



# ASN Beleggingsfondsen UCITS N.V. Annual Report 2020

The original financial statements were drafted in Dutch. This document is an English translation of the original.  
In the case of any discrepancies between the English and the Dutch text, the latter will prevail.

asn  beleggingsfondsen

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# Foreword by the Board of Directors

The year 2020 has shown us in unprecedented ways that something as microscopic as a virus can have a huge impact on our global economic and social structures, in the same way that a butterfly can cause a hurricane.

At the same time, the climate and biodiversity crises were becoming ever more visible. Many heat, drought and other depressing records have been broken. For example, the number of insects – including butterflies – decreased dramatically due to human activity as devastating as a hurricane. And now the more common species of insects are also in sharp decline.

Of course, we have long known that everything is intertwined. But are we acting accordingly?

For our organisation, we venture to answer that question with a firm ‘Yes’. For 27 years, we have only invested in companies, institutions and projects that, in addition to financial returns, also attempt to make a positive contribution in the areas of climate, biodiversity and human rights. That is why we embrace the Sustainable Finance Action Plan (SFAP), which encourages EU countries to invest sustainably, and also the associated new regulations, such as the Sustainable Finance Disclosure Regulation (SFDR), which encourage long-term thinking and will provide greater transparency.

Our equity funds (UCITS N.V.), which have also been available internationally since last year, achieved excellent returns. With a return of 9.8%, ASN Duurzaam Aandelenfonds outperformed the benchmark by more than 4.5%, while ASN Duurzaam Small & Midcapfonds performed slightly better than the benchmark with a return of 7.0%, and ASN Milieu & Waterfonds, with a return of 22.4%, was among the best sustainable funds available in the Netherlands for the second time in a row. ASN Duurzaam Obligatiefonds had a positive return thanks to price increases and interest payments received.

The year 2020 also showed that many countries were tackling the virus with a vast flood of capital and measures. We must also be able to muster this sense of urgency and willingness to act on it globally for the climate and biodiversity crisis, where the stakes are infinitely higher. What are we waiting for?

In any case, we will be driving the transition towards a sustainable economy with even greater vigour. Thanks to our UCITS licence, which we obtained in 2020, we are now also able to distribute the UCITS funds internationally. In addition, we will soon be launching a new name that will live up to our reputation and ambitions. Because we will not be satisfied until our investments remove more CO<sub>2</sub> from the climate than we emit into it. Until we structurally improve the living conditions and labour rights of workers around the world. And until animal and plant species recover rather than disappear. And, of course, until we achieve a healthy financial return by doing so.

Our goal is an effectively positive impact on people and the planet by 2030, because you can only continue to reap benefits from a richer world. We too are not there yet. But fortunately, we are already well on our way.

Bas-Jan Blom

Gert-Jan Bruijnooge



# Key figures

## Performance in 2020

We compare the return of each fund with that of its benchmark. The benchmarks allow us to compare the performance of investments with that of similar investments. The funds' performance relative to the benchmark is shown in the table below. Chapter 2 contains information on how the returns of the various funds were achieved.

## Key figures from last five years

Until 18 June 2020, ASN Duurzaam Aandelenfonds, ASN Duurzaam Obligatiefonds, ASN Milieu & Waterfonds and ASN Duurzaam Small & Midcapfonds were part of ASN Beleggingsfondsen N.V. On 18 June 2020, ASN Beleggingsfondsen N.V. was divided into two new companies: ASN Beleggingsfondsen AIF N.V. and ASN Beleggingsfondsen UCITS N.V. The aforementioned funds are now part of ASN Beleggingsfondsen UCITS N.V. and are referred to in this report as the UCITS funds.

Effective 18 June 2020, the ASN Duurzaam Mixfonds, ASN Duurzaam Mixfonds Zeer Defensief, ASN Duurzaam Mixfonds Defensief, ASN Duurzaam Mixfonds Neutraal, ASN Duurzaam Mixfonds Offensief and ASN Duurzaam Mixfonds Zeer Offensief became shareholders in the UCITS funds. Having formerly invested in the investment pools of ASN Beleggingsfondsen N.V., their inclusion saw the fund capital of the UCITS funds grow in 2020.

### ASN Duurzaam Aandelenfonds

Year	Growth		Performance			
	Amount of capital (in thousands of euros) at the end of the reporting period	Number of shares outstanding at the end of the reporting period	Listed price at the end of the reporting period (€)	Dividend distribution (€)	Performance including reinvestment (%) <sup>1</sup>	Benchmark performance (%)
<b>2020</b>	<b>1,543,572</b>	<b>11,091,282</b>	<b>139.19</b>	<b>2.85</b>	<b>9.77</b>	<b>5.23</b>
2019	1,487,553	11,463,400	130.06	2.95	33.18	27.44
2018 <sup>2</sup>	767,710	7,627,250	100.26	2.50	-9.29	-7.80
2017 <sup>2</sup>	839,973	7,458,053	112.93	2.15	11.81	9.22
2016 <sup>2</sup>	812,311	7,896,619	102.96	1.50	-2.45	5.76

<sup>1</sup> Performances are based on the quoted stock market price, including reinvested dividend.

<sup>2</sup> The comparative figures of 2018, 2017 and 2016 were not adjusted as a result of the division.

### ASN Duurzaam Obligatiefonds

Year	Growth		Performance			
	Amount of capital (in thousands of euros) at the end of the reporting period	Number of shares outstanding at the end of the reporting period	Listed price at the end of the reporting period (€)	Dividend distribution (€)	Performance including reinvestment (%) <sup>1</sup>	Benchmark performance (%)
<b>2020</b>	<b>576,826</b>	<b>20,366,907</b>	<b>28.34</b>	<b>1.00</b>	<b>1.40</b>	<b>2.12</b>
2019	644,273	22,275,347	28.95	0.60	1.98	3.12
2018 <sup>2</sup>	221,812	7,665,071	28.98	0.75	0.39	0.41
2017 <sup>2</sup>	255,242	8,638,061	29.62	0.60	-0.48	-0.29
2016 <sup>2</sup>	248,214	8,201,691	30.37	0.50	3.36	3.27

<sup>1</sup> Performances are based on the quoted stock market price, including reinvested dividend.

<sup>2</sup> The comparative figures of 2018, 2017 and 2016 were not adjusted as a result of the division.

## ASN Milieu &amp; Waterfonds

Year	Growth		Performance			
	Amount of capital (in thousands of euros) at the end of the reporting period	Number of shares outstanding at the end of the reporting period	Listed price at the end of the reporting period (€)	Dividend distribution (€)	Performance including reinvestment (%) <sup>1</sup>	Benchmark performance (%)
<b>2020</b>	<b>838,039</b>	<b>18,477,881</b>	<b>45.17</b>	<b>0.60</b>	<b>22.46</b>	<b>56.18</b>
2019	708,605	18,904,827	37.55	0.35	36.15	29.16
2018 <sup>2</sup>	493,339	17,530,949	27.88	0.45	-17.56	-9.19
2017 <sup>2</sup>	552,780	16,259,204	34.27	0.25	10.01	8.06
2016 <sup>2</sup>	460,322	14,762,975	31.39	0.20	9.09	13.19

<sup>1</sup> Performances are based on the quoted stock market price, including reinvested dividend.

<sup>2</sup> The comparative figures of 2018, 2017 and 2016 were not adjusted as a result of the division.

## ASN Duurzaam Small &amp; Midcapfonds

Year	Growth		Performance			
	Amount of capital (in thousands of euros) at the end of the reporting period	Number of shares outstanding at the end of the reporting period	Listed price at the end of the reporting period (€)	Dividend distribution (€)	Performance including reinvestment (%) <sup>1</sup>	Benchmark performance (%)
<b>2020</b>	<b>157,359</b>	<b>3,320,386</b>	<b>47.72</b>	<b>0.80</b>	<b>7.03</b>	<b>6.72</b>
2019	194,721	4,281,283	45.57	0.45	36.85	29.99
2018 <sup>2</sup>	92,265	2,724,850	33.67	0.55	-17.45	-15.83
2017 <sup>2</sup>	103,180	2,490,291	41.33	0.70	22.89	19.61
2016 <sup>2</sup>	79,321	2,297,673	34.25	0.50	-4.72	3.16

<sup>1</sup> Performances are based on the quoted stock market price, including reinvested dividend.

<sup>2</sup> The comparative figures of 2018, 2017 and 2016 were not adjusted as a result of the division.

# Terms used

## Share

When an investor or investment fund buys a share, it is effectively buying part (a unit of ownership) of a company. A share is proof of participation in the equity capital of a company. This is risk-bearing capital. In the case of listed companies, the price of the share, the listed share price, is determined by supply and demand on the stock market. Many companies distribute dividend to their shareholders once or twice a year. The return on shares consists of changes in price and dividend. In the case of unlisted companies, investors can buy and sell shares off-exchange. In this scenario, existing and potential shareholders negotiate on a more direct basis with one another. Shares of unlisted companies are valued at (approximate) fair value, taking into account recent market transactions and market developments.

## ABB

ASN Beleggingsinstellingen Beheer B.V. (ABB) is the UCITS manager of ASN Beleggingsfondsen UCITS N.V. and AIF manager of ASN beleggingsfondsen AIF N.V. ABB has its registered office in The Hague and place of business at Bezuidenhoutseweg 153, 2594 AG The Hague.

## AIF-manager

A manager of an investment institution (beleggingsinstelling) as referred to in Section 2:65 of the Dutch Financial Supervision Act (Wft). ASN Beleggingsinstellingen Beheer B.V. (ABB) has been appointed as AIF manager for ASN Beleggingsfondsen AIF N.V.

## AIFMD

AIFMD is the abbreviation for Alternative Investment Fund Managers Directive, officially 'Directive 2011/61/EU of the European Parliament and of the Council of 8 June 2011 on Alternative Investment Fund Managers'. AIFMD is also referred to as the AIFM Directive. This Directive is incorporated into the Financial Supervision Act (Wet op het financieel toezicht, "Wft") and fully entered into force on 22 July 2014. AIFMD enhances the transparency for investors and regulators and reinforces the financial stability of investment funds and institutions. The ultimate aim is to protect investors.

## Asset allocation

The allocation of an investment portfolio across different asset classes, such as equities, bonds, property and/or cash. Strategic asset allocation is the portfolio composition in normal conditions on the financial markets. Tactical asset allocation is the composition in anticipation of current market conditions.

## Investment fund

An investment fund is a fund in which multiple investors' money is pooled together. The professional investment manager invests this money in accordance with the fund's investment policy. There are many types of investment funds, such as equity funds, for example, which invest across the globe, in particular regions or sectors, or in companies of a certain size. Other types of investment funds include bond funds, money market funds and property funds, private loan funds and combinations thereof.

## Investment universe

The list of companies, governments, institutions and other investments in which a fund may invest. The investment universe of the ASN Beleggingsfondsen is known as the ASN Investment Universe.

## Benchmark

An aid or measure for comparing the performance of investments with that of similar investments. Benchmarks are compiled and maintained by financial institutions.

## Quoted stock market price

The quoted stock market price is the price of an instrument listed on a stock market, such as a share or a bond. The price is set on the stock market as determined by supply and demand. The quoted stock market price can vary from day to day, and from one moment to the next.

## Credit spread

The difference in yield between bonds of similar maturity. This difference is the result of a difference in credit risk. There is a credit spread between sovereign bonds of countries deemed high risk, for example, and sovereign bonds of countries deemed low risk. The credit spread in Europe mostly indicates the difference between the interest on sovereign or

corporate bonds, on the one hand, and the interest on German government bonds or swaps of similar maturity, on the other.

### Derivatives

Financial derivatives are investment instruments that derive their value from the value of another asset or financial instrument, such as equities. This other asset is referred to as the underlying value. Options and futures are examples of types of derivatives. Financial derivatives are used, among other things, to reduce risks and to take active market positions. ABB places strict requirements on the use of derivatives. One of these is that derivatives may only be used to reduce risks.

### Dividend

Enterprises that make a profit can reinvest it in the enterprise or pay it out to shareholders. This payment, or distribution, of profit to shareholders is known as dividend. An investment fund also can receive dividend from the enterprises in which it invests, and distribute it in turn to the participants in (or: shareholders of) the investment fund. In this way an investment fund can therefore also distribute dividend.

### Duration

The *duration* is the weighted average maturity of a bond, taking into account the remaining maturity and repayments. The duration indicates the sensitivity of a bond or bond portfolio to interest rate changes.

### Sustainable investment objective

The specific social or ecological objective that a Fund aims to achieve by investing in economic activities of businesses, governments and/or institutions and other investments that contribute to achieving that objective, which do not lead to serious adverse consequences for humans and the environment and which follow good governance practices.

### Impact funds

An investment fund specialised in impact investments. The primary goal of the fund is to generate a beneficial social or environmental impact alongside a financial return. Investment funds that do not invest in listed companies are generally viewed as impact funds. The ASN Groenprojectenfonds and ASN-Novib Microkredietfonds are impact funds.

### Net asset value

The value of all the assets in the investment fund at a given moment. The pricing of listed funds is determined by supply and demand, subject to a surcharge or deduction. As a result, the buying and selling prices may differ from the net asset value.

### Indexed return

The return of an investment fund, consisting of the sum of the price gains and the distributed dividends, calculated since the inception date of the fund. At its inception date, the fund is considered as having a value of 100.

### Greenbonds

A green bond is used to raise money to invest in sustainable energy projects and environmental and land use projects, such as agriculture, forestry, water and waste management.

### Credit rating

A credit rating is a quantified assessment of the creditworthiness of the issuer of a bond or loan. This assessment is produced by a specialised rating agency, such as Moody's and Standard & Poor's (S&P). They assess the likelihood that the issuer can meet the obligations attached to the bond without difficulty. The credit ratings of S&P, for example, vary from AAA (high creditworthiness) to D (very low creditworthiness, default).

### Market capitalisation

The market capitalisation of a company is its total market value (number of shares outstanding multiplied by the current market price of one share). The following limits are often observed:

- *large caps*: companies with a market capitalisation of more than €10 billion,
- *mid-caps*: companies with a market capitalisation of €4 billion to €10 billion,
- *small caps*: companies with a market capitalisation below €4 billion.

### Modified duration

Modified duration is a measure of the interest-rate sensitivity of bonds. It can be used to calculate the impact of a change in the market interest rate on the yield of a bond. Given a modified duration of 3, for example, a 1% decrease in the interest rate will result, approximately, in a 3% rise in the price of the loan, and vice versa.

### Bond

Bonds are debt securities issued by (semi)public institutions or companies. An investor who has bought a bond receives annual interest on the bond, usually at a pre-set rate. Bonds are traded on the market, resulting in price discovery. The return on a bond consists of changes in price and coupon interest. Bonds are the main type of fixed-income securities.

### Private loan

A private loan is a loan whereby one or more lenders lend money to a borrower. In contrast to bond loans, private loans are agreed directly and on individually tailored terms between the lender(s) and the borrower.

### Prospectus

A prospectus is a mandatory, formal legal document which must be published upon the issue of financial products (shares, bonds, investment funds, etc.). The prospectus sets out the issue terms and conditions as well as the financial and non-financial information regarding the issuer.

### Risk-return ratio

The ratio between risk and return of an investment. Generally speaking: the lower the risk, the lower the expected return. And vice versa: the higher the risk, the greater the potential of high returns in the longer term.

### UCITS

UCITS is the abbreviation for Undertakings for Collective Investments in Transferable Securities, taken from 'Directive 2009/65/EC of the European Parliament and of the Council of 13 July 2009 on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities (UCITS)', as supplemented by Directive 2014/91/EU and amending Directive 2009/65/EC. These Directives are incorporated into the Financial Supervision Act (Wet op het financieel toezicht, "Wft").

### UCITS-manager

A manager of an undertaking for collective investment in transferable securities as referred to in Section 2:69b of the Wft. ASN Beleggingsinstellingen Beheer B.V. (ABB) has been appointed as UCITS manager for ASN Beleggingsfondsen UCITS N.V.

### UCITS-funds

The subfunds of ASN Beleggingsfondsen UCITS N.V.: ASN Duurzaam Obligatiefonds, ASN Milieu & Waterfondsen, ASN Duurzaam Aandelenfonds and ASN Duurzaam Small & Midcapfondsen.

### Weighting

The investment manager of an investment fund generally has a fixed allocation of its investments across various asset classes (see asset allocation). When the position in a particular class is greater than in the strategic asset allocation, this is referred to as an overweight position or overweight. If the position is below that in the strategic asset allocation, we refer to an underweight position or underweight. It is also possible to be overweight or underweight in specific countries, companies or sectors relative to the benchmark.

# Report of the Supervisory Board

To the general meeting of shareholders of ASN Beleggingsfondsen UCITS N.V.

As Supervisory Board, our duty is to supervise the policy of the Board of Directors and the general course of events in the company, ASN Beleggingsfondsen UCITS N.V. We are available to advise the Board of Directors. In discharging our duties, we focus on the interests of the company without losing sight of the interests of shareholders, employees and society. In addition to the Articles of Association and the Corporate Governance Code, our duties and responsibilities are laid down in the Regulations of the Supervisory Board of ASN Beleggingsfondsen UCITS N.V.

## Composition of the Supervisory Board

The Supervisory Board was installed on 22 April 2020 when the company was incorporated and consisted of the same members as those on the Supervisory Board of ASN Beleggingsfondsen N.V., that is Ms. Anne Gram (Chair), Mr. Lodi Hennink (Vice Chair), Mr. Peter Verbaas and Ms. Tineke Lambooy. Mr. Rik Plomp, as the only former Supervisory Board member, was not installed in the new Board because his term expired in May 2020 and Mr. Plomp was not available for reappointment.

As of 18 June 2020, the date of the legal division of ASN Beleggingsfondsen N.V. into ASN Beleggingsfondsen AIF N.V. and ASN Beleggingsfondsen UCITS N.V., Mr. Dennis Bams joined the Supervisory Board of ASN Beleggingsfondsen UCITS N.V. Mr Bams had previously – at the annual general meeting of shareholders of ASN Beleggingsfondsen N.V. in May 2020 – been appointed by the shareholders as a member of the Supervisory Board of ASN Beleggingsfondsen N.V. This appointment was a condition of joining the new Board as of 18 June 2020. Mr Bams was appointed because of his expertise in the field of risk management and audit.

In November of the year, Mr. Verbaas resigned prematurely, after which our Board now again consists of four people. The resulting vacancy is expected to be filled at the annual meeting on 29 April 2021. We would like to thank Mr. Verbaas for his efforts in recent years.

All members of the Board meet the requirements as referred to in Section 142a(1) of Book 2 of the Dutch Civil Code and the requirements for independence. At the end of 2020, the composition of the Board was as follows:

Name	Gender	Position	Nationality	1st appointment	Current term
Anne Gram	F	Chair	Danish	20-04-2017	2017-2021
Lodi Hennink	M	Vice Chair, also Chair AC	Dutch	30-04-2015	2019-2023
Tineke Lambooy	F	Member	Dutch	17-05-2019	2019-2023
Dennis Bams	M	Member, also member AC	Dutch	15-05-2020	2020-2024
Vacancy					

## Meetings

Regular consultations take place between the Supervisory Board and the Board of Directors of ASN Beleggingsfondsen UCITS N.V. In 2020, the Supervisory Board met seven times. The agenda included the following topics:

- Annual report and auditor's report 2019 ASN Beleggingsfondsen N.V.
- Division of ASN Beleggingsfondsen N.V.
- UCITS licence
- Interim report 2020 ASN Beleggingsfondsen UCITS N.V.
- Long-term growth strategy
- Performance review reports
- Sustainable Finance Action Plan
- Impact of the corona (COVID-19) pandemic and measures taken

## Committees

The Supervisory Board has appointed a selection and appointment committee and an audit committee from among its members. The selection and appointment committee is an ad hoc committee in connection with the selection and appointment of new members of the Supervisory Board. This committee was active in the fourth quarter of 2020 in connection with the search for a new member and consists of Ms. Gram (Chair) and Ms. Lambooy.

The audit committee consists of Mr. Hennink (Chair) and Mr. Bams, who succeeded Mr. Plomp as a member of the audit committee in mid-2020. The audit committee met four times in 2020 and discussed the following topics, among others

- Annual report and auditor's report 2019 of ASN Beleggingsfondsen N.V.
- Interim report 2020 ASN Beleggingsfondsen UCITS N.V.
- Internal auditor's audit report and audit plan 2020
- External auditor's 2020 audit plan
- Risk management reports
- Integrity and compliance reports
- Risk Appetite Statement

In addition, the audit committee approved the ancillary services performed by EY in 2020 in its capacity as auditor. These ancillary services consisted of assurance activities for the the prospectus update, reviewing the interim report, and assurance activities in respect of the division of ASN Beleggingsfondsen N.V. The Risk Management Director and the external auditor were present at all audit committee meetings.

### Continuing professional education and company visit

On 7 February 2020, we combined our annual PE session with a company visit to Interface, an investment of ASN Duurzaam Aandelenfonds. Interface produces floors that are CO<sub>2</sub> neutral throughout their life cycle. We started the morning with a presentation by Mr. Piet Sprengers from ASN Bank's Sustainability Expertise Centre. Mr. Sprengers took us through the world of CO<sub>2</sub> positive and biodiversity. Following this, Mr. Blom explained how ABB implements this. Being climate neutral is nice, but being climate positive is better.

In the afternoon we visited the Interface factory in Scherpenzeel. Interface's *sustainability ambassador* showed us around and talked about the company's mission – its *Climate Take Back Plan* – to create a climate suitable for life and to combat global warming. By continuously improving its production process and innovating products, Interface is making an impressive impact on sustainability. The Supervisory Board is proud that such a fantastic company has been included in the investment universe of the ASN Beleggingsfondsen.

### Developments in 2020

The Supervisory Board and the Board of Directors discussed the funds' operational plans and developments. In 2020, the focus was on the division of ASN Beleggingsfondsen N.V. and obtaining the UCITS licence, applying for a European passport, and elaborating the long-term growth strategy. However, Brexit, the coronavirus pandemic and the impact of the EU's Sustainable Finance Action Plan (SFAP) were also discussed. The Supervisory Board notes that it has been an eventful and intense year.

### COVID-19

At the time of writing, the world has been struggling with the coronavirus pandemic for a year. Countries are still in partial or total lockdown, bringing large parts of society and the economy to a standstill. We too have had remote meetings and no in-person meetings since March 2020. The Supervisory Board expresses the hope that the introduction of the vaccine in 2021 will bring relief and will soon provide a way out of this crisis.

### Adoption of 2020 financial statements

We propose that the general meeting of shareholders adopt the 2020 financial statements presented to you. We also request that the general meeting of shareholders discharge the Board of Directors for the management conducted in 2020 and, separately, discharge the Supervisory Board for the supervision conducted in 2020. We thank the Board of Directors for its constructive and enjoyable cooperation and the open manner in which it has always approached the Supervisory Board, and the employees of ABB for the way in which they have performed their activities for the company.

The Hague, 17 March 2021

The Supervisory Board

Anne Gram (Chair)  
Lodi Hennink  
Tineke Lambooy  
Dennis Bams







# 1 Management Board report



## 1.1 Structure and mission of the funds

ASN Beleggingsfondsen UCITS N.V. is an open-ended investment fund and has an umbrella structure. This means that the share capital is divided into various series of shares (the funds). Each fund pursues its own investment policy and has a characteristic return/risk profile related to that policy. ASN Beleggingsfondsen UCITS N.V. consists of four subfunds, which are listed on Euronext Amsterdam, Euronext Fund Services segment. Until 18 June 2020, the funds were part of ASN Beleggingsfondsen N.V., which consisted of twelve subfunds.

The funds have no legal personality as such; the assets are held by one and the same legal entity:

ASN Beleggingsfondsen UCITS N.V. ASN Beleggingsinstellingen Beheer B.V. (ABB) forms the Board of Directors of ASN Beleggingsfondsen UCITS N.V., in accordance with its Articles of Association, and determines the investment policy of ASN Beleggingsfondsen UCITS N.V. ABB also acts as UCITS manager for ASN Beleggingsfondsen UCITS N.V. As UCITS manager, ABB is subject to supervision by the Dutch Authority for the Financial Markets (Autoriteit Financiële Markten, "AFM").

Each fund has a specific mission and investment policy. The policy for all the funds is that they may only invest in governments, companies, projects and institutions that have been admitted to the ASN Investment Universe. The funds invest in listed equities across the globe which are denominated in various currencies, or in euro-denominated government bonds as well as green and social bonds. Governments and listed companies qualify for inclusion in the ASN Investment Universe on condition that they meet the ASN sustainability criteria.

On 18 June 2020, ASN Beleggingsfondsen N.V. was legally divided into two separate companies:

ASN Beleggingsfondsen AIF N.V. and ASN Beleggingsfondsen UCITS N.V. Since 18 June 2020, the ASN Duurzaam Obligatiefonds, ASN Milieu & Waterfonds, ASN Duurzaam Aandelenfonds and ASN Duurzaam Small & Midcapfonds have been part of ASN Beleggingsfondsen UCITS N.V., about which we report in this annual report. These funds are managed under a UCITS licence and are consequently also available in other countries. A separate annual report has been prepared for ASN Beleggingsfondsen AIF N.V., in which we report on the ASN Duurzaam Mixfonds, the ASN Duurzame Mixfondsen, the ASN Groenprojectenfonds and the ASN-Novib Microkredietfonds.

### No securities lending

We do not engage in *securities lending* (i.e. lending of securities to other financial institutions in return for a fee).

### Corporate governance

ASN Duurzame Deelnemingen N.V. (ADD) is the sole shareholder of ABB and the holder of a priority share in ASN Beleggingsfondsen UCITS N.V. This priority share confers special powers in relation to the appointment of directors, amendment of the Articles of Association and winding up the company, for example. ABB also forms the Board of Directors of ASN Beleggingsfondsen UCITS N.V. The work of ABB is carried out by employees of ABB and by various outsourcing parties, including de Volksbank N.V. (de Volksbank). De Volksbank is the sole shareholder of ADD.

### ABB internal organisation

The day-to-day management of ABB is the responsibility of two directors, who manage four departments in total. The Sales and Fund Management Director is head of the *Marketing & Sales* and *Portfolio Management* departments. The *Risk Management* and *Product Management* departments are managed by the Risk Management Director. As at 31 December 2020, ABB employed a total of 19.2 FTEs (FTE: full-time equivalent). Although ABB effectively acts as their employer, the workers are formally employed by de Volksbank. ABB also uses various outsourcing parties to assist it in carrying out its tasks. As ABB has ultimate responsibility, it continually monitors and evaluates these outsourcing parties.

### General meetings and extraordinary general meetings of shareholders

The annual general meeting of shareholders of (at that time still) ASN Beleggingsfondsen N.V. was held by means of a webcast on 15 May 2020. This was reported on in the Interim Report 2020.

In the first half of 2020, four extraordinary general meetings of shareholders were also held, all in connection with the division of ASN Beleggingsfondsen N.V. (see Section 1.7). These meetings were reported on in the Interim Report 2020.

Shareholders of ASN Beleggingsfondsen UCITS N.V. can request the minutes of all the shareholders' meetings from ABB by phone on +31 (0)70-356 93 89 or by email: [info@asnbeleggingsfondsen.nl](mailto:info@asnbeleggingsfondsen.nl). All the minutes and voting results are also posted on the website ([www.asnbeleggingsfondsen.nl](http://www.asnbeleggingsfondsen.nl)) under *Mededelingen* (Notices).

## 1.2 Fund documentation

The changes that took place in the reporting period have been incorporated into the Key Investor Information Document (KIID) and the prospectus of ASN Beleggingsfondsen UCITS N.V. These documents are available at [www.asnbeleggingsfondsen.nl](http://www.asnbeleggingsfondsen.nl) under the heading '*Documenten*' (*Documents*).

## 1.3 Changes in legislation and regulations

In 2020, the following legislative and regulatory developments took place which are relevant for ABB.

### SFAP

The European Commission launched its Sustainable Finance Action Plan (SFAP) in 2018. The Action Plan aims to mobilise the financial sector to support the EU's climate and sustainable development goals. The action plan shows that several ESG measures are being enforced by means of new and amended European legislation and regulations. ESG stands for 'environmental', 'social' and 'governance'.

The measures cover a range of different topics, including taxonomy, disclosure (publication) and low carbon benchmarks. A European regulation has already been published introducing a disclosure framework related to sustainability in the financial sector (SFDR), for instance. This should, for example, provide insight into the extent to which an investment is actually sustainable. ABB closely monitors developments and has now implemented and publicised the prerequisites. All ASN Beleggingsfondsen are classified in the highest category (Article 9). Article 9 products are investment products that focus specifically on achieving a sustainability target. These are also called dark green products. In addition, there are also Article 8 products (light green) that promote sustainability characteristics and Article 6 products (grey) that do not focus explicitly on sustainability.

### PRIPs

The EU Packaged Retail and Insurance-based Investment Products Regulation (PRIPs) came into force on 1 January 2018. The main goal of PRIPs is to enhance investor protection by improving transparency in the investment market. This has resulted, among other things, in the introduction of the Key Information Document (KID). This document contains information about the nature, characteristics and risks of a product. Providers of investment products, among other things, are required to supply clients with a KID.

Insofar as the present Key Investor Information Document (KIID) is currently mandatory, a transitional period until 31 December 2019 applied. This transitional period has been extended by two years until 31 December 2021 for UCITS funds as well as AIFs, in part because of a lack of clarity about the methodology for calculating transaction costs and performance scenarios. Therefore, ABB does not need to replace the KID of the current funds with a new KIID until 1 January 2022.

## 1.4 Fund costs

ABB charges each fund a percentage fee to cover the work performed on a daily basis. This percentage may vary from one fund to the next. The 'fund costs' are reserved on trading days and charged to the fund capital. The fund costs are charged monthly in arrears.

ABB pays the costs associated with managing the fund from this fee. The various costs covered in this manner are set out in the prospectus. The parties to whom the investment management of the funds has been outsourced do not receive any performance fee from us taken from the funds. This is in keeping with our basic principle that our investments should promote a sustainable world and not be geared toward maximising financial returns.

### Ongoing charges figure

The ongoing charges figure (OCF) indicates the costs as a percentage of the average fund capital, excluding interest and transaction costs. The OCF is calculated in arrears and according to the prescribed method. In calculating the OCF, the average fund capital is determined based on the frequency with which the net asset value (NAV) of the fund is issued. All NAVs issued during the year are added up and divided by the number of NAVs issued. In 2020, the OCF of the funds was as follows:



	<b>OCF (on annual basis)</b>	
	<b>01-01-2020 to 31-12-2020</b>	<b>01-01-2019 to 31-12-2019</b>
ASN Duurzaam Obligatiefonds	0.45%	0.45%
ASN Milieu & Waterfonds	1.20%	1.20%
ASN Duurzaam Aandelenfonds	0.85%	0.85%
ASN Duurzaam Small & Midcapfonds	1.20%	1.20%



## 1.5 ASN Beleggingsfondsen inflow and outflow

The ASN Beleggingsfondsen (UCITS and AIF) are listed and are offered through ASN Bank, among others. Other banks and advisers (distribution partners) may also offer the funds to their clients. The marketing activities of the ASN investment funds are mainly targeted at the distribution partners and are intended to inform them about sustainability, investment policy and financial performance of the funds.

Following the division of ASN Beleggingsfondsen N.V. on 18 June 2020, ASN Duurzame Mixfondsen became a shareholder in the UCITS funds. As a result, the assets of the UCITS funds grew in 2020.

The assets of the funds, including the participation of the mixed funds, increased by €81 million to €3,116 million in 2020. An increase of €173 million in fund assets was caused by price increases. Total outflow exceeded total inflow. The balance amounted to €92 million, including reinvested dividends.

The outflow from the investment funds was due to the adjustment made by a major distribution partner in its investment proposition. The distribution partner dropped the ASN Duurzaam Obligatiefonds (–€71 million) and reduced its investment in the ASN Milieu & Waterfondsen (–€34 million). In addition, the other investors produced inflows of €13 million.

The ASN Duurzaam Obligatiefonds achieved a positive result of 1.40%. All three equity funds also generated positive returns: ASN Duurzaam Aandelenfondsen 9.77%, ASN Duurzaam Small & Midcapfondsen 7.03% and ASN Milieu & Waterfondsen 22.46%.

Although the securities markets were in a turbulent state due to the corona pandemic, the outflow of individual investors remained limited. We interpret this as a sign of investor confidence in our funds.

## 1.6 Developments regarding UCITS manager

On 23 April 2020, the AFM granted a UCITS licence, as referred to in Section 2:69b of the Financial Supervision Act, to ABB. Effective 18 June 2020, ABB was appointed as UCITS manager for ASN Beleggingsfondsen UCITS N.V. In this capacity, ABB manages the assets of the UCITS funds. This is understood to be the investment and reinvestment of funds within the framework of the investment policy established by ABB. In addition, ABB is responsible for the risk management of the various UCITS funds and for all other tasks that a UCITS manager is required to perform.

The Board of Directors of ABB consists of Bas-Jan Blom (Chair) and Gert-Jan Bruijnooge. In his role as Sales and Fund Management Director, Mr. Blom manages the *Marketing & Sales* and *Portfolio Management* departments. In his role as acting Risk Management Director, Mr. Bruijnooge has responsibility for the *Risk Management* and *Product Management* departments.

## 1.7 Developments in the reporting period

### Change in surcharges and deductions

Following the annual review, the surcharges and deductions were adjusted for the ASN Duurzaam Obligatiefonds, the ASN Duurzaam Aandelenfondsen and the ASN Duurzaam Small & Midcapfondsen. The average transaction costs changed as a result of the market conditions, allowing all the surcharges and deductions to be reduced. There was no change in the surcharges and deductions for the ASN Milieu & Waterfondsen. The changes became effective on 13 February 2020.

Due to increased volatility on the stock markets as a result of the coronavirus, we brought forward the annual update of the surcharges and deductions: we adjusted them again on 10 December 2020. It was possible to reduce the surcharge and deduction for the ASN Milieu & Waterfondsen. The surcharge and deduction for the ASN Duurzaam Small & Midcapfondsen was increased. The other surcharges and deductions did not change.

### Change of benchmark for ASN Duurzaam Aandelenfondsen

Effective 1 April 2020, ABB changed the benchmark for the ASN Duurzaam Aandelenfondsen. The decision to discontinue the fixed regional allocation of the portfolio meant that the regional composite benchmark of the fund no longer represented an appropriate measure for comparing investment performance. The composite index, comprising 65% MSCI Europe Total Return Net Index EUR, 25% MSCI USA Total Return Net Index EUR and 10% MSCI Japan Total Return Net Index EUR, was abandoned. The fund switched to a commonly used, broad index for global equities portfolios: the MSCI All Country World Index (MSCI ACWI).

### Change of benchmark for ASN Milieu & Waterfondsen

Effective 1 April 2020, ABB also adjusted the benchmark of the ASN Milieu & Waterfondsen, swapping the MSCI World Small & Mid Cap Total Return Net Index EUR in favour of the FTSE Environmental Technologies 100 Index (FTSE ET 100). The

ASN Milieu & Waterfondsen pursues a strategy of investing worldwide in (depository receipts for) shares issued by companies in the environmental technology sector. The FTSE ET 100 measures the performance of companies globally whose core business is in the development and deployment of environmental technologies, including renewable & alternative energy, energy efficiency, water infrastructure & technology, waste management & technologies and pollution control. As this matches ASN Milieu & Waterfondsen's investment strategy, the FTSE ET 100 is a more appropriate benchmark with which to compare the investment performance of the ASN Milieu & Waterfondsen.

#### Change of benchmark for ASN Duurzaam Small & Midcapfondsen

For the ASN Duurzaam Small & Midcapfondsen, ABB used the MSCI Europe Small Cap Total Return Net Index as its benchmark until 1 April 2020, with the weighting for the United Kingdom (UK) being halved. Effective 1 April 2020, ABB adjusted the benchmark by doing away with the half-weighting for the UK. Whether it uses a full or half-weighting for the UK, the benchmark is an appropriate benchmark for the fund. This adjustment therefore simplified the comparison.

#### Division

On 18 February 2020, ABB announced its intention to divide ASN Beleggingsfondsen N.V. with effect from 20 March 2020. Because of the coronavirus pandemic and high volatility in global stock markets, that intention had to be put on hold a month later. However, the extraordinary general meeting of shareholders on 10 June 2020 approved the proposal and ABB was able to implement the division of ASN Beleggingsfondsen N.V. on 18 June 2020. ASN Beleggingsfondsen N.V. ceased to exist. The funds under the umbrella of ASN Beleggingsfondsen N.V. were placed in two separate companies: ASN Beleggingsfondsen AIF N.V. and ASN Beleggingsfondsen UCITS N.V. The division had no financial implications for investors; the shares held by investors in the ASN Beleggingsfondsen have not changed in value as a result of the division.

The ASN Duurzaam Obligatiefondsen, ASN Milieu & Waterfondsen, ASN Duurzaam Aandelenfondsen and ASN Duurzaam Small & Midcapfondsen are henceforth part of ASN Beleggingsfondsen UCITS N.V. In order to manage these UCITS investment funds, ABB has secured a UCITS licence from the Dutch Authority for the Financial Markets.

#### Amendment of terms and conditions and prospectus

As a result of the division, the investment policy of the UCITS funds was adjusted, which was necessary in order to comply with the requirements that ensue from the Directive for Undertakings for Collective Investment in Transferable Securities. They will therefore no longer invest their assets through a pool. As a consequence, Pettelaar Effectenbewaarbedrijf N.V. has ceased to be the legal owner of the assets of the UCITS funds.

Due to the division, the prospectus of ASN Beleggingsfondsen N.V. was replaced by the prospectuses of ASN Beleggingsfondsen UCITS N.V. and ASN Beleggingsfondsen AIF N.V. and updated with the changes in the investment policy and the adjustments.

#### SFDR

In 2020 the legislation concerning the Sustainable Finance Disclosure Regulation (SFDR) was developed. On 10 March 2021, the prospectus was amended in line with the SFDR requirements. Because of their sustainable investment objective, all ASN Beleggingsfondsen qualify as an Article 9 product within the meaning of the SFDR.

Article 9 products are investment products which are geared specifically to achieving a sustainability objective. Sustainability is a common and compulsory element of the investment process of these products.

## 1.8 Sustainable investment policy

The ASN Beleggingsfondsen invest in sustainable development. Sustainability is embedded in our mission and vision and laid down in our sustainability policy. The investment process is based on ABB's sustainability policy, which ensures that the funds invest only in economic activities which do not have serious adverse consequences for humans and the environment and which follow good governance practices. This policy focuses on a wide range of sustainability factors, and in particular on the three pillars of 'human rights', 'climate' and 'biodiversity'. In this chapter, we discuss the policy developments and goals for the UCITS and AIF funds.

### Sustainable objectives of ASN Beleggingsfondsen

ABB has set a long-term goal for each of the pillars climate, human rights and biodiversity.

Pillar sustainability policy	Long-term goal
Climate	Climate positive by 2030
Human rights	The clothing sector, including all garment companies, is to implement the necessary processes to enable their workers to be paid a living wage by 2030
Biodiversity	Net positive impact on biodiversity by 2030

The progress in relation to the long-term goals for the pillars human rights and biodiversity is revealed annually, in the second half of the year. We therefore report below only on the progress in relation to the long-term goals for the pillar climate.

## Climate

Greenhouse gas emissions, in particular CO<sub>2</sub>, are causing the rapid global warming we are currently experiencing. This climate change is leading to more extreme weather conditions and increasing societal problems. Financial institutions contribute to climate change by financing activities that are accompanied by greenhouse gas emissions, such as power plants, industry, transport and large-scale agriculture and livestock farming.

### Climate positive by 2030

ABB seeks to limit climate change as far as possible. This led the Board of Directors of ABB to set the goal in 2018 of ensuring the overall investments of ASN Beleggingsfondsen are climate positive by 2030. ASN Beleggingsfondsen is climate neutral if the emissions are equal in size to or less than the avoided emissions. Investments that remove CO<sub>2</sub> from the atmosphere contribute to the goal of becoming climate positive. Dividing the tonnes of avoided CO<sub>2</sub> emissions by the tonnes of emitted CO<sub>2</sub> allows us to calculate the 'climate neutral' percentage.

The objective of being climate positive with the ASN Beleggingsfondsen by 2030 is a target that applies to the sum of all the investment funds that ABB has under its management.

### Climate impact

We calculate the emissions or avoided emissions of almost all our investments. No methodology is as yet available for calculating the carbon impact of investments of the ASN Microkredietpool (the ASN Microkredietpool is covered by the annual report of ASN Beleggingsfondsen AIF N.V.). In 2020, a number of internationally operating financial institutions developed the Joint Impact Model in order to calculate the CO<sub>2</sub> impact. We plan to implement the ASN-Novib Microcredit Fund portfolio in the model in 2021. In this way, we also aim to understand and report the environmental impact of these investments.

### Change in methodology for measuring CO<sub>2</sub> impact

ABB is constantly working to improve the methodology used to measure the climate impact of our investments and the quality of the data used for this. At the end of 2020, we decided to adjust the method we use to measure the climate impact of our investments. Until then, we had calculated the climate impact of our investments on the basis of the 'carbon profit and loss account' method. With effect from year-end 2020, our reporting on our funds investing in listed companies is fully in accordance with the methodology of the Platform Carbon Accounting Financials (PCAF). Our reporting on the loans provided by our funds is aligned as much as possible to the PCAF methodology. We make use of the data from Trucost.

The figures for 2019 have been retrospectively adjusted in accordance with the PCAF methodology in order to enable comparison with 2020. We also aim to have the necessary data for the ASN Groenprojectenfonds, part of the AIF funds, available in 2021, so that we can report on these investments in line with the PCAF methodology as well.

The PCAF method is a standard that is widely supported by the Dutch financial sector. It is in line with the reporting requirements that will apply on the basis of European legislation. Use of the PCAF methodology makes the CO<sub>2</sub> results transparent, so that the readers of the financial statements can compare them with the CO<sub>2</sub> results of other investment managers. A detailed description of the PCAF methodology can be found on [www.carbonaccountingfinancials.com](http://www.carbonaccountingfinancials.com). We continue to base our calculations on the data from Trucost.

ASN Beleggingsfondsen signed the Climate Commitment of the Dutch financial sector in 2019. Effective from 2021, this commitment imposes reporting requirements in respect of financial year 2020. Because PCAF is a widely supported methodology, it is desirable that these reports are written in accordance with this frequently used standard.

In this annual report, the CO<sub>2</sub>-reporting concerning the investments in listed companies has changed as follows:

- Instead of the direct and first-tier indirect emissions, our reporting of the emissions is now divided into scopes 1 and 2, and a separate scope 3. Scopes 1 and 2 include electricity consumption, fuel consumption and business travel. Scope 3 refers to the carbon emissions during the entire life cycle of the products a company buys, produces and/or sells. Reporting on scopes 1 and 2 is mandatory, but we have opted to include scope 3 in our calculations as well.
- In accordance with the PCAF methodology, we no longer report net CO<sub>2</sub> emissions, but now report actual CO<sub>2</sub> emissions and avoided CO<sub>2</sub> emissions separately. This is because it is not possible to offset actual emissions with avoided emissions.
- We now base our calculations on the enterprise value instead of the market capitalisation of companies. The enterprise value also includes a company's debt. This method ensures a better allocation of CO<sub>2</sub> emissions among shareholders and creditors.

For loans, the following changes apply:

- We include life cycle emissions in the reporting if they exceed 5% of the total avoided CO<sub>2</sub> emissions. This relates primarily to the emissions released during the building and construction work of projects.
- We calculate the avoided CO<sub>2</sub> emissions on the basis of the operating margin per country. The operating margin reflects how much CO<sub>2</sub> is emitted on average in a country per kWh. Formerly, we calculated these values using the website [www.co2emissiefactoren.nl](http://www.co2emissiefactoren.nl). This change relates only to the investments in the Netherlands. The new operating margin is lower than under our previous measurement method. This has resulted in a decline of the avoided CO<sub>2</sub> emissions of the ASN Groenprojectenfonds.
- We intend to report entirely on the basis of P50 energy production with effect from the end of 2021. The P50 value is the production that will be statistically realised with a probability of at least 50 per cent. We currently report on the basis of the P90 value for FMO loans and the P50 value for ADF loans, thus improving the alignment with the PCAF methodology. PCAF prescribes the preference for P50 since this data is generally more readily available.

The legal division of ASN Beleggingsfondsen N.V. has also led to the CO<sub>2</sub> figures of ASN Beleggingsfondsen being reported separately. In Chapter 2 of this report, we present the separate CO<sub>2</sub> results of the funds that are now part of ASN Beleggingsfondsen UCITS N.V. (UCITS funds). In Chapter 2 of the report of ASN Beleggingsfondsen AIF N.V., we present the CO<sub>2</sub> results of the ASN Duurzame Mixfondsen and the ASN Groenprojectenfonds. Before the division, the ASN Duurzame Mixfondsen invested in investment pools, but since the division they have invested directly in the UCITS funds. As a result, the CO<sub>2</sub> figures of the UCITS funds now also include the CO<sub>2</sub> results of the investments in the ASN Duurzame Mixfondsen. To enable a comparison with previous years, the table below presents the CO<sub>2</sub> results of the UCITS funds, including the emissions of the ASN Duurzame Mixfondsen. The results for 2019 show the emissions of the former pools (again including the ASN Duurzame Mixfondsen).

2020	CO <sub>2</sub> -emissions	Avoided CO <sub>2</sub> -emissions	Change in CO <sub>2</sub> -emissions relative to 2019	Change in avoided CO <sub>2</sub> -emissions relative to 2019
ASN Duurzaam Aandelenfonds	219.462	-	14,8%	-
ASN Duurzaam Small & Midcapfondsen	23.152	-	-32,1%	-
ASN Milieu & Waterfondsen	146.550	-	-5,3%	-
ASN Duurzaam Obligatiefondsen	4.893	-14.310	-7,3%	0,5%
<b>Total</b>	<b>394.057</b>	<b>-14.310</b>	<b>-2.3%</b>	<b>0,5%</b>

2019	CO <sub>2</sub> -emissions	Avoided CO <sub>2</sub> -emissions	
ASN Aandelenpool	191.239	-	
ASN Small & Midcappool	34.103	-	
ASN Milieupool	154.681	-	
ASN Obligatiepool	5.280	-14.245	
<b>Total</b>	<b>385.303</b>	<b>-14.245</b>	

There were considerable changes between the UCITS funds. Overall, CO<sub>2</sub> emissions increased only slightly between 2019 and 2020.



The methodology for measuring the CO<sub>2</sub> impact of investments and loans is in constant development. At the same time, the quality of the data used is continuously improving. As a result, the calculated CO<sub>2</sub> impact may be adjusted in the future (with retroactive effect) should better data become available.

## Human rights

ASN Duurzaam Aandelenfonds and ASN Duurzaam Small en Midcapfonds invest in clothing companies. Those who invest in a company are able to influence its policies and practices. The clothing companies in the ASN Investment Universe meet our sustainability criteria, but they do not yet ensure that their own textile workers and those of their suppliers receive a living wage.

None of the 15 clothing companies now included in the ASN Investment Universe pays the production workers a living wage. This appeared from the research we started in 2016. Following its acquisition, Amer Sports was removed from the universe in 2019. Hanesbrand and VF Corp were added in 2019. In 2020, Coats Group was added.

We want clothing companies to become more aware of the structural underpayment of the people who make clothes. We also want them to address this underpayment and work together with other stakeholders, such as trade unions and governments, to find solutions. This is not a simple matter, given that clothing companies themselves do not pay the wages; the suppliers do that. These factories want to remain competitive in a competitive market, with one factor being that consumers are now accustomed to cheap clothing.

In 2017 and 2018, we, together with the international accounting firm Mazars, put the methodology for measuring living wages on a more professional footing. Since then, the methodology has been more in line with the United Nations Guiding Principles for Business and Human Rights and its associated Reporting Framework. In 2020, we further developed the methodology. Up to and including 2019, companies were classified into four categories; with effect from 2020, there are five. We have divided the *leading* category into *advanced* and *leading*. This allows us to better identify the leaders. We also adjusted a few of the weightings. Mazars provides annual independent assurance in which it determines that we have carefully applied the methodology. We also received this assurance in 2020.

The first measurements we performed mainly concerned the question: Does the company have a living wage policy? Using the existing methodology, we also assessed the situation in practice. For each company we ask eight questions, such as: To what extent does the company integrate its living wage policy into its operations? What is the impact of this on textile workers? and How transparent is the company about this? Answers to these questions led to the classification of the companies into five categories: from *embryonic* (the company does little or nothing in the way of a living wage), via *developing*, then *maturing* (the development is progressing) and *advanced* (the development is nearing completion) to *leading*. Most companies were in the *developing* and *maturing* phases in 2020. One company is in the *advanced* phase. The results appeared in the Living Wage Report 2020 that was published in September. The research results provide a sound basis for in-depth discussions, including on the ambitions of companies for the future. As a result of the report and individual assessments for each company, we met with nearly all of the clothing companies in our investment universe in 2020.



We engage with companies as a participant in the Platform Living Wage Financials (PLWF), which ASN Bank established together with Triodos IM and MN. The platform now has 15 members with combined invested assets of 2,600 billion euros.

## Biodiversity

The year 2020 featured extreme weather. There were many disturbing reports, not only about the climate, but also about biodiversity and its loss. With our way of life, we are extracting more resources from nature than nature can restore. ABB aims to make every effort to contribute to the protection and improvement of biodiversity.

Biodiversity is the variety of living organisms and the variety of relationships they have with one another in ecosystems. It is a source of prosperity that can only be partially expressed in monetary terms. For many, biodiversity has an intrinsic value sufficient to legitimise its protection. Biodiversity, through ecosystems, provides services that have economic, aesthetic, religious and cultural values for people, such as the production of oxygen, water purification, food, fuels, raw materials, medicine, protection and recreation.

In the ecosystems that provide these services, a fragile balance exists between the various animal, plant and microorganisms. Therefore, it is important to protect biodiversity. This means that the protection of biodiversity and ecosystems is not only desirable from a moral point of view, but also necessary from an economic point of view, given that many services and products rely heavily on biodiversity.

As part of our biodiversity goal, we measure our impact on biodiversity. We therefore developed a method in collaboration with consultants Pre Sustainability and CREM. This method provides insight into the negative and positive impact of our investments and financing on biodiversity. We aim to publish our positive and negative impact for 2020 later this year.

## Sustainable investment policy developments

We are working towards a sustainable and just society in which people are free to make their own choices, without harming others, a society without poverty, in which everyone has access to education, good housing and medical care.

We invest on behalf of the funds only in companies, governments, microfinance institutions and projects which contribute to a sustainable society and which are also financially sound. Our sustainability policy is laid down in policy documents, which set out the sustainability criteria for the selection of all lending and investment activities. The policy for each pillar of the sustainability policy – human rights, climate and biodiversity – is elaborated in a separate policy document. The complete sustainability policy can be found at [www.asnbeleggingsfondsen.nl](http://www.asnbeleggingsfondsen.nl), under *Duurzame keuzes* (Sustainable choices).

During the reporting period, we adjusted or reformulated eight aspects of the sustainability policy:

- **Plastics**  
This policy was tightened up in a number of respects, so that it is now better aligned with actual practice. The new criteria are also more readily applicable in relation to foreign companies. In addition, the policy is now more in line with the circular economy.
- **Governance**  
We have tightened up the chapter on taxation by including the four criteria of the United Nations Principles for Responsible Investment (UNPRI). We use these criteria to identify companies that are very likely to employ serious forms of tax evasion. We have also further elaborated our absolute and relative criteria.
- **Human Rights**  
This policy was tightened up in various respects. The activities which indicate involvement in arms trading have been expanded with the addition of maintenance, testing and storage. The topic of forced labour has been expanded with the addition of the role played by job placement agencies and intermediaries. We have included the topic of gender as a new addition. Gender has also been translated into the supply chain policy.
- **Water**  
Water scarcity is becoming an increasingly urgent issue. We have therefore developed criteria for assessing companies in relation to it.
- **Circular business**  
We have written a new policy document to bring together various themes. One of the intentions of this policy is to share our vision of circular business. It is part of our strategy for biodiversity, which is to reduce our negative impact. In addition, existing criteria have been slightly modified.
- **Transport**

We have tightened this policy in several areas. For example, the ‘opt-out’ for manufacturers of vehicles with an internal combustion engine has been removed; they are now excluded altogether. A new addition is the possibility to invest in manufacturers of and innovations in zero-emission aircraft.

- **Climate**

The text and sources used in this policy have been updated, as well as its alignment with other policies. No policy changes have been made. Some pieces of text have been moved to the Sustainable Energy policy document that is soon to be published.

- **Biodiversity**

This policy has also mainly been updated. At its foundation were reports from the first decade of the century. The introduction and principles have been adapted to the most recent (scientific) insights. No new criteria have been developed. The passage on palm oil (appendix) is new, however. The section on water scarcity was approved earlier this year.

## Application of sustainability policy

ABB applies its sustainability policy to the investments of ASN Beleggingsfondsen UCITS N.V. and ASN Beleggingsfondsen AIF N.V. In doing so, ABB applies its sustainability policy to three aspects: sustainability research and selection, engagement, and voting.

### Sustainability research and selection

The selection of entities for the ASN Investment Universe is a thorough, careful process, which is based on in-depth sustainability research. By entities we mean:

- businesses that currently belong to the ASN Investment Universe or qualify for inclusion in it; the investments of the equity funds (ASN Duurzaam Aandelenfonds, ASN Milieu & Waterfonds and ASN Duurzaam Small & Midcapfonds) are selected from among the approved businesses;
- government bodies that currently belong to the ASN Investment Universe or qualify for inclusion in it; the investments of the ASN Duurzaam Obligatiefonds are selected from among the approved government bodies;
- *Green bonds*, *social bonds* and *sustainable bonds* that qualify for investment by the ASN Duurzaam Obligatiefonds.

The team of analysts at ASN Bank’s Expertise Centre for Sustainability (*Expertise Centrum Duurzaamheid*, ECD) conducts sustainability research into businesses, government bodies and green, social and sustainable bonds on behalf of ABB. This not only concerns the selection of new entities: ECD also assesses whether entities that have already been selected still meet the sustainability criteria of ABB. Approved businesses are reassessed at least once every four years on the basis of research by ECD. If specific information indicates that a business should be re-examined sooner, the ‘vetting’ will be brought forward. The assessment of government bodies takes place once every two years. Green, social and sustainable bonds are assessed upon admission.

ECD’s analysts analyse the information collected. These analyses result in a recommendation to ABB. This recommendation is discussed in the Investment Committee.

### Investment Committee

The Sales & Fund Management Director, Mixed Funds Manager, SRI Funds Manager and Sustainability Manager have voting rights on ABB’s Investment Committee. The Investment Committee has the decision-making power to approve or reject entities for the ASN Investment Universe. This is the collection of entities from which the investments for the funds are selected. The Investment Committee prepares the approval or rejection of entities based on advice from ECD. The Investment Committee met six times in 2020.

Following the Investment Committee’s approval, an entity is included in the ASN Investment Universe. Changes in the ASN Investment Universe are made by: 1. admitting new entities or 2. removing entities after re-examination, acquisition or bankruptcy. If we retain entities after re-examination, the ASN Investment Universe will of course not change.

You can find more information about the ASN Investment Universe on the Sustainable choices page on our website.

### Businesses

For the selection of businesses, we base our judgement on the information provided by the businesses concerned and information provided by specialised research institutions, the media and non-governmental organisations. We use research by the following specialised research firms:

- Sustainalytics - collects data on companies' sustainability performance.
- EIRIS Vigeo - helps us assess whether activities meet our weapons criterion.
- RepRisk - collects news reports about businesses.
- Trucost - determines the impact of business activities on the environment and climate.

In the reporting period, we screened 211 companies because they were due for re-examination or were new. A total of 347 listed companies met our sustainability criteria as at 31 December 2020, 15 more than as at 31 December 2019. Thirteen companies were removed from the universe due to mergers and acquisitions, because they became illiquid or had grown too large for a specific investment universe.

#### Government bodies

In the reporting period, the biennial assessment of countries took place based on our sustainability policy. Altogether, we reviewed 199 countries. We found that 41 of these countries met the exclusion criteria. We subsequently assessed the countries against our sustainability criteria. In the end, 38 countries received a score which is sufficient for inclusion in the investment universe of the ASN Duurzaam Obligatiefonds. We invest in 11 countries: they meet our sustainability criteria, issue euro loans and are sufficiently liquid.

#### Green, social and sustainable bonds

For the selection of green bonds, ECD's analysts assessed bonds against our criteria for green bonds. We admitted one green bond during the reporting period.

#### Engagement

We engage in a dialogue with listed companies from the ASN Investment Universe. We ask companies to make their policy and activities more sustainable and to provide clarification in case of potential malpractices. Malpractices often concern violations of human rights, but can also occur in relation to environmental and governance issues. In the report on the management of ASN Duurzaam Aandelenfonds, ASN Milieu & Waterfonds and ASN Duurzaam Small & Midcapfonds, we report on our engagement with companies. We also report on this topic on [www.asnbeleggingsfondsen.nl](http://www.asnbeleggingsfondsen.nl), on the page *Duurzame keuzes* (Sustainable choices). Here you can read how we give shape to the strategic engagement. We pursue strategic engagement with approved companies in a sector when we have established that a lot is going wrong in the sector. We aim to achieve positive changes in the sector and at the companies involved. In 2020, we pursued strategic engagement with companies in the pharmaceutical and clothing sectors. Further information on our engagement with companies in the clothing sector can be found in the 'Sustainable investment policy' chapter, in the 'Sustainable objectives' section under 'Human rights'. Below you can read more about our engagement with companies in the pharmaceutical sector.

#### Dialogue with the pharmaceutical sector

Pharmaceutical companies produce medicines and are consequently indispensable to people's health and well-being. We therefore like to see this sector represented in the ASN Investment Universe. Many pharmaceutical companies have sustainability policies that meet our sustainability criteria. Unfortunately, we also have identified structural malpractices at these companies. The sector is so important that we continue to invest in it, but feel that it is necessary to address the malpractices.

Since 2015, we have engaged intensively with pharmaceutical companies. ABB commissioned Sustainalytics to investigate the fifteen largest pharmaceutical companies in the world. This investigation found that these companies do not adequately monitor or provide adequate transparency about the research and development, production, marketing and sale of medicines. Most companies have policies in place, but do not sufficiently apply them.

After four years, in 2019, we evaluated the engagement process. Based on Sustainalytics' evaluation report and ECD analysts' experiences with the engagement with the companies, we decided in the evaluation that we would continue the dialogue, albeit less intensively than in previous years. We do this with six remaining companies in our investment universe: Astellas Pharma, AstraZeneca, GlaxoSmithKline, Novo Nordisk, Merck KGaA and Orion. As in previous years, we worked together with Sustainalytics to create a scorecard to measure the progress of these six companies. We shared the scorecards with the companies at the end of the year for feedback purposes. After analysing the companies' responses, we will publish the scorecards in the first quarter of 2021. As we have decided to produce these scorecards every two years, the next round of scorecards will be published in 2023.

### Engagement in response to the coronavirus pandemic

Our engagement with the pharmaceutical companies was also guided by the coronavirus pandemic. On the initiative of Achmea Investment Management, we drew up an investor statement together with a large group of Dutch and international investors. In it, we urge pharmaceutical companies to work closely together in the fight against the COVID-19 virus. In this statement, we remind companies of their great responsibility in the development and global distribution of coronavirus vaccines, medicines and tests. Enforcing patents, excessive price setting, not disclosing relevant research findings or securing market exclusivity should not run counter to this responsibility. Along with other investors who signed the investor statement, we held discussions with AstraZeneca and Novo Nordisk.

We also engaged with the clothing sector in response to the coronavirus pandemic and the lockdowns. Together with the members of the Platform Living Wage Financials, we requested the clothing brands to manage the coronavirus crisis and its impact in a responsible manner. Among other things, we asked the clothing brands to exercise prudent financial management and also to continue to adhere to high labour standards (including striving to provide a living wage) for the factory workers who find themselves in an exceptionally vulnerable position at this time. Low wages mean these workers generally have little, if any, savings, and in many clothing and textile producing countries there is virtually no social security provision. In addition, we requested the clothing brands to work together with stakeholders, such as the International Labour Organization (ILO), and organisations that strive for better working conditions specifically in the clothing industry. It is only by working together that effective measures can be taken to protect the vulnerable position of factory workers against the consequences of the coronavirus.

### Voting

The ASN Beleggingsfondsen have the right to vote at shareholders' meetings of the companies in which they invest. We use this right to encourage companies to adopt more sustainable policies and practices. By voting, we can influence the policies and management of those companies on behalf of the funds. We exercise this voting right based on our mission and sustainability criteria, which are laid down in the sustainable voting policy of the ASN Beleggingsfondsen.

In the reporting period we voted at 260 shareholders' meetings of 224 companies across the globe in line with this sustainable voting policy. As some companies hold multiple shareholders' meetings a year, the number of meetings attended was larger than the number of companies. At the 260 meetings, we voted on 3,419 motions. We voted in favour of 3,105 motions, against 310 motions and abstained from voting 4 times.

We mostly voted against director appointments. We voted against appointments where the diversity and independence of the board were not adequately ensured. This mainly concerned European and Asian companies.

In second place was the remuneration of directors. We believe it is important that companies assess their directors not just on the basis of financial criteria, but also on sustainability criteria. By voting against remuneration proposals without sustainability criteria, we put pressure on companies to review their remuneration packages. In this way, we encourage sustainable behaviour.

The reappointment of the auditor was in third place on the list of motions we voted against. For example, we voted against the reappointment if the auditor had a very long tenure. In that case, the risk arises that the auditor's objectivity is impaired when conducting the audit.

More information about the voting behaviour of the ASN Beleggingsfondsen at shareholders' meetings can be found at [www.asnbeleggingsfondsen.nl](https://beleggingsfondsen.asnbank.nl/duurzame-keuzes.html), on the 'Sustainable choices' page: <https://beleggingsfondsen.asnbank.nl/duurzame-keuzes.html>.

### Sustainable Development Goals (SDG's)

The United Nations Sustainable Development Goals (SDGs) provide a common language for talking about sustainable, social development, which makes these of great importance for a global sustainable development agenda. The SDGs aim to reduce poverty, reduce inequalities, address climate change and protect natural resources by 2030. ABB endorses the importance of these objectives for a global sustainable development agenda.



We have identified the similarities and differences between the SDGs and the sustainability policy of ASN Beleggingsfondsen by examining the 17 goals and the 169 targets. Because we have been using international standards as the starting point for our sustainability policy for over a quarter of a century, there are many similarities between our policy and the SDGs. In principle, these goals are set for countries. By focusing on the targets, they also provide guidance for our investment funds.

#### Realisation of the SDGs by means of sustainable investment policy

We fulfil the SDGs in two ways:

1. *Do no harm*: we exclude all activities that could be harmful to people, climate and nature. We mitigate any harmful influences. This is the basis of our policy, enabling us to contribute to the SDGs, because a positive impact starts with a reduction of the negative impact. In other words, we believe that a positive contribution to sustainable development begins by excluding activities that have a negative impact on the SDGs. Our sustainability policy therefore contains exclusion criteria for, among other things, the arms trade, deforestation, activities that run counter to animal welfare, and the use of fossil fuels. The SDGs pay little or no attention to such issues.

2. *Net positive impact*: with our long-term goals for climate, biodiversity and a living wage and our engagement efforts in the pharmaceutical field, we create a net positive impact. Within the context of our climate goal, we measure our impact on the climate. As part of our biodiversity goal, we strive to minimise our negative impact. With our living wage goal, we are committed to the right to a living wage in the textile industry. Our engagement with the pharmaceutical industry should contribute to fair pharmaceuticals.

The charts show to which SDGs our long-term climate and biodiversity goals and our engagement efforts in the field of living wages and pharmaceuticals contribute.



Contribution of the long-term climate goal



Contribution of the long-term living wage goal in the clothing industry



Contribution of the engagement for fair pharmaceuticals



Contribution of the long-term biodiversity goal



## 1.9 Risk management

ASN Beleggingsfondsen UCITS N.V. invests shareholders' funds for their account and risk. To ensure that shareholders are informed as fully as possible, all the known risks to which the UCITS funds are exposed are described in the ASN Beleggingsfondsen UCITS N.V. prospectus.

Risk management is a responsibility of the manager (ABB). Within ABB, the structure and organisation of risk management are designed in accordance with applicable legislation and regulations.

ABB's risk management is based on the 'three-lines-of-defence' model. In this model, different parts of the organisation have their own tasks and responsibilities in managing risks. The three lines of defence support and strengthen one another.

- The first line is the 'line organisation'. The first line is responsible for the operational management tasks and in that sense is responsible for the risks and management of those risks.
- The second line is formed by the corporate support departments of ABB and of ABB's related parties. These corporate support departments, which include the Risk Management and Compliance departments, are independent of the first line and assess whether the management of risks satisfies the policy principles of ASN Beleggingsfondsen UCITS N.V., ASN Beleggingsfondsen AIF N.V. and ABB. They also advise the Board of Directors of ABB on matters of internal control.
- The Volksbank Internal Audit department forms the third line. This department, which operates entirely independently of the first and second line and the management of ABB, assesses the quality of internal control.

In the risk management, ABB recognises financial risks and non-financial risks. These risks and their management are explained in the remainder of this chapter.

### Financial risks

In its risk management, ABB recognises the financial risks described below. Because the policy and the method of risk mitigation differ from fund to fund, the principal financial risks for each fund, as well as the relevant policy and the method of risk mitigation, are summarised in sections 2.1 to 2.4. Section 1.10 provides insight into the market developments that affected the risks during the reporting period.

The financial statements of ASN Beleggingsfondsen UCITS N.V. also provide insight into risks that occurred during the reporting period.

#### Market risk

Market risk is the risk that the value of an investment can go up as well as down as a result of fluctuations in external factors such as exchange rates (currency risk), interest rates (interest rate risk) and market prices (equity market risk). Market risk varies by asset class. It is possible for the value of investments to fall throughout the market or in certain regions and/or sectors. The degree of diversification of investments across regions and sectors and/or of the choice of individual investments affects the sensitivity to market risk. One way of expressing a fund's market risk is by means of the Value at Risk (VaR) measure. Under normal market conditions, the VaR technique provides an indication of the highest possible loss value of the respective fund, with a 99% probability that this loss value is not exceeded.

#### Interest rate risk

Interest rate risk arises from investments in fixed-income securities and is the risk that changes in interest rates in the financial markets will adversely affect a fund's earnings and assets. ASN Duurzaam Obligatiefonds invests in fixed-income securities. As a result, the fund is exposed to interest rate risk, in absolute terms and relative to the relevant benchmark. Within the funds, sensitivity to interest rate risk is measured by the 'modified duration'. Where considered relevant by the manager, modified duration limits have been set for the funds in order to manage the interest rate risk.

#### Equity market risk

The equity market risk is the risk that one or more of the investments in equities falls in value due to the dynamics of the stock market. The equity market risk also depends on the regions and sectors in which investments can be made.

To mitigate market risk, for each fund:

- it is determined which maximum exposures to specific regions and/or sectors are allowed (see also the section on concentration risk);
- an (internal) VaR limit is set if the manager considers this to be relevant.



### Currency risk

A specific form of market risk is currency risk. The value of investments in financial instruments is influenced by developments in the exchange rates in which the investments concerned are denominated, insofar as this is not the euro. To mitigate currency risk, for each fund it is determined which currencies are permitted and whether non-euro currencies should be fully or partially hedged.

### Concentration risk

Concentration risk is closely related to market risk. The risk of a decrease in the value of funds due to a concentration of investments in certain financial instruments, sectors, countries and regions. With a high degree of concentration, specific events may have a greater impact on the value of a fund than with a lower degree of concentration.

Concentrations within a fund may result from market developments, investment policies and guidelines, and/or the size and composition of the investment universe. A smaller investment universe offers fewer diversification possibilities than a larger universe.

In order to mitigate concentration risk and thus sensitivity to market risk (see above), the manager determines for each fund (where deemed relevant) what concentrations in financial instruments, sectors, countries and regions are permitted.

The investment portfolio of each fund is shown in Chapter 6. This provides insight into the individual investments and in the distribution of investments across countries and sectors.

### Inflation risk

Inflation risk arises from changes in a country's inflation level. This has an effect on various financial instruments, especially investments in fixed-income securities. Inflation risk is included in other risks mentioned above, such as interest rate risk.

### Credit risk

Credit risk is the risk that a borrower or counterparty will be unable to meet its interest and repayment obligations, thereby adversely affecting a fund's assets and returns.

### Credit spread risk

A specific form of credit risk is credit spread risk. This is the risk that the value of fixed-income securities will fluctuate due to changes in the credit risk premiums (credit spreads) applicable to them. This credit spread is influenced by the positive or negative development of the creditworthiness of the debtors, that is the companies, institutions and governments that issue these fixed-income securities.

Various rating agencies assess the creditworthiness of companies, institutions and governments. The assessed creditworthiness is influenced by factors that apply to a particular company, institution or government and by factors that apply to a particular sector or region. Less favourable earnings prospects for a sector can negatively affect the credit rating assessment of all companies in that sector.

Credit spread risk relates primarily to the funds that invest in fixed-income securities. ASN Duurzaam Obligatiefonds invests in fixed-income securities.

### Bankruptcy risk

Bankruptcy risk is a specific form of credit risk. With credit spread risk (see above), developments in credit risk premiums influence the market value of investments in fixed-income securities. In addition, it is possible that a debtor, due to specific applicable factors, may no longer be able to meet its interest and repayment obligations without this being adequately reflected in the credit risk premium. This is called bankruptcy risk. It can result in the loss of the entire market value of the financial instrument.

### Payment risk or settlement risk

This form of credit risk occurs in the settlement of transactions in financial instruments. It is the risk that a settlement through a payment system does not take place as expected, because the payment or delivery of the sold or purchased financial instruments by a counterparty either does not take place, or does not take place on time or as expected. Purchase and sale transactions of financial instruments generally generate only very short-term receivables. As a result, the risk is usually limited, taking account of the fact that delivery is made against almost simultaneous receipt of the consideration.

### Transfer risk

A specific form of credit risk is transfer risk. This is the risk that the value of investments and/or returns of the funds will be adversely affected by restrictions or barriers to transferring credit balances from abroad.

### Liquidity risk and marketability risk

Liquidity risk is the risk that a fund will not have sufficient cash to meet its short-term financial obligations in a timely manner, without incurring unacceptable costs or losses. This risk is related to the size of the fund and individual positions (of investors) compared to the size and marketability of the fund's investments. The funds invest primarily in financial instruments listed on official regulated markets, mostly in 'developed' countries. In general, therefore, the marketability of underlying financial instruments is such that purchases and sales can be made in a timely manner.

The manager reduces liquidity and marketability risk with the aid of an appropriate liquidity management system, consisting of procedures to control the liquidity risk of the funds. The aim is to align the fund's liquidity with its underlying liabilities.

### Asset return risk

Asset return risk is the risk that a fund's return will deviate from the return of the fund benchmark. Fluctuations in the value of the financial instruments in which the funds invest may differ, positively and negatively, from those included in the fund's benchmark. The funds do not have the relevant benchmark as a starting point for the portfolio. Due to the sustainable selection, a fund's investments may differ significantly from the benchmark. The so-called tracking error indicates the extent to which the fund's return differs from the benchmark's return.

### Umbrella risk

This risk relates to the risks arising from the fact that investment funds form part of an umbrella structure. ASN Beleggingsfondsen UCITS N.V. is subdivided into funds that fall under the same legal structure (the *umbrella*). The umbrella has undivided assets, so the negative equity balance of one fund may affect the other funds under the umbrella. This mainly applies in the case of distributions and in the event of a fund's dissolution or liquidation. In these scenarios, any negative equity balance of a fund may be for the account of the other funds. Given the nature of the funds' investments and investment policies, the likelihood that such a situation could occur is, in principle, limited. The investments of most funds are funded exclusively with equity. Risk mitigation measures applicable to the attraction of loan capital should reduce this umbrella risk.

Another component of the umbrella risk is the fiscal investment institution (FII) status applicable to the funds. If individual funds cannot meet the requirements for this status, there may be consequences for the FII status of the other funds under the umbrella.

## Non-financial risks

In its risk management ABB recognises the non-financial risks described below. Because the materialisation of these risks is generic for the various ASN Beleggingsfondsen and/or the risks mainly occur at the level of the manager (ABB), this chapter also discusses the materialisation during the reporting period.

### Tax and legal risk

The legal and tax treatment of the funds may change beyond the control of the funds or the manager, with adverse consequences for the funds and the funds' shareholders. In addition, changes in the legal or tax status of the shareholders or relevant changes in local legislation and their interpretation may have a substantial impact on the tax position of shareholders.

### Risk of change in respect of tax regimes

The risk of change with regard to tax regimes refers, broadly speaking, to the situation that a public authority may alter tax legislation in an unfavourable or adverse manner for a fund. This can have a negative impact on the value of the investment portfolio and/or the value of a fund's assets. It cannot be ruled out that the law or interpretation of the law will change, whether or not with retroactive effect. It is possible that, as a result, additional taxes will become due, including the possibility of withholding tax in relation to dividends or interest that have been made payable, which were not foreseeable when the prospectus was published or at the time of purchase, valuation or sale. This risk increases as a fund invests more in countries with less stable governments and democratic procedures in relation to the adoption of (tax) legislation. All funds, with the exception of the ASN-Novib Microkredietfonds, invest predominantly in countries where these less favourable external factors are not applicable. Nonetheless, the risk of change in respect of tax regimes applies to all investments in all countries.

### Risk relating to non-retention of status as a fiscal investment institution

ASN Beleggingsfondsen UCITS N.V. has the status of a fiscal investment institution in accordance with Section 28 of the Corporate Income Tax Act 1969 (*Wet op de vennootschapsbelasting 1969*). Any profits are consequently taxed at 0%. Conditions are attached to the status of a fiscal investment institution. Each fund must satisfy these conditions separately. If the funds do not meet one of the conditions, this will result in the loss of the status of a fiscal investment institution with effect from 1 January of the year in which the conditions are no longer met. If a fund fails to fulfil the dividend payment obligation, or fails to do so in a timely manner, the company will lose this status with effect from the year to which the dividend payment obligation applies. The loss of status as a fiscal investment institution will result in the funds becoming subject to corporate income tax at the standard rate. In addition, reserves created for a specific purpose will be subject to taxation. There is an increased risk in the case of a listed investment funds, since there is no clear picture of who all the shareholders in the fund are.

### Risk of erosion of fund assets

By virtue of its status as a fiscal investment institution, ASN Beleggingsfondsen UCITS N.V. must distribute its entire taxable profit to its shareholders every year. The taxable annual profit may differ from the profit calculated in accordance with the rules governing the preparation of statutory financial statements. In addition, a fund may, under certain circumstances, conduct a policy that provides for more dividend to be distributed than the annual result. As a consequence, it is possible that a dividend distribution may cause the capital of one or several funds to decrease by more than the amount of the annual profit. This risk is limited by an active reinvestment policy being pursued by the funds.

### Risk under FATCA/CRS

ASN Beleggingsfondsen UCITS N.V. must comply with the U.S. Foreign Account Tax Compliance Act (FATCA), the Common Reporting Standard (CRS) and the provisions included in Dutch law in that regard. One of these provisions is that it must be able to determine and/or continue to determine the status of shareholders under FATCA or Dutch law, and may therefore request documentation from shareholders. If the manager does not comply with FATCA so that the fund is consequently subject to U.S. withholding tax on its investments, the value of the fund may be affected.

### Tax deduction risk

If tax-exempt parties or non-residents join a fund, this may affect the fund's return. ASN Beleggingsfondsen UCITS N.V. may not apply the deduction to any foreign withholding tax for these parties.

Risk	Risk appetite	Impact	Materialisation	Control
Tax and legal risk	Low	High	Tax and legal risks did not have a negative impact on the funds during the reporting period.	ABB holds frequent consultations with its legal and tax advisors

### Compliance risk

Compliance risk is the risk that consequences of (changing) legislation and regulations are not recognised or not recognised in time, resulting in the violation of legislation and regulations. In addition to the external aspect of compliance risk, there is also an internal aspect. This is the risk of not complying with internal rules (policies) or not complying with them in a timely manner.

### Integrity risk

A specific form of compliance risk is integrity risk. This concerns damage to ABB's reputation, assets or results as a consequence of non-compliance with (internal and external) legislation and regulations. In particular, the culture and behaviour of employees, customers and parties with whom ABB does business play an important role. Actions that violate ABB's core values, the code of conduct or legal requirements will not be tolerated. In certain countries and regions where the funds invest, there is an increased risk of integrity risks, including the risk of involvement in money laundering. ABB has specific money laundering risk policies and procedures in place to mitigate these risks as much as possible.

### Fraud and corruption risk

Fraud and corruption risk is a specific form of compliance risk. Fraud and corruption can affect the reputation, assets and/or results of the ASN Beleggingsfondsen and/or ABB. Certain countries and regions have increased risks of fraud and corruption. ABB has a fraud and corruption policy as well as related procedures in place to mitigate these risks as much as possible.

Risk	Risk appetite	Impact	Materialisation	Control
Compliance risk	Low	High	Compliance risks did not have a negative impact on the funds during the reporting period.	Partly through application of integrity policies and customer acceptance policies, and by making use of a compliance officer.

## Operational risks

Operational risk is the risk of fluctuations in the size and performance of the funds due to inadequate or deficient internal management of processes and systems. The portfolio managers take financial risks within the defined constraints in order to realise returns. When making an investment decision, they make a trade-off between expected return and risk. This trade-off does not apply to operational risk. ABB and the funds apply a low risk appetite for operational risk.

### Process risk

A specific form of operational risk is process risk. This is the risk of direct or indirect losses resulting from inadequate or defective design, existence and operation of internal processes.

### System risk

System risk is a specific form of operational risk. This is the risk of direct or indirect losses resulting from deficiencies in IT systems for adequate, timely information processing and communication. ABB believes it is critical to have adequate IT systems in place to ensure the continuity and manageability of processes and services for the funds. Several measures are in place to mitigate system risks. For example, adequate backup and recovery systems are available in case of failure. Business continuity planning measures also mitigate system risks.

### Valuation risk

This form of operational risk is the risk that the assigned valuation of the fund's investments cannot be determined unequivocally. Causes of this may include inadequate information and/or imperfections in valuation processes. This risk is low for the UCITS funds because they invest in listed equities and bonds. Investments are valued at fair value using market prices. If circumstances mean that a market price cannot be given for an investment, the valuation is determined on the basis of conventions applicable in the market.

You can read more about the valuation of investments in the *Accounting policies for the valuation of assets and liabilities* in the financial statements (Section 3.4.1).

Risk	Risk appetite	Impact	Materialisation	Control
Operational risk	Low	High	There were no operational risks that negatively impacted the funds during the reporting period.	ABB monitors operational risks on the basis of its control framework. The effectiveness of the controls is independently reviewed on a monthly basis.

### Outsourcing risk

This is the risk that the counterparty will fail to meet its obligations, despite agreements made in contracts with outsourcing parties. ABB uses various outsourcing parties in the management of the ASN Beleggingsfondsen:

- The asset management and project advice for various funds have been outsourced by ABB to various asset managers and project advisors.
- The funds' administration, reporting and accounting is outsourced to BNP Paribas Securities Services SCA.

ABB employs a system of policies and procedures for this outsourcing. The principles and agreements of this cooperation with outsourcing clients are laid down in writing in agreements. An overview of these is included in Section 3.7.

With parties to whom it has outsourced the asset management, ABB has entered into asset management agreements, which, for example, elaborate on investment restrictions and formalise agreements about reporting and termination. The investment restrictions consist of a detailed, practical implementation of ABB's investment policy. Among other things, ABB monitors asset managers' ongoing compliance with applicable investment restrictions. ABB has implemented outsourcing procedures that include the monitoring of the outsourced activities. For the outsourcing to asset managers and the fund administrator, monitoring is partly based on reports and 'in control statements' from the asset managers. Assurance reports, such as ISAE 3402 reports, are used to establish whether the internal risk management of the relevant asset

managers and the fund administrator is effective. The outsourcing agreements include provisions on liabilities between ABB and the relevant outsourcing client. ABB is authorised to terminate the asset management agreements at any time and either outsource the tasks to other competent institutions or perform them itself.

Risk	Risk appetite	Impact	Materialisation	Control
Outsourcing risk	Low	High	Outsourcing risks did not have a negative impact on the funds during the reporting period,	This includes applying outsourcing policies and monitoring the external managers and the fund administrator.

### Custody risk

Custody risk is the risk of loss of assets due to, for example, insolvency or fraud at the entity where financial instruments are held in custody. This takes place at the custodian or, where applicable, subcustodians that have been appointed. ABB only makes use of custodians and subcustodians that operate under legal supervision.

Risk	Risk appetite	Impact	Materialisation	Control
Custody risk	Low	High	Custody risks did not have a negative impact on the funds during the reporting period.	ABB only makes use of custodians and subcustodians that operate under supervision.

### Sustainability risks

Sustainability risks (also known as ESG risks) are consequences of environmental, social or governance developments that could have a relevant material adverse impact on the value and/or the financial return of an investment. The funds take these risks into account. Depending on the type of investment, sustainability risks lead to changes in market or credit risks. At present, there is still much uncertainty as to how and to what extent sustainability risks will affect future returns.

The funds primarily mitigate sustainability risks (in part) by applying the ASN Sustainability Criteria. Businesses and countries engaged in activities to be excluded or avoided do not normally qualify for inclusion in the Investment Universe. For example, the Funds do not invest in oil and gas companies because these may have an adverse effect on financial return in view of the energy transition (in addition to their adverse effect on humans and the environment).

Furthermore, ABB performs risk analyses in relation to the impact of sustainability risks on the value of the Funds' investments and integrates these analyses into its investment decisions. In this context, it assesses the production processes of companies that have been admitted to the Investment Universe. One of the aspects taken into account is whether companies operate in regions in which climate change may lead to water scarcity, which could have a disruptive effect on the production processes of businesses such as food and drink companies. For this purpose, ABB uses the analyses of ASN Bank's Expertise Centre for Sustainability. These analyses are based on indicators relating to respect for human and labour rights (as a proxy for industrial action and social unrest), the environment and governance.

ABB evaluates and continuously strengthens its framework and method for monitoring, assessing, mitigating and controlling sustainability risks. As more reliable data becomes available with which the underlying risks can be quantified, ABB will obtain an increasingly accurate picture of the specific sustainability risks to which the Funds are exposed.

### Climate risk

ABB estimates that the greatest sustainability risks are currently caused by climate change, which has a significant negative impact on the global economy and indirectly on the financial markets. ABB has made it an integral part of its climate goals that the Funds should be climate positive (on an aggregate basis) by 2030. The objective of the Funds is to reduce the CO<sub>2</sub> emissions of the businesses, countries, institutions and other parties in which they invest. ABB measures the total CO<sub>2</sub> emissions, carbon footprint and carbon intensity of the investments in terms of actual CO<sub>2</sub> emissions and avoided CO<sub>2</sub> emissions. To this end, ABB uses the methodology of PCAF (Platform Carbon Accounting Financials). ABB considers the climate impact, and hence the climate risks for the Funds, to be below the market average. This is inherent to the sustainable investment vision and selection methodology applied by ABB. Nonetheless, the companies and the government bodies and semi-government bodies in which the Funds invest will likewise be confronted with the consequences of climate change, causing them to incur additional costs and/or lose sales. In general terms, the conclusion is that if climate change is limited or reduced, future returns will be better than if global warming is allowed to continue. ABB continuously evaluates its measurement methodology with regard to the climate risks of the Funds and tightens it further where necessary.

## Risk management by ABB

ABB's risk management distinguishes two areas of responsibility:

- financial risk management;
- operational risk management.

### Financial risk management

For each type of financial risk, the manager has defined measures to manage these risks. The measures may vary from fund to fund, based on the fund's strategy. Appropriate risk limits are set for the selected measures per fund, which are then monitored. This ensures that the funds act within the set mandates. The risk limits are in principle checked on a daily basis. This involves calculating the control values for each of the funds, comparing them to the internal and external risk limits, and escalating the overruns within the organisation. Internal limits are set as warning levels. This prevents the breaching of external limits or imposition of further restrictions based on other considerations (e.g. by virtue of the investment universe). For most limits, the daily determination of positions in relation to applicable limits is outsourced to the fund administrator BNP Paribas Securities Services SCA. As the manager of the funds, ABB receives daily *portfolio compliance reports* indicating any overruns of internal and external limits. The manager analyses these reports and follows up on any overruns. Each month, ABB's Risk & Compliance Committee is informed of all reported overruns including their status or resolution.

### Operational risk management

The operational risk management policy includes the strategy and objectives for operational risk management and the processes the manager has in place to achieve the objectives. Operational risk management objectives are:

- All major operational risks throughout the organisation are identified, measured, evaluated, prioritised, managed, controlled and addressed in a consistent and effective manner.
- Appropriate and reliable risk management tools are used to support the manager's risk management reporting and decision making.
- All employees are responsible for managing operational risks in line with their roles and responsibilities.
- Key stakeholders receive timely confirmation that the organisation is managing the significant operational risks to its activities.

## Business continuity plan (BCP)

In response to the outbreak of the coronavirus and the measures against it taken by the Dutch government, ABB activated its business continuity plan (BCP) during the year under review. Crisis consultations have been initiated with participants including the Board of Directors of ABB with the aim of ensuring the safety of employees, preventing further spread of the virus and guaranteeing continuity of critical business processes. During the crisis consultations, the potential risks with respect to the aforementioned aims are discussed. Where necessary, (additional) measures are taken to mitigate these risks. There were no significant incidents or stagnation in ABB's business processes or services outsourced by ABB during the reporting period.

## 1.10 Economy and financial markets in 2020 and outlook

### Economic developments

Because of the coronavirus pandemic, 2020 was a particularly difficult year for the global economy. The pandemic started in China, which was the first country to see its economy plummet as a result of draconian restrictions. This caused serious disruptions in the supply chains to the rest of the world. In this way, the negative economic impact quickly spread around the world. The global economy was dealt the heaviest blow when the virus emerged all over the world. Whereas China managed to bring the pandemic under control and saw its economic activity start to recover, economies elsewhere suffered devastating damage. In the third quarter, activities revived again worldwide. This was followed by a setback, however, when the decrease in infection numbers turned out to be temporary and the earlier relaxation of lockdown measures had to be reversed.

The coronavirus crisis also had a severe impact on the Dutch economy. With a 3.8% contraction of GDP for 2020 as a whole, our country compares favourably on balance to most other European countries. Obviously, this does not alter the fact that many businesses, especially in the non-food retail, hospitality and travel sectors, suffered particularly badly because they were forced to close or lost custom. In order to prevent the structural damage of avoidable bankruptcy or job losses, the government launched a raft of support measures, such as the Temporary Emergency Bridging Measure for Sustained Employment (NOW), the Temporary Support Scheme for Self-Employed Persons (Tozo) and the Reimbursement of Fixed Costs (TVL). Whether these measures were effective will only become apparent in the long run. In 2020, unemployment as a percentage of the working population increased to an annual average of 3.8%, which meant that the increase relative to 2019 remained limited to 0.4 percentage point. The number of bankruptcies fell to the lowest level in twenty years. According to Statistics Netherlands, this decrease is directly related to the government support provided. The question is whether businesses can survive if the government support were to cease before the corona measures have been phased out in full. After all, many businesses already have to draw on their reserves in order to avoid bankruptcy.

Due to the lockdowns through which the government tried to rein in the pandemic, consumer spending was of necessity much lower than normal. As a result, there was a strong increase in savings balances.

### Financial markets

The outbreak of the coronavirus crisis immediately gave rise to tensions on the money market. The ECB mitigated these tensions by providing large-scale liquidity injections, through schemes such as pandemic emergency longer-term financing operations. In addition, the ECB extended the targeted longer-term refinancing operations and relaxed the terms for banks. It did so in order to support the economy as a whole and to create favourable financing conditions. In March, furthermore, the ECB introduced the pandemic emergency purchase programme (PEPP), a temporary, flexible programme for buying sovereign or corporate bonds. The cap on the purchase amount was subsequently raised twice, eventually amounting to €1,850 billion.

The coronavirus crisis initially made investors risk averse. Worldwide, safe haven flows significantly pushed up the prices of government securities considered safe by investors. This greatly reduced the effective returns on the bonds. The expectation that the ECB would further reduce the policy rate also contributed to this. Dutch 10-year bond yields slumped to a record low of -0.64% on 9 March. Interest rates went up again when it turned out that the ECB would not further reduce its deposit facility rate of -0.5%. Bond interest rates continued to fall slightly during the rest of the year. The ramped-up bond purchasing by the ECB appears to have been the decisive factor for this development. The Dutch bond interest rate closely follows the German rate. On balance, Dutch 10-year bond yields fell by 42 basis points in 2020, to -0.48%.

The equity markets started 2020 in a cautiously optimistic mood with a modest rise. By the end of February, however, investors began to realise that the coronavirus would not be confined to China and could potentially lead to a pandemic. This triggered a sharp decline in the equity markets. After peaking at the end of February, the MSCI Europe Index fell by more than 30% in the period to mid-March. Stock exchanges in other regions developed along similar lines. Governments responded quickly with supporting fiscal policy measures, while central banks substantially increased their liquidity provision. This gave investors confidence that any financial damage would be limited, despite the severity of the crisis, and subsequently the equity markets largely recovered. On balance, the MSCI USA Index recorded a gain of 19.2% across 2020, while the MSCI Europe Index limited its loss to -4.3%. The differences between sectors were enormous. The technology sector did extremely well, as did – to a lesser extent – the healthcare sector. Shares in oil companies, utilities and banks performed far below par.



## Oil prices

Oil prices greatly fluctuated during the reporting year. The price war started by Saudi Arabia, combined with the dramatic fall-off in demand on account of the crisis, caused a huge oversupply in the first months of the year. This meant that storage capacity was almost completely sold out, resulting even in negative prices in some sub-markets. In April, OPEC and other oil producers again agreed to restrict production. With there being hope of economic recovery, the oil prices managed to recover despite a few ups and downs. Early in December, the aforementioned parties decided to extend the restriction, which caused another rise in prices. On balance, the price of a barrel of Brent crude fell by \$14 to \$52, reaching a low point of \$16.50 on 21 April.

## Currencies

Initially, the safe haven flows had a favourable effect on the dollar. This caused the euro to reach a low of \$1.069 by the middle of March, which was significantly lower than the earlier peak of \$1.142. Once panic about the pandemic had subsided, the single European currency managed to recover. This appreciation of the euro was probably aided by the fact that the Fed, the United States central banking system, announced that it would revise its strategy and raise interest rates less quickly in the event of a rise in inflation. Across the year as a whole, the euro went up by 10 dollar cents to \$1.2220.

The dollar-yen exchange rate was extremely volatile at the start of the pandemic. The Japanese currency rose from ¥112.1 to ¥102.5 per dollar, only to fall almost immediately afterwards. Later, the yen again gained ground. This may have been due to the fact that on balance the Japanese central bank, unlike the Fed, introduced little monetary relaxation in 2020, despite falling well short of its inflation target. On balance, the currency rose against the dollar from ¥108.7 to ¥103.2 for one dollar.

The sterling exchange rate was extremely volatile. The currency started the year strongly because of the government's decisive action. The sterling exchange rate peaked at £0.831 for one euro on 14 February, after recording £0.878 at year-end 2019. However, during the panic about the pandemic the rate fell to a low of £0.931 on 23 March, partly because of the less than convincing performance of the Tory government under Johnson. It recovered again once the pandemic was brought somewhat under control. Doubts about the sterling gradually increased again, however, when the UK government decided to stick with the deadline for a trade agreement with the EU (or a hard Brexit) at the end of the year. The fact that the British remained less successful in bringing the pandemic under control did not help either. At the very end of the year, the Brexit agreement with the EU pushed up the rate to some extent. Across the year as a whole, the sterling fell slightly on balance, to £0.894 for one euro.

## Outlook

Economic affairs in the near future will greatly depend on the development of the coronavirus pandemic. The outlook for the eurozone in the upcoming quarters is not particularly hopeful. This is because the roll-out of the vaccination programmes is slow, while more infectious COVID variants are emerging. The outlook seems better if we look further ahead, assuming that the virus will eventually be more or less brought under control and the closed parts of society can gradually come out of lockdown. A positive factor is the expected financial support from the European recovery fund on which EU government leaders reached agreement in July.

We would like to make two observations on this point. First, there is the risk that vaccines will prove to be less effective than is assumed at present, due to new virus mutations. Secondly, the recovery – if it sets in at all – will in any case not be smooth. For example, many Dutch companies in the service industry and in parts of the retail sector have sustained great losses. It is to be expected that government support will be phased out as the epidemic subsides. This will cause a catch-up effect in the form of a strong increase in the number of bankruptcies, accompanied by a rise in unemployment figures. In view of the large savings buffers of consumers, this might be counterbalanced by a catch-up in demand. However, at present it is uncertain how exactly the economy will develop in the end.

The Hague, 17 March 2021

The Board of Directors of ASN Beleggingsinstellingen Beheer B.V.

*Bas-Jan Blom*

*Gert-Jan Bruijnooge*



## 1.11 Dividend

We propose to pay the following dividends per share to the shareholders.

ASN Duurzaam Aandelenfonds	€ 1.80
ASN Duurzaam Obligatiefonds	€ 0.30
ASN Milieu & Waterfonds	€ 0.35
ASN Duurzaam Small & Midcapfonds	€ 0.40

Due to its status as a fiscal investment institution, the fund must distribute the profits available for distribution (defined in the Investment Institutions Decree 1970 (*Besluit Beleggingsinstellingen 1970*) as most recently amended on 11 January 2016) within eight months of the end of each financial year.

## 1.12 Remuneration policy

The UCITS guideline requires that the remuneration of the fund manager be disclosed in the annual report. Remuneration costs are not directly part of the funds' income statement. The manager charges fund costs to the funds and pays the salaries of employees working for the manager from this. Therefore, compensation costs are not disclosed in the financial statements but in the manager's report. The salary costs referred to are the salary costs for the entire 2020 financial year.

### Remuneration policy ASN Beleggingsinstellingen Beheer B.V.

In line with its mission, ABB performs its activities with a focus on reliability, integrity of services and the interests of the investors in the funds. In providing its services, ABB seeks to realise an optimum return for the investors in the funds as well as a sustainable world.

This is why ABB wants to conduct an appropriate remuneration policy that helps achieve this ambition and gives ABB's staff a sense of purpose, while ensuring the appropriate remuneration, adequate training and long-term employability of staff. Furthermore, this policy aims to contribute to the adequate control of sustainability and other risks and to safeguarding the continuity of the operations.

The remuneration of ABB's staff members is in line with these aims and must be justifiable to the investors, society and other stakeholders. To ensure this, ABB wants to be transparent about its remuneration policy.

### Law and regulations

Because of the similarities between de Volksbank's and ABB's mission and vision, as well as the desired manner of remunerating staff, ABB has linked up with de Volksbank's remuneration policy and the implementation thereof and has adopted de Volksbank's remuneration policy as its own.

ABB acknowledges that it has an independent obligation to comply with the statutory and other requirements on remuneration to which it is subject as a manager. Since de Volksbank's remuneration policy is based in particular on relevant requirements for banks, ABB has added to de Volksbank's remuneration policy in its own policy.

This enables ABB to comply with sector-specific provisions on remuneration following from European directives, (delegated) regulations and guidelines (AIFMD, UCITS, SFDR and the Guidelines on Sound Remuneration Policies under the UCITS Directive and AIFMD) and from national laws and regulations (the Financial Supervision Act, the Remuneration Policy (Financial Enterprises) Act, the Dutch Civil Code, the Market Conduct Supervision (Financial Institutions) Decree and the Restrained Remuneration Policy Regulations (Financial Supervision Act) 2017).

### Governance

De Volksbank's remuneration policy describes the responsibilities of the remuneration committee of de Volksbank's Supervisory Board (hereinafter: Remuneration and Nomination Committee). As part of its responsibility – pursuant to the laws and regulations on (restrained) remuneration policy – the Remuneration and Nomination Committee prepares the decisions on remuneration and the remuneration policy.

In addition to de Volksbank's remuneration policy, the Remuneration and Nomination Commission gives consideration to the provisions applicable to ABB, as set out in the Guidelines on Sound Remuneration Policies, for the benefit of ABB. Furthermore, de Volksbank's remuneration policy, having been approved by de Volksbank's Supervisory Board, has also been approved by ABB's Management Board. The basic premise for ABB's Management Board in this approval process is that the remuneration policy must be in keeping with proper and effective risk management on the part of ABB. ABB's

Management Board (with the support of ABB's Compliance Officer) has established that de Volksbank's remuneration policy:

- is consistent with ABB's strategy, objectives, values and interests;
- complies with the laws and regulations applicable to ABB;
- does not encourage the taking of risks, including sustainability risks, which are excessive in comparison with the fund portfolio management policy; and
- enables ABB to harmonise the interests of the funds and the investors in the funds with the interests of the Identified Staff (explained in more detail in Section 6) and helps it achieve and maintain a healthy financial position.

### Remuneration features

De Volksbank's remuneration policy, which, after its adoption by ABB's Management Board, also applies to the staff members of ABB, is characterised by the following features:

- remuneration in line with the human dimension: the highest salary at de Volksbank is no more than 10 times the average salary within the bank. Every person is different and contributes to the operating result in their own way, which can be rewarded by means of a modest financial gesture;
- financial resilience: it is important for our organisation that employment conditions and salaries are compliant with the market;
- usefulness rather than return: not only the result counts, good behaviour is rewarded as well; and
- sustainability: a low risk profile in remuneration is essential in order to guarantee the continuity of our services.

### No variable remuneration

From 1 January 2018, de Volksbank no longer awards variable remuneration. ABB shares this vision of remuneration and has adopted this remuneration measure by linking up with de Volksbank's remuneration policy. In principle, ABB's staff members are driven by their ambition to contribute to a sustainable society. Thus, their primary aim is not maximum financial reward. This is in line with the values and policies of ABB and de Volksbank.

This involves all forms of variable remuneration, for that matter, i.e. all extra payments and benefits that depend on the performance delivered or, in certain cases, on other contractual criteria.

Any additional payments that may be made at de Volksbank are part of a general, non-discretionary policy covering AIF and UCITS managers and do not pose an incentive to assume risks. These payments therefore fall outside the definition of 'remuneration' for the purposes of AIFMD-specific, UCITS-specific and SFDR-specific regulations on risk-related remuneration.

### Identified staff

The regulatory framework – as described in Section 2 – imposes specific requirements as to the remuneration policy in respect of particular categories of staff members who can exert material influence on the risk profile of ABB and the funds, known as 'Identified Staff'. ABB has classed the following positions as Identified Staff:

- ABB's two directors as the executive members of the Management Board; and
- ABB's Head of Portfolio Management as a senior executive.

In derogation from the procedure for identifying Identified Staff under de Volksbank's remuneration policy, ABB's Compliance Officer – in consultation with de Volksbank's central HR staff department – is responsible for identifying Identified Staff at ABB. To this end, the Compliance Officer applies the relevant provisions of the Guidelines on Sound Remuneration Policies.

### Remuneration during reporting period

In 2020, ABB awarded its staff members a total amount of EUR €2.35 million in remuneration. This amount concerns only fixed remuneration, because ABB does not pay variable remuneration. On average, ABB employed 17.8 persons during the reporting period.

Remuneration in euros	Average number of FTEs in 2020	Fixed remuneration 2020 <sup>1</sup>
Board of Directors/Identified staff	3 <sup>2</sup>	717,511
Staff in audit positions	2.5	305,645
Other staff	12.3	1,322,372
<b>Total</b>		<b>2,345,528</b>

<sup>1</sup> Salary including pension contributions and social security contributions paid by the employer

<sup>2</sup> One of the members of the Board of Directors is employed ad interim by ABB. He is not employed by ABB, but invoices the hours he works to ABB.

### Outsourcing relationships

ABB guarantees that persons who are involved in outsourced activities, and who can have a material impact on the risk profile of the funds, satisfy the remuneration rules ensuing from the applicable laws and regulations as described in Section 2.

These are particular staff members of the asset managers ACTIAM, Impax Asset Management and Kempen Capital Management, who have been classed as Identified Staff. Arrangements have been made with these asset managers in respect of their remuneration policy, which arrangements have been documented in the agreements and SLAs concluded with the asset managers. ABB monitors the arrangements laid down in the SLA and evaluates them once a year.

The Hague, 17 March 2021

The Board of Directors of ASN Beleggingsinstellingen Beheer B.V.

Bas-Jan Blom

Gert-Jan Bruijnooge









## 2 Management Board report in respect of ASN Beleggingsfondsen UCITS N.V.







## 2.1 ASN Duurzaam Aandelenfonds

### Fund profile

ASN Duurzaam Aandelenfonds invests primarily in equities of listed companies across the globe that have sound financial prospects and that are committed to promoting the sustainability of society. The fund also invests to a limited extent in venture capital funds through ASN Venture Capital Fonds N.V. ABB has outsourced the portfolio management of the listed equities to ACTIAM N.V. ABB itself performs the portfolio management of ASN Venture Capital Fonds N.V. All the companies must meet the sustainability criteria of ABB. ABB draws up the fund's investment policy. Within the parameters of this policy, investment manager ACTIAM seeks to actively anticipate market developments through its selection of companies. This active investment policy is geared to generating long-term capital growth. The prospectus of ASN Beleggingsfondsen UCITS N.V. contains full and detailed information on the investment policy of this fund. The prospectus can be found at [www.asnbeleggingsfondsen.nl/fondsen](http://www.asnbeleggingsfondsen.nl/fondsen) on the fund's webpage.

Effective 18 June 2020, the structure of the fund was changed in connection with the division of ASN Beleggingsfondsen N.V. into ASN Beleggingsfondsen UCITS N.V. and ASN Beleggingsfondsen AIF N.V. This resulted in the dissolution of the ASN Aandelenpool (equities pool), with investments now being held directly by the fund.

### Investment policy

ABB determines the investment universe of the ASN Duurzaam Aandelenfonds based on assessments of the sustainability of enterprises. ACTIAM carries out the financial analysis, based on fundamental and statistical analysis. Based on fundamental analysis, the investment manager adds companies from the investment universe to the portfolio. As part of this analysis, it assesses matters such as market position, competition and financial ratios. Based on statistical characteristics (factors), the investment manager enlarges or reduces positions relative to the benchmark. In doing so, it groups companies on the basis of common characteristics, regardless of geography and/or sector. The characteristics concerned are those that have the potential to generate additional return compared to neutral positions, as shown by research. The investment manager takes these into account when building the portfolio. Based on the financial analysis, the investment manager takes positions, without relying on or using the benchmark as a gauge. This can result in deviations from the benchmark, and means that the fund has a relatively high tracking error (the difference between the performance of an investment portfolio and the change in value of a benchmark).

Effective 1 April 2020, the benchmark for the fund was changed. The former benchmark was comprised of the MSCI Europe Index (65%), the MSCI US Index (25%) and the MSCI Japan Index (10%). It has been replaced by the MSCI All Country Weighted Index (MSCI ACWI). The reason for the change is that the new benchmark provides a better match with the fund's strategy: investing in sustainable equities across the globe. ABB takes no position in advance with regard to regions. This contrasts with the old, composite benchmark, which did include a regional allocation. ABB considered this to be no longer appropriate. The change has resulted in a higher ex-ante tracking error of the fund (this expresses the degree of risk a fund manager takes or can take relative to the benchmark). This is mainly because many companies from the US are represented in the benchmark. In this report, the benchmark figures until 31 March 2020 are based on the old benchmark, and from 1 April 2020 they are based on the new benchmark.

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### Portfolio management

The first half of 2020 was largely determined by the reaction of the markets to the outbreak of the coronavirus pandemic. In the light of the considerable uncertainty on the financial markets, the portfolio managers scaled down the overweighting in cyclical companies in March in favour of more defensive sectors. They also temporarily held a cash position. A V-shaped recovery of the global economy was looking increasingly unlikely. The main reasons for this increased pessimism were that the supply shock in the first phase of the lockdown was greater than expected, and that social distancing and other protective measures have a negative effect on demand. In November, the positive news about a vaccine being available prompted a move from 'expensive' defensive shares to 'cheap' cyclical shares. The general market expectation is that vaccinations will cause economies to reopen in the course of 2021. In addition, government tax programmes will support the economy and the stock markets. We are still taking two risks into account. The first risk is the high valuations of shares in a range of sectors. The second risk concerns new, potentially more infectious variants of the coronavirus that may delay the reopening of economies, at least in the short term. The risk profile of the fund was positioned slightly cyclically at the end of December 2020.

We added the following companies, among others, to the portfolio in the reporting period:

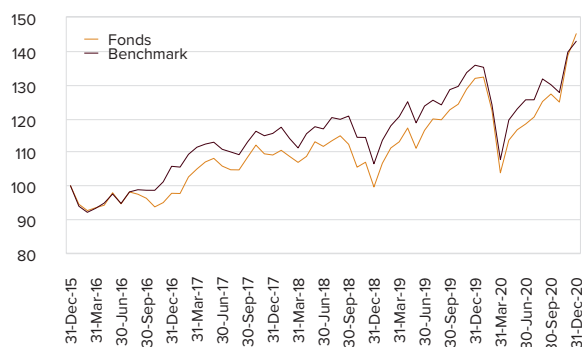
- The Finnish company **Valmet** manufactures machines for the production of pulp, paper, tissues and cardboard. Valmet holds a top-two position worldwide in all the segments of this market in which it operates. It is the only truly global player. It is the market leader in terms of technology, with automation being its main distinguishing feature. Valmet expects to increase its profits in the coming years, both organically and through acquisitions.
- **Getlink** is the French-British company which operates the Channel Tunnel between France and England. In addition, it is currently building an electricity connection between the two countries. Although we feel very positive about the company's structural development (rail transport), we currently adopt a reticent attitude in connection with the sharp fall in traffic going through the Tunnel on account of the pandemic.
- **Nemetschek** is a German software company specialised in the AEC (architecture, engineering and construction) sector. The greater part of its revenue is generated by the Design segment (CAD software). Nemetschek is a pioneer in BIM (3D virtual Building Information Modelling), which in many countries is still underdeveloped. The conversion from 2D to 3D is an important driver for the company.
- **Solaredge Technologies**, an American company producing optimisers, transformers, security equipment, tools and accessories for solar power generation. The company sells its products to distributors and wholesalers. Solaredge is one of the few 'solar shares' that are consistently profitable, generate cashflow and have a solid balance sheet. Solaredge is able to benefit from expansion into other segments (such as energy storage) and international growth.
- **TPI Composites**, the largest independent producer of wind turbine blades. In 2019, it produced 18% of all onshore wind turbine blades worldwide. TPI has all important wind turbine producers as its customers. Potential catalysts are the production of blades for offshore wind turbines and growth outside the US and China. In addition, TPI produces lightweight composite bodies for electric vehicles, which is a growth market.

The fund sold the shares in companies including **Huaneng Renewables**, **Corp Sophos**, **Pattern Energy**, **Tech Data Corp** and **NTT Docomo** after these companies had been removed from the investment universe because of a takeover bid. It also sold its shares in **Intu Properties**, after it became clear that the company would go bankrupt.

## Performance

The ASN Duurzaam Aandelenfonds achieved a return for 2020 on the basis of the quoted stock market price of 9.77% (2019: 33.18%). This includes the reinvested dividend for 2019 of €2.85 per share (2018: €2.95). In the same period the benchmark achieved a return of 5.23% (year-end 2019: 27.44%).

### Indexed return during last 5 years relative to the benchmark



## Performance contributions

### Performance attribution of ASN Duurzaam Aandelenfonds in 2020 relative to the benchmark

Fund NAV return <sup>1</sup>	Benchmark return	Outperformance	ESG overlay	Active management	Costs
10.03%	5.23%	4.80%	5.51%	0.14%	-0.85%

<sup>1</sup> The fund return based on NAV may differ from the quoted stock market price. The quoted stock market price as at year-end is based on the previous trading day.

In 2020, 5.51% in return was gained relative to the benchmark due to the selection of companies on the basis of sustainability. In the first six months, the fund had posted a relative loss because of the impact of the pandemic on the stock exchanges. The recovery of the fund in the second half of the year was driven primarily by companies with a strong focus on sustainability. Examples include shares in technology companies and other companies making a contribution to the renewable energy sector. In addition, investments in the wider technology sector, including manufacturers of semiconductors, benefited from the accelerated digitisation of society due to, for example, the shift to working from home.

and online shopping. Relative to the benchmark, the fund benefited from the fact that it does not invest in oil and gas companies and banks, which were badly hit by the consequences of parts of the economy grinding to a halt (lockdowns).

Active portfolio management (i.e. selecting companies from the available investment universe) accounted for a contribution of 0.14%. Strong shares were selected especially in the final months of the year. The portfolio managers increased the weighting assigned to the semiconductor industry and renewable energy shares. They reduced the weighting assigned to telecom shares. The relative loss of the defensive position maintained by the fund in March and April was turned into a positive contribution to fund performance, due in part to an increase in the weighting assigned to cyclical shares in the portfolio. The fund costs were 0.85%.

Positive contributions were mainly attributable to:

- **Taiwan Semiconductor Manufacturing Corp** (contribution to fund performance: +2.21%) is the world's largest independent manufacturer of semiconductors. The company is a frontrunner in the development and application of the most sophisticated new technologies. Despite the large degree of investment, TSMC is highly profitable. When it comes to EUV production (whereby EUV stands for 'extreme ultraviolet'), TSMC is the dominant market player.
- **Xinyi Solar Holdings** (contribution to fund performance: +1.75%) is the world's largest producer of glass for solar panels, with a market share of 35%. Due in part to its scale, it is also the producer with the lowest cost level. The company has invested much in new production in order to meet sharply rising demand. Because of this unbalance between supply and demand, the company is in a strong position to dictate the price and is gaining market share
- **ASML** (contribution to fund performance: +1.09%) has a monopoly in applying the latest method of producing semiconductor machines (EUV: extreme ultraviolet lithography). The company expects a 20% rise in turnover for the EUV machines in 2021. In addition, ASML is benefiting from the recovery of the DRAM market and from developments such as digital transformation (5G and artificial intelligence).

Negative contributions were mainly attributable to:

- **GlaxoSmithKline** (contribution to fund performance: -0.40%), a medicines manufacturer, caused disappointment when it halted the development of a promising COPD vaccine. The company was also hit by lower medicine sales due to the pandemic. The pipeline of new products is lean, while various key products are about to lose their exclusivity.
- **Becton Dickinson & Co** (contribution to fund performance: -0.36%), a manufacturer of medical instruments, was affected by the consequences of the pandemic, such as the fall in the number of planned surgeries and other procedures. It also suffered a loss of turnover due to problems with one of its key products. The market was unpleasantly surprised by an issue of new shares.
- **Vodafone Group** (contribution to fund performance: -0.28%) is one of the world's largest telecommunications companies and operates in 25 countries. In 2020, the sector, and therefore also Vodafone, was hit by the consequences of the pandemic, especially the decrease in roaming revenue. Nevertheless, the company managed to reduce its high debts. its outlook for 2021 is much better.

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## Key figures of ASN Duurzaam Aandelenfonds

### % return

	Fund	Benchmark <sup>1</sup>
2020	9.77%	5.23%
2019	33.18%	27.44%
Last three years (yearly average)	9.86%	7.33%
Last five years (yearly average)	7.66%	7.39%
Yearly average since inception date (20-04-1993)	8.19%	8.20%

<sup>1</sup> MSCI All Country Weighted Index (MSCI ACWI). Effective 1 April 2020, the benchmark for the ASN Duurzaam Aandelenfonds was changed.

## Key figures in euros

Price 31 December 2020	139.19
Price 31 December 2019	130.06
Highest price in 12 months	139.19
Lowest price in 12 months	91.34
Net asset value per share 31 December 2020 <sup>1</sup>	139.17
Dividend for financial year 2019	2.85

<sup>1</sup> As the quoted stock market price lags the net asset value by a day, a difference may arise.

## Fund growth

	31-12-2020	31-12-2019
Fund size in € thousands	1,543,572	1,487,553
Number of shares outstanding	11,091,282	11,463,400

## ASN Venture Capital Fonds N.V.

The ASN Duurzaam Aandelenfonds invests no more than 5% of the fund capital in ASN Venture Capital Fonds N.V. This company invests in small, innovative enterprises, in developing countries as well as elsewhere, through sustainable investment funds that are specialised in venture capital investments (venture capital funds). ASN Venture Capital Fonds N.V. uses the expertise and experience of external fund managers. The investments in ASN Venture Capital Fonds N.V. are carefully assessed and judged on sustainability criteria, projected sustainable development and expected returns. The company invests in the sectors sustainable technology and energy, health care, microcredit and in SMEs in Africa and Asia. As at the balance sheet date, 0.41% of ASN Duurzaam Aandelenfonds was invested in ASN Venture Capital Fonds N.V. This investment made a slightly negative (-0.09%) contribution to the return in the reporting period. The negative return is attributable to a net decrease in the valuations of funds in which the company invests, due to the coronavirus crisis.

## Sustainability

The ASN Beleggingsfondsen invest only in companies, governments, organisations and projects that contribute to a sustainable society and are financially sound. This chapter describes how the ASN Duurzaam Aandelenfonds contributes to sustainability.

### Sustainable Development Goals (SDGs)

The United Nations Sustainable Development Goals (SDGs) offer a common language for talking about sustainable, social development. In Chapter 1, we will explain the relationship between our sustainability policy and the SDGs.



The ASN Duurzaam Aandelenfonds has an impact on SDGs 8, 9, 12 and 13 in particular. We will explain this below.

<b>SDG 8</b>	<b>Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.</b>	
Target 8.8	Protect labour rights and promote safe and secure working environments for all workers, including migrant workers, in particular women migrants, and those in precarious employment.	
Explanation	The fund will avoid sectors which entail a high risk of poor labour conditions, such as agriculture, mining and the sex industry. In addition, we check whether companies meet our sustainability criteria concerning human rights in general: equal treatment and non-discrimination, child labour, forced labour, freedom to belong to a trade union, a safe and secure working environment and a living wage.	
<b>SDG 9</b>	<b>Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation</b>	
Target 9.4	By 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes, with all countries taking action in accordance with their respective capabilities.	
Explanation	The fund invests in listed companies that apply clean, environmentally friendly technologies. We exclude and avoid non-sustainable activities. For example, the fund does not invest in the fossil fuel sector, waste processors which primarily dump waste and producers of combustion engines. It does invest in public transport and in telecommunications and software companies. In addition, we check whether companies meet our guidelines in respect of the environment, deforestation, change of land use, introduction of exotic species, overexploitation and pollution.	
<b>SDG 12</b>	<b>Ensure sustainable consumption and production patterns</b>	
Target 12.6	Encourage companies, especially large and transnational companies, to adopt sustainable practices and to integrate sustainability information into their reporting cycle.	
Explanation	We review the companies in the fund at least once every four years on the aspects of management, human rights, biodiversity, climate and supply chain policy. During this review, we consider sector risks, high-risk countries, policy documents and company performance. In addition, we may engage with companies	
<b>SDG 13</b>	<b>Take urgent action to combat climate change and its impacts</b>	
Target 13.2	Integrate climate change measures into (national) policies, strategies and planning	
Explanation	We exclude polluting sectors from the fund and avoid them. We assess the risks, policy and performance of companies in areas such as deforestation and change of land use. We also maintain larger positions in the portfolio in companies with relatively low CO <sub>2</sub> emissions. The fund's CO <sub>2</sub> emissions are 57% below the benchmark (Navigant, 2018).	

### Sustainable selection

In 2020, we assessed 161 companies for the ASN Duurzaam Aandelenfonds. This resulted a net increase of the investment universe by 27 companies. Fifteen already approved companies from the investment universes of ASN Milieu en Waterfondsen and ASN Duurzaam Small & Midcapfondsen were admitted. Huaneng Renewables, Ingersoll-Rand, INTU Properties, NTT DOCOMO, Pattern Energy Group, Sophos Group and Tech Data Corporation were removed for reasons other than sustainability.

### Overview of the companies reviewed for the ASN Duurzaam Aandelenfonds

Newly admitted	Retained (continued)	Retained (continued)
Canon Inc	Canadian Solar	Natura Holding S.A.
Delta Electronics	Capital & Counties Properties	Nexstar
First Solar	Coca-Cola HBC	Novozymes
Fujifilm Holdings	CompuGroup Medical AG	Ontex
Getlink	Dürr AG	Osram licht AG
Global Unichip corp	Electrolux	Pearson
Next	Electrolux Professional	Philips Electronics
Palo Alto Networks	Ericsson	Plastic Omnium
Pennon Group	Esprit Holding	PUMA
ProSiebenSat.1	EssilorLuxottica	REC Silicon ASA
Resmed	Gildan Active Wear	Reckitt Benckiser Group
Software AG	Hammerson	Relx
Straumann Holding	Hannon Armstrong Sustainable	Sage Group
Ströer SE & CO KGAA	Henkel	Salesforce.com
Sunrun	Hennes & Mauritz	Signify
Tag Immobilien AG	Huhtamaki Oyj	Simcorp
TPI Composites	Inditex	SPP Group
Valmet OYJ	Inventec	Svenska Cellulosa AB
Workday Inc-Class A	JCDecaux SA	Trane Technologies
Yamaha Corp	KDDI	Unilever
	Korian	Vestas Wind Systems
<b>Retained</b>	L'Oreal	Vodafone Group
Adidas	Lagardere	Wolters Kluwer
ASICS Corporation	LG Electronics	WPP Group
Asos	Lojas Renner	Zumtobel AG
Autodesk	Marks & Spencer Group	<b>Removed</b>
Bekaert	Micron Technology	-

During the reporting period, we admitted the American company Sunrun. This company develops, installs and sells solar panels, solar batteries and solar energy. It is a good match with ASN Beleggingsfondsen. We did not reject or remove any companies during the reporting period.

### Engagement

In 2020, we held talks with 50 companies from the investment universe. Six of these companies operate in the pharmaceutical sector, and further details can be found in Section 1.8 under 'Engagement'. As part of the long-term objective of a living wage, we held talks with 15 clothing companies, details of which can also be found in Section 1.8, under 'Sustainable objectives of ASN Beleggingsfondsen'. Another 35 companies were approached for other reasons, for example because:

- A malpractice at the company had come to light;
- A reassessment had revealed that the company no longer met our criteria;
- ABB wanted to encourage the company to develop further in the area of sustainability.



In 2020, we engaged with Philips. The company had become discredited because of involvement in corruption. Philips responded well to our engagement. Although we trust the company's approach, we will obviously keep monitoring it closely.

### Climate

ABB has a climate goal: by 2030, the investments of the ASN Beleggingsfondsen must be climate positive. More information on this subject can be found in Section 1.8. In order to measure our progress in achieving this goal, we calculate the CO<sub>2</sub> emissions generated by the investments of the ASN Beleggingsfondsen.

The companies in which the ASN Duurzaam Aandelenfonds invests emit CO<sub>2</sub>. In selecting companies, we assess their climate and environmental policies as well as performance. We want to invest in companies whose products contribute to and are in keeping with a climate-proof economy. We use the PCAF method to calculate the CO<sub>2</sub> emissions generated by the activities.

CO <sub>2</sub> emissions of ASN DuurzaamAandelenfonds <sup>1,2</sup>	Year-end 2020	Year-end 2019	Difference
Scope 1 and 2	53,155	49,389	7.6%
Scope 3	166,306	141,850	17.2%
<b>Total for scopes 1, 2 and 3</b>	<b>219,462</b>	<b>191,239</b>	<b>14.8%</b>

1 The methodology for measuring the CO<sub>2</sub> impact of investments and loans is in constant development. The data used is improving all the time. As a result, the calculated CO<sub>2</sub> impact may be adjusted in the future should better data become available.

2 The legal division of ASN Beleggingsfondsen N.V. has also led to the CO<sub>2</sub> figures of the ASN Beleggingsfondsen being reported separately. In this report, we present the separate CO<sub>2</sub> results of the funds which have become part of ASN Beleggingsfondsen UCITS N.V. (UCITS funds). In the report of ASN Beleggingsfondsen AIF N.V., we present the CO<sub>2</sub> results of the ASN Duurzame Mixfondsen and the ASN Groenprojectenfonds. Prior to the division, the ASN Duurzame Mixfondsen used to invest via investment pools in the underlying ASN Beleggingsfondsen. Since the division, they invest directly in the UCITS funds. As a result, the CO<sub>2</sub> figures of the UCITS funds now also include the CO<sub>2</sub> results of the investments in the ASN Duurzame Mixfondsen.

### Development of absolute CO<sub>2</sub> emissions in tonnes

In 2020, the total CO<sub>2</sub> emissions of the ASN Duurzaam Aandelenfonds amounted to 219,462 tonnes for scopes 1, 2 and 3. Changes in the CO<sub>2</sub> emissions were caused by:

1. Changes in the composition of the investment portfolio. These may occur when approved companies are added to the investment portfolio or rejected companies are removed. This may happen for sustainability reasons or for financial reasons. In addition, we may increase or reduce our shareholding in companies;
2. Changes in the CO<sub>2</sub> data.
3. Changes in the size of the fund.

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### Changes in the composition of the investment portfolio

The removal of Kontoor Brands, Tech Data Corp and Gildan Activewear made the greatest contribution to the reduction in CO<sub>2</sub> emissions of the ASN Duurzaam Aandelenfonds. Together, they accounted for a reduction by more than 9,100 tonnes.

The newly purchased shares in LG Electronics and Electrolux made the greatest contribution to the increase in CO<sub>2</sub> emissions. Together, they accounted for an increase of more than 26,000 tonnes. Orora, LG Electronics and Valmet were also among the top companies making a major contribution to emissions.

### Changes in the CO<sub>2</sub> data

CO<sub>2</sub> data is improving all the time. An increasing number of companies report on their CO<sub>2</sub> emissions. The models used by data suppliers are improving as well. This means that the data input we are using to calculate the CO<sub>2</sub> emissions of our funds is improving accordingly. In 2020, it appeared that the CO<sub>2</sub> emissions of Kingspan and Manpower had increased by 809 and 439 tonnes respectively. Holmen's CO<sub>2</sub> emissions declined by 725 tonnes.

### Changes in the size of the fund

The number of shares outstanding fell by 3.2% in 2020, whereas total CO<sub>2</sub> emissions increased by 14.8%. This means that the absolute CO<sub>2</sub> emission figure per share of ASN Duurzame Aandelenfonds went up.

## Risk management

Investing in the ASN Duurzaam Aandelenfonds entails risks. The principal financial risks relating to the fund are explained in the table below. Section 1.9 contains a general description of the financial and non-financial risks, while Section 3.4.6 describes the financial risks per fund.

### Equity market risk

The ASN Duurzaam Aandelenfonds invests primarily in listed equities. The value of such equities fluctuates depending on factors such as economic growth outlook and inflation. The greater these fluctuations, the higher the market risk.

Risk appetite	Probability	Impact	Limit	Materialisation	Control measure
High	High	High	VaR99 not exceeding 50%	The limit was exceeded in the reporting period. The methodology and the level of the limit were adjusted as part of the periodic evaluation of the limit. At year-end 2020, the limit was not exceeded.	Risk control and monitoring through limit to Value at Risk (VaR)

### Currency risk

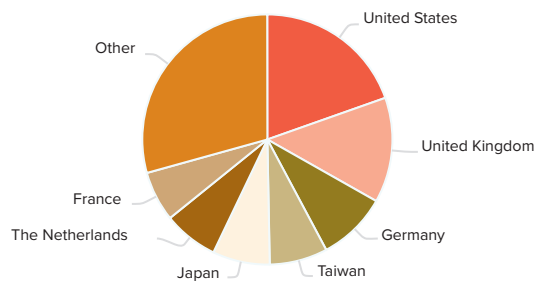
The ASN Duurzaam Aandelenfonds invests in equities listed in euros and equities listed in other currencies. The value of the investments is therefore affected by exchange rate fluctuations. The fund does not hedge the currency risks.

Risicobereidheid	Kans	Impact	Limiet	Materialisatie	Beheersmaatregel
High	High	High	Regional allocation:		Bandwidths for regional allocation were discarded after the ABB Risk & Compliance Committee [meeting] in April 2020.
			Europe	56,99%	
			US & Canada	19,84%	
			Japan	7,32%	
			Rest of the world	15,85%	

### Geographical allocation as %

United States	19.6
United Kingdom	13.6
Germany	9.0
Taiwan	7.5
Japan	7.4
The Netherlands	7.1
France	6.5
Other	29.3

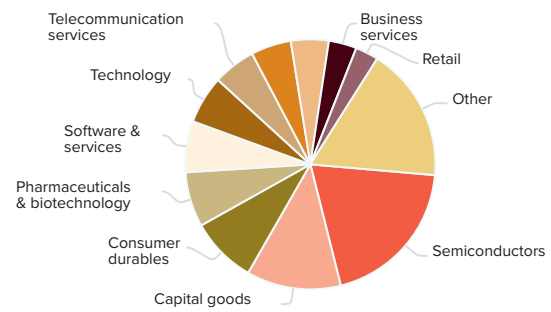
### Geographical allocation



## Sector allocation as %

Semiconductors	19.7
Capital goods	12.2
Consumer durables	8.6
Pharmaceuticals & biotechnology	7.1
Software & services	6.6
Technology	6.2
Telecommunication services	5.5
Personal care products	5.2
Healthcare services & equipment	4.9
Business services	3.6
Retail	3.0
Other	17.4

## Sector allocation



## 2.2 ASN Duurzaam Obligatiefonds

### Fund profile

The ASN Duurzaam Obligatiefonds invests only in eurozone bonds issued by governments that meet the sustainability criteria of ABB. The fund may additionally invest in green bonds and social bonds. These are bonds issued to finance specific social or environmental projects. ABB has outsourced the portfolio management of the fund to ACTIAM N.V. ABB assesses governments on their social and environmental performance. Portfolio manager ACTIAM also assesses them with regard to a fundamental financial criterion: their repayment capacity. This is the ratio between a country's tax revenues and interest payment commitments. The better a country scores with respect to sustainability as well as repayment capacity, the more the fund invests in that country. The prospectus of ASN Beleggingsfondsen UCITS N.V. contains full and detailed information on the investment policy of this fund. The prospectus can be found at [www.asnbeleggingsfondsen.nl/fondsen](http://www.asnbeleggingsfondsen.nl/fondsen) on the fund's webpage. Effective 18 June 2020, the structure of the fund was changed in connection with the division of ASN Beleggingsfondsen N.V. into ASN Beleggingsfondsen UCITS N.V. and ASN Beleggingsfondsen AIF N.V. This resulted in the dissolution of the ASN Obligatiepool (bond pool), with investments now being held directly by the fund.

### Investment policy

The various countries in the portfolio are weighted according to their sustainability score and repayment capacity. ABB takes each country's sustainability criteria as a basis for determining its sustainability score. The investment manager then adds to this the repayment capacity scores for each country. These two scores jointly determine the weighting of each country in the portfolio. The investment manager invests on a country-by-country basis in bonds with a balanced spread of available maturities, with a maximum maturity of ten years. In this way, it ensures that the average interest rate maturity of the fund is around five years. In addition to sovereign bonds, the fund invests a maximum 15% of its assets in green and social bonds, with a target weighting of 10%. The benchmark for the fund is the iBoxx € Eurozone 1-10 Index.

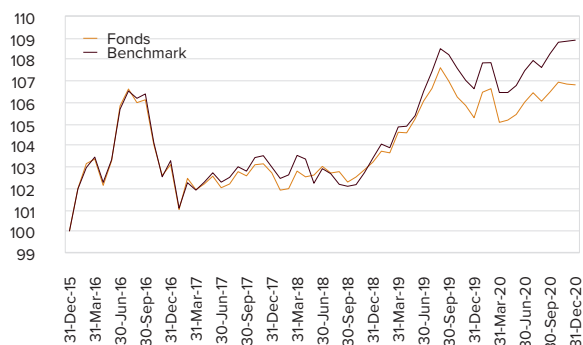
### Portfolio management

The various countries in the sovereign bonds portfolio are weighted according to their sustainability score and repayment capacity. Early in October 2020, the country weightings were revised. The principal change was an increase in the weightings of Italy, Slovakia, Ireland and Portugal. This was funded by the phase-out of the positions in Belgium, Slovenia, the Netherlands and Austria. Relative to the benchmark, the fund is most overweight in Austria, Slovakia, Slovenia and Portugal. The fund invests less than the benchmark in France, Italy and Spain, for example. The average maturity of the fund as at year-end 2020 was 5.0 years (end of December 2019: 4.9 years). Several transactions were undertaken during the year with the aim of aligning the average maturity of the portfolio with the investment policy of the fund. For example, we swapped investments in France, Germany, the Netherlands, Portugal and Spain for similar bonds with a later maturity date.

### Performance

The ASN Duurzaam Obligatiefonds achieved a return for 2020 on the basis of the quoted stock market price of 1.40% (2019: 1.98%). This includes the reinvested dividend for 2019 of €1.00 per share (2018: €0.60). In the same period the benchmark achieved a return of 2.12% (year-end 2019: 3.12%).

## Indexed return during last 5 years relative to the benchmark



## Performance contributions

### Performance attribution of ASN Duurzaam Obligatiefonds in 2020 relative to the benchmark

Fund NAV return <sup>1</sup>	Benchmark return	Outperformance	ESG overlay	Active management	Costs
1.46%	2.12%	-0.66%	-0.15%	-0.06%	-0.45%

<sup>1</sup> The fund return based on NAV may differ from the quoted stock market price. The quoted stock market price as at year-end is based on the previous trading day

The ASN Duurzaam Obligatiefonds achieved a positive return in 2020. To a large extent, this was attributable to the fall in the capital market interest rate (German ten-year sovereign bonds) from -0.29% to -0.57%. This pushed up the value of the sovereign bonds. Furthermore, spreads between Germany and other eurozone countries became smaller. This was due primarily to the large-scale support programmes of the ECB and EU. The bond-buying programme, which was extended by €500 billion in 2020, enables the ECB to finance all budget deficits of the eurozone countries for 2021. Moreover, the Southern European countries in particular will probably be receiving large amounts from the EU corona recovery fund. Across the year, the sovereign bond spreads of Italy (-56 basis points), Slovakia (-25 bp), Spain (-19 bp) and Ireland (-18 bp) showed the greatest decline. The underweight positions in Italy, France and Spain pushed down the return relative to the benchmark. The overweight positions in Slovakia, Ireland and Slovenia counterbalanced this to some extent. Because of the low interest-rate levels, the interest on the bonds in the portfolio made only a very small contribution.

## Key figures of ASN Duurzaam Obligatiefonds

### % return

	Fund	Benchmark
2020	1.40%	2.12%
2019	1.98%	3.12%
Last three years (yearly average)	1.25%	1.88%
Last five years (yearly average)	1.32%	1.72%
Yearly average since inception date (20-04-1993)	3.38%	4.34%

### Key figures in euros

Price 31 December 2020	28.34
Price 31 December 2019	28.95
Highest price in 12 months	29.38
Lowest price in 12 months	27.84
Net asset value per share 31 December 2020 <sup>1</sup>	28.32
Dividend for financial year 2019	1.00

<sup>1</sup> As the quoted stock market price lags the net asset value by a day, a difference may arise.

### Fund growth





	31-12-2020	31-12-2019
Fund size in € thousands	576,826	644,273
Number of shares outstanding	20,366,907	22,275,347

## Sustainability

The ASN Beleggingsfondsen invest only in companies, governments, organisations and projects that contribute to a sustainable society and are financially sound. This chapter describes how the ASN Duurzaam Obligatiefonds contributes to sustainability.

### Sustainable Development Goals (SDGs)

The United Nations Sustainable Development Goals (SDGs) offer a common language for talking about sustainable, social development at national and international level. In Chapter 1, we will explain the relationship between our sustainability policy and the SDGs. Below we will identify the SDGs on which the ASN Duurzaam Obligatiefonds has particular impact.

<b>SDG 10</b>	<b>Reduce inequality within and among countries</b>	
Target 10.4	Adopt policies, especially fiscal, wage and social protection policies, and progressively achieve greater equality.	
Explanation	The sustainability score of the countries in the fund depends on factors such as income inequality, the risk of corruption, the share in development funds and the risk of discrimination. The better a country's score on these sustainability criteria, the heavier its weighting in the fund portfolio. Furthermore, the fund invests in social bonds, with projects in social housing and microcredits. These bonds help reduce inequality.	
<b>SDG 13</b>	<b>Take urgent action to combat climate change and its impacts</b>	
Target 13.2	Integrate climate change measures into (national) policies, strategies and planning.	
Explanation	The sustainability score of the countries in the fund depends on factors such as greenhouse gas emissions and the share of sustainably generated electricity. The better a country's score on these sustainability criteria, the heavier its weighting in the fund portfolio. Furthermore, the fund invests in green bonds, which finance projects in renewable energy and energy saving in particular. These bonds help fight climate change.	
<b>SDG 15</b>	<b>Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss</b>	
Target 15.5	Take urgent and significant action to reduce the degradation of natural habitats, halt the loss of biodiversity and, by 2020, protect and prevent the extinction of threatened species.	
Explanation	The sustainability score of the countries in the fund depends on factors such as the amount of nuclear energy produced, the areas set aside for nature conservation, sulphur oxide emissions and the amount of waste dumped on land. The better a country's score on these sustainability criteria, the heavier its weighting in the fund portfolio. The fund's impact on biodiversity is very small (PRé Sustainability, 2018). In addition, the green bonds in which the fund invests help preserve biodiversity.	
<b>SDG 16</b>	<b>Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and open institutions at all levels</b>	
Target 16.10	Ensure public access to information and protect fundamental freedoms, in accordance with national legislation and international agreements.	
Uitleg	When selecting countries, we apply the following exclusion criteria in relation to human rights: crimes against humanity, genocide, capital punishment and war crimes. The sustainability score of the countries in the fund depends on factors such as the risk of forced labour and child labour, freedom of speech and freedom of association. The better a country's score on the sustainability criteria, the heavier its weighting in the fund portfolio.	



### Sustainable selection

Countries are assessed once every two years. In the reporting period, the biennial assessment of countries took place based on our sustainability policy. Altogether, we reviewed 199 countries. It appeared that 41 of these countries met the exclusion criteria. We subsequently assessed the countries against our sustainability criteria. In the end, 38 countries received a score which is sufficient for inclusion in the investment universe of the ASN Duurzaam Obligatiefonds. In the end, we invested in 11 countries, just as we had done in 2019. These are the countries which meet our sustainability criteria, issue euro loans and are sufficiently liquid. We admitted one green bond during the reporting period.

### Climate

ABB has a climate goal: by 2030, the investments of the ASN Beleggingsfondsen must be climate positive. More information on this subject can be found in Section 1.8. In order to measure our progress in achieving this goal, we calculate the CO<sub>2</sub> emissions generated by the investments of the ASN Beleggingsfondsen.

The countries in which the ASN Duurzaam Obligatiefonds invests emit CO<sub>2</sub>. When selecting countries, we assess the CO<sub>2</sub> emissions of individual countries. This involves scopes 1, 2 and 3 of government-procured goods and services. In our methodology, we measure emissions using the most recent available data. The fund also invests in green bonds. The institutions issuing these bonds can invest through these bonds in projects that avoid CO<sub>2</sub>. In our methodology, we calculate the CO<sub>2</sub> emissions reported or the CO<sub>2</sub> emissions avoided for each green bond.

CO <sub>2</sub> emissions of ASN Duurzaam Obligatiefonds <sup>1,2</sup>	Year-end 2020	Year-end 2019	Difference
CO <sub>2</sub> emissions in tonnes	4,893	5,280	-7.3%
Avoided CO <sub>2</sub> emissions in tonnes	-14,310	-14,245	0.5%

1 The methodology for measuring the CO<sub>2</sub> impact of investments and loans is in constant development. The data used in this context is improved regularly. As a result, the calculated CO<sub>2</sub> impact may be adjusted in the future should better data become available.

2 The legal division of ASN Beleggingsfondsen N.V. has also led to the CO<sub>2</sub> figures of the ASN Beleggingsfondsen being reported separately. In this report, we present the separate CO<sub>2</sub> results of the funds which have become part of ASN Beleggingsfondsen UCITS N.V. (UCITS funds). In the report of ASN Beleggingsfondsen AIF N.V., we present the CO<sub>2</sub> results of the ASN Duurzame Mixfondsen and the ASN Groenprojectenfonds. Prior to the division, the ASN Duurzame Mixfondsen used to invest via investment pools in the underlying ASN Beleggingsfondsen. Since the division, they invest directly in the UCITS funds. As a result, the CO<sub>2</sub> figures of the UCITS funds now also include the CO<sub>2</sub> results of the investments in the ASN Duurzame Mixfondsen.

The above table presents the absolute CO<sub>2</sub> emissions in tonnes.

### Development of absolute CO<sub>2</sub> emissions in tonnes

The total CO<sub>2</sub> emissions of the ASN Duurzaam Obligatiefonds amount to 4,893 tonnes. Green bonds accounted for 14,310 tonnes of avoided CO<sub>2</sub> emissions. The changes in the CO<sub>2</sub> emissions were caused by:

1. Changes in the investment portfolio. These may occur when approved countries and green bonds are added to the investment universe or rejected countries and green bonds are removed. In addition, the manager may increase or reduce the investment in countries and green bonds.
2. Changes in the CO<sub>2</sub> data.
3. Changes in the size of the fund.

### Changes in the composition of the investment portfolio

In 2020, we did not reject and remove any countries from the country universe. The decline in the fund's CO<sub>2</sub> emissions was caused largely by the revision of the country weightings, as described under 'Portfolio management'. In particular, the decline is due to the decrease in the country weightings of Belgium and Slovenia, and the increase in the country weightings of Italy and Slovakia.

### Changes in the CO<sub>2</sub> data

The data concerning the CO<sub>2</sub> emissions of countries is improving. In 2020, there was no significant change in the CO<sub>2</sub> emissions of countries.

### Change in the size of the fund

The number of shares in the fund fell by 8.6% in 2020. This is more than the improvement in the fund's CO<sub>2</sub> emissions and avoided CO<sub>2</sub> emissions. This means that the absolute CO<sub>2</sub> emission figure per share of ASN Duurzame Obligatiefonds went up.

## Risk management

Investing in the ASN Duurzaam Obligatiefonds entails risks. The principal financial risks relating to the fund are explained in the table below. Section 1.9 contains a general description of the financial and non-financial risks, while Section 3.4.6 describes the financial risks per fund.

### Interest rate risk

The ASN Duurzaam Obligatiefonds invests in listed (sovereign) bonds. The value of the listed bonds fluctuates on account of changes in market interest rates. The shorter the remaining maturity (duration) of the portfolio, the smaller the market risk.

Risk appetite	Probability	Impact	Limit	Materialisation	Control measure
High	High	High	Duration not exceeding. 5,0	At year-end 2020: 4,83	Risk control and monitoring through limit to duration
			VaR99 not exceeding 5,5%	At year-end 2020: 5,05%	Risk control and monitoring through limit to Value at Risk (VaR)
				The limits were not exceeded in the reporting period.	

### Concentration risk

The ASN Duurzaam Obligatiefonds invests in listed bonds and listed sovereign bonds, selected on the basis of sustainability criteria and the repayment capacity of the issuing governments and institutions. This results in a high concentration in countries and individual positions.

Risk appetite	Probability	Impact	Limit	Materialisation	Control measure
Medium	Medium	High	Sovereign bonds: 85 - 100%	At year-end 2020: 88,53%	Risk control and monitoring through limits to (maximum) allocations per country and green and social bonds.
			Green and social bonds: 0 - 15%	At year end 2020: 10,83%	
			Maximum allocation per country: 15%	At year-end 2020: 13,40%	
				The limits were not exceeded in the reporting period.	

### Duration

31-12-2020

Modified duration	4.83
Modified duration van de benchmark	4.79

### Five largest interests as %

as % of the portfolio as at 31 December 2020

%

Republic of Germany	13.4
Kingdom of The Netherlands	9.8
Republic of Austria	12.4
Republic of Portugal	8.4
Republic of Italy	7.4

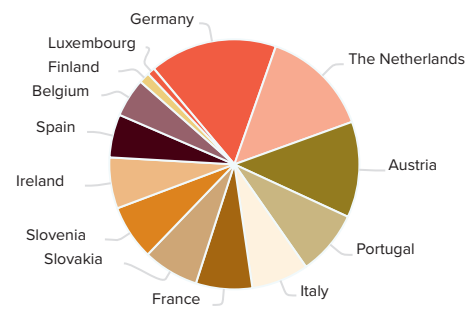
## Country allocation as %

Germany	16.5
The Netherlands	14.1
Austria	12.4
Portugal	8.4
Italy	7.4
France	7.3
Slovakia	7.2
Slovenia	7.1
Ireland	6.6
Spain	5.6
Belgium	5.0
Finland	1.4
Luxembourg	1.0

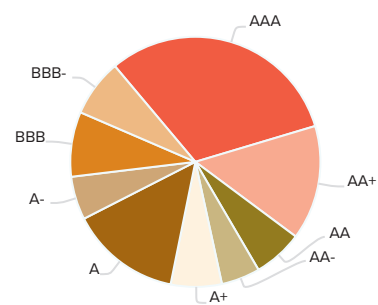
## Credit rating allocation as %

AAA	31.5
AA+	14.8
AA	6.4
AA-	5.0
A+	6.6
A	14.3
A-	5.6
BBB	8.4
BBB-	7.4

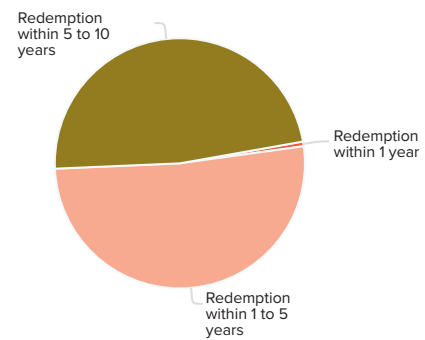
## Country allocation



## Credit rating



## Repayment of the investments as %



## 2.3 ASN Milieu & Waterfonds

### Fund profile

The ASN Milieu & Waterfonds is a sector fund investing worldwide in equities of listed companies that primarily offer technologically advanced solutions to environmental problems. ABB has outsourced the asset management of the fund to Impax Asset Management. The investment manager selects companies operating in the water, waste and renewable energy, sustainable food, and agriculture and forestry sectors. These companies meet ABB's sustainability criteria. The prospectus of ASN Beleggingsfondsen UCITS N.V. contains full and detailed information on the investment policy of this fund. The prospectus can be found at [www.asnbeleggingsfondsen.nl/fondsen](http://www.asnbeleggingsfondsen.nl/fondsen) on the fund's webpage.

Effective 18 June 2020, the structure of the fund was changed in connection with the division of ASN Beleggingsfondsen N.V. into ASN Beleggingsfondsen UCITS N.V. and ASN Beleggingsfondsen AIF N.V. This resulted in the dissolution of the ASN Milieupool (environment pool), with investments now being held directly by the fund.

### Investment policy

ABB determines the investment universe of the ASN Milieu & Waterfonds based on assessments of the sustainability of enterprises. Impax carries out the financial analysis, based on fundamental analysis. As part of this analysis, Impax assesses companies on matters such as market position, competition and financial ratios. Based on the business analysis, Impax takes positions with the fund, without relying on or using the benchmark as a gauge. This can result in deviations from the benchmark and means that the fund has a relatively high tracking error (the difference between the performance of an investment portfolio and the change in value of its benchmark).

Effective 1 April 2020, the benchmark for the fund was changed. The former benchmark, the MSCI World Small and Midcap Index, has been replaced by the FTSE Environmental Technologies 100 Index (ET100). The reason for the change is that the new benchmark provides a better match with the fund's strategy as described above. The old benchmark was a general, worldwide small and midcap index. It included several sectors that do not appear in the fund's strategy. ABB considered this to be no longer appropriate. In this report, the benchmark figures until 31 March 2020 are based on the old benchmark, and from 1 April 2020 they are based on the new benchmark.

### Portfolio management

Portfolio management in the reporting year was marked entirely by how the financial markets responded to the global coronavirus pandemic. The investment managers focused mainly on the health of the companies in the portfolio, their competitive position and their long-term outlook, taking the period following the outbreak into account. They did not make any strategic changes in the portfolio. The measures implemented by governments, partly in response to society's demand that they take action, reinforce our conviction that the fund's strategy will provide additional opportunities particularly in the medium to long term. New innovations in the field of industrial automation, digitalisation, energy, health and food safety seem set to determine what will constitute the 'new normal'.

We added the following companies to the portfolio in the reporting period:

- **Evoqua Water Technologies** (wastewater treatment plants, US), a leading provider of water and wastewater treatment solutions for a wide range of different customers and markets.
- **Rational** (sustainable agriculture and food safety, Germany), a market and technology leader in the field of innovative solutions for thermal cooking. A substantial fall in the share price meant that the stock was attractively valued. Rational is a high-quality company, with attractive margins and returns and a history of strong growth. The addition of the share increases diversification in the portfolio.
- **Sonoco** (logistics, food safety and packaging, US), the market leader in the growing market of sustainable packaging, specifically in replacing plastics by fibre-based solutions. The share was added to the portfolio after the price had fallen.
- **California Water Service Group** (water company, US), added after the portfolio managers became convinced that the weakness in revenue, due in part to the higher costs associated with the coronavirus crisis, will normalise.
- **Polypipe** (water infrastructure, UK), added to the portfolio after the price had fallen and long-term valuation improved due to increasing government spending on infrastructure.

- **Pennon Group** (water company, UK), purchased after it had disposed of a subsidiary. Because this subsidiary operated landfill sites, Pennon had earlier been removed from the investment universe. Pennon's activities concern water pipes, sewers and waste processing in particular.

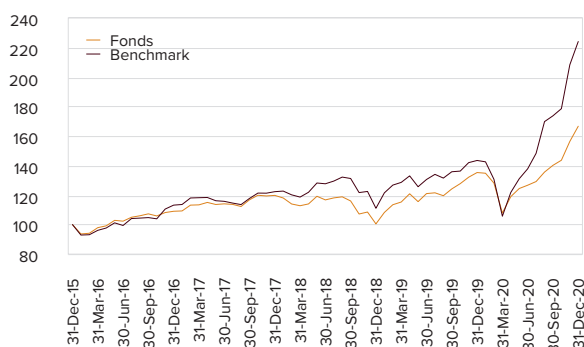
We sold the shares in the following companies:

- **BillerudKorsnas** (food safety and packaging, Sweden), sold because the share price had risen on the back of strong results, while we have a preference for other packaging companies.
- **Huaneng Renewables** (developer and operator of renewable power systems and plants, China), had plans to delist the company's stock.
- **AO Smith** (energy efficiency of buildings, US), performed relatively well. However, the company's long-term growth prospects are overshadowed by challenges for businesses in China and new competitors in the US.
- **Lassila & Tikanaja** (waste processing, Finland), sold after the share price rose again following the broad equity market slump in the first quarter of 2020.
- **Welbilt** (sustainable, efficient agriculture, US), sold after the share price had bounced back. The sale made the portfolio less sensitive to high-debt companies operating in areas badly impacted by the lockdowns.
- **West Rock** (logistics, food safety and packaging, US), removed from the investment universe. The company used too little certified wood in its production processes.

## Performance

The ASN Milieu & Waterfonds achieved a return for 2020 on the basis of the quoted stock market price of 22.46% (2019: 36.15%). This includes the reinvested dividend for 2019 of €0.60 per share (2018: €0.35). In the same period the benchmark achieved a return of 56.18% (year-end 2019: 29.16%).

### Indexed return during last 5 years relative to benchmark



59

## Performance contributions

### Performance attribution of ASN Milieu & Waterfonds in 2020 relative to the benchmark

Fund NAV return <sup>1</sup>	Benchmark return	Outperformance	ESG overlay	Active management	Costs
23.19%	56.18%	-32.99%	-32.18%	0.39%	-1.20%

<sup>1</sup> The fund return based on NAV may differ from the quoted stock market price. The quoted stock market price as at year-end is based on the previous trading day

Despite the above-average absolute return of the ASN Milieu & Waterfonds, the fund fell significantly below the benchmark. The sustainable selection resulted in a -32.18% loss of return during 2020. In 2020, the benchmark was pushed up by the continuous rise in share prices of companies in the electric vehicles (EV) sector, such as Tesla and Nio Inc. The fund does not invest in these companies. Tesla has not been approved for the investment universe because of controversies in the areas of governance and workers' rights. Nio Inc was not included because the company has not yet posted a profit during its existence. The fund also deviates from the benchmark by holding shares in defensive companies in the water sector. Because of their defensive character, water companies counterbalance sharp falls in prices in uncertain economic times. However, these companies lagged behind in the rally that took place primarily in the second half of 2020. Positive contributions to fund performance were made in particular by the more cyclical sectors of renewable energy – especially solar energy – and energy efficiency of buildings. The active management conducted by the portfolio manager resulted in a gain of 0.39%. The fund costs were 1.20%.

Positive contributions were mainly attributable to:

- **EDP Renováveis** (contribution to fund performance: +2.7%) is a utility company with a defensive character. It performed well during the sales wave in the first half of the year. In addition, the company reported good progress in its medium-term plans. EDP Renováveis ended the year well, benefiting from the increasing demand for net zero carbon emission scenarios
- **Xinyi Solar** (contribution to fund performance: +2.6%); the world's largest producer of glass for solar panels. The share rose in value because this special glass went up in price and worldwide demand for solar panels increased, especially China.
- **Solaredge Technologies** (contribution to fund performance: +1.9%); benefited from the growth in the solar energy and energy storage market. Analysts felt more positive about the share after the company posted strong results for the first six months.

Negative contributions were mainly attributable to:

- **Welbilt** (contribution to fund performance: -1.6%); investors were concerned about the soundness of the balance sheet and the terms under which the loans were contracted. The widespread closure of restaurants and other places where food can be obtained also had a substantial negative impact, since Welbilt also delivers to end markets in food.
- The share price of **East Japan Railway** (contribution to fund performance: -1.1%) fell because passenger numbers decreased due to the coronavirus lockdown in Japan, while there were concerns whether these numbers will recover to pre-pandemic levels. In addition, the market preferred cyclical sectors in the second quarter, while public transport is a typically defensive sector.
- **Beijing Enterprises Water** (contribution to fund performance: -0.6%); reported weak growth in the first six months. This was not only due to the consequences of the coronavirus crisis, but also because the company actively scaled back its growth in construction projects. As a result, the company lagged behind when favourable news about the corona vaccine caused share prices to rise in the second half of the year.

### Key figures of ASN Milieu & Waterfonds

#### % return

	<i>Fund</i>	<i>Benchmark</i>
2020	22.46%	56.18%
2019	36.15%	29.16%
Last three years (yearly average)	11.19%	22.36%
Last five years (yearly average)	10.53%	17.51%
Yearly average since inception date (20-04-1993)	3.45%	7.44%

#### Key figures in euros

Price 31 December 2020	45.17
Price 31 December 2019	37.55
Highest price in 12 months	45.18
Lowest price in 12 months	26.63
Net asset value per share 31 December 2020 <sup>1</sup>	45.35
Dividend for financial year 2019	0.60

<sup>1</sup> As the quoted stock market price lags the net asset value by a day, a difference may arise.

#### Fund growth

	<i>31-12-2020</i>	<i>31-12-2019</i>
Fund size in € thousands	838,039	708,605
Number of shares outstanding	18,477,881	18,904,827

### Sustainability




The ASN Beleggingsfondsen invest only in companies, governments, organisations and projects that contribute to a sustainable society and are financially sound. This chapter describes how the ASN Milieu & Waterfonds contributes to sustainability.




## Sustainable Development Goals (SDGs)

The United Nations Sustainable Development Goals (SDGs) offer a common language for talking about sustainable, social development at national and international level. In Chapter 1, we will explain the relationship between our sustainability policy and the SDGs. Below we will identify the SDGs on which the ASN Milieu & Waterfonds has particular impact.



<b>SDG 6</b>	<b>Ensure availability and sustainable management of water and sanitation for all</b>	
Target 6.3	By 2030, improve water quality by reducing pollution, eliminating dumping and minimising release of hazardous chemicals and materials, halving the proportion of untreated wastewater and substantially increasing recycling and safe reuse globally.	
Explanation	The fund invests 25 to 60% of the fund portfolio in water treatment.	
<b>SDG 7</b>	<b>Ensure access to affordable, reliable, sustainable and modern energy for all</b>	
Target 7.2	By 2030, increase substantially the share of renewable energy in the global energy mix.	
Explanation	The fund invests 20 to 50% of the fund portfolio in renewable energy.	
<b>SDG 9</b>	<b>Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation</b>	
Target 9.4	By 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes, with all countries taking action in accordance with their respective capabilities.	
Explanation	The fund invests in listed companies that apply clean and environmentally friendly technologies. We exclude and avoid non-sustainable activities. For example, the fund does not invest in the fossil fuel sector, waste processors which primarily dump waste, and producers of combustion engines. It does invest in public transport and in telecommunications and software companies. In addition, we check whether companies meet our guidelines in respect of environmental policy, deforestation, change of land use, introduction of exotic species, overexploitation and pollution.	

<b>SDG 12</b>	<b>Ensure sustainable consumption and production patterns</b>	
Target 12.5	By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse.	
Explanation	The fund invests 0 to 20% of the fund portfolio in waste treatment and recycling.	

### Sustainable selection

In 2020, we assessed 41 companies for the ASN Milieu & Waterfonds. We admitted nine new companies to the ASN Investment Universe, retained 22 companies, refused nine companies and rejected and removed one company. Koninklijke Wessanen, Global PVQ, Huaneng Renewables, Ingersoll-Rand, Connecticut Water, Carmanah Technologies Corp, Pattern Energy Group and Aquaventure were removed for reasons other than sustainability.

Newly admitted	Retained	Removed
Delta Electronics	ASML	WestRock
Dialight	AUTODESK	
First Solar	Caverion Corp	
Pennon	China Everbright Water	
Sinbon Electronics Co	Christiaan Hansen	
Sonoco	Dürr AG	
Valmet	Grupo Rotoplas	
Voltronic Power Technology	Hannon Armstrong Sustainable	
Wise Tech Global	Huhtamaki Oyj	
	Itron	
	Novozymes	
	Osram licht AG	
	Philips Electronics	
	Samsung Electro Mechanisms	
	Signify	
	Svenska Cellulosa	
	Trane Technologies	
	Unilever	
	Vestas Wind Systems	
	WashTec AG	
	York Water	
	Zumtobel AG	

Having sold its waste disposal arm, the British company Pennon now focuses entirely on supplying drinking water. The waste disposal activities did not meet our sustainability criteria, but now the company is a perfect match for the fund. The American company WestRock produces cardboard. This production requires wood. WestRock has its own forests, but also purchases a lot of wood. We want most of the wood for cardboard production to originate from sustainable forest management. We assess this against sustainable forest certifications, such as FSC and PEFC. These certifications are in order with regard to WestRock's own forests. Unfortunately, this is not the case for the wood purchased by the company, even though this makes up a substantial part of the total quantity. After engagement, the company turned out to be rather unambitious. It wants 25% of the wood to be certified by 2025. We consider this to be insufficient. For this reason, we rejected Westrock.

### Engagement

In 2020, we held talks with 29 companies from the investment universe. This involved additional engagement in particular, so as to encourage the companies to develop further in the area of sustainability. The other companies were approached because there turned out to be a malpractice, or because a reassessment had revealed that the companies no longer met our criteria.

One of the companies with which we engaged in 2020 is Severn Trent. We spoke about water usage, the manner in which the company reports on this subject and the exposure to climate change. Severn indicated that it is in possession of the

data. The company might be prepared to report on this. Impax, the operational investment manager, was invited to visit the company in order to demonstrate the latest innovations in the area of water.

### Climate

ABB has a climate goal: by 2030, the investments of the ASN Beleggingsfondsen must be climate positive. More information on this subject can be found in Section 1.8. In order to measure our progress in achieving this goal, we calculate the CO<sub>2</sub> emissions generated and avoided by the investments of the ASN Beleggingsfondsen.

The companies in which the ASN Milieu & Waterfondsen invests emit CO<sub>2</sub>. In selecting companies, we assess their climate and environmental policies as well as performance. The companies in the ASN Milieu & Waterfondsen make a significant contribution to a sustainable society, but generate a relatively large amount of CO<sub>2</sub> emissions. This is due to, among other things, the choice to invest in companies processing waste and companies producing more sustainable packaging materials. Our method calculates the CO<sub>2</sub> emissions generated by the activities. The contribution made by the products and services during their useful life is not included.

CO <sub>2</sub> emissions of ASN Milieu & Waterfondsen <sup>1,2</sup>	Year-end 2020	Year-end 2019	Difference
Scope 1 and 2	64,603	59,149	9.2%
Scope 3	81,946	95,533	-14.2%
<b>Total for scopes 1, 2 and 3</b>	<b>146,550</b>	<b>154,681</b>	<b>-5.3%</b>

1 The methodology for measuring the CO<sub>2</sub> impact of investments and loans is in constant development. The data used is improved regularly. As a result, the calculated CO<sub>2</sub> impact may be adjusted in the future should better data become available.

2 The legal division of ASN Beleggingsfondsen N.V. has also led to the CO<sub>2</sub> figures of the ASN Beleggingsfondsen being reported separately. In this report, we present the separate CO<sub>2</sub> results of the funds which have become part of ASN Beleggingsfondsen UCITS N.V. (UCITS funds). In the report of ASN Beleggingsfondsen AIF N.V., we present the CO<sub>2</sub> results of the ASN Duurzame Mixfondsen and the ASN Groenprojectenfonds. Prior to the division, the ASN Duurzame Mixfondsen used to invest via investment pools in the underlying ASN Beleggingsfondsen. Since the division, they invest directly in the UCITS funds. As a result, the CO<sub>2</sub> figures of the UCITS funds now also include the CO<sub>2</sub> results of the investments in the ASN Duurzame Mixfondsen.

### Development of absolute CO<sub>2</sub> emissions in tonnes

In 2020, the total absolute CO<sub>2</sub> emissions of the ASN Milieu & Waterfondsen amounted to 146,550 tonnes for scopes 1, 2 and 3. Changes in the CO<sub>2</sub> emissions were caused by:

1. Changes in the investment portfolio. These may occur when approved companies are added to the investment universe or rejected companies are removed. We may also increase or reduce our shareholding in companies.
2. Changes in the CO<sub>2</sub> data.
3. Changes in the size of the fund.

### Changes in the composition of the investment portfolio

The removal of WestRock, Welbilt and BillerudKorsnas made the greatest contribution to the reduction in emissions by the ASN Milieu & Waterfondsen. Together, they accounted for a reduction by more than 12,000 tonnes.

The newly acquired companies Sonoco and Pannon Group together caused an increase by more than 11,000 tonnes.

### Changes in the CO<sub>2</sub> data

CO<sub>2</sub> data is improving all the time. An increasing number of companies report on their CO<sub>2</sub> emissions. The models used by data suppliers are improving as well. This means that the data input we are using to calculate the CO<sub>2</sub> emissions of our funds is improving accordingly. In 2020, it appeared that the CO<sub>2</sub> emissions of Xinyi Solar and Renewi had increased by 2,735 and 1,372 tonnes respectively. The CO<sub>2</sub> emissions of Uponor and Lenzing declined by 791 and 1,552 tonnes respectively.

### Changes in the size of the fund

The number of shares outstanding fell by 2.3% in 2020, whereas total CO<sub>2</sub> emissions increased by 5.3%. This means that the absolute CO<sub>2</sub> emission figure per share of ASN Milieu & Waterfondsen rose more sharply.

## Risk management

Investing in the ASN Milieu & Waterfondsen entails risks. The principal financial risks relating to the fund are explained in the table below. Section 1.9 contains a general description of the financial and non-financial risks, while Section 3.4.6 describes the financial risks per fund.

**Equity market risk**

The ASN Milieu & Waterfonds invests in listed equities. The value of listed equities fluctuates depending on factors such as economic growth outlook and inflation. The greater these fluctuations, the higher the market risk.

<b>Risk appetite</b>	<b>Probability</b>	<b>Impact</b>	<b>Limit</b>	<b>Materialisation</b>	<b>Control measure</b>
High	High	High	VaR99 not exceeding 55%	The limit was exceeded during the reporting period. During the periodic review of the limit, the methodology and level of the limit was changed. Year-end 2020: no overrun..	Risk control and monitoring through limit to Value at Risk (VaR)

**Concentration risk**

The ASN Milieu & Waterfonds invests in the sustainable ASN Investment Universe. This results in high concentrations in sectors, countries and individual positions.

<b>Risk appetite</b>	<b>Probability</b>	<b>Impact</b>	<b>Limit</b>	<b>Materialisation</b>	<b>Control measure</b>
High	High	High	Bandwidths for sector allocation, regional allocation, limit to maximum exposure in individual countries. The limits are shown separately in the tables below.	The materialisation is shown separately in the tables below. The limits were not exceeded during the reporting period.	Risk control through monitoring of the limits set.

**Limit for sector allocation**

<b>Sector</b>	<b>Limit</b>	<b>Materialisation</b>
Renewable energy	20-50%	At year-end 2020: 38%
Water treatment	25-60%	At year-end 2020: 36%
Waste & recycling	0-20%	At year-end 2020: 10%
Food & agriculture	0-20%	At year-end 2020: 10%

**Limit for regional allocation**

<b>Region</b>	<b>Limit</b>	<b>Materialisation</b>
Europe	30-60%	At year-end 2020: 53,5%
United States and Canada	15-50%	At year-end 2020: 24,4%
Rest of the world	10-40%	At year-end 2020: 22,1%

**Limit for maximum investment in a single company or undertaking**

<b>Restriction</b>	<b>Limit</b>	<b>Materialisation</b>
Size of investment in a single company or undertaking relative to fund capital	5%	At year-end 2020: 3,3%

**Currency risk**

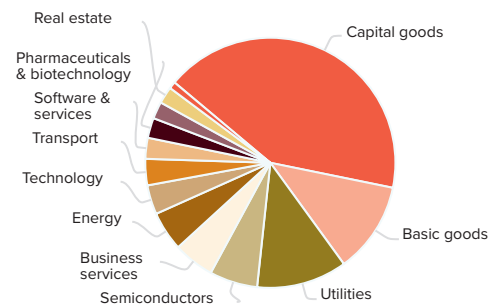
The ASN Milieu & Waterfonds invests in equities listed in euros and equities listed in other currencies. The value of the investments is therefore affected by exchange rate fluctuations. The fund does not hedge the currency risks.

Risk appetite	Probability	Impact	Limit	Materialisation	Control measure
High	High	Medium	Bandwidths for regional allocation, limit to maximum exposure in individual countries. The limits are shown in the tables regarding the concentration risk.	The materialisation is shown in the tables regarding the concentration risk.	Risk control through monitoring of the limits set.

The following tables and graphs contain a further breakdown of the sector allocation and country allocation.

**Sector allocation as %**

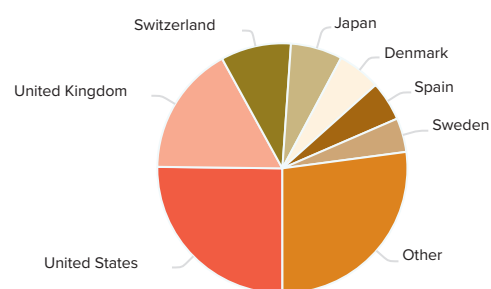
Capital goods	42.1
Basic goods	11.8
Utilities	11.7
Semiconductors	6.2
Business services	5.3
Energy	5.1
Technology	3.8
Transport	3.4
Software & services	2.7
Pharmaceuticals & biotechnology	2.6
Personal care products	2.2
Real estate	2.2
Consumer durables	0.9

**Sector allocation**

## Country allocation as %

United States	25.2
United Kingdom	16.8
Switzerland	9.1
Japan	6.7
Denmark	5.6
Spain	5.1
Sweden	4.4
Other	27.1

## Country allocation



## Ten largest interests as %

<i>Ten largest interest as % of the portfolio</i>		%
Georg Fischer		3.3
Autodesk		2.7
Mettler-Toledo International		2.6
Severn Trent		2.6
Advanced Drainage Systems		2.6
EDP Renováveis		2.6
Pennon Group		2.6
Corbion		2.5
Ormat Technologies		2.5
United Utilities		2.5
<b>Total</b>		<b>26.5</b>

## 2.4 ASN Duurzaam Small & Midcapfonds

### Fund profile

The ASN Duurzaam Small & Midcapfonds invests in equities of small to medium-sized listed European companies that are committed to promoting the sustainability of society. ABB has outsourced the portfolio management of the fund to Kempen Capital Management. The companies in which the fund invests meet ABB's sustainability criteria. The prospectus of ASN Beleggingsfondsen UCITS N.V. contains full and detailed information on the investment policy of this fund. The prospectus can be found at [www.asnbeleggingsfondsen.nl/fondsen](http://www.asnbeleggingsfondsen.nl/fondsen) on the fund's webpage.

Effective 18 June 2020, the structure of the fund was changed in connection with the division of ASN Beleggingsfondsen N.V. into ASN Beleggingsfondsen UCITS N.V. and ASN Beleggingsfondsen AIF N.V. This resulted in the dissolution of the ASN Small & Midcappool, with investments now being held directly by the fund.

### Investment policy

ABB determines the investment universe of the ASN Duurzaam Small & Midcapfonds based on assessments of the sustainability of enterprises. Kempen carries out the financial analysis, based on fundamental analysis. As part of this analysis, it assesses matters such as market position, competition, balance sheet strength and financial ratios. Based on the business analysis, the portfolio manager takes positions, without relying on or using the benchmark as a gauge. This can result in deviations from the benchmark and means that the fund has a relatively high tracking error (the difference between the performance of an investment portfolio and the change in value of its benchmark).

Effective 1 April 2020, the benchmark for the fund underwent a minor change. In the old benchmark, positions in UK companies were 50% weighted. This has since been discarded. The benchmark now consists of the full MSCI Europe Smallcap Index. As ABB has no view in respect of the UK in advance, ABB considered it no longer appropriate to adjust half the benchmark in the UK. In this report, the benchmark figures until 31 March 2020 are based on the old benchmark, and from 1 April 2020 they are based on the new benchmark.

### Portfolio management

The reporting period was largely determined by the strong reaction of the markets to the coronavirus pandemic. In March, share prices fell dramatically and economies went into lockdown. The recovery set in during the course of the reporting year. This recovery was not equally strong in all sectors. For this reason, the investment managers subjected the companies in the portfolio to stress tests. At this time of great economic uncertainty, they focused on companies with active managements, sound balance sheets, flexible cost structures, strong competitive positions and good cash positions and cashflows.

The stress tests resulted in adjustments to the portfolio. The bottom-up investment process caused adjustments to be made to the sector weightings. On balance, the overweight position in the capital goods sector declined in 2020, while the overweight position in information technology increased. Due to the addition of Telenet and Ipsos (see below), the underweight in the communication services sector at the start of the year turned into an overweight at the end of the year. Because of the sale of Gym Group and SSP (see below), the overweight position in the consumer durables sector became an underweight at the end of the year. Altogether, we added nine companies to the portfolio and disposed of ten companies entirely. The number of companies in the portfolio decreased on balance from 37 to 36. The concentration risk increased slightly as a result.

We added the following companies to the portfolio in the reporting period:

- **Barco**, which will benefit from the new way of working, which necessitates simple, safe communication between conference rooms at the office and the home working environment. Although video streaming is popular during lockdowns, this will not have a structural adverse effect on the business model of cinemas and thereby on Barco's projector sales.
- **Computacenter**, a British multinational providing computer services to customers in the public and private sectors. The company focuses on large customers, such as government bodies and multinationals in Europe. Its recent acquisition of Pivot in America puts Computacenter in a better position to serve these customers worldwide, which creates extra growth opportunities.



- **Dialog Semiconductor**, which operates in the semiconductor industry. It relies on Apple for a large part of its revenue. Dialog can increasingly supply to other customers, however, while continuing to create new solutions for Apple. The company has a net cash position and a strong management team. We believe that Dialog has potential to grow, whereby its concentration on one customer will decrease.
- **Fagron**, an attractively valued company in the healthcare sector. It has structural growth opportunities in the market for regulated medicine production in the United States.
- **Ipsos**, whose shares unduly took a beating in the coronavirus sales wave and has thereby become an attractively valued share. The company benefits from the growing demand for market data. Such data is more difficult to obtain because (consumer) trends succeed each other with increasing speed while their role in a company's decision making is becoming increasingly important.
- **Software AG**, which has shares we consider to be very attractively valued. At the time of purchase, we paid only for the existing base of customers who renew their contracts each year, and not for future growth. We believe that the new management has improved the quality of the organisation and that growth will follow in the coming years.
- **TAG**, a German company dealing in residential property. TAG buys and develops property not only at A locations, but also to a large extent at locations that tend to be classed as B or C, where the initial return is clearly higher. In our view, this offers sufficient compensation for the additional risk.
- **Telenet**, which experienced only a limited impact of the coronavirus crisis. However, this is insufficiently reflected in the share price. Its valuation is attractive in view of the circumstances: the risk of a new entrant in Belgium is waning, there is clarity about the 'wholesale' rate for third parties, and Telenet has confirmed a generous minimum dividend. In due course, the company may be taken over by its major shareholder Liberty Global.

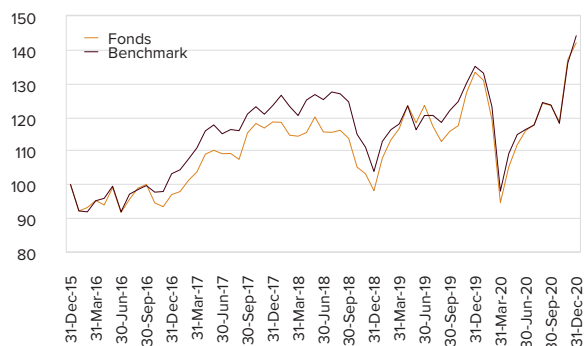
We sold the shares in the following companies:

- **Belimo**, the market leader in the area of products for powering air and water applications in buildings. The share was sold on the basis of the valuation and because there are more attractive investment opportunities in companies where share prices have fallen as a result of the coronavirus pandemic.
- **Brembo**, which combines sub-standard governance with a high valuation of the share.
- **FDM**, whose shares we did manage to sell on the basis of valuation, despite its being a company operating in structurally growing end markets. Another reason was the difficulty to structurally achieve a competitive gain in the markets relevant to FDM.
- **Gym Group**, sold in its entirety in March, due to our preference for companies which can ride out an extended period of economic headwinds and whose profits will recover more quickly once the coronavirus situation normalises.
- **IMA**, whose share price had risen relatively sharply, while the results were under considerable strain due to the coronavirus crisis. This prompted the company to issue a profit warning in April. Because of the combination of a high valuation and weak results, there was no reason to retain IMA in the portfolio.
- **Jungheinrich**, which published rather unambitious financial objectives for the coming years. What is more, the company wants to extend its current limited position in the fast-growing Chinese market through acquisitions. In our view, this strategy entails a high risk. The Jungheinrich share price made an excellent recovery in the second half of the year, because the coronavirus crisis had a limited impact on the demand for forklifts. This gave us an opportunity to sell the shares at an attractive price level towards the end of 2020.
- **Kingspan**, the market leader in insulation materials for buildings. The share was sold on the basis of the valuation and because there are more attractive investment opportunities in companies where share prices have fallen as a result of the coronavirus pandemic.
- **Krones**, which manufactures machines and packing robots for breweries, soft drink and water producers, chemical manufacturers and food processors. The company is greatly dependent on the investment cycle, which will be at a low level for a while due to the coronavirus crisis. In addition, there are more attractive investment opportunities in companies where share prices have fallen as a result of the coronavirus pandemic.
- **Logitech**, sold because the company exceeded the maximum market capitalisation of companies in which investments may be held.
- **SSP Group**, which operates food and beverage outlets at airports and railway stations. We added the share to the portfolio in the first weeks of the year. We were, and continue to be, impressed by the strategy implementation and by the company's long-term track record. As 2020 progressed, however, it became increasingly clear how badly the company would be impacted by the pandemic and by the travel restrictions. The initial dramatic fall in passenger numbers was followed by a cautious recovery, but things stalled after the summer. Recovery became an increasingly distant prospect. Mounting losses continued to worsen the balance sheet, which is why we eventually decided to dispose of the position entirely.

## Performance

The ASN Duurzaam Small & Midcapfonds achieved a return for 2020 on the basis of the quoted stock market price of 7.03% (2019: 36.85%). This includes the reinvested dividend for 2019 of €0.80 per share (2018: €0.45). In the same period the benchmark achieved a return of 6.72% (year-end 2019: 29.99%).

### Indexed return during last 5 years relative to benchmark



### Performance contributions

#### Performance attribution of ASN Duurzaam Small & Midcapfonds in 2020 relative to the benchmark

Fund NAV return <sup>1</sup>	Benchmark return	Outperformance	ESG overlay	Active management	Costs
6.55%	6.72%	0.17%	n/a	1.02%	-1.20%

<sup>1</sup> The fund return based on NAV may differ from the quoted stock market price. The quoted stock market price as at year-end is based on the previous trading day

In an extreme shock reaction, the European small cap index fell by a dramatic 42% between 19 February and 23 March 2020. Nevertheless, the index ended the year on a positive note. The substantial recovery was driven primarily by the extensive support measures of governments and central banks in response to the worldwide coronavirus crisis. Aided by the relaxation of the lockdown restrictions in May and June, European economies cautiously got back on track in the third quarter. The fast availability and high efficacy of various coronavirus vaccines caused a sharp rise in share prices. Another factor was that companies' figures for the second and third quarters were generally solid and consumer spending turned out to be strong. Despite the long period of uncertainty due to the large number of remaining negotiation points, a Brexit deal was concluded just before Christmas, preserving tranquillity in the financial markets.

The return based on NAV of the ASN Duurzaam Small & Midcapfonds fell slightly below the benchmark. In line with the investment policy of the fund, the portfolio consists of a relatively small number of listed companies. As a result, individual company performance has a major impact on the performance of the portfolio as a whole. In terms of contribution to fund performance, we therefore make no distinction between sustainable selection and active management of the portfolio of this fund. The fund costs were 1.20%.

Positive contributions were mainly attributable to:

- **Logitech** (contribution to fund performance: +2.72%), which benefited from the massive shift to working from home as a result of the coronavirus pandemic, profiting from the strong demand for cloud products enabling co-workers to work on documents together, and from the demand for items such as webcams, mice, keyboards and games.
- **Dialog Semiconductor** (contribution to fund performance: +2.58%), which proved its resilience subsequent to the in hindsight ill-timed acquisition of Adesto Technologies at the end of February. With strong market positions and customer relationships, the company raised its financial objectives several times in the course of the year. Cost control was again one of Dialog's strong points. The demand for 5G devices which benefited Dialog's principal customer, Apple, also increased demand for Dialog products.
- **Fluidra** (contribution to fund performance: +2.28%), a swimming pool manufacturer that benefited from the combination of a hot summer in the northern hemisphere and the coronavirus lockdowns. This prompted consumers to have new swimming pools installed and to invest in maintenance. The economic crisis has largely bypassed the (wealthier) private swimming pool owners, which resulted in a strong investment cycle.

Negative contributions were mainly attributable to:

- The sharp fall in the **Gym Group** share price (contribution to fund performance: -2.83%) occurred primarily in March. The members of Gym Group can terminate their contracts on a monthly basis, while the costs (rent, staff) are difficult to adjust in the short term. As a result, Gym Group may experience liquidity problems if a lockdown lasts more than three months. We have a preference for companies which can ride out an extended period of economic headwinds and return more quickly to their previous profit levels once the situation normalises. For this reason, we disposed of our entire shareholding in Gym Group in March.
- The coronavirus crisis caused a collapse of global air traffic and a massive shift to working from home. This had a strong negative impact on **SSP Group** (contribution to fund performance: -2.50%), the operator of food and beverage outlets especially at airports and railway stations. The sharp fall in revenue caused a significant loss. Furthermore, it will be some time before the company returns to its 2019 revenue levels. The question is whether the major restructuring will be sufficient to cope with the sharp decline in activity and the debts on the balance sheet. Eventually we decided to dispose of SSP.
- **Shaftesbury** (contribution to fund performance: -2.18%) reported a comparative decline in the value of its real estate by almost 8% in its interim figures, due to the use of a higher discount rate. This has everything to do with the uncertainty surrounding short-term rental income and occupancy rates. The path to recovery still looks fragile in the United Kingdom. The revenue from Shaftesbury's properties partly depends on tourism. As a result, the outlook remains uncertain. The financial market expects the firm's property values to decline further.

### Key figures of ASN Duurzaam Small & Midcapfonds

#### % return

	<i>Fund</i>	<i>Benchmark</i>
2020	7.03%	6.72%
2019	36.85%	29.99%
Last three years (yearly average)	6.54%	5.30%
Last five years (yearly average)	7.20%	7.58%
Yearly average since inception date (20-04-1993)	5.94%	5.49%

#### Key figures in euros

Price 31 December 2020	47.72
Price 31 December 2019	45.57
Highest price in 12 months	47.89
Lowest price in 12 months	28.27
Net asset value per share 31 December 2020 <sup>1</sup>	47.39
Dividend for financial year 2019	0.80

<sup>1</sup> As the quoted stock market price lags the net asset value by a day, a difference may arise.

#### Fund growth

	<i>31-12-2020</i>	<i>31-12-2019</i>
Fund size in € thousands	157,359	194,721
Number of shares outstanding	3,320,386	4,281,283

## Sustainability

The ASN Beleggingsfondsen invest only in companies, governments, organisations and projects that contribute to a sustainable society and are financially sound. This chapter describes how the ASN Duurzaam Small & Midcapfonds contributes to sustainability.

### Sustainable Development Goals (SDGs)

The United Nations Sustainable Development Goals (SDGs) offer a common language for talking about sustainable, social development at national and international level. In Chapter 1, we will explain the relationship between our sustainability policy and the SDGs. Below we will identify the SDGs on which the ASN Duurzaam Small & Midcapfonds has particular impact.

<b>SDG 8</b>	<b>Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all</b>	
Target 8.8	Protect labour rights and promote safe and secure working environments for all workers, including migrant workers, in particular women migrants, and those in precarious employment.	
Explanation	The fund will avoid sectors which entail a high risk of poor labour conditions, such as agriculture, mining and the sex industry. In addition, we check whether companies meet the sustainability criteria concerning human rights in general: equal treatment and non-discrimination, child labour, forced labour, freedom to belong to a trade union, a safe and secure working environment and a living wage.	
<b>SDG 9</b>	<b>Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation</b>	
Target 9.4	By 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes, with all countries taking action in accordance with their respective capabilities.	
Explanation	The fund invests in listed companies that apply clean, environmentally friendly technologies. We exclude and avoid non-sustainable activities. For example, the fund does not invest in the fossil fuel sector, waste processors which primarily dump waste, and producers of combustion engines. It does invest in public transport and in telecommunications and software companies. In addition, we check whether companies meet our guidelines in respect of environmental policy, deforestation, change of land use, introduction of exotic species, overexploitation and pollution.	
<b>SDG 12</b>	<b>Ensure sustainable consumption and production patterns</b>	
Target 12.6	Encourage companies, especially large and transnational companies, to adopt sustainable practices and to integrate sustainability information into their reporting cycle.	
Explanation	We review the companies in the fund at least once every four years on the aspects of management, human rights, biodiversity, climate and supply chain policy. During this review, we consider sector risks, high-risk countries, policy documents and company performance. In addition, we may engage with companies.	
<b>SDG 13</b>	<b>Take urgent action to combat climate change and its impacts</b>	
Target 13.2	Integrate climate change measures into (national) policies, strategies and planning.	
Explanation	We exclude polluting sectors from the fund and avoid them. We assess the policy and performance of companies in areas such as deforestation and change of land use.	

### Sustainable selection

In 2020, we assessed 38 companies for the ASN Duurzaam Small & Midcapfonds. We admitted six new companies to the investment universe. We retained 26 companies, refused five companies and rejected and removed one company from the investment universe. Four already approved companies from the investment universes of ASN Milieu en Waterfonds and ASN Duurzaam Small & Midcapfonds were admitted. Koninklijke Wessanen, Ascom Holding and INTU Properties were removed for reasons other than sustainability.<sup>1</sup>

<sup>1</sup> This can take place in connection with a merger, takeover or bankruptcy. Furthermore, companies can be removed from the universe when the asset manager no longer finds a company financially attractive as an investment.

Newly admitted	Retained	Removed
Fagron	Asos	Dätwyler
Grainger plc	Bekaert	
Software AG	Brembo SpA	
SSP Group PLC	Capital & Counties Properties	
Straumann Holding	Caverion Corp	
Tag Immobilien AG	CompuGroup Medical	
	Dorma Kaba	
	Dürr AG	
	Electrolux	
	Electrolux Professional	
	Elektro	
	Emis Group	
	Huhtamaki Oyj	
	Industria Maccine Automatiche	
	JC Decaux SA	
	Kardex	
	Korian	
	Melexis	
	Ontex	
	Signify	
	Simcorp	
	Tecan	
	Unite Group	
	WashTec AG	
	Worldline	
	Zumtobel AG	

The German company TAG Immobilien buys, develops and manages homes in North and East Germany and since 2020 also in Poland. The company has a good sustainability policy, which makes it an excellent addition to the investment universe. The German company Datwyler focuses on the production of elastomers. These synthetic products are manufactured from crude oil. There is no solution for the waste (end of life). Datwyler's production greatly depends on fossil fuels and we have not been reassured that the company is looking for really sustainable alternatives. After an in-depth discussion, we decided to reject and remove the company.

### Engagement

In 2020, we had a dialogue with 22 companies from the investment universe. As part of the long-term objective of a living wage, we had a dialogue with 15 clothing companies, details of which can also be found in Section 1.8, under *Sustainable objectives of ASN Beleggingsfondsen*. Two of these companies are part of the investment universe of the ASN Duurzaam Small & Midcapfonds. We also intensified our engagement so as to encourage companies to develop further in the area of sustainability. We had discussions with the other companies because there turned out to be a malpractice, or because a reassessment had revealed that the companies no longer met our criteria. In summary, we pursued engagement in the following cases:

- A malpractice at the company had come to light;
- A reassessment had revealed that the company no longer met our criteria;
- ABB wanted to encourage the company to develop further in the area of sustainability.

In 2020, we engaged with Simcorp in connection with an investigation by a cyber security expert. We spoke about the possible cyber risks. Simcorp took timely and adequate action in response to the findings.

### Climate

ABB has a climate goal: by 2030, the investments of the ASN Beleggingsfondsen must be climate positive. More information on this subject can be found in Section 1.8. In order to measure our progress in achieving this goal, we calculate the CO<sub>2</sub> emissions generated by the investments of the ASN Beleggingsfondsen.

The companies in which the ASN Duurzaam Small & Midcapfonds invests emit CO<sub>2</sub>. In selecting companies, we assess their climate and environmental policies as well as performance. We want to invest in companies whose products contribute to and are in keeping with a climate-proof economy. Our method calculates the CO<sub>2</sub> emissions generated by the activities. The contribution made by the products or services during their useful life is not included.

CO2 emissions of ASN Duurzaam Small & Midcapfonds <sup>1,2</sup>	Year-end 2020	Year-end 2019	Difference
Scope 1 and 2	5,280	5,292	-0.2%
Scope 3	17,872	28,810	-38.0%
<b>Total scopes 1, 2 and 3</b>	<b>23,152</b>	<b>34,103</b>	<b>-32.1%</b>

1 The methodology for measuring the CO<sub>2</sub> impact of investments and loans is in constant development. The data used is improving all the time. As a result, the calculated CO<sub>2</sub> impact may be adjusted in the future should better data become available.

2 The legal division of ASN Beleggingsfondsen N.V. has also led to the CO<sub>2</sub> figures of the ASN Beleggingsfondsen being reported separately. In this report, we present the separate CO<sub>2</sub> results of the funds which have become part of ASN Beleggingsfondsen UCITS N.V. (UCITS funds). In the report of ASN Beleggingsfondsen AIF N.V., we present the CO<sub>2</sub> results of the ASN Duurzame Mixfondsen and the ASN Groenprojectenfonds. Prior to the division, the ASN Duurzame Mixfondsen used to invest via investment pools in the underlying ASN Beleggingsfondsen. Since the division, they invest directly in the UCITS funds. As a result, the CO<sub>2</sub> figures of the UCITS funds now also include the CO<sub>2</sub> results of the investments in the ASN Duurzame Mixfondsen.

### Development of absolute CO<sub>2</sub> emissions in tonnes

In 2020, the total absolute CO<sub>2</sub> emissions of the ASN Duurzaam Small & Midcapfonds amounted to 23,152 tonnes for scopes 1, 2 and 3. Changes in the CO<sub>2</sub> emissions were caused by:

1. Changes in the composition of the investment portfolio. These may occur when approved companies are added to the investment portfolio or rejected companies are removed. This may happen for sustainability reasons or for financial reasons. In addition, we may increase or reduce our shareholding in companies;
2. Changes in the CO<sub>2</sub> data;
3. Changes in the size of the fund.

### Changes in the composition of the investment portfolio

The removal of Brembo, Krones and Jungheinrich made the greatest contribution to the reduction in emissions by the ASN Duurzaam Small & Midcapfonds. Together, they accounted for a reduction by more than 3,800 tonnes. The newly acquired companies Barco and Dialog Semiconductors made the greatest contribution. Together, they caused an increase by more than 1,400 tonnes.

### Changes in the CO<sub>2</sub> data

CO<sub>2</sub> data is improving all the time. An increasing number of companies report on their CO<sub>2</sub> emissions. The models used by data suppliers are improving as well. This means that the data input we are using to calculate the CO<sub>2</sub> emissions of our funds is improving accordingly. In 2020, it appeared that Befesa had increased its CO<sub>2</sub> emissions by 801 tonnes. The CO<sub>2</sub> emissions of Signify and Jost Werke declined by 194 and 339 tonnes respectively.

### Changes in the size of the fund

The number of shares outstanding fell by 22.4% in 2020, while the total absolute CO<sub>2</sub> emissions decreased by 32.1%. This means that the absolute CO<sub>2</sub> emission figure per share of ASN Duurzaam Small & Midcapfonds went down.

## Risk management

Investing in the ASN Duurzaam Small & Midcapfonds entails risks. The principal financial risks relating to the fund are explained in the table below. Section 1.9 contains a general description of the financial and non-financial risks, while Section 3.4.6 describes the financial risks per fund.

**Equity market risk**

The ASN Duurzaam Small & Midcapfonds invests in listed equities of small to medium-sized companies. The value of listed equities fluctuates depending on factors such as economic growth outlook and inflation. The greater these fluctuations, the higher the market risk.

Risk appetite	Probability	Impact	Limit	Materialisation	Control measure
High	High	High	VaR99 not exceeding 55%	The limit was exceeded in the reporting period. Adjustments to the limit and method were made during the periodic evaluation. Year-end 2020: No overrun.	Risk control and monitoring through limit to Value at Risk (VaR)

**Currency risk**

The ASN Duurzaam Small & Midcapfonds invests in equities listed in euros and equities listed in other currencies. The value of the investments is therefore affected by exchange rate fluctuations. The fund does not hedge the currency risks.

Risk appetite	Probability	Impact	Limit	Materialisation	Control measure
Medium	Medium	Medium	Europe 100%	Europe 100%	Risk control through monitoring of the limits set.

**Concentration risk**

The ASN Duurzaam Small & Midcapfonds invests in the sustainable ASN Investment Universe. This results in high concentrations in sectors, countries and individual positions.

Risk appetite	Probability	Impact	Limit	Materialisation	Control measure
Medium	High	High	Restrictions to investment size. The limits are shown separately in the table below.	The materialisation is shown separately in the table below. The limits were not exceeded during the reporting period.	Risk control through monitoring of the limits set.

**Restriction****Limit****Materialisation**

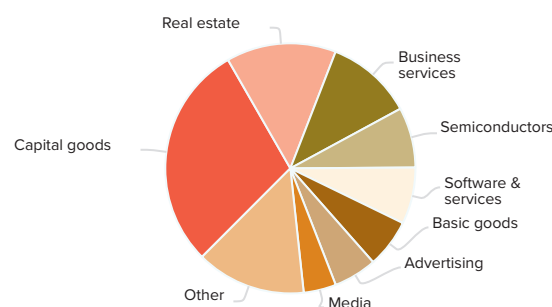
Size of investment in a single company or undertaking relative to fund capital	10%	At year-end 2020: 4,5%
Market capitalisation of the company	At the start, less than €6 billion and during the investment, more than €10 billion for no more than three months.	This limit was not exceeded during the reporting year.
Interest held in the share capital of companies	No more than 5% at the start No more than 10% during the investment. Investments larger than 5% may not together comprise more than 40% of the portfolio	At year-end 2020: 4,5%  - n/a



## Sector allocation as %

Capital goods	29.2
Real estate	14.2
Business services	11.2
Semiconductors	7.8
Software & services	7.3
Basic goods	6.3
Advertising	5.6
Media	4.2
Other	14.2

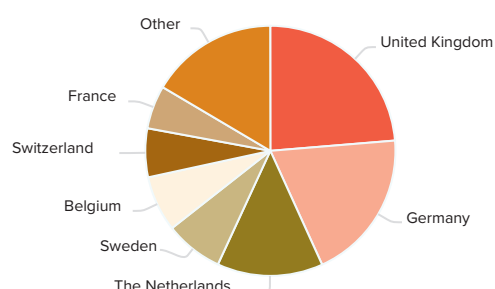
## Sector allocation



## Country allocation as %

United Kingdom	23.7
Germany	19.5
The Netherlands	13.7
Sweden	7.5
Belgium	7.2
Switzerland	6.3
France	5.6
Other	16.5

## Country allocation



## 2.5 In control statement of the UCITS manager

### Activities performed

As UCITS manager, ASN Beleggingsinstellingen Beheer B.V. (ABB) has a statement of the operational management as referred to in Section 115y(5) which meets the requirements of the Market Conduct Supervision (Financial Institutions) Decree (Bgfo: *Besluit gedragstoezicht financiële ondernemingen Wft*). During the past financial year, ABB reviewed various aspects of the operations.

### Reporting on the operations

In carrying out our activities, we:

- did not find anything based on which we would have to conclude that the description of the design of the operations as referred to in Section 115y(5) Bgfo does not comply with the requirements laid down in the Financial Supervision Act and associated regulations;
- did not find that the operations do not function effectively and in accordance with the applicable description.

Therefore, we can report with reasonable assurance that the operations have functioned effectively and in accordance with the applicable description.

The Hague, 17 March 2021

*The Board of Directors of ASN Beleggingsinstellingen Beheer B.V.*

Bas-Jan Blom

Gert-Jan Bruijnooge





### 3 Annual Report ASN Beleggingsfondsen UCITS N.V.



### 3.1 Balance sheet

<i>Before profit appropriation and in € thousands</i>	<i>Ref.<sup>1</sup></i>	<b>31-12-2020</b>	<b>31-12-2019</b>
Investments	(A)		
Direct Investments <sup>2</sup>		3,055,786	2,982,536
Accounts receivable	(B)	32,643	18,141
Other assets	(C)		
Cash at bank		39,627	36,246
Current liabilities	(D)	12,260	1,771
Accounts receivable and other assets less current liabilities		60,010	52,616
<b>Assets less current liabilities</b>		<b>3,115,796</b>	<b>3,035,152</b>
Equity	(E)		
Issued capital		266,282	284,624
Share premium reserve		1,852,483	1,926,053
Other reserves		686,651	166,140
Retained earnings		310,380	658,335
<b>Total equity</b>		<b>3,115,796</b>	<b>3,035,152</b>

1 The references in the balance sheet and profit and loss account refer to the explanatory notes to the respective items.

2 An indirect investment is also recognised in the direct investments: ASN Venture Capital Fonds.

### 3.2 Profit and loss account

<i>In € thousands</i>	<i>Ref.<sup>1</sup></i>	<b>01-01-2020 to 31-12-2020</b>	<b>01-01-2019 to 31-12-2019</b>
Investment income		50,292	71,488
Realised changes in value on investments	(F)	-154,751	158,057
Unrealised changes in value on investments	(G)	436,407	444,295
Surcharges and deductions charged		744	485
Other operating income		63	572
<b>Total income</b>		<b>332,755</b>	<b>674,897</b>
Operating expenses	(H)		
Management fees		20,542	16,301
Other operating expenses		1,833	261
<b>Total operating expenses</b>		<b>22,375</b>	<b>16,562</b>
<b>Net result</b>		<b>310,380</b>	<b>658,335</b>

1 The references in the profit and loss account refer to the explanatory notes to the respective items.

### 3.3 Cashflow statement

<i>In € thousands</i>	<b>01-01-2020 to 31-12-2020</b>	<b>01-01-2019 to 31-12-2019</b>
<b>Cashflow from investment activities</b>		
Net result	310,380	658,335
Exchange rate differences on cash	-63	-404
<b>Net result excluding exchange rate differences on cash</b>	<b>310,317</b>	<b>657,931</b>
Adjustment to reconcile the result with the cashflow generated by the investment activities:		
Realised changes in value on investments	154,751	-158,057
Unrealised changes in value on investments	-436,407	-444,295
Purchase of investments	-1,483,191	-1,279,806
Disposal of investments	1,689,885	1,597,870
Redemption of investments	1,712	8,124
Changes in assets and liabilities:		
Change in receivables arising from investment activities	-12,173	6,031
Change in liabilities arising from investment activities	8,450	-7,012
<b>Net cashflows from investment activities</b>	<b>233,344</b>	<b>380,786</b>
<b>Cashflows from financing activities</b>		
Issue of shares	226,291	233,483
Purchase of shares	-415,616	-283,882
Movement due to split up <sup>1</sup>	-4,169	-268,679
Change in receivables arising from issue of shares	-2,329	-776
Change in liabilities arising from purchase of shares	2,039	-5,229
Dividend paid out	-36,242	-33,067
<b>Net cashflows from financing activities</b>	<b>-230,026</b>	<b>-358,150</b>
<b>Total net cashflows</b>	<b>3,318</b>	<b>22,636</b>
Exchange rate differences on cash	63	404
<b>Change in cash</b>	<b>3,381</b>	<b>23,040</b>
Cash at the beginning of the reporting period	36,246	13,206
<b>Cash at the end of the reporting period</b>	<b>39,627</b>	<b>36,246</b>

<sup>1</sup> From an accounting perspective, it is not possible to separately present the issued and purchased shares that the AIF mix funds held in the UCITS N.V. in 2019 and 2020 until the split date. This is partly the result of the unbundling and the application of the pooling of interest method. As a result, the issued and purchased shares of the AIF mix funds in UCITS NV in 2019 and 2020 up to the split date are shown separately on the line "Movement due to split up", without a further breakdown in the lines issued and purchased shares.

### 3.4 Notes to the annual report

ASN Beleggingsfondsen UCITS N.V. is an investment company with variable capital, having its registered office at Bezuidenhoutseweg 153 in The Hague. The company was established on 22 April 2020. Shares of the funds of ASN Beleggingsfondsen UCITS N.V. are traded via Euronext Fund Services (EFS), the trading platform for open-ended investment funds that are registered in the Netherlands and are listed on Euronext Amsterdam. The company's reporting period is concurrent with the calendar year. This report relates to the period from 1 January 2020 up to and including 31 December 2020. The financial statements of ASN Beleggingsfondsen UCITS N.V. were prepared on 17 March 2021.

On 18 June 2020, ASN Beleggingsfondsen N.V. was legally divided into two separate companies: ASN Beleggingsfondsen AIF N.V. and ASN Beleggingsfondsen UCITS N.V. The division has been recognised on the basis of the pooling-of-interest method, with the comparative figures being restated as if the company was already operating in this (post-division) structure at that time. As indicated, ASN Aandelenfondsen UCITS N.V. consists of the ASN Duurzaam Obligatiefonds, ASN Milieu & Waterfondsen, ASN Duurzaam Aandelenfondsen and ASN Duurzaam Small & Midcapfondsen, about which we report in this annual report. These funds are managed under a UCITS licence and are consequently also available in other countries. Separate financial statements have been prepared for ASN Beleggingsfondsen AIF N.V., in which we report on the ASN Duurzaam Mixfondsen, the ASN Duurzame Mixfondsen, the ASN Groenprojectenfondsen and the ASN-Novib Microkredietfondsen.

The financial statements of ASN Beleggingsfondsen UCITS N.V. have been prepared in accordance with the rules laid down in Part 9 of Book 2 of the Dutch Civil Code, the Financial Supervision Act (*Wft: Wet op het financieel toezicht*) and the Annual Reporting Guidelines (*Richtlijnen voor de Jaarverslaggeving*), in particular Guideline 615 (RJ 615) Investment Institutions. The financial statements have been prepared on a going-concern basis. ABB is licensed in accordance with Section 2:69b of the *Wft*.

ASN Beleggingsfondsen UCITS N.V. is an open-ended investment fund and has an umbrella structure. The ordinary shares of ASN Beleggingsfondsen UCITS N.V. are divided into various series of shares (the funds), to which the capital of the investment company is allocated and which can be invested in separately. The funds have no legal personality as such; the assets are held by one and the same legal entity: ASN Beleggingsfondsen UCITS N.V.

In accordance with the *Wft*, the capital of each fund is separated from the capital of the remaining funds. Each fund has its own investment policy, risk profile and pricing rules. The administrative accounting of each fund is also kept separate through the use of separate accounts. The capital is paid into a separate fund and invested separately. The costs and revenues are both accounted for separately by fund. Value gains and losses in the portfolio of a fund accrue to or are borne by the holders of the series of shares in question. ASN Beleggingsinstellingen Beheer B.V. (ABB), as the UCITS manager, believes that it may be in the interest of ASN Beleggingsfondsen UCITS N.V. and its shareholders to limit or temporarily suspend the issue or repurchase of own shares if this is necessitated by exceptional circumstances.

For further details of the structure referred to above, please see Chapter 5 of the prospectus of ASN Beleggingsfondsen UCITS N.V.

ABB acts as UCITS manager for ASN Beleggingsfondsen UCITS N.V. and in this capacity determines the investment policy of ASN Beleggingsfondsen UCITS N.V. ABB also forms the Board of Directors of ASN Beleggingsfondsen UCITS N.V., in accordance with its Articles of Association.

Each ASN Beleggingsfondsen pays fund costs to ABB. Out of these fund costs ABB pays all the costs it incurs on behalf of the fund, as set out in Chapter 11 of the prospectus. The costs paid to ABB by the ASN Beleggingsfondsen are reserved daily (on trading days), on a proportional basis according to a fixed percentage of the annual capital of the fund at the end of the day, and charged to the capital of the fund in question.

The ongoing charges of an investment fund include, in addition to the fund costs, all other costs debited to the fund in the reporting period, excluding the costs of investment transactions and interest costs.

The ongoing charges figure (OCF) for each investment fund is as follows:



	<b>OCF (on annual basis)</b>	
	<b>01-01-2020 to 31-12-2020</b>	<b>01-01-2019 to 31-12-2019</b>
ASN Duurzaam Obligatiefonds	0.45%	0.45%
ASN Milieu & Waterfonds	1.20%	1.20%
ASN Duurzaam Aandelenfonds	0.85%	0.85%
ASN Duurzaam Small & Midcapfonds	1.20%	1.20%

ABB is a wholly-owned subsidiary of ASN Duurzame Deelnemingen N.V., a wholly-owned subsidiary of de Volksbank N.V. (de Volksbank). De Volksbank has its registered office at Croeselaan 1, 3521 BJ in Utrecht. ABB has its registered office in The Hague and place of business at Bezuidenhoutseweg 153, 2594 AG The Hague.

In certain sections of these financial statements, phrasing and words are used which differ from the models for investment institutions as prescribed in the Financial Statements Formats Decree (*Besluit modellen jaarrekening*), since they better reflect the substance of the item.

### 3.4.1 Accounting policies for the valuation of assets and liabilities

Unless otherwise stated, all amounts are in thousands of euros and the items included in the balance sheet are recognised at market value.

#### Foreign currencies

The euro is used as the functional and reporting currency of the company. Assets and liabilities are converted into foreign currencies at the exchange rate applicable on the balance sheet date.

As at the end of the reporting period, the following exchange rates were used for the funds (World Market/Reuters closing spot rates):

<b>Exchange rate against the euro</b>	<b>31-12-2020</b>	<b>31-12-2019</b>
US Dollar	1.2235	1.1225
Australian Dollar	1.5856	1.5968
Brazilian Real	6.3554	4.3646
Pound Sterling	0.8951	0.8473
Canadian Dollar	1.5588	1.4556
Danish Krone	7.4435	7.4725
Euro	1.0000	1.0000
Hong Kong Dollar	9.4872	8.7463
Japanese Yen	126.3254	121.9877
Norwegian Krone	10.4760	9.8637
Singapore Dollar	1.6171	1.5094
Taiwanese Dollar	34.3793	33.6492
South African Rand	17.9724	15.6965
South Korean Won	1,329.1424	1,314.9154
Swedish Krona	10.0485	10.5078
Swiss Frank	1.0816	1.0870

The exchange rates prevailing at the transaction date were used with regard to purchases and disposals during the reporting period. The exchange rate prevailing at the transaction date also applies in respect of items in the profit and loss account denominated in foreign currency. Differences arising from the currency conversion are recognised in the profit and loss account.

#### Criteria for inclusion in the balance sheet

A financial instrument is recognised on the balance sheet as soon as it becomes probable that the company will derive future economic benefits from it. On initial recognition, the fair value of a financial instrument is equal to the cost of the financial instrument. A financial instrument is no longer recognised on the balance sheet if a transaction results in the transfer to a third party of all or almost all future rights to economic benefits and all or almost all risks in relation to the financial instrument.



Furthermore, assets and liabilities are no longer included in the balance sheet from the moment that the company no longer meets the conditions that future economic benefits are likely and/or the value can be reliably determined.

### Netting of an asset and a liability

A financial asset and financial liability are offset and the net amount is reported on the balance sheet where there is a statutory or contractual right of set-off and simultaneous settlement in respect of the asset and liability. There is additionally a firm intention to settle the items on a net basis and simultaneously. Interest income and interest expenses connected with financial assets and financial liabilities presented as net amounts are likewise recognised on a net basis.

### Use of estimates

In preparing the financial statements of ASN Beleggingsfondsen UCITS N.V., the Board of Directors is required to make judgements, estimates and assumptions, which affect the application of the accounting policies and the reported value of assets and liabilities and of income and expenditure. The actual results may differ from these estimates. The estimates and underlying assumptions are reviewed as part of a regular process, with reviews being carried out at least on a monthly basis. These reviews are also documented. It is possible that new information comes to light in the interim causing estimates to be revised. Revisions of estimates are stated in the period in which the estimate is revised and in future periods impacted by the revision.

The *Fair value measurement of financial instruments* table in the next section provides a further explanation of the extent to which estimates are used.

### Investments

#### Disposition

The securities are at the company's disposal..

### Determining the fair value of investments

In accordance with Richtlijn voor Jaarverslaggeving (RJ) 290.916 (Dutch Accounting Standard), information is provided below on financial instruments that are measured at fair value in the interim financial statements. These financial instruments are classified and described at the following levels:

**Level 1:** the fair value is derived from listed market prices;

**Level 2:** the fair value is derived from independent assessments;

**Level 3:** the fair value is derived from a calculation of the net present value (NPV);

**Level 4:** the fair value is derived based on another suitable method.

### Fair value measurement of financial instruments

		Level 1 Listed market prices	Level 2 Independent assessments	Level 3 Net present value calculations	Level 4 Other method
<i>In € thousands</i>					
<b>30 June 2020</b>					
ASN Duurzaam Aandelenfonds	1,530,100	1,523,762	-	-	6,338 <sup>1</sup>
ASN Duurzaam Obligatiefonds	568,318	568,318	-	-	-
ASN Milieu & Waterfonds	806,251	806,251	-	-	-
ASN Duurzaam Small & Midcapfonds	151,117	151,117	-	-	-
<b>Totaal</b>	<b>3,055,786</b>	<b>3,049,448</b>	<b>-</b>	<b>-</b>	<b>6,338</b>

<sup>1</sup> Concerns the investment in the ASN Venture Capital Fonds.

The investments in the funds are generally considered as liquid.

### Transaction costs

Transaction costs incurred on the purchase and disposal of investments are recognised under the realised gains and losses in the profit and loss account. Transaction costs on the purchase of investments are therefore not capitalised.

No transaction costs can be determined for fixed income securities because these costs are included in the purchase and selling prices and cannot be identified separately. The total amount of the transaction costs for fixed income securities

cannot therefore not be determined with sufficient accuracy. The turnover ratio of the portfolio is an indicator of the relative transaction costs.

#### Investments with a public listing

Shares listed on a stock exchange are measured at fair value on the basis of the most recent closing price in the reporting period. If financial instruments are listed on different stock exchanges, the UCITS manager determines from which stock exchange the price will be taken.

Fixed income securities are measured at fair value. If an active market exists, the relevant bid prices are used or, in the absence of bid prices, the relevant mid price (between bid and sell) at the closure of the market will be used. If no valuation is possible on the basis of quotes by information providers, attention will turn to valuations by other external parties. In the case of fixed income products, a valuation will be requested from the *lead manager* or the party from which the products were acquired. If this is not possible, the price is determined by a model-based method.

#### Investments without a public listing

Investments that are not listed or traded on a stock exchange and any unmarketable investments are valued, in principle, on the basis of an indicative assessment by external parties. If this is not available, the UCITS manager determines the valuation according to a model-based method. He makes every effort to assign a valuation that is as recent and accurate as possible. The valuation may be outdated as a result. If, following the determination of the net asset value of the fund as at the end of the reporting period, but prior to the publication of the annual report, information becomes available which results in a materially different understanding of the net asset value, this will be reported and explained in the annual report.

The investments of ASN Venture Capital Fonds N.V., in which the ASN Duurzaam Aandelenfonds invests, have the nature of sustainable venture capital and are often unlisted. For the purpose of calculating the net asset value of the ASN Duurzaam Aandelenfonds, a net asset value is calculated daily for ASN Venture Capital Fonds N.V. on the basis of information available at that time. As audited annual figures of the funds in which ASN Venture Capital Fonds N.V. invests are not available at the date of the report of ASN Beleggingsfondsen UCITS N.V., there remains some uncertainty regarding the valuation as at the balance sheet date. This uncertainty is inherent in the nature of the investments. With regard to the unlisted investments in the portfolio of ASN Venture Capital Fonds N.V., the managers of these funds generally issue a valuation once a quarter as at the end of the preceding quarter.

#### Receivables and payables

After initial recognition, receivables and payables are valued at amortised cost. Since there is no share premium or discount nor any transaction costs, the amortised cost is equal to the nominal value of the receivables and payables.

#### Other assets and liabilities

The remaining assets and liabilities are stated at nominal value. The nominal value is virtually identical to the market value due to the short maturities of the respective items.

#### Surcharge and deduction on subscription and redemption

Upon the issue of shares in the fund, the issue price of the shares is increased by a surcharge on the net asset value calculated; upon the purchase of shares, the purchase price is reduced by applying a deduction.

Shares are issued at the current net asset value plus a surcharge, or are redeemed at the current net asset value minus a deduction. The surcharges and deductions are recognised in the profit and loss account under the item 'Surcharges and deductions charged' and accrue in their entirety to the respective fund. They are primarily intended to cover transaction costs charged to the fund on its investment transactions. The transaction costs consist of fees for, among other things, brokerage costs, research costs, settlement costs, currency differences and market-impact costs. The surcharge and deduction amounts are set annually on the basis of the average transaction costs that are representative for transactions on the financial markets in the respective asset class. The current surcharges and deductions applicable from 10 December 2020 are shown below.

	ASN Duurzaam Obligatiefonds	ASN Milieu & Waterfonds	ASN Duurzaam Aandelenfonds	ASN Duurzaam Small & Midcapfonds
Surcharge	+ 0,075%	+ 0,025%	+ 0,175%	+ 0.60%
Deduction	- 0,075%	- 0,025%	- 0,05%	- 0,525%

### 3.4.2 Accounting policies for determining the result

#### Recognition of income and expenditure

Income is included in the profit and loss account if there has been an increase in economic potential, in combination with an increase in an asset or a reduction in a liability, the extent of which can be reliably determined.

Expenditure is included if there has been a reduction in economic potential, in combination with a reduction in an asset or an increase in a liability, the extent of which can be reliably determined.

#### Determination of the result

The result is mainly determined by the realised and unrealised changes in the value of investments during the reporting period, minus the costs attributable to the reporting period. The realised gains and losses are determined by deducting the carrying value at the beginning of the reporting period, or the average cost of the purchases during the reporting period, from the sale proceeds (including selling costs). The unrealised gains and losses are determined by deducting the carrying value at the beginning of the reporting period, or the average cost of the purchases during the reporting period, from the carrying value at the end of the reporting period.

The result in the investment funds also consists of the direct investment income, such as interest and dividend. The dividend is the gross cash dividend earned, less commission, insofar as the dividend tax cannot be reclaimed. Revenues in the form of stock dividend are recognised as purchases at nil in the balance sheet. In the case of optional dividend (cash or stock dividend), where stock dividend is chosen, the cash dividend not received is recognised and registered as cost of the stock dividend. Interest income is the gross interest received on (private) loans, credit and bonds, less any commission payable. Interest is recognised in the period to which it relates.

#### Ongoing charges figure (OCF)

The ongoing charges figure (OCF) shows the total costs debited to the fund as a percentage of the average fund capital. In calculating the OCF, the average fund capital is determined based on the frequency with which the intrinsic value or *net asset value* (NAV) is issued. The net asset value is calculated on each day on which the Euronext Amsterdam N.V. stock exchange is open for trading in the Netherlands. All NAVs issued during the reporting period are added up and divided by the number of NAVs issued.

The ongoing charges of an investment fund include all the costs debited to the fund in a reporting period, excluding the costs of investment transactions and interest costs. The ongoing charges are expressed as a percentage of the average fund capital of the fund concerned in the reporting period.

Apart from the fund costs, no other costs are charged to the funds. Due to the method used to calculate the expenses fee, the ongoing charges do not, in principle, differ from the fund costs.

#### Turnover ratio

The turnover ratio of the assets gives an indication of the rate of turnover of the fund's portfolio. This provides insight into the extent to which active management occurs in respect of the investment portfolio. A negative turnover ratio indicates that the hedging provided by the surcharge and deduction is greater than the transaction costs incurred by the fund.

The turnover ratio is calculated as follows:

$$[(\text{Total 1} - \text{Total 2}) / X] * 100$$

Total 1: the total amount of securities transactions (securities purchases + securities disposals)

Total 2: the total amount of transactions (issues + purchases) in respect of units in the investment fund

X: the average net asset value of the investment fund

The average fund capital during the reporting period is determined based on the frequency with which the NAV is issued. The net asset value is calculated on each day on which the Euronext Amsterdam N.V. stock exchange is open for trading in the Netherlands. All NAVs issued during the reporting period are added up and divided by the number of NAVs issued.

### 3.4.3 Accounting policies for the cashflow statement

The cashflow statement identifies the source of the cash and cash equivalents which became available during the reporting year, and the manner in which they were applied. Cashflows are broken down by operations (investments) and financing. Cash and cash equivalents are defined as all bank balances that are payable on demand.

The cash flow statement has been prepared in accordance with the indirect method. In the cashflow statement, the result is converted into cashflows by means of adjustments in relation to it. These adjustments concern corrections to accrued and deferred items, among other things.

### 3.4.4 Accounting policies for the funds

The financial statements of the funds have been prepared in conformity with Part 9 of Book 2 of the Dutch Civil Code, the Wft and the Annual Reporting Guidelines, in particular Guideline 615 (RJ 615) Investment Institutions. The accounting policies that apply in respect of ASN Beleggingsfondsen UCITS N.V., as set out in the preceding paragraphs: i) Accounting policies for the valuation of assets and liabilities; ii) Accounting policies for determining the result; and iii) Cashflow statement, also apply by analogy to the funds.

### 3.4.5 Tax features

ASN Beleggingsfondsen UCITS N.V. has the status of a fiscal investment institution as referred to in Section 28 of the Corporation Tax Act 1969 (*Wet op de vennootschapsbelasting 1969*), as elaborated in the Investment Institutions Decree (*Besluit beleggingsinstellingen*). As a result, ASN Beleggingsfondsen UCITS N.V. is zero-rated for Dutch corporation tax, provided that it meets the conditions set forth in the Act and the Investment Institutions Decree. One of these conditions is that the fund should distribute the profit available for distribution to the shareholders within eight months of the end of the financial year (the dividend payment obligation).

For more information, please refer to the prospectus.

#### Tax risks

##### *Risk of change in respect of tax regimes*

The risk of change with regard to tax regimes refers, broadly speaking, to the situation that a public authority may alter tax legislation in an unfavourable or adverse manner for a fund. This can have a negative impact on the value of the investment portfolio and/or the value of the capital equity of a fund or pool. It cannot be ruled out that the law or interpretation of the law will change, whether or not with retroactive effect. It is possible that, as a result, additional taxes will become due, including the possibility of withholding tax in relation to dividends or interest that have been made payable, which were not foreseen at the time the prospectus was issued or at the time of purchase, valuation or sale. This risk increases as more is invested in countries with less stable governments and democratic procedures in relation to the adoption of tax legislation and other legislation. All the funds invest predominantly in countries where these less favourable external factors are not applicable. Nonetheless, the risk of change in respect of tax regimes applies to all investments in all countries.

##### *Risk of change in respect of tax or legal regimes*

Tax and/or legal risk is the risk that the tax or legal treatment of the fund or the shareholders may change over time due to changes in legislation and regulations. Changes in the legal or tax status of the shareholders or relevant changes in local laws and their interpretation can have a substantial impact on the tax position of shareholders.

##### *Risk relating to retention of status as a fiscal investment institution*

ASN Beleggingsfondsen UCITS N.V. has the status of a fiscal investment institution in accordance with Section 28 of the Corporation Tax Act 1969. Profits and losses are consequently taxed at 0%. There are several conditions attached to the status of a fiscal investment institution. Each fund must satisfy these conditions separately. If the funds do not meet one of the conditions, this will result in the loss of the status of a fiscal investment institution with effect from 1 January of the year in which the conditions are no longer met. If a fund fails to fulfil the dividend payment obligation, or fails to do so in a timely manner, ASN Beleggingsfondsen UCITS N.V. will lose this status with effect from the year to which the dividend payment obligation applies. The loss of status as a fiscal investment institution will result in the funds becoming subject to corporation tax at the standard rate of 25%. In addition, reserves created for a specific purpose will be subject to taxation. There is an increased risk in the case of a listed fund, since there is no clear picture of who all the shareholders in the fund are. The UCITS manager has formulated appropriate measures to mitigate this risk.

### *Risk of erosion of fund capital*

ASN Beleggingsfondsen UCITS N.V. has the status of a fiscal investment institution. In order to retain this status, the company must distribute the taxable profit in its entirety to the shareholders each year. Under certain circumstances, the taxable annual profit may be higher than the profit calculated in accordance with the rules that apply to the preparation of the statutory financial statements. In addition, a fund may, under certain circumstances, conduct a policy that provides for more dividend to be distributed than the annual result. It is possible that, as a result, a dividend distribution may cause the capital of the investment institution to decrease by more than the size of the annual profit. This risk is limited by an active reinvestment policy being pursued by the funds.

### *FATCA/CRS*

ASN Beleggingsfondsen UCITS N.V. complies with the US Foreign Account Tax Compliance Act (FATCA), the Common Reporting Standard (CRS) and the provisions in that regard in Dutch legislation. Shareholders may be requested to supply documentation enabling their status under FATCA or Dutch law to be determined (on a continual basis). If, as a result of non-compliance with FATCA, ASN Beleggingsfondsen UCITS N.V. is made subject to withholding tax on its investments in the United States, this may have consequences for the *net asset value* (NAV).

### *Tax reduction*

Subscription or redemption by (domestic or foreign) parties not subject to income tax can have an impact on the return of a fund, since these participants alter the extent to which ASN Beleggingsfondsen UCITS N.V. can apply a tax facility (the tax reduction). The tax reduction in respect of foreign withholding tax is decreased in accordance with the percentage of shareholders who are not subject to income tax.

### *Dividend tax and foreign withholding tax*

ASN Beleggingsfondsen UCITS N.V. is required, in principle, to deduct 15% dividend tax from dividend distributed to shareholders.

In principle, 15% dividend tax is deducted from dividend received by ASN Beleggingsfondsen UCITS N.V. from Dutch investments. Dividend and other income it receives from foreign investments may be subject to withholding tax which is deducted by the country concerned. Many countries deduct withholding tax from interest payments and dividend distributions. If the Netherlands has a treaty with the source country to avoid double taxation, it is possible that the withholding tax rate may be reduced in accordance with the tax treaty. Depending on the tax treaty concerned, ASN Beleggingsfondsen UCITS N.V. will, in principle, request a (partial) rebate of the withholding tax that was deducted (up to the treaty rate) from the foreign tax authorities. The tax reduction for dividend tax may be applied for the remaining foreign withholding tax (the treaty rate up to a maximum of 15%). ASN Beleggingsfondsen UCITS N.V. may not apply this tax reduction in respect of foreign withholding tax insofar as pension entities and other bodies that are exempt from income tax and foreign parties who are entitled to claim a rebate of Dutch dividend tax participate in ASN Beleggingsfondsen UCITS N.V. This may potentially have a negative impact on the returns of ASN Beleggingsfondsen UCITS N.V. The size of the impact depends on the interest these investors hold in the fund.

## 3.4.6 Financial risks and control measures

The activities undertaken by ASN Beleggingsfondsen UCITS N.V. entail various financial risks. As each fund pursues its own investment policy, these risks vary from one fund to the next. In order to implement the investment policy, the funds invest in direct investments. The risk profile of a fund is determined by (the combination of) direct investments in which the fund invests.

The financial risks are especially the market risk equities, interest rate risk, currency risk, concentration risk, credit risk and liquidity risk. These risks are discussed separately for each fund below.

### 3.4.6.1 ASN Duurzaam Aandelenfonds

#### *Equity market risk*

The ASN Duurzaam Aandelenfonds invests in equities and is therefore exposed to the risk of fluctuations in value as a result of the developments in equity markets. This risk is (partially) mitigated by diversifying the investments in the portfolio, spreading them across regions and sectors, among other things.

The notes to the financial statements of the ASN Duurzaam Aandelenfonds (see Chapter 4.1) provide information on how the investments are spread across countries and sectors.

### Interest rate risk

The ASN Duurzaam Aandelenfonds does not invest in fixed income financial instruments and is consequently not exposed to any significant interest rate risk.

### Currency risk

The currency risks arising from the investments undertaken by the ASN Duurzaam Aandelenfonds are not hedged. Investing in the fund therefore entails currency risk. At the end of the reporting period, the fund invested the following amounts in euros and other currencies:

In € thousands	31-12-2020		31-12-2019	
	Market value	%	Market value	%
Euro	495,465	32.3	473,835	32.3
US Dollar	329,453	21.5	350,550	23.9
Pound Sterling	200,327	13.1	249,969	17.0
Taiwanese Dollar	115,341	7.5	18,394	1.3
Japanese Yen	112,669	7.4	138,277	9.4
Swedish Krona	62,017	4.1	78,981	5.3
Hong Kong Dollar	50,954	3.3	8,606	0.6
Danish Krone	50,904	3.3	70,335	4.8
South Korean Won	30,278	2.0	-	-
Swiss Frank	29,285	1.9	28,340	1.9
Norwegian Krone	15,394	1.0	12,804	0.9
Australian Dollar	14,894	1.0	-	-
South African Rand	10,481	0.7	5,617	0.4
Brazilian Real	6,011	0.4	-	-
Canadian Dollar	5,376	0.4	31,579	2.2
Singapore Dollar	1,251	0.1	-	-
<b>Total</b>	<b>1,530,100</b>	<b>100.0</b>	<b>1,467,287</b>	<b>100.0</b>

### Concentration risk

The investment policy is aimed at managing the concentration risk by applying bandwidths for the regional allocation, and adhering to limits for the maximum percentage of the fund capital that the ASN Duurzaam Aandelenfonds invests in a single company or undertaking. The fund may never invest more than 5% of the fund capital in a single company or undertaking.

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The notes to the financial statements of the ASN Duurzaam Aandelenfonds (see Section 4.1) provide information on how the investments are spread across countries and sectors.

### Credit risk

The ASN Duurzaam Aandelenfonds is exposed to credit risk, mainly due to sales transactions resulting in short-term receivables. These short-term receivables have a very low risk, since the underlying assets are delivered against immediate receipt of the transaction amount. The maximum credit risk of the fund is determined by the combined sum of cash and cash equivalents and receivables. The risk exposure at the end of the reporting period was €19.3 million (year-end 2019: €21.0 million).

### Liquidity risk

The liquidity and marketability risk is the risk that the ASN Duurzaam Aandelenfonds cannot access sufficient liquid assets in time to meet short-term or longer term financial obligations, whether or not in normal circumstances or in times of stress, without incurring any unacceptable costs or losses. As the ASN Duurzaam Aandelenfonds invests predominantly in readily marketable listed investments, it is not exposed to any significant liquidity risk.

## 3.4.6.2 ASN Duurzaam Obligatiefonds

### Equity market risk

The ASN Duurzaam Obligatiefonds does not invest in equities and is therefore not exposed to the risk of fluctuations in value as a result of the developments in equity markets.



### Interest rate risk

The ASN Duurzaam Obligatiefonds invests predominantly in fixed income financial instruments and is consequently exposed to (significant) interest rate risk. The notes to the financial statements of the ASN Duurzaam Obligatiefonds (see Section 4.2) provide information on the modified duration and the interest rate reset dates of the investments of the ASN Duurzaam Obligatiefonds.

### Currency risk

The ASN Duurzaam Obligatiefonds only invests in sovereign bonds and *green* and *social bonds* that are denominated in euros. As a result, the ASN Duurzaam Obligatiefonds is not exposed to any currency risk on its investments.

### Concentration risk

The investment policy is aimed at managing the concentration risk by setting limits for:

- The maximum percentage of the fund capital that the ASN Duurzaam Obligatiefonds invests in financial instruments issued by a country. The fund may not invest more than 15% of the capital in (financial instruments issued by) a country.
- The maximum percentage of the fund capital that the ASN Duurzaam Obligatiefonds invests in green and social bonds. The fund may not invest more than 15% of the capital in green and social bonds.

The notes to the financial statements of the ASN Duurzaam Obligatiefonds (see Section 4.2) provide information on the individual investments undertaken by the fund and how the investments are spread across countries.

### Credit risk

The ASN Duurzaam Obligatiefonds invests in sovereign bonds and green and social bonds. The fund is not subject to any requirements in respect of the minimum rating per individual bond and the minimum rating of the portfolio. There are also no restrictions regarding the size of the loans.

ABB determines the universe of countries in which the ASN Duurzaam Obligatiefonds may invest through bonds. The portfolio is structured on the basis of countries' sustainability performance, their repayment capacity and a liquidity filter.

The notes to the financial statements of the ASN Duurzaam Obligatiefonds (see Section 4.2) provide information on the individual investments undertaken by the fund and the allocation of the fund's investments per credit rating class.

The ASN Duurzaam Obligatiefonds is exposed to credit risk. The maximum credit risk is determined by the combined sum of cash and cash equivalents, receivables and the value of fixed-income investments. The risk exposure at the end of the reporting period was €578.2 million (year-end 2019: €644.4 million).

### Liquidity risk

The liquidity and marketability risk is the risk that the ASN Duurzaam Obligatiefonds cannot access sufficient liquid assets in time to meet short-term or longer term financial obligations, whether or not in normal circumstances or in times of stress, without incurring any unacceptable costs or losses.

As the ASN Duurzaam Obligatiefonds invests predominantly in readily marketable listed investments, it is not exposed to any significant liquidity risk.

## 3.4.6.3 ASN Milieu & Waterfonds

### Equity market risk

The ASN Milieu & Waterfonds invests in equities and is therefore exposed to the risk of fluctuations in value as a result of the developments in equity markets. This risk is (partially) mitigated by diversifying the investments in the portfolio, spreading them across regions and sectors, among other things. The notes to the financial statements of the fund (see Section 4.3) provide information on how the investments are spread across countries and sectors.

### Interest rate risk

The ASN Milieu & Waterfonds does not invest in fixed income financial instruments and is consequently not exposed to any significant interest rate risk.

### Currency risk

The currency risks arising from the investments undertaken by the ASN Milieu & Waterfonds are not hedged. Investing in the fund therefore entails currency risk. At the end of the reporting period, the fund invested the following amounts in euros and other currencies:

<i>In € thousands</i>	<i>31-12-2020</i>		<i>31-12-2019</i>	
	<i>Market value</i>	<i>%</i>	<i>Market value</i>	<i>%</i>
US Dollar	238,206	29.5	184,220	26.5
Euro	165,470	20.5	143,168	20.6
Pound Sterling	103,096	12.8	64,319	9.3
Swiss Frank	73,230	9.1	70,743	10.2
Japanese Yen	53,688	6.7	61,132	8.8
Hong Kong Dollar	50,327	6.2	57,774	8.3
Danish Krone	44,790	5.6	33,393	4.8
Swedish Krona	35,170	4.4	41,340	5.9
Australian Dollar	17,781	2.2	19,521	2.8
Taiwanese Dollar	17,220	2.1	10,988	1.6
Norwegian Krone	7,273	0.9	8,467	1.2
<b>Total</b>	<b>806,251</b>	<b>100.0</b>	<b>695,065</b>	<b>100.0</b>

### Concentration risk

The investment policy is aimed at managing the concentration risk by applying bandwidths for the regional allocation and sector allocation, and adhering to a limit for the maximum percentage of the fund capital that the ASN Milieu & Waterfonds invests in a single company or undertaking.

At the end of the reporting period, the following bandwidths applied in respect of regional allocation and sector allocation:

<b>Regional allocation of investment portfolio</b>	
Europe	30-60%
United States & Canada	15-50%
Rest of the world	10-40%
<b>Sector allocation of investment portfolio</b>	
Renewable energy	20-50%
Water treatment	25-60%
Waste & recycling	0-20%
Food & agriculture	0-20%

The ASN Milieu & Waterfonds may never invest more than 5% of the fund capital in a single company or undertaking. The notes to the financial statements of the ASN Milieu & Waterfonds (see Section 4.3) provide information on the fund's investments and how the investments are spread across countries and sectors.

### Credit risk

The ASN Milieu & Waterfonds is exposed to credit risk, mainly due to sales transactions resulting in short-term receivables. These short-term receivables have a very low risk, since the underlying assets are delivered against immediate receipt of the transaction amount. The maximum credit risk of the fund is determined by the combined sum of cash and cash equivalents and receivables. The risk exposure at the end of the reporting period was €36.5 million (year-end 2019: €14.2 million).

### Liquidity risk

The liquidity and marketability risk is the risk that the ASN Milieu & Waterfonds cannot access sufficient liquid assets in time to meet short-term or longer term financial obligations, whether or not in normal circumstances or in times of stress, without incurring any unacceptable costs or losses.

As the ASN Milieu & Waterfonds invests predominantly in readily marketable listed investments, it is not exposed to any significant liquidity risk.

### 3.4.6.4 ASN Duurzaam Small & Midcapfonds

#### Equity market risk

The ASN Duurzaam Small & Midcapfonds invests in equities and is therefore exposed to the risk of fluctuations in value as a result of the developments in equity markets. This risk is (partially) mitigated by diversifying the investments in the portfolio, spreading them across regions and sectors, among other things. The notes to the financial statements of the fund (see Chapter 4.4) provide information on how the investments are spread across countries and sectors.

#### Interest rate risk

The ASN Duurzaam Small & Midcapfonds does not invest in fixed income financial instruments and is consequently not exposed to any significant interest rate risk.

#### Currency risk

The currency risks arising from the investments undertaken by the ASN Duurzaam Small & Midcapfonds are not hedged. Investing in the fund therefore entails currency risk. At the end of the reporting period, the fund invested the following amounts in euros and other currencies:

<i>In € thousands</i>	<i>31-12-2020</i>		<i>31-12-2019</i>	
	<i>Market value</i>	<i>%</i>	<i>Market value</i>	<i>%</i>
Euro	97,661	64.7	89,732	48.6
Pound Sterling	28,858	19.1	47,300	25.6
Swedish Krona	11,355	7.5	14,974	8.1
Swiss Frank	9,542	6.3	27,707	15.0
Danish Krone	3,701	2.4	4,980	2.7
<b>Total</b>	<b>151,117</b>	<b>100.0</b>	<b>184,693</b>	<b>100.0</b>

#### Concentration risk

The investment policy is aimed at managing the concentration risk by applying bandwidths for the regional allocation, and by adhering to limits for the maximum percentage of the fund capital that the ASN Duurzaam Small & Midcapfonds invests in a single company or undertaking, and also by adhering to limits for the maximum interest that the fund acquires in the company in which it invests.

At the end of the reporting period, the following bandwidths and limits applied in respect of the fund's investments:

- No more than 10% of the fund capital may be invested in a single company or undertaking.
- When first included in the portfolio, a company's market capitalisation must be less than 6 billion euros; during the term of the investment, the market capitalisation may be more than 10 billion euros for a maximum of three months.
- If the ASN Duurzaam Small & Midcapfonds purchases shares in a company then, at the moment of purchase, this interest may equate to no more than 5% of the share capital of the company.
- If the ASN Duurzaam Small & Midcapfonds purchases shares in a company, this interest may equate no more than 5% of the fund capital; during the term of the investment, the interest may not exceed 10% of the fund capital.
- The interests greater than 5% of the fund capital may not, taken together, comprise more than 40% of the fund capital.
- Regional allocation: 100% Europe.

The notes to the financial statements of the ASN Duurzaam Small & Waterfonds (see Section 4.4) provide information on the fund's investments and how the investments are spread across countries and sectors.

#### Credit risk

The ASN Duurzaam Small & Midcapfonds is exposed to credit risk, mainly due to sales transactions resulting in short-term receivables. These short-term receivables have a very low risk, since the underlying assets are delivered against immediate receipt of the transaction amount. The maximum credit risk of the fund is determined by the combined sum of cash and cash equivalents and receivables. The risk exposure at the end of the reporting period was €6.6 million (year-end 2019: €10.3 million).

#### Liquidity risk

The liquidity and marketability risk is the risk that the ASN Duurzaam Small & Midcapfonds cannot access sufficient liquid assets in time to meet short-term or longer term financial obligations, whether or not in normal circumstances or in times of stress, without incurring any unacceptable costs or losses.

As the ASN Duurzaam Small & Midcapfonds invests predominantly in readily marketable listed investments, it is not exposed to any significant liquidity risk.

## 3.5 Notes to the balance sheet

### (A) Investments

#### Statement of changes in direct investments

<i>In € thousands</i>	<b>01-01-2020 to 31-12-2020</b>	<b>01-01-2019 to 31-12-2019</b>
Balance as at start of period	2,982,536	2,706,371
Purchases	1,483,191	1,279,807
Disposals	-1,689,885	-1,597,870
Redemptions	-1,712	-8,124
Realised changes in value on investments	-154,751	158,057
Unrealised changes in value on investments	436,407	444,295
<b>Balance as at end of period</b>	<b>3,055,786</b>	<b>2,982,536</b>

For a more detailed analysis of the direct investments, see the notes to the investments of the four funds (Chapter 4 (A) Investments).

### (B) Accounts receivable

The following items are shown under 'Accounts receivables':

<i>In € thousands</i>	<b>31-12-2020</b>	<b>31-12-2019</b>
Investment activities		
Receivables arising from securities transactions	11,583	-
Dividend receivable	2,444	2,202
Dividend tax/withholding tax receivable	9,519	7,740
Accruals on bonds	4,829	6,260
Subtotal of receivables arising from investment activities	<b>28,375</b>	<b>16,202</b>
Financing activities		
Receivables from shareholders arising from issue of shares	4,268	1,939
Subtotal of receivables arising from financing activities	<b>4,268</b>	<b>1,939</b>
<b>Total</b>	<b>32,643</b>	<b>18,141</b>

Of the above receivables, an amount of €4.28 million (2019: €2.22 million) falls due after more than one year.

### (C) Other assets

#### Liquid assets

Liquid assets are defined as all bank balances that are payable on demand. Cash and cash equivalents are freely available. The manager determines the extent of the cash and cash equivalents based on the timing of the payments.



## (D) Current liabilities

The following items are shown under 'current liabilities':

<i>In € thousands</i>	<b>31-12-2020</b>	<b>31-12-2019</b>
Investment activities		
Liabilities arising from securities transactions	7,778	109
Fund costs payable	2,271	1,490
Subtotal of liabilities arising from investment activities	<b>10,049</b>	<b>1,599</b>
Financing activities		
Liabilities to shareholders arising from purchase of shares	2,211	172
Subtotal of liabilities arising from financing activities	<b>2,211</b>	<b>172</b>
<b>Total</b>	<b>12,260</b>	<b>1,771</b>

The current liabilities will fall due within one year.

## (E) Equity

Equity is divided among the funds as follows:

<i>In € thousands</i>	<b>31-12-2020</b>	<b>31-12-2019</b>
ASN Duurzaam Aandelenfonds	1,543,572	1,487,553
ASN Duurzaam Obligatiefonds	576,826	644,273
ASN Milieu & Waterfonds	838,039	708,605
ASN Duurzaam Small & Midcapfonds	157,359	194,721
<b>Total</b>	<b>3,115,796</b>	<b>3,035,152</b>

### Share capital

The authorised capital is divided into (twenty series of in total) 146,000,000 ordinary shares, each with a nominal value of €5.00, and a priority share with a nominal value of €2.50. The authorised share capital therefore amounts to €730,000,002.50.

The tables on the following page show successively the changes in the number of shares outstanding and the changes in the issued capital, share premium, other reserves and the retained earnings in 2020 and 2019.

	ASN Duurzaam Aandelenfonds	ASN Duurzaam Obligatiefonds	ASN Milieu & Waterfonds	ASN Duurzaam Small & Midcapfonds	Priority share	Total
<b>Balance as at 01-01-2019</b>	<b>12,743,943</b>	<b>25,139,623</b>	<b>21,405,310</b>	<b>3,419,312</b>	<b>1</b>	<b>62,708,189</b>
Issued shares	310,600	927,200	786,200	164,200	-	2,188,200
Purchased shares	-863,600	-1,598,600	-1,457,200	-366,400	-	-4,285,800
Movement due to split up <sup>1</sup>	-727,543	-2,192,876	-1,829,483	1,064,171	-	-3,685,731
<b>Balance as at 31-12-2019</b>	<b>11,463,400</b>	<b>22,275,347</b>	<b>18,904,827</b>	<b>4,281,283</b>	<b>1</b>	<b>56,924,858</b>
Issued shares	779,314	2,223,455	1,422,074	470,843	-	4,895,686
Purchased shares	-1,314,818	-3,609,413	-2,718,377	-663,092	-	-8,305,700
Movement due to split up <sup>1</sup>	163,386	-522,482	869,357	-768,648	-	-258,387
<b>Balance as at 31-12-2020</b>	<b>11,091,282</b>	<b>20,366,907</b>	<b>18,477,881</b>	<b>3,320,386</b>	<b>1</b>	<b>53,256,457</b>

<sup>1</sup> From an accounting perspective, it is not possible to separately present the issued and purchased shares that the AIF mix funds held in the UCITS N.V. in 2019 and 2020 until the split date. This is partly the result of the unbundling and the application of the pooling of interest method. As a result, the issued and purchased shares of the AIF mix funds in UCITS NV in 2019 and 2020 up to the split date are shown separately on the line "Movement due to split up", without a further breakdown in the lines issued and purchased shares.

In € thousands	01-01-2020 to 31-12-2020	01-01-2019 to 31-12-2019
<b>Issued capital</b>		
Balance as at 1 January	284,624	313,542
Issued shares	24,478	10,941
Purchased shares	-41,528	-21,429
Movement due to split up <sup>1</sup>	-1,292	-18,430
<b>Balance as at end of period</b>	<b>266,282</b>	<b>284,624</b>
<b>Share premium reserve</b>		
Balance as at 1 January	1,926,053	2,232,814
Issued shares	201,813	84,267
Purchased shares	-272,506	-140,779
Movement due to split up <sup>1</sup>	-2,877	-250,249
<b>Balance as at end of period</b>	<b>1,852,483</b>	<b>1,926,053</b>
<b>Other reserves</b>		
Balance as at 1 January	166,140	433,082
Addition to/withdrawal from retained earnings	622,093	-220,268
Purchased shares	-101,582	-46,674
<b>Balance as at end of period</b>	<b>686,651</b>	<b>166,140</b>
<b>Retained earnings</b>		
Balance as at 1 January	658,335	-187,201
Addition to/withdrawal from other reserves	-622,093	220,268
Dividend paid out	-36,242	-33,067
Result for the reporting period	310,380	658,335
<b>Balance as at end of period</b>	<b>310,380</b>	<b>658,335</b>
<b>Total equity</b>	<b>3,115,796</b>	<b>3,035,152</b>

<sup>1</sup> From an accounting perspective, it is not possible to separately present the issued and purchased shares that the AIF mix funds held in the UCITS N.V. in 2019 and 2020 until the split date. This is partly the result of the unbundling and the application of the pooling of interest method. As a result, the issued and purchased shares of the AIF mix funds in UCITS NV in 2019 and 2020 up to the split date are shown separately on the line "Movement due to split up", without a further breakdown in the lines issued and purchased shares.

For the five-year summary, see the notes to the separate funds.

## 3.6 Notes to the profit and loss account

### (F) Realised changes in value on investments

The realised gains and losses are determined by deducting the book value from the sale proceeds (including selling costs). In accordance with Annual Reporting Guideline (RJ) 615.405a, information is provided below on the realised gains and losses on investments of the investment pools.

#### Realised gains and losses per investment fund

<i>In € thousands</i>	<b>01-01-2020 to 31-12-2020</b>	<b>01-01-2019 to 31-12-2019</b>
ASN Duurzaam Aandelenfonds	-112,126	89,321
ASN Duurzaam Obligatiefonds	-908	799
ASN Milieu & Waterfonds	-18,182	54,359
ASN Duurzaam Small & Midcapfonds	-23,535	13,578
<b>Total</b>	<b>-154,751</b>	<b>158,057</b>

### (G) Unrealised changes in value on investments

The unrealised gains and losses are determined by deducting either the carrying value at the beginning of the financial year or the average cost of the purchases during the reporting period from the carrying value at the end of the reporting period. In accordance with Annual Reporting Guideline (RJ) 615.405a, information is provided below on the unrealised gains and losses on investments of the investment pools.

#### Unrealised gains and losses per investment fund

<i>In € thousands</i>	<b>01-01-2020 to 31-12-2020</b>	<b>01-01-2019 to 31-12-2019</b>
ASN Duurzaam Aandelenfonds	236,215	276,660
ASN Duurzaam Obligatiefonds	2,289	3,292
ASN Milieu & Waterfonds	173,636	133,193
ASN Duurzaam Small & Midcapfonds	24,267	31,150
<b>Total</b>	<b>436,407</b>	<b>444,295</b>

### (H) Operating expenses

#### Fund costs

ABB charges fund costs to the funds. This fee is reserved daily (on trading days) and charged to the funds' capital. This is prorated on the basis of the percentages for each fund per annum set out in the prospectus, and the fund capital at day-end. This fee is charged monthly in arrears. ABB charges the monthly total of the fund costs calculated and reserved on this basis to ASN Beleggingsfondsen UCITS N.V. at the end of each month.

The fund costs are intended to cover all the costs incurred by the funds, including the fees payable to the funds' investment managers, the depositary, the *custodian*, the *fund agent*, the sustainability research, the legal owner of the funds' capital, the auditor, the costs of supervision and tax and legal advice, as well as the settlement costs, marketing expenses, the costs of third-party services and the remuneration of the Supervisory Board.

The transaction costs are an exception to this: these are the direct costs connected with the purchase and disposal of investments. The costs are (partly) paid out of a surcharge to the net asset value in case of a (net) issue of shares in ASN Beleggingsfondsen UCITS N.V., or a deduction of the net asset value in case of a (net) repurchase of own shares.

The starting point for determining the amount of the surcharge and deduction is that ASN Beleggingsfondsen UCITS N.V. should cover the average transaction costs that it incurs in the long-term for repurchasing and issuing its own shares. For reasons of transparency and simplicity, the surcharge or deduction is expressed as a fixed percentage of the net asset value. The amount is determined on the basis of the actual purchase and sale costs of the financial instruments in which the funds invest. ABB may adjust this percentage rate if the long-term average has changed as a result of market circumstances. ABB evaluates the surcharge and deduction costs on an annual basis. The surcharge or deduction accrues entirely to ASN Beleggingsfondsen UCITS N.V. so that it can pay the purchase and sale costs of the underlying financial

instruments. This protects current investors in the funds against the costs that ASN Beleggingsfondsen UCITS N.V. needs to incur in order to issue or repurchase its own shares.

#### Fund costs per investment fund

#### Fund costs per investment fund

<i>In € thousands</i>	<b>01-01-2020 to 31-12-2020</b>	<b>01-01-2019 to 31-12-2019</b>
ASN Duurzaam Aandelenfonds	9,661	7,224
ASN Duurzaam Obligatiefonds	1,631	1,028
ASN Milieu & Waterfonds	7,770	6,802
ASN Duurzaam Small & Midcapfonds	1,480	1,247
<b>Total</b>	<b>20,542</b>	<b>16,301</b>

#### Ongoing charges figure (OCF)

The ongoing charges figure (OCF) shows the total costs debited to the fund as a percentage of the average fund capital. In calculating the OCF, the average fund capital is determined based on the frequency with which the intrinsic value or *net asset value* (NAV) is issued. The net asset value is calculated on each day on which the Euronext Amsterdam N.V. stock exchange is open for trading in the Netherlands. All NAVs issued during the reporting period are added up and divided by the number of NAVs issued.

The ongoing charges of an investment fund include all the costs debited to the fund in a reporting period, excluding the costs of investment transactions and interest costs. The ongoing charges are expressed as a percentage of the average fund capital of the fund concerned in the reporting period. The ongoing charges figure for each of the funds is given in Section 1.4.

Apart from the fund costs, no other costs are charged to the funds. Due to the method used to calculate the expenses fee, the ongoing charges do not, in principle, differ from the fund costs.

#### Turnover ratio

The turnover ratio of the assets gives an indication of the rate of turnover of the fund's portfolio. This provides insight into the extent to which active management occurs in respect of the investment portfolio. A negative turnover ratio indicates that the hedging provided by the surcharge and deduction is greater than the transaction costs incurred by the fund.

The turnover ratio is calculated as follows:

$$[(\text{Total 1} - \text{Total 2}) / X] * 100$$

Total 1: the total amount of securities transactions (securities purchases + securities disposals)

Total 2: the total amount of transactions (issues + purchases) in respect of units in the investment fund

X: the average net asset value of the investment fund

The average fund capital during the reporting period is determined based on the frequency with which the NAV is issued. The net asset value is calculated on each day on which the Euronext Amsterdam N.V. stock exchange is open for trading in the Netherlands. All NAVs issued during the reporting period are added up and divided by the number of NAVs issued.

#### Transaction costs

The costs of the underlying investment transactions in the funds are included in the buying and selling prices of the respective transactions. They are charged indirectly to the company.

#### Five-year summary

The five-year summary for each fund is included in the notes to the financial statements of the funds

#### Audit fees

ABB charges fund costs to the funds. ABB pays the audit fees from these fund costs. The fees of the audit firm Ernst & Young Accountants LLP, as referred to in Section 382a of Book 2 of the Dutch Civil Code, are borne entirely by ABB. No audit fees are borne directly by the funds.

The audit fees associated with the regular audit were €100,350 excluding VAT.

The audit fees are not further quantified for each fund separately and are therefore not explained in any further detail in the financial statements of the funds. The audit fees relate to audit services in the context of the financial statements and to other activities, such as the assurance activities with respect to prospectus updates, the review of the interim report, the assessment of the proposal for the division of ASN Beleggingsfondsen N.V. and the review of the UCITS compliance reports. The audit fees for other activities amounted to €67,310 exclusive of VAT. This amount relates to ASN Beleggingsfondsen AIF N.V. and ASN Beleggingsfondsen UCITS N.V. together.

<i>In € 1, excluding VAT</i>	<b>2020</b>
Audit of annual report and review of interim report	100,350
Other activities	67,310 <sup>1</sup>
<b>Total</b>	<b>167,660</b>

<sup>1</sup> The costs for other activities in 2020 are shown in full for both new legal entities.

### Employees

The company does not have any employees.

### Supervisory Board remuneration

The members of the Supervisory Board each receive an annual fee of € 4,500 for the work they perform on behalf of ASN Beleggingsfondsen UCITS N.V. The chairman receives an annual fee of € 6,750. These amounts are inclusive of expense allowance and exclusive of VAT. In 2020, the Supervisory Board held four regular meetings and three extra meetings. The Audit Committee met four times as well. From the beginning of the coronavirus crisis there were also weekly telephone calls between the Board of Directors and the Chairman, who then informed the full Supervisory Board. These weekly calls have been discontinued by now.



### 3.7 Other explanatory information

#### Outsourcing of activities

In accordance with Section 124(1)(g) of the Market Conduct Supervision (Financial Institutions) Decree (Bgfo), a summary is presented below of the outsourced activities on behalf of ASN Beleggingsfondsen UCITS N.V. The agreements with the parties named below include, among other things, requirements for the performance standard, mutual information sharing, the (formal) notice period and the fees payable. The UCITS manager supervises the outsourced activities. The relevant procedures are set out in the description of the administrative organisation and internal control (AO/IC). The fee for outsourced activities is borne entirely by the UCITS manager. ABB is the UCITS manager of the company and is licensed in accordance with Section 2:69b of the Dutch Financial Supervision Act (Wft).

Core task	Party
Investment management of ASN Duurzaam Aandelenfonds and ASN Duurzaam Obligatiefonds	ACTIAM N.V.
Record keeping, reporting and administration on behalf of ASN Beleggingsfondsen UCITS N.V. and the underlying subfunds	BNP Paribas Securities Services S.C.A.
Investment management of ASN Milieu & Waterfonds	Impax Asset Management Ltd., London (UK)
Investment management of ASN Duurzaam Small & Midcapfonds	Kempen Capital Management N.V., Amsterdam
Fund Agent, ENL (Euroclear Nederland) Agent, tax reclaims and proxy voting	CACEIS BANK
Various activities in relation to controlling, audit, compliance, sustainability policy, legal and tax affairs, product approval and review and HR	De Volksbank N.V.

The UCITS manager has the power to terminate the outsourcing arrangement with the aforementioned service providers at any time and outsource the activities to other competent bodies, or perform the activities itself.

#### Conflicts of interest

The UCITS manager is required by law and regulations to have in place adequate procedures and measures to prevent and deal with conflicts of interest. The conduct of ABB's business activities may give rise to conflicts of interest. Conflicts of interest may arise between, but are not confined to, the interests of ABB, on the one hand, and the funds managed by it, the investors in those funds, the outsourcing parties and other clients of ABB, on the other. In addition, conflicts of interest may also arise

- between the funds managed by ABB;
- between funds managed by ABB and clients of ABB; and
- between clients of ABB.

ABB has put in place appropriate and effective measures to prevent and manage (potential) conflicts of interest. ABB keeps records of the information relating to the types of activity performed by or on behalf of ABB which gave rise to or may give rise to a conflict of interests entailing a material risk of damage to the interests of one or more funds or of the investors. It is possible that the measures put in place by ABB to manage conflicts of interest are not sufficient in the case of a specific conflict of interest to ensure, with reasonable confidence, that risks of damage to investors' interests will be prevented. In that case, ABB will clearly disclose the general nature or the sources of the conflict of interest in question to investors. ABB ensures by means of internal procedures the equitable treatment of investors. ABB hedges the professional liability risks ensuing from activities carried out by it in its role as manager by maintaining professional liability insurance and by holding additional equity capital.

#### Transactions with related parties

Implementing the investment policy may involve the conduct of transactions with parties related to ASN Beleggingsfondsen UCITS N.V. Pursuant to the Market Conduct Supervision (Financial Institutions) Decree (Bgfo), in this respect all parties belonging to the de Volksbank N.V. group and/or (legal) entities that are related to ASN Beleggingsfondsen UCITS N.V. via a control structure are regarded as related parties. In the case of ASN Beleggingsfondsen UCITS N.V., the related parties include de Volksbank and ABB, among others.

The parties referred to above perform activities on behalf of the ASN Beleggingsfondsen. Generally, however, these are not services that are provided directly to ASN Beleggingsfondsen UCITS N.V. The following related parties provided services to ASN Beleggingsfondsen UCITS N.V. in the reporting period:

Name of related party	Services provided
ASN Beleggingsfondsen Beheer B.V.	Manager of ASN Beleggingsfondsen UCITS N.V.

The transactions conducted by ASN Beleggingsfondsen UCITS N.V. with the aforementioned related parties were carried out on an *at arm's length* basis. This means that the prices used in the transactions reflect market values. A transaction conducted with an related party outside a regulated market, securities exchange or another regulated and recognised open market with regular trading is based on an independent value assessment.

ABB charges a management fee for the activities it carries out as manager: this fee is the fund costs. This fee is in line with the fund costs charged by other, similar funds in the market.

#### Soft dollar practices and return commissions

Soft dollar practices may be employed. Soft dollar practices are arrangements under which products and services of financial service providers are provided to investment managers in the context of the execution of transactions in financial instruments. The products and services are funded from the revenue from transactions in financial instruments. No soft dollar practices were employed in the reporting period.

In the reporting period, we received return commission from the investment manager of ASN Milieupool, Impax Asset Management. No return commission was received in the reporting period from the other investment managers that carried out securities transactions.

#### Coronavirus crisis

The coronavirus outbreak and the government measures taken against it have an impact worldwide on economic developments and financial markets, and hence also on the investment funds of ASN Beleggingsinstellingen UCITS N.V. This impact may shift continually. ABB has intensified its management activities further as a result of the coronavirus crisis. During the reporting period, ABB analysed the impact of the coronavirus crisis on the investments of the ASN Beleggingsfondsen, its own organisation and on the operational performance of the organisations to which ABB has outsourced activities.

#### Trade Register

ASN Beleggingsfondsen UCITS N.V. has its registered office in The Hague and is listed in the Trade Register of the Chamber of Commerce under number 77885899.

#### Subsequent events

No events occurred after the balance sheet date that relate to the financial statements.

### 3.8 Proposed profit appropriation

We propose that the following dividends per share be distributed to the shareholders:

ASN Duurzaam Aandelenfonds	€ 1.80
ASN Duurzaam Obligatiefonds	€ 0.30
ASN Milieu & Waterfonds	€ 0.35
ASN Duurzaam Small & Midcapfonds	€ 0.40

The Hague, 17 March 2021

The Board of Directors of ASN Beleggingsinstellingen Beheer B.V.

*Bas-Jan Blom*

*Gert-Jan Bruijnooge*







BEYOND MEAT

# BEYOND BURGER

PLANT-BASED  
PATTIES

20G

100% PLANT  
PROTEIN  
NO SOY

NO GLUTEN

SEASONED WITH HERBS & SPICES  
FOR FLAVOR & COLOR





## 4 Annual Report ASN UCITS-Beleggingsfondsen





## 4.1 ASN Duurzaam Aandelenfonds

### Balance sheet

Before profit appropriation and in € thousands	Ref. <sup>1</sup>	31-12-2020	31-12-2019
Investments	(A)		
Direct Investments <sup>2</sup>		1,530,100	1,467,287
Accounts receivable	(B)	10,100	6,055
Other assets	(C)		
Cash at bank		9,196	14,952
Current liabilities	(D)	5,824	741
Accounts receivable and other assets less current liabilities		13,472	20,266
<b>Assets less current liabilities</b>		<b>1,543,572</b>	<b>1,487,553</b>
Equity	(E)		
Issued capital		55,456	57,317
Share premium reserve		938,222	934,134
Other reserves		409,660	99,499
Retained earnings		140,234	396,603
<b>Total equity</b>		<b>1,543,572</b>	<b>1,487,553</b>

1 The references in the balance sheet and profit and loss account refer to the explanatory notes to the respective items.

2 An indirect investment is also recognised in the direct investments: ASN Venture Capital Fonds.

### Profit and loss account

In € thousands	Ref. <sup>1</sup>	01-01-2020 to 31-12-2020	01-01-2019 to 31-12-2019
Investment income		27,178	37,559
Realised changes in value on investments	(F)	-112,126	89,321
Unrealised changes in value on investments	(G)	236,215	276,660
Surcharges and deductions charged		219	188
Other operating income		-	236
<b>Total income</b>		<b>151,486</b>	<b>403,964</b>
Operating expenses	(H)		
Management fees		9,661	7,224
Other operating expenses		1,591	137
<b>Total operating expenses</b>		<b>11,252</b>	<b>7,361</b>
<b>Net result</b>		<b>140,234</b>	<b>396,603</b>

1 The references in the profit and loss account refer to the explanatory notes to the respective items.

## Cashflow statement

<i>In € thousands</i>	<b>01-01-2020 to 31-12-2020</b>	<b>01-01-2019 to 31-12-2019</b>
<b>Cashflow from investment activities</b>		
Net result	140,234	396,603
Exchange rate differences on cash	1,477	-236
<b>Net result excluding exchange rate differences on cash</b>	<b>141,711</b>	<b>396,367</b>
Adjustment to reconcile the result with the cashflow generated by the investment activities:		
Realised changes in value on investments	112,126	-89,321
Unrealised changes in value on investments	-236,215	-276,660
Purchase of investments	-1,058,057	-781,255
Disposal of investments	1,119,333	954,327
<i>Changes in assets and liabilities:</i>		
Change in receivables arising from investment activities	-3,570	2,022
Change in liabilities arising from investment activities	3,008	-6,038
<b>Net cashflows from investment activities</b>	<b>78,336</b>	<b>199,442</b>
<b>Cashflows from financing activities</b>		
Issue of shares	90,756	71,683
Purchase of shares	-186,847	-92,160
Movement due to split up <sup>1</sup>	31,886	-150,212
Change in receivables arising from issue of shares	-475	-166
Change in liabilities arising from purchase of shares	2,075	-2,728
Dividend paid out	-20,010	-21,362
<b>Net cashflows from financing activities</b>	<b>-82,615</b>	<b>-194,945</b>
<b>Total net cashflows</b>	<b>-4,279</b>	<b>4,497</b>
Exchange rate differences on cash	-1,477	236
<b>Change in cash</b>	<b>-5,756</b>	<b>4,733</b>
Cash at the beginning of the reporting period	14,952	10,219
<b>Cash at the end of the reporting period</b>	<b>9,196</b>	<b>14,952</b>

<sup>1</sup> From an accounting perspective, it is not possible to separately present the issued and purchased shares that the AIF mix funds held in the UCITS N.V. in 2019 and 2020 until the split date. This is partly the result of the unbundling and the application of the pooling of interest method. As a result, the issued and purchased shares of the AIF mix funds in UCITS NV in 2019 and 2020 up to the split date are shown separately on the line "Movement due to split up", without a further breakdown in the lines issued and purchased shares.

## 4.1.1 Notes to the balance sheet

### (A) Investments

#### Statement of changes in direct investments

<i>In € thousands</i>	<b>01-01-2020 to 31-12-2020<sup>1</sup></b>	<b>01-01-2019 to 31-12-2019<sup>1</sup></b>
Balance as at start of period	1,467,287	1,274,377
Purchases	1,058,057	781,256
Disposals	-1,119,333	-954,327
Realised changes in value on investments	-112,126	89,321
Unrealised changes in value on investments	236,215	276,660
<b>Balance as at end of period</b>	<b>1,530,100</b>	<b>1,467,287</b>

<sup>1</sup> Movements at ASN Venture Capital Fonds N.V. are also included in the movement in direct investments.

No purchase and disposal transactions were conducted with related parties in the reporting period.

### Securities portfolio

#### Notes to fair value measurement of financial instruments in accordance with RJ290.916

The fair value of all the financial instruments in the portfolio of ASN Duurzaam Aandelenfonds is derived from listed market prices, provided there is sufficient liquidity on the market where the financial instrument is traded. An exception applies to the investment in ASN Venture Capital Fonds N.V., as is also shown in the *Fair value measurement of financial instruments* table in Section 3.4.1.

The specifications below of the portfolio sector and country allocations provide insight into the price risk and currency risk. The specifications relate to the investments as at 31 December 2020, with the market value presented in thousands of euros.

#### Country allocation of ASN Duurzaam Aandelenfonds

<i>In € thousands</i>	<b>31-12-2020</b>		<b>31-12-2019</b>	
	<i>Market value</i>	<i>%</i>	<i>Market value</i>	<i>%</i>
United States	298,662	19.6	345,545	23.5
United Kingdom	207,617	13.6	286,321	19.5
Germany	138,416	9.0	92,552	6.3
Taiwan	115,341	7.5	18,394	1.3
Japan	112,669	7.4	138,277	9.4
The Netherlands	108,173	7.1	106,644	7.3
France	99,837	6.5	90,705	6.2
Sweden	62,017	4.1	78,981	5.4
Switzerland	58,381	3.8	50,211	3.4
Denmark	50,904	3.3	70,335	4.8
China	45,731	3.0	5,921	0.4
Ireland	38,419	2.5	34,153	2.3
Spain	35,524	2.3	47,338	3.2
Finland	31,253	2.0	13,903	0.9
South Korea	30,278	2.0	-	-
Israel	15,936	1.0	-	-
Norway	15,394	1.0	12,804	0.9
Australia	14,894	1.0	-	-
Belgium	12,152	0.8	11,499	0.8
South Africa	10,481	0.7	5,617	0.4
Canada	7,240	0.5	36,584	2.5
Brazil	6,011	0.4	-	-
Hong Kong	5,223	0.3	2,685	0.2

In € thousands

	31-12-2020		31-12-2019	
	Market value	%	Market value	%
Austria	4,567	0.3	8,653	0.6
Italy	3,729	0.2	-	-
Singapore	1,251	0.1	-	-
Portugal	-	-	10,165	0.7
<b>Total</b>	<b>1,530,100</b>	<b>100.0</b>	<b>1,467,287</b>	<b>100.0</b>

## Sector allocation of ASN Duurzaam Aandelenfonds

Number of shares		Currency		Marketvalue in € thousands
	Automotive			
166,958	Hella KGaA Hueck & Co.	EUR		8,832
81,200	Lear	USD		10,554
173,248	Plastic Omnium	EUR		4,889
				24,275
	Basic goods			
656,823	DS Smith	GBP		2,749
2,120	Givaudan	CHF		7,311
141,565	Holmen	SEK		5,545
52,507	Huhtamaki	EUR		2,219
206,233	Mondi	GBP		3,962
1,543,142	Orora	AUD		2,628
423,504	Smurfit Kappa	EUR		16,110
				40,524
	Consumer service businesses			
779,522	SSP Group	GBP		2,890
				2,890
	Retail			
126,552	ASOS	GBP		6,762
516,248	Hennes & Mauritz	SEK		8,837
631,140	Inditex	EUR		16,435
810,417	Kingfisher	GBP		2,448
370,800	Lojas Renner	BRL		2,540
353,661	Metro	EUR		2,003
86,861	NEXT	GBP		6,876
				45,901
	Retail food			
451,186	Kesko Corp.	EUR		9,493
				9,493
	Healthcare services & equipment			
37,777	Becton Dickinson	USD		7,726
13,168	Coloplast	DKK		1,645
54,655	CompuGroup Medical	EUR		4,296
138,400	Ensign Group	USD		8,248
202,858	Korian	EUR		6,358
12,186,453	Netcare	ZAR		8,476
97,035	Pennant Group	USD		4,605
382,467	Philips	EUR		16,744
77,475	Ramsay Health Care	AUD		3,038
19,000	ResMed	USD		3,301
244,534	Smith & Nephew	GBP		4,125
6,417	Straumann Holding AG	CHF		6,120

Number of shares		Currency	Marketvalue in € thousands
			<b>74,682</b>
	<b>Consumer durables</b>		
33,859	Adidas	EUR	10,087
1,777,378	Barratt Developments	GBP	13,304
241,056	Bellway	GBP	7,958
104,234	Berkeley Group	GBP	5,522
316,337	Electrolux	SEK	6,024
65,901	EssilorLuxottica	EUR	8,406
354,700	Hanesbrands	USD	4,227
298,113	LG Electronics	KRW	30,278
396,216	Persimmon	GBP	12,248
130,762	Puma	EUR	12,067
39,336	SEB	EUR	5,861
3,022,120	Taylor Wimpey	GBP	5,598
148,000	VF	USD	10,331
			<b>131,911</b>
	<b>Energy</b>		
837,241	EDP Renováveis	EUR	19,089
			<b>19,089</b>
	<b>Pharmaceuticals &amp; biotechnology</b>		
1,142,100	Astellas Pharma	JPY	14,411
326,702	AstraZeneca	GBP	26,731
759,951	GlaxoSmithKline	GBP	11,394
117,178	Merck	EUR	16,446
9,500	Mettler-Toledo International	USD	8,849
529,721	Novo Nordisk	DKK	30,363
			<b>108,194</b>
	<b>Fund certificates</b>		
13,454	ASN Venture Capital Fonds	EUR	6,338
			<b>6,338</b>
	<b>Semiconductors</b>		
366,300	Advanced Micro Devices	USD	27,456
214,900	Advantest	JPY	13,150
206,571	Aixtron	EUR	2,947
255,113	AMS	CHF	4,567
93,160	ASML	EUR	37,036
44,500	Canada Solar	USD	1,864
84,774	Dialog Semiconductor	EUR	3,789
24,651	Elmos Semiconductor	EUR	677
83,000	First Solar Inc	USD	6,710
238,000	Global Unichip	TWD	2,347
6,385,608	Meyer Burger Technology	CHF	1,988
282,700	Micron Technology	USD	17,370
74,700	Rohm	JPY	5,907
127,379	SMA Solar Technology	EUR	7,127
103,450	Soitec	EUR	16,480
61,100	Solaredge Technologies	USD	15,936
554,586	STMicroelectronics	EUR	16,793
210,600	SunPower	USD	4,413
	Taiwan Semiconductor Manufacturing	TWD	53,108
81,900	Tokyo Electron	JPY	24,896



<i>Number of shares</i>		<i>Currency</i>	<i>Marketvalue in € thousands</i>
783,000	Vanguard International Semi	TWD	2,642
15,066,000	Xinyi Solar Holdings	HKD	32,158
			<b>299,361</b>
	<b>Capital goods</b>		
169,814	Dürr	EUR	5,672
98,400	Advanced Drainage Systems	USD	6,722
373,491	Assa Abloy	SEK	7,527
1,292,000	Chroma ATE	TWD	6,314
233,227	Electrocomponents	GBP	2,268
561,641	Electrolux Professional	SEK	2,604
156,600	Evoqua Water Technologies	USD	3,453
432,141	Indutrade	SEK	7,578
106,180	Jungheinrich	EUR	3,886
162,334	Kingspan	EUR	9,318
126,154	Legrand	EUR	9,209
25,100	Lennox International	USD	5,620
42,593	NIBE Industrier	SEK	1,143
98,232	Nordex	EUR	2,177
97,059	OSRAM Licht	EUR	5,051
7,696	Rockwool	DKK	2,355
374,893	Signify	EUR	12,945
207,800	Sunrun	USD	11,783
147,475	Tarkett	EUR	2,124
303,545	TKH Group	EUR	12,002
175,100	TPI Composites	USD	7,553
109,500	Trane Technologies	USD	12,991
532,055	Uponor	EUR	9,662
422,902	Valmet	EUR	9,879
60,165	Vestas Wind Systems	DKK	11,635
8,265,000	Xinjiang Goldwind Science & Te	HKD	13,573
44,100	Yaskawa Electric	JPY	1,791
			<b>186,835</b>
	<b>Media</b>		
693,120	Adevinta	NOK	9,527
231,007	M6 Métropole Télévision	EUR	3,063
109,040	Nextar Broadcasting Group	USD	9,731
288,469	ProSiebenSat.1 Media	EUR	3,968
11,346	Technicolor	EUR	21
51,614	Telenet	EUR	1,811
			<b>28,121</b>
	<b>Utilities</b>		
4,704,000	Beijing Enterprises Water	HKD	1,547
401,943	Pennon Group	GBP	4,266
596,582	Terna Rete Elettrica Nazionale	EUR	3,729
536,458	United Utilities	GBP	5,364
			<b>14,906</b>
	<b>Real estate</b>		
246,463	Castellum	SEK	5,119
274,040	Deutsche Wohnen	EUR	11,973
461,756	Dexus	AUD	2,737

Number of shares		Currency	Marketvalue in € thousands
62,313	Gecina	EUR	7,870
4,027,236	Hammerson	GBP	1,118
161,200	Hannon Armstrong Sustainable	USD	8,357
240,671	TAG Immobilien	EUR	6,233
			<b>43,407</b>
	<b>Advertising</b>		
103,074	Stroeer SE & Co	EUR	8,349
618,226	WPP	GBP	5,525
			<b>13,874</b>
	<b>Software &amp; services</b>		
63,200	Autodesk	USD	15,772
88,458	DOoredoo	EUR	5,343
71,000	Palo Alto Networks	USD	20,622
188,234	Salesforce.com	USD	34,234
40,328	SimCorp	DKK	4,906
47,527	Software	EUR	1,585
93,500	Workday	USD	18,310
			<b>100,772</b>
	<b>Technology</b>		
1,228,000	Delta Electronics	TWD	9,394
220,800	Fuji Photo Film	JPY	9,505
279,300	Ibiden	JPY	10,646
7,338,000	Invente Corp	TWD	5,123
11,617,000	Lite-on Technology	TWD	16,828
254,500	Murata Manufacturing	JPY	18,776
14,100	Omron	JPY	1,027
1,358,162	Telefonaktiebolaget LM Ericsson	SEK	13,197
10,659,000	Wistron	TWD	9,611
			<b>94,107</b>
	<b>Telecommunication services</b>		
3,146,000	Chunghwa Telecom	TWD	9,974
435,100	KDDI	JPY	10,560
3,382,483	KPN	EUR	8,412
263,193	Orange Belgium	EUR	5,738
140,458	Proximus SADP	EUR	2,277
141,400	Rogers Communications	CAD	5,376
1,544,700	Starhub	SGD	1,251
2,453	Swisscom	CHF	1,082
7,140,316	Telefónica Deutschland	EUR	16,101
17,664,015	Vodafone Group	GBP	23,866
			<b>84,637</b>
	<b>Transport</b>		
36,700	East Japan Railway	JPY	2,000
215,278	Eurotunnel	EUR	3,053
2,817,048	FirstGroup	GBP	2,329
804,500	MTR	HKD	3,676
809,131	Stagecoach Group	GBP	669
			<b>11,727</b>
	<b>Publishers</b>		
389,000	New York Times	USD	16,459

Number of shares		Currency	Marketvalue in € thousands
360,621	Pearson	GBP	2,741
167,798	Schibsted	NOK	5,867
			<b>25,067</b>
	<b>Personal care products</b>		
168,802	Essity	SEK	4,443
38,962	Henkel	EUR	3,596
94,289	L'Oréal	EUR	29,304
420,134	Natura & Co	BRL	3,471
211,432	Ontex Group	EUR	2,326
273,788	Reckitt Benckiser	GBP	20,009
327,391	Unilever	EUR	16,227
			<b>79,376</b>
	<b>Food &amp; drinks</b>		
49,900	Beyond Meat	USD	5,098
134,900	Campbell Soup	USD	5,331
142,581	Clicks Group	ZAR	2,005
635,282	Coca-Cola	GBP	16,870
			<b>29,304</b>
	<b>Business services</b>		
150,216	Adecco	CHF	8,217
970,914	Brambles	AUD	6,491
173,609	Elis	EUR	2,366
1,182,816	Hays	GBP	1,890
52,875	Herman Miller	USD	1,461
96,410	Interface	USD	827
58,652	Manpower	USD	4,323
540,300	Nielsen	USD	9,216
123,213	Randstad	EUR	6,560
206,866	RELX	EUR	4,144
1,829,985	Renewi	GBP	845
18,006	Société BIC	EUR	833
117,808	Wolters Kluwer	EUR	8,136
			<b>55,309</b>
	<b>Total</b>		<b>1,530,100</b>

## (B) Accounts receivable

Receivables include:

In € thousands	31-12-2020	31-12-2019
<b>Investment activities</b>		
Receivables arising from securities transactions	2,585	-
Dividend receivable	1,637	1,563
Dividend tax/withholding tax receivable	4,562	3,651
Total receivables arising from investment activities	<b>8,784</b>	<b>5,214</b>
<b>Financing activities</b>		
Receivables from shareholders arising from issue of shares	1,316	841
Total receivables arising from financing activities	<b>1,316</b>	<b>841</b>
<b>Total</b>	<b>10,100</b>	<b>6,055</b>

The receivables generally fall due within one year. Receivables from dividends and/or withholding tax receivable may fall due within one year. In the case of ASN Duurzaam Aandelenfonds, these receivables amount to €2.32 million at the end of the reporting period (year-end 2019: €350 thousand).

## (C) Other assets

## Liquid assets

Liquid assets are defined as all bank balances that are payable on demand. Cash and cash equivalents are freely available. The Manager determines the size of the cash balance based on the timing of payments.

## (D) Current liabilities

Current liabilities include:

<i>In € thousands</i>	<b>31-12-2020</b>	<b>31-12-2019</b>
<b>Investment activities</b>		
Liabilities arising from securities transactions	2,585	-
Fund costs payable	1,081	658
Total liabilities arising from investment activities	<b>3,666</b>	<b>658</b>
<b>Financing activities</b>		
Liabilities to shareholders arising from purchase of shares	2,158	83
Total liabilities arising from financing activities	<b>2,158</b>	<b>83</b>
<b>Total</b>	<b>5,824</b>	<b>741</b>

Liabilities fall due within one year.

## (E) Equity

## Statement of movements in equity

<i>In € thousands</i>	<b>01-01-2020 to 31-12-2020</b>	<b>01-01-2019 to 31-12-2019</b>
<b>Issued capital</b>		
Balance as at start of period	57,317	63,720
Issued shares	3,896	1,553
Purchased shares	-6,574	-4,318
Movement due to split up <sup>1</sup>	817	-3,638
<b>Balance as at end of period</b>	<b>55,456</b>	<b>57,317</b>
<b>Share premium reserve</b>		
Balance as at start of period	934,134	1,113,062
Issued shares	86,860	33,864
Purchased shares	-113,841	-66,218
Movement due to split up <sup>1</sup>	31,069	-146,574
<b>Balance as at end of period</b>	<b>938,222</b>	<b>934,134</b>
<b>Other reserves</b>		
Balance as at start of period	99,499	224,240
Addition to/withdrawal from retained earnings	376,593	-95,264
Purchased shares	-66,432	-29,477
<b>Balance as at end of period</b>	<b>409,660</b>	<b>99,499</b>
<b>Retained earnings</b>		
Balance as at start of period	396,603	-73,902
Addition to/withdrawal from other reserves	-376,593	95,264
Dividend paid out	-20,010	-21,362
Result for the reporting period	140,234	396,603
<b>Balance as at end of period</b>	<b>140,234</b>	<b>396,603</b>

In € thousands

01-01-2020  
to 31-12-202001-01-2019  
to 31-12-2019

<b>Total equity</b>	<b>1,543,572</b>	<b>1,487,553</b>
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1 From an accounting perspective, it is not possible to separately present the issued and purchased shares that the AIF mix funds held in the UCITS N.V. in 2019 and 2020 until the split date. This is partly the result of the unbundling and the application of the pooling of interest method. As a result, the issued and purchased shares of the AIF mix funds in UCITS NV in 2019 and 2020 up to the split date are shown separately on the line "Movement due to split up", without a further breakdown in the lines issued and purchased shares.

### Five-year summary

In € thousands

	31-12-2020	31-12-2019	31-12-2018 <sup>1</sup>	31-12-2017 <sup>1</sup>	31-12-2016 <sup>1</sup>
Total net asset value	1,543,572	1,487,553	767,710	839,973	812,311
Direct income	27,178	37,559	--	--	--
Exchange differences	124,089	365,981	-66,848	97,434	-11,032
Surcharges and deductions charged	219	188	267	283	349
Other income	--	236	--	--	--
Operating expenses	11,252	7,361	7,321	7,050	6,862
<b>Total result</b>	<b>140,234</b>	<b>396,603</b>	<b>-73,902</b>	<b>90,667</b>	<b>-17,545</b>
Number of ordinary shares outstanding	11,091,282	11,463,400	7,627,250	7,458,053	7,896,619
<b>Per ordinary share</b>					
In euros					
Net asset value	139.17	129.73	100.65	112.63	102.87
Share price	139.19	130.06	100.26	112.93	102.96
Dividend <sup>2</sup>	2.85	2.95	2.50	2.15	1.50
Investment income	2.89	3.10	--	--	--
Changes in value of investments	13.20	30.24	-8.66	12.94	-1.37
Surcharges and deductions charged	0.02	0.02	0.03	0.04	0.04
Other income	--	0	--	--	--
Operating expenses	1.20	0.61	0.95	0.94	0.85
<b>Total result</b>	<b>14.91</b>	<b>32.77</b>	<b>-9.58</b>	<b>12.04</b>	<b>-2.18</b>

1 The comparative figures of 2018, 2017 and 2016 were not adjusted as a result of the division.

2 This relates to the dividend distributed in the year in question in respect of the previous year.

### Credit risk

The ASN Duurzaam Aandelenfonds is exposed to credit risk on the combined sum of cash and receivables. The fund's maximum credit risk exposure at the end of the reporting period was €19.3 million (year-end 2019: €21.0 million).

### Liquidity risk

As at the reporting date, 0.41% (year-end 2019: 0.47%) of the ASN Duurzaam Aandelenfonds was invested in ASN Venture Capital Fonds N.V. The investments in ASN Venture Capital Fonds N.V. are illiquid in nature.

## 4.1.2 Notes to the profit and loss account

### (F) Realised changes in value on investments

#### Notes on the breakdown of profits and losses by type of investment in accordance with RJ (Annual Reporting Guideline) 615.405a

In accordance with RJ 615.405a, information on realised gains and losses from investments follows by type of investment and broken down by price and exchange results.



<i>In € thousands</i>	<b>01-01-2020 to 31-12-2020</b>	<b>01-01-2019 to 31-12-2019</b>
<b>Shares</b>		
Shares - realised price gains	143,344	98,062
Shares - realised price losses	-239,720	-15,682
Shares - realised exchange gains	11,948	9,037
Shares - realised exchange losses	-27,698	-2,096
<b>Total</b>	<b>-112,126</b>	<b>89,321</b>

## (G) Unrealised changes in value on investments

### Notes on the breakdown of profits and losses by type of investment in accordance with RJ (Annual Reporting Guideline) 615.405a

In accordance with RJ 615.405a, information on unrealised gains and losses from investments follows by type of investment and broken down by price and exchange results.

<i>In € thousands</i>	<b>01-01-2020 to 31-12-2020</b>	<b>01-01-2019 to 31-12-2019</b>
<b>Shares</b>		
Shares - unrealised price gains	280,704	285,737
Shares - unrealised price losses	-24,590	-24,278
Shares - unrealised exchange gains	4,184	17,207
Shares - unrealised exchange losses	-24,083	-2,006
<b>Total</b>	<b>236,215</b>	<b>276,660</b>

## (H) Operating expenses

The other operating expenses consist of:

<i>In € thousands</i>	<b>01-01-2020 to 31-12-2020</b>	<b>01-01-2019 to 31-12-2019</b>
Exchange rate differences on cash	1,477	-
Interest on current account	114	137
<b>Total</b>	<b>1,591</b>	<b>137</b>

### Ongoing charges figure

<i>In € thousands</i>	<b>01-01-2020 to 31-12-2020</b>	<b>01-01-2019 to 31-12-2019</b>
<b>Ongoing charges</b>		
Total operating expenses	9,661	7,224
Average fund capital during the reporting period	1,140,884	849,085
<b>Ongoing charge figure (on annual basis)</b>	<b>0.85%</b>	<b>0.85%</b>

The fund pays fund costs to ABB. From these fund costs, ABB pays all costs incurred on behalf of the fund. This fee is reserved daily (on trading days) and charged to the fund capital. This takes place in proportion to a fixed percentage of 0.85% (on an annual basis) of the fund capital at the end of the day. The ongoing charges of an investment fund include, in addition to the fund costs, all other costs debited to the fund in the reporting period, excluding the costs of investment transactions and interest costs.

### Turnover ratio

The turnover ratio provides an indication of the portfolio's turnover rate. This provides an indication of the extent to which active management is taking place. The turnover ratio is calculated as the percentage that the total amount of securities transactions less the total amount of transactions of participations, comprising the average net asset value of the investment pool.

	01-01-2020 t/m 31-12-2020	01-01-2019 t/m 31-12-2019 <sup>1</sup>
Turnover rate	166.52%	98.97%

<sup>1</sup> The comparative figures for 2019 have not been adjusted as a result of the split, because the average fund assets cannot be determined.

### Transaction costs

Transaction costs are part of realised gains and losses. The transaction costs in the reporting period, to the extent that they were identifiable and quantifiable, amounted to €1,608,027 (2019: € 1,229,348).

## 4.2 ASN Duurzaam Obligatiefonds

### Balance sheet

Before profit appropriation and in € thousands	Ref. <sup>1</sup>	31-12-2020	31-12-2019
Investments	(A)		
Direct investments		568,318	635,491
Accounts receivable	(B)	7,054	7,009
Other assets	(C)		
Cash at bank		2,811	1,888
Current liabilities	(D)	1,357	115
Accounts receivable and other assets less current liabilities		8,508	8,782
<b>Assets less current liabilities</b>		<b>576,826</b>	<b>644,273</b>
Equity	(E)		
Issued capital		101,835	111,377
Share premium reserve		473,195	519,370
Other reserves		-7,296	-3,398
Retained earnings		9,092	16,924
<b>Total equity</b>		<b>576,826</b>	<b>644,273</b>

<sup>1</sup> The references in the balance sheet and profit and loss account refer to the explanatory notes to the respective items.

### Profit and loss account

In € thousands	Ref. <sup>1</sup>	01-01-2020 t/m 31-12-2020	01-01-2019 t/m 31-12-2019
Investment income		9,208	13,774
Realised changes in value on investments	(F)	-908	799
Unrealised changes in value on investments	(G)	2,289	3,292
Surcharges and deductions charged		148	97
<b>Total income</b>		<b>10,737</b>	<b>17,962</b>
Operating expenses	(H)		
Management fees		1,631	1,028
Other operating expenses		14	10
<b>Total operating expenses</b>		<b>1,645</b>	<b>1,038</b>
<b>Net result</b>		<b>9,092</b>	<b>16,924</b>

<sup>1</sup> The references in the profit and loss account refer to the explanatory notes to the respective items.

## Cashflow statement

<i>In € thousands</i>	<b>01-01-2020 t/m 31-12-2020</b>	<b>01-01-2019 t/m 31-12-2019</b>
<b>Cashflow from investment activities</b>		
Net result	9,092	16,924
Exchange rate differences on cash	-	-
<b>Net result excluding exchange rate differences on cash</b>	<b>9,092</b>	<b>16,924</b>
Adjustment to reconcile the result with the cashflow generated by the investment activities:		
Realised changes in value on investments	908	-799
Unrealised changes in value on investments	-2,289	-3,292
Purchase of investments	-195,338	-215,045
Disposal of investments	262,180	294,865
Redemption of investments	1,712	8,124
<i>Changes in assets and liabilities:</i>		
Change in receivables arising from investment activities	344	2,227
Change in liabilities arising from investment activities	1,228	-129
<b>Net cashflows from investment activities</b>	<b>77,837</b>	<b>102,875</b>
<b>Cashflows from financing activities</b>		
Issue of shares	63,248	102,326
Purchase of shares	-119,901	-126,222
Movement due to split up <sup>1</sup>	-15,408	-71,654
Change in receivables arising from issue of shares	-389	-408
Change in liabilities arising from purchase of shares	14	-889
Dividend paid out	-4,478	-4,737
<b>Net cashflows from financing activities</b>	<b>-76,914</b>	<b>-101,584</b>
<b>Total net cashflows</b>	<b>923</b>	<b>1,291</b>
Exchange rate differences on cash	-	-
<b>Change in cash</b>	<b>923</b>	<b>1,291</b>
Cash at the beginning of the reporting period	1,888	597
<b>Cash at the end of the reporting period</b>	<b>2,811</b>	<b>1,888</b>

<sup>1</sup> From an accounting perspective, it is not possible to separately present the issued and purchased shares that the AIF mix funds held in the UCITS N.V. in 2019 and 2020 until the split date. This is partly the result of the unbundling and the application of the pooling of interest method. As a result, the issued and purchased shares of the AIF mix funds in UCITS NV in 2019 and 2020 up to the split date are shown separately on the line "Movement due to split up", without a further breakdown in the lines issued and purchased shares.

## 4.2.1 Notes to the balance sheet

### (A) Investments

#### Bonds

<i>In € thousands</i>	<b>01-01-2020 t/m 31-12-2020</b>	<b>01-01-2019 t/m 31-12-2019</b>
Balance as at start of period	635,491	719,344
Purchases	195,338	215,045
Disposals	-262,180	-294,865
Redemptions	-1,712	-8,124
Realised changes in value on investments	-908	799
Unrealised changes in value on investments	2,289	3,292
<b>Balance as at end of period</b>	<b>568,318</b>	<b>635,491</b>

No purchase and disposal transactions were conducted with related parties in the reporting period.

#### Securities portfolio

The table below shows the interest rate risk. The *modified duration* gives an indication of what the percentage change in the value of the portfolio would be in the case of a one per cent change in the market interest rate.

	<b>31-12-2020</b>	<b>31-12-2019</b>
Effective yield	-0.47%	-0.09%
Coupon yield	1.57%	1.85%
Average term to maturity	5.02 years	5.13 years
Modified duration	4.83	4.86

#### Notes to fair value measurement of financial instruments in accordance with RJ290.916

The fair value of all the financial instruments in the portfolio of ASN Duurzaam Obligatiefonds is derived from listed market prices, provided there is sufficient liquidity on the market where the financial instrument is traded.

The specifications below of the portfolio sector, country and rating allocations provide insight into the price risk, currency risk and credit risk. The specifications relate to the investments as at 31 December 2020, with the market value presented in thousands of euros.

#### Country allocation of ASN Duurzaam Obligatiefonds

<i>In € thousands</i>	<b>31-12-2020</b>		<b>31-12-2019</b>	
	<i>Market value</i>	<i>%</i>	<i>Market value</i>	<i>%</i>
Germany	92,941	16.5	102,858	16.2
The Netherlands	80,121	14.1	92,752	14.6
Austria	70,431	12.4	84,771	13.3
Portugal	47,813	8.4	50,878	8.0
Italy	42,158	7.4	35,768	5.6
France	41,648	7.3	49,464	7.8
Slovakia	40,867	7.2	36,525	5.7
Slovenia	40,523	7.1	52,518	8.3
Ireland	37,652	6.6	37,497	5.9
Spain	32,092	5.6	34,497	5.4
Belgium	28,353	5.0	44,309	7.0
Finland	8,171	1.4	8,163	1.3
Luxembourg	5,548	1.0	5,491	0.9
<b>Total</b>	<b>568,318</b>	<b>100.0</b>	<b>635,491</b>	<b>100.0</b>



## Sector allocation of ASN Duurzaam Obligatiefonds

Nominal value in € thousands	Coupon- yield	State(- guaranteed)	Currency	Coupon review date	Marketvalue in € thousands
800	4%	Belgium	EUR	28-3-2022	847
2,000	4,25%	Belgium	EUR	28-9-2022	2,174
3,000	2,25%	Belgium	EUR	22-6-2023	3,221
2,100	2,6%	Belgium	EUR	22-6-2024	2,343
3,100	0,8%	Belgium	EUR	22-6-2025	3,307
2,800	1%	Belgium	EUR	22-6-2026	3,053
3,600	0,8%	Belgium	EUR	22-6-2027	3,931
2,320	5,5%	Belgium	EUR	28-3-2028	3,357
2,300	0,8%	Belgium	EUR	22-6-2028	2,533
1,900	0,9%	Belgium	EUR	22-6-2029	2,121
1,400	0,1%	Belgium	EUR	22-6-2030	1,466
					<b>28,353</b>
2,500	2%	Germany	EUR	4-1-2022	2,570
5,300	0%	Germany	EUR	8-4-2022	5,349
4,600	1,5%	Germany	EUR	4-9-2022	4,775
6,000	0%	Germany	EUR	14-4-2023	6,104
3,350	0%	Germany	EUR	13-10-2023	3,422
3,300	6,25%	Germany	EUR	4-1-2024	4,008
5,800	1%	Germany	EUR	15-8-2024	6,176
4,400	0,5%	Germany	EUR	15-2-2025	4,632
6,300	0%	Germany	EUR	11-4-2025	6,505
2,000	0,5%	Germany	EUR	15-2-2026	2,130
4,500	0,25%	Germany	EUR	15-2-2027	4,776
5,000	0,5%	Germany	EUR	15-8-2027	5,412
7,350	0,5%	Germany	EUR	15-2-2028	7,992
2,800	0,25%	Germany	EUR	15-2-2029	3,011
2,300	0%	Germany	EUR	15-8-2029	2,427
2,800	0%	Germany	EUR	15-2-2030	2,957
2,900	0%	Germany	EUR	15-8-2030	3,064
					<b>75,310</b>
3,000	0%	France	EUR	25-5-2022	3,029
4,900	0%	France	EUR	25-3-2023	4,979
1,400	4,25%	France	EUR	25-10-2023	1,598
3,300	1,75%	France	EUR	25-11-2024	3,620
3,200	0,5%	France	EUR	25-5-2025	3,366
3,300	1%	France	EUR	25-11-2025	3,572
1,000	0,5%	France	EUR	25-5-2026	1,062
2,500	1%	France	EUR	25-5-2027	2,758
1,400	2,75%	France	EUR	25-10-2027	1,723
2,850	0,75%	France	EUR	25-5-2028	3,123
5,100	0,5%	France	EUR	25-5-2029	5,518
500	0%	France	EUR	25-11-2029	519
400	0%	France	EUR	25-11-2030	414
					<b>35,281</b>
1,150	0,8%	Ireland	EUR	15-3-2022	1,171
2,800	0%	Ireland	EUR	18-10-2022	2,835

Nominal value in € thousands	Coupon- yield		Currency	Coupon review date	Marketvalue in € thousands
2,744	3,9%	Ireland	EUR	20-3-2023	3,025
2,450	3,4%	Ireland	EUR	18-3-2024	2,773
3,200	5,4%	Ireland	EUR	13-3-2025	4,021
4,400	1%	Ireland	EUR	15-5-2026	4,782
3,800	0,2%	Ireland	EUR	15-5-2027	3,965
3,300	0,9%	Ireland	EUR	15-5-2028	3,642
4,700	1,1%	Ireland	EUR	15-5-2029	5,309
4,100	2,4%	Ireland	EUR	15-5-2030	5,183
900	0,2%	Ireland	EUR	18-10-2030	946
					<b>37,652</b>
500	3,75%	Italy	EUR	1-5-2021	507
2,050	4,75%	Italy	EUR	1-9-2021	2,122
3,100	5%	Italy	EUR	1-3-2022	3,297
1,000	1%	Italy	EUR	15-7-2022	1,022
3,300	5,5%	Italy	EUR	1-11-2022	3,656
3,800	4,75%	Italy	EUR	1-8-2023	4,308
1,150	4,5%	Italy	EUR	1-3-2024	1,324
3,300	1,85%	Italy	EUR	15-5-2024	3,534
1,400	1,75%	Italy	EUR	1-7-2024	1,497
1,400	3,75%	Italy	EUR	1-9-2024	1,603
1,700	5%	Italy	EUR	1-3-2025	2,067
1,200	1,6%	Italy	EUR	1-6-2026	1,303
1,500	1,25%	Italy	EUR	1-12-2026	1,605
4,100	2,2%	Italy	EUR	1-6-2027	4,638
1,500	2,05%	Italy	EUR	1-8-2027	1,685
950	2%	Italy	EUR	1-2-2028	1,068
1,300	2,8%	Italy	EUR	1-12-2028	1,552
1,300	3%	Italy	EUR	1-8-2029	1,587
1,000	3,5%	Italy	EUR	1-3-2030	1,275
2,400	0,95%	Italy	EUR	1-8-2030	2,508
					<b>42,158</b>
4,500	0%	The Netherlands	EUR	15-1-2022	4,533
500	3,75%	The Netherlands	EUR	15-1-2023	546
4,195	7,5%	The Netherlands	EUR	30-12-1899	4,903
5,300	1,75%	The Netherlands	EUR	15-7-2023	5,636
6,800	2%	The Netherlands	EUR	15-7-2024	7,463
6,400	0,25%	The Netherlands	EUR	15-7-2025	6,682
4,350	0,5%	The Netherlands	EUR	15-7-2026	4,637
300	0%	The Netherlands	EUR	15-1-2027	312
4,700	0,75%	The Netherlands	EUR	15-7-2027	5,135
3,250	5,5%	The Netherlands	EUR	15-1-2028	4,679
3,000	0,75%	The Netherlands	EUR	15-7-2028	3,311
2,500	0,25%	The Netherlands	EUR	15-7-2029	2,675
4,700	0%	The Netherlands	EUR	15-7-2030	4,925
					<b>55,437</b>
4,800	3,65%	Austria	EUR	20-4-2022	5,069
3,000	0%	Austria	EUR	20-9-2022	3,036
5,350	3,4%	Austria	EUR	22-11-2022	5,765
2,200	0%	Austria	EUR	20-4-2023	2,234
6,000	1,75%	Austria	EUR	20-10-2023	6,414

Nominal value in € thousands	Coupon- yield		Currency	Coupon review date	Marketvalue in € thousands
6,700	1,65%	Austria	EUR	21-10-2024	7,309
5,100	1,2%	Austria	EUR	20-10-2025	5,570
4,900	4,85%	Austria	EUR	15-3-2026	6,342
5,500	0,75%	Austria	EUR	20-10-2026	5,951
3,200	0,5%	Austria	EUR	20-4-2027	3,431
4,200	6,25%	Austria	EUR	15-7-2027	6,124
2,500	0,75%	Austria	EUR	20-2-2028	2,740
5,800	0,5%	Austria	EUR	20-2-2029	6,285
4,000	0%	Austria	EUR	20-2-2030	4,161
					<b>70,431</b>
2,500	2,2%	Portugal	EUR	17-10-2022	2,632
5,200	4,95%	Portugal	EUR	25-10-2023	6,019
5,850	5,65%	Portugal	EUR	15-2-2024	6,991
4,100	2,875%	Portugal	EUR	15-10-2025	4,757
3,250	2,875%	Portugal	EUR	21-7-2026	3,840
4,050	4,125%	Portugal	EUR	14-4-2027	5,185
1,900	0,7%	Portugal	EUR	15-10-2027	2,022
2,900	2,125%	Portugal	EUR	17-10-2028	3,418
3,750	1,95%	Portugal	EUR	15-6-2029	4,399
6,000	3,875%	Portugal	EUR	15-2-2030	8,133
400	0,475%	Portugal	EUR	18-10-2030	417
					<b>47,813</b>
3,000	2,25%	Slovenia	EUR	25-3-2022	3,101
3,000	0,2%	Slovenia	EUR	31-3-2023	3,044
1,900	4,625%	Slovenia	EUR	9-9-2024	2,262
4,500	2,125%	Slovenia	EUR	28-7-2025	5,032
3,650	5,125%	Slovenia	EUR	30-3-2026	4,731
6,200	1,25%	Slovenia	EUR	22-3-2027	6,813
6,100	1%	Slovenia	EUR	6-3-2028	6,662
4,500	1,1875%	Slovenia	EUR	14-3-2029	5,029
3,700	0,275%	Slovenia	EUR	14-1-2030	3,849
					<b>40,523</b>
650	4%	Slovakia	EUR	26-3-2021	655
3,100	3%	Slovakia	EUR	28-2-2023	3,340
4,000	0%	Slovakia	EUR	13-11-2023	4,064
1,000	0,25%	Slovakia	EUR	14-5-2025	1,036
7,100	4,35%	Slovakia	EUR	14-10-2025	8,806
4,750	0,625%	Slovakia	EUR	22-5-2026	5,048
2,900	1,375%	Slovakia	EUR	21-1-2027	3,237
4,750	1%	Slovakia	EUR	12-6-2028	5,291
3,200	3,625%	Slovakia	EUR	16-1-2029	4,292
3,750	0,75%	Slovakia	EUR	9-4-2030	4,183
800	1%	Slovakia	EUR	9-10-2030	915
					<b>40,867</b>
2,500	5,85%	Spain	EUR	31-1-2022	2,674
2,300	0,45%	Spain	EUR	31-10-2022	2,344
2,500	4,4%	Spain	EUR	31-10-2023	2,854
2,300	2,75%	Spain	EUR	31-10-2024	2,590
2,350	1,6%	Spain	EUR	30-4-2025	2,563

Nominal value in € thousands	Coupon- yield		Currency	Coupon review date	Marketvalue in € thousands
950	4,65%	Spain	EUR	30-7-2025	1,174
1,500	1,95%	Spain	EUR	30-4-2026	1,690
2,500	1,3%	Spain	EUR	31-10-2026	2,747
1,000	0,8%	Spain	EUR	30-7-2027	1,071
1,900	1,45%	Spain	EUR	31-10-2027	2,120
2,100	6%	Spain	EUR	31-1-2029	3,144
2,500	1,45%	Spain	EUR	30-4-2029	2,823
2,500	0,5%	Spain	EUR	30-4-2030	2,622
1,500	1,25%	Spain	EUR	31-10-2030	1,676
					<b>32,092</b>
		<b>Total state(- guaranteed)</b>			<b>505,917</b>
<b>Greenbonds</b>					
5,000	0,05%	Kreditanstalt für Wiederaufbau	EUR	30-5-2024	5,117
4,000	0,5%	Kreditanstalt für Wiederaufbau	EUR	28-9-2026	4,250
2,000	0,5%	Land Nordrhein- Westfalen	EUR	16-2-2027	2,122
5,000	0,125%	Nordrhein- Westfalen	EUR	16-3-2023	5,076
1,000	0,875%	NRW Bank	EUR	10-11-2025	1,066
<b>Germany</b>					<b>17,631</b>
3,000	0,375%	Nordic Investment Bank	EUR	19-9-2022	3,049
5,000	0,125%	Nordic Investment Bank	EUR	10-6-2024	5,122
<b>Finland</b>					<b>8,171</b>
5,000	0,125%	Council of Europe Development Bank	EUR	10-4-2024	5,117
1,200	0,5%	Île-de-France	EUR	14-6-2025	1,250
<b>France</b>					<b>6,367</b>
5,000	1,25%	European Investment Bank	EUR	13-11-2026	5,548
<b>Luxembourg</b>					<b>5,548</b>
6,000	0,2%	Bank Nederlandse Gemeenten	EUR	9-11-2024	6,164
8,000	0,125%	Nederlandse Financierings- Maatschappij voor Ontwikkelingsland en	EUR	20-4-2022	8,076
5,800	0,125%	Nederlandse Waterschapsbank	EUR	25-9-2023	5,909
4,242	1%	Nederlandse Waterschapsbank	EUR	3-9-2025	4,535
<b>Netherlands</b>					<b>24,684</b>
		<b>Total state(- guaranteed)</b>			<b>62,401</b>

Nominal value in € thousands	Coupon- yield	Currency	Coupon review date	Marketvalue in € thousands
		<b>Total</b>		<b>568,318</b>

#### Rating allocation of ASN Duurzaam Obligatiefonds

In € thousands	31-12-2020		31-12-2019	
	Market value	%	Market value	%
AAA	178,517	31.5	201,068	31.7
AA+	83,812	14.8	98,056	15.4
AA	36,531	6.4	44,375	7.0
AA-	28,353	5.0	44,309	7.0
A+	37,652	6.6	74,022	11.6
A	81,390	14.3	52,518	8.3
A-	32,092	5.6	34,497	5.4
BBB	47,813	8.4	86,646	13.6
BBB-	42,158	7.4	-	-
<b>Total</b>	<b>568,318</b>	<b>100.0</b>	<b>635,491</b>	<b>100.0</b>

#### Redemption of ASN Duurzaam Obligatiefonds

In € thousands	31-12-2020		31-12-2019	
	Market value	%	Market value	%
Redemption within 1 year	3,284	0.6	6,567	1.0
Redemption within 1 to 5 years	292,654	51.5	313,732	49.4
Redemption within 5 to 10 years	272,380	47.9	315,192	49.6
<b>Total</b>	<b>568,318</b>	<b>100.0</b>	<b>635,491</b>	<b>100.0</b>

#### (B) Accounts receivable

Receivables include:

In € thousands	31-12-2020	31-12-2019
<b>Investment activities</b>		
Receivables arising from security transactions	1,087	-
Accruals on bonds	4,829	6,260
Total receivables arising from investment activities	<b>5,916</b>	<b>6,260</b>
<b>Financing activities</b>		
Receivables from shareholders arising from issue of shares	1,138	749
Total receivables arising from financing activities	<b>1,138</b>	<b>749</b>
<b>Total</b>	<b>7,054</b>	<b>7,009</b>

The receivables fall due within one year.

#### (C) Other assets

##### Liquid assets

Liquid assets are defined as all bank balances that are payable on demand. Cash and cash equivalents are freely available. The Manager determines the size of the cash balance based on the timing of payments.

#### (D) Current liabilities

Current liabilities include:



<i>In € thousands</i>	<b>31-12-2020</b>	<b>31-12-2019</b>
<b>Investment activities</b>		
Liabilities arising from securities transactions	1,087	-
Fund costs payable	219	78
Total liabilities arising from investment activities	<b>1,306</b>	<b>78</b>
<b>Financing activities</b>		
Liabilities to shareholders arising from purchase of shares	51	37
Total liabilities arising from financing activities	<b>51</b>	<b>37</b>
<b>Total</b>	<b>1,357</b>	<b>115</b>

Liabilities fall due within one year.

## (E) Equity

### Statement of movements in equity

<i>In € thousands</i>	<b>01-01-2020 t/m 31-12-2020</b>	<b>01-01-2019 t/m 31-12-2019</b>
<b>Issued capital</b>		
Balance as at start of period	111,377	125,698
Issued shares	11,117	4,636
Purchased shares	-18,047	-7,993
Movement due to split up <sup>1</sup>	-2,612	-10,964
<b>Balance as at end of period</b>	<b>101,835</b>	<b>111,377</b>
<b>Share premium reserve</b>		
Balance as at start of period	519,370	595,758
Issued shares	52,131	22,375
Purchased shares	-85,510	-38,073
Movement due to split up <sup>1</sup>	-12,796	-60,690
<b>Balance as at end of period</b>	<b>473,195</b>	<b>519,370</b>
<b>Other reserves</b>		
Balance as at start of period	-3,398	665
Addition to/withdrawal from retained earnings	12,446	-3,651
Purchased shares	-16,344	-412
<b>Balance as at end of period</b>	<b>-7,296</b>	<b>-3,398</b>
<b>Retained earnings</b>		
Balance as at start of period	16,924	1,086
Addition to/withdrawal from other reserves	-12,446	3,651
Dividend paid out	-4,478	-4,737
Result for the reporting period	9,092	16,924
<b>Balance as at end of period</b>	<b>9,092</b>	<b>16,924</b>
<b>Total equity</b>	<b>576,826</b>	<b>644,273</b>

<sup>1</sup> From an accounting perspective, it is not possible to separately present the issued and purchased shares that the AIF mix funds held in the UCITS N.V. in 2019 and 2020 until the split date. This is partly the result of the unbundling and the application of the pooling of interest method. As a result, the issued and purchased shares of the AIF mix funds in UCITS NV in 2019 and 2020 up to the split date are shown separately on the line "Movement due to split up", without a further breakdown in the lines issued and purchased shares.

**Five-year summary**

<i>In € thousands</i>	<b>31-12-2020</b>	<b>31-12-2019</b>	<b>31-12-2018<sup>1</sup></b>	<b>31-12-2017<sup>1</sup></b>	<b>31-12-2016<sup>1</sup></b>
Total net asset value	576,826	644,273	221,812	255,242	248,214
Direct income	9,208	13,774	--	--	--
Exchange differences	1,381	4,091	2,058	282	8,045
Surcharges and deductions charged	148	97	149	79	44
Operating expenses	1,645	1,038	1,121	1,256	1,345
<b>Total result</b>	<b>9,092</b>	<b>16,924</b>	<b>1,086</b>	<b>-895</b>	<b>6,744</b>
Number of ordinary shares outstanding	20,366,907	22,275,347	7,665,071	8,638,061	8,201,691
<b>Per ordinary share</b>					
<i>In euros</i>					
Net asset value	28.32	129.73	28.94	29.55	30.26
Share price	28.34	28.95	28.98	29.62	30.37
Dividend <sup>2</sup>	1.00	0.60	0.75	0.60	0.50
Investment income	0.71	0.58	--	--	--
Changes in value of investments	0.12	0.17	0.24	0.03	1.01
Surcharges and deductions charged	0.01	--	0.02	0.01	--
Operating expenses	0.13	0.04	0.13	0.15	0.17
<b>Total result</b>	<b>0.71</b>	<b>0.71</b>	<b>0.13</b>	<b>-0.11</b>	<b>0.84</b>

<sup>1</sup> The comparative figures of 2018, 2017 and 2016 were not adjusted as a result of the division.

<sup>2</sup> This relates to the dividend distributed in the year in question in respect of the previous year.

**Credit risk**

The ASN Duurzaam Obligatiefonds is exposed to credit risk on the combined sum of fixed-income investments, cash and receivables. The fund's maximum credit risk exposure at the end of the reporting period was €578.2 million (year-end 2019: €644.4 million).

**4.2.2 Notes to the profit and loss account****(F) Realised changes in value on investments****Notes on the breakdown of profits and losses by type of investment in accordance with RJ (Annual Reporting Guideline) 615.405a**

In accordance with RJ 615.405a, information on realised gains and losses from investments follows by type of investment and broken down by price and exchange results.

<i>In € thousands</i>	<b>01-01-2020 t/m 31-12-2020</b>	<b>01-01-2019 t/m 31-12-2019</b>
<b>Bonds</b>		
Bonds - realised price gains	2,947	2,863
Bonds - realised price losses	-3,855	-2,064
Bonds - realised exchange gains	-	-
Bonds - realised exchange losses	-	-
<b>Total</b>	<b>-908</b>	<b>799</b>

**(G) Unrealised changes in value on investments****Notes on the breakdown of profits and losses by type of investment in accordance with RJ (Annual Reporting Guideline) 615.405a**

In accordance with RJ 615.405a, information on unrealised gains and losses from investments follows by type of investment and broken down by price and exchange results.

<i>In € thousands</i>	<b>01-01-2020 t/m 31-12-2020</b>	<b>01-01-2019 t/m 31-12-2019</b>
<b>Bonds</b>		
Bonds - unrealised price gains	4,360	8,901
Bonds - unrealised price losses	-2,071	-5,609
Bonds - unrealised exchange gains	-	-
Bonds - unrealised exchange losses	-	-
<b>Total</b>	<b>2,289</b>	<b>3,292</b>

## (H) Operating expenses

The other operating expenses consist of:

<i>In € thousands</i>	<b>01-01-2020 t/m 31-12-2020</b>	<b>01-01-2019 t/m 31-12-2019</b>
Interest on current account	14	10
<b>Total</b>	<b>14</b>	<b>10</b>

## Ongoing charges figure

<i>In € thousands</i>	<b>01-01-2020 t/m 31-12-2020</b>	<b>01-01-2019 t/m 31-12-2019</b>
<b>Ongoing charges</b>		
Total operating expenses	1,631	1,028
Average fund capital during the reporting period	364,978	228,614
<b>Ongoing charge figure (on annual basis)</b>	<b>0.45%</b>	<b>0.45%</b>

The fund pays fund costs to ABB. From these fund costs, ABB pays all costs incurred on behalf of the fund. This fee is reserved daily (on trading days) and charged to the fund capital. This takes place in proportion to a fixed percentage of 0.45% (on an annual basis) of the fund capital at the end of the day. The ongoing charges of an investment fund include, in addition to the fund costs, all other costs debited to the fund in the reporting period, excluding the costs of investment transactions and interest costs.

## Turnover ratio

The turnover ratio provides an indication of the portfolio's turnover rate. This provides an indication of the extent to which active management is taking place. The turnover ratio is calculated as the percentage that the total amount of securities transactions less the total amount of transactions of participations, comprising the average net asset value of the investment pool.

	<b>01-01-2020 t/m 31-12-2020</b>	<b>01-01-2019 t/m 31-12-2019<sup>1</sup></b>
Turnover rate	75.17%	30.38%

<sup>1</sup> The comparative figures for 2019 have not been adjusted as a result of the split, because the average fund assets cannot be determined.

## Transaction costs

Transaction costs are part of realised and unrealised gains and losses. Transaction costs can be determined to a limited extent because the transaction costs of fixed-income securities are included in the buying and selling costs and are not recorded separately.

## 4.3 ASN Milieu & Waterfonds

### Balance sheet

Before profit appropriation and in € thousands	Ref. <sup>1</sup>	31-12-2020	31-12-2019
Investments	(A)		
Direct investments		806,251	695,065
Accounts receivable	(B)	13,918	4,020
Other assets	(C)		
Cash at bank		22,556	10,198
Current liabilities	(D)	4,686	678
Accounts receivable and other assets less current liabilities		31,788	13,540
<b>Assets less current liabilities</b>		<b>838,039</b>	<b>708,605</b>
Equity	(E)		
Issued capital		92,389	94,524
Share premium reserve		359,067	351,114
Other reserves		227,054	66,032
Retained earnings		159,529	196,935
<b>Total equity</b>		<b>838,039</b>	<b>708,605</b>

<sup>1</sup> The references in the balance sheet and profit and loss account refer to the explanatory notes to the respective items.

### Profit and loss account

In € thousands	Ref. <sup>1</sup>	01-01-2020 t/m 31-12-2020	01-01-2019 t/m 31-12-2019
Investment income		11,666	15,981
Realised changes in value on investments	(F)	-18,182	54,359
Unrealised changes in value on investments	(G)	173,636	133,193
Surcharges and deductions charged		250	141
Other operating income	(H)	63	148
<b>Total income</b>		<b>167,433</b>	<b>203,822</b>
Operating expenses	(I)		
Management fees		7,770	6,802
Other operating expenses		134	85
<b>Total operating expenses</b>		<b>7,904</b>	<b>6,887</b>
<b>Net result</b>		<b>159,529</b>	<b>196,935</b>

<sup>1</sup> The references in the profit and loss account refer to the explanatory notes to the respective items.

## Cashflow statement

<i>In € thousands</i>	<b>01-01-2020 t/m 31-12-2020</b>	<b>01-01-2019 t/m 31-12-2019</b>
<b>Cashflow from investment activities</b>		
Net result	159,529	196,935
Exchange rate differences on cash	26	19
<b>Net result excluding exchange rate differences on cash</b>	<b>159,555</b>	<b>196,954</b>
Adjustment to reconcile the result with the cashflow generated by the investment activities:		
Realised changes in value on investments	18,182	-54,359
Unrealised changes in value on investments	-173,636	-133,193
Purchase of investments	-145,899	-172,865
Disposal of investments	190,167	264,200
<i>Changes in assets and liabilities:</i>		
Change in receivables arising from investment activities	-8,353	1,485
Change in liabilities arising from investment activities	4,045	-971
<b>Net cashflows from investment activities</b>	<b>44,061</b>	<b>101,251</b>
<b>Cashflows from financing activities</b>		
Issue of shares	54,427	32,696
Purchase of shares	-94,317	-35,097
Movement due to split up <sup>1</sup>	19,466	-82,630
Change in receivables arising from issue of shares	-1,545	29
Change in liabilities arising from purchase of shares	-37	-1,507
Dividend paid out	-9,671	-5,828
<b>Net cashflows from financing activities</b>	<b>-31,677</b>	<b>-92,337</b>
<b>Total net cashflows</b>	<b>12,384</b>	<b>8,914</b>
Exchange rate differences on cash	-26	-19
<b>Change in cash</b>	<b>12,358</b>	<b>8,895</b>
Cash at the beginning of the reporting period	10,198	1,303
<b>Cash at the end of the reporting period</b>	<b>22,556</b>	<b>10,198</b>

<sup>1</sup> From an accounting perspective, it is not possible to separately present the issued and purchased shares that the AIF mix funds held in the UCITS N.V. in 2019 and 2020 until the split date. This is partly the result of the unbundling and the application of the pooling of interest method. As a result, the issued and purchased shares of the AIF mix funds in UCITS NV in 2019 and 2020 up to the split date are shown separately on the line "Movement due to split up", without a further breakdown in the lines issued and purchased shares.

### 4.3.1 Notes to the balance sheet

#### (A) Investments

##### Equities

<i>In € thousands</i>	<b>01-01-2020 t/m 31-12-2020</b>	<b>01-01-2019 t/m 31-12-2019</b>
Balance as at start of period	695,065	598,848
Purchases	145,899	172,865
Disposals	-190,167	-264,200
Realised changes in value on investments	-18,182	54,359
Unrealised changes in value on investments	173,636	133,193
<b>Balance as at end of period</b>	<b>806,251</b>	<b>695,065</b>

No purchase and disposal transactions were conducted with related parties in the reporting period.

#### Securities portfolio

##### Notes to fair value measurement of financial instruments in accordance with RJ290.916

The fair value of all the financial instruments in the portfolio of ASN Milieu & Waterfonds is derived from listed market prices, provided there is sufficient liquidity on the market where the financial instrument is traded.

The specifications below of the portfolio sector and country allocations provide insight into the price risk and currency risk. The specifications relate to the investments as at 31 December 2020, with the market value presented in thousands of euros.

##### Country allocation of ASN Milieu & Waterfonds

<i>In € thousands</i>	<b>31-12-2020</b>		<b>31-12-2019</b>	
	<i>Market value</i>	<i>%</i>	<i>Market value</i>	<i>%</i>
United States	203,706	25.2	161,146	23.3
United Kingdom	136,650	16.8	94,668	13.6
Switzerland	73,230	9.1	70,743	10.2
Japan	53,688	6.7	61,132	8.8
Denmark	44,790	5.6	33,393	4.8
Spain	40,957	5.1	30,058	4.3
Sweden	35,170	4.4	41,340	5.9
The Netherlands	31,572	3.9	26,893	3.9
China	26,318	3.3	33,174	4.8
Ireland	25,557	3.2	25,069	3.6
Hong Kong	24,009	3.0	24,600	3.5
Israel	19,034	2.4	6,767	1.0
Australia	17,781	2.2	19,521	2.8
Taiwan	17,220	2.1	10,988	1.6
Austria	16,740	2.1	16,740	2.4
France	13,690	1.7	12,647	1.8
Finland	10,675	1.3	17,719	2.5
Germany	8,191	1.0	-	-
Norway	7,273	0.9	8,467	1.2
<b>Total</b>	<b>806,251</b>	<b>100.0</b>	<b>695,065</b>	<b>100.0</b>

##### Sector allocation of ASN Milieu & Waterfonds

<i>Number of shares</i>	<i>Currency</i>	<i>Marketvalue in € thousands</i>
<b>Basic goods</b>		



<i>Number of shares</i>		<i>Currency</i>	<i>Marketvalue in € thousands</i>
444,870	Corbion	EUR	20,530
3,737,933	DS Smith	GBP	15,643
202,171	Lenzing	EUR	16,740
391,187	Novozymes	DKK	18,368
448,484	Smurfit Kappa	EUR	17,060
140,000	Sonoco Products	USD	6,779
			<b>95,120</b>
	<b>Consumer durables</b>		
77,546	Rinnai	JPY	7,354
			<b>7,354</b>
	<b>Energy</b>		
920,562	EDP Renováveis	EUR	20,988
277,962	Ormat Technologies	USD	20,510
			<b>41,498</b>
	<b>Pharmaceuticals &amp; biotechnology</b>		
22,806	Mettler-Toledo International	USD	21,242
			<b>21,242</b>
	<b>Semiconductors</b>		
59,102	Solaredge Technologies	USD	15,415
1,117,000	Taiwan Semiconductor Manufacturing	TWD	17,220
7,967,015	Xinyi Solar Holdings	HKD	17,005
			<b>49,640</b>
	<b>Capital goods</b>		
308,872	Advanced Drainage Systems	USD	21,098
1,270,207	Amiad Water Systems	GBP	3,619
282,500	Azbil	JPY	12,613
337,354	Evoqua Water Technologies	USD	7,439
953,173	Fluidra	EUR	19,969
32,646	Geberit	CHF	16,728
25,345	Georg Fischer	CHF	26,714
1,040,058	Indutrade	SEK	18,237
208,691	Itron	USD	16,357
148,030	Kingspan	EUR	8,497
226,147	Landis+Gyr Group	CHF	14,511
187,532	Legrand	EUR	13,690
9,562	LEM	CHF	15,277
48,031	Lennox International	USD	10,755
89,893	Lindsay	USD	9,438
630,872	NIBE Industrier	SEK	16,933
439,857	Pentair	USD	19,085
1,791,792	Polypipe Group	GBP	11,951
10,756	Rational	EUR	8,191
30,850	Rockwool	DKK	9,441
319,769	Signify	EUR	11,042
587,841	Uponor	EUR	10,675
87,804	Vestas Wind Systems	DKK	16,981
120,396	Watts Water Technologies	USD	11,975
2,613,900	Zhuzhou CRRC Times Electric	HKD	9,313
			<b>340,529</b>
	<b>Utilities</b>		
31,718,000	Beijing Enterprises Water	HKD	10,431

<i>Number of shares</i>		<i>Currency</i>	<i>Marketvalue in € thousands</i>
279,247	California Water Service	USD	12,331
6,151,750	Hyflux	SGD	-
148,147	Middlesex Water	USD	8,775
1,956,288	Pennon Group	GBP	20,763
829,458	Severn Trent	GBP	21,211
2,046,691	United Utilities	GBP	20,465
			<b>93,976</b>
	<b>Real estate</b>		
334,848	Hannon Armstrong Sustainable	USD	17,359
			<b>17,359</b>
	<b>Software &amp; services</b>		
87,042	Autodesk	USD	21,721
			<b>21,721</b>
	<b>Technology</b>		
86,132	Littelfuse Inc.	USD	17,927
166,954	Murata Manufacturing	JPY	12,317
			<b>30,244</b>
	<b>Transport</b>		
248,600	East Japan Railway	JPY	13,549
2,971,500	MTR	HKD	13,578
			<b>27,127</b>
	<b>Personal care products</b>		
364,926	Unilever	EUR	18,088
			<b>18,088</b>
	<b>Business services</b>		
2,659,744	Brambles	AUD	17,781
328,023	Daiseki	JPY	7,855
20,442,229	Renewi	GBP	9,444
180,284	Tomra systems	NOK	7,273
			<b>42,353</b>
	<b>Total</b>		<b>806,251</b>

## (B) Accounts receivable

Receivables include:

<i>In € thousands</i>	<b>31-12-2020</b>	<b>31-12-2019</b>
<b>Investment activities</b>		
Receivables arising from security transactions	7,756	-
Dividend receivable	807	639
Dividend tax/withholding tax receivable	3,695	3,266
Total receivables arising from investment activities	<b>12,258</b>	<b>3,905</b>
<b>Financing activities</b>		
Receivables from shareholders arising from issue of shares	1,660	115
Total receivables arising from financing activities	<b>1,660</b>	<b>115</b>
<b>Total</b>	<b>13,918</b>	<b>4,020</b>

The receivables generally fall due within one year. Receivables from dividends and/or withholding tax receivable may fall due within one year. In the case of ASN Milieu & Waterfondsen, these receivables amount to €1.34 million at the end of the reporting period (year-end 2019: €1.51 million). The amount stems from the fact that these receivables cannot be offset until sufficient dividends are paid to shareholders.

## (C) Other assets

**Liquid assets**

Liquid assets are defined as all bank balances that are payable on demand. Cash and cash equivalents are freely available. The Manager determines the size of the cash balance based on the timing of payments.

## (D) Current liabilities

Current liabilities include:

<i>In € thousands</i>	<b>31-12-2020</b>	<b>31-12-2019</b>
<b>Investment activities</b>		
Liabilities arising from securities transactions	3,871	-
Fund costs payable	814	640
Total liabilities arising from investment activities	<b>4,685</b>	<b>640</b>
<b>Financing activities</b>		
Liabilities to shareholders arising from purchase of shares	1	38
Total liabilities arising from financing activities	<b>1</b>	<b>38</b>
<b>Total</b>	<b>4,686</b>	<b>678</b>

Liabilities fall due within one year.

## (E) Equity

**Statement of movements in equity**

<i>In € thousands</i>	<b>01-01-2020 t/m 31-12-2020</b>	<b>01-01-2019 t/m 31-12-2019</b>
<b>Issued capital</b>		
Balance as at start of period	94,524	107,027
Issued shares	7,111	3,931
Purchased shares	-13,592	-7,286
Movement due to split up <sup>1</sup>	4,346	-9,148
<b>Balance as at end of period</b>	<b>92,389</b>	<b>94,524</b>
<b>Share premium reserve</b>		
Balance as at start of period	351,114	429,304
Issued shares	47,316	22,212
Purchased shares	-54,483	-26,920
Movement due to split up <sup>1</sup>	15,120	-73,482
<b>Balance as at end of period</b>	<b>359,067</b>	<b>351,114</b>
<b>Other reserves</b>		
Balance as at start of period	66,032	180,433
Addition to/withdrawal from retained earnings	187,264	-100,884
Purchased shares	-26,242	-13,517
<b>Balance as at end of period</b>	<b>227,054</b>	<b>66,032</b>
<b>Retained earnings</b>		
Balance as at start of period	196,935	-95,056
Addition to/withdrawal from other reserves	-187,264	100,884
Dividend paid out	-9,671	-5,828
Result for the reporting period	159,529	196,935
<b>Balance as at end of period</b>	<b>159,529</b>	<b>196,935</b>
<b>Total equity</b>	<b>838,039</b>	<b>708,605</b>

<sup>1</sup> From an accounting perspective, it is not possible to separately present the issued and purchased shares that the AIF mix funds held in the UCITS N.V. in 2019 and 2020 until the split date. This is partly the result of the unbundling and the application of the pooling of interest method. As a result, the issued and purchased

shares of the AIF mix funds in UCITS NV in 2019 and 2020 up to the split date are shown separately on the line "Movement due to split up", without a further breakdown in the lines issued and purchased shares.

### Five-year summary

In € thousands	31-12-2020	31-12-2019	31-12-2018 <sup>1</sup>	31-12-2017 <sup>1</sup>	31-12-2016 <sup>1</sup>
Total net asset value	838,039	708,605	493,339	552,780	460,322
Direct income	11,666	15,981	--	--	--
Exchange differences	155,454	187,552	-88,581	53,308	42,628
Surcharges and deductions charged	250	140	289	253	250
Other income	63	149	--	--	--
Operating expenses	7,904	6,887	6,764	6,119	4,934
<b>Total result</b>	<b>159,466</b>	<b>196,786</b>	<b>-95,056</b>	<b>47,442</b>	<b>37,944</b>
Number of ordinary shares outstanding	18,477,881	18,904,827	17,530,949	16,259,204	14,762,975
<b>Per ordinary share</b>					
In euros					
Net asset value	45.35	37.48	28.14	34.00	31.18
Share price	45.17	37.55	27.88	34.27	31.39
Dividend <sup>2</sup>	0.60	0.35	0.45	0.25	0.20
Investment income	0.66	0.79	--	--	--
Changes in value of investments	8.84	9.30	-5.05	3.41	3.02
Surcharges and deductions charged	0.01	0.01	0.02	0.02	0.02
Other income	63.00	0.01	--	--	--
Operating expenses	0.45	0.34	0.39	0.39	0.35
<b>Total result</b>	<b>9.06</b>	<b>9.76</b>	<b>-5.42</b>	<b>3.04</b>	<b>2.69</b>

1 The comparative figures of 2018, 2017 and 2016 were not adjusted as a result of the division.

2 This relates to the dividend distributed in the year in question in respect of the previous year.

### Credit risk

The ASN Milieu & Waterfondsen is exposed to credit risk on the combined sum of cash and receivables. The fund's maximum credit risk exposure at the end of the reporting period was €36.5 million (year-end 2019: €14.2 million).

## 4.3.2 Notes to the profit and loss account

### (F) Realised changes in value on investments

#### Notes on the breakdown of profits and losses by type of investment in accordance with RJ (Annual Reporting Guideline) 615.405a

In accordance with RJ 615.405a, information on realised gains and losses from investments follows by type of investment and broken down by price and exchange results.

In € thousands	01-01-2020 t/m 31-12-2020	01-01-2019 t/m 31-12-2019
<b>Shares</b>		
Shares - realised price gains	61,385	51,974
Shares - realised price losses	-75,509	-759
Shares - realised exchange gains	3,333	3,455
Shares - realised exchange losses	-7,391	-311
<b>Total</b>	<b>-18,182</b>	<b>54,359</b>

### (G) Unrealised changes in value on investments

#### Notes on the breakdown of profits and losses by type of investment in accordance with RJ (Annual Reporting Guideline) 615.405a

In accordance with RJ 615.405a, information on unrealised gains and losses from investments follows by type of investment and broken down by price and exchange results.

<i>In € thousands</i>	<b>01-01-2020 t/m 31-12-2020</b>	<b>01-01-2019 t/m 31-12-2019</b>
<b>Shares</b>		
Shares - unrealised price gains	200,643	134,919
Shares - unrealised price losses	-9,148	-9,293
Shares - unrealised exchange gains	1,974	8,834
Shares - unrealised exchange losses	-19,833	-1,267
<b>Total</b>	<b>173,636</b>	<b>133,193</b>

#### (H) Other operating income

<i>In € thousands</i>	<b>01-01-2020 t/m 31-12-2020</b>	<b>01-01-2019 t/m 31-12-2019</b>
Other operating income	63	149
<b>Total</b>	<b>63</b>	<b>149</b>

Other operating income relates entirely to return commissions received from Impax Asset Management.

#### (I) Operating expenses

The other operating expenses consist of:

<i>In € thousands</i>	<b>01-01-2020 t/m 31-12-2020</b>	<b>01-01-2019 t/m 31-12-2019</b>
Exchange rate differences on cash	26	19
Interest on current account	108	66
<b>Total</b>	<b>134</b>	<b>85</b>

#### Ongoing charges figure

<i>In € thousands</i>	<b>01-01-2020 t/m 31-12-2020</b>	<b>01-01-2019 t/m 31-12-2019</b>
<b>Ongoing charges</b>		
Total operating expenses	7,770	6,802
Average fund capital during the reporting period	648,950	566,160
<b>Ongoing charge figure (on annual basis)</b>	<b>1.20%</b>	<b>1.20%</b>

The fund pays fund costs to ABB. From these fund costs, ABB pays all costs incurred on behalf of the fund. This fee is reserved daily (on trading days) and charged to the fund capital. This takes place in proportion to a fixed percentage of 1.20% (on an annual basis) of the fund capital at the end of the day. The ongoing charges of an investment fund include, in addition to the fund costs, all other costs debited to the fund in the reporting period, excluding the costs of investment transactions and interest costs.

#### Turnover ratio

The turnover ratio provides an indication of the portfolio's turnover rate. This provides an indication of the extent to which active management is taking place. The turnover ratio is calculated as the percentage that the total amount of securities transactions less the total amount of transactions of participations, comprising the average net asset value of the investment pool.

	<b>01-01-2020 t/m 31-12-2020</b>	<b>01-01-2019 t/m 31-12-2019<sup>1</sup></b>
Turnover rate	28.87%	41.38%

<sup>1</sup> The comparative figures for 2019 have not been adjusted as a result of the split, because the average fund assets cannot be determined.

#### Transaction costs

Transaction costs are part of realised gains and losses. The transaction costs in the reporting period, to the extent that they were identifiable and quantifiable, amounted to € 432,919 (2019: €356,472).

## 4.4 ASN Duurzaam Small & Midcapfonds

### Balance sheet

Before profit appropriation and in € thousands	Ref. <sup>1</sup>	31-12-2020	31-12-2019
Investments	(A)		
Direct investments		151,117	184,693
Accounts receivable	(B)	1,571	1,057
Other assets	(C)		
Cash at bank		5,064	9,208
Current liabilities	(D)	393	237
Accounts receivable and other assets less current liabilities		6,242	10,028
<b>Assets less current liabilities</b>		<b>157,359</b>	<b>194,721</b>
Equity	(E)		
Issued capital		16,602	21,406
Share premium reserve		81,999	121,435
Other reserves		57,233	4,007
Retained earnings		1,525	47,873
<b>Total equity</b>		<b>157,359</b>	<b>194,721</b>

1 The references in the balance sheet and profit and loss account refer to the explanatory notes to the respective items.

### Profit and loss account

In € thousands	Ref. <sup>1</sup>	01-01-2020 t/m 31-12-2020	01-01-2019 t/m 31-12-2019
Investment income		2,240	4,174
Realised changes in value on investments	(F)	-23,535	13,578
Unrealised changes in value on investments	(G)	24,267	31,150
Surcharges and deductions charged		127	59
Other operating income		-	188
<b>Total income</b>		<b>3,099</b>	<b>49,149</b>
Operating expenses	(H)		
Management fees		1,480	1,247
Other operating expenses		94	29
<b>Total operating expenses</b>		<b>1,574</b>	<b>1,276</b>
<b>Net result</b>		<b>1,525</b>	<b>47,873</b>

1 The references in the profit and loss account refer to the explanatory notes to the respective items.



## Cashflow statement

<i>In € thousands</i>	<b>01-01-2020 t/m 31-12-2020</b>	<b>01-01-2019 t/m 31-12-2019</b>
<b>Cashflow from investment activities</b>		
Net result	1,525	47,873
Exchange rate differences on cash	54	-187
<b>Net result excluding exchange rate differences on cash</b>	<b>1,579</b>	<b>47,686</b>
Adjustment to reconcile the result with the cashflow generated by the investment activities:		
Realised changes in value on investments	23,535	-13,578
Unrealised changes in value on investments	-24,267	-31,150
Purchase of investments	-83,897	-110,641
Disposal of investments	118,205	84,478
<i>Changes in assets and liabilities:</i>		
Change in receivables arising from investment activities	-594	297
Change in liabilities arising from investment activities	169	126
<b>Net cashflows from investment activities</b>	<b>34,730</b>	<b>-22,782</b>
<b>Cashflows from financing activities</b>		
Issue of shares	25,296	26,778
Purchase of shares	-21,987	-30,403
Movement due to split up <sup>1</sup>	-40,113	35,817
Change in receivables arising from issue of shares	80	-231
Change in liabilities arising from purchase of shares	-13	-105
Dividend paid out	-2,083	-1,140
<b>Net cashflows from financing activities</b>	<b>-38,820</b>	<b>30,716</b>
<b>Total net cashflows</b>	<b>-4,090</b>	<b>7,934</b>
Exchange rate differences on cash	-54	187
<b>Change in cash</b>	<b>-4,144</b>	<b>8,121</b>
Cash at the beginning of the reporting period	9,208	1,087
<b>Cash at the end of the reporting period</b>	<b>5,064</b>	<b>9,208</b>

<sup>1</sup> From an accounting perspective, it is not possible to separately present the issued and purchased shares that the AIF mix funds held in the UCITS N.V. in 2019 and 2020 until the split date. This is partly the result of the unbundling and the application of the pooling of interest method. As a result, the issued and purchased shares of the AIF mix funds in UCITS NV in 2019 and 2020 up to the split date are shown separately on the line "Movement due to split up", without a further breakdown in the lines issued and purchased shares.

## 4.4.1 Notes to the balance sheet

### (A) Investments

#### Equities

<i>In € thousands</i>	<b>01-01-2020 t/m 31-12-2020</b>	<b>01-01-2019 t/m 31-12-2019</b>
Balance as at start of period	184,693	113,802
Purchases	83,897	110,641
Disposals	-118,205	-84,478
Realised changes in value on investments	-23,535	13,578
Unrealised changes in value on investments	24,267	31,150
<b>Balance as at end of period</b>	<b>151,117</b>	<b>184,693</b>

No purchase and disposal transactions were conducted with related parties in the reporting period.

### Securities portfolio

Notes to fair value measurement of financial instruments in accordance with RJ290.916.

The fair value of all the financial instruments in the portfolio of ASN Duurzaam Small & Midcapfonds is derived from listed market prices, provided there is sufficient liquidity on the market where the financial instrument is traded.

The specifications below of the portfolio sector and country allocations provide insight into the price risk and currency risk. The specifications relate to the investments as at 31 December 2020, with the market value presented in thousands of euros.

#### Country allocation of ASN Duurzaam Small & Midcapfonds

<i>In € thousands</i>	<b>31-12-2020</b>		<b>31-12-2019</b>	
	<i>Market value</i>	<i>%</i>	<i>Market value</i>	<i>%</i>
United Kingdom	35,897	23.7	47,300	25.6
Germany	29,482	19.5	30,035	16.3
The Netherlands	20,663	13.7	19,086	10.3
Sweden	11,355	7.5	14,974	8.1
Belgium	10,815	7.2	-	-
Switzerland	9,542	6.3	27,707	15.0
France	8,430	5.6	6,428	3.5
Luxembourg	6,876	4.6	5,259	2.8
Spain	5,091	3.4	4,537	2.5
Ireland	4,680	3.1	8,713	4.7
Finland	4,585	3.0	6,006	3.3
Denmark	3,701	2.4	4,980	2.7
Italy	-	-	9,668	5.2
<b>Total</b>	<b>151,117</b>	<b>100.0</b>	<b>184,693</b>	<b>100.0</b>

#### Sector allocation of ASN Duurzaam Small & Midcapfonds

<i>Number of shares</i>		<i>Currency</i>	<i>Marketvalue in € thousands</i>
	<b>Basic goods</b>		
108,500	Corbion	EUR	5,007
108,500	Huhtamaki	EUR	4,585
			<b>9,592</b>
	<b>Consumer service businesses</b>		
98,000	Greggs	GBP	1,960
			<b>1,960</b>



Number of shares		Currency	Marketvalue in € thousands
	<b>Retail</b>		
530,130	Takkt	EUR	5,651
			<b>5,651</b>
	<b>Healthcare services &amp; equipment</b>		
340,000	EMIS Group	GBP	4,110
75,500	Fagron	EUR	1,435
			<b>5,545</b>
	<b>Consumer durables</b>		
7,028,096	Coats Group	GBP	5,284
			<b>5,284</b>
	<b>Pharmaceuticals &amp; biotechnology</b>		
3,000	Tecan Group	CHF	1,203
			<b>1,203</b>
	<b>Semiconductors</b>		
97,000	BE Semiconductor Industries	EUR	4,809
157,500	Dialog Semiconductor	EUR	7,039
			<b>11,848</b>
	<b>Capital goods</b>		
130,500	Dürr	EUR	4,359
217,000	AddTech	SEK	2,354
173,000	Barco N.V.	EUR	3,083
243,000	Fluidra	EUR	5,091
137,500	JOST Werke	EUR	5,926
23,380	Kardex	CHF	4,185
2,600	LEM	CHF	4,154
179,000	Signify	EUR	6,181
118,000	TKH Group	EUR	4,666
97,000	Washtec	EUR	4,234
			<b>44,233</b>
	<b>Media</b>		
179,500	Telenet	EUR	6,297
			<b>6,297</b>
	<b>Real estate</b>		
342,000	Fabege	SEK	4,402
4,055,200	Hibernia REIT	EUR	4,680
487,000	Safestore Holdings	GBP	4,244
267,000	Shaftesbury	GBP	1,697
146,500	TAG Immobilien	EUR	3,794
223,000	UNITE Group	GBP	2,603
			<b>21,420</b>
	<b>Advertising</b>		
190,000	Ipsos	EUR	5,244
171,000	JCDecaux	EUR	3,186
			<b>8,430</b>
	<b>Software &amp; services</b>		
63,499	Computacenter	GBP	1,737
30,425	SimCorp	DKK	3,701
165,500	Software	EUR	5,518
			<b>10,956</b>
	<b>Food &amp; drinks</b>		
311,542	A.G. Barr	GBP	1,806

Number of shares		Currency	Marketvalue in € thousands
			<b>1,806</b>
<b>Business services</b>			
133,000	Befesa	EUR	6,876
422,000	Bravida Holding	SEK	4,599
1,627,000	Sthree	GBP	5,417
			<b>16,892</b>
	<b>Total</b>		<b>151,117</b>

## (B) Accounts receivable

Receivables include:

In € thousands	31-12-2020	31-12-2019
<b>Investment activities</b>		
Receivables arising from securities transactions	155	-
Dividend tax/withholding tax receivable	1,262	823
Total receivables arising from investment activities	<b>1,417</b>	<b>823</b>
<b>Financing activities</b>		
Receivables from shareholders arising from issue of shares	154	234
Total receivables arising from financing activities	<b>154</b>	<b>234</b>
<b>Total</b>	<b>1,571</b>	<b>1,057</b>

The receivables generally fall due within one year. Receivables from dividends and/or withholding tax receivable may fall due within one year. In the case of ASN Duurzaam Small & Midcapfonds, these receivables amount to €620 thousand at the end of the reporting period (year-end 2019: €360 thousand).

## (C) Other assets

**Liquid assets**

Liquid assets are defined as all bank balances that are payable on demand. Cash and cash equivalents are freely available. The Manager determines the size of the cash balance based on the timing of payments.

## (D) Current liabilities

Current liabilities include:

In € thousands	31-12-2020	31-12-2019
<b>Investment activities</b>		
Liabilities arising from securities transactions	235	109
Fund costs payable	157	114
Total liabilities arising from investment activities	<b>392</b>	<b>223</b>
<b>Financing activities</b>		
Liabilities to shareholders arising from purchase of shares	1	14
Total liabilities arising from financing activities	<b>1</b>	<b>14</b>
<b>Total</b>	<b>393</b>	<b>237</b>

Liabilities fall due within one year.

## (E) Equity

## Statement of movements in equity

<i>In € thousands</i>	<b>01-01-2020 t/m 31-12-2020</b>	<b>01-01-2019 t/m 31-12-2019</b>
<b>Issued capital</b>		
Balance as at start of period	21,406	17,097
Issued shares	2,354	821
Purchased shares	-3,315	-1,832
Movement due to split up <sup>1</sup>	-3,843	5,320
<b>Balance as at end of period</b>	<b>16,602</b>	<b>21,406</b>
<b>Share premium reserve</b>		
Balance as at start of period	121,435	94,690
Issued shares	15,506	5,816
Purchased shares	-18,672	-9,568
Movement due to split up <sup>1</sup>	-36,270	30,497
<b>Balance as at end of period</b>	<b>81,999</b>	<b>121,435</b>
<b>Other reserves</b>		
Balance as at start of period	4,007	27,744
Addition to/withdrawal from retained earnings	45,790	-20,469
Purchased shares	7,436	-3,268
<b>Balance as at end of period</b>	<b>57,233</b>	<b>4,007</b>
<b>Retained earnings</b>		
Balance as at start of period	47,873	-19,329
Addition to/withdrawal from other reserves	-45,790	20,469
Dividend paid out	-2,083	-1,140
Result for the reporting period	1,525	47,873
<b>Balance as at end of period</b>	<b>1,525</b>	<b>47,873</b>
<b>Total equity</b>	<b>157,359</b>	<b>194,721</b>

<sup>1</sup> From an accounting perspective, it is not possible to separately present the issued and purchased shares that the AIF mix funds held in the UCITS N.V. in 2019 and 2020 until the split date. This is partly the result of the unbundling and the application of the pooling of interest method. As a result, the issued and purchased shares of the AIF mix funds in UCITS NV in 2019 and 2020 up to the split date are shown separately on the line "Movement due to split up", without a further breakdown in the lines issued and purchased shares.

**Five-year summary**

<i>In € thousands</i>	<b>31-12-2020</b>	<b>31-12-2019</b>	<b>31-12-2018<sup>1</sup></b>	<b>31-12-2017<sup>1</sup></b>	<b>31-12-2016<sup>1</sup></b>
Total net asset value	157,359	194,721	92,265	103,180	79,321
Direct income	2,240	4,174	--	--	--
Exchange differences	732	44,728	-18,140	18,690	-1,550
Surcharges and deductions charged	127	60	93	103	69
Other income	--	187	--	--	--
Operating expenses	1,574	1,276	1,282	1,077	945
<b>Total result</b>	<b>1,525</b>	<b>47,873</b>	<b>-19,329</b>	<b>17,716</b>	<b>-2,426</b>
Number of ordinary shares outstanding	3,320,386	4,281,283	2,724,850	2,490,291	2,297,673
<b>Per ordinary share</b>					
<i>In euros</i>					
Net asset value	47.39	45.46	33.86	41.43	34.52
Share price	47.72	45.57	33.67	41.33	34.25
Dividend <sup>2</sup>	0.80	0.45	0.55	0.70	0.50
Investment income	0.73	1.08	--	--	--
Changes in value of investments	0.25	11.61	-6.67	7.98	-0.67
Surcharges and deductions charged	0.04	0.02	0.03	0.04	0.03
Other income	--	0.05	--	--	--
Operating expenses	0.52	0.33	0.47	0.46	0.41
<b>Total result</b>	<b>0.50</b>	<b>12.43</b>	<b>-7.11</b>	<b>7.56</b>	<b>-1.05</b>

<sup>1</sup> The comparative figures of 2018, 2017 and 2016 were not adjusted as a result of the division.

<sup>2</sup> This relates to the dividend distributed in the year in question in respect of the previous year.

**Credit risk**

The ASN Duurzaam Small & Midcapfonds is exposed to credit risk on the combined sum of cash and receivables. The fund's maximum credit risk exposure at the end of the reporting period was €6.6 million (year-end 2019: €10.3 million).

**4.4.2 Notes to the profit and loss account****(F) Realised changes in value on investments****Notes on the breakdown of profits and losses by type of investment in accordance with RJ (Annual Reporting Guideline) 615.405a**

In accordance with RJ 615.405a, information on realised gains and losses from investments follows by type of investment and broken down by price and exchange results.

<i>In € thousands</i>	<b>01-01-2020 t/m 31-12-2020</b>	<b>01-01-2019 t/m 31-12-2019</b>
<b>Shares</b>		
Shares - realised price gains	28,535	15,889
Shares - realised price losses	-49,946	-2,709
Shares - realised exchange gains	757	594
Shares - realised exchange losses	-2,881	-196
<b>Total</b>	<b>-23,535</b>	<b>13,578</b>

**(G) Unrealised changes in value on investments****Notes on the breakdown of profits and losses by type of investment in accordance with RJ (Annual Reporting Guideline) 615.405a**

In accordance with RJ 615.405a, information on unrealised gains and losses from investments follows by type of investment and broken down by price and exchange results.



<i>In € thousands</i>	<b>01-01-2020 t/m 31-12-2020</b>	<b>01-01-2019 t/m 31-12-2019</b>
<b>Shares</b>		
Shares - unrealised price gains	24,277	31,099
Shares - unrealised price losses	-354	-2,329
Shares - unrealised exchange gains	439	2,442
Shares - unrealised exchange losses	-95	-62
<b>Total</b>	<b>24,267</b>	<b>31,150</b>

## (H) Operating expenses

The other operating expenses consist of:

<i>In € thousands</i>	<b>01-01-2020 t/m 31-12-2020</b>	<b>01-01-2019 t/m 31-12-2019</b>
Exchange rate differences on cash	54	-
Interest on current account	40	29
<b>Total</b>	<b>94</b>	<b>29</b>

### Ongoing charges figure

<i>In € thousands</i>	<b>01-01-2020 t/m 31-12-2020</b>	<b>01-01-2019 t/m 31-12-2019</b>
<b>Ongoing charges</b>		
Total operating expenses	1,480	1,247
Average fund capital during the reporting period	123,671	103,733
<b>Ongoing charge figure (on annual basis)</b>	<b>1.20%</b>	<b>1.20%</b>

The fund pays fund costs to ABB. From these fund costs, ABB pays all costs incurred on behalf of the fund. This fee is reserved daily (on trading days) and charged to the fund capital. This takes place in proportion to a fixed percentage of 1.20% (on an annual basis) of the fund capital at the end of the day. The ongoing charges of an investment fund include, in addition to the fund costs, all other costs debited to the fund in the reporting period, excluding the costs of investment transactions and interest costs.

### Turnover ratio

The turnover ratio provides an indication of the portfolio's turnover rate. This provides an indication of the extent to which active management is taking place. The turnover ratio is calculated as the percentage that the total amount of securities transactions less the total amount of transactions of participations, comprising the average net asset value of the investment pool.

	<b>01-01-2020 t/m 31-12-2020</b>	<b>01-01-2019 t/m 31-12-2019<sup>1</sup></b>
Turnover rate	125.19%	63.47%

<sup>1</sup> The comparative figures for 2019 have not been adjusted as a result of the split, because the average fund assets cannot be determined.

### Transaction costs

Transaction costs are part of realised gains and losses. The transaction costs in the reporting period, to the extent that they were identifiable and quantifiable, amounted to € 178,478 (2019: €276,313).







## 5 Other information



## Special statutory controlling rights

The Articles of Association provide that the priority share holder may draw up a binding nomination for the appointment of directors. The priority share holder may also make a binding nomination for the appointment of Supervisory Board members if the Supervisory Board does not propose any candidates itself within the specified period. An amendment to the Articles of Association or a resolution to wind up the company can only be adopted on the recommendation of the holder of the priority share. Upon the winding-up of the company, after payment of all the debts, the nominal amount of the priority share will first be repaid.

The priority share serves to protect the special nature of ASN Beleggingsfondsen UCITS N.V. against unwanted influences by third parties. It is held by ASN Duurzame Deelnemingen N.V., a wholly-owned subsidiary of de Volksbank N.V. Information on the rights attached to the priority share can be found in the Articles of Association of ASN Beleggingsfondsen UCITS N.V.

## Statutory provisions related to profit appropriation

In accordance with Article 27 of the Articles of Association, the Board of Directors determines for each series of ordinary shares what portion of the profit will be distributed to the holders of ordinary shares. This is the profit after deduction of a distribution equal to the statutory interest calculated on the nominal value of the priority share. The Board of Directors determines the distribution subject to the approval of the Supervisory Board.

## Interests of directors and members of the Supervisory Board

In accordance with Article 122(2) of the Market Conduct Supervision (Financial Institutions) Decree (Bgfo), this report states whether the members of the Board of Directors of ABB and the members of the Supervisory Board had a personal interest in investments undertaken by ASN Beleggingsfondsen UCITS N.V. According to information provided by the members of the Board of Directors and of the Supervisory Board, the members concerned did not have any interests in investments undertaken by ASN Beleggingsfondsen UCITS N.V. at the start and end of the reporting period.

In the interests of transparency, the following table lists the personal interests that the members of the Board of Directors of ABB and the members of the Supervisory Board had in the funds of ASN Beleggingsfondsen UCITS N.V. at the start and end of the reporting period, according to information provided by them.

<i>Description</i>	<i>Collective interest of Board of Directors of ABB and Supervisory Board members in figures 31-12-2020</i>	<i>Collective interest of Board of Directors of ABB and Supervisory Board members in figures 31-12-2019</i>
ASN Duurzaam Aandelenfonds	224	24
ASN Milieu & Waterfonds	252	252
ASN Duurzaam Small & Midcapfonds	220	220

## Independent auditor's report

**To: the shareholders and supervisory board of ASN Beleggingsfondsen UCITS N.V.**

### Report on the audit of the financial statements 2020

#### Our opinion

We have audited the financial statements 2020 of ASN Beleggingsfondsen UCITS N.V., based in The Hague, The Netherlands.

In our opinion the accompanying financial statements give a true and fair view of the financial position of ASN Beleggingsfondsen UCITS N.V. as at 31-12-2020 and of its result for 2020 in accordance with Part 9 of Book 2 of the Dutch Civil Code.

The financial statements comprise:

- The balance sheet as at 31 December 2020;
- The profit and loss account for the period from 1 January 2020 to 31 December 2020; and
- The notes comprising of a summary of the accounting policies and other explanatory information including the figures of the individual ASN UCITS-Beleggingsfondsen (the sub-funds).

#### 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 ASN Beleggingsfondsen UCITS N.V. in accordance with the EU Regulation on specific requirements regarding statutory audit of public-interest entities, 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 believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Materiality

Materiality	The materiality is based upon the sub-funds of ASN Beleggingsfondsen UCITS N.V.
Benchmark applied	1% of Equity per sub fund.
Explanation	<p>The sub funds each have their own investment policy, risk profile, price formation and a separate administration. Investors can only invest in sub funds. Annual figures are prepared for each sub fund, which form part of the notes to the annual accounts of ASN Beleggingsfondsen UCITS N.V. These annual accounts are based on the cumulative annual figures of the sub funds. Based upon the previously mentioned assumptions we have applied a materiality based on the equity per sub fund. The equity per sub fund is the total (market) value to which investors in the sub fund are entitled and is regarded in the industry as the most important factor for investment decisions by shareholders.</p> <p>The determination of materiality has not changed compared to the previous book year.</p>

We have also taken into account misstatements and/or possible misstatements that in our opinion are material for the users of the financial statements for qualitative reasons.

We agreed with the supervisory board that misstatements in excess of 5% of the materiality for each subfund which are identified during the audit, would be reported to them, as well as smaller misstatements that in our view must be reported on qualitative grounds.



## Our key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements. We have communicated the key audit matters to the supervisory board. The key audit matters are not a comprehensive reflection of all matters discussed.

We audited the establishment of ASN Beleggingsfondsen UCITS N.V., the transactions as a result from the separation of ASN Beleggingsfondsen N.V. and the disclosure of these activities in the financial statements of ASN Beleggingsfondsen UCITS N.V. We have not identified significant risks associated with these activities and it did not lead to a difficult or complex opinion, or a different audit approach. Therefore, we have not identified this as a key audit matter. We have not changed the key audit matters in comparison to previous year.

These matters were addressed in the context of our audit of the financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

### Existence and valuation of investments

Risk	<p>The sub-funds that form ASN Beleggingsfondsen UCITS N.V. invest mainly in listed investments, which are considered to be the key driver of the investment entity's capital and financial performance.</p> <p>Reference is made to the disclosure on the investment portfolio in the annual figures of the subfunds of ASN Beleggingsfondsen UCITS N.V. which form part of the notes to the annual report of ASN Beleggingsfondsen UCITS N.V. The category classification of the investment portfolio of the sub-funds of ASN Beleggingsfondsen UCITS N.V. (paragraph 3.4.1) shows that investments are mainly listed investments.</p> <p>We do not consider these investments to be at a higher risk of significant misstatement, or to be subject to a significant degree of judgement, because the investment portfolio is comprised of liquid, quoted investments for which a quoted price in an active market is available. However, due to the materiality in the context of the financial statements as a whole, the quoted investment portfolio is considered to be the area which had the greatest effect on our audit.</p>
Our audit approach	<p>Our audit procedures over the existence and valuation of the investment entity's quoted investment portfolio included, but were not limited to:</p> <ul style="list-style-type: none"> <li>• reconciling values of the investment portfolio to external quotations using at least one independent data vendor;</li> <li>• verifying the holdings in the investment portfolio with independently received third party confirmations from custodian(s).</li> </ul>
Key observations	We have no significant findings relating to the existence and fair valuation of the investments.

### Investment income

Risk	<p>Investment income is the main source of income of the investment entity and composes both dividend and interest income as well as (un)realized changes in value on investments. Therefore, we have considered the investment income as a key audit matter.</p> <p>Reference is made to the disclosure of the investment income in the profit and loss and furthermore we refer to the Management Board report in which the results of the sub funds are compared to the benchmark.</p>
Our audit approach	<p>Our audit procedures with regard to the revenues from investments consist of:</p> <p>Inquiry and testing of internal control, which include relevant IT controls for processing transactions, corporate actions, reconciliation of investments and portfolio valuation. For outsourced processes, we have used the independent service organization report to verify the design, existence and working of relevant processes at the administrator, BNP Paribas Securities Services SCA; Performing a detailed analytical review (including data-analytics with market data from external data vendors) on the direct and indirect income in relation to the investments and performance of the benchmark for each sub fund.</p>
Key Observations	We have no significant findings relating to the investment income.

## Outsourcing

**Risk** The investment entity does not employ personnel and has outsourced the asset management process, risk management process, shareholder's register, financial accounting as well as bookkeeping services to the manager, ASN Beleggingsinstellingen Beheer B.V. (ABB). ABB has outsourced a part of these activities to BNP Paribas Securities Services SCA.

Therefore, we have considered outsourcing as a key audit matter. The manager of the fund remains ultimately responsible for these outsourced processes, which contains:

controlling processes and operational risks for the manager (outsourcing) and;controlling the integrity risks which may arise from different interests between the manager and the investors in the sub funds.

Financial information from the outsourced processes is used in the financial statement closing process.

Reference is made to the "Management Board report" and the "Management Board report in respect of ASN Beleggingsfondsen UCITS N.V." which contain the (risks of) outsourcing and the internal control statement of the manager, and the ongoing charges disclosure in which a comparison is made with the agreements in the prospectus.

**Our audit approach** For the audit of the financial statements of the investments institution we have acted in respect to "NBA-handreiking 1142 *Specifieke verplichtingen vanuit de toezichtwet- en regelgeving voor de interne auditor en de externe accountant bij (beheerders van) beleggingsinstellingen en beleggingsondernemingen*", and paid attention to the controlled and ethical business operations of the manager.

Our audit procedures relating to outsourcing included, but were not limited to:

understanding and evaluating the outsourced processes and related internal controls investment manager's, including relevant IT-systems and controls in place around monitoring the outsourced processes. To obtain evidence over the key (outsourced) controls, we obtained and assessed the independent report on the design and operational effectiveness of controls by the administrator; Verifying that the manager and depositary have the right license from the supervisor; In addition, we have reviewed the correspondence with the supervisor, the report of the independent custodian and have been alert during our audit procedures for non-compliance with laws and regulations and the Dutch Financial Supervision act (Wft) (Wet op het financieel toezicht – Wft) and the act on the prevention of money laundering and terrorist financing (Wet ter voorkoming van witwassen en financiering terrorisme – Wwft), in particular; Furthermore, we have calculated if the management fees and other operating expenses are in line with the agreements in the prospectus and verified that related party transactions are accurately and completely disclosed; Lastly, we utilized substantive audit procedures such as analysis and sampling, aimed at the outcome of relevant flows of financial information.

**Key Observations** We have no significant findings relating to the outsourcing by the investment entity.

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## Report on 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 that consists of:

- the management board report, which contains the Foreword by the Board of Directors, Management Board report, and the Management Board in respect of ASN Beleggingsfondsen UCITS N.V.;
- the report of the supervisory board;
- other information as required by Part 9 of Book 2 of the Dutch Civil Code;
- other information, which contains Key figures, Terms used, and the Annexes.

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.

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 and the Dutch Standard 720. The

scope of the procedures performed is substantially less than the scope of those performed in our audit of the financial statements.

Management is responsible for the preparation of the other information, including the management board report in accordance with Part 9 of Book 2 of the Dutch Civil Code, other information required by Part 9 of Book 2 of the Dutch Civil Code.

## Report on other legal and regulatory requirements

### Engagement

We were engaged for the audit of ASN Beleggingsfondsen N.V. since 2016. After founding ASN Beleggingsfondsen UCITS N.V. and the split of ASN Beleggingsfondsen N.V., we were appointed by the general meeting as auditor for ASN Beleggingsfondsen UCITS N.V. for the audit of 2020 and thereon.

### No prohibited non-audit services

We have not provided prohibited non-audit services as referred to in Article 5(1) of the EU Regulation on specific requirements regarding statutory audit of public-interest entities.

## Description of responsibilities for the financial statements

### Responsibilities of management and the supervisory board for the financial statements

Management 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, management is responsible for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

As part of the preparation of the financial statements, management is responsible for assessing the company's ability to continue as a going concern. Based on the financial reporting frameworks mentioned, management should prepare the financial statements using the going concern basis of accounting unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so. Management 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 company'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 detect all material errors and fraud during our audit.

Misstatements can arise from fraud or error 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 these 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 judgment and have maintained professional skepticism 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 fraud or error, 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 error, 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 investment entity's internal control;



- evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- 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 company'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 a company to cease to continue as a going concern.
- evaluating the overall presentation, structure and content of the financial statements, including the disclosures; and
- evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the supervisory board 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. In this respect we also submit an additional report to the audit committee in accordance with Article 11 of the EU Regulation on specific requirements regarding statutory audit of public-interest entities. The information included in this additional report is consistent with our audit opinion in this auditor's report.

We provide the supervisory board with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the supervisory board, we determine the key audit matters: those matters that were of most significance in the audit of the financial statements. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, not communicating the matter is in the public interest.

The Hague, 17 March 2021

Ernst & Young Accountants LLP

Signed by R.J. Bleijs







## 6 Annexes







## Annex 1 Policymakers and investment managers

Various teams are responsible for the policy of the ASN Beleggingsfondsen. The members of the teams who performed activities for the funds in the first half of 2020 are listed below, together with their positions, responsibilities and work experience.

### ASN Beleggingsinstellingen Beheer B.V. (ABB)

ABB is responsible for portfolio management, the development and marketing of investment products and the risk management of the ASN Beleggingsfondsen. This team also ensures that legislation and regulations are implemented insofar as they relate to clients and products, and is responsible for the investment policy and management of the funds.

Name	Position	Work experience
Fabrice Albronda	Distribution Manager	24 years
Frank Bergkamp	Analyst Impact Funds	3 years
Justin Boers	Marketing Manager	14 years
Ro Dielbandhoesing	Risk Manager	18 years
Karin van Dijk	Portfolio Manager	9 years
José de Jong	Secretary	29 years
Carine van der Kooij Guevara-Verhoeven	Product Manager	8 years
Robin Krispijn	Compliance officer	13 years
Wilma Kwint	Content Manager	2 years
Stephan Langen	Portfolio Manager	29 years
San Lie	Manager portfoliomanagement	23 years
Priscila Mauricio Goncalves	Fund Legal Counsel	2 years
Rosemarijn van der Meij	Portfolio Manager	23 years
Sascha Noé	Portfolio Manager	18 years
Maurits de Ruiter	Risk Analyst	11 years
Mariëtta Smid	Senior Manager Sustainability	25 years
Leon Vingerhoeds	Product Manager	27 years
Paul van der Weijden	Analyst Impact Funds	6 years
Katja Wende	Fund Legal Counsel	16 years

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Investment Fund	Strategy	Investment Manager/Adviser
ASN Duurzaam Obligatiefonds	Eurobonds; active	ACTIAM N.V.
ASN Milieu & Waterfondsen	Equities Global; active	Impax Asset Management Ltd.
ASN Duurzaam Aandelenfondsen	Equities Global; active	ACTIAM N.V.
ASN Duurzaam Small & Midcapfondsen	Equities Europe; active	Kempen Capital Management N.V.

### Sustainability Expertise Centre (ECD)

ASN Bank's Sustainability Expertise Centre (ECD) advises ASN Beleggingsfondsen with regard to sustainability policy. The team researches countries, projects and companies in which the ASN Beleggingsfondsen may invest. The team also engages in dialogue with companies (engagement) at the request of ASN Beleggingsfondsen Beheer B.V.

Name	Position	Work experience
Lisa van Blaricum	Manager Sustainability Expertise Centre	9 years
Piet Sprengers	Manager Sustainable strategy and policy	34 years
Stef Driesen	Sustainability Adviser	5 years
Freek Geurts	Impact Analyst	5 years
Jeroen Loots	Senior Adviser Climate	24 years
Roel Nozeman	Senior Adviser Biodiversity	15 years
Sjirk Prins	Sustainability Policy Adviser (ABB and ADF)	5 years
Irina van der Sluijs	Senior Adviser Human Rights	17 years
Jonna Tjapkes	Senior Sustainability Policy Adviser (De Volksbank)	6 years
Emmelien Venselaar	Sustainability Adviser	2 years

### Investment Managers

ABB has outsourced the investment management of the ASN Beleggingsfondsen. When selecting an investment manager, ABB assesses, among other things, the knowledge and experience, performance and sustainability of potential candidates for the role.

The following teams are responsible for the day-to-day investment management of the ASN Beleggingsfondsen.

■ ASN Duurzaam Aandelenfonds and ASN Duurzaam Obligatiefonds: ACTIAM N.V.

■ ASN Milieu & Waterfonds: Impax Asset Management.

■ ASN Duurzaam Small & Midcapfonds: Kempen Capital Management.

### ACTIAM

#### *Managers of ASN Duurzaam Aandelenfonds*

Name	Position	Work experience
Bram Ragetlie	Senior Portfolio Manager	23 years' experience in managing global equities portfolios, specialised in quantitative analysis
Hans Slomp	Senior Portfolio Manager	32 years' experience in managing global equities portfolios, specialised in fundamental analysis

#### *Managers of ASN Duurzaam Obligatiefonds*

Name	Position	Work experience
Pim Burggraeve	Senior Portfolio Manager	24 years' experience in rates, including rates derivatives
Mehdi Abdi	Senior Portfolio Manager	13 years' experience in rates & credits



## Impax Asset Management

### *Managers of ASN Milieu & Waterfonds*

Name	Position	Work experience
Bruce Jenkyn-Jones	Head of Listed Equities, Managing Director	27 years' experience
Jon Forster	Senior Portfolio Manager, Managing Director	24 years' experience
Justin Winter	Portfolio Manager, Director	16 years' experience

Bruce Jenkyn-Jones and Jon Forster co-manage the Environmental Specialists Strategy, which also includes the ASN Milieu & Waterfonds.

## Kempen Capital Management

### *Managers of ASN Duurzaam Small & Midcapfonds*

Name	Position	Work experience
Jan-Willem Berghuis	Head of SmallCap Team	22 years' experience
Michiel van Dijk	Senior Portfolio Manager	13 years' experience
Ingmar Schaefer	Senior Portfolio Manager	15 years' experience
Sander van Oort	Senior Portfolio Manager	20 years' experience

## Annex 2 Addresses and personal details

### ASN Beleggingsfondsen UCITS N.V.

Bezuidenhoutseweg 153  
2594 AG The Hague  
PO Box 93514  
2509 AM The Hague

Phone: +31 (0)70 - 356 93 89  
www.asnbeleggingsfondsen.nl

### UCITS manager

ASN Beleggingsinstellingen Beheer B.V.  
Bezuidenhoutseweg 153  
2594 AG The Hague  
PO Box 93514  
2509 AM The Hague

### Board of Directors of ASN Beleggingsinstellingen Beheer B.V.

1. Bas-Jan Blom
2. Gert-Jan Bruijnooge

### Supervisory Board of ASN Beleggingsfondsen UCITS N.V.<sup>2</sup>

1. Anne Gram (Chair)
2. Lodi Hennink (Vice-Chair)
3. Tineke Lambooy
4. Dennis Bams (from 18-06-2020)
5. Vacancy, according to the report of the Supervisory Board

### Depositary

CACEIS Bank, Netherlands branche.  
De Entree 500  
1101 EE Amsterdam-Zuidoost

### Auditor

Ernst & Young Accountants LLP  
Wassenaarseweg 80  
2596 CZ The Hague

### Tax adviser

KPMG Meijburg & Co B.V.  
Laan van Langerhuize 9  
1186 DS Amstelveen  
PO Box 74600  
1070 DE Amsterdam

### Investment managers

ACTIAM N.V.  
Graadt van Roggenweg 250  
3531 AH Utrecht  
PO Box 679  
3500 AR Utrecht

Impax Asset Management Ltd.  
7th Floor  
30 Panton Street  
London SW1Y 4AJ  
United Kingdom

Kempen Capital Management N.V.  
Beethovenstraat 300  
1077 WZ Amsterdam  
PO Box 75666  
1070 AR Amsterdam

### Fund Agent

CACEIS BANK, Netherlands branche  
De Entree 500  
1101 EE Amsterdam-Zuidoost

<sup>2</sup> The members of the Supervisory Board were appointed as supervisory directors of ASN Beleggingsfondsen UCITS N.V. on 18 June 2020. Prior to 18 June, they were supervisory directors of ASN Beleggingsfondsen N.V. On 18 June 2020, ASN Beleggingsfondsen N.V. was legally divided into ASN Beleggingsfondsen AIF N.V. and ASN Beleggingsfondsen UCITS N.V.



## Supervisory Board

### Anne Gram (Chair)

*Appointed in 2017, current term expires 2021.*

Anne Gram (1965) has worked as an independent adviser and expert for institutional investors and has sat on various supervisory boards and investment committees since 2006. During the past 28 years, Anne has had various positions in the financial sector, including as portfolio manager, head of equities/investments and director of investments at Robeco, ABN AMRO and Fortis Mees Pierson. These roles have given her a wealth of investment knowledge and experience, in the broadest sense. Anne studied International Economics and Finance at Brandeis University in Boston (USA). She has an International Economics MBA from the Copenhagen Business School (Copenhagen, Denmark) and is a qualified Chartered Financial Analyst (CFA). Alongside working for her own business, Anne was also a lecturer in the Pension Executive Program at Erasmus University Rotterdam and she was a columnist for De Financiële Telegraaf. She also sat on the supervisory board of the Dutch Stockholders' Association (Vereniging van Effectenbezitters, "VEB") and was a member of the board of experts of Transparency International Nederland. She currently works for the pension funds Zorg en Welzijn, Huisartsen and DNB, among others. Her activities also include chairing, moderating, sitting on the panel, speaking and lecturing at conferences.

### Lodi Hennink

*Re-appointed in 2019, current term expires 2023.*

Lodi Hennink (1957) is a director, supervisory director and executive adviser. He is also vice-chair of the supervisory board of Tactus Verslavingszorg (addiction care), chair of the supervisory board of Vereniging Eigen Huis (Dutch Homeowners' Association), chair of the supervisory board of SHoKo (Kempen General Practitioners group) and a member of the advisory board of Forensisch Medische Maatschappij Utrecht (Utrecht Forensic Medical Society, (FFMU/medTzorg)). Lodi studied business economics, with specialisation tax, at Erasmus University Rotterdam. In parallel, he studied law, specialising in private law and corporate law. Lodi began his career in the pharmaceutical division of Gist-Brocades, where he was responsible for the marketing of a range of different medicines. In 1989, he made the transition to Robeco Group, where he became international marketing manager for the asset manager's investment products, with a focus on German-speaking markets. After switching to the Randstad organisation, where he held a management position for two years, he returned to the financial sector in 1995. For more than ten years, he held various management and corporate positions at various divisions of Interpolis, including the divisions provisions for the future (life assurance) and social security. Following the merger of Interpolis and Achmea, he became manager business development at the holding company. In 2007, he made the transition to the Landelijke Huisartsen Vereniging (National Association of General Practitioners), where he was managing director for almost ten years. More recently, he was managing director of Vereniging Humanitas, a non-profit association supporting people who temporarily cannot manage on their own.

### Tineke Lambooy

*Appointed in 2019, current term expires 2023.*

Tineke Lambooy (1961) is specialised in corporate law, corporate governance and corporate social responsibility (CRS). She has been Professor of Corporate Law at Nyenrode Business Universiteit since 2015. She focuses on teaching and research, among other things. She is also a member of the Research Group Water, Oceans and Sustainability Law of Utrecht University and she is a guest lecturer at Airlangga University in Surabaya, Indonesia. Tineke studied law and psychology at Leiden University and went on to obtain her Master's in Constitutional and Administrative Law and a Master's in International Public Law at the same university. This was followed by a year studying in Texas (American Corporate Law and Tax Law), after which she trained as a commercial lawyer at the Grotius Academy in Amsterdam (12-month programme). She went on to complete the training programme of the Netherlands Bar (Nederlandse Orde van Advocaten). Between 1989 and 2007, she worked as a corporate lawyer for Loyens & Loeff (and its legal predecessors). Between 2004 and 2010, she carried out doctoral research into the legal aspects of corporate social

responsibility (CSR). This resulted in the publication of *Corporate Social Responsibility. Legal and semi-legal frameworks supporting CSR* (Kluwer, 2010). Tineke has been a researcher and lecturer at Nyenrode Business Universiteit and Utrecht University since 2007. Alongside her work, Tineke is a board member of the Club of Rome - Dutch Chapter and a member of the NGO Stand Up For Your Rights. She is a member of the Advisory Board of the social enterprise The Social Handshake. Furthermore, she is a member of Het Groene Brein, an inter-university research group in the Netherlands, and of the Worldconnectors and she plays an active role in the Lab for Future Generations.

#### Dennis Bams

*Appointed on 18 June 2020, current term expires 2024.*

Dennis Bams (1970) is Professor of Financial Management and Financial Markets at the Open University Heerlen and Maastricht University, with a focus on risk management. He also runs his own consultancy. Sustainability is an important driver for Dennis, and its relationship to investing is a key theme in his research work. Dennis studied Econometrics at Erasmus University Rotterdam and Actuarial Sciences at the University of Amsterdam. This was followed by doctoral research at the universities of Chicago, Marseilles and Maastricht. Between 1998 and 2015, he performed various risk management roles at ING, De Lage Landen and the Philips Pension Fund. Alongside his work, Dennis is also on the adjudicating panel for the Johan de Witt prize (for the best actuarial scientific thesis) and he is a member of the admissions board for the Master's programme in Financial Economics of Maastricht University. He is currently carrying out scientific research into the relationship between the ESG behaviour of companies and its effect on returns and risk profile.

#### Board of Directors of ASN Beleggingsinstellingen Beheer B.V.

##### Bas-Jan Blom

Bas-Jan Blom (1962) has been a director of ASN Beleggingsinstellingen Beheer B.V. since 2007. Bas-Jan chairs the Board of Directors and is responsible for Product Development, Marketing & Sales and Portfolio Management. Before joining ABB he was employed for eight years at Schretlen & Co, where he performed various management roles in the field of financial planning, customer relationship management and tax advice. Prior to that he worked for ABN AMRO for fifteen years.

##### Gert-Jan Bruijnooge

Gert-Jan Bruijnooge (1970) was appointed as acting Director Risk Manager at ASN Beleggingsinstellingen Beheer B.V. effective 9 July 2018. Gert-Jan is responsible for Risk Management, Valuation and Compliance and Product Management at ABB. Between 2011 and the end of 2017, he was CFRO of Staalbankiers N.V. Before that, from 2004 to 2011, he worked as an auditor for KPMG, where he led audits and advisory engagements for

financial institutions. Gert-Jan graduated in business economics from Tilburg University. In 1999, he qualified as a 'Register Accountant' (chartered accountant) and in 2010 he obtained his 'Register Controller' qualification (post-master in Finance and Control).

