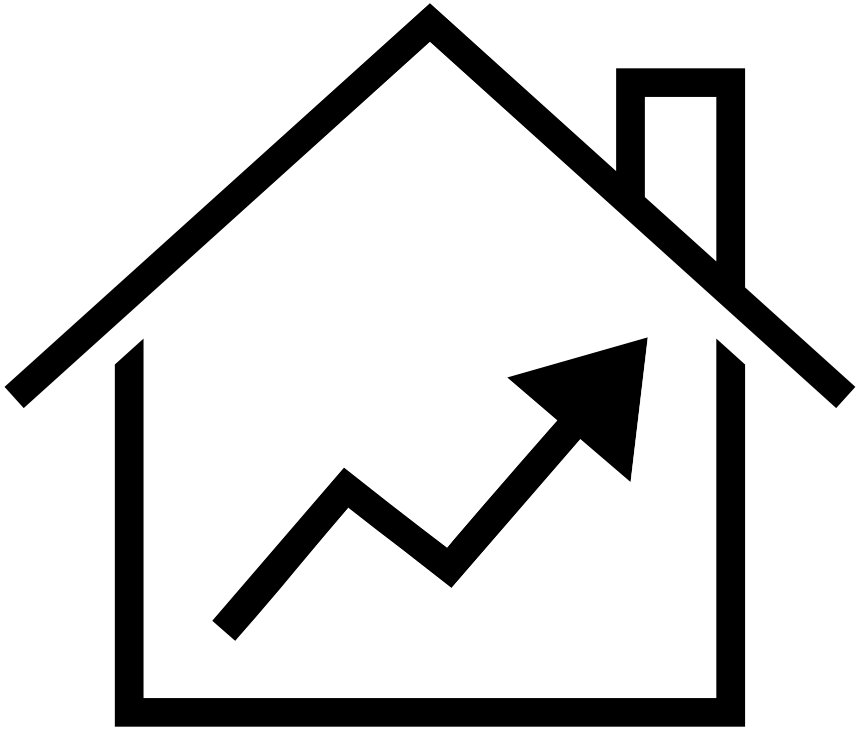
a.s.r.
asset
management



ASR Mortgage Fund

Semi-annual report 2021

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General information

Supervisory Board
Mr. B. Vliegenthart (chairman)
Mr. R.M.W.J. Beetsma
Mr. O.J. Labe

Office address of the Manager
ASR Vermogensbeheer N.V.
Archimedeslaan 10
3584 BA Utrecht
Website: www.asrvermogensbeheer.nl
Commercial Register of the Chamber of Commerce in Utrecht, number 30227237

Board of the Manager
Mr. J.Th.M. Julicher
Mr. M.R. Lavooi
Mrs. W.M. Schouten

Legal owner of the investments
Stichting Juridisch Eigenaar ASR Hypotheekfonds
Archimedeslaan 10
3584 BA Utrecht

Depositary
BNP Paribas Securities Services SCA
Herengracht 595
1017 CE Amsterdam

External Auditor
KPMG Accountants N.V.
Papendorpseweg 83
3528 BJ Utrecht

Legal Advisor of the Manager
NautaDutilh N.V.
Beethovenstraat 400
1082 PR Amsterdam

Date of incorporation 17 March 2017

Table of contents

Management board's report

General

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

a.s.r. vermogensbeheer's objective is to manage investment institutions and to provide investment services to group companies of ASR Nederland N.V. (hereinafter referred to as 'a.s.r.' or 'ASR Nederland') and on behalf of third parties. a.s.r. vermogensbeheer offers investment services for pension funds, insurers, guarantee and donor-advised funds, charitable organizations, regional authorities, healthcare and educational institutions, network companies, housing associations and other players in the social domain, with a focus on services as tailor-made solutions with a sound return and a sustainable character. a.s.r. vermogensbeheer also offers institutional investment funds. The product range consists of European corporate bonds, interest rate overlay, European government bonds, European stocks, balanced mandates, tailored bond portfolios, private loans, fixed-rate index investments, real estate and mortgages. Other investment categories are purchased by a.s.r. vermogensbeheer in accordance with a.s.r.'s quality and sustainability criteria.

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

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

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

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

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

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

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

Providing investment services (amongst other individual asset management)
Pursuant to Section 2:67a(2), paragraphs (a), (b) and (d), of the Financial Supervision Act (Wft), a.s.r. vermogensbeheer is also permitted to offer the following investment services to both professional and non-professional investors:
(a) Managing individual assets;
(b) Providing investment advice on financial instruments;
(d) Receiving and forwarding orders with regard to financial instruments.

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

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

a.s.r. vermogensbeheer is a member of DUFAS (Dutch Fund and Asset Management Association), the Dutch association of investment institutions and asset managers. a.s.r. vermogensbeheer follows the code of conduct that has been drawn up by this industry organisation. 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.

Profile

Structure
The ASR Mortgage Fund (the 'Fund') is a mutual fund consisting of two Subfunds, each with their own risk profile:
- The Subfund with a Dutch National Mortgage Guarantee (NHG Subfund). This Subfund only includes mortgage loans with a national mortgage guarantee (lower risk profile);
- The Subfund without a Dutch National Mortgage Guarantee (non-NHG Subfund). This Subfund only includes mortgage loans without a national mortgage guarantee (higher risk profile).

The Fund is classified as an Alternative Investment Fund (AIF) and was established on 17 March 2017. The first participations were issued on 21 March 2017. The official name of the Fund as stated in the fund documentation is ASR Mortgage Fund. The name 'ASR Hypotheekfonds' is used in the Dutch version of the documents.

Investment philosophy of the Fund
The Fund offers investors the opportunity to invest in private residential mortgages in the Netherlands. The aim of the fund is to generate a stable and direct income stream for the participants in the long term. The Subfunds do not use benchmarks.

The Fund invests in mortgage loans recently issued in the Netherlands by ASR Levensverzekering N.V. The Fund acquires mortgages by subscribing to a cross-section of the new mortgage production. Residential homes in the Netherlands serve as collateral for the loans. All loans acquired are subject to the Fund's strict selection criteria. The main selection criteria are: right of first mortgage, a fixed-rate period longer than five years, a Loan-to-Value (LTV) ratio of maximum 100% (106% in case of financing of energy saving measures), no savings-based mortgages and ceilings for the share of interest-only mortgages in the portfolio.

Manager and Legal Owner
The Fund has a Manager and a Legal Owner. The Manager of the Fund is a.s.r. vermogensbeheer. a.s.r. vermogensbeheer holds a license issued by the Dutch Authority for the Financial Markets ('AFM') as referred to in Section 2:65 and 2:67a, paragraph 2(a), (b) and (d) of the Financial Supervision Act (Wet op het financieel toezicht).

The Legal Owner of the Fund is Stichting Juridisch Eigenaar ASR Hypotheek-fonds. The Legal Owner was established on 30 June 2016 and is a foundation within the ASR Nederland 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 66366305.

The relationship between the Manager and the Legal Owner is set out in an agreement ('Agreement of Management and Custody'). This agreement governs the appointment of the Manager and determines the conditions under which the Manager is charged with the management of the Fund's assets.

Depositary
BNP Paribas Securities Services SCA has been appointed Depositary of the ASR Mortgage Fund. The Depositary is an entity subject to regulatory supervision whose legal responsibilities include monitoring cash flows, complying with investment policy and verifying the ownership of the financial assets within the Fund.

Alternative Investment Fund Managers Directive (AIFMD)
a.s.r. vermogensbeheer holds an AIFMD license and meets the requirements applicable to an AIFM, a more detailed description of which can be found in the report of the Manager. These requirements include the appointment of an independent depositary and having a risk management policy, a conflict of interest policy, an outsourcing policy, a remuneration policy (see also www.asr.nl) and a fund assets valuation policy. The requirements also relate to the annual reporting and capital requirements for the Manager and the Depositary.

Supervisory Board
The Supervisory Board is responsible for supervising the Manager's policy and performance of tasks and the general state of affairs within the Fund. The Supervisory Board is also charged with supervising compliance by the Manager with the Fund Governance Code and advises the Manager. The Supervisory Board's tasks and activities are set out in the Supervisory Board regulations. In fulfilling their duties, the members of the Supervisory Board will focus on the interest of the Fund and the collective interests of all participants in the Fund.

Meetings of participants
A Meeting of Participants is held at least once a year, subject to the relevant provisions of the Information Memorandum.

During the first half-year of 2021, one Meeting of Participants was held, in which amongst others the 2020 annual report was adopted.

Distribution of interest income
Interest income of the previous month is distributed to the Participants each month. Participants can choose to either have the income paid in cash or to reinvest the income in exchange for participations. Participations in a particular Subfund will receive an equal share of the monthly interest income of the preceding month per participation. The Manager will determine the final distribution upon the adoption of the annual report by the Meeting of Participants. The final distribution will be compared with the cumulative monthly distributions over the last year. If the annual income is higher than the monthly distributions, the remainder will be paid out. If the annual income is lower than the monthly distributions, the Participants must repay the amount overpaid.

Costs and fees
The Fund does not charge any costs for the issue and redemption of Participations.

Compensation in the event of an incorrectly calculated Net Asset Value
If the Net Asset Value of the Fund has been incorrectly calculated and the difference from the correct Net Asset Value is at least 1%, the Manager will compensate the current Participants in the Fund for any adverse effects.
This compensation will only take place if the Manager identifies the incorrect calculation within thirty days after the date on which the Net Asset Value was incorrectly calculated. No such compensation took place in the first half year of 2021.

Transactions with related parties
Where transactions are conducted with parties related to ASR Nederland, they will take place on the basis of conditions in line with the market. Where such transactions take place outside a regulated market, they will be carried out on an arm's length basis. If the transaction with a related 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 will not take place. The Fund is allocated mortgages produced by ASR Levensverzekering N.V. on a monthly basis according to an objective allocation method.

Available documentation
The Manager's articles of association and the Depositary's articles of association are available for inspection at the offices of the Manager. A copy of the license 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 (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.asrvermogensbeheer.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

Specific enquiries regarding the mortgage fund can also be sent to hypotheekfonds@asr.nl.

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

Report of the Manager

Key figures

In the first half year of 2021, the ASR Mortgage Fund Net Assets increased by €740 million to €6,982 million. €451 million of this increase was attributable to the non-NHG Subfund, and €289 million to the NHG Subfund. Further information on the Net Assets and return can be found in the Subfunds section.

Developments affecting the fund during the reporting period

Sustainable Finance Disclosure Regulation
As from March 2021, the new disclosure obligations from the Sustainable Finance Disclosure Regulation (SFDR) are applicable. As a result, the Information Memorandum of the Fund has been amended in the beginning of 2021. The Fund has been classified as an 'article 8' fund (a financial product which promotes social and environmental characteristics).

Risk management

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

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

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

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

Risk management

Management of the mortgages included in the Subfunds has been outsourced to servicer ASR Levensverzekering N.V. The servicer is required to comply with the management conditions set out in both the Servicing Agreement and Mortgage Receivable Purchase Agreement. The obligations set out in these agreements include the periodic submission of reports on the development of arrears and losses. Developments in these areas are monitored by means of a number of agreed restrictions. The agreements also provide for the possibility of a "right to audit", and the servicer is required to issue an annual ISAE 3402 report.

The Manager uses a system of risk management measures to ensure that the Subfunds continuously comply with the requirements set out in the Fund Conditions and in the legal frameworks.

The Subfunds are sensitive to market movements in general (market risk), as well as to fluctuations in the value of collateral, the interest rate risk, liquidity risk and credit risk. However, the maximum loss for Participants is limited to the value of the Participations they hold. The main risks involved in investing in the Fund are described in the following table. An overview of all risk factors can be found in section 9 of the Information Memorandum.

Defined risk	Explanation and mitigating measures
Credit risk	Credit risk concerns the possibility that the borrower will fail to make timely coupon payments and mortgage repayments. This risk is managed by imposing restrictions on the maximum Loan-to-Value ratio at the time of origination and a limit on the maximum concentration of interest-only mortgages. In the case of the Subfund with a national mortgage guarantee, this risk is further mitigated by the fact that the mortgages are covered by the National Mortgage Guarantee (*Nationale Hypotheek Garantie*, “NHG”). A strictly implemented acceptance and arrears policy at mortgage loan level by the servicer is essential to mitigate credit risks. Monitoring of these processes forms part of the ISAE 3402 Type II report for a.s.r. Hypotheken from the servicer ASR Levensverzekering N.V.
Counterparty risk	Counterparty risk is the risk that business will be conducted with an unreliable or uncreditworthy party. Customer due diligence procedures and measures apply for the purpose of managing this risk. The aim of these customer due diligence procedures and measures is to manage financial and/or non-financial losses resulting from the acceptance of potentially undesirable participants and transaction parties.
Concentration risk	Concentration risk is the risk that concentrations of mortgage loans with common characteristics will be held in the fund portfolio, which could have a negative impact on the Fund’s performance. One of the ways of mitigating concentration risk within the Subfunds is by applying a lending limit to mortgage loans (€1 million for mortgages without the National Mortgage Guarantee and the NHG lending limit for mortgages with the National Mortgage Guarantee). A geographical diversification is achieved by the fact that approximately 5,000 intermediaries throughout the country are able to provide a.s.r. mortgage loans.
Liquidity risk	Liquidity risk is the risk that the Fund will not be able to obtain the financial resources required to meet its obligations on time, and the risk that Participants will not have sufficient opportunity to withdraw from the Fund within a reasonable timeframe. The Fund invests in mortgage loans that cannot be converted into cash at short notice. Participants must submit a withdrawal request to the Manager, which the Manager is not obliged to grant. The Manager’s decision will depend on the redemption requests received and/or cash available from interest and repayments received. The limited liquidity may limit the possibility, and prolong the process, of withdrawing from the fund. Participations in the Fund cannot be transferred to a third party, and can only be repurchased by the Manager depending on the available cash.
Collateral risk	Developments within the housing market in the Netherlands can potentially have a negative impact on the value of the collateral furnished for a mortgage loan. The government has taken measures to mitigate this risk in recent years, for instance by reducing the maximum permitted Loan-to-Value ratio to 100%, limiting the interest deductibility of mortgage interest for income tax purposes to annuity and linear repayment mortgage loans since 1 January 2013, by permitting the refinancing of interest-only mortgages up to a maximum of 50% of the market value of the security and reducing the interest deductibility percentage over the coming years.
Operational risk	Operational risk is the risk that errors will not be identified timely or that fraud may occur due to failing or inadequate internal processes, human error or system limitations, and unexpected external events. The Manager has a system that involves monitoring procedures, measuring defined constraints and identifying where limits have been exceeded to allow swift and appropriate action and risk mitigation. An escalation procedure is available as an additional tool for the rapid resolution of situations where limits have been exceeded. The most important processes carried out within the Manager are included in a.s.r. vermogensbeheer’s ISAE 3402 Type II report.
Interest-rate risk	This risk relates to negative price trends caused by movements in the market interest rate. The fund manager has chosen not to hedge this risk within the fund.
Early repayment risk	It is possible that the debtor will repay more than the mortgage debt he or she is contractually obliged to repay. If the current applicable mortgage rate is lower than the mortgage interest rate applicable to the loan in question, and the debtor repays more than the annual permitted penalty-free repayment percentage (15%), the debtor is charged the present value of the interest rate difference to the outstanding loan amount which reduces the early repayment risk.

Defined risk	Explanation and mitigating measures
Risk of anti-selection	This risk relates to the selection of mortgages that do not meet the conditions/criteria set out in the Fund's transaction documents. Portfolio Management and Risk Management respectively assess the proposed selection against the Fund's selection conditions prior to any acquisition of mortgage loans. The acquisition is only effectuated if the outcome is positive.
Valuation risk	Valuation risk is the risk that the mortgages within the Fund's portfolio will be incorrectly valued, resulting in an incorrect value of (the Participations in) the Fund. This risk is mitigated by valuing mortgages on the basis of a standard monthly process based on an established valuation method. The valuation method was validated by an external consultant at inception.

Table 1: main risks

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

One of the purposes of the annual and semi-annual reports is to provide an insight into the risks that have occurred at the end of the reporting period. The best way to obtain this insight is by reviewing this risk section in conjunction with the Subfund report, which provides more detailed information on the specific portfolio risks associated with the Subfund in question.

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

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

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

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

The Fund Governance Code and the conflict of interest policy can be found on the Manager's Website.

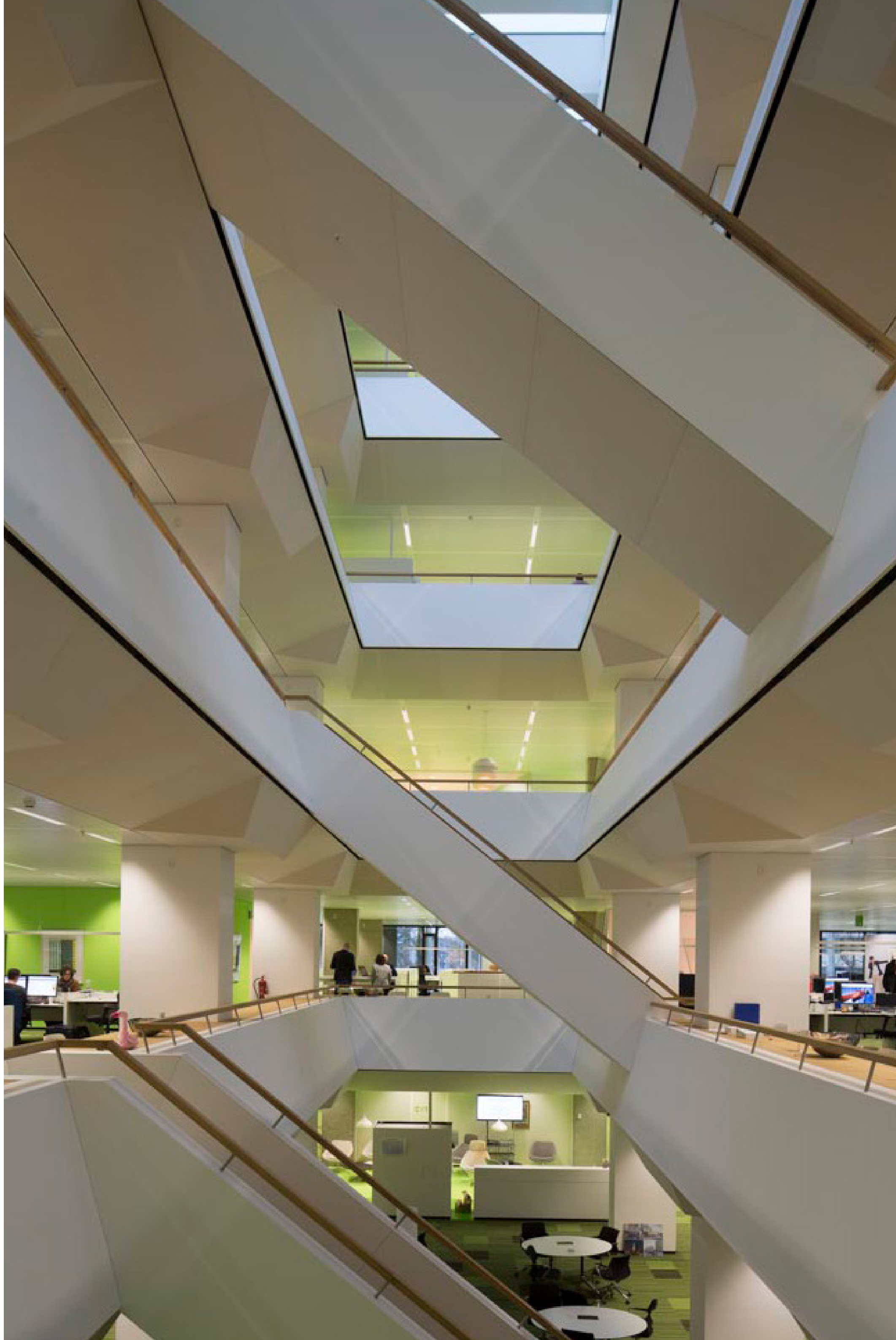
Personnel

The Manager does not employ any personnel. As at 30 June 2021, 172 employees and 163 FTEs were subcontracted by a.s.r. vermogensbeheer pursuant to an employee loan agreement with ASR Nederland N.V. The personnel expenses, which are charged to a.s.r. vermogensbeheer consist entirely of fixed remuneration (AIFMD Article 22, paragraph 2 e). The Manager does not share in the investment performance as remuneration for the management of the investment funds, hence there is no issue of 'carried interest' (the share of the profit of the Fund intended for the Manager of the Fund as remuneration for the management). The salary expenses of the Directors are included in the recharged personnel expenses.

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

Personnel expenses (in euros)	01-01-2021 to 30-06-2021	No. of employees
Management Board	535,771	3
Identified Staff	112,596	1
Employees	11,389,907	168
Total	12,038,274	172

Table 2: Personnel expenses



Sustainability policy

a.s.r. as a sustainable investor

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

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

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

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

Exclusion criteria for countries and companies
a.s.r. applies a strict exclusions policy for controversial activities and controversial behaviour, which applies to all internally managed portfolios, both for its own investments and investments for third parties. a.s.r.publishes twice a year a new list of excluded companies and once a year a new list of excluded countries (https://www.asrnl.com/about-asr/sustainable-business/sustainable-investor).

a.s.r.'s sustainable investment policy is valued
January 2020 saw the publication of the seventh policy assessment, most recent so far, of the Fair Insurance Guide (Eerlijke Verzekeringswijzer, EV), an initiative by Friends of the Earth Netherlands, World Animal Protection, PAX, Oxfam Novib and Amnesty International. The aim of the EV is to make the investment policies pursued by insurance companies more sustainable and to optimise working practices. To this end, the largest providers on the Dutch market are compared in terms of sustainability. In the publication (www.eerlijkeverzekeringswijzer.nl), a.s.r. once again came out in first place overall among the insurance companies included in the policy survey. a.s.r. achieved the highest score of 10 for its policies on Weapons, Human Rights, Employment Rights and Food, while it earned a score of 9 for its policies on Corruption, Health, Nature, the Financial Sector, the Manufacturing Industry, and Housing and Real Estate. The rise to a 9 for Housing and Real Estate is partly due to the fact that 'ASR has a policy to improve the energy performance of the mortgage portfolio, provide green mortgage financing, monitor and publish an overview of the composition of the mortgage portfolio based on energy label, and approach customers in possession of homes with low energy labels to make them aware of the possibilities for saving on energy costs'.

The most recent study by the Fair Insurance Guide (June 2021) has investigated how the 9 largest insurers respond to the human rights violations of eleven large cases in which major oil, gas and mining companies are involved. Of the 9 insurers, 6 insurers, including a.s.r., score insufficiently. According to the study, these insurers invest in (any of) the 11 companies but do not make enough effort to enforce improvements in the field of human rights violations. For a.s.r. the amount of investments (assets under management) found was the second lowest among all the insurance companies. As a response to the study, a.s.r. indicates that it concerns companies in which it has a relatively small stake. a.s.r conducts so-called engagement dialogues with most of these companies about the most material topics and controversies which are currently also in the area of environmental controversies and is certainly putting an effort to improve the companies behavior with respect to human rights. The previous study by the Fair Insurance Guide (December 2020) investigated how the 9 largest insurers on the Dutch insurance market deal with investments in arms companies, specifically if these companies supply weapon systems to regimes that are in armed conflict or violate human rights: controversial arms trade. “a.s.r. has no investments in any of the 14 companies, and this is clearly a result of the quality of its policy” the researchers conclude. Besides a.s.r. there are 3 other insurers who, according to the research, do not invest in arms companies but, unlike a.s.r., they do not have any policy regarding arms trade.

Climate and energy transition

The topics of climate and energy transition have been an integral part of a.s.r.’s investment policy since 2017. In 2018, a.s.r. started to publish quarterly data on the carbon emissions of its entire investment portfolio and its individual funds. As an active participant in the Partnership for Carbon Accounting Financials (PCAF), we are working with other financial institutions in the Netherlands to develop the calculation methods for all asset classes further.

Since the third quarter of 2019, a.s.r. has measured the carbon footprint of the a.s.r. mortgage portfolio. It does so in accordance with official PCAF methodology, which was refined at the end of 2020. The footprint of 98.2% (ultimo December 2020 96.4%) of the a.s.r. mortgage portfolio was measured at the end of the second quarter of 2021 in accordance with the refined PCAF method. This measurement is based on energy label, building year, and type of housing, converted to CO2 emissions using general grid emission factors, which is an official PCAF standard for measuring CO2 in mortgage portfolios.

For the ASR Mortgage Fund, the emission figure is 13.6 tonnes of CO2eq per EUR 1 million of nominal debt at the end of the first half of 2021 (ultimo December 2020 13.8 tonnes in accordance with the refined methodology).
For both Subfunds the emission figures are:
- NHG Subfund: 17.7 tonnes of CO2eq per EUR 1 million of nominal debt (December 2020, 18.0)
- Non-NHG Subfund: 11.9 tonnes of CO2eq per EUR 1 million of nominal debt (December 2020, 12.1)

As the measurement is based on energy labels, the difference in the emission figures between the two Subfunds is mainly due to the distribution of energy labels of the Subfund (as included in Figure 1).

The a.s.r. Mortgages ESG policy

a.s.r. is keen to play a leading role in terms of ESG (Environmental, Social and Governance) policy as part of its mortgage lending.

Environmental

Through its mortgage lending activities, a.s.r. can help to reduce the carbon footprint of the urban environment. Mortgage lenders have taken part in the conversation regarding the Climate Agreement at the sector table for the Urban Environment. In consultation with the government and regulators, opportunities have been developed to offer consumers additional financial options to make their homes more sustainable. a.s.r. is committed to enabling mortgage clients to make their home ‘greener’ in two ways: by providing specific information about measures to improve the sustainability of properties and, where possible, by funding such measures. The mortgage portfolio is monitored, and clients with low quality energy labels (G being the lowest and A being the highest) will consistently be informed based on a duty of care.

From Q2 2021 onwards, a.s.r. compares its own portfolio of mortgages with a sustainability component to the HDN (‘Hypotheken Data Netwerk’)-measured market average of other mortgage lenders in the Netherlands. The figures show that a.s.r. scores well on the number of loans with a sustainable component in comparison with the market average in the Netherlands.

More than 25% of mortgage borrowers with a.s.r. add a sustainability component to their mortgage loans, in comparison with 8% average for Dutch mortgage providers. a.s.r.'s numbers for sustainability mortgage applications provide evidence of the great success of its sustainability mortgage: 14% (ultimo 2020 15%) of new a.s.r. mortgages by the end of Q2 added an a.s.r. sustainability mortgage. The average amount reserved through this type of mortgage was € 9,424 (ultimo 2020 € 9,297). The a.s.r. WelThuis Sustainable Mortgage Loan was introduced in September 2019. By offering the sustainability loan as standard in every quote, a.s.r. makes an active contribution to increasing the use of existing government schemes for improving the sustainability of houses.

In the first half of 2021 the following activities are carried out regarding the sustainability mortgage:

- In the first quarter of 2021 a.s.r. Mortgages launched a monthly newsletter for all a.s.r. borrowers, offering practical tips and inspiration on saving energy and making their homer more sustainable. This newsletter is part of the platform Duurzaam Wonen ('Sustainable Living'), which a.s.r. Mortgages launched in cooperation with a.s.r. Schade. This is an important part of informing our customers of the measures for improving sustainability.
- It has become standard practice for a.s.r. to approach customers with a Sustainability Mortgage with an energy savings report. In May 2021 we approached new customers with a Sustainability Mortgage and a home with a B to G energy label.
- In Q2 2021 a.s.r. Mortgages started their cooperation with Milieu Centraal, a well-respected semi government institution which is considered an authority when it comes to calculations on sustainability measures. This cooperation was initiated after it became clear from client interviews that many clients have a need for non-partisan information when it comes to sustainability. Milieu Centraal will help to improve energy saving reports, providing non-partisan information on sustainability measures.

All these options are part of the a.s.r. product range intended to enhance the sustainability of the product. a.s.r. does not charge any additional costs for these services.

a.s.r. monitors the composition of the portfolio based on energy labels once a quarter. Figure 1 shows the composition of each Subfund as at year-end:

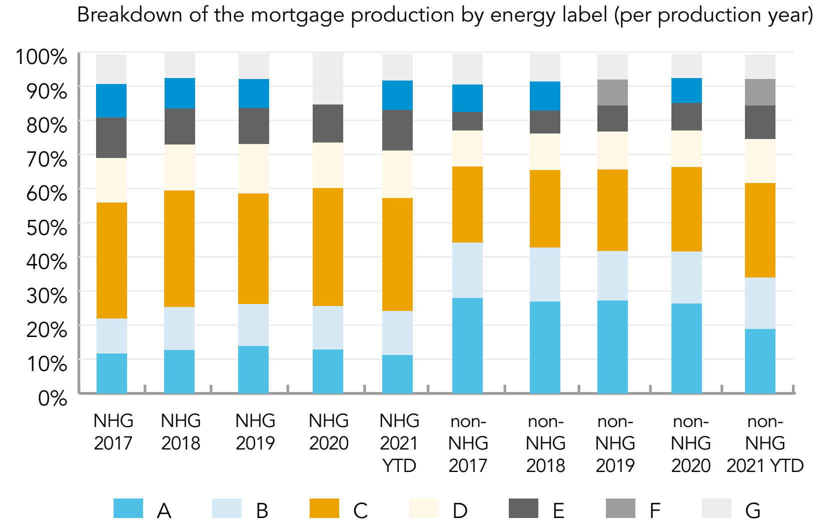


Figure 1: breakdown of the mortgage production of the Subfunds by energy label per production year

The graph shows the distribution of energy labels per Subfund. While the difference between NHG and non-NHG is striking, it is in line with the ratio between NHG and non-NHG for the country as a whole. It is worth noting that the distributions do not change a lot over time. The reason is that there is no legal obligation for homeowners to update their energy label during the period when they live in the home, even if they implement sustainability measures. A definitive energy label is only required when the property is sold.

Social

Through its mortgage lending activities, a.s.r. plays a role in meeting our clients' housing needs. We believe it is important that homeownership remains achievable for as many people as possible. In this context, we pay special attention to clients who struggle to access the housing market. In collaboration with the government and regulators, solutions have been found for the various groups, which a.s.r. is now implementing in its systems and processes.

- First-time buyers: With the first-time buyer mortgage, a.s.r. gives first-time buyers the opportunity to finance a home for a lower monthly mortgage payment by spreading the repayments over a term of longer than 30 years. Mortgages with a repayment term of longer than 30 years are a successful niche product. In 2021 the first-time buyers mortgage was 1.66% (ultimo December 2020 1.69%) of the total mortgage production.
- Senior citizens: a.s.r. provides senior citizens who are looking to move house with the option to take part in the senior citizen scheme offered by the National Mortgage Guarantee. Under this scheme, lenders can now consider mortgage applications from consumers who are receiving the basic state pension ("AOW") or who will reach state AOW pension age in the next 10 years on the basis of actual expenditure rather than the usual financing standards.
- Preventive management: a.s.r. offers clients who are at risk of experiencing payment problems, support in the form of, amongst other things:
  - Budget coaches. For clients who should be able to make their repayments based on their income but who find it difficult to do so, a budget coach can help to bring structure to their income and expenditure.
  - Job coaches. For clients who are unemployed or at risk of becoming unemployed, a.s.r. can provide a job coach.

Governance

a.s.r.'s mortgage business is a flat organization in which initiatives from the office floor are a key driver of continuous performance improvement. In a culture that centers around responsibility and service to our customers, we work as a team to achieve clear, measurable goals. Employees have flexible working hours and are location independent. No variable compensation schemes are included at any level, which helps to prevent potential risks of conflicting interests.

Market developments and outlook

Economic developments in the first half-year of 2021

Given the increased vaccination rate in large parts of the world (especially in developed countries), growth prospects for the global economy have improved significantly over the past six months. China, which was the first major economy to bring the COVID-19 pandemic under control, is leading the way. Other countries with a fast vaccination roll-out (the US and the UK in particular) have also been witnessing a clear recovery of economic growth for some time now. The pace of vaccinations in mainland Europe was initially relatively slow, but has picked up significantly in recent months, and as a result, the European economies also appear to be catching up. For many less developed economies, the picture is considerably less favourable. This applies especially to South-East Asia and Africa. In Latin America, too, vaccination rates for a long time lagged behind those in Europe and the US, but countries like Brazil, Argentina and Mexico have been catching up.

However, as economic growth has picked up, inflationary pressures have also increased. In the eurozone, inflation was still below 0% at the start of 2021, but it has now risen to 2% on an annual basis. This means it has reached the ECB's inflation target of 'below but close to 2%' for the first time in three years. US inflation has gone up even faster and now stands at 5% on an annual basis, its highest level since the summer of 2008, on the eve of the credit crisis. While 'core inflation' (excluding volatile food and energy prices) remains fairly modest in the eurozone at 1% year-on-year, it has reached almost 4% in the US, which is its highest level since 1992.

Financial markets in the first half-year of 2021

For financial markets, 'reflation' was the main theme in the first half of 2021. This translated into higher share prices and higher capital market interest rates. US stock markets and, to a slightly lesser extent, European stock markets performed particularly well, with price increases of 15 to 20% over the first half of the year. European government bonds yielded negative returns in the first half of 2021. For corporate bonds, the combination of tighter credit spreads and higher capital market interest rates resulted in flat to slightly negative returns on balance. The riskier high-yield corporate bonds mostly outperformed the investment-grade corporate bonds deemed to be safer. Lastly, European listed property recorded a remarkable recovery from earlier price declines in the second quarter.

Outlook for the economy and financial markets

As COVID-19 infection rates decline and lockdowns and other restrictions are relaxed, an economic boom seems almost inevitable in the coming months. Assuming that vaccination rates continue to increase worldwide, keeping the pandemic under control, the most likely scenario is a continued recovery of the global economy in the period thereafter. However, we cannot discount the possibility that new variants of the COVID-19 virus or a rapid spread of existing variants (such as the now rapidly spreading 'delta' or 'Indian' variant) will throw a spanner in the works. Another risk factor for the global economy is the possible scaling back of government stimulus measures. We can expect these measures to remain in place as long as economies are still in the recovery phase, but as governments rapidly accumulate more debt, this also increases the likelihood that they will deem it advisable (or be forced) to scale back their fiscal stimulus.

On balance, it still appears that 2021 will be a year of significantly above-average economic growth. In 2022, too, the global economy is still expected to grow at above-average rates, and most economies are only expected to fall back to 'normal' growth rates in 2023.

As far as the inflation outlook is concerned, the big question is whether the recent higher inflation figures signal a definitive turning point. The economic recovery has already caused scarcity in several markets. This scarcity is contributing to higher prices (and/or wages) and may prove less temporary than is currently believed. In addition, the energy transition may continue to cause scarcity, and therefore upward price pressure, in the coming years, for example in the markets for certain metals.

'Reflation' is expected to remain an important theme going forward, also for financial markets, and may have the effect of driving up interest rates. Furthermore, the anticipated gradual scaling back of central banks' asset purchase programmes may also contribute to higher interest rates. This is generally good for relatively 'risky' investment categories, such as shares and listed property, and bad for government bonds. However, the combination of higher capital market interest rates, increased share prices and tighter credit spreads triggered a change in the valuation of the various investment categories in the first half of 2021: shares have become relatively 'more expensive', while government bonds have become 'cheaper'. This means a less pronounced tactical positioning might be better. In addition, of all investment categories, corporate bonds appear to be the most vulnerable if interest rates rise further.

Expectations for the Dutch mortgage market

As mortgage loans with monthly principal repayments have become the only viable option for homeowners, along with the high level of house prices, the risk of foreclosure losses is now very low in historical terms. A rise in capital market interest rates is now by far the most important risk for investors in mortgages. However, given the above factors, we consider the risk of such an increase to be small, at least for the coming year. Spreads might widen slightly again, but we do not expect that either. As investors in the Netherlands and abroad are still focused on low-risk investments with attractive spreads, mortgages remain a popular choice.

Therefore, on average, mortgages are expected to generate a gross return of approximately 1.5% in the coming year.

Developments in the Dutch Mortgage Market

The increase in house prices continued in the first half of 2021 at a higher level than in the same period in 2020. The prices of owner-occupied dwellings were 12.9% higher on average than in May 2020, representing the biggest price increase ever since April 2001. In May 2018, the price index for existing owner-occupied dwellings exceeded the record level of August 2008 for the first time. Compared with the low point in June 2013, prices in May were almost 66.8 percent higher.

In the first half of 2021, significantly more mortgage loans were applied for on the Dutch mortgage market than in the same period in 2020. Broken down by quarter, more than 139,000 and 147,000 new applications for mortgage financing were submitted to HDN in Q1 and Q2 2021 respectively. The high number of applications is mainly due to a considerable growth in mortgage refinancing. By contrast, the number of applications for the purchase of homes decreased by 12.5% compared to Q2 2020.

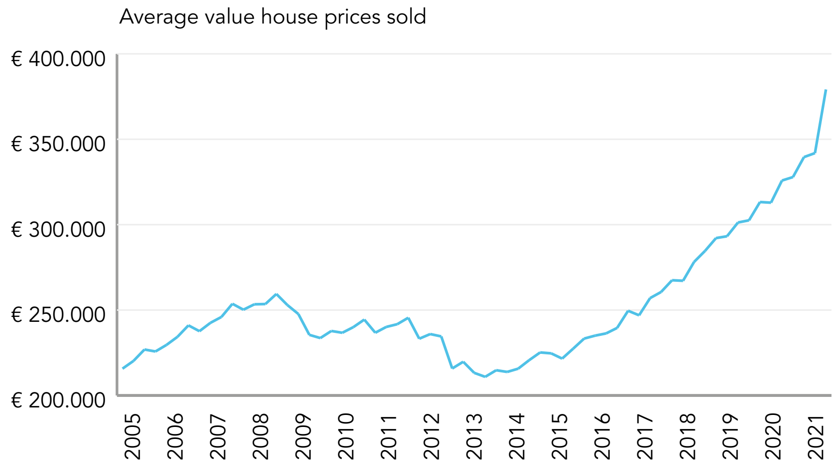


Figure 2: Average house price in the Netherlands in euros (source: Land registry)

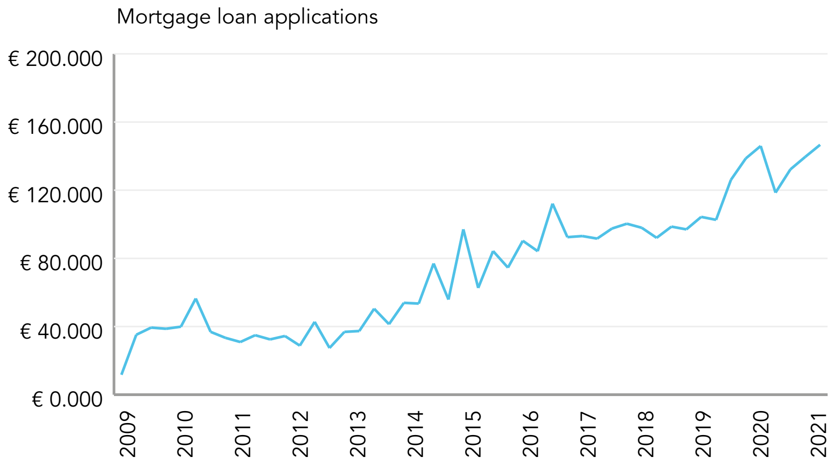


Figure 3: Number of mortgage loan applications (source: HDN)

The decline in the buyers' market is mainly due to fewer mortgage applications from homeowners covered by the National Mortgage Guarantee (NHG) taking out a larger mortgage for their next home and fewer mortgage applications from first-time buyers. For these target groups, the average property value is below EUR 300,000. The tightness of the housing market appears to mainly affect this cheaper segment of the market.

At present, the overheating housing market shows no signs of cooling off. The combination of a structural shortage of affordable homes and persistently low mortgage interest rates will continue to drive up property values for the foreseeable future. This situation is unlikely to be alleviated in the short term by an acceleration of the construction of new homes, as this is hampered by a shortage of suitable locations, lengthy planning procedures and the unresolved issue of nitrogen emissions. Although swap rates rose significantly in the first half of last year, mortgage rates did not follow suit. The demand for mortgages from institutional investors is still high enough to absorb the supply of new construction projects at the current mortgage rates. In addition to new market entrants from other European countries, a significant part of the demand for mortgages is driven by the reinvestment of liquidity freed up by (early) repayments of existing mortgage loans.

The development of consumer confidence is often used as a leading indicator of the development of mortgage borrower behaviour. In retrospect, the COVID-19 pandemic has only had a very limited impact on the Dutch housing market. This is also reflected in the development of the housing market indicator, which, after a slight dip in June 2020, has shown neutral or higher values since October (Vereniging Eigen Huis; right-hand scale). General consumer confidence as published by Statistics Netherlands (CBS; left-hand scale) got a bigger shock from the pandemic and was depressed for a longer period, but has since also returned to pre-pandemic levels.

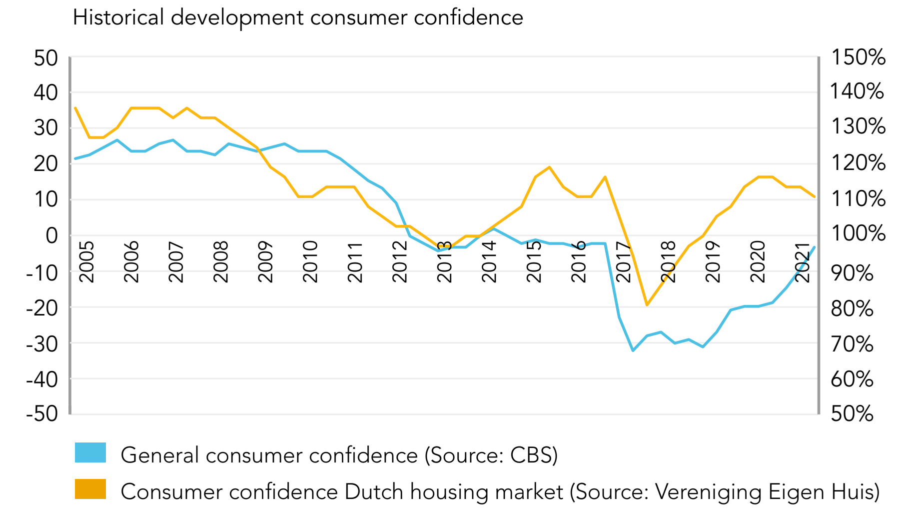


Figure 4: Historical development consumer confidence (source: CBS and Vereniging Eigen Huis)

We will keep on monitoring these confidence indicators in the coming months.

ASR Mortgage Fund Subfunds

Subfund with a Dutch National Mortgage Guarantee

The Subfund offers investors the opportunity to invest in residential mortgages in the Netherlands. The long-term goal of the Subfund is to generate a stable and direct income stream for its participants. Only mortgage loans with a national mortgage guarantee are included in the NHG Subfund (low risk profile).

Characteristics	Subfund with a national mortgage guarantee
All-in management fee*	0.45% of the total assets of the Subfund
Entry and exit charges	0.00% of the Net Asset Value of the Subfund

Table 2: Mortgage fund charges

* The management fee also covers costs incurred by a.s.r. vermogensbeheer in respect of mortgage lending and servicing of the mortgage portfolio.

Return and portfolio policy

The Net Assets saw an increase in the first half year of 2021 from € 1,749.4 million to € 2,037.9 million.

	Net Assets (x €1,000)	Subfund Returns
30-06-2021	2,037,948	0.83 %
31-12-2020	1,749,388	3.51 %
31-12-2019	1,257,147	8.30 %
31-12-2018	451,767	2.23 %
31-12-2017	129,752	3.07 %

Table 3: Return

Over the reporting period, the Subfund achieved a return of 0.83% based on the Net Asset Value and dividend paid during the year. A key driver of the Net Asset Value movement is the movement in a.s.r. WelThuis NHG mortgage rates. Both the NHG mortgage rates and the non-NHG mortgage rates slightly decreased in the first half-year of 2021. The reference index return for the first half-year of 2021 was -2.65%. The reference index for the NHG Subfund is a composite index consisting of Merrill Lynch swap indices with a similar duration to that of the expected cashflows of the NHG Subfund. The composition of the index is updated on a monthly basis according to the new duration of expected cashflows. The reference index is not a benchmark. The purpose of the reference index is to provide insight into the interest-rate sensitivity of the profitability. The -2.65% index return is lower than the 0.83% annual return on the NHG Subfund. This is mainly due to the fact that the swap rates increased during the first-half-year of 2021, while the NHG mortgage rates slightly decreased during the same period.

Value movement per participation	30-06-2021	2020	2019	2018	2017
Income	105.17	221.03	235.97	239.47	143.31
Changes in value	1.40	219.46	692.12	170.53	306.16
Costs	-24.81	-48.86	-48.07	-45.17	-29.08
Result after tax	**81.76**	**391.63**	**880.02**	**364.83**	**420.39**

Table 4: Value movement

Amounts per participation are based on the average number of participations during the financial year (12 measurement points during the reporting period).

Risk management:

The main portfolio-specific risks associated with the NHG Subfund are:

Concentration risk:
If multiple investments are made in the same sector, geographical area or investment category, concentrations can occur in these sectors, areas or categories resulting in a risk that this concentration will make the investment portfolio as a whole more sensitive to general and specific market movements in these sectors, areas and categories. The Subfund Manager will seek to limit the risk to the investor to an acceptable level by maintaining a certain degree of geographical diversification across the investments. There is also a large number of borrowers. A concentration limit of 25% of the loan portfolio applies to interest-only mortgages.

Mortgage portfolio by product	30-06-2021	31-12-2020
Annuity	82.11%	81.92%
Interest-only	12.90%	12.98%
Lineair amortization	4.99%	5.10%

Table 5: Portfolio breakdown by product

Mortgage portfolio by province	30-06-2021	31-12-2020
Drenthe	3.86%	3.85%
Flevoland	2.78%	2.68%
Friesland	4.54%	4.43%
Gelderland	13.62%	13.64%
Groningen	4.62%	4.69%
Limburg	9.95%	9.56%
Noord-Brabant	14.88%	15.00%
Noord-Holland	9.15%	9.05%
Overijssel	8.71%	8.80%
Zuid-Holland	18.29%	18.48%
Utrecht	6.23%	6.22%
Zeeland	3.03%	2.99%
Other (new developments)	0.34%	0.61%

Table 6: Portfolio breakdown by province

The percentages in the above and below tables have been calculated based on nominal loan amounts.

Credit risk:
The Subfund invests in mortgage loans that are characterized by a credit risk. The value of the mortgage loans is influenced in part by positive or negative developments in the creditworthiness of the debtor. A deterioration in creditworthiness can potentially mean that the debtor is no longer able to meet his or her obligations.

Stringent selection criteria are applied when including mortgage loans in the fund, including the Loan-to-Value ratio (maximum of 100% since 1 January 2018, maximum of 106% if it covers investments in energy-saving features) and interest-only percentage limits. Within the Subfund, credit risk is also limited by only investing in mortgage loans covered by a national mortgage guarantee. The national mortgage guarantee is a guarantee on mortgage loans for the purchase and improvement of an owner-occupied property. If the property unexpectedly needs to be sold for reasons such as divorce, unemployment or death and the proceeds are less than the mortgage debt, the Homeownership Guarantee Fund (Waarborgfonds Eigen Woning, WEW) will pay the remaining debt to the lender. In the context of the WEW, this remaining debt is determined on the basis of a 30-year annuity repayment schedule. The WEW is a private organization that has backstop agreements with the Dutch government and municipalities. Consequently, DNB views the national mortgage guarantee as a government guarantee. Since 1 January 2014, lenders must bear a mandatory uninsured risk of 10% of a potential loss. Where loss claims are submitted in respect of mortgage loans, WEW calculates the excess for the lender.

The following overview shows a breakdown of the portfolio by residual debt relative to the underlying market value of the security (the current loan to current market value or CLTCMV):

	30-06-2021		31-12-2020	
Current Loan-to-Current Market Value ratio (%)	CLTCMV-breakdown %	CLTCMV – weighted average per bucket (%)	CLTCMV-breakdown %	CLTCMV – weighted average per bucket (%)
0 – 10%	0.00%	-	0.00%	-
10 – 20%	0.03%	17.42%	0.03%	17.44%
20 – 30%	0.08%	26.28%	0.09%	25.90%
30 – 40%	0.32%	35.59%	0.27%	34.97%
40 – 50%	0.96%	46.63%	0.78%	46.42%
50 – 60%	2.74%	55.59%	2.47%	55.59%
60 – 70%	5.57%	65.72%	4.69%	65.65%
70 – 80%	10.86%	75.52%	9.87%	75.53%
80 – 90%	20.26%	85.51%	18.26%	85.53%
90 – 100%	54.72%	95.17%	59.63%	95.56%
More than 100%	4.46%	101.99%	3.91%	102.33%

Table 7: portfolio breakdown by Loan-to-Value ratio

The percentages in the above tables have been calculated based on nominal loan amounts. The following overview shows a breakdown of the portfolio by loan size. A national mortgage guarantee cost limit of € 325,000 applied in 2021 (2020: € 310,000).

Breakdown by remaining debt (%)	30-06-2021	31-12-2020
Less than 50.000	0.05%	0.05%
50.001 – 100.000	1.17%	1.27%
100.001 – 150.000	12.28%	13.15%
150.001 – 200.000	28.29%	29.03%
200.001 – 250.000	33.35%	34.02%
More than 250.001	24.86%	22.48%

Table 8: portfolio breakdown by remaining debt

At 30 June 2021, a provision for credit losses amounting to €18,000 (31-12-2020: €5,000) has been recorded. One loan (€152,000) had arrears of more than three months.

Interest-rate risk:
The value of the investments is sensitive to changes in the mortgage interest rate. Rising interest rates will generally lead to a fall in the value of the mortgage portfolio. The following overview shows a breakdown of the portfolio by fixed-rate term:

Breakdown by fixed-rate term (%)	30-06-2021	31-12-2020
Shorter than one year	0.39%	0.38%
Between 1 and 5 years	0.18%	0.19%
Between 5 and 10 years	9.93%	9.60%
Between 10 and 15 years	3.51%	3.94%
Between 15 and 20 years	58.41%	61.26%
Between 20 and 25 years	2.26%	1.98%
Between 25 and 30 years	25.32%	22.65%

Table 9: Portfolio breakdown by fixed-rate term

The effective duration of the portfolio, taking into account moving and early repayment options, was 8.5 as at 30-06-2021 (31-12-2020: 8.3).

The following overview shows a breakdown of the portfolio by mortgage interest rate at loan level.

Breakdown by coupon %	30-06-2021	31-12-2020
Less than 1.5 %	14.75%	6.67%
1.5 % - 2.0 %	36.31%	33.48%
2.0 % - 2.5 %	32.35%	39.40%
2.5 % - 3.0 %	16.56%	20.42%
3.0 % - 3.5 %	0.03%	0.03%

Table 10: portfolio breakdown by coupon

Subfund without a Dutch National Mortgage Guarantee

The Subfund offers investors the opportunity to invest in residential mortgages in the Netherlands. The long-term goal of the Subfund is to generate a stable and direct income stream for its participants. Only mortgage loans without a national mortgage guarantee are included in the non-NHG Subfund (higher risk profile, higher return).

Characteristics	Subfund without a national mortgage guarantee
All-in management fee*	0.45% of the total assets of the Subfund
Entry and exit charges	0.00% of the Net Asset Value of the Subfund

Table 11: Mortgage fund charges

* The management fee also covers costs incurred by a.s.r. vermogensbeheer in respect of mortgage lending and servicing of the mortgage portfolio.

Return and portfolio policy

The Net Assets saw an increase in the first half year of 2021 from € 4,492.9 million to € 4,944.4 million.

	Net Assets (x €1,000)	Subfund Returns
30-06-2021	4,944,374	2.43 %
31-12-2020	4,492,862	2.16 %
31-12-2019	2,968,585	9.27 %
31-12-2018	1,446,000	1.80 %
31-12-2017	381,074	2.56 %

Table 12: Return

Over the reporting period, the Subfund achieved a return of 2.43% based on the Net Asset Value and dividend paid during the year. A key driver of the Net Asset Value movement is the movement in a.s.r.'s non-NHG WelThuis mortgage rates. Both the NHG mortgage rates and the non-NHG mortgage rates slightly decreased in the first half-year of 2021. The reference index return for the first half-year of 2021 was -2.66%. The reference index for the non-NHG Subfund is a composite index consisting of Merrill Lynch swap indices with a similar duration to that of the expected cashflows of the non-NHG Subfund. The composition of the index is updated on a monthly basis according to the new duration of expected cashflows. The reference index is not a benchmark. The purpose of the reference index is to provide insight into the interest-rate sensitivity of the profitability. The -2.66% index return is lower than the 2.43% annual return on the non-NHG Subfund. This is mainly due to the fact that the swap rates increased during the first-half-year of 2021, while the non-NHG mortgage rates slightly decreased during the same period.

Value movement per participation	30-06-2021	2020	2019	2018	2017
Income	119.45	245.13	260.79	257.92	196.19
Changes in value	163.28	52.26	722.91	22.63	470.07
Costs	-24.57	-48.70	-47.25	-45.52	-36.38
Result after tax	**258.16**	**248.69**	**936.45**	**235.03**	**629.88**

Table 13: value movement

Amounts per participation are based on the average number of participations during the financial year (12 measurement points during the reporting period).

Risk management

The main portfolio-specific risks associated with the non-NHG Subfund are:

Concentration risk:

If multiple investments are made in the same sector, geographical area or investment category, concentrations can occur in these sectors, areas or categories resulting in a risk that this concentration will make the investment portfolio as a whole more sensitive to general and specific market movements in these sectors, areas and categories. The Subfund Manager will seek to limit the risk to the investor to an acceptable level by maintaining a certain degree of geographical diversification between the investments. There is also a large number of borrowers. A concentration limit of 50% applies to interest-only mortgages.

Mortgage portfolio by product	30-06-2021	31-12-2020
Annuity	71.91%	71.50%
Interest-only	24.11%	24.30%
Lineair amortization	3.98%	4.20%

Table 14: Portfolio breakdown by product

Mortgage portfolio by province	30-06-2021	31-12-2020
Drenthe	1.82%	1.86%
Flevoland	2.05%	2.00%
Friesland	1.74%	1.70%
Gelderland	11.54%	11.67%
Groningen	1.72%	1.66%
Limburg	4.47%	4.40%
Noord-Brabant	16.11%	16.30%
Noord-Holland	18.81%	18.18%
Overijssel	4.77%	4.82%
Zuid-Holland	21.25%	21.03%
Utrecht	13.44%	13.54%
Zeeland	1.49%	1.52%
Other (new developments)	0.79%	1.32%

Table 15: Portfolio breakdown by province

The percentages in the above and below tables have been calculated based on nominal loan amounts.

Credit risk:
The Subfund invests in fixed-interest securities that are characterized by a credit risk. The value of the mortgage loans is affected by positive or negative developments in the creditworthiness of the debtor. A deterioration in creditworthiness can potentially mean that the debtor is no longer able to meet his or her obligations.

Stringent selection criteria are applied when including mortgage loans in the fund, including with regard to the Loan-to-Value ratio (maximum of 100% since 1 January 2018, maximum of 106% if it covers investments in energy-saving features) and interest-only percentage limits.

The following overview shows a breakdown of the portfolio by residual debt relative to the underlying market value of the security (the current loan to current market value or CLTCMV):

	30-06-2021		31-12-2020	
Current Loan-to-Current Market Value breakdown (%)	CLTCMV - breakdown %	CLTCMV – weighted average per bucket (%)	CLTCMV - breakdown %	CLTCMV – weighted average per bucket (%)
0 – 10%	0.01%	8.70%	0.01%	8.90%
10 – 20%	0.13%	16.20%	0.13%	16.38%
20 – 30%	0.33%	25.94%	0.34%	25.89%
30 – 40%	0.77%	35.48%	0.80%	35.38%
40 – 50%	1.67%	45.76%	1.67%	45.68%
50 – 60%	3.10%	55.52%	2.88%	55.50%
60 – 70%	6.67%	65.89%	6.03%	65.88%
70 – 80%	18.47%	75.79%	16.61%	75.84%
80 – 90%	25.14%	84.56%	24.65%	84.61%
90 – 100%	41.60%	95.18%	44.47%	95.56%
More than 100%	2.11%	102.09%	2.41%	102.05%

Table 16: portfolio breakdown by Loan-to-Value ratio

The percentages in the above tables have been calculated based on nominal loan amounts. The following overview shows a breakdown of the portfolio by loan size. One of the selection criteria for the Subfund is a maximum mortgage sum of €1 million.

Breakdown by remaining debt (%)	30-06-2021	31-12-2020
Less than 100,000	0.65%	0.71%
100,001 – 200,000	6.00%	6.25%
200,001 – 300,000	23.25%	23.76%
300,001 – 400,000	37.40%	37.33%
400,001 – 500,000	18.02%	17.65%
500,001 – 600,000	8.48%	8.12%
600,001 – 700,000	4.12%	4.35%
700,001 – 800,000	1.54%	1.35%
More than 800,000	0.54%	0.48%

Table 17: Portfolio breakdown by remaining debt

At 30 June 2021, a provision for credit losses amounting to €31,000 (31-12-2020: €11,000) has been recorded. Two loans (€701,000) had arrears of more than three months.

Interest-rate risk:
The value of the investments is sensitive to changes in the market interest rate. Rising interest rates will generally lead to a fall in the value of the mortgage portfolio. The following overview shows a breakdown of the portfolio by fixed-rate term:

Breakdown by fixed-rate term (%)	30-06-2021	31-12-2020
Shorter than one year	0.83%	0.98%
Between 1 and 5 years	0.31%	0.32%
Between 5 and 10 years	13.49%	13.31%
Between 10 and 15 years	3.76%	3.69%
Between 15 and 20 years	65.30%	65.74%
Between 20 and 25 years	1.40%	1.38%
Between 25 and 30 years	14.91%	14.58%

Table 18: Portfolio breakdown by fixed-rate term

The effective duration of the portfolio, taking into account moving and early repayment options, was 8.4 as at 30-06-2021 (31-12-2020: 8.3). The following overview shows a breakdown of the portfolio by mortgage interest rate at loan level.

Breakdown by coupon %	30-06-2021	31-12-2020
Less than 1.5 %	2.53%	1.48%
1.5 % - 2.0 %	33.14%	28.30%
2.0 % - 2.5 %	27.97%	28.75%
2.5 % - 3.0 %	32.29%	36.11%
More than 3.0 %	4.07%	5.36%

Table 19: Portfolio breakdown by coupon

In Control statement

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

The Manager has also not come across any findings that indicate that the business operations do not function effectively or not in accordance with the description. We therefore declare with a reasonable degree of certainty that the business operations functioned in accordance with the stated description in the first half-year of 2021.

The Fund's asset management is carried out by ASR Nederland N.V. staff employed by the Manager under an employee loan agreement. The Manager has issued an ISAE 3402 Type II report and has obtained an assurance report on this. This report confirms the Manager's view regarding the investment and other processes. For 2021, the Manager will also opt for the external audit opinion in the ISAE 3402 Type II report.

Utrecht, 27 August 2021

ASR Vermogensbeheer N.V.

On behalf of ASR Mortgage Fund

The management,

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

Interim financial statements

For the six-month period ended 30 June 2021

Subfund with Dutch National Mortgage Guarantee

Balance sheet

Balance sheet as at 30 June 2021 (before appropriation of the result x €1,000)

Balance sheet	30-06-2021	31-12-2020	Reference
Investments			
Mortgages	2,024,170	1,736,168	
Total investments	**2,024,170**	**1,736,168**	**1**
Receivables	34,673	31,383	**2**
Other assets			
Cash	1,090	37	**3**
Current liabilities	-21,985	-18,200	**4**
Receivables and other assets less current liabilities	**13,778**	**13,220**	
Assets less current liabilities	**2,037,948**	**1,749,388**	
Issued participation capital	1,947,748	1,659,642	
Other reserves	87,542	58,018	
Unappropriated result	2,658	31,728	
Total Net Assets	**2,037,948**	**1,749,388**	**5**

Profit and loss account

Profit and loss account for the period from 1 January 2021 until 30 June 2021 (x € 1.000)

Profit and loss account	01-01-2021 to 30-06-2021	01-01-2020 to 30-06-2020	Reference
Investment income	17,976	14,077	**7**
Realized changes in the fair value of investments	-	-	8
Unrealized changes in the fair value of investments	4,713	-2,351	8
Other income	-4,474	-2,359	9
Total operating income	18,215	-9,367	
Management fee	-4,228	-3,042	
Other expenses	-13	-38	
Total operating expenses	**-4,241**	**-3,004**	**10**
Profit after tax	**13,974**	**6,363**	

Cashflow statement

Cashflow statement for the period 1 January 2021 to 30 June 2021 (x €1,000)
Prepared according to the indirect method.

Cashflow statement	01-01-2021 to 30-06-2021	01-01-2020 to 30-06-2020	Reference
Total investment result	13,974	6,363	
Changes in the fair value of investments	-4,713	2,351	**1**
Change in the provision for credit losses	13	-38	
Acquisition of investments (-)	-340,850	-207,499	**1**
Sales and repayments of investments (+)	57,548	29,575	**1**
Increase (-)/Decrease (+) in receivables	-3,290	2,013	**2**
Increase (+)/Decrease (-) in liabilities	3,785	-1,352	**4**
Net cash flow from investment activities	**-273,533**	**-168,587**	
Issue of participations	324,400	188,033	**5**
Redemption of participations	-36,294	-8,623	**5**
Dividend payment	-13,520	-10,803	
Net cash flow from financing activities	**274,586**	**168,607**	
Movement in cash	**1,053**	**20**	
Cash per January 1	37	0	3
Cash per June 30	1,090	20	3
Movement in cash	**1,053**	**20**	

Principles of valuation and determination of results

General
The ASR Mortgage Fund ('the Fund') is a mutual fund. The Fund consists of two Subfunds with their own risk profiles:
- The Subfund with NHG (National Mortgage Guarantee). This Subfund only includes mortgage receivables with a National Mortgage Guarantee (lower risk profile). This Subfund was established on 12 May 2017;
- The Subfund without NHG (National Mortgage Guarantee). This Subfund only includes mortgage receivables without a National Mortgage Guarantee (higher risk profile). This Subfund was established on 21 March 2017.

The semi-annual report of the Subfund is prepared in accordance with 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 semi-annual report are in thousands of euros, unless stated otherwise. The amounts stated in the tables are rounded figures, therefore rounding differences may occur. The Manager compiled the interim financial statements on 27 August 2021.

Reporting period and comparative figures
The semi-annual report covers the period from 1 January 2021 to 30 June 2021. Prior period comparative figures relate to the period 1 January 2020 to 30 June 2020.

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

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

No investments in foreign currency were recorded within the Fund as at 30 June 2021.

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

Custodian
Stichting Juridisch Eigenaar ASR Hypotheekfonds acts as the owner (the title holder) in a legal sense, in accordance with the general management and custody conditions, at the expense and risk of the Participants of the Fund. As set out in the Information Memorandum, the Foundation has been appointed as the Custodian of the Fund under the conditions of the Management and Custody Agreement.

Depositary
As set out in the Information Memorandum, the Manager appointed BNP Paribas Securities Services S.C.A. as the Depositary for the Fund. The Depositary is an entity under legal supervision whose legal duties include monitoring cash flows, compliance with the investment policy and ownership verification with regard to the financial assets of the investment funds.

Basis of preparation

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

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

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

Offsetting

A financial asset and a financial liability are netted and entered in the balance sheet as a net amount if there is a legal or contractual right to settle the asset item and the liability whilst being netted at the same time, and there is in addition the intention to settle the items in this manner. The interest income and interest expenses associated with the financial assets and liabilities entered as netted will also be recognized as netted.

Related party transactions

A related party is a party that can exert a predominant policy-setting influence on another party, or can exert a significant influence on the financial and business policy of the other party. Transactions with related parties are performed at rates in line with the market. The Subfund invests in Dutch mortgage receivables recently originated by ASR Levensverzekering N.V. The Fund obtains mortgages by subscribing to a cross section of new mortgage production. The mortgages are valued at the moment of acquisition at the acquisition price (see paragraph below for further explanation).

Investments

The Subfund invests in Dutch mortgage receivables recently originated by ASR Levensverzekering N.V. The Fund obtains mortgages by subscribing to a cross section of new mortgage production. The mortgages are valued at the moment of acquisition at the acquisition price. At the moment of transfer the mortgages are not older than two months and therefore it is presumed that the fair value on the transfer date is equal to the nominal value. Mortgages which at the moment of transfer are more than two months old are valued at the fair value upon acquisition which differs from the nominal value.

At year-end the mortgages are also valued at their fair value. Unrealized and realized changes in the fair value of investments are recognized in the profit and loss account. A revaluation reserve will be created for unrealized changes in fair value, insofar as the fair value exceeds the historic cost price, for the difference between the fair value and the historic cost price.

Valuation of mortgages

The fair value of the mortgages is calculated on the basis of a Discounted Cash Flow (DCF) model. The expected cash flow profile of each individual mortgage will be determined on the basis of the fixed interest duration, the mortgage interest rate, the repayment profile and expected early repayments as a result of demographic factors (for instance relocation) which are independent of the interest rate developments. The expected cash flows are discounted at the a.s.r. day rates of the WelThuis mortgage and adjusted for optionality. The value of the mortgage-specific options are deducted from the

DCF, namely (i) the relocation option (the option available to the client to take his mortgage with when relocating); this is highly dependent on the interest rate, and (ii) the early repayment option (the option available to the client to repay the mortgage early without a penalty); this option is partly driven by the interest rate and partly dependent on consumer trends, and (iii) the offer risk. No deduction for origination costs are included in the discount rate and these costs form part of the management fee (see 'Management fee').

The representativity of the a.s.r. day rates is validated on monthly basis with reference to the average top 10 lowest day rates as observed in the market. In case the a.s.r. day rates are outside the predetermined bandwidth compared to the average day rates, these rates will be adjusted in accordance with a fixed margin or surcharge.

For mortgages with payment arrears in excess of 90 days a provision is made amounting to the expected loss which will be deducted from the fair value of mortgages.

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

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

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

Determination of result
The result is determined as the difference between the income and the expenditure. Income and expenditure are allocated to the period to which they relate. Results in foreign currencies are translated into euros at the exchange rates applicable on the transaction date.

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

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

The changes in fair value of mortgages are in principle always unrealized since the mortgages are held to the end of the period of maturity, with the exception of the early repayment of the mortgages by the borrower.

Any purchase and sales costs of investments are included in the cost price or deducted respectively from the sales proceeds of the respective investments and therefore form part of the changes in fair value of investments.

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

Management fee
Costs are charged to the Fund by the Manager for the management of the Fund Assets. The provisions made are transferred to the Manager on a monthly basis. The amount of the management fee for each Subfund is 0.45% on an annual basis. This management fee serves also to cover the costs which are payable by a.s.r. vermogensbeheer with regard to origination of mortgages and servicing the mortgage portfolio.

Costs on the issue and redemption of Participations
The Fund does not charge any costs on the issue and redemption of Participations. Mortgages are produced for the benefit of the new client on the basis of a commitment, therefore upon issuance of Participations the offer risk is exclusively allocated to the new Participant. The number of Participations to be issued is calculated on the basis of the fair value of the new mortgages to be purchased. The offer risk relates to the difference between the purchase value of the Participations (on the basis of the fair value of the new mortgages to be purchased) less the value of the amount paid by the new Participant. This difference is recognized under 'Other operating income'.

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

Notes to the balance sheet and profit and loss account

1. Investments

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

Investments	30-06-2021	31-12-2020
Mortgages	2,024,188	1,736,173
Provision for credit losses	-18	-5
Total investments	**2,024,170**	**1,736,168**

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

Movement schedule of investments					
	Fair Value 01-01-2021	Purchases	Repayments	Revaluation	Fair Value 30-06-2021
Mortgages	1,736,173	340,850	-57,548	4,713	2,024,188
Total	**1,736,173**	**340,850**	**-57,548**	**4,713**	**2,024,188**

Movement schedule of investments					
	Fair Value 01-01-2020	Purchases	Repayments	Revaluation	Fair Value 31-12-2020
Mortgages	1,248,587	534,902	-82,884	35,568	1,736,173
Total	**1,248,587**	**534,902**	**-82,884**	**35,568**	**1,736,173**

The net present value calculation is used for the valuation of mortgages. Please refer to the principles of value calculation for the assumptions applied to this connection. At 30 June 2021 the provision for credit losses amounted to € 18 (31 December 2020: € 5).

2. Receivables

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

Receivables	30-06-2021	31-12-2020
Mortgage debtors	24	25
Amounts receivable for construction deposits	21,182	17,486
Mortgage interest receivable	3,075	2,779
Other mortgage receivables	10,392	11,093
Total	**34,673**	**31,383**

When mortgages are purchased from ASR Levensverzekering N.V., the full amount including the construction deposit will be settled. The payments from the construction deposit to the borrowers are subsequently settled with the borrowers via ASR Levensverzekering N.V. The receivable of the Fund from ASR Levensverzekering N.V. is recognized as 'Construction deposit amounts receivable'. Other mortgage receivables relate mostly to mortgage repayments of the preceding month.

3. Cash

Cash relates to 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	30-06-2021	31-12-2020
Management fee payable	-750	-653
Construction deposits amounts payable	-21,182	-17,486
Other liabilities	-53	-61
Total	-21,985	-18,200

The construction deposit amounts payable relate to the amounts to be settled with the borrower on account of the construction deposit.

5. Issued participation capital, unappropriated result and other reserves

Multi-year overview Subfund with NHG

Net Asset Value	30-06-2021	31-12-2020	31-12-2019	31-12-2018
Fund Net Assets (x € 1.000)	2,037,948	1,749,388	1,257,147	451,767
Number of participations	184,789	158,779	116,258	44,453
Net Asset Value in euros per participation	11,028.53	11,017.77	10,813.36	10,162.87

For investments for which no frequent market quotation is available, a revaluation reserve must be formed for unrealized changes in fair value – insofar as the fair value exceeds the historic cost price. As at 30 June 2021 this amounts to € 120,170 (31 December 2020: € 115,457).

The development of the subscribed participation (Unit) capital during the reporting period is as follows (x €1,000):

Issued participation capital	01-01-2021 to 30-06-2021	01-01-2020 to 31-12-2020
Balance at the start of the reporting period	1,659,642	1,197,403
Issued during the reporting period	324,400	479,988
Repaid to participants during the reporting period	-36,294	-17,749
Balance at the end of the reporting period	**1,947,748**	**1,659,642**

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

Movement schedule of number of Participations	Number 01-01-2021	Issue	Redemption	Number 30-06-2021
Subfund with NHG	158,779	29,286	-3,276	184,789

Movement schedule of number of Participations	Number 01-01-2020	Issue	Redemption	Number 31-12-2020
Subfund with NHG	116,258	44,155	-1,634	158,779

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

Other reserves	01-01-2021 to 30-06-2021	01-01-2020 to 31-12-2020
Balance at the start of the reporting period	58,018	6,802
Addition in the reporting period	31,728	52,942
Dividend payment	-2,204	-1,726
Balance at the end of the reporting period	**87,542**	**58,018**

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

Unappropriated result	01-01-2021 to 30-06-2021	01-01-2020 to 31-12-2020
Balance at the start of the reporting period	31,728	52,942
Profit distribution in the previous financial year	-31,728	-52,942
Result of the current financial year	13,974	52,628
Dividend paid with regard to current reporting period	-11,316	-20,900
Balance at the end of the reporting period	**2,658**	**31,728**

6. Contingent assets and liabilities

There are no contingent assets and liabilities

7. Investment income

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

Investment income	01-01-2021 to 30-06-2021	01-01-2020 to 30-06-2020
Interest from mortgages	17,983	14,082
Interest from cash	-7	-5
Total	**17,976**	**14,077**

8. Changes in the fair value of investments

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

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

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

Realized changes in the fair value of investments	01-01-2021 to 30-06-2021 (positive)	01-01-2021 to 30-06-2021 (negative)	01-01-2020 to 30-06-2020 (positive)	01-01-2020 to 30-06-2020 (negative)
Mortgages	-	-	-	-
Total	**-**	**-**	**-**	**-**

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

Unrealized changes in the fair value of investments	01-01-2021 to 30-06-2021 (positive)	01-01-2021 to 30-06-2021 (negative)	01-01-2020 to 30-06-2020 (positive)	01-01-2020 to 30-06-2020 (negative)
Mortgages	8,567	-3,854	-	-2,351
Total	**8,567**	**-3,854**	**-**	**-2,351**

9. Other income

Mortgages are produced for the reinvestment of cash or to fulfill commitments of new Participants, therefore upon issuance of Participations the offer risk is exclusively allocated to the reinvestment or new Participant. The number of Participations to be issued is calculated on the basis of the fair value of the new mortgages to be purchased. The offer risk relates to the difference between the purchase value of the Participations (on the basis of the fair value of the new mortgages to be purchased) less the value of the amount paid by the new Participant. This difference is recognized under 'Other operating income'.

10. Operating expenses

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

Operating expenses	01-01-2021 to 30-06-2021	01-01-2020 to 30-06-2020
Management fee	-4,228	-3,042
Other expenses	-13	38
Total	**-4,241**	**-3,004**

Other expenses refer to the change in the provision for credit losses.

Ongoing Charges Figure (OCF)			
	Information Memorandum	01-01-2021 to 30-06-2021	01-01-2020 to 30-06-2020
Subfund with NHG	0.45%	0.45%	0.45%

The Ongoing Charges Figure (OCF) includes all costs charged to the Fund in the reporting period including the management and service fee of the underlying funds and pools, excluding the interest charges, any taxes and transaction costs as a result of the acquisitions and disposals of investments which the Subfund carries out. The OCF is calculated by dividing the total costs in the reporting period by the average net asset value of the Subfund.

The average net asset value of the Fund is the sum of the net asset values divided by the number of times at which the net asset value is calculated during the reporting year. The net asset value is calculated twice a month for the mortgage fund. The number of measurement points is considered as the weighted average.

Portfolio Turnover Rate (PTR)		
	01-01-2021 to 30-06-2021	01-01-2020 to 30-06-2020
Subfund with NHG	1.99%	2.98%

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

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

Related party transactions

The Subfund has the following relations with related parties:

- a.s.r. vermogensbeheer is the Manager of the Fund and charges a management fee;
- The Subfund invests in Dutch mortgage receivables recently originated by ASR Levensverzekering N.V. The Subfund obtains mortgages by subscribing to a cross section of new mortgage production. The mortgages are valued at the moment of acquisition at the acquisition price. The total value of the acquisitions during the financial year is evident from the movement schedule of investments.
- Group companies of ASR Nederland participate for an amount of € 192 million in the Subfund with NHG (17,416 participations).

Transactions with related parties are performed at rates in line with the market.

Other

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

Profit appropriation

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

Proposed dividend

Every month the Subfund pays the interest result of the previous month to the Participants, which is equal to the interest received less the interest paid and the management fee. Upon adoption of the annual report the interest result on an annual basis will be determined and following from this any surplus / deficit will be settled with the Participants

Events subsequent to the balance sheet date

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

SIGNING OF THE INTERIM FINANCIAL STATEMENTS
Utrecht, 27 August 2021

ASR Vermogensbeheer N.V.
On behalf of Subfund with NHG

The management,

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

Other information

Interim financial statements

For the six-month period ended 30 June 2021

Subfund without Dutch National Mortgage Guarantee

Balance sheet

Balance sheet as at 30 June 2021 (before appropriation of the result x €1,000)

Balance sheet	30-06-2021	31-12-2020	Reference
Investments			
Mortgages	4,917,640	4,456,694	
Total investments	**4,917,640**	**4,456,694**	**1**
Receivables	80,360	103,304	**2**
Other assets			
Cash	23	-	**3**
Current liabilities	-53,649	-67,136	**4**
Receivables and other assets less current liabilities	**26,734**	**36,168**	
Assets less current liabilities	**4,944,374**	**4,492,862**	
Issued participation capital	4,696,713	4,315,500	
Other reserves	170,545	152,184	
Unappropriated result	77,116	25,178	
Total Net Assets	**4,944,374**	**4,492,862**	**5**

Profit and loss account

Profit and loss account for the period from 1 January 2021 until 30 June 2021
(x € 1.000)

Profit and loss account	01-01-2021 to 30-06-2021	01-01-2020 to 30-06-2020	Reference
Investment income	51,235	38,769	**7**
Realized changes in the fair value of investments	-53	-	**8**
Unrealized changes in the fair value of investments	80,057	-29,368	**8**
Other income	-9,970	-10,175	**9**
Total operating income	**121,269**	**-774**	
Management fee	-10,518	-7,504	
Other expenses	-20	-25	
Total operating expenses	**-10,538**	**-7,529**	10
Profit after tax	**110,731**	**-8,303**	

Cashflow statement

Cashflow statement for the period 1 January 2021 to 30 June 2021 (x €1,000)
Prepared according to the indirect method

Cashflow statement	01-01-2021 to 30-06-2021	01-01-2020 to 30-06-2020	Reference
Total investment result	110,731	-8,303	
Changes in the fair value of investments	-80,004	29,368	1
Change in the provision for credit losses	20	25	
Acquisition of investments (-)	-517,677	-901,739	1
Sales and repayments of investments (+)	136,715	104,717	1
Increase (-)/Decrease (+) in receivables	22,944	-9,189	2
Increase (+)/Decrease (-) in liabilities	-13,487	13,196	4
Net cash flow from investment activities	**-340,758**	**-771,925**	
Issue of participations	581,661	826,024	5
Redemption of participations	-200,448	-25,080	5
Dividend payment	-40,432	-30,283	
Net cash flow from financing activities	**340,781**	**770,661**	
Movement in cash	**23**	**-1,264**	
Cash per January 1	-	1,264	3
Cash per June 30	23	-	3
Movement in cash	**23**	**-1,264**	

Principles of valuation and determination of results

General
The ASR Mortgage Fund ('the Fund') is a mutual fund. The Fund consists of two Subfunds with their own risk profiles:
- The Subfund with NHG (National Mortgage Guarantee). This Subfund only includes mortgage receivables with a National Mortgage Guarantee (lower risk profile). This Subfund was established on 12 May 2017;
- The Subfund without NHG (National Mortgage Guarantee). This Subfund only includes mortgage receivables without a National Mortgage Guarantee (higher risk profile). This Subfund was established on 21 March 2017.

The semi-annual report of the Subfund is prepared in accordance with 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 semi-annual report are in thousands of euros, unless stated otherwise. The amounts stated in the tables are rounded figures, therefore rounding differences may occur. The Manager compiled the interim financial statements on 27 August 2021.

Reporting period and comparative figures
The semi-annual report covers the period from 1 January 2021 to 30 June 2021. Prior period comparative figures relate to the period 1 January 2020 to 30 June 2020.

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

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

No investments in foreign currency were recorded within the Fund as at 30 June 2021.

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

Custodian
Stichting Juridisch Eigenaar ASR Hypotheekfonds acts as the owner (the title holder) in a legal sense, in accordance with the general management and custody conditions, at the expense and risk of the Participants of the Fund. As set out in the Information Memorandum, the Foundation has been appointed as the Custodian of the Fund under the conditions of the Management and Custody Agreement.

Depositary
As set out in the Information Memorandum, the Manager appointed BNP Paribas Securities Services S.C.A. as the Depositary for the Fund. The Depositary is an entity under legal supervision whose legal duties include monitoring cash flows, compliance with the investment policy and ownership verification with regard to the financial assets of the investment funds.

Basis of preparation

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

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

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

Offsetting

A financial asset and a financial liability are netted and entered in the balance sheet as a net amount if there is a legal or contractual right to settle the asset item and the liability whilst being netted at the same time, and there is in addition the intention to settle the items in this manner. The interest income and interest expenses associated with the financial assets and liabilities entered as netted will also be recognized as netted.

Related party transactions

A related party is a party that can exert a predominant policy-setting influence on another party, or can exert a significant influence on the financial and business policy of the other party. Transactions with related parties are performed at rates in line with the market. The Subfund invests in Dutch mortgage receivables recently originated by ASR Levensverzekering N.V. The Fund obtains mortgages by subscribing to a cross section of new mortgage production. The mortgages are valued at the moment of acquisition at the acquisition price (see paragraph below for further explanation).

Investments

The Subfund invests in Dutch mortgage receivables recently originated by ASR Levensverzekering N.V. The Fund obtains mortgages by subscribing to a cross section of new mortgage production. The mortgages are valued at the moment of acquisition at the acquisition price. At the moment of transfer the mortgages are not older than two months and therefore it is presumed that the fair value on the transfer date is equal to the nominal value. Mortgages which at the moment of transfer are more than two months old are valued at the fair value upon acquisition which differs from the nominal value.

At year-end the mortgages are also valued at their fair value. Unrealized and realized changes in the fair value of investments are recognized in the profit and loss account. A revaluation reserve will be created for unrealized changes in fair value, insofar as the fair value exceeds the historic cost price, for the difference between the fair value and the historic cost price.

Valuation of mortgages

The fair value of the mortgages is calculated on the basis of a Discounted Cash Flow (DCF) model. The expected cash flow profile of each individual mortgage will be determined on the basis of the fixed interest duration, the mortgage interest rate, the repayment profile and expected early repayments as a result of demographic factors (for instance relocation) which are independent of the interest rate developments. The expected cash flows are discounted at the a.s.r. day rates of the WelThuis mortgage and adjusted for optionality. The value of the mortgage-specific options are deducted from the

DCF, namely (i) the relocation option (the option available to the client to take his mortgage with when relocating); this is highly dependent on the interest rate, and (ii) the early repayment option (the option available to the client to repay the mortgage early without a penalty); this option is partly driven by the interest rate and partly dependent on consumer trends, and (iii) the offer risk. No deduction for origination costs are included in the discount rate and these costs form part of the management fee (see 'Management fee').

The representativity of the a.s.r. day rates is validated on monthly basis with reference to the average top 10 lowest day rates as observed in the market. In case the a.s.r. day rates are outside the predetermined bandwidth compared to the average day rates, these rates will be adjusted in accordance with a fixed margin or surcharge.

For mortgages with payment arrears in excess of 90 days a provision is made amounting to the expected loss which will be deducted from the fair value of mortgages.

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

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

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

Determination of result
The result is determined as the difference between the income and the expenditure. Income and expenditure are allocated to the period to which they relate. Results in foreign currencies are translated into euros at the exchange rates applicable on the transaction date.

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

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

The changes in fair value of mortgages are in principle always unrealized since the mortgages are held to the end of the period of maturity, with the exception of the early repayment of the mortgages by the borrower.

Any purchase and sales costs of investments are included in the cost price or deducted respectively from the sales proceeds of the respective investments and therefore form part of the changes in fair value of investments.

Income tax

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

Management fee

Costs are charged to the Fund by the Manager for the management of the Fund Assets. The provisions made are transferred to the Manager on a monthly basis. The amount of the management fee for each Subfund is 0.45% on an annual basis. This management fee serves also to cover the costs which are payable by a.s.r. vermogensbeheer with regard to origination of mortgages and servicing the mortgage portfolio.

Costs on the issue and redemption of Participations

The Fund does not charge any costs on the issue and redemption of Participations. Mortgages are produced for the benefit of the new client on the basis of a commitment, therefore upon issuance of Participations the offer risk is exclusively allocated to the new Participant. The number of Participations to be issued is calculated on the basis of the fair value of the new mortgages to be purchased. The offer risk relates to the difference between the purchase value of the Participations (on the basis of the fair value of the new mortgages to be purchased) less the value of the amount paid by the new Participant. This difference is recognized under 'Other operating income'.

Cashflow statement

The cashflow statement has been formulated according to the so-called 'indirect method' making a distinction between cash flows from investment and financing activities. Cash relates to demand deposits held by banks. With regard to the cash flow from investment activities the result is adjusted for costs not being expenditure and income not being revenue.

Notes to the balance sheet and profit and loss account

1. Investments

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

Investments	30-06-2021	31-12-2020
Mortgages	4,917,671	4,456,705
Provision for credit losses	-31	-11
Total investments	**4,917,640**	**4,456,694**

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

Movement schedule of investments					
	Fair Value 01-01-2021	Purchases	Repayments	Revaluation	Fair Value 30-06-2021
Mortgages	4,456,705	517,677	-136,715	80,004	4,917,671
Total	**4,456,705**	**517,677**	**-136,715**	**80,004**	**4,917,671**

Movement schedule of investments					
	Fair Value 01-01-2020	Purchases	Repayments	Revaluation	Fair Value 31-12-2020
Mortgages	2,937,332	1,757,584	-267,265	29,054	4,456,705
Total	**2,937,332**	**1,757,584**	**-267,265**	**29,054**	**4,456,705**

The net present value calculation is used for the valuation of mortgages. Please refer to the principles of value calculation for the assumptions applied in this connection. At 30 June 2021 the provision for credit losses amounted to € 31 (31 December 2020: € 11).

2. Receivables

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

Receivables	30-06-2021	31-12-2020
Mortgage debtors	55	54
Amounts receivable for construction deposits	51,146	64,541
Mortgage interest receivable	8,592	8,131
Other mortgage receivables	20,567	30,578
Total	**80,360**	**103,304**

When mortgages are purchased from ASR Levensverzekering N.V., the full amount including the construction deposit will be settled. The payments from the construction deposit to the borrowers are subsequently settled with the borrowers via ASR Levensverzekering N.V. The receivable of the Fund from ASR Levensverzekering N.V. is recognized as ' Construction deposit amounts receivable'. Other mortgage receivables relate mostly to mortgage repayments of the preceding month.

3. Cash

Cash relates to credit balances with banks that are available on demand. At 31 December 2020 the negative cash balance (€ 651) is recognized under current liabilities.

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	30-06-2021	31-12-2020
Management fee payable	-1,814	-1,714
Due to credit institutions	-	-651
Construction deposits amounts payable	-51,146	-64,541
Other liabilities	-689	-230
Total	**-53,649**	**-67,136**

The construction deposits amounts payable relate to the amounts to be settled with the borrower on account of the construction deposit.

5. Issued participation capital, unappropriated result and other reserves

Multi-year overview Subfund without NHG

Net Asset Value	30-06-2021	31-12-2020	31-12-2019	31-12-2018
Fund Net Assets (x € 1.000)	4,944,374	4,492,862	2,968,585	1,446,000
Number of participations	449,384	414,672	274,880	143,396
Net Asset Value in euros per participation	11,002.55	10,834.73	10,799.56	10,083.93

For investments for which no frequent market quotation is available, a revaluation reserve must be formed for unrealized changes in fair value – insofar as the fair value exceeds the historic cost price. As at 30 June 2021 this amounts to € 319,264 (31 December 2020: € 239,207).

The development of the subscribed participation (Unit) capital during the reporting period is as follows (x €1,000):

Issued participation capital	01-01-2021 to 30-06-2021	01-01-2020 to 31-12-2020
Balance at the start of the reporting period	4,315,500	2,811,615
Issued during the reporting period	581,661	1,553,414
Repaid to participants during the reporting period	-200,448	-49,529
Balance at the end of the reporting period	**4,696,713**	**4,315,500**

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

Movement schedule of number of Participations	Number 01-01-2021	Issue	Redemption	Number 30-06-2021
Subfund without NHG	414,672	52,980	-18,268	449,384

Movement schedule of number of Participations	Number 01-01-2020	Issue	Redemption	Number 31-12-2020
Subfund without NHG	274,880	144,397	-4,605	414,672

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

Other reserves	01-01-2021 to 30-06-2021	01-01-2019 to 31-12-2019
Balance at the start of the reporting period	152,184	7,851
Addition in the reporting period	25,178	149,119
Dividend payment	-6,817	-4,786
Balance at the end of the reporting period	**170,545**	**152,184**

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

Unappropriated result	01-01-2021 to 30-06-2021	01-01-2020 to 31-12-2020
Balance at the start of the reporting period	25,178	149,119
Profit distribution in the previous financial year	-25,178	-149,119
Result of the current financial year	110,731	87,386
Dividend paid with regard to current reporting period	-33,615	-62,208
Balance at the end of the reporting period	**77,116**	**25,178**

6. Contingent assets and liabilities

There are no contingent assets and liabilities

7. Investment income

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

Investment income	01-01-2021 to 30-06-2021	01-01-2020 to 30-06-2020
Interest from mortgages	51,250	38,784
Interest from cash	-15	-15
Total	**51,235**	**38,769**

8. Changes in the fair value of investments

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

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

Realized changes in the value of investments	01-01-2021 to 30-06-2021 (positive)	01-01-2021 to 30-06-2021 (negative)	01-01-2020 to 30-06-2020 (positive	01-01-2020 to 30-06-2020 (negative)
Mortgages	-	-53	-	-
Total	**-**	**-53**	**-**	**-**

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

Unrealized changes in the fair value of investments	01-01-2021 to 30-06-2021 (positive)	01-01-2021 to 30-06-2021 (negative)	01-01-2020 to 30-06-2020 (positive	01-01-2020 to 30-06-2020 (negative)
Mortgages	87,924	-7,867	-	-29,368
Total	**87,924**	**-7,867**	**-**	**-29,368**

9. Other income

Mortgages are produced for the reinvestment of cash or to fulfill commitments of new Participants, therefore upon issuance of Participations the offer risk is exclusively allocated to the reinvestment or new Participant. The number of Participations to be issued is calculated on the basis of the fair value of the new mortgages to be purchased. The offer risk relates to the difference between the purchase value of the Participations (on the basis of the fair value of the new mortgages to be purchased) less the value of the amount paid by the new Participant. This difference is recognized under 'Other operating income'.

10. Operating expenses

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

Operating expenses	01-01-2021 to 30-06-2021	01-01-2020 to 30-06-2020
Management fee	-10,518	-7,504
Other expenses	-20	-25
Total	**-10,538**	**-7,529**

Other expenses refer to the change in the provision for credit losses.

Ongoing Charges Figure (OCF)			
	Information Memorandum	01-01-2021 to 30-06-2021	01-01-2020 to 30-06-2020
Subfund without NHG	0.45%	0.45%	0.45%

The Ongoing Charges Figure (OCF) includes all costs charged to the Fund in the reporting period including the management and service fee of the underlying funds and pools, excluding the interest charges, any taxes and transaction costs as a result of the acquisitions and disposals of investments which the Subfund carries out. The OCF is calculated by dividing the total costs in the reporting period by the average net asset value of the Subfund.

The average net asset value of the Fund is the sum of the net asset values divided by the number of times at which the net asset value is calculated during the reporting year. The net asset value is calculated twice a month for the mortgage fund. The number of measurement points is considered as the weighted average.

Portfolio Turnover Rate (PTR)		
	01-01-2021 to 30-06-2021	01-01-2020 to 30-06-2020
Subfund without NHG	-2.71%	4.64%

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

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

Related party transactions

The Subfund has the following relations with related parties:

- a.s.r. vermogensbeheer is the Manager of the Fund and charges a management fee;
- The Subfund invests in Dutch mortgage receivables recently originated by ASR Levensverzekering N.V. The Subfund obtains mortgages by subscribing to a cross section of new mortgage production. The mortgages are valued at the moment of acquisition at the acquisition price. The total value of the acquisitions during the financial year is evident from the movement schedule of investments.
- Group companies of ASR Nederland participate for an amount of € 404 million in the Subfund without NHG (36,716 participations).

Transactions with related parties are performed at rates in line with the market.

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

Profit appropriation
Following the adoption of the annual report, the unappropriated result is added to the other reserves as part of the fund assets.

Proposed dividend
Every month the Subfund pays the interest result of the previous month to the Participants, which is equal to the interest received less the interest paid and the management fee. Upon adoption of the annual report the interest result on an annual basis will be determined and following from this any surplus / deficit will be settled with the Participants.

Events subsequent to the balance sheet date
No events occurred in the period up to the preparation of this semi-annual report that require any changes or explanatory notes to the interim financial statements.

SIGNING OF THE INTERIM FINANCIAL STATEMENTS
Utrecht, 27 August 2021

ASR Vermogensbeheer N.V.

On behalf of Subfund without NHG

The management,

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

Other information

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