

ASR Pension Mixed Funds Annual Report

2017


a.s.r.
de nederlandse
vermogens
beheerders

ASR Pension Mixed Funds: general information

Manager

ASR Vermogensbeheer N.V.

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Website: www.asrvermogensbeheer.nl

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

Manager's Management Board

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Legal owner of the investments

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Date of incorporation

30 September 2013

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Directors' report

Profile

General

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

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

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

Subfund	Manager
ASR Pension Mixed Fund Defensive (APMD)	Mr J.P.W.E. Gijsbers
ASR Pension Mixed Fund Neutral (APMN)	Mr J.P.W.E. Gijsbers
ASR Pension Mixed Fund Aggressive (APMA)	Mr J.P.W.E. Gijsbers

Change of name

The fund titled Employee Pension Mixed Funds requested that AVB change its commercial name for the sake of greater recognisability. This request was granted and the change became effective on 27 October 2017.

Current names:

- Employee Pension Mixed Fund – Defensive;
- Employee Pension Mixed Fund;
- Employee Pension Mixed Fund – Aggressive.

New names:

- ASR Pension Mixed Fund – Defensive;
- ASR Pension Mixed Fund – Neutral;
- ASR Pension Mixed Fund – Aggressive.

Structure of the Fund

The ASR Pension Mixed Funds were set up on 30 September 2013, with start-up capital (€225,000) provided by ASR Levensverzekering N.V. to give the fund sufficient scope. In January 2014, the first policyholder contributions were invested in the Subfunds according to the specific distribution of the Subfund in question, with the aim of achieving the best possible result based on the risk profile. The Life Cycles for pension accrual were changed with effect from 1 January 2016 to achieve a better long-term return.

Investment philosophy of the Fund

The objective of the ASR Pension Mixed Funds is to offer a well-balanced fund portfolio for varying risk profiles. The Fund is offered within pension schemes on the basis of a defined contribution. The ASR Pension Mixed Funds are an important part of the investment portfolio, which is designed to build up capital.

The capital belonging to each Subfund is invested in varying proportions within a tactical range in a number of investment categories, namely shares (Europe/worldwide), government bonds (Eurozone/emerging markets), corporate bonds (Europe/United States) and property (Netherlands/Europe).

Manager and Legal Owner

The Fund has a Manager and a Legal Owner. The Manager of the Fund is ASR Vermogensbeheer N.V. (hereinafter referred to as 'AVB'). It holds a licence 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 (*Wet op het financieel toezicht*, Wft). Potential investors, namely group companies of the Manager within the meaning of Section 1:13a(g) of the Wft, are therefore specifically reminded that the ASR Basic Funds are 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 ASR Basic Funds are 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. Although the rules set out in the Financial Supervision Act (Wft) do not apply to the Fund, the Legal Owner's objects according to its articles of association are limited within the meaning of Section 4:37j of the Wft. The duties of the Legal Owner are limited to acting as Legal Owner of (legally entitled to) all assets belonging to the Fund, as well as the administration and safekeeping of these assets. Obligations that are or become part of the Fund are entered into in the name of the Legal Owner.

Risks involved in participation in the Funds

Making an investment involves entering into transactions in financial instruments. There are risks attached to investing in this fund and the use of financial instruments. The main risk categories associated with financial instrument transactions are listed and described for the individual Subfunds and can also be found in Section 4 of the Information Memorandum for the ASR Pension Mixed Funds.

Risk management

Risk management depends on the risk profile of the Subfund in question. The risk profile must always be viewed in conjunction with the opportunities, as demonstrated by the returns. The basic principle is therefore not so much to limit risks as much as possible, as to aim for the best possible risk-reward ratio within acceptable limits.

AVB, the Manager of the umbrella fund, 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 information memorandum, the legal frameworks and the more fund-specific internal implementing guidelines.

These guidelines have been drawn up in relation to aspects such as 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 recognised price risks, while selection based on creditworthiness and limit monitoring make it possible to manage credit risks. Liquidity risks can be limited by investing primarily in marketable 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 admission and withdrawal 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 meetings are also held (AVB meetings) 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 mandates issued and reports on this in the limits report. This limits report is also discussed with AVB's board during the AVB meetings. During the regular Fund management division meetings, both the external fact sheets and the transaction overviews are approved.

Insight into risks

One of the purposes of the annual and semi-annual reports is to provide an insight into the risks that have occurred during the reporting period. The best way to obtain this insight is to review the report on the Subfund in conjunction with the report on the umbrella fund of which the Subfund forms part.

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 income statement where relevant.

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

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

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

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

The policy regarding conflicts of interest can be found on the Website.

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 internally managed and listed shares in companies. The account of how voting rights have been exercised provides a complete insight into the exercising of voting rights at shareholder meetings.

a.s.r. believes in engagement via constructive dialogue with the companies it invests in, with the aim of increasing the long-term shareholder value and social return. Where a company is involved in controversial activities and this dialogue does not produce positive results, the company will be excluded from the investment portfolio. The a.s.r. companies policy with regard to Corporate Social Responsibility is included on the agenda at least once a year at board level, at which time any controversies are discussed as well. a.s.r.'s input is generally received as constructive by the management.

Securities lending

The ASR Pension Mixed Funds do not lend securities, although the investment funds in which the Subfunds invest may do so. Securities lending may take place subject to the conditions set out in the Information Memorandum and/or the Terms and Conditions of Management and Custody of these underlying investment funds.

Costs and fees

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

The manager also charges a management fee (0.20%) and a service fee (0.10%). The aim for the Fund is a maximum annual OCF of 0.30% (including the Ongoing Charges Figure for underlying investment institutions), whereby the direct property operating costs of underlying investment institutions are not taken into account when determining the Ongoing Charges Figure.

Compensation in the event of an incorrectly calculated intrinsic value

If the intrinsic value of the Fund has been incorrectly calculated and the difference from the correct intrinsic 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 Intrinsic Value was incorrectly calculated.

ASR as a sustainable investor

As an institutional investor, one of the ways in which a.s.r. demonstrates its social responsibility is by applying ethical and sustainability criteria in its investment policy.

All investments managed by ASR Vermogensbeheer N.V. are screened on the basis of a.s.r.'s SRI (Socially Responsible Investment) policy, which includes social and environmental aspects. Countries and companies that do not meet the requirements of the policy are excluded. Companies are screened based on external, independent research by Vigeo Eiris (www.vigeo-eiris.com/en/vigeo-eiris-rating/) in accordance with ARISTA standards. In addition, external, independent certification is carried out by Forum Ethibel (forumethibel.org/content/home.html) via a semi-annual audit of the ASR Vermogensbeheer N.V. investment portfolio.

In its asset management, a.s.r. makes selections based on best practices and products according to the United Nations Sustainable Development Goals (SDGs) and ESG criteria (Environmental, Social and Governance). This concerns all investments in countries (government loans) and in companies (shares and corporate bonds) that have the highest ratings and are in keeping with the investment guidelines. In addition, a.s.r. invests in companies that make a sustainable contribution towards society.

a.s.r. also applies a strict exclusion policy when it comes to a country or company's involvement in controversial activities. Examples include manufacturers of controversial or offensive weapons, nuclear energy, the gambling industry, the tobacco industry, coal, oil sands and shale oil. a.s.r. also requires companies to comply with international conventions on the environment, human rights and employment rights. We believe in engagement via constructive dialogue with the companies we invest in, with the aim of increasing the long-term enterprise value and social return. Where a company is involved in controversial activities and this dialogue does not produce positive results, the company will be excluded from the investment portfolio. In terms of investments in government loans, a.s.r. excludes countries with a low score according to the Freedom in the World Annual Report, the Corruption Perception Index and the Environmental Performance Index.

a.s.r. signed up to the United Nations Principles for Responsible Investment (UNPRI) in 2011. The aim of these principles is to encourage socially responsible investment. a.s.r. has also been a signatory to the United Nations Global Compact Principles (UNGC) since 2011. The UNGC asks companies to embrace, support and implement within their sphere of influence a number of principles in the areas of human rights, labour standards, the environment and anti-corruption. a.s.r. also complies with the Dutch Association of Insurers Sustainable Investment Code, which entered into force on 1 January 2012. One of the requirements of the Sustainable Investment Code is that Association members' investment policies take into account environmental aspects, social aspects and good corporate governance of the entities they invest in.

Finally, a.s.r. has been a signatory to the United Nations Principles for Sustainable Insurance (UN PSI) since 2013. These principles were published in 2012 during the UN Conference on Sustainable Development (www.unepfi.org/psi).

a.s.r.'s sustainable investment policy is producing results

In the most recent survey (end of June 2017) carried out by the Dutch Association of Investors for Sustainable Development (*Vereniging van Beleggers voor Duurzame Ontwikkeling*, VBDO), among 30 insurance companies in the Netherlands, a.s.r. rose from 3rd to 2nd place. In this survey, the VBDO assesses policy, implementation and transparency regarding investments, plus governance (management and monitoring of investments). a.s.r. once again scored 3.9 on a scale of 5.

November 2016 saw the publication of the fifth policy assessment of the Fair Insurance Guide (*Eerlijke Verzekeringwijzer*, EV), an initiative by Friends of the Earth Netherlands, World Animal Protection, PAX, Oxfam Novib, Amnesty International and the Dutch Trade Union Confederation (*Federatie Nederlandse Vakbeweging*, FNV). The aim of the EV is to make the investment policies pursued by insurance companies more sustainable and to optimise working practice. To this end, the 10 main life insurance providers on the Dutch market are compared in terms of sustainability. In the publication (www.eerlijkeverzekeringwijzer.nl), a.s.r. once again came out in first place overall of the insurance companies included in the survey. a.s.r. achieved the highest scores for its policy on Weapons, Human Rights and Health with a 10, and earned a score of 9 for Employment Rights and Food.

Transactions with affiliated parties

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

Dividend policy

The Fund and the Subfunds do not distribute dividends.

Available documentation

The Manager's articles of association and the Legal Owner's articles of association are available for inspection at the offices of the Manager. A copy of the licence and of the articles of association can be obtained free of charge. Up-to-date information about the Subfunds, as well as the Information Memorandum, the annual report and the semi-annual report can be obtained from the Manager free of charge upon written request. This information will also be published on the Manager's website (www.asr.nl).

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).

Manager's Report

General

ASR Vermogensbeheer N.V. (hereinafter referred to as 'AVB') was established on 8 June 2007 and has its registered offices in Utrecht. It is registered in the Commercial Register of the Chamber of Commerce in Utrecht under number 30227237.

The asset management entities ASR Nederland Beleggingsbeheer N.V., ASR Vermogensbeheer B.V. and ASR Group Asset Management B.V. merged with effect from 1 December 2017. ASR Nederland Beleggingsbeheer N.V. acted as the acquiring entity in the merger. The name of this company subsequently changed to ASR Vermogensbeheer N.V.

ASR Vermogensbeheer B.V. and ASR Group Asset Management B.V. ceased to exist as a result of the merger. ASR Vermogensbeheer N.V. (hereinafter referred to as AVB) is a 100% subsidiary of ASR Nederland N.V. and its objects are the management of investment institutions and the provision of investment services, including individual asset management for third parties, as well as for ASR Nederland N.V. and its group companies.

AVB does not employ any staff members. All activities are carried out under a temporary employment agreement by employees of ASR Nederland N.V.

AIFM licence

AVB holds a licence as manager of alternative investment institutions as referred to in Section 2:65 (1) (a) of the Financial Supervision Act (*Wet op het financieel toezicht*, Wft). Pursuant to Section 1:102(2) of the Wft, the scope of the licence is limited to the offering of participations in:

- investment institutions that invest in financial instruments;
- investment institutions that invest in mortgage receivables.

Under this licence, AVB acts as the manager of alternative investment institutions, including the ASR Investment Funds, the ASR Mixed Funds, the Luxembourg alternative investment institution ASR Fund SICAV (*Société d'investissement à Capital Variable*), ASR Mortgage Fund, the ASR ESG IndexPlus Institutional Funds, the ASR Capital Market Funds and the ASR Deposit Fund.

AVB also acts as the manager of funds and pools, in which ASR Levensverzekering N.V. exclusively invests for the purpose of its unit-linked products. This concerns the following funds: ASR Investment Mixed Funds E and G, ASR Basic Funds, ASR Pension 10-15 Year Government Bond Fund, ASR Pension 15+ Year Government Bond Fund, ASR Pension Mixed Funds, ASR Investment Pools, ASR European Property Basic Fund, ASR America Shares Basic Fund and the ABC Pool. 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).

Pursuant to Section 2:67a (2) (a), (b) and (d), AVB is also permitted to offer the following investment services to both non-professional and professional investors:

- (a) managing individual assets;
- (b) providing investment advice;
- (c) receiving and forwarding orders relating to financial instruments.

Acquisition of First Investments B.V.

a.s.r. Vermogensbeheer acquired the Dutch asset manager First Investments with effect from 8 December 2017. First Investments is an independent asset manager in the Netherlands that focuses on innovative investment solutions for the pension sector. First Investments offers advanced asset management services to a number of pension funds and has around €530 million assets under management. This capital is largely invested in customised solutions for balance sheet management (matching and return). Interest rate matching takes place via the Dutch umbrella investment institution First Liability Matching N.V.

Costs and Fees

The Ongoing Charges Figure consists of a fixed maximum annual Management Fee of 0.20% and a fixed maximum annual Service Fee of 0.10% for the ASR Pension Mixed Funds. As of 1 January 2018, the maximum Ongoing Charges Figure will be 0.29%. The fixed Service Fee has therefore been reduced from an annual maximum of 0.10% to 0.09%.

Premium Schemes (Improvements) Act (continued investment)

Due to the introduction of the Premium Schemes (Improvements) Act (continued investment) (*Wet Verbeterde Premie (doorbeleggen)*), ASR Pensions has developed a new strategic investment policy in relation to the new life cycles based on analyses. The start date is 1 January 2018.

This means that the strategic weightings will be adjusted. The performances of the external managers in underlying funds have also been analysed. A number of funds have been dropped on the basis of the results. This concerns the BNP Paribas funds and the ASR Property Fund. Two new funds/external asset managers have been chosen via a selection process, namely BlackRock iShares and Northern Trust. The purchase and sale of investments in a number of tranches commenced in the second half of September 2017.

Key figures

In 2017, the Fund capital increased considerably, from €242.4 million to €1,646.2 million.

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

x 1,000	31 Dec. 2017	31 Dec. 2016	€ change
ASR Pension Mixed Fund Defensive	€ 180,288	€ 987	€ 179,301
ASR Pension Mixed Fund Neutral	€1,430,893	€ 237,519	€ 1,193,374
ASR Pension Mixed Fund Aggressive	€ 34,983	€ 3,934	€ 31,049
Fund capital	€1,646,164	€ 242,440	€ 1,403,724

The largest influx of policyholder contributions in 2017 occurred in the ASR Pension Mixed Funds – Neutral Subfund. The yield on the Subfunds is based on the intrinsic value less costs. The Fund yield calculation started on 1 February 2016.

Yield calculation	Reference date	Fund	Benchmark
ASR Pension Mixed Fund Defensive	31 Dec. 2017	6.40%	6.03%
ASR Pension Mixed Fund Neutral	31 Dec. 2017	7.44%	7.52%
ASR Pension Mixed Fund Aggressive	31 Dec. 2017	8.96%	9.21%

The benchmark for the ASR Pension Mixed Funds is a combination of the representative benchmarks that apply to each investment category in which ASR Pension Mixed Funds invest.

ASR Pension Mixed Fund Defensive

Value movement per participation	2017	2016	2015	30 Sept. 2013 up to and incl. 31 Dec. 2014
Income	0.30	0.10	0.02	0.01
Changes in value	1.22	5.93	0.75	3.18
Costs	-0.20	-0.20	-0.20	-0.15
Profit after tax	1.32	5.83	0.57	3.04

ASR Pension Mixed Fund Neutral

Value movement per participation	2017	2016	2015	30 Sept. 2013 up to and incl. 31 Dec. 2014
Income	0.29	0.17	0.04	0.02
Changes in value	3.36	7.22	-0.59	0.89
Costs	-0.20	-0.19	-0.20	-0.07
Profit after tax	3.45	7.20	-0.75	0.84

ASR Pension Mixed Fund Aggressive

Value movement per participation	2017	2016	2015	30 Sept. 2013 up to and incl. 31 Dec. 2014
Income	0.30	8.04	0.04	0.02
Changes in value	4.02	7.81	-1.81	2.96
Costs	-0.20	-0.20	-0.20	-0.16
Profit after tax	4.12	15.65	-1.97	2.82

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

Management developments in the reporting period

No matters of material significance have been raised at AVB's monthly meetings in the last year. All monthly reports submitted have been approved by the AVB board and subsequently published.

In the second half of the year, the fund composition of the ASR Pension Mixed Funds was gradually adjusted to ensure that the defined contribution schemes that use the funds are able to comply with the Premium Schemes (Improvements) Act with effect from 1 January 2018. An investment fund conversion has also taken place. This concerns Luxembourg funds. As a result, there has been a substantial increase in assets under management. The Manager will announce any amendments to the Information Memorandum in a timely manner, in accordance with the fund conditions.

Manager's risk structure

Risk management is the continuous and systematic assessment of the organisation and its activities for risks in order, on the basis of this assessment, to consciously take risks, reduce the likelihood of risks or limit the consequences of risks. 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 organisation. In accordance with the AIFM Directive, a distinction is made between risks relating to the funds on the one hand and risks relating to the Manager's organisation on the other.

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

AVB uses the 'Three lines of defence' 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 defence are responsible for the adequate management of the risks related to the business operations in the relevant business unit. The second line of defence is responsible for implementing an integrated and effective risk management framework for the first line of defence and monitoring risk management. The second line of defence is formed at 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 defence 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 Funds and Subfunds are sensitive to market movements in general (market risk), and to fluctuations in the prices of individual investment instruments in particular. The maximum loss for Participants is limited to the value of the Participations they hold.

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

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

Continuous monitoring takes place based on the limits set out in the mandate and the information memorandum, and daily reports are issued. If the limits have been exceeded, immediate action is taken. The Risk Management division produces a monthly dashboard that reports 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 at the Fund Management meetings and addressed at the Manager's board meetings. A report register is also kept to monitor action taken following an incident report.

AVB has defined the following key risks and the associated limits:

Defined risk	Explanation
Market risk	Market risk is managed by means of diversification of the portfolio and is monitored by means of restrictions/limits.
Making investments with borrowed money	The risk limit is 100% of the intrinsic value (NAV); negative cash is permitted up to 5% of the fund capital for a period of 30 working days.
Derivatives risk	Derivatives are only used for hedging purposes to mitigate the risk associated with the Subfund and must not 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 Subfund only invests in investments that are listed on an official stock 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.

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 NAV, late delivery of the NAV, etc. All incidents that occur are analysed 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.

There was one occasion on which a limit was exceeded and/or incident occurred in 2017. In the context of the transition within the ASR Pension Mixed Funds, there was a delay in the settlement of investment transactions at the end of September. A broker also failed to supply the EURO version IShares as agreed, but supplied the GBP version instead, resulting in a higher NAV of the APM funds. This transaction was corrected in consultation with the broker and the manager was compensated for the other costs incurred. There was no negative impact on the Fund and the Subfunds in terms of the intrinsic value and the participants.

Developments in the financial markets

Economy

The year 2017 turned out to be better than expected for the global economy. The U.S. is no longer single-handedly leading the way; other countries and regions are also doing better than at any other time since the start of the credit crisis a decade ago. After a weak start in the first quarter, the U.S. economy saw surprisingly high year-on-year growth in both the second and third quarters of 2017 of more than 3%. Economic growth was also above average in the eurozone in 2017 at more than 2%. In China, growth remained above the 2017 growth target of 'at least 6.5%', at almost 7%. Finally, the Japanese economy also performed better than expected, with year-on-year growth of 2.5% in the third quarter of 2017.

In the meantime, inflationary pressure still remains relatively limited in both the U.S. and Europe. The sole exception was the United Kingdom, where the drop in value of the pound sterling in the wake of the 2016 'Brexit' referendum has now led to inflation of over 3%. Although headline inflation rose to more than 2% again in the U.S. towards the end of 2017, partly due to the rise in oil prices, core inflation (excluding food and energy prices) fell to below 2% again in the course of 2017 (1.7% year-on-year in December). A similar picture applies in the eurozone, although the absolute levels are lower: 1.5% year-on-year for headline inflation and 0.9% for core inflation as at year-end 2017.

The combination of higher than expected growth and continued low inflationary pressure meant that central bank policies remained, on balance, fairly loose in 2017. Although the U.S. Federal Reserve raised the base rate three times in 2017, the rate remained at a historical low with a target range of 1.25-1.5%. There were no interest-rate increases in the eurozone. In addition, ECB President Draghi made an announcement in October that the quantitative easing (QE) programme would be extended up to and including September 2018. At the same time, however, he announced that the ECB would reduce its monthly purchase volume from €60 billion to €30 billion as of January 2018, following the previous reduction from €80 billion to €60 billion in 2017.

Financial markets

In 2017, the search for yield once again dominated as the main theme for the financial markets, as has actually been the case for a number of years now (since the end of the credit crisis). Shares (particularly outside Europe), listed property and corporate bonds closed higher, while interest rates in key government bond markets either remained stagnant or rose. Despite a great deal of political uncertainty regarding issues such as North Korea, Brexit and the French presidential election, price results remained fairly limited throughout the year.

The U.S., Japan and emerging markets in particular performed well on the stock markets, with price increases of 20-25%. Most European stock markets performed less well in comparison, though it should be noted that the strong euro results in a somewhat flattering picture of price increases outside Europe. Measured in euros, the price increases in the U.S. and Japan remained limited to 5-10%, similar to the European average.

In the government bond markets, most European countries saw a slight increase in capital market interest rates. Only Portugal and Greece stood out, with considerably lower interest rates. There was almost no net change in the 10-year interest rates on U.S. and Japanese government bonds.

Finally, corporate bonds had another positive year. Credit spreads dropped back down to lower levels and are now similar to (and in some cases even lower than) those at the start of the credit crisis. The differences in spread movement between U.S. and European corporate bonds were limited. However, investment grade credits performed noticeably better than high-yield bonds in 2017.

Projections

Looking ahead to 2018, most economic indicators remain positive. Global confidence indicators, for both manufacturers and consumers, are at above-average levels. For example, manufacturing confidence in the U.S. (ISM index) has recently risen towards the peak levels of 2004 and 2011. European consumer confidence has reached its highest level in 16 years. Emerging markets are also profiting from the current economic boom, and particularly from the upswing in world trade. In 2017, there was a clear revival in world trade for the first time since the credit crisis, and this is expected to continue in 2018.

Based on our macroeconomic outlook, we expect higher risk investment categories (particularly shares and listed property) to perform better than government bonds in the financial markets. As far as government bonds are concerned, the combination of favourable growth prospects, gradually increasing inflationary pressure and the anticipated further reduction in the expansionary monetary policy call for a slow increase in capital market interest rates. In addition, the current low interest-rate levels mean that bonds are expensive.

With regard to shares, the favourable macroeconomic conditions and higher profit growth for business remain positive developments. The price trend has also recently improved again. Share values currently remain high, however, and could be driven up even further in 2018, partly due to the continuing 'search for yield'. Historically low volatility means there is little scope for setbacks. Within the

share regions, European shares are our preferred option. Europe offers greater scope for margin improvement and profit growth compared to other regions. This scope is expected to be limited particularly in the U.S., as the U.S. is in a later stage of the economic cycle.

Corporate bonds are also profiting from the resumption of economic growth. Company balance sheets have improved, partly due to higher profit growth. The ECB's bond-buying programme is another plus, even if this is expected to be phased out towards the end of 2018. Credit spreads have already tightened considerably and the mounting interest rate pressure is a disadvantage from a total-return perspective. On balance, the outlook for corporate bonds is therefore less favourable now than in recent years, and also less favourable than the outlook for shares.

Subfunds

General

The ASR Pension Mixed Funds offer the opportunity to invest in an actively managed investment portfolio for long-term capital accumulation, consisting of a combination of government bonds, corporate bonds, shares and property. These ASR Pension Mixed Funds have the risk profiles Defensive, Neutral and Aggressive, as reflected by the investment results for 2017. The policy for the Subfunds is to maintain a position around the neutral weighting for the various investment categories and to avoid unnecessary transaction costs. As the names of the different Subfunds are quite long, we have abbreviated them as follows:

Subfund	Abbreviation
ASR Pension Mixed Fund Defensive	APMD
ASR Pension Mixed Fund Neutral	APMN
ASR Pension Mixed Fund Aggressive	APMA

The only costs charged within the Subfunds are a management fee and a service fee. These fees are calculated daily based on the fund capital, and transferred to the manager every month.

Fund characteristics

Management fee	0.20%
Service fee	0.10%
Entry charge	0.00%
Exit charge	0.00%

Return and portfolio policy

In 2017, the assets under management within ASR Pension Mixed Funds increased by €1,403,724 million due to the conclusion of new defined contribution-based pension contracts and policyholder contributions. In 2017, the participant ASR Pensions joined due to the transition of the Luxembourg ASR Fund SICAV to the ASR Pension Mixed Funds for at least €1.5 billion.

The various Subfunds each have their own distribution across the investment categories, with bonds representing the lowest and shares the highest risk. The following table shows the neutral distribution of the various investment categories across the Subfunds. A neutral distribution across the investment categories is determined with a maximum and minimum limit, based on macroeconomic forecasts. On 20 September, the gradual process of converting the weightings to the new investment policy started, which will apply as of 1 January 2018.

Investment categories	Neutral weighting		
	APMD	APMN	APMA
Euro Shares – AEIIEAF Participation class C	28.15%	32.16%	36.17%
North American Shares – ASR America Shares Basic Fund	27.36%	32.00%	36.64%
Asia ex Japan Shares – BNP Paribas Easy Pac. ex JPN ex C-W	4.69%	5.48%	6.16%
Emerging Markets Shares – NT TR-EM CU ESG EI UC FGR-A C	4.80%	5.36%	6.03%
Euro Government Bonds – AEIIESF Participation class C	9.19%	5.20%	2.25%
Euro Corporate bonds – AEIIEBF Part. Class C/PARVEST BOND EURO CORP	17.31%	9.80%	4.25%
Global High Yield Bonds – ISHARES GLOBAL HY CORP	4.25%	5.00%	4.25%
Emerging Markets Bonds – ISHARES JPM USD EM BND EUR A	4.25%	5.00%	4.25%

Thanks to the generally positive developments in the global economy, which are supported by macro data, we saw excellent results on the share markets throughout 2017. Emerging markets were the best performers, and the U.S. stock market reached new record levels. Share markets in Europe also performed well as a result of accelerating economic growth, supported by the ECB's monetary policy. Converted to euros, returns for international shares were somewhat lower due to the U.S. dollar weakening. On balance, there was little movement in the long-term interest rate on the capital market, particularly in the Eurozone, partly because there has still been virtually no rise in core inflation. As a result, we saw a positive market for corporate bonds, both investment grade and high yield, with tightening spreads (risk premiums). Finally, in this environment, listed property shares performed very well. We also saw a positive market for direct property investments, reflecting the confidence of long-term investors in the economic developments.

Subfund	Reference date	Fund capital (x 1,000)	Subfund Returns	Benchmark Returns
APMD	31 Dec. 2017	€ 180,288	6.40%	6.03%
APMN	31 Dec. 2017	€ 1,430,893	7.44%	7.52%
APMA	31 Dec. 2017	€ 34,983	8.96%	9.21%

In the Employee Pension Mixed Funds, this positive sentiment is reflected in the net fund returns for the 2017 calendar year, ranging from 6.40% in the defensive profile to 7.44% in the neutral profile and 8.96% in the aggressive profile. The excellent results for shares and property provided the largest contribution towards this performance, despite the weakening of the U.S. dollar against the euro. We also saw a positive contribution from tactical positioning, with an underweight position in government loans versus an overweight position in European shares for a major part of the year. The positioning of the bond funds within the investment portfolios led to a positive contribution; however, there was a negative contribution in the property portfolio. We therefore recorded a net outperformance in the Mixed Fund Defensive compared to the benchmark. The Mixed Fund Neutral performed in line with the benchmark before costs, while the Mixed Fund Aggressive recorded an underperformance. In addition, the difference in returns between the ASR Pension Mixed Funds and the corresponding benchmark is partly attributable to timing differences in the measurement.

Risk management

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

APMD	This Subfund has the smallest equity exposure. Within APMD, the risks are mitigated by investing in various global funds and following the benchmark. The main risks affecting bonds are market, credit, political and economic and currency risk.
APMN	This Subfund has more than 70% equity exposure. Within APMN, the risks are mitigated by investing in various global funds and following the benchmark. The main risks affecting bonds are market, credit, political and economic and currency risk.
APMA	This Subfund has around 75% equity exposure. Within APMA, the risks are mitigated by investing in various global funds and following the benchmark. The main risks affecting bonds are market, credit, political and economic and currency risk.

Market risk:

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

Currency risk:

ASR Pension Mixed Funds invest in investments denominated in euros and/or a currency other than euros. Where the underlying investment funds make investments in currencies other than the euro, there is an indirect currency risk. As the value of the assets in the underlying investment funds is recorded in euros, investments in another currency (such as pounds sterling and/or US dollars) must be converted into euros. Exchange rate fluctuations can lead to negative foreign exchange results, with a negative impact on the value of the investments.

Risk associated with investing in other investment institutions:

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

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

Annual reports for underlying investment funds

For a more detailed explanation of the fund returns and information on the risks associated with the underlying investment funds, please see the 2017 annual report for the ASR ESG Institutional funds and the ASR America Shares Basic Fund, published on the www.asr.nl website. For the annual and semi-annual reports of BNP, Parvest, Northern Trust and iShares, see the websites of the relevant fund managers. Alternatively, a copy may be obtained upon request from ASR Vermogensbeheer N.V.

In Control statement

AO/IC statement

The Manager has a description of its business operations that 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 description in 2017.

The Fund's asset management is carried out by ASR Nederland N.V. staff employed by the Manager under a temporary employment agreement. The manager has drawn up an ISAE 3402 Type II report and has obtained an audit opinion during this process. The opinion confirms the Manager's view regarding the investment and other processes.

Utrecht, 20 April 2018

ASR Vermogensbeheer N.V.
On behalf of ASR Pension Mixed Funds

The management,

Mr J.T.M. Julicher (director)
Mr J.J.M. de Wit (director)
Mr M.R. Lavooi (director)
Mr R.S. Gokoel (CFRO)

Financial Statements 2017

Balance Sheet

Balance sheet as at 31 December 2017 (before profit appropriation x €1,000)

BALANCE SHEET	31 Dec. 2017	31 Dec. 2016	Reference
Investments			
Units in investment funds	1,644,152	242,406	
Total investments	1,644,152	242,406	1
Receivables	307	47	2
Other assets			
Liquid assets	2,099	98	3
Current liabilities	-394	-111	4
Receivables and other assets less current liabilities	2,012	34	
Assets less current liabilities	1,646,164	242,440	
Issued share capital	1,598,335	220,775	
Other reserves	21,665	-255	
Unappropriated result of the current financial year	26,164	21,920	
Total fund assets	1,646,164	242,440	5

Income statement

Income statement for the period 1 January 2017 to 31 December 2017 inclusive (x €1,000)

INCOME STATEMENT	1 Jan. 2017 up to and incl. 31 Dec. 2017	1 Jan. 2016 up to and incl. 31 Dec. 2016	Reference
Investment income	1,399	197	
Realised changes in the value of investments	27,859	177	6
Unrealised changes in the value of investments	-2,404	21,811	6
Other operating income	830	328	7
Total operating income	27,684	22,513	
Management fee	-990	-422	
Service fee	-495	-167	
Interest charges	-35	-4	
Total operating expenses	-1,520	-593	8
Profit after tax	26,164	21,920	

Cash flow statement

Cash flow statement for the period 1 January 2017 to 31 December 2017 inclusive (x €1,000)

Drawn up according to the indirect method

CASH FLOW STATEMENT	1 Jan. 2017 up to and incl. 31 Dec. 2017	1 Jan. 2016 up to and incl. 31 Dec. 2016	Reference
Total investment result	26,164	21,920	
Changes in the value of investments	-25,455	-21,988	1
Acquisition of investments (-)	-2,560,011	-203,257	1
Sales of investments (+)	1,183,720	38,694	1
Increase (-)/Decrease (+) in receivables	-260	111	2
Increase (+)/Decrease (-) in liabilities	283	82	4
Net cash flow from investment activities	-1,375,559	-164,438	
Issue of participations	1,421,669	167,265	5
Acquisition of participations	-44,109	-2,738	5
Net cash flow from financing activities	1,377,560	164,527	
Movements in liquid assets	2,001	89	
Total liquid assets at the start of the reporting period	98	9	3
Total liquid assets at the end of the reporting period	2,099	98	3
Movements in liquid assets	2,001	89	

Accounting principles

General

ASR Pension Mixed Funds (the Fund) was set up on 30 September 2013 in the form of a mutual fund with Subfunds within an umbrella structure, and the activities commenced on 18 November 2013. The Fund included the following Subfunds as at 31 December 2017:

1. ASR Pension Mixed Fund – Defensive;
2. ASR Pension Mixed Funds – Neutral;
3. ASR Pension Mixed Funds – Aggressive.

The obligations under the Financial Supervision Act (*Wet op het financieel toezicht*, Wft) are not applicable to the Manager as far as the ASR Pension Mixed Funds are concerned. Potential investors, namely group companies of the Manager within the meaning of Section 1:13a (1) (g) of the Wft, are therefore again reminded that the Fund is not subject to supervision by the AFM. Nevertheless, the Manager has decided to voluntarily prepare the annual report on the Fund with due observance of the applicable rules as set out in Guideline 615 'Investment Institutions' of the Dutch Accounting Standards Board, in Title 9, Book 2, of the Dutch Civil Code (*Burgerlijk Wetboek*, BW) and in the Financial Supervision Act. All amounts included in the annual report are in thousands of euros, unless stated otherwise. The amounts stated in the tables are rounded figures. Rounding differences may occur as a result. The balance sheets, income statements and cash flow statements of each Subfund can also be found in the appendices. The manager drew up the financial statements on 20 April 2018.

Reporting period and corresponding figures

The annual report covers the period from 1 January 2017 to 31 December 2017 inclusive. The data for the period 1 January to 31 December 2016 inclusive have been included in the income statement and the cash flow statement as corresponding figures.

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 income statement under realised and unrealised changes in the value of investments.

There were no investments in foreign currency within the Subfunds as at 31 December 2017.

Manager

ASR Vermogensbeheer N.V. (hereinafter referred to as the Manager) is the manager within the meaning of Section 1.1 of the Financial Supervision Act (*Wet op het financieel toezicht*, hereinafter referred to as the Wft). The Manager is responsible for managing the fund assets in accordance with the investment policy and keeping the participant and financial accounts. The Manager holds a licence 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).

The manager submitted an application to the AFM for permission to provide additional investment services to professional clients pursuant to Section 2:67a (2) (a), (b) and (d) of the Wft. This extended licence was granted on 9 June 2016.

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.

Depositary

As stated in the information memorandum, the Manager has appointed ABN AMRO Bank N.V. as Depositary (hereinafter referred to as the Depositary) for the Fund under the terms and conditions of the depositary agreement. ABN AMRO Bank N.V. holds a banking licence. In the Netherlands, it is under the supervision of DNB in the context of liquidity and integrity.

The primary duty of the Depositary is to carry out the depositary functions referred to in Section 4:37f of the Wft on the Fund's behalf. The Depositary 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. The Depositary is also liable for losses incurred by the Fund or the participants as a result of negligent or intentional failure by the Depositary to duly carry out its duties. If the Depositary is directly liable, participants may call the Depositary to account via the Manager in accordance with the terms and conditions of the depositary agreement. Further information on the duties,

responsibilities and liability of the Depositary can be found in the information memorandum.

Processing

An asset is incorporated in the balance sheet if the future economic benefits are likely to flow to the Fund and its value can be reliably determined. A liability is included in the balance sheet if its settlement is likely to result in an outflow of funds and the amount thereof can be reliably determined. The manner in which the asset management is structured may result in the legal ownership of an asset and/or liability, of which the economic benefits and disadvantages flow to the Fund, resting with affiliated parties.

Income is recognised in the income statement if there has been an increase in the economic potential related to an increase in an asset or a decrease in a liability, the amount of which can be reliably determined. Expenses are recognised in the income statement if there has been a decrease in the economic potential related to a decrease in an asset or an increase in a liability, the amount of which can be reliably determined.

If a transaction results in the transfer of virtually all future economic benefits and risks relating to an asset or a liability to a third party, the asset or liability is no longer recognised in the balance sheet. Assets are also no longer included in the balance sheet from the time at which the conditions of likelihood of the future economic benefits and reliability of the value determination are no longer met. A liability is no longer included in the balance sheet from the time at which the conditions of likelihood of the expected outflow of funds and reliability of the value determination are no longer met.

Offsetting

Financial assets and financial liabilities are offset and included as a net amount in the balance sheet where there is a statutory or contractual right of set-off and simultaneous settlement and where it is also the intention to settle the items in this manner. Interest income and interest expenses related to financial assets and liabilities recognised on a net basis are also recognised on a net basis.

Transactions with affiliated parties

An affiliated party is a party that can exercise policy-setting influence over another party, or can exercise a significant influence on the business and financial policy of the other party. Transactions with affiliated parties are conducted on the basis of rates in line with market conditions.

Investments

Investments are valued at the time of acquisition at the acquisition cost, which is the market value of the asset or liability plus purchase costs. Investments in shares, bonds and derivatives are then valued individually at market value, which is considered equivalent to the closing price on the stock market (mid-market price) on the balance sheet date or is based on broker quotes received. Realised and unrealised changes in value within the portfolio are recognised in the income statement.

The following investment costs are charged to the subfunds:

Investment acquisition and selling costs: entry and exit charges on the acquisition and sale of participations in investment funds. These charges are recognised directly in the purchase amount or sale amount, and therefore form part of the changes in the value of investments.

Investment transaction costs: costs associated with the settlement of purchase and sale transactions by the depositary of the fund. These costs are recognised directly in the result.

Liquid assets

Bank account credit balances are stated at fair value, which is the nominal value. Liquid assets include credit balances with banks, any cash at bank and in hand and outstanding time 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 amortised cost based on the effective interest method, without deducting impairment losses. Provisions are determined on the basis of individual assessment of the irrecoverability 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 amortised cost based on the effective interest method. If there is no premium or discount and there are no transaction costs, the amortised cost is equal to the nominal value of the debt.

Determining the result

The result is determined as the difference between the income on the one hand and the expenditure on the other. Income and expenditure are allocated to the period to which they relate. The result also includes direct investment income, such as interest and dividend. The dividend refers to the gross cash dividend earned less commission and non-refundable dividend tax. Interest income refers to the interest received on bonds and deposits. Interest income is recognised in the period to which it relates. Results in foreign currencies are converted into euros at the exchange rates applicable on the transaction date.

Changes in the value of investments

Realised changes in value are determined by deducting the average cost price (including purchase costs) from the sales proceeds (including selling costs). Unrealised 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 realised and unrealised price variance is presented in the period to which it relates as realised or unrealised changes in the value of investments respectively under investment income in the income statement.

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

Corporation tax

The Fund has the tax status of a tax transparent fund. A tax transparent fund is itself not liable to taxation. Corporation tax is levied on the individual participants.

Formation expenses

The formation expenses are paid in full by the Manager and are not deducted from the Fund.

Management fee

Costs are charged to the Fund by the Manager for the management of the Fund Assets. The provisions made are transferred to the Manager on a monthly basis. The annual management fee is 0.20% (2016: 0.25%).

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 adviser 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 intrinsic 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% (2016: 0.10%) per Subfund. The Manager ultimately pays the costs actually incurred that fall under the service fee.

Costs associated with investments in other investment funds

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

The ASR Pension Mixed Funds invest primarily 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.

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 the market, 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 recognised 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 purchase of participations

The Fund does not charge any costs for the issue and purchase of participations.

Cash flow statement

The cash flow statement has been drawn up according to the 'indirect method', whereby a distinction is made between cash flows from investment and financing activities. Liquid assets concern 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.

Explanatory notes to the balance sheet and income statement

1. Investments

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

Investments	APMD	APMN	APMA	31 Dec. 2017
AEIIEAF Participation class C	51,043	466,603	12,855	530,501
AEIIEBF Participation class C	4,961	52,499	553	58,013
AEIIESF Participation class C	16,094	68,035	625	84,754
ASR America Shares Basic Fund	49,494	458,840	12,701	521,035
BNP Paribas Easy Pac. ex JPN ex C-W	8,835	80,714	2,215	91,764
ISHARES GLOBAL HY CORP	57	17,958	329	18,344
ISHARES GLOBAL HY CORP-ACC	7,387	51,136	1,085	59,608
ISHARES JPM USD EM BND EUR A	7,514	69,558	1,425	78,497
NT TR-EM CU ESG EI UC FGR-A	9,012	78,083	2,171	89,266
PARVEST BOND EURO CORP-MC	25,890	85,587	893	112,370
Total investments	180,287	1,429,013	34,852	1,644,152

Investments	APMD	APMN	APMA	31 Dec. 2016
ASR Euro Shares Basic Fund	220	70,820	1,455	72,495
ASR Euro Corporate Bonds Basic Fund	250	26,246	210	26,706
ASR Euro Government Bonds Basic Fund	159	12,347	30	12,536
ASR European Property Basic Fund	61	26,248	412	26,721
BNP MS N AMER EXCON WE-TPC	175	56,818	1,181	58,174
BNP Paribas Easy JPM EMBI GI Div Comp I-C	33	13,963	144	14,140
MSCI EMER MRKTS EX-TRACK P	39	11,350	238	11,627
MSCI PAC EX JPN EX CO WE-TPC	19	5,614	120	5,753
Parvest Bond USA High Yield I-C	31	14,079	144	14,254
Total investments	987	237,485	3,934	242,406

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

Statement of movements in investments

Fund	Market value 31 Dec. 2016	Purchases	Sales	Change in value	Market value 31 Dec. 2017
APMD	987	285,071	-106,240	469	180,287
APMN	237,485	2,217,866	-1,050,713	24,375	1,429,013
APMA	3,934	57,074	-26,767	611	34,852
Total	242,406	2,560,011	-1,183,720	25,455	1,644,152

Statement of movements in investments

Fund	Market value 31 Dec. 2015	Purchases	Sales	Change in value	Market value 31 Dec. 2016
APMD	296	1,088	-471	74	987
APMN	54,572	198,496	-37,188	21,605	237,485
APMA	987	3,673	-1,035	309	3,934
Total	55,855	203,257	-38,694	21,988	242,406

The intrinsic value, as published by the fund manager, is used for the valuation of participations in investment funds.

2. Receivables

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

Receivables	31 Dec. 2017	31 Dec. 2016
Receivables from participants for subscriptions	20	5
Expense reimbursement receivable from the manager	225	0
Receivables in respect of securities transactions	0	42
Refundable dividend tax	62	0
Balance at the end of the reporting period	307	47

3. Liquid assets

Liquid assets concern 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 Dec. 2017	31 Dec. 2016
Payable to participants for redemptions	-2	-42
Management and service fees payable	-392	-69
Balance at the end of the reporting period	-394	-111

5. Issued share capital, unappropriated result and other reserves

ASR Pension Mixed Fund Defensive long-term overview

Intrinsic value	31 Dec. 2017	31 Dec. 2016	31 Dec. 2015
Fund capital (x €1,000)	180,288	987	297
Number of participations	2,837,419	16,528	5,319
Intrinsic value in euros per participation	63.54	59.72	55.82

ASR Pension Mixed Fund Neutral long-term overview

Intrinsic value	31 Dec. 2017	31 Dec. 2016	31 Dec. 2015
Fund capital (x €1,000)	1,430,893	237,519	54,688
Number of participations	22,108,319	3,943,144	978,923
Intrinsic value in euros per participation	64.72	60.24	55.87

ASR Pension Mixed Fund Aggressive long-term overview

Intrinsic value	31 Dec. 2017	31 Dec. 2016	31 Dec. 2015
Fund capital (x €1,000)	34,983	3,934	1,008
Number of participations	530,977	65,071	17,865
Intrinsic value in euros per participation	65.89	60.47	56.40

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

Issued share capital	31 Dec. 2017	31 Dec. 2016
Balance at the start of the reporting period	220,775	56,248
Issued during the reporting period	1,421,669	167,265
Repaid to participants during the reporting period	-44,109	-2,738
Balance at the end of the reporting period	1,598,335	220,775

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

Statement of movements in the number of participations	Number 31 Dec. 2016	Issue	Purchase	Number 31 Dec. 2017
APMD	16,528	2,832,632	11,741	2,837,419
APMN	3,943,144	18,839,872	674,697	22,108,319
APMA	65,071	470,800	4,894	530,977
Total	4,024,743	22,143,304	691,332	25,476,715
Statement of movements in the number of participations	Number 31 Dec. 2015	Issue	Purchase	Number 31 Dec. 2016
APMD	5,319	17,298	6,089	16,528
APMN	978,923	3,003,015	38,794	3,943,144
APMA	17,865	54,517	7,311	65,071
Total	1,002,107	3,074,830	52,194	4,024,743

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

Other reserves	31 Dec. 2017	31 Dec. 2016
Balance at the start of the reporting period	-255	211
Addition in the reporting period	21,920	-466
Balance at the end of the reporting period	21,665	-255

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

Unappropriated result	31 Dec. 2017	31 Dec. 2016
Balance at the start of the reporting period	21,920	-466
Profit distribution in the previous financial year	-21,920	466
Unappropriated result of the current financial year	26,164	21,920
Balance at the end of the reporting period	26,164	21,920

6. Changes in the value of investments

The realised changes in value are the results from sales, including any selling costs.

The unrealised changes in the value of investments held include any purchasing costs.

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

Realised changes in the value of investments	1 Jan. 2017 up to and incl. 31 Dec. 2017	1 Jan. 2017 up to and incl. 31 Dec. 2017	1 Jan. 2016 up to and incl. 31 Dec. 2017	1 Jan. 2016 up to and incl. 31 Dec. 2016
Shares	30,530	-2,671	704	-527
Total	30,530	-2,671	704	-527

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

Unrealised changes in the value of investments	1 Jan. 2017 up to and incl. 31 Dec. 2017	1 Jan. 2017 up to and incl. 31 Dec.	1 Jan. 2016 up to and incl. 31 Dec. 2017	1 Jan. 2016 up to and incl. 31 Dec. 2017
Shares	10,608	-13,012	21,868	-57
Total	10,608	-13,012	21,868	-57

7. Other operating income

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

Reimbursement of expenses by the manager	1 Jan. 2017 up to and incl. 31 Dec. 2017	1 Jan. 2016 up to and incl. 31 Dec. 2016
ASR Basic Funds	150	115
BNP Building Blocks	680	213
Total	830	328

The purpose of the expenses reimbursed by the Manager in respect of the ASR Basic Funds is to offset imported costs from continued investments in the European Property Basic Fund (0.65%).

8. Operating expenses

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

Operating expenses	1 Jan. 2017 up to and incl. 31 Dec. 2017	1 Jan. 2016 up to and incl. 31 Dec. 2016
Management fee	-990	-422
Service fee	-495	-167
Interest charges	-35	-4
Total	-1,520	-593

Ongoing Charges Figure (OCF)

Subfunds	Information Memorandum	1 Jan. 2017 up to and incl. 31 Dec. 2017	1 Jan. 2016 up to and incl. 31 Dec. 2016
ASR Pension Mixed Fund – Defensive	0.30%	0.30%	0.35%
ASR Pension Mixed Fund – Neutral	0.30%	0.30%	0.35%
ASR Pension Mixed Fund – Aggressive	0.30%	0.30%	0.35%

The Ongoing Charges Figure (OCF) includes all costs debited 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 made by the Fund. The OCF is calculated by dividing the total costs in the reporting period by the average intrinsic value of the Fund.

The average intrinsic value of the Fund is the sum of the intrinsic values divided by the number of times at which the intrinsic value is calculated during the reporting year. The number of measurement points is regarded as a weighted average.

Overview of costs per Subfund

Subfunds	Costs directly financed by the Subfunds		Imported costs from underlying investment funds		Expense reimbursement received from the Manager	Total OCF 1 Jan. 2017 up to and incl. 31 Dec. 2017
	Management fee	Service fee	BNP Building Blocks	ASR European Property Basic Fund		
APMD	0.20%	0.10%	0.11%	0.03%	-0.14%	0.30%
APMN	0.20%	0.10%	0.10%	0.05%	-0.15%	0.30%
APMA	0.20%	0.10%	0.10%	0.04%	-0.14%	0.30%

The Manager pays the Subfunds an expense allowance to offset the costs associated with investments in the ASR European Property Fund.

Portfolio Turnover Ratio (PTR)

Subfunds	1 Jan. 2017 up to and incl. 31 Dec. 2017	1 Jan. 2016 up to and incl. 31 Dec. 2016
ASR Pension Mixed Fund – Defensive	865.86%	34.27%
ASR Pension Mixed Fund – Neutral	438.55%	42.34%
ASR Pension Mixed Fund – Aggressive	538.85%	57.11%

The Portfolio Turnover Ratio (PTR) provides an indication of the rate of turnover of the investments relative to the average Fund Capital and is a yardstick 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 intrinsic value of the Fund, calculated in the same way as when determining the OCF for the reporting period.

Transactions with affiliated parties

The Fund has the following relationships with affiliated parties:

- ASR Vermogensbeheer N.V. is the manager of the Fund and charges a management fee (€990,000) and a service fee (€495,000).
- The board of ASR Vermogensbeheer N.V. has no participations in the fund.
- ASR Levensverzekering N.V. participates in the Fund at the expense and risk of its policyholders via acquired participations.

In addition, ASR Levensverzekering N.V. participates via capital as follows:

Capital	Participations 31 Dec. 2016 (in units)	Market value 31 Dec. 2016	Participations 31 Dec. 2017 (in units)	Market value 31 Dec. 2017
ASR Pension Mixed Fund Defensive	1,500	89,585	2,814,512	178,832,943
ASR Pension Mixed Fund Neutral	0	0	15,959,418	1,032,924,659
ASR Pension Mixed Fund Aggressive	0	0	382,710	25,214,961
Total	1,500	89,585	19,156,640	1,236,972,563

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

Staff

The Manager does not employ any staff members. As at 31 December 2017, AVB had hired in 144 staff members and 141 FTE under a temporary employment agreement with ASR Nederland N.V. The on-charged employee expenses consist entirely of fixed remuneration (AIFMD Article 22 (2) (e)). The Manager does not share in the investment result as remuneration for the management of the investment funds reported on. There is therefore no carried interest (a share of the profits of the fund paid to the fund manager as remuneration for the management). The salary costs of the management board members are included in the on-charged employee expenses based on a fixed distribution formula.

The table below shows the total remuneration with respect to staff hired in by the manager (numbers as at the end of the financial year). Matching these amounts with the Fund is not possible, as relevant information is not available. No corresponding figures have been included in the table below as this information is not relevant in terms of the picture given by the financial statements. For more detailed information about the remuneration policy, please see the website www.asr.nl.

Employee expenses (x €1)	1 Jan. 2017 up to and incl. 31 Dec. 2017	Recipients
Management Board	503,288	3
Identified Staff	317,233	2
Employees	15,509,426	139
Total	16,329,947	144

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.

SIGNATURE OF THE FINANCIAL STATEMENTS

Utrecht, 20 April 2018

ASR Vermogensbeheer N.V.

On behalf of ASR Pension Mixed Funds

The management,

Mr J.T.M. Julicher (director)

Mr J.J.M. de Wit (director)

Mr M.R. Lavooi (director)

Mr R.S. Gokoel (CFRO)

Other information

Independent audit opinion

To: the participants and manager of ASR Pension Mixed Funds

Statement on the 2017 financial statements that are included in the annual report

Our opinion

We have audited the 2017 financial statements of ASR Pension Mixed Funds in Utrecht (the investment entity).

We are of the opinion that the financial statements included in this annual report give a fair and true view of the size and composition of ASR Pension Mixed Funds' capital as at 31 December 2017 and of the results for 2017, in accordance with Title 9, Book 2 of the Dutch Civil Code.

The financial statements consist of:

- the balance sheet as at 31 December 2017;
- the income statement for 2017;
- the notes providing an overview of the accounting principles used and other notes, including the annual figures for the separate subfunds (ASR Pension Mixed Fund Defensive, ASR Pension Mixed Fund Neutral, ASR Pension Mixed Fund Aggressive).

The basis for our audit opinion

We have carried out our audit in accordance with Dutch law, including the Dutch auditing standards. Our responsibilities in that regard are further described in the section of our report entitled 'Our responsibilities for the audit of the financial statements'.

We are independent of ASR Pension Mixed Funds as required by the Regulation regarding the Independence of Auditors in the case of Assurance Engagements (*Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten*, 'ViO') and other relevant independence requirements in the Netherlands. Furthermore, we have complied with the Code of Conduct and Professional Practice for Accountants Regulation (*Verordening gedrags- en beroepsregels accountants*, VGBA).

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

Statement on the other information included in the annual report

In addition to the financial statements and our audit opinion, the annual report includes other information, namely:

- the directors' report;
- the other information;
- the appendices.

Based on the activities below, we are of the opinion that the other information:

- is consistent with the financial statements and is free from material misstatements;
- contains all information required in accordance with Title 9, Book 2 of the Dutch Civil Code.

We have read the other information and, based on our knowledge and our understanding, acquired from the audit of the financial statements or otherwise, have considered whether the other information contains material misstatements. Our activities met the requirements set out in Title 9, Book 2 of the Dutch Civil Code and Dutch Standard 720. These activities do not have the same scope as our audit activities in relation to the financial statements.

The manager of the investment entity is responsible for drawing up the other information, including the directors' report and the other information in accordance with Title 9, Book 2 of the Dutch Civil Code.

Description of the responsibilities for the financial statements

The manager's responsibilities regarding the financial statements

The manager of the investment entity is responsible for drawing up and providing a true picture of the financial statements, in accordance with Title 9, Book 2 of the Dutch Civil Code. In this context, the manager is responsible for such internal control as it considers necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error.

In preparing the financial statements, the manager must assess whether the investment entity is able to ensure the continuity of its operations. Based on the aforementioned reporting system, the manager must prepare the financial statements in accordance with the going-concern assumption, unless the manager intends to wind up the investment entity or terminate the operations, or if termination is the only realistic alternative. The manager should disclose events and circumstances that may cast significant doubt on the investment entity's ability to continue as a going concern in the financial statements.

Our responsibilities for the audit of the financial statements

We are responsible for planning and performing the audit engagement in a manner that allows sufficient and appropriate audit evidence to be obtained for our final opinion.

Our audit was carried out with a high level of assurance, but not an absolute one, which means it is possible that we may not have detected all material errors and fraud.

Misstatements can occur as a result of fraud or error, and are material if such misstatements can be reasonably expected to, individually or collectively, influence the economic decisions of users taken on the basis of these financial statements. The materiality influences the nature, timing and scope of our audit activities and the evaluation of the effect of any misstatements identified in the context of our audit opinion.

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

- identifying and assessing the risks that the financial statements contain material misstatements due to error or fraud, determining and carrying out audit activities in response to these risks and obtaining audit evidence that was sufficient and appropriate as a basis for our audit opinion. The risk that a material misstatement will not be discovered is greater in the case of fraud than in the case of error. Fraud can involve collusion, forgery of documents, the intentional omission of transactions from the records, intentional misrepresentation or overriding of internal controls;
- obtaining an understanding of internal control relevant to the audit in order to select audit procedures that are appropriate in the circumstances. The aim of these activities is not to give an opinion on the effectiveness of the investment entity's internal control;
- evaluating the appropriateness of the accounting principles used and the reasonableness of accounting estimates made by the manager and the associated explanatory notes in the financial statements;
- establishing that the going-concern assumption applied by the manager is acceptable. In addition, it must be determined on the basis of the audit evidence obtained whether there are events or circumstances that may cast significant doubt on the investment entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are obliged to pay attention in our audit opinion to the relevant associated explanatory notes in the financial statements. If the notes are inadequate, we must update our audit opinion. Our conclusions are based on the audit evidence obtained up to the date of our audit opinion. However, future events or circumstances may cause an investment entity to cease to continue as a going concern;
- evaluating the overall presentation, structure and content of the financial statements, including the notes;
- evaluating whether the financial statements provide a true picture of the underlying transactions and events.

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

The Hague, 20 April 2018
Ernst & Young Accountants LLP

signed by M.J. Knijnenburg

Appendices

Appendix 1

ASR Pension Mixed Fund – Defensive

Balance sheet as at 31 December 2017 (before profit appropriation x €1,000)

Balance Sheet	31 Dec. 2017	31 Dec. 2016
Investments		
Units in investment funds	180,287	987
Total investments	180,287	987
Receivables	28	0
Other assets		
Liquid assets	16	0
Current liabilities	-43	0
Receivables and other assets less current liabilities	1	0
Assets less current liabilities	180,288	987
Issued share capital	179,699	905
Other reserves	82	10
Unappropriated result of the current financial year	507	72
Total fund assets	180,288	987

Income statement

Income statement for the period 1 January 2017 to 31 December 2017 inclusive (x €1,000)

Income statement	1 Jan. 2017 up to and incl. 31 Dec. 2017	1 Jan. 2016 up to and incl. 31 Dec. 2016
Investment income	72	0
Realised changes in the value of investments	1,737	16
Unrealised changes in the value of investments	-1,268	58
Other operating income	41	1
Total operating income	582	75
Management fee	-49	-2
Service fee	-25	-1
Interest charges	-1	0
Total operating expenses	-75	-3
Profit after tax	507	72

Cash flow statement

Cash flow statement for the period 1 January 2017 to 31 December 2017 inclusive (x €1,000)

Drawn up according to the indirect method

Cash flow statement	1 Jan. 2017 up to and incl. 31 Dec. 2017	1 Jan. 2016 up to and incl. 31 Dec. 2016
Total investment result	507	72
Changes in the value of investments	-469	-74
Acquisition of investments (-)	-285,071	-1,088
Sales of investments (+)	106,240	471
Increase (-)/Decrease (+) in receivables	-28	0
Increase (+)/Decrease (-) in liabilities	43	0
Net cash flow from investment activities	-178,778	-619
Issue of participations	179,538	968
Acquisition of participations	-744	-350
Net cash flow from financing activities	178,794	618
Movements in liquid assets	16	-1
Total cash at the start of the reporting period	0	1
Total cash at the end of the reporting period	16	0
Movements in liquid assets	16	-1

Appendix 2

ASR Pension Mixed Fund – Neutral

Balance sheet as at 31 December 2017 (before profit appropriation x €1,000)

Balance Sheet	31 Dec. 2017	31 Dec. 2016
Investments		
Units in investment funds	1,429,013	237,485
Total investments	1,429,013	237,485
Receivables	269	46
Other assets		
Liquid assets	1,954	93
Current liabilities	-343	-105
Receivables and other assets less current liabilities	1,880	34
Assets less current liabilities	1,430,893	237,519
Issued share capital	1,384,577	216,233
Other reserves	21,285	-256
Unappropriated result of the current financial year	25,031	21,542
Total fund assets	1,430,893	237,519

Income statement

Income statement for the period 1 January 2017 to 31 December 2017 inclusive (x €1,000)

Income statement	1 Jan. 2017 up to and incl. 31 Dec. 2017	1 Jan. 2016 up to and incl. 31 Dec. 2016
Investment income	1,298	196
Realised changes in the value of investments	25,523	162
Unrealised changes in the value of investments	-1,148	21,443
Other operating income	773	323
Total operating income	26,446	22,124
Management fee	-921	-413
Service fee	-460	-165
Interest charges	-34	-4
Total operating expenses	-1,415	-582
Profit after tax	25,031	21,542

Cash flow statement

Cash flow statement for the period 1 January 2017 to 31 December 2017 inclusive (x €1,000)

Drawn up according to the indirect method

Cash flow statement	1 Jan. 2017 up to and incl. 31 Dec. 2017	1 Jan. 2016 up to and incl. 31 Dec. 2016
Total investment result	25,031	21,542
Changes in the value of investments	-24,375	-21,605
Acquisition of investments (-)	-2,217,866	-198,496
Sales of investments (+)	1,050,713	37,188
Increase (-)/Decrease (+) in receivables	-223	91
Increase (+)/Decrease (-) in liabilities	237	84
Net cash flow from investment activities	-1,166,483	-161,196
Issue of participations	1,211,387	163,263
Acquisition of participations	-43,043	-1,974
Net cash flow from financing activities	1,168,344	161,289
Movements in liquid assets	1,861	93
Total cash at the start of the reporting period	93	0
Total cash at the end of the reporting period	1,954	93
Movements in liquid assets	1,861	93

Appendix 3

ASR Pension Mixed Funds – Aggressive

Balance sheet as at 31 December 2017 (before profit appropriation x €1,000)

Balance Sheet	31 Dec. 2017	31 Dec. 2016
Investments		
Units in investment funds	34,852	3,934
Total investments	34,852	3,934
Receivables	10	0
Other assets		
Liquid assets	129	5
Current liabilities	-8	-5
Receivables and other assets less current liabilities	131	0
Assets less current liabilities	34,983	3,934
Issued share capital	34,059	3,637
Other reserves	298	-9
Unappropriated result of the current financial year	626	306
Total fund assets	34,983	3,934

Income statement

Income statement for the period 1 January 2017 to 31 December 2017 inclusive (x €1,000)

Income statement	1 Jan. 2017 up to and incl. 31 Dec. 2017	1 Jan. 2016 up to and incl. 31 Dec. 2016
Investment income	29	1
Realised changes in the value of investments	599	-1
Unrealised changes in the value of investments	12	311
Other operating income	16	4
Total operating income	656	315
Management fee	-20	-7
Service fee	-10	-2
Total operating expenses	-30	-9
Profit after tax	626	306

Cash flow statement

Cash flow statement for the period 1 January 2017 to 31 December 2017 inclusive (x €1,000)

Drawn up according to the indirect method

Cash flow statement	1 Jan. 2017 up to and incl. 31 Dec. 2017	1 Jan. 2016 up to and incl. 31 Dec. 2016
Total investment result	626	306
Changes in the value of investments	-611	-310
Acquisition of investments (-)	-57,074	-3,673
Sales of investments (+)	26,767	1,035
Increase (-)/Decrease (+) in receivables	-10	20
Increase (+)/Decrease (-) in liabilities	4	-3
Net cash flow from investment activities	-30,298	-2,625
Issue of participations	30,744	3,034
Acquisition of participations	-322	-413
Net cash flow from financing activities	30,422	2,621
Movements in liquid assets	124	-4
Total cash at the start of the reporting period	5	9
Total cash at the end of the reporting period	129	5
Movements in liquid assets	124	-4

Appendix 4

ASR Pension Mixed Fund – Defensive

Name of Instrument	Instrument type	Number	Price	Market value 31 Dec. 2017
BNP Paribas Easy Pac. ex JPN ex C-W	Equity	5,132	1,721.47	8,835
ISHARES GLOBAL HY CORP	Equity	690	83.14	57
ISHARES GLOBAL HY CORP-ACC	Equity	1,764,131	4.19	7,387
ISHARES JPM USD EM BND EUR A	Equity	1,703,167	4.41	7,514
NT TR-EM CU ESG EI UC FGR-A	Equity	656,174	13.73	9,013
PARVEST BOND EURO CORP-MC	Equity	116,561	222.11	25,889
AEIIEAF Participation class C	Fund certificate	993,698	51.37	51,043
AEIIEBF Participation class C	Fund certificate	98,497	50.37	4,961
AEIIESF Participation class C	Fund certificate	320,992	50.14	16,094
ASR America Shares Basic Fund	Fund certificate	924,583	53.53	49,494
			Total	180,287

ASR Pension Mixed Fund – Neutral

Name of Instrument	Instrument type	Number	Price	Market value 31 Dec. 2017
BNP Paribas Easy Pac. ex JPN ex C-W	Equity	46,887	1721.47	80,714
ISHARES GLOBAL HY CORP	Equity	216,000	83.14	17,958
ISHARES GLOBAL HY CORP-ACC	Equity	12,211,610	4.19	51,136
ISHARES JPM USD EM BND EUR A	Equity	15,765,561	4.41	69,558
NT TR-EM CU ESG EI UC FGR-A	Equity	5,685,052	13.73	78,083
PARVEST BOND EURO CORP-MC	Equity	385,336	222.11	85,587
AEIIEAF Participation class C	Fund certificate	9,083,749	51.37	466,603
AEIIEBF Participation class C	Fund certificate	1,042,325	50.37	52,499
AEIIESF Participation class C	Fund certificate	1,356,983	50.14	68,035
ASR America Shares Basic Fund	Fund certificate	8,571,477	53.53	458,840
			Total	1,429,013

ASR Pension Mixed Fund – Aggressive

Name of Instrument	Instrument type	Number	Price	Market value 31 Dec. 2017
BNP Paribas Easy Pac. ex JPN ex C-W	Equity	1,287	1721.47	2,215
ISHARES GLOBAL HY CORP	Equity	3,960	83.14	329
ISHARES GLOBAL HY CORP-ACC	Equity	259,159	4.19	1,085
ISHARES JPM USD EM BND EUR A	Equity	323,012	4.41	1,425
NT TR-EM CU ESG EI UC FGR-A	Equity	158,081	13.73	2,171
PARVEST BOND EURO CORP-MC	Equity	4,020	222.11	893
AEIIEAF Participation class C	Fund certificate	250,245	51.37	12,855
AEIIEBF Participation class C	Fund certificate	10,987	50.37	553
AEIIESF Participation class C	Fund certificate	12,462	50.14	625
ASR America Shares Basic Fund	Fund certificate	237,264	53.53	12,701
			Total	34,852

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