains any negative effects of its investment decisions on its sustainability objectives in the most transparent way possible. Key considerations in this regard are overarching sustainability themes such as climate change and the energy transition, vitality and sustainable employability, financial self-reliance and inclusiveness. In the course of 2023, we expect to be able to provide quantitative insight on the PAI indicators under the SFDR.

## 3 What were the major investments for this financial product?

This information is provided in the portfolio overview published in the Fund's annual report.

## 4 What was the proportion of sustainability-related investments?

### 4.1 What was the asset allocation?

On 31 December 2021, the value of the Fund's investment portfolio was EUR 415 million.

On 31 December 2021, the value of the proportion of the portfolio invested in Green Bonds was EUR 44 million.

On 31 December 2021, the value of the other investments – which are, like Green Bonds, assessed on their SDG scores – amounted to EUR 371 million.

#### **4.2 In which economic sectors is the Fund invested?**

The Fund invests mainly in government bonds. Further information on the Fund's specific investments is provided in its annual report.

#### **5 To what extent did the sustainable investments with an environmental objective accord with the EU Taxonomy Regulation?**

For the reasons stated in the section 'Note on the current qualification of the Fund under the EU Taxonomy Regulation', the Fund's investments do not fall within the scope of the EU Taxonomy Regulation.

#### **5.1 What was the proportion of equities in transitional or supporting activities?**

For the reasons stated in the section 'Note on the current qualification of the Fund under the EU Taxonomy Regulation', the Fund's investments do not fall within the scope of the EU Taxonomy Regulation.

#### **5.2 How does the proportion of equity investments in accordance with the EU Taxonomy Regulation compare to the previous reference period?**

For the reasons stated in the section 'Note on the current qualification of the Fund under the EU Taxonomy Regulation', the Fund's investments do not fall within the scope of the EU Taxonomy Regulation.

#### **6 What was the proportion of sustainable investments with an environmental objective not in accordance with the EU Taxonomy Regulation?**

For the reasons stated in the section 'Note on the current qualification of the Fund under the EU Taxonomy Regulation', the Fund's investments do not fall within the scope of the EU Taxonomy Regulation.

#### **7 What was the proportion of sustainable investments with a social objective?**

For the reasons stated in the section 'Note on the current qualification of the Fund under the EU Taxonomy Regulation', the Fund's investments do not fall within the scope of the EU Taxonomy Regulation.

#### **8 What are the investments grouped under 'other', what was their objective and were minimum ecological or social protections given consideration?**

For the reasons stated in the section 'Note on the current qualification of the Fund under the EU Taxonomy Regulation', the Fund's investments do not fall within the scope of the EU Taxonomy Regulation.

#### **9 What measures were taken to achieve ecological and/or social characteristics during the reference period?**

The Manager applies its SRI policy in the management of the Fund. Under the SRI policy, the following actions were taken in the Fund during the reference period:


- The Fund's portfolio was screened as part of a six-monthly screening on 30 September 2021, including an external validation of compliance with the SRI policy. This also led to a revision of the list of excluded countries, which is posted on the Manager's website.
- In the investments, the portfolio manager has taken account of the indicators stated in Section 1.

**ASR Vermogensbeheer N.V.**

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a.s.r.  
de nederlandse  
vermogens  
beheerders