a.s.r.
de nederlandse
verzekerings
maatschappij
voor alle
verzekeringen

ASR Private Debt Fund I
Annual report 2023

General information ASR Private Debt Fund I

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. P. Klijnsmit
Mr. M.R. Lavooi
Mrs. J.H.L. de Jong-Kortman

Legal owner of the investments
Stichting Juridisch Eigenaar ASR Private Debt Fund I
Archimedeslaan 10
3584 BA Utrecht

Depositary
BNP Paribas S.A., Netherlands branch
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
1 January 2021

Click the titles below to quickly find your information. Do you want to search? Then click on 'Table of contents'.

Table of contents

Management Board 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 Private Debt Fund I (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. (hereinafter referred to as 'a.s.r.' or 'ASR Nederland'). a.s.r. vermogensbeheer does not employ any staff members. All activities are carried out by employees of ASR Nederland.

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 Renewable Infrastructure Debt Fund, ASR Kapitaalmarkt Fonds, ASR Duurzaam Institutioneel Vermogensbeheer Beleggingsfondsen, ASR Wereldwijd Impact Aandelen Fonds, First Liability Matching N.V. and the Luxembourg alternative investment fund ASR Fonds SICAV ('Société d'investissement à Capital Variable').

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

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

Providing investment services (amongst other individual asset management)

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

(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 and for third parties with external mandates.

Profile

Structure of the Fund

The Fund is classified as an Alternative Investment Fund (AIF) and was established on 1 January 2021. The Fund is structured as a closed-end tax transparent fund. The Fund is open to Professional Investors only.

The Fund has a Commitment Period, during which the Manager can accept commitments from new and existing participants. This term ends in principle thirty months after the Initial Closing Date (1 January 2021). The Fund has an Investment Period, during which the Fund can invest in Private Debt Loans. This term ends in principle 36 months after the Initial Closing Date. Both the Commitment Period and the Investment Period may be extended under certain conditions as explained in the Information Memorandum.

The end date of the Fund is ten years after the Initial Closing Date. This term may be extended by the Participants. At a Subsequent Closing (during the Commitment Period), new Participants will be admitted to the Fund. The funds contributed to the Fund by the newly admitted Participants shall be used to redeem Participations of the existing Participants for such amounts that all Participants shall have the same percentage of their Commitment contributed to the Fund.

The ASR Private Debt Fund is a financial product that promotes environmental and social characteristics but does not have sustainable investments as its objective. As such, it is classified as an Article 8 product under the Sustainable Finance Disclosure Regulation (SFDR). The periodic disclosure as referred to in Article 8(1, 2 and 2a) of Regulation (EU) 2019/2088 and Article 6 (paragraph 1) of Regulation (EU) 2020/852, is included in Appendix 2.

Investment objective and philosophy of the Fund

The Fund offers Participants the opportunity to invest in a broadly diversified portfolio of Private Debt Loans originated in cooperation with sourcing partners that are considered eligible by the Manager for this purpose. Currently, the Fund cooperates with four sourcing partners: Rabobank, NIBC, Oldenburgische Landesbank and Triodos. The investment objective of the Fund is generating income for the benefit of the Participants seeking an attractive risk adjusted return (unleveraged) due to the illiquid character of Private Debt Loans compared with traditional fixed income investments such as corporate bonds. The Fund does not follow a benchmark.

The Fund is managed in compliance with the ESG policy drafted by the Manager. To achieve the investment objective, the Private Debt Loans in which the Fund invests have amongst other the following characteristics at origination:
- The Fund aims to invest mainly in Private Debt Loans (in primary and secondary markets) which are granted to companies with registered offices in the Netherlands, Belgium, Luxembourg or Germany.
- Private Debt Loans investments will exclusively be denominated in Euro.
- The Fund invests in Private Debt Loans on pari passu basis with co-lenders.
- The Private Debt Loans will at the time of acquisition by the Fund exclusively be senior loans.
- The investments are in principle held until the maturity date of these Private Debt Loans.
- The Fund targets to invest all Capital Commitments it received in Private Debt Loans during the Investment Period.
- The target weighted average life of the portfolio of Private Debt Loans shall be between 3 and 5 years measured at the end of the Investment Period of the Fund.
- The maturity of any investment when it is entered into shall not exceed the remaining term of the Fund (total of in principle 10 years) as from the date of completion of such investment.
- The target weighted average (implied) credit rating of the portfolio of Investments is BB or higher measured at the end of the Investment Period. The minimum investable Private Debt Loan (implied) rating shall be with a B rating or higher.
- The Fund shall in principle aim for a minimum participation of EUR 5 million and maximum EUR 45 million per Private Debt Loan.

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 Private Debt Fund I. The Legal Owner has its registered office in Utrecht and is registered in the Commercial Register of the Chamber of Commerce under number 78015278.

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 S.A., Netherlands branch has been appointed Depositary of the 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.

Investment committee

If an Investment Committee is installed (after the minimum threshold regarding the number of Participants is reached), the following acts of the Manager require the prior written approval of the Investment Committee:
(a) credit approvals exceeding the amount of EUR 35 million (twenty-five million euro);
(b) commencement of a material litigation;
(c) transactions or agreements which involve a conflict of interest on the part of either the Manager or any of its Affiliates, or a Participant.

As at 31 December 2023, the minimum threshold is not reached.

Supervisory Board

The Fund has a 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 Fund Conditions and the Supervisory Board regulations as referred to in Article 19 of the Fund Conditions. 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.

Distribution of interest income and repayments

During the Investment Period, repayments on loans will be reinvested and interest income is available for distribution. After this period, both repayments and interest income will be available for distribution. At the beginning of each quarter, the amount available for distribution generated in the preceding quarter is distributed to the Participants (after settling fees and costs payable). Participations will receive an equal share of the interest income of the preceding quarter.

Costs and fees

New Participants shall pay an Entry Fee to the Fund in accordance with the Information Memorandum. The Fund shall pay the Entry Fee at a pro rata basis to the Existing Participants. Furthermore, the Manager also charges a management fee and servicing fee to the Fund.

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.

Available documentation

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

Complaints

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

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

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

Back to contents >

Report of the Manager

Key figures
During 2023, the ASR Private Debt Fund I Net Assets increased from €689 million to €704 million. This increase was mainly due to new loans provided. Refer to section 'return and portfolio policy' for an extensive description of the developments within the portfolio.

Developments affecting the Fund during the reporting period

Transfer of fund activities to Aegon Asset Management
In October 2022, ASR Nederland and Aegon N.V. (hereinafter 'Aegon') announced that a.s.r. would take over Aegon's Dutch operations. This transaction is completed on 4 July 2023. The agreements made between the two parties include a long-term agreement between a.s.r. vermogensbeheer and Aegon Asset Management (hereinafter 'Aegon AM') to the effect that, among other things, the investment portfolios relating to the Dutch operations will come under the management of a.s.r. vermogensbeheer, while the management of the ASR (Separate Account) Mortgage Fund, ASR Private Debt Fund I and ASR Renewable Infrastructure Debt Fund will be transferred to Aegon AM. The intended date of transfer of these investment funds is 1 July 2024. The current governance of the Fund will be maintained as much as possible. The expected changes after 1 July 2024 are mainly focused on positions of a number of parties involved (such as fund manager, auditor, depositary and administrator).

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 order to comply with article 15, paragraph 1 of the AIFMD, a distinction has been made for the functional and hierarchical relationships between the risk management of funds and the risk management of a.s.r. vermogensbeheer. The director responsible for risk management at a.s.r. vermogensbeheer reports on risk management in relation to funds subject to supervision directly to the CEO (Chief Executive Officer) of ASR Nederland N.V. The risk management of a.s.r. vermogensbeheer complies with the Risk Charter that applies within ASR Nederland N.V. In accordance with the Risk Charter, a.s.r. vermogensbeheer reports for the risk management of a.s.r. vermogensbeheer to the CFO (Chief Financial Officer) of ASR Nederland N.V., via the Manager's CFRO (Chief Financial and Risk Officer) and ASR Nederland N.V.'s Finance & Risk director.

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

Risk management

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

The Fund is sensitive to market movements in general (market risk), as well as to fluctuations in 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	The Fund is largely exposed to the borrower's creditworthiness (credit risk). Credit risk is defined as the risk that a borrower will fail to meet its contractual obligations in accordance with agreed terms of the loan at any time during the term of the loan i.e. defaulting on interest and or repayment obligations, breaching financial covenants and other liabilities. This risk is managed by a credit approval process, in which a credit analysis is carried out and approval of the Credit Committee is needed before the loan can be acquired. If the investment concerns an investment amount in excess of EUR 35 million, approval from the Fund's Investment Committee is needed. Before the Investment Committee is installed, the Fund cannot acquire loans in excess of EUR 35 million.
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	The Fund contains a limited number of investments and there may be a concentration of loans to companies in the same industry, while some sectors are completely excluded. As a result, the performance of a number of investments or a particular industry can affect the total fund return. To (partially) mitigate the concentration risk, limits are set in place by the Manager on exposures to single borrowers or sectors as described in the Investment Policy.
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 Private Debt Loans which are not tradeable by nature and therefore there is no (or very limited) liquidity. During the Investment Period, only interest income is available for distributions. After the Investment Period, also repayments on loans become available for distributions. The Participations are non-transferable and will in principle not be redeemed. Participants may exit the Fund by requesting the Manager to redeem their Participations, but the Manager is not obliged to grant a redemption request. This entails that redemption may not be possible or be possible only to a very limited extent.
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.

Back to contents >

Defined risk	Explanation and mitigating measures
Interest-rate risk	The interest rate on the loans is mainly based on the risk-free floating interest rate plus a surcharge for credit risk. With a rising (declining) interest rate, the return on the loans therefore increases (decreases). However, the return on fixed rate loans has a negative correlation with the interest movement. Holding fixed rate loans in the Fund increases interest rate sensitivity hence increasing the duration of the Fund.
Prepayment risk	The performance of the Fund may be affected by early redemption on loans. The Private Debt Loans can be redeemed or called before the legal term. The degree to which loans are repaid early is influenced by changes in interest rates or variety of, economic, geographic and other factors over which the Manager has no control. The amount of early redemptions cannot be predicted. Prepayment Risk can be (partially) mitigated if a penalty or make-whole call provision is attached to a loan, whereby the borrower must make a payment to the lender in an amount that the lender will forgo if the borrower pays the loan off early. The penalty or make-whole clause, which benefits the fund's return, but does not compensate completely for the missed return.
Valuation risk	In the absence of a liquid market for Private Debt Loans, the fair value of the individual Fund Assets will be determined in accordance with the Valuation Method. Although the Valuation Method is in conformity with market standards and is periodically reviewed by the Manager, there is a risk of the Net Asset Value being calculated incorrectly by the Manager.

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 report is to provide an insight into the risks that have materialized during the reporting period. The best way to obtain this insight is by reviewing this risk section in conjunction with the risk management paragraph as included in Section 'ASR Private Debt Fund I', which provides more detailed information on the specific portfolio risks.

Fund governance and policy regarding conflicts of interest

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

An important part of fund governance is the presence of a Supervisory Board that supervises the management of the Dutch AIFMD investment funds 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 funds.

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 31 December 2023 204 employees and 198 FTEs were subcontracted by a.s.r. vermogensbeheer pursuant to an employee loan agreement with ASR Nederland N.V. The personnel expenses, which are charged to a.s.r. vermogensbeheer consist entirely of fixed remuneration (AIFMD Article 22, paragraph 2 e). The Manager does not share in the investment performance as remuneration for the management of the investment funds, hence there is no question of 'carried interest' (the share of the profit of the Fund intended for the Manager of the Fund as remuneration for the management).

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

Personnel expenses (in euros)	01-01-2023 to 31-12-2023	No. of employees
Identified Staff	3,262,092	8*
Employees	28,964,242	196
Total	**32,226,334**	**204**

* The Identified Staff per December 31, 2023 exists out of three Management Board members and five Identified Staff members.

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, companies that extract coal and companies that derive most of their profits from unconventional oil and gas, 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.

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

ESG integration / best-in-class investments
Our portfolios are at minimum characterized by above average ESG scores. Companies are analyzed on a large number of ESG criteria taking into account the materiality for the respective sector/industry. The overall ESG score allows us to identify the best ESG scoring companies on a certain sector. The ESG screening is carried out using external data suppliers where ESG themes such as the following ones are analyzed:
- Environment;
  - Strategic management of environmental risks including loss of biodiversity and the use of water;
  - (Forward looking) Carbon data;
- Labor Rights / Human Resources;
- Human Rights & Community Involvement;
- Corporate Governance & Ethical Behavior.

This is implemented at the level of the individual fund (and subfunds if applicable).

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

a.s.r. has set the following CO2 reduction targets: 65% reduction in 2030 compared to base year 2015 for the most important asset classes for own account (equities, corporate bonds and government bonds, real estate and mortgages). As well as preventing negative impact, a.s.r. aims to make a positive contribution to the energy transition. To this end, a.s.r. will increase the current impact investing exposure to a total of €4.5 billion in 2024. This budget may also be allocated to other sustainability themes important to a.s.r., such as health, vitality, inclusion and financial self-sufficiency. We are currently evaluating how these targets can be adjusted by consolidating the Aegon investments. In addition, a.s.r. has developed and implemented a strategy to further scale back investments in the fossil sector in three phases during the period 2022-2024.

In 2023, a.s.r. vermogensbeheer continued with phase 2 of its Fossil Exit Strategy. We are in discussions with the remaining conventional oil and gas companies in our portfolios to gain insight into whether these companies have robust and ambitious plans to become 'Paris-aligned'. In addition, we have made a start with phase 3, which focuses on the biggest emitters and companies further along in the fossil chain. We expect these companies to likewise have robust and ambitious plans to achieve alignment with the Paris climate goals.

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

A study conducted by the Dutch Association of Investors for Sustainable Development (VBDO) found that a.s.r., was 'leading' on the issue of biodiversity and working conditions in supply chains. VBDO published its findings for the 2023 Annual General Meetings season at the end of June. a.s.r.'s biodiversity strategy and targets are cited as examples to follow in the sector.

Reporting under the EU Transparency Regulation ('SFDR')

The above text describes the sustainability policy generally applied by the Manager. It also applies to investments made by a.s.r. for its own account. The way the Manager implements its sustainability policy differs for each fund under its management. A detailed account of the sustainability performance achieved by the Fund is presented in Appendix 2 of this Annual Report.

The ESG policy of the Private Debt Fund

ASR Nederland's sustainability policy (the SRI Policy) contains the criteria and standards for various sustainability topics. This policy is continuously amended on the basis of new insights and expectations. The Manager applies this policy in managing the Fund in accordance with the following criteria:

- The Fund will not acquire Private Debt Loans which are granted to companies or in respect of projects that are involved in controversial activities as mentioned in the SRI Policy. Also, the acquisition of Private Debt Loans granted to companies with systematic and severe violations to human and labour rights or to the environment will be excluded.
- The Fund will favour loans to companies and in respect of projects that can be classified as pioneering and best-in-class in the field of ESG and in the field of impact investing.

The Manager applies the following list of sustainability indicators to select investments:

- Environmental management;
- Personnel matters;
- Human rights;
- Community involvement;
- Conduct with respect to consumer rights, suppliers and subcontractors, and business ethics; and
- Good governance.

In addition to the sustainability indicators mentioned above, the Manager applies more specific indicators for sustainability topics, such as animal welfare, food safety, hazardous chemicals, alcohol, weapons, gambling, tobacco and nuclear energy. Sustainability indicators also apply to countries in which the Fund invests, namely in the field of political freedoms, corruption and environmental management. These additional sustainability indicators are continuously aligned with the current sustainability policy.

Effect of ESG policy on the Fund's portfolio

All incoming propositions are screened for social, environmental and governance criteria, based on a.s.r.'s Socially Responsible Investment (SRI) policy. At the end of 2023, ASR Private Debt Fund ("APDF") has a total of 40 borrowers, with 37 qualifying for a low and 3 qualifying for a medium ESG risk profile. The 3 borrowers with medium ESG scores are **MCG**, **Tasman** and **Print**.

APDF has a total of four loans qualified as impact investments, namely **Green Lease**, **Anton**, **Seven** and **Mobility**. The new borrower **Mobility** was included in the fund and classified as an impact investment by the ESG committee in the second quarter. **Mobility** is a manufacturer of adapted bicycles for people with disabilities. The company makes a clear and measurable contribution to "better health and wellbeing for people" and as such qualifies under SDG 3 (Good Health and wellbeing). Calvin develops, manufactures and markets energy-efficient solutions in heating and cooling, hot water, ventilation and control technology. The loan provided to this company was repaid early in the third quarter.

Market developments and outlook

Economic developments in 2023

With growth of around 3%, the global economy fared slightly better in 2023 than expected a year ago. This was mainly due to the US economy, which performed significantly better than expected. In the US, consumer spending remained at a high level, helped by COVID-19 savings and historically low unemployment. In addition, high government spending, partly under the Inflation Reduction Act, provided an additional growth impetus. In contrast, the eurozone economy balanced on the edge of recession all year. Europe continued to be hampered by ailing industry (particularly unfavourable to Germany, for example), disappointing world trade (particularly unfavourable to the Netherlands, for example) and the war in Ukraine. The Chinese economy also experienced a difficult year. The faltering real estate sector in particular continued to put pressure on the economy.

While the development of the global economy in 2023 was not entirely favourable, there was mostly good news to report from the inflation front. The inflation wave of 2022, which in recent history had its equal only in the stagflation of the late 1970s and early 1980s, largely disappeared during 2023. Whereas headline inflation in the eurozone was still above 10% towards the end of 2022, a year later it had fallen to less than 3% year-on-year. A similar but slightly less extreme narrative applies to the US: there, inflation fell from 9% year-on-year in June 2022 to 3.4% by the end of 2023. Meanwhile, China has even slipped back into deflation, with inflation at -0.3% year-on-year by the end of 2023.

To combat inflation, the Fed raised US base rates from 0% to 5.25% in 2022 and 2023, while the ECB's European base rate went from -0.5% to 3.5% in less than a year. However, rapidly easing inflationary pressures during 2023 did not go unnoticed by interest rate markets either. Whereas until recently the motto seemed to be 'higher for longer', interest rate markets have increasingly started to anticipate, especially in the last quarter of 2023, that central banks are not only done with rate hikes, but will also soon start to cut their base rates again.

Financial markets in 2023

For investors, 2023 turned out to be an unexpectedly good year, helped by a rally in the fourth quarter. As a result, almost all asset classes ended up in positive territory. For the entire year, US equities led the way, with a return of over 20% (in euros). Asian equities and emerging markets lagged, mainly due to the ailing Chinese stock market, but still delivered positive returns of 6-8% across 2023. This was similar to returns on European bonds (both government and corporate), which were mainly due to falling capital market rates. The bad performer of 2023 was the US dollar, which depreciated by 3% against the euro.

Economic and financial market outlook

For the global economy as a whole, 2024 seems to be comparable to last year, with growth again expected to be around 3%. At the regional level, the outlook varies. This is partly due to different interest rate expectations. The effects of the relatively steep US interest rate path in recent years are not expected to be felt in full until 2024. In addition, the exhaustion of COVID-19 savings and limited scope for additional government spending may also hamper the growth of the US economy. For Europe, the growth outlook is also not particularly good, but after the stagnation of 2022 and 2023, there is potential for some growth recovery. In China, the authorities seem to intent to maintaining the current 5% growth target, but it cannot be ruled out either that they will settle for lower (and perhaps more realistic) growth of around 4.5%. For other emerging economies, the outlook is relatively favourable from a macro perspective, partly because they have mostly raised interest rates earlier than in most developed economies and can now cut interest rates again earlier and/or have already reduced them. Globally, geopolitical risk remains higher than average, due to military conflicts in Ukraine and the Middle East amongst others and elections in many countries, including presidential elections in the United States in November 2024.

As for the inflation outlook, the most plausible scenario for the period ahead seems to be that inflationary pressures will gradually ease further towards the 2% inflation targets of central banks in the eurozone and the US. In the short term, base effects may cause some volatility in this respect. Given this inflation picture, expecting 2024 to be a year of interest rate cuts by central banks rather than interest rates remaining high seems justified in our view. The question is, however, whether financial markets have not entered an 'exaggeration phase' after the recent movements. The amount and pace of interest rate cuts now being priced in only seems plausible in a scenario where not only do inflationary pressures continue to fall at a rapid pace, but also growth prospects come under severe pressure. In such a scenario, current interest rate levels may be appropriate, but share prices seem to be (excessively?) high. In the economic scenario that

Back to contents >

seems most likely to us, that of gradually declining inflationary pressures combined with moderate growth prospects, equities seem less overvalued, but bond yields have slipped too far downwards.

Based on this scenario, we see long-term interest rates increasing from current levels rather than falling further, which is unfavourable for both government and corporate bonds. For equities, the outlook in this scenario is mixed, but we still see some scope for further price recovery for listed real estate (although to varying degrees for various market segments, e.g. residential vs. offices), which, although up around 25% in the last two months of 2023, is still down around 30% compared with two years ago. The relative attractiveness of cash will diminish as central banks start cutting interest rates, but that is not the case for now. With a current ECB base rate of 4%, the risk-free rate of return is still high from a historical perspective.

Developments in the private debt market

With falling market interest rates in the last quarter of 2023, the debt market experienced a rebound in new issues in the more liquid segments of bonds and syndicated loans. However, activity in the private loan market waned further due to a decline in M&A activity. New loan issues thus mainly concern refinancing and small add-on acquisitions, and are less due to new buy-outs. For the APDF, it was possible to complete some previously launched financings in the fourth quarter, but the pipeline for new deals was limited.

Despite the cooling of the macroeconomy, companies in the APDF portfolio are generally showing good performance. The budgets set by companies at the beginning of 2023 were not met in all cases, but generally loans were kept (well) within the agreed covenants. Due to increased interest expenses, voluntary repayments on parts of loans were seen at some companies, using excess cash flow to reduce outstanding debt (and thus their interest expenses). Companies that required more attention from the team earlier in the year have now improved their performance or reduced their redemption risk, at least for the time being. Space within covenants is tightening a little at some other companies, but liquidity remains good.

Back to contents >

ASR Private Debt Fund I

The Fund offers Participants the opportunity to invest in a broadly diversified portfolio of Private Debt Loans originated in cooperation with sourcing partners that are considered eligible by the Manager for this purpose. The investment objective of the Fund is generating income for the benefit of the Participants seeking an attractive risk adjusted return (unleveraged) due to the illiquid character of Private Debt Loans compared with traditional fixed income investments such as corporate bonds. The Fund is a financial product that promotes environmental and social characteristics but does not have sustainable investments as its objective. As such, it is classified as an Article 8 product under the SFDR.

Characteristics	ASR Private Debt Fund I
Management fee*	0.40% of the total assets of the Fund (exclusive of VAT, if applicable)
Servicing fee	0.05% of the total assets of the Fund (exclusive of VAT, if applicable)

Table 2: Fund charges

* The management fee also covers costs which are payable by a.s.r. vermogensbeheer to the originator or any other third party for the ongoing operational management of private loans

Return and portfolio policy

The Net Assets saw an increase in 2023 from € 689 million to € 704 million.

	Net Assets (x €1,000)	Return	IRR***	Dividend per share (x €1)
31-12-2023	704,216	6.59%	4.57%	61.88
31-12-2022	688,655	2.25%	3.21%	31.03
31-12-2021	494,996	2.48%	3.13%	24.04

Table 3: Return

* This relates to the dividend declared with regard to the financial year, not the dividend paid during the financial year.

** ex-post IRR (realized net IRR)

Value movement per participation in €	2023	2022	2021
Income	73.60	39.36	36.59
Changes in value	-2.46	-0.98	-6.06
Costs	-6.69	-6.92	-5.59
Result after tax	**64.45**	**31.46**	**24.94**

Table 4: value movement

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

Total investments in the APDF continued to grow during the year from €576 million to €675 million (nominal amount). The number of borrowers in the fund increased by 3, bringing the total number of borrowers to 40. At year-end, APDF had a total of €52 million in undrawn commitments to 10 different borrowers. Total commitments from participants in the ASR Private Debt Fund I ("APDF") decreased from €1,000 million to €793 million. No new participants joined the fund during the year. In the first 36 months, the fund is 92% committed. The net performance during this period is 3.76% and the Fund's YTD return was 6.59% with a realised net IRR of 4.57%. The fund paid the dividend for the third-quarter of 2023 of €10.9 million or €16.17 per share to participants in October. This brings the total dividend distributed in 2023 to €35.78 million. The Q4 dividend was set at €12.5 million or €17.97 per share and was distributed in January 2024.
Since inception, the total dividend distributed amounts to €69.17 million or €116.95 per share.

In October, the Fund distributed the dividend for the Q3 2022 to the participants, which amounted to €3.57 million or €5.20 per share. The Q4 dividend was declared at €7.26 million or €10.56 per share and was distributed in January 2023. With regard to the financial year 2022, the Fund distributed a total of €19.0 million or €31.03 per share in dividend. The total dividend that has been distributed since the Fund's inception amounts to €28.2 million or €55.07 per share.

New investments

Investments in the APDF continued to increase during the year with 8 new borrowers, namely **Spear**, **Labello**, **Road**, **Hercules**, **Mobility**, **Arles**, **Abacus** and **Fit**, amounting to €145 million.

There were increases in existing loans including €7.5 million to **Athena-Biltz**, €21.4 million to **Prisma**, €3.4 million to **Flex**, €9.4 million to **Arches**, and €4 million to **Spartan**. The existing borrower **Prisma** has been refinanced under the new project name **New London**.

Credit applications

The Credit Committee has approved the following credit applications:

(i) €22.5 million to **Spear**, new funding to an IT service company focused on implementing ERP software at SMEs.
(ii) €12.3 million to **MCG**, an amend & extend request of an existing loan, concerns a technical services provider in the offshore industry.
(iii) €25 million to **Labello**, a provider of labels and printed packaging materials, such as self-adhesive labels, flexible packaging, folded cartons, and other materials, enabling the company to offer a full product range to its customers.
(iv) €15 million to **Road**, an expansion investment for this new financing to a car leasing intermediary.
(v) €25 million to **Car Lease**, concerning an amend & extend request for existing finance to a Dutch car leasing company.
(vi) €9.4 million to **Arches**, an increase in existing finance to an IT company providing software services to municipalities and (semi)public authorities.
(vii) €20 million to **Hercules**, a leading international manufacturer of specialised agricultural machinery.
(viii) €14.7 million to **Flex**, an increase in and extension of the maturity of an existing loan. Flex is a Dutch temporary employment agency for both technical professionals (civil engineering, construction and public sector) and skilled workers (bricklayers, carpenters and painters).
(ix) €17.5 million to **Mobility**, a producer of adapted bicycles for especially elderly or disabled people.
(x) €25 million to **Arles**, a Dutch hotel chain operating in all provinces and a market leader in the short break segment in its own country.
(xi) €20 million to **Fit**, an international producer of premium protein bars and granola bars for well-known brands.
(xii) €15 million to **Athena**, a Dutch company active in the rental and sale of laptops for high school students.
(xiii) €20 million to **Sakura**, a data centre project in Germany with green certification.
(xiv) €35 million to **Spartan**, concerning expansion of an existing borrower, a Dutch manufacturer of personal care products for the global consumer market with both private labels and its own brand; This concerns a refinancing and expansion of the existing loan.

Drawdowns and commitments

During the year, a total of €21.4 million was drawn down from the capex facilities of various digital infrastructure projects including **Seven**, **Eden**, **Lightboost**, **FinaFun** and **Jolene**. The drawdowns from the acquisition/capex facilities of **Hercules**, **Spear**, **Arches**, **New London** and **Anton** amounted to €17.6 million.

Back to contents >

At the end of 2023, APDF has a total of €52 million in undrawn commitments to 10 different borrowers.

Overview commitments (x €1,000)	31-12-2023
Blue Ocean	285
Anton	1,540
Tasman	1,700
Athena	5,000
Hercules	2,160
New London	2,555
Jolene	3,804
Speedbreak	5,839
Seven	9,345
Sakura	20,000

Repayments

Over the full year, a total of €100 million was repaid early on 6 loans. The borrowers concerned were:

(i) **Gamma** (€14 million) - the management and sponsor opted for a new senior structure with increased leverage to continue its buy-and-build strategy and the loan was thus repaid early;
(ii) **Route 24** (€21 million) - the management and sponsor opted for a unitranche structure, leading to early repayment of the loan;
(iii) **Athena-Biltz** (€20 million) - the company was part of an acquisition, as a result of which the existing loan was repaid early;
(iv) **Calvin** (€28 million) - the company was part of an acquisition, as a result of which the existing loan was repaid early;
(v) **Menu** (€9.5 million) - due to refinancing with a new finance structure on different terms with other lenders;
(vi) **Energy** (€7.8 million) - the management decided to use excess cash at the company to repay existing loans.

Waiver requests

APDF received nine administrative waiver requests, of which were granted from, among others:

(i) **Obelix** - this concerned a covenant waiver and reset following a limited breach of the leverage covenant, despite previous good financial performance and strong deleveraging. The temporarily slightly lower decline in leverage was mainly due to operational delays in certain projects. A waiver was also granted for two minor breaches of the requirements for the documentation of investments and dividend payments.
(ii) **Car Lease** - the company's request, in addition to extending the term of the loan by two years, was to increase the debt ceiling and for other changes to the financing structure.
(iii) **Dune** - in addition to extending the loan term by 9 months, Dune requested a covenant reset due to a decline in demand and an increase in costs.
(iv) **Tasman** - the waiver request and reset of covenants relate to the breach of covenants in the fourth quarter of 2022, due to poor sales in Asia as a result of the strict lockdown in China in early 2022. The company thus suffered a significant decline in sales and inventory had to be written off.
(v) **Print** - a global provider of integrated printing solutions in the textile, industrial and healthcare markets. In addition extending the maturity of both the overdraft facility and the loan term until January 2025, Print's request also concerned a waiver of the leverage covenant in the first two quarters of the year and a leverage covenant holiday until maturity. Print's rating has been further downgraded from B to CCC.
(vi) **Green Lease** - for a one-year extension of the financing term, reduction of the borrowing base facility and a temporary increase in the maximum number of fleet cars. This last request is to absorb the large amount of fleet cars returned from lease contracts temporarily at the end of the year within the facility.
(vii) **Summer** - the company's results have been under pressure since mid-2022, due to increased personnel costs for nursing staff and indexation of leases. The company has been passing on these cost increases to its residents with some delay, and thus requested changes to both the leverage and liquidity covenants.
(viii) **Spear** - a breach of the covenants was identified in the first quarter of 2023, following an accounting adjustment to the annual figures. The covenants were reset on the basis of the new forecast.
(ix) **Medicine** - the company's request was to extend the term and partially reduce the size of the current account facility.

Back to contents >

Review
There were 17 revisions to loans in the portfolio during the year, namely **MCG**, **Tasman**, **Arches**, **Route 24**, **Menu**, **Car Lease**, **Centurion**, **Hammer**, **Car Lease**, **Dune**, **Print**, **Medicine**, **Jupiter**, **Spear**, **Spartan**, **Green Lease** and **Summer**. This led to the following rating changes:

Investments	Rating migration
Tasman	BB -> B
Spear	BBB -> BB
Medicine	B -> BB
Chamonix	B -> BB
Print	B -> CCC
Spinoza	BB -> B

7 borrowers are on the APDF watch list. The loans on the watch list are to **Print**, **Sport**, **Tasman**, **Spinoza**, **Summer**, **Spear** and **Green Lease**.

Green Lease is a new addition to the watch list. **Green Lease's** existing syndicate initially failed to agree on the terms to make extension possible. **Tasman** is also showing positive development, albeit less than previously predicted and set out in amended loan terms, meaning that further adjustments were required. The adjustment of **Summer's** financing terms was successfully completed, with initial projections showing that the company has regained its upward trajectory.
The adaptation process at **Spinoza** is ongoing, and the company is expected to complete this in the first quarter of 2024. The situation at **Print** is still a cause for concern, with sales under pressure and no change in the shareholder's position. However, the banking syndicate did manage to agree on the sale process and its timing. **Sport** and **Spear** are also making positive operational progress and it is expected that they can be removed from the watch list in the foreseeable future. The rest of the borrowers in APDF are performing as expected and within the set covenants. Compared to the previous year, **Hammer** and **Chamonix** are no longer on the watch list. The latter has experienced strong growth and is now performing again within the mutually agreed credit agreements.

Risk management:
The main portfolio-specific risks associated with the Fund 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 Manager will seek to limit the risk to the investor to an acceptable level by maintaining a certain degree of diversification across the investments.

Back to contents >

Loan portfolio by sector	31-12-2023	31-12-2022
Consumer Goods	19.51%	15.31%
Services	15.79%	16.21%
Telecommunications	15.21%	13.99%
Healthcare	13.08%	11.58%
Capital Goods	7.84%	12.46%
Financial Services	7.40%	6.03%
Basic Industry	6.97%	10.68%
Technology & Electronics	4.16%	3.40%
Services Non-cyclical	4.06%	0.00%
Leisure	3.73%	0.00%
Services Cyclical	2.25%	3.57%
Retail	0.00%	5.33%
Energy	0.00%	1.44%
Utility	0.00%	0.00%

Table 5: portfolio breakdown by sector

Loan portfolio by Country	31-12-2023	31-12-2022
Netherlands	69.81%	78.31%
Germany	9.72%	9.31%
Norway	5.74%	5.53%
Belgium	10.60%	3.73%
Spain	3.71%	2.72%
United Kingdom	0.42%	0.40%

Table 6: portfolio breakdown by country

The percentages in the above and below tables have been calculated based on the market value of loans.

Credit risk:
The Fund invests in private loans that are characterized by a credit risk. The value of the private 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.

Breakdown by credit rating (%)	31-12-2023	31-12-2022
BBB	45.21%	34.90%
BB	41.28%	38.22%
B	7.67%	9.66%
CCC	0.92%	0.00%
Cash	4.92%	17.22%

Table 7: portfolio breakdown by credit rating

Back to contents >

These ratings are determined by the Manager using the following waterfall structure:

- First, the rating of a loan is checked with an external rating agency, in the following order: (i) S&P, (ii) Moody's and (iii) Fitch, to determine whether there is a public rating available.
- If such a rating is not available, the rating of the borrower is applied, using the same order of rating agencies.
- If a rating of the borrower is also not available, an estimate is made of the creditworthiness of the borrower by the Alternative Fixed Income department of the Manager based on Moody's RiskCalc and internally validated and consequently approved by the Credit Committee.

At the end of the reporting period, all loans were rated by means of the internal rating process.

Interest-rate risk:
The value of the investments is sensitive to changes in the interest rate. Rising interest rates will generally lead to a fall in the value of the loan portfolio. The modified duration of the portfolio was 2.81 as at 31-12-2023 (31-12-2022: 2.75). The average coupon was 7.30 as at 31-12-2023 (31-12-2022: 4.95).

Back to contents >

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 reporting period. 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 2023.

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

Utrecht, 28 March 2024

ASR Vermogensbeheer N.V.

On behalf of ASR Private Debt Fund I

The management,

Mr. P. Klijnsmit (director)
Mr. M.R. Lavooi (director)
Mrs. J.H.L. de Jong-Kortman (CFRO)

Supervisory Board Report

According to the law and its rules of procedure, the Supervisory Board is responsible for supervising the manager's policy and performance of tasks and the general state of affairs within the funds it supervises, all in the interest of the participants. The Supervisory Board also protects the interests of the participants by supervising compliance by the manager with the Fund Governance Code and advising the manager. The board is responsible for the quality of its own activities. Members are appointed for a term of four years and will retire periodically by rotation in accordance with a schedule to be determined by the board. The board has not set up any committees due to its size.

Composition and rotation schedule

The board's composition, organization and procedures comply with the applicable Corporate Governance Code of Conduct. The members are independent within the meaning of best practice provision III. 2.1 of this code.

The members have established the following rotation schedule:

Name	Current term expires	Reappointment possible
Mr. Vliegenthart	December 2024	Yes
Mr. Labe	December 2025	Yes
Mr. Beetsma	December 2026	Yes

Members may serve on the board for a maximum of twelve years, unless the Supervisory Board decides otherwise.

Procedures

Four meetings with the Manager took place in the reporting year. During the meetings in the reporting year the Manager provided the board with extensive information on the features and set-up of the funds, and the investment policy.
The board also obtained extensive information on the governance structure and the collaboration between the asset management departments involved in daily management activities. One of the ways in which the Manager prepared the topics discussed during the meetings was by means of monthly and quarterly reports. The board concluded that these documents provided the clear information it requested. Open discussions have taken place with the Manager regarding policy and the current state of affairs within the individual funds, during which the Supervisory Board paid special attention to the following topics:

- the 2022 external audit report;
- the manager's ISAE 3402 type 2 statement;
- the 2022 annual report;
- self-assessment Supervisory Board;
- compliance report;
- performance and risk management overviews, including the complaints and incidents register;
- the integration of activities as part of the long-term partnership with Aegon Asset Management.

Word of thanks

We thank the manager and the staff for their professional and enthusiastic commitment towards achieving the objectives.

Utrecht, 28 March 2024

Mr. B. Vliegenthart, chair
Mr. R.M.W.J. Beetsma
Mr. O. Labe

Back to contents >

Financial statements 2023
ASR Private Debt Fund I

Balance sheet

Balance sheet as at 31 December 2023 (before profit appropriation x €1,000)

Balance sheet	31-12-2023	31-12-2022	Reference
Investments			
Private loans	666,496	569,036	
Total Investments	**664,496**	**569,036**	1
Receivables	4,076	2,069	2
Other assets			
Cash	34,457	118,351	3
Current liabilities	-813	-801	4
Receivables and other assets less current liabilities	**37,720**	**119,619**	
Assets less current liabilities	**704,216**	**688,655**	
Issued participation capital	691,831	682,304	
Other reserves	-7,959	-5,751	
Revaluation reserve	7,053	4,933	
Unappropriated result	13,291	7,169	
Total Net Assets	**704,216**	**688,655**	5

Profit and loss account

Profit and loss account for the period from 1 January 2023 until 31 December 2023 (x € 1,000)

Profit and loss account	01-01-2023 to 31-12-2023	01-01-2022 to 31-12-2022	Reference
Investment income	47,743	23,691	7
Realized changes in the fair value of investments	1,443	330	8
Unrealized changes in the fair value of investments	-3,039	-920	8
Total operating income	**46,147**	**23,101**	
Management fee	-2,717	-2,522	
Service fee	-394	-359	
Other expenses	-1,226	-1,285	
Total operating expenses	**-4,337**	**-4,166**	9
Profit after tax	**41,810**	**18,935**	

Back to contents >

Cashflow statement

Cashflow statement for the period 1 January 2023 to 31 December 2023 (x €1,000)

Cashflow statement	01-01-2023 to 31-12-2023	01-01-2022 to 31-12-2022	Reference
Total investment result	41,810	18,935	
Changes in the fair value of investments	1,596	590	1
Purchase of investments (-)	-283,428	-349,068	1
Sales of investments (+)	184,372	269,421	1
Increase (-)/Decrease (+) in receivables	-2,007	-439	2
Increase (+)/Decrease (-) in liabilities	12	-167	4
Net cash flow from investment activities	**-57,645**	**-60,728**	
Issue of participations	218,694	189,841	5
Redemption of participations	-209,167	-	5
Dividend	-35,776	-15,117	
Net cash flow from financing activities	**-26,249**	**174,724**	
Movement in cash	**-83,894**	**113,996**	
Cash per January 1	118,351	4,355	3
Cash per December 31	34,457	118,351	3
Movement in cash	**-83,894**	**113,996**	

Back to contents >

Principles of valuation and determination of results

General
The ASR Private Debt Fund I ('the Fund') was established on 1 January 2021 in the form of a mutual fund. The Fund is structured as a closed-end tax transparent fund.

The annual report of the Fund is prepared in accordance with Guideline 615 'Investment Institutions' of the Dutch Accounting Standards Board and Title 9 Book 2 of the Dutch Civil Code (Burgerlijk Wetboek, "BW"). All amounts included in the annual report are in thousands of euros, unless stated otherwise. The amounts stated in the tables are rounded figures, therefore rounding differences may occur. The Manager compiled the financial statements on 28 March 2024.

Reporting period and comparative figures
The annual report covers the period from 1 January 2023 to 31 December 2023. Prior period comparative figures relate to the period 1 January 2022 to 31 December 2022. In the annual report 2023 a separate revaluation reserve (as part of the Total Net Assets) has been formed from the other reserves. The comparative figures have also been adjusted retrospectively. This reclassification between other reserves and the revaluation reserve has no impact on the result or net assets.

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

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

No investments in foreign currency were recorded within the Fund as at 31 December 2023.

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 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").

Legal Owner
Stichting Juridisch Eigenaar ASR Private Debt Fund I 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 S.A., Netherlands branch 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
The annual report is prepared on a going concern basis. 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.

Investments
The Fund invests in Private loans originated in cooperation with sourcing partners that are considered eligible by the Manager for this purpose. The loans are initially valued at purchase price (which is the nominal value, except for the initial portfolio which is acquired at fair value). Upfront fees received on provision of the loans are recorded as part of investment income. At the end of the reporting period the loans are 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.

The fair value of a private loan is determined by a discounted cashflow model. Cashflows for the drawn commitment are generated based on the forward curve with the relevant tenor. The latter might change over time depending on counterparty choices during each interest rate reset. Cashflows for the undrawn commitment are generated based on the applicable commitment fee.

The applied discount curve takes into account credit risk and liquidity risk on top of a risk free rate. The credit risk spread is based on traded instruments with comparable rating, sector and region. The liquidity risk spread is derived from loans which are guaranteed by the Dutch Government (the OHV curve) and an adjustment to properly reflect the differences in risk profile between these loans and a private loan. The option to prepayment a private loan is taken into account by capping the price of a private loan. Here the capping depends on the attractiveness to (partially) prepay a private loan.

The standard approach is only appropriate as long as a full repayment of the loan is expected. If a loan is transferred to the special care department of the originator, the valuation methodology will be based on an expected recovery approach.

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.

Back to contents >

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 income and 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 reporting period.

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 private loans are in principle always unrealized since the loans are held to the end of the period of maturity, with the exception of the early repayment of the loans 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 Fund is a closed-end mutual fund and tax transparent, meaning that the fund is not tax liable for income tax and is not subject to the payment of dividend tax.

Management fee
Costs are charged to the Fund by the Manager for the management of the Fund Assets. The provisions made are transferred to the Manager on a monthly basis. The amount of the management fee is 0.40% on an annual basis (exclusive of Dutch VAT, if applicable). This management fee serves also to cover the costs which are payable by a.s.r. vermogensbeheer to the originator or any other third party for the ongoing operational management of private loans.

Servicing fee
The Manager also receives a monthly service fee that is deducted from the Fund. The service fee covers other costs, such as:
- auditor, legal and tax advisor fees;
- costs associated with the preparation, printing and sending of the information memorandum, annual and semi-annual reports and any other documents relating to the Fund;
- costs associated with calculating and publishing the net asset values;
- costs associated with maintaining the participant register and keeping financial and investment accounting records;
- costs associated with meetings of participants or the investment committee.

The annual service fee is 0.05% (exclusive of Dutch VAT, if applicable). The Manager ultimately pays the costs actually incurred related to the service fee.

Costs on the issue and redemption of Participations
The Fund does not charge any costs on the issue and redemption of Participations. However, at each closing date, any new Participants pay an entry fee to Participants whose participations are redeemed (if such redemption is required to maintain the equal ratio between the capital commitment and the drawn amounts per Participant). The entry fee will be paid to the Fund and will be paid through to Participants whose Participations are redeemed as a result of the new Participant acceding to the Fund.

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	31-12-2023	31-12-2022
Private loans	666,496	569,036
Total investments	**666,496**	**569,036**

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

Movement schedule of investments	Fair Value 01-01-2023	Purchases	Repayments	Revaluation	Fair Value 31-12-2023
Private loans	569,036	283,428	-184,372	-1,596	666,496
Total	**569,036**	**283,428**	**-184,372**	**-1,596**	**666,496**

Movement schedule of investments	Fair Value 01-01-2022	Purchases	Repayments	Revaluation	Fair Value 31-12-2022
Private loans	489,979	349,068	-269,421	-590	569,036
Total	**489,979**	**349,068**	**-269,421**	**-590**	**569,036**

These amounts also includes the refinancing of certain loans. For one loan (market value 31-12-2023 is EUR 6.4 million) the valuation is based on the expected recovery approach. For all other loans, the net present value calculation is used for the valuation of loans, using the standard approach as described in the principles of valuation. More information on the risk management with regard to the investments is available in sections Report of the Manager and ASR Private Debt Fund I. A specification of the investments is presented in Appendix 1.

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

Receivables	31-12-2023	31-12-2022
Accrued interest	4,071	1,699
Other receivables	5	370
Total	**4,076**	**2,069**

Other receivables relate mostly to interest receivables and fees to be received regarding loans (such as commitment and waiver fees).

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	31-12-2023	31-12-2022
Management and servicing fee payable	-813	-801
Total	**-813**	**-801**

5. Issued participation capital, unappropriated result and other reserves

Multi-year overview ASR Private Debt Fund I

Net Asset Value	31-12-2023	31-12-2022	31-12-2021
Fund Net Assets (x € 1.000)	704,216	688,655	494,996
Number of participations	696,368	687,248	491,320
Net Asset Value in euros per participation	1,011.27	1,002.05	1,007.48

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

Issued participation capital	01-01-2023 to 31-12-2023	01-01-2022 to 31-12-2022
Balance at the start of the reporting period	682,304	492,463
Issued during the reporting period	218,694	189,841
Repaid to participants during the reporting period	-209,167	-
Balance at the end of the reporting period	**691,831**	**682,304**

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

Movement schedule of number of Participations	Number 01-01-2023	Issue	Redemption	Number 31-12-2023
ASR Private Debt Fund I	687,248	219,806	-210,686	696,368

Movement schedule of number of Participations	Number 01-01-2022	Issue	Redemption	Number 31-12-2022
ASR Private Debt Fund I	491,320	195,928	-	687,248

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

Other reserves	01-01-2023 to 31-12-2023	01-01-2022 to 31-12-2022
Balance at the start of the reporting period	-5,751	-1,300
Addition in the reporting period from unappropriated result	7,169	2,533
Dividend payment	-7,257	-3,351
Transfer to / from the revaluation reserve	-2,120	-3,633
Balance at the end of the reporting period	**-7,959**	**-5,751**

Back to contents >

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

Revaluation reserve	01-01-2023 to 31-12-2023	01-01-2022 to 31-12-2022
Balance at the start of the reporting period	4,933	1,300
Transfer from / to the other reserves	2,120	3,633
Balance at the end of the reporting period	**7,053**	**4,933**

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

Unappropriated result	01-01-2023 to 31-12-2023	01-01-2022 to 31-12-2022
Balance at the start of the reporting period	7,169	2,533
Profit distribution in the previous financial year	-7,169	-2,533
Result of the current financial year	41,810	18,935
Dividend paid with regard to current reporting period	-28,519	-11,766
Balance at the end of the reporting period	**13,291**	**7,169**

6. Contingent assets and liabilities
There are no contingent assets and liabilities

As at 31 December 2023, the total commitment of the Participants of the Fund amounts to EUR 793 million (31 December 2022 EUR 1,000 million), of which EUR 101.2 million (31 December 2022 EUR 317.7 million) is uncalled.

As at 31 December 2023, the commitments of the Fund in respect of private loans amounts to EUR 52.0 million (31 December 2022 EUR 88.0 million).

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

Investment income	01-01-2023 to 31-12-2023	01-01-2022 to 31-12-2022
Interest from loans	41,860	20,484
Other income from loans	5,282	2,945
Other interest income	601	262
Total	**47,743**	**23,691**

Other income from loans relate mostly to fees received regarding loans (such as commitment and waiver fees)

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.

Back to contents >

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	01-01-2023 to 31-12-2023 (positive)	01-01-2023 to 31-12-2023 (negative)	01-01-2022 to 31-12-2022 (positive)	01-01-2022 to 31-12-2022 (negative)
Private loans	1,677	-234	1,626	-1,296
Total	**1,677**	**-234**	**1,626**	**-1,296**

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	01-01-2023 to 31-12-2023 (positive)	01-01-2023 to 31-12-2023 (negative)	01-01-2022 to 31-12-2022 (positive)	01-01-2022 to 31-12-2022 (negative)
Private Loans	10,019	-13,058	7,027	-7,947
Total	**10,019**	**-13,058**	**7,027**	**-7,947**

9. Operating expenses

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

Operating expenses	01-01-2023 to 31-12-2023	01-01-2022 to 31-12-2022
Management fee	-2,717	-2,522
Servicing fee	-394	-359
Interest charges	-	-66
Other expenses	-1,226	-1,219
Total	**-4,337**	**-4,166**

Other expenses mainly relate to fees paid to sourcing partners.

Ongoing Charges Figure (OCF)	Information Memorandum	01-01-2023 to 31-12-2023	01-01-2022 to 31-12-2022
ASR Private Debt Fund I	0.45%*	0.48%	0.49%

* exclusive of VAT, if applicable

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 Fund carries out. The OCF is calculated by dividing the total costs in the reporting period by the average net asset value of the Fund.

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

The difference between the actual OCF and the OCF according to the Information Memorandum relates to the VAT calculated on a part of the management fees.

Back to contents >

Portfolio Turnover Rate (PTR)	01-01-2023 to 31-12-2023	01-01-2022 to 31-12-2022
ASR Private Debt Fund I	6.12%	72.52%

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 Fund, calculated in the same way as when determining the OCF for the reporting period.

Related party transactions
The Fund has the following relations with related parties:
- a.s.r. vermogensbeheer is the Manager of the Fund and charges a management fee and servicing fee;
- At the Initial Closing Date, the Fund has acquired a portfolio of Private Debt Loans (amounting to €202 million) from Group companies of ASR Nederland in exchange for Participations;
- Group companies of ASR Nederland participate for an amount of € 704 million in the Fund (696,368 participations).

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

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
At the beginning of each quarter, the amount available for distribution generated in the preceding quarter is distributed to the Participants (after settling fees and costs payable). Participations will receive an equal share of the interest income of the preceding quarter. The amount available for distribution is determined at the discretion of the Manager.

Events subsequent to the balance sheet date
No events occurred in the period up to the preparation of this annual report that require any changes or explanatory notes to the financial statements. On 10 January 2024, the Q4 2023 dividend is paid out to the participants, amounting to EUR 12.51 million (EUR 17.97 per participation).

SIGNING OF THE FINANCIAL STATEMENTS
Utrecht, 28 March 2024

ASR Vermogensbeheer N.V.
On behalf of ASR Private Debt Fund I

The management,

Mr. P. Klijnsmit (director)
Mr. M.R. Lavooi (director)
Mrs. J.H.L. de Jong-Kortman (CFRO)

Other information

Independent auditor's report

To: the General Meeting and the Supervisory Board of ASR Private Debt Fund I

Report on the audit of the accompanying financial statements

Our opinion

We have audited the financial statements 2023 of ASR Private Debt Fund I ('the Fund'), based in Utrecht.

In our opinion the accompanying financial statements give a true and fair view of the financial position of ASR Private Debt Fund I as at 31 December 2023, and of its result for 2023 in accordance with Part 9 of Book 2 of the Dutch Civil Code.

The financial statements comprise:

1 the balance sheet as at 31 December 2023;
2 the profit and loss account for 2023; and
3 the notes comprising a summary of the accounting policies and other explanatory information.

Basis for our opinion

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

We are independent of ASR Private Debt Fund I in accordance with the 'Wet toezicht accountantsorganisaties' (Wta, Audit firms supervision act), the 'Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten' (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore, we have complied with the 'Verordening gedrags- en beroepsregels accountants' (VGBA, Dutch Code of Ethics).

We designed our audit procedures in the context of our audit of the financial statements as a whole and in forming our opinion thereon. The information in respect of fraud and non-compliance with laws and regulations and going concern was addressed in this context, and we do not provide a separate opinion or conclusion on these matters.

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

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

Information in support of our opinion

Audit response to the risk of fraud and non-compliance with laws and regulations

In chapter Risk Management of the management board report, the management board describes its procedures in respect of the risk of fraud and non-compliance with laws and regulations and the supervisory board reflects on this.

As part of our audit, we have gained insights into the Fund and its business environment, and assessed the design and implementation of the Fund's risk management in relation to fraud and non-compliance. Our procedures included, among other things, assessing the Fund's code of conduct, whistleblowing procedures, incidents register and its procedures to investigate indications of possible fraud and non-compliance. Furthermore, we performed relevant inquiries with management, those charged with governance and other relevant functions, such as Internal Audit , Risk Management and Compliance. As part of our audit procedures, we:

- obtained an understanding of how the Fund uses information technology (IT) and the impact of IT on the financial statements, including the potential for cybersecurity incidents to have a material impact on the financial statements;

- assessed other positions held by management board members and/or other employees and paid special attention to procedures and governance/compliance in view of possible conflicts of interest;
- evaluated investigation reports on indications of possible fraud and non-compliance, if any;
- evaluated correspondence with supervisory authorities and regulators.

In addition, we performed procedures to obtain an understanding of the legal and regulatory frameworks that are applicable to the Fund and identified the following areas as those most likely to have a material effect on the financial statements:

- the requirements by or pursuant to the Act on Financial Supervision (Wet op het financieel toezicht, Wft);
- the law on the prevention of money laundering and terrorist financing (Wwft).
- We evaluated the fraud and non-compliance risk factors to consider whether those factors indicate a risk of material misstatement in the financial statements.

We rebutted the presumed fraud risk on revenue recognition as the fund invests in loans that generate interest income based on contractual agreements. The calculation of interest income is considered non-complex and predictable.

Based on the above and on the auditing standards, we identified the following fraud risk that is relevant to our audit, including the relevant presumed risks laid down in the auditing standards, and responded as follows:

Management override of controls (a presumed risk)

Risk:
Management is in a unique position to manipulate accounting records and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively such as estimates related to the valuation of loans.

Responses:
We evaluated the design and the implementation and, where considered appropriate, tested the operating effectiveness of internal controls that mitigate fraud and non-compliance risks, such as processes related to journal entries and estimates.

We performed a data analysis of high-risk journal entries related to manual post-closing entries and evaluated key estimates and judgments for bias by the Fund's management, including retrospective reviews of prior years' estimates with respect to valuation of loans. Where we identified instances of unexpected journal entries or other risks through our data analytics, we performed additional audit procedures to address each identified risk, including testing of transactions back to source information.

We communicated our risk assessment, audit responses and results to the manager and the Supervisory Board.

Our audit procedures did not reveal indications and/or reasonable suspicion of fraud and non-compliance that are considered material for our audit.

Audit response to going concern

The management board has performed its going concern assessment and has not identified any going concern risks. To assess the management board's assessment, we have performed, inter alia, the following procedures:

- we considered whether the management board's assessment of the going concern risks includes all relevant information of which we are aware as a result of our audit;
- we analysed the company's financial position as at year-end and compared it to the previous financial year in terms of indicators that could identify going concern risks.

The outcome of our risk assessment procedures did not give reason to perform additional audit procedures on management's going concern assessment.

Report on the other information included in the annual report

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

Based on the following procedures performed, we conclude that the other information:
- is consistent with the financial statements and does not contain material misstatements;
- contains the information as required by Part 9 of Book 2 of the Dutch Civil Code regarding the management report and the other information.

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

By performing these procedures, we comply with the requirements of Part 9 of Book 2 of the Dutch Civil Code and the Dutch Standard 720. The scope of the procedures performed is less than the scope of those performed in our audit of the financial statements.
The manager is responsible for the preparation of the other information, including the management report, in accordance with Part 9 of Book 2 of the Dutch Civil Code, and other information pursuant to Part 9 of Book 2 of the Dutch Civil Code.

Description of the responsibilities for the financial statements

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

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

The Supervisory Board is responsible for overseeing the Fund's financial reporting process.

Our responsibilities for the audit of the financial statements
Our objective is to plan and perform the audit engagement in a manner that allows us to obtain sufficient and appropriate audit evidence for our opinion. Our audit has been performed with a high, but not absolute, level of assurance, which means we may not have detected all material errors and fraud during our audit. Misstatements can arise from fraud or errors and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements. The materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

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

- identifying and assessing the risks of material misstatement of the financial statements, whether due to errors or fraud, designing and performing audit procedures responsive to those risks, and obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from errors, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtaining an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control;

- evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the manager;
- concluding on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company ceasing to continue as a going concern;
- evaluating the overall presentation, structure and content of the financial statements, including the disclosures; and
- evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Utrecht, 28 March 2024
KPMG Accountants N.V.

G.J. Hoeve RA

Appendix 1

Specification of investments ASR Private Debt Fund I

Loan ID	Instrument Name	Rating	Country	Currency	Sector	Nominal value 31-12-2023	Market value 31-12-2023
LF_1106	Project Cloud	BBB	NO	EUR	Services	37,500	38,264
LF_124471	Project Spartan	BB	NL	EUR	Consumer Goods	26,863	27,371
LF_124452	Project Car Lease	BBB	NL	EUR	Financial Services	25,000	24,574
LF_1188	Project New London	BBB	NL	EUR	Services Non-cyclical	23,093	22,857
LF_124501	Project OAK	BB	NL	EUR	Consumer Goods	21,667	21,449
LF_1245	Project Fit	BBB	BE	EUR	Consumer Goods	20,000	20,090
LF_124333	Project Persee	BBB	NL	EUR	Services	20,000	19,941
LF_124633	Project Lightboost	BBB	DE	EUR	Telecommunications	18,150	18,025
LF_124557	Project Finafun	BB	NL	EUR	Telecommunications	17,770	17,994
LF_1244	Project Arles	BBB	NL	EUR	Leisure	16,667	16,737
LF_124495	Project Sport	BB	NL	EUR	Capital Goods	15,000	15,171
LF_1183	Project Labello	BBB	BE	EUR	Consumer Goods	14,716	14,795
LF_124522	Project Eden	BB	ES	EUR	Telecommunications	14,583	14,469
LF_1237	Project Anton	BBB	NL	EUR	Healthcare	13,881	13,921
LF_124456	Project Chamonix	BB	NL	EUR	Technology & Electronics	13,200	13,467
LF_124797	Project Hercules	BB	NL	EUR	Capital Goods	12,800	12,940
LF_1071	Project MCG	BBB	NL	EUR	Capital Goods	12,300	12,551
LF_124556	Project Finafun	BB	NL	EUR	Telecommunications	12,230	12,480
LF_124603	Project Anton	BBB	NL	EUR	Healthcare	11,259	11,246
LF_124339	Project Spinoza	B	NL	EUR	Consumer Goods	11,250	11,236
LF_1182	Project Labello	BBB	BE	EUR	Consumer Goods	10,284	10,339
LF_124521	Project Eden	BB	ES	EUR	Telecommunications	10,417	10,249
LF_124428	Project Obelix	BB	NL	EUR	Healthcare	10,000	10,010
LF_124448	Project Green Lease	BB	NL	EUR	Financial Services	10,000	9,985
LF_1090	Project Shelter	BB	BE	EUR	Basic Industry	10,000	9,799
LF_124604	Project Anton	BBB	NL	EUR	Healthcare	9,541	9,618
LF_1091	Project Vulcan	BB	DE	EUR	Services Cyclical	9,000	9,184
LF_1075	Project Dune	B	BE	EUR	Basic Industry	9,268	9,032
LF_124635	Project Seven	BBB	DE	EUR	Telecommunications	8,056	8,413
LF_1222	Project Mobility	BB	NL	EUR	Healthcare	8,250	8,332
LF_1223	Project Mobility	BB	NL	EUR	Healthcare	8,250	8,296
LF_1066	Project Lightboost	BBB	DE	EUR	Telecommunications	9,011	8,191

Back to contents >

Loan ID	Instrument Name	Rating	Country	Currency	Sector	Nominal value 31-12-2023	Market value 31-12-2023
LF_1243	Project Arles	BBB	NL	EUR	Leisure	8,122	8,144
LF_1065	Project Jupiter	BBB	NL	EUR	Basic Industry	7,980	8,079
LF_124618	Project Centurion	BBB	NL	EUR	Consumer Goods	8,000	7,974
LF_124634	Project Seven	BBB	DE	EUR	Telecommunications	7,599	7,479
LF_124609	Project Tasman	B	NL	EUR	Basic Industry	7,500	7,197
LF_1063	Project Anton	BBB	NL	EUR	Healthcare	6,600	6,716
LF_1089	Project Print	CCC	NL	EUR	Capital Goods	16,103	6,441
LF_124474	Project Hammer	B	NL	EUR	Consumer Goods	6,557	6,438
LF_124617	Project Centurion	BBB	NL	EUR	Consumer Goods	6,250	6,245
LF_1260	Project Abacus	BB	NL	EUR	Technology & Electronics	6,000	6,007
LF_124608	Project Tasman	B	NL	EUR	Basic Industry	5,719	5,580
LF_1103	Project Spear	BB	NL	EUR	Services	5,500	5,529
LF_1069	Project Medicine	B	BE	EUR	Healthcare	5,236	5,200
LF_1253	Project Hercules	BB	NL	EUR	Capital Goods	5,040	5,166
LF_1239	Project Road	BB	NL	EUR	Financial Services	5,000	5,027
LF_124508	Project Arches	BB	NL	EUR	Services	4,885	4,880
LF_1238	Project Road	BB	NL	EUR	Financial Services	4,841	4,854
LF_124427	Project Obelix	BB	NL	EUR	Healthcare	4,714	4,719
LF_1102	Project Spear	BB	NL	EUR	Services	4,200	4,222
LF_124455	Project Chamonix	BB	NL	EUR	Technology & Electronics	4,168	4,168
LF_124473	Project Hammer	B	NL	EUR	Consumer Goods	4,164	4,110
LF_124371	Project Jolene	BBB	NL	EUR	Telecommunications	4,232	4,082
LF_124392	Project Fire	BB	DE	EUR	Services Cyclical	4,000	4,078
LF_1240	Project Flex	BBB	NL	EUR	Services	4,033	4,036
LF_1259	Project Abacus	BB	NL	EUR	Technology & Electronics	4,000	4,002
LF_1104	Project Spear	BB	NL	EUR	Services	3,500	3,531
LF_124458	Project Summer	BB	DE	EUR	Healthcare	3,383	3,444
LF_1064	Project Jupiter	BBB	NL	EUR	Basic Industry	3,206	3,206
LF_124494	Project Arches	BB	NL	EUR	Services	3,047	3,062
LF_1190	Project Arches	BB	NL	EUR	Services	2,862	2,898
LF_1088	Project Gravity	B	GB	EUR	Basic Industry	2,751	2,804
LF_1187	Project New London	BBB	NL	EUR	Services Non-cyclical	2,834	2,803
LF_1101	Project Spear	BB	NL	EUR	Services	2,800	2,800
LF_124493	Project Arches	BB	NL	EUR	Services	2,528	2,533
LF_1185	Project Road	BB	NL	EUR	Financial Services	2,500	2,486
LF_1264	Project Arches	BB	NL	EUR	Services	2,475	2,476
LF_1184	Project Road	BB	NL	EUR	Financial Services	2,421	2,387
LF_1077	Project Flex	BBB	NL	EUR	Services	2,163	2,177
LF_1191	Project Arches	BB	NL	EUR	Services	2,120	2,160
LF_1227	Project Flex	BBB	NL	EUR	Services	2,107	2,121

Back to contents >

Loan ID	Instrument Name	Rating	Country	Currency	Sector	Nominal value 31-12-2023	Market value 31-12-2023
LF_1084	Project Flex	BBB	NL	EUR	Services	1,987	2,000
LF_124457	Project Summer	BB	DE	EUR	Healthcare	1,729	1,745
LF_124489	Project Ocean	BB	DE	EUR	Healthcare	1,684	1,712
LF_1265	Project Arches	BB	NL	EUR	Services	1,650	1,651
LF_1070	Project Medicine	B	BE	EUR	Healthcare	1,429	1,416
LF_1189	Project New London	BBB	NL	EUR	Services Non-cyclical	1,316	1,395
LF_1092	Project Vulcan	BB	DE	EUR	Services Cyclical	1,000	1,020
LF_1083	Project Flex	BBB	NL	EUR	Services	923	929
LF_124472	Project Summer	BB	DE	EUR	Healthcare	772	779
LF_124562	Project Tasman	B	NL	EUR	Basic Industry	713	736
LF_1093	Project Vulcan	BB	DE	EUR	Services Cyclical	714	733
LF_1262	Project Abacus	BB	NL	EUR	Technology & Electronics	0	54
LF_1261	Project Abacus	BB	NL	EUR	Technology & Electronics	0	37
Total investments ASR Private Debt Fund I							666,496

Appendix 2 Periodic disclosure SFDR

SFDR Annex IV

Product name: ASR Private Debt Fund I
Legal entity identifier (LEI): 7245009J20E8RGEVP872

Environmental and/or social characteristics

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Did this financial product have a sustainable investment objective?

[ ] Yes	[X] No
[ ] It made **sustainable investments with an environmental objective:** ___ %	[X] It **promoted Environmental/Social (E/S) characteristics** and while it did not have as its objective a sustainable investment, it had a proportion of 11.98% of sustainable investments
[ ] In economic activities that qualify as environmentally sustainable under the EU Taxonomy	[ ] with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
[ ] in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy	[X] with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
	[X] with a social objective
[ ] It made **sustainable investments with a social objective:** ___%	[ ] It promoted E/S characteristics, but **did not make any sustainable investments**

The interpretation of the definition of sustainable investments is subject to continuous development, both within the legislative framework and in the market. Based on these developments, ASR Vermogensbeheer N.V. ("ASR Vermogensbeheer", "AVB" or the "Manager") might update the definition of sustainable investments in 2024.

In calculating the percentage of sustainable investments, ASR Vermogensbeheer applies the methodology described under the heading **'What were the objectives of the sustainable investments partially made by the financial product, and how did the sustainable investments contribute to achieving those objectives?'**

To what extent were the environmental and/or social characteristics promoted by this financial product met?

The SRI Policy of ASR Vermogensbeheer ('sustainability policy', see the website of ASR Vermogensbeheer) sets the environmental and/or social characteristics used by the Manager. The Fund promotes sustainability characteristics by applying this sustainability policy when making investment decisions. The sustainability policy is continuously assessed against the latest insights and developments and adjusted where AVB considers this relevant.

The Manager applies this policy in managing the Fund in accordance with the following criteria:

- The Fund did not grant Private Debt Loans to companies that are involved in controversial activities as defined in the SRI Policy;
- The granting of Private Debt Loans to companies with systematic and severe violations to human and labour rights, or to the environment, were excluded (in line with the SRI Policy);
- The Fund did not invest in companies active in the fossil fuel sector;
- The selection of sourcing partners is primarily determined by their ability to source Private Debt loans that have positive impact characteristics.

Where possible, the Fund will grant loans to companies, or projects, that can be classified as pioneering in the field of sustainability in accordance with the applicable a.s.r. definition of impact investing. These investments are considered sustainable investments. However, the Fund currently did not make a commitment for a minimum proportion of such sustainable investments.

How did the sustainability indicators perform? .. and compared to previous periods?

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

During the reference year 2023, no investments were made in companies that were not in line with the SRI policy of the Fund Manager. Furthermore, the granting of a Private Debt Loan remains at the discretion of the Fund Manager and follows (at minimum) the exclusion criteria as defined in its sustainability policy. Meaning that certain activities are completely excluded from our investable universe, such as arms production, activities related to gambling, and production of tobacco. These criteria are continuously adapted within the SRI policy. This is monitored continuously and is part of periodic checks performed by the Manager. This is partially measured by means of a threshold of:

- 0% on PAI Table I #4 Exposure to companies active in the fossil fuel sector;
- 0% on PAI Table I #14 Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons);
- 0% on PAI Table I #10 Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises.

Furthermore, compared to the previous reference period (2022), the PAI- scores have remained unchanged.

What were the objectives of the sustainable investments that the financial product partially made and how did the sustainable investment contribute to such objectives?

Borrower	Description	SDG
Lease	Lease is an electric-only car leasing company founded in 2007 and based in Amsterdam, the Netherlands. Lease is a brand-independent lease company. Its mission is to accelerate the transition to sustainable mobility across Europe by leasing electric cars with a strong focus on self-driving technology.	SDG 7 Affordable and Clean Energy - Ensure access to affordable, reliable, sustainable and modern energy for all SDG 13 Climate Action - Take urgent action to combat climate change and its impacts
Anton	Anton is a company that makes care accessible to those in need of care by renting out care aids (wheelchairs, rollators, crutches, etc.). Because the rental price is generally paid by governments and health insurers (via the WMO, ZVW and WLZ), individuals do not need to purchase care aids themselves, but can borrow them temporarily. This allows a product to be used by multiple care recipients during its technical lifespan, which promotes product circularity and makes safe care aids accessible to lower income groups. In an aging society, these devices allow those in need of care to live at home longer with these care aids and spend a greater portion of care recovery (for example after surgery) at home.	SDG 13 Good health and well-being
Seven	Seven is a regional fiber optic company that wants to roll out fiber optic networks in rural areas in Germany with the focus on small municipalities with 100-1500 households in regions without access to high-speed internet. Fiber optics combined with a good internet connection can support health care in rural areas, especially for the elderly who cannot easily drive to the next doctor who is villages away and allows also enables the use of new technologies such as remote patient care. E-Learning is becoming increasingly important. Education is becoming cheaper and more easily accessible regardless location. People can participate in programs at universities that they could not afford to live in the city. A high-speed internet connection is an important aspect of life for many people, as communication connects people. It will no longer be necessary to travel to larger cities.	SDG 3 Ensure healthy lives and promote well-being for all at all ages SDG 4 Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all SDG 9 Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation

Mobility	Mobility is a company that manufactures customized bicycles, enabling individuals to maintain mobility and independence for longer periods. This serves as a healthier alternative to, for instance, compare to a mobility scooter. The company significantly contributes to the integration of people with disabilities into society. They offer various types of bicycles tailored to different needs and solutions. From more basic models covered by health insurance to luxurious models purchased privately without subsidies. The company derives 100% of its revenue from the production and delivery of bicycles (the UN PRI minimum is 50%). This includes both newly manufactured bicycles and services like maintenance. A reliable indicator is the number of bicycles sold, as these exclusively consist of customized bicycles.	SDG 13 Good health and well-being

How did the sustainable investments that the financial product partially made not cause significant harm to any environmental or social sustainable investment objective?

The Manager has aligned the sustainability policy with international frameworks such as the OECD Guidelines, the UN Guiding Principles on Business and Human Rights, the UN Global Compact, and the principles and rights under the Eight Fundamental Conventions of the International Labour Organisation. All investments are screened against these principles. Companies that do not adhere to these standards had been or were excluded during the reference period. More information on this subject can be found in the list of exclusions as at year-end 2023.

How were the indicators for adverse impacts on sustainability factors taken into account?

The following indicators have been taken into account as part of the investment and monitoring process:

- **PAI for companies Table I #4. Exposure to companies active in the fossil fuel sector.**
- **PAI for companies Table I #10. Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises.** Companies with serious violations of the UN Global Compact or OECD guidelines are excluded. Indications of serious breach by a portfolio company may lead to a dialogue with the company. Unsatisfactory results will lead to exclusion from the company.
- **PAI for companies Table I #14. Exposure to controversial weapons** (anti-personnel mines, cluster munitions, chemical weapons and biological weapons). Controversial weapons are excluded in line with the SRI Policy.

The PAI results for the year 2023 are reported in the next section.

Were sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:

The sustainable investments were aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, according to the SRI policy of ASR Vermogensbeheer. All sustainable investments are screened against these principles. Companies that do not meet the OECD Guidelines or the UN Guiding Principles on Business and Human Rights had been or were excluded during the reference period. More information on this subject can be found in the list of exclusions as at year-end 2023.

The EU Taxonomy sets out a "do not significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanies by specific Union criteria.

The "do not significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentaly sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.

How did this financial product consider principal adverse impacts on sustainability factors?

As part of the SRI Policy, the following Principal Adverse Impacts on sustainability factors have been taken into account.

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

- **PAI for companies Table I #4. Exposure to companies active in the fossil fuel sector.** The Fund does not invest in companies active in the fossil fuel sector. This is measured by means of a threshold of 0% on PAI #4 Exposure to companies active in the fossil fuel sector. In 2023, 0% of investments have been made in companies active in the fossil fuel sector.
- **PAI for companies Table I #10. Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises.** The granting of Private Debt Loans to companies with systematic and severe violations to human and labour rights, or to the environment, will be excluded (in line with the SRI policy). In 2023, 0% of investments have been made in companies that have been involved in violations of UN Global Compact or OECD guidelines (this indicator was not yet reported previous year).
- **PAI for companies Table I #14. Exposure to controversial weapons** (anti-personnel mines, cluster munitions, chemical weapons, and biological weapons). Controversial weapons are excluded in line with the SRI Policy. In 2023, 0% of investments have been made in companies involved in the manufacture or selling of controversial weapons (this indicator was not yet reported previous year).

What were the top investments of this financial product?

The list includes the investments constituting **the greatest proportion of investments** of the financial product during the reference period which is: **2023-12-31**

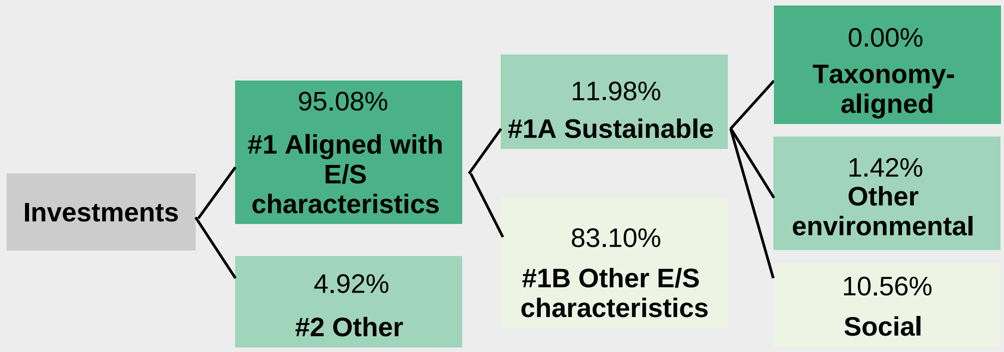
Largest investments	Sector	% assets	Country
Project Anton	Healthcare	6.23%	NL
Project Cloud	Services	5.74%	NO
Project Finafun	Telecommunications	4.57%	NL
Project Spartan	Consumer Goods	4.11%	NL
Project Lightboost	Telecommunications	3.93%	DE
Project Labello	Consumer Goods	3.77%	BE
Project Arles	Leisure	3.73%	NL
Project Eden	Telecommunications	3.71%	ES
Project Car Lease	Financial Services	3.69%	NL
Project New London	Services Non-cyclical	3.64%	NL
Project OAK	Consumer Goods	3.22%	NL
Project Fit	Consumer Goods	3.01%	BE
Project Persee	Services	2.99%	NL
Project Arches	Services	2.95%	NL
Project Hercules	Capital Goods	2.72%	NL

What was the proportion of sustainability-related investments?

Of the investments, a specific percentage is invested in #1, aligned with the mentioned E/S characteristics, while another percentage is invested in #2 Other. Additionally, a specific percentage is invested in #1A Sustainable investments, with the remaining percentage invested in #1B Other E/S Characteristics. See the diagram below for an overview.

What was the asset allocation?

Asset allocation describes the share of investments in specific assets.



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2 Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:
- The sub-category **#1A Sustainable** covers environmentally and socially sustainable investments.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or socialcharacteristics that do not qualify as sustainable investments.

In which economic sectors were the investments made?

More information about the economic sectors can be found in the Management Board report of this financial product.

To what extent were the sustainable investments with an environmental objective aligned with the EU Taxonomy?

As at year end 2023, the percentage of investments that were aligned with the environmental objectives outlined in the EU Taxonomy was 0%

Did the financial product invest in fossil gas and/or nuclear energy related activities complying with the EU Taxonomy[1]?

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to fully renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

- [ ] **Yes**
  - [ ] **In fossil gas**
  - [ ] **In nuclear energy**
- [x] **No**

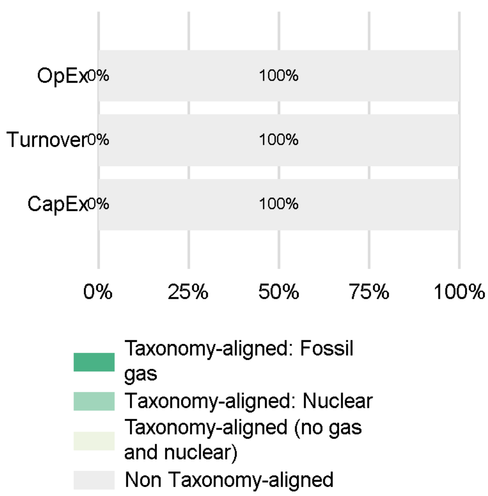
[1] Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective - see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

Taxonomy-aligned activities are expressed as a share of:

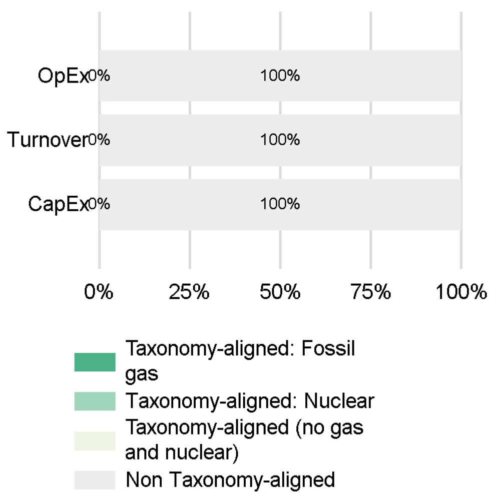
- **turnover** reflecting the share of revenue from green activities of investee companies.
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operationalactivities of investee companies

The graphs below show in green the percentage of investments that were aligned with the EU Taxonomy. As there is no appropriate methodology to determine the taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.

1. Taxonomy-alignment of investments **including sovereign bonds***



2. Taxonomy-alignment of investments **excluding sovereign bonds***



This graph represents 100.00% of the total investments

** For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures.*

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

What was the share of investments made in transitional and enabling activities?

As at year-end 2023, the percentage of investment that were in transitional activities was 0%. The percentage of investments that were in enabling activities was 0%.

How did the percentage of investments that were aligned with the EU Taxonomy compare with previous reference periods?

As at year-end 2022, the percentage of investments that were aligned with the EU Taxonomy was 0%. As at year-end 2023, 0% of the investments were aligned with the EU Taxonomy.

are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under Regulation (EU) 2020/852.

What was the share of sustainable investments with an environmental objective not aligned with the EU Taxonomy*?*

As at year-end 2023, the percentage of investments with an environmental objective that were not aligned with the EU Taxonomy was 1.42%.

What was the share of socially sustainable investments*?*

As at year-end 2023, the percentage of investments that were investments with a socially sustainable objective was 10.56%.

What investments were included under “other”, what was their purpose and were there any minimum environmental or social safeguards*?*

Investments under "other" may include cash, cash equivalents, derivatives and Exchange Traded Funds (ETFs). These investments are used for diversification purposes, efficient-portfolio management and risk management. There were no environmental or social minimum safeguards for these investments.

What actions have been taken to meet the environmental and/or social characteristics during the reference period*?*

During 2023, the Manager has taken the following measures to comply with the ecological and/or social characteristics:

- At the beginning of the investment process the target company is screened according to the SRI Policy. During the investment process an ESG analysis is performed on material ESG issues and risks relevant to the company. Depending on the outcome of the analysis, the company will be assigned an ESG risk score from low, medium to high. ESG scores are reassessed on an annual basis. Any breach of SRI Policy or severe company specific events will trigger an ad hoc reassessment of the ESG score.
- Possible borrowers are excluded if they conflict with national or international standards as described in the sustainability policy (for example OECD Guidelines, UN Guiding Principles, UN Global Compact, the Sustainable Investment Code or sector-specific criteria in line with climate science). New exclusions during the Reference Period are mainly investments in the fossil energy sector, as a result of policy changes at Fund Manager.
- A dialogue has been initiated with companies in which investments have been made, with the aim of monitoring and improving the applicable sustainability KPI’s and policy.

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

How did this financial product perform compared to the reference benchmark?

Not applicable. This Fund did not identify a specific index as a reference benchmark to determine if it was aligned with the ecological or social characteristics it promoted.

a.s.r.
Archimedeslaan 10
3584 BA Utrecht
www.asr.nl

ASR Vermogensbeheer N.V. - KvK 30227237 Utrecht

53870_0424