

Market analysis

In many countries, but particularly in Europe and Latin America, the COVID-19 pandemic has now reached the 'third wave' stage. Consequently, lockdowns and other social distancing measures are being tightened rather than phased out in many countries. But remarkably, economists are at the same time increasingly optimistic about the outlook for the global economy. For instance, both the IMF (in January) and the OECD (in March) revised the global economic growth forecast upwards to approximately 5.5% for 2021 and 4% for 2022. The OECD forecasts excellent growth rates for India, with projected growth of 12.5% for 2021, China (8%) and the United States (6.5%). By contrast, Europe is lagging behind the global average, with projected growth of 4% for the eurozone and 5% for the UK. Countries such as Brazil, South Africa and Russia are also lagging behind, with projected growth rates of 2.5-3.5% for 2021.

The optimism among economists about the growth outlook is largely explained by two factors: the rising COVID-19 vaccination rate and the extreme levels of fiscal and monetary stimulus from governments and central banks. These two factors also appear to be the main explanation for the differences in growth outlook between countries and regions. When it comes to vaccination rates, the US and the UK are clearly ahead of the European Union. By the end of March, the UK had a vaccination rate of almost 50 vaccine doses administered per 100 people. This rate was close to 40 in the US, but in the EU, it was less than 15. However, in countries such as Brazil and Russia, the vaccination rate was considerably lower, at 7.5 per 100. China and India are lagging behind even further in this respect, but they have suffered far less from the coronavirus pandemic than Europe, the US and Latin America, and their infection rates remain low even in the third wave.

The first quarter of 2021 was dominated by one theme: 'reflation' in financial markets. Share investors in particular benefited from the expectation of an imminent strong recovery of economic growth, coupled with the possibility of increasing inflationary pressure. Various stock markets reached (near) record levels. There was little to celebrate for bond investors and investors in listed property.

Fund strategy and results

In the first quarter of 2021, the expectation of an imminent recovery of economic growth, coupled with the possibility of increasing inflationary pressure, again benefited share investors in particular. They expect that in the coming months, the vaccination rate will increase quickly enough to suppress a third wave, enabling the gradual phasing out of lockdowns. As a result, the stock markets have kept pace with the previous quarter. On balance, returns per region are between 5% and more than 10%. After a strong final quarter of 2020, property shares clearly experienced headwind due to rising interest rates on the capital market at the beginning of 2021. As a result, this category lagged behind compared to the positive mood among equity investors, although the expected economic recovery also offers prospects for property shares. Bond investors had little to celebrate due to the rising capital market interest rates, resulting in falling bond prices in various categories and regions. However, the damage was cushioned somewhat by the positive economic expectations among investors in fixed-income securities, who settled for lower bond risk premiums.

Thanks, in particular, to the continued rise in the stock markets, ASR Pension Pensioen mixfondsen again achieved a good performance for the quarter. This was especially true for investors with a higher risk profile. For example, we recorded an increase of 5.78% for the defensive ASR Pensioen mixfonds, 6.70% for the neutral mixfonds and 7.53% for the offensive mixfonds. Within the bond portfolio, we saw negative returns for the most defensive categories this quarter: the positive impact of reduced risk premiums was not enough to compensate for the negative impact of higher interest rates and corresponding price declines. This quarter, the only category where we recorded price increases by a few percent were high-yield bonds, which are less sensitive to interest rate effects. The implementation of the tactical vision, i.e. an underweight in government bonds versus an overweight in corporate bonds and European shares, was very successful for the past quarter. But at the same time, we saw a negative contribution to the results of the Pensioen Mixfondsen due to the positioning within the investment portfolio of the ASR ESG IP Institutioneel Europa Aandelen Fonds. On balance, the performance of the Mixfondsen of the a.s.r. Werknemers Pensioen, after fund costs, was approximately equal to that of the corresponding benchmarks, with an outperformance of 0.04% for the defensive plus neutral profile, and an underperformance of 0.04% for the offensive profile due to the higher weighting of (European) shares.

Finally, we would like to mention that a number of changes have been this quarter in the ASR Pensioen Mixfondsen with respect to the selection of the underlying funds. For example, the allocation to shares in the Asia/Pacific region has been replaced by a fund with a stricter sustainable investment process. In addition, we have started to gradually build up a position in mortgage loans at the expense of government bonds.

Outlook

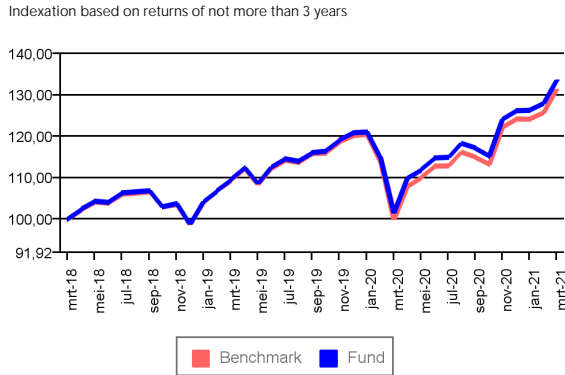
The expected recovery of economic growth will largely depend on how the coronavirus pandemic develops. The key question is whether in the coming months, the vaccination rate will increase quickly enough to suppress a third wave and enable the gradual phasing out of lockdowns and other social distancing measures. In this respect, the outlook for some countries (e.g. the US and UK) is currently considerably better than for other countries, particularly in the European Union and Latin America. The vaccination rate is still relatively low in Asian countries that are increasingly important for the global economy (China and India in particular), but in this region the spread of COVID-19 appears to be better under control than in many other countries and regions.

Another factor that could throw a spanner in the works is the increasing inflationary pressure. After years of fighting deflation, this appears to be a luxury problem for central banks for the time being, but if rising inflation expectations were to trigger a rapid rise in capital market interest rates, this could threaten the recovery of economic growth and thus potentially also equity markets. Moreover, with rising capital market interest rates, the relative valuation of shares compared to government bonds will gradually shift in favour of the latter category, except if corporate profits continue to rise sufficiently to compensate for higher interest rates. Especially since, after the recent price rises, shares are certainly not 'cheap' from a historical perspective, we cannot rule out an adjustment on stock markets at some point.

Investment strategy

ASR Pensioen Mixfonds Defensief aims to offer Participants the opportunity to invest in an actively managed portfolio that, mainly as a result of participations in other investment institutions, consists of a combination of shares, government bonds, corporate bonds, property and money market instruments. The aim is to invest the fund's net assets in full. Loans are permitted up to 5% of the fund capital.

Historical indexed return

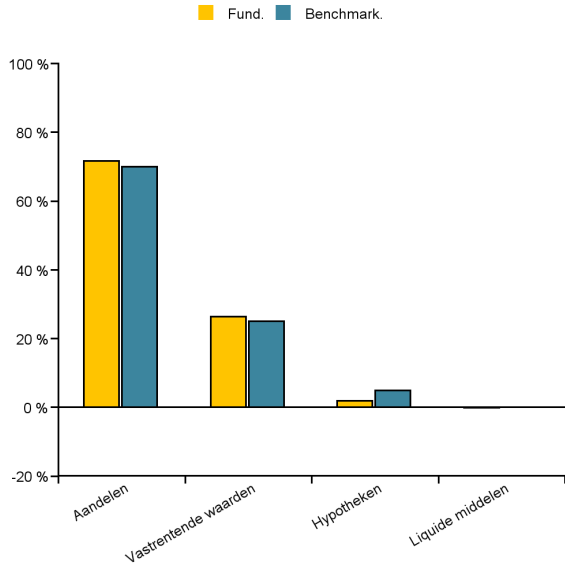


Essential fund information

NAV calculation	Daily
Date of incorporation	30-09-2013
Performance calculation started on	29-01-2016
Fund administrator	ASR Vermogensbeheer N.V.
Fund manager	Jos Gijlsbers
Entry charge (maximum)	0,00 %
Exit charge (maximum)	0,00 %
Ongoing Charges Ratio (OCR)(*)	0,29 %
Country of domicile	NL
Currency(**)	EUR
Benchmark	Composite
ISIN	NL0012375158

(*) The Ongoing Charges Ratio (OCR) consists of the management fee (0,20%) and the service fee (0,09%) (excluding costs which can be allocated directly to transactions) and the costs of the underlying investments.
(**) This fund also invests in foreign currency. Due to price fluctuations there is a currency risk.

Position per asset class



Return *)	Fund	Benchmark
1 month	4,30 %	4,46 %
3 months	5,78 %	5,74 %
6 months	13,94 %	14,25 %
1 year	31,46 %	31,40 %
3 year	10,13 %	9,54 %
5 year	8,41 %	8,03 %
Since start (*)	8,36 %	7,97 %
YTD	5,78 %	5,74 %
Sinds start	8,36 %	7,97 %

(*) period exceeding 1 year is annualised and is net based

Fund facts and prices

Total assets (x 1,000)	€ 439.283,08
Number of outstanding units (x1,000)	5.314,82
Net asset value per unit	82,65
Highest price in period under review	82,78
Lowest price in period under review	79,61
Dividend	None

10 largest holdings	ISIN	Country	%
ASR Amerika Aandelen Basisfonds		Netherlands	30,49 %
AEIIEAF Participatieklasse C		Netherlands	27,96 %
AEIIEBF Participatieklasse C		Netherlands	14,59 %
Northern Trust Pacific Custom	NL0013216526	Netherlands	6,97 %
Northern Trust - Emerging Mark	NL0011515424	Global	6,27 %
IShares JP Morgan ESG USD EM B	IE00BF553838	Global	4,63 %
IShares USD High Yield Corp Bo	IE00BJK55B31	United States	2,80 %
AEIIESF Participatieklasse C		Netherlands	2,55 %
IShares EUR High Yield Corp Bo	IE00BJK55C48	Eurozone	1,83 %
ASR Hypotheekfonds Met Hypotheek Garantie		Netherlands	1,00 %

Asset class Fund	%	%	Benchmark
Aandelen	71,70%	70,00%	
United States	30,49 %	30,00 %	MSCI UNITED STATES
Euro aandelen	27,96 %	26,00 %	MSCI EUROPE
Asia Pacific ex Japan	6,97 %	7,00 %	MSCI Pacific Custom ESG Net Return EUR Index
Opkomende Landen (Aandelen)	6,27 %	7,00 %	MSCI Emerging Markets Index
Vastrentende waarden	26,40%	25,00%	
Bedrijfsobligaties	14,59 %	14,00 %	iBoxx EUR Corporates
Opkomende Landen (Bond)	4,63 %	4,00 %	J.P. Morgan ESG EMBI Global Diversified TR
USA High Yield	2,80 %	2,40 %	Bloomberg Barclays MSCI US Corp HY Sust BB+ SRI
Staatsobligaties	2,55 %	3,00 %	The BofA Merrill Lynch Custom Index Q960
EUR High Yield	1,83 %	1,60 %	Bloomberg Barclays MSCI EURO Corp HY Sust BB+ SRI
Hypotheken	1,92%	5,00%	
Hypotheken	1,92 %	5,00 %	The BofA Merrill Lynch Custom Index Q960
Cash	-0,02 %		
Total	100,00%	100,00%	

Fund Governance

To ensure to participants that the Fund is managed in a controlled and integer way and to provide services with due care as defined in the Financial Supervision Act (FSA; in Dutch Wft) the Manager will act according to the code of conduct as laid out by branch organization DUFAS (Dutch Fund and Asset Management Association). The code of conduct describes good practices for fund governance en provides specific guidelines for organizational setup and conduct of business for investment fund managers to accomplish that the manager will act in the interest of his fund participants and sets up his organization in a way that prevents conflicts of interest.

The Manager has laid his principles of fund governance down in a Fund Governance Code. Furthermore the Manager has set up policies for conflict of interest cases for all his activities. The purpose of the policies is to prevent and control conflicts of interest that could disadvantage clients of the Manager and to deal with clients in a just and equal manner.

Sustainability Policy

Als institutionele belegger toont a.s.r. haar maatschappelijke verantwoordelijkheid onder meer door toepassing van ethische en duurzaamheidscriteria in haar beleggingsbeleid. Alle beleggingen die beheerd worden door ASR Vermogensbeheer N.V. worden gescreend op basis van het a.s.r. SRI-beleid (Socially Responsible Investment), zoals sociale en milieuaspecten. Landen en ondernemingen die niet hieraan voldoen worden uitgesloten. De screening van ondernemingen is gebaseerd op externe, onafhankelijke research van Vigeo Eiris (www.vigeoeiris.com/en/vigeo-eiris-rating/) conform Arista standaarden. Daarnaast is er een externe, onafhankelijke certificering door Forum Ethibel forumethibel.org/content/home.html) via een halfjaarlijkse audit van de beleggingsportefeuille van ASR Vermogensbeheer N.V.

Bij het beheer van vermogen selecteert a.s.r. op basis van best practices en products volgens de ESG-criteria (Environmental, Social en Governance). Dit betreft alle beleggingen in landen (staatsleningen) en in ondernemingen (aandelen en bedrijfsobligaties) die het best scoren en passend zijn binnen de beleggingsrichtlijnen. Daarnaast investeert a.s.r. in bedrijven die een duurzame bijdrage leveren aan de maatschappij.

Ook hanteert a.s.r. een strikt uitsluitingsbeleid ten aanzien van controversiële activiteiten van landen en ondernemingen. Dit betreft bijvoorbeeld producenten van controversiële of offensieve wapens, nucleaire energie, de gokindustrie, tabak en kolen. Tevens eist a.s.r. dat bedrijven voldoen aan internationale conventies op het gebied van milieu, mensen- en arbeidsrechten. Voor de beleggingen in staatsleningen sluit a.s.r. landen uit die slecht scoren in de Freedom in the World Annual Report en de Corruption Perception Index. ASR is ondertekenaar van UNPRI en UNGC. Tevens voldoet a.s.r. aan de Code Duurzaam Beleggen voor verzekeraars van het Verbond van Verzekeraars, die sinds 1 januari 2012 van kracht is

An investment in the fund is subject to market fluctuations and to the risks inherent to investing in movable securities. The value of the investments and their revenue can increase as well as decrease. It is possible that investors will not get back the initially invested capital. The value of your investments may fluctuate and results achieved in the past offer no guarantee for the future. This publication in itself is not an offer to buy any security or an invitation to make a bid for this security. The decision to buy units in fund must be taken exclusively on the basis of the Information Memorandum. The Information Memorandum has information about the product, the investment policy, the costs and risks. Please read the Information Memorandum. The Information Memorandum and other information is available from a.s.r. or via www.asr.nl.