



ASN Beleggingsfondsen UCITS N.V. 2021 Annual Report

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.

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Foreword by the Board of Directors

Although this annual report mainly concerns the calendar year 2021, we would like to take this opportunity to say a few words about the recent terrible events in Ukraine. Our hearts and thoughts are with all those affected by this conflict. We hope that the situation will improve rapidly and that peace and security will soon return to the region once more.

Looking back on 2021, the year saw a remarkable economic recovery in spite of several coronavirus-related lockdowns. The equity markets also generally performed exceptionally well, partially due to the persistently low interest rates. As a result, our equity funds showed great returns in 2021.

In the area of sustainability, 2021 featured a number of important developments. For example, US president Joe Biden signed the Paris Agreement at the start of the year, and August saw the publication of the new report of the United Nations Intergovernmental Panel on Climate Change (IPCC). This report put it beyond doubt that global warming is man-made and already has major and diverse consequences.

In that regard, the new ASN Biodiversiteitsfonds that we launched in November comes at exactly the right time. This is the first quoted fund for private investors aimed at projects and companies that measurably contribute to preserving, protecting and restoring biodiversity and guides the way towards a future in which we are in balance with nature. The new fund illustrates what we stand for and the ambitions that we continue to have.

The new Board of Directors would like to express its gratitude to Bas-Jan Blom, our chair until 1 March 2022, for his inspirational work and significant contribution over the past 15 years. We wish him all the best for the future. In 2022, the new Board of Directors will work on restoring biodiversity and creating a fairer world with fresh courage. We will continue to develop new ways of doing so and link them to a good return. We will also challenge our sector to join us and to raise the bar with us, so we can achieve an impressive positive impact.

After all, we can only truly enrich the world if we work together.

San Lie, Chair of the Board of Directors

Ro Dielbandhoesing, Risk Management & Compliance Director

Dirk-Jan Stam, Finance & Reporting Director

Key figures

2021 performance

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.

Performance is based on the net asset value, including reinvested dividends. In previous annual reports, up to and including the 2020 report, we presented performance on the basis of the quoted stock market price, including reinvested dividends. We have now decided to present performance differently, to enable a better comparison to be made with the benchmark performance. The difference between the net asset value and the quoted stock market price lies in the surcharges and deductions applied. No surcharges and deductions are applied to the benchmark.

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. These funds had previously invested in the investment pools of ASN Beleggingsfondsen N.V.; As a result, the assets of the UCITS funds grew 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 (%) ¹	Benchmark performance (%)
2021	1,875,019	11,290,696	166.99	1.80	20.76	27.92
2020	1,543,572	11,091,282	139.19	2.85	10.03	5.23
2019	1,487,553	11,463,400	130.06	2.95	32.33	27.44
2018 ²	767,710	7,627,250	100.26	2.50	-8.69	-7.80
2017 ²	839,973	7,458,053	112.93	2.15	11.61	9.22

¹ Performance is based on the net asset value, including reinvested dividends. In previous annual reports, performance was reported on the basis of the quoted stock market price, including reinvested dividends.

² The comparative figures of 2018 and 2017 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 (%) ¹	Benchmark performance (%)
2021	605,611	22,066,024	27.47	0.30	-2.04	-1.64
2020	576,826	20,366,907	28.34	1.00	1.46	2.12
2019	644,273	22,275,347	28.95	0.60	2.00	3.12
2018 ²	221,812	7,665,071	28.98	0.75	0.49	0.41
2017 ²	255,242	8,638,061	29.62	0.60	-0.37	-0.29

1 Performance is based on the net asset value, including reinvested dividends. In previous annual reports, performance was reported on the basis of the quoted stock market price, including reinvested dividends.

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

ASN Milieu & 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 (%) ¹	Benchmark performance (%)
2021	1,136,398	20,115,995	56.67	0.35	25.45	19.44
2020	838,039	18,477,881	45.17	0.60	23.19	56.18
2019	708,605	18,904,827	37.55	0.35	34.63	29.16
2018 ²	493,339	17,530,949	27.88	0.45	-16.12	-9.19
2017 ²	552,780	16,259,204	34.27	0.25	9.87	8.06

1 Performance is based on the net asset value, including reinvested dividends. In previous annual reports, performance was reported on the basis of the quoted stock market price, including reinvested dividends.

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

ASN Duurzaam Small & 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 (%) ¹	Benchmark performance (%)
2021	226,208	3,804,203	59.83	0.40	26.38	23.83
2020	157,359	3,320,386	47.72	0.80	6.55	6.72
2019	194,721	4,281,283	45.57	0.45	35.76	29.99
2018 ²	92,265	2,724,850	33.67	0.55	-17.19	-15.83
2017 ²	103,180	2,490,291	41.33	0.70	22.23	19.61

1 Performance is based on the net asset value, including reinvested dividends. In previous annual reports, performance was reported on the basis of the quoted stock market price, including reinvested dividends.

2 The comparative figures of 2018 and 2017 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 an approximate fair value, taking into account recent market transactions and market developments.

ABB/ASN Impact Investors

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. and ASN Biodiversiteitsfonds N.V. ABB has its registered office in The Hague and place of business at Bezuidenhoutseweg 153, 2594 AG The Hague. ASN Impact Investors is the trading name of ABB.

AIF manager

A manager of an investment institution as referred to in Section 2:65 of the Dutch Financial Supervision Act. ASN Impact Investors has also 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 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

A tool or yardstick for comparing the performance of our investments with the performance 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. ASN Impact Investors 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 dividends from the companies in which it invests, and distribute them 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

A specific social or environmental objective that a fund manager aims to achieve by investing in the economic activities of businesses, governments, institutions and other investment funds 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 impact fund is an investment fund that specialises in impact investments. The primary objective 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 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. 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.

Green bonds

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.

NAV

The net asset value of a fund. See the explanation under *Net asset value*.

Bond

Bonds are debt securities issued by public and semi-public institutions and 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 terms and conditions of issue as well as financial and non-financial information about 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.

Scope 1, 2 and 3 emissions

Scope 1 and 2 emissions are the direct and indirect emissions of greenhouse gases – particularly CO₂ – of an organisation, such as electricity consumption, fuel consumption and business travel. Scope 3 emissions are emissions in the value chain. These are the emissions produced during the entire life cycle of the products a company buys, produces and/or sells.

UCITS

UCITS stands for Undertakings for Collective Investment 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 amending Directive 2009/65/EC. These Directives are incorporated into the Financial Supervision Act (Wet op het financieel toezicht, "Wft").

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UCITS manager

A manager of an undertaking for collective investment in transferable securities as defined in Section 2:69b of the Financial Supervision Act. ASN Impact Investors has been appointed as the UCITS manager for ASN Beleggingsfondsen UCITS N.V.

UCITS funds

The sub-funds of ASN Beleggingsfondsen UCITS N.V.: ASN Duurzaam Obligatiefonds, ASN Milieu & Waterfonds, ASN Duurzaam Aandelenfonds and ASN Duurzaam Small & Midcapfonds.

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 the Supervisory Board, it is our job to exercise oversight of the policies of the Board of Directors and the general course of events in the company. We support the Board of Directors by offering advice. 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

At the annual general meeting of shareholders on 29 April 2021, Chris Zadeh was appointed as a new member of the Supervisory Board. Our board now comprises five people. Chris Zadeh has worked at Binckbank and Ohpen and brings considerable experience in commercial matters and financial technology. At the same meeting, Anne Gram was reappointed for a second four-year term.

All members of the Board meet the requirements set out in Book 2, Section 142a(1) of the Dutch Civil Code and the independence requirements. At the end of 2021, the composition of the Board was as follows:

Name	Gender	Position	Nationality	1 st appointment	Current term
Anne Gram	F	Chair	Danish	20 April 2017	2021-2025
Lodi Hennink	M	Vice Chair, also AC member	Dutch	30 April 2015	2019-2023
Tineke Lambooy	F	Member	Dutch	17 May 2019	2019-2023
Dennis Bams	M	Member, also AC Chair	Dutch	15 May 2020	2020-2024
Chris Zadeh	M	Member	Dutch	29 May 2021	2021-2025

Meetings

The Supervisory Board generally meets four times per year. In 2021, the Board met seven times. Almost all meetings took place via video conference. The agenda included the following topics:

- 2020 annual report and auditor's report for ASN Beleggingsfondsen UCITS N.V.
- Interim report 2021 ASN Beleggingsfondsen UCITS N.V.
- Long-term growth strategy of ASN Impact Investors
- 'Klantificeren Graag!' (Happy to Clientify!) – A request for a framework opinion by de Volksbank
- Request for proposal and transition process for a new asset manager
- Implementation of the Sustainable Finance Action Plan and SFDR
- 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. The committee comprises Anne Gram (Chair) and Tineke Lambooy.

The Audit Committee comprises Dennis Bams (Chair) and Lodi Hennink. The Audit Committee met four times in 2021. The agenda included the following topics:

- 2020 annual report and auditor's report for ASN Beleggingsfondsen UCITS N.V.
- Interim report 2021 ASN Beleggingsfondsen UCITS N.V.
- Internal auditor's audit report and audit plan
- External auditor's 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 its capacity as auditor. These ancillary services consisted of assurance activities for prospectus updates, reviewing the interim report, UCITS reporting and translating the annual reports. The Risk Management and Compliance Director and the external auditor were present at all Audit Committee meetings.

Finally, by way of experiment, the Supervisory Board has established a Legal and Governance Committee. The task of this committee is to discuss the documents of a legal nature on the agenda on behalf of the other members of the Supervisory Board, and to act as a sounding board for management. The committee comprises Tineke Lambooy and Lodi Hennink.

Company visit and professional development

Due to the coronavirus pandemic, we were unfortunately unable to visit any of the companies in the ASN Investment Universe this year. Our professional development, which usually ties in with the theme of the company visit, was also unable to go ahead. We hope we will have greater opportunities in 2022.

Developments in 2021

The Supervisory Board and the Board of Directors discussed the funds' operational plans and developments. The Board farewelled the Risk Management and Compliance Director, Gert-Jan Bruijnooge, who left in mid-June and was succeeded by Ro Dielbandhoesing. The Board enjoyed working with Mr Bruijnooge and would like to thank him for his commitment. While this report was being written, it was announced that the Sales and Fund Management Director, Bas-Jan Blom, would be leaving on 1 March 2022. We would like to express our gratitude to Mr Blom for his many years of dedicated service. Under his inspirational leadership, the ASN funds have expanded to their current amplitude. Bas-Jan Blom handed over the reins to San Lie, who took on the portfolio on 1 March 2022. We also welcomed a third director on 1 March 2022. Dirk-Jan Stam is now responsible for Finance and Reporting. The Board is confident that the new directors will continue the current direction of ASN Impact Investors and bring the funds to the next level. We wish the new management team every success and look forward to a fruitful collaboration.

In 2021 there was additional focus on finding a new asset manager for the ASN Duurzaam Obligatiefonds and the ASN Duurzaam Aandelenfonds. After an intensive process, we chose Achmea Investment Management and parted ways with ACTIAM. We also focused closely on the growth of assets under management, and in connection with this, the growth of the organisation of ASN Impact Investors as outlined in our long-term growth strategy. However, the coronavirus pandemic and the impact of the EU's Sustainable Finance Action Plan (SFAP) were also discussed this year.

Despite our heartfelt wishes in the previous annual report, the coronavirus pandemic is not yet at an end. Although vaccines have been developed, the world is constantly being surprised by new variants. The challenge for this year will be learning to live with the virus. Not only for the Netherlands, but for every country in the world.



Adoption of 2021 financial statements

We propose that the general meeting of shareholders adopt the 2021 financial statements presented to you. We also request that the general meeting of shareholders discharge the Board of Directors for the management conducted in 2021 and, separately, discharge the Supervisory Board for the supervision conducted in 2021. We thank the Board of Directors for its constructive and enjoyable cooperation and the open manner in which it has always dealt with the Supervisory Board, and the employees of ASN Impact Investors for the way in which they have performed their work for the company.

The Hague, 16 March 2022

The Supervisory Board

Anne Gram (Chair)
Lodi Hennink
Tineke Lambooy
Dennis Bams
Chris Zadeh





1 Management Board report





11 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 sustainable investment objective(s) and has its own investment policy and associated characteristic risk/return profile. ASN Beleggingsfondsen UCITS N.V. comprises the following four sub-funds: ASN Duurzaam Obligatiefonds, ASN Milieu & Waterfonds, ASN Duurzaam Aandelenfonds and ASN Duurzaam Small & Midcapfonds which are listed on Euronext Amsterdam, Euronext Fund Services segment.

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), trading under the name ASN Impact Investors, 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. ASN Impact Investors also acts as the UCITS manager for ASN Beleggingsfondsen UCITS N.V. As UCITS manager, ASN Impact Investors is subject to supervision by the Dutch Financial Markets Authority (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 denominated in various currencies, in government bonds, and in green and social bonds. Governments and listed companies qualify for inclusion in the ASN Investment Universe if they meet the ASN sustainability criteria.

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 ASN Impact Investors 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.

ASN Impact Investors also forms the Board of Directors of ASN Beleggingsfondsen UCITS N.V. The work of ASN Beleggingsfondsen UCITS N.V. is carried out by the employees of ASN Impact Investors and by various outsourcing contractors, including de Volksbank N.V. (de Volksbank). De Volksbank is the sole shareholder of ADD. ASN Beleggingsfondsen UCITS N.V. has no employees of its own.

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The corporate governance structure of ASN Beleggingsfondsen UCITS N.V. includes a Supervisory Board. The Supervisory Board is responsible for supervising the policy of the Board of Directors and the general course of events in the company, ASN Beleggingsfondsen UCITS N.V. The Supervisory Board is available to advise the Board of Directors. In discharging its duties, the Supervisory Board focuses on the interests of the company without losing sight of the interests of its shareholders and employees, or society as a whole. In addition to the Articles of Association and the Corporate Governance Code, the duties and responsibilities of the Supervisory Board are laid down in the Regulations of the Supervisory Board of ASN Beleggingsfondsen UCITS N.V.

Internal organisation of ASN Impact Investors

Until 1 March 2022, the day-to-day management of ASN Impact Investors was in the hands of two directors. On 1 March 2022, the Board of Directors was expanded through the inclusion of a third director. The Sales and Fund Management Director is in charge of the Sales & Marketing and Portfolio Management departments, the Risk Management & Compliance Department is led by the Risk Management and Compliance Director, and the Finance and Reporting Director is responsible for the Control and Product Management departments. As of 31 December 2021, ASN Impact Investors employed a total of 23.0 FTEs. Although ASN Impact Investors effectively acts as their employer, staff are formally employed by de Volksbank. ASN Impact Investors also uses various outsourcing contractors to assist it in carrying out its tasks. As ASN Impact Investors has ultimate responsibility, we continually monitor and evaluate these outsourcing contractors.

General meeting of shareholders

The annual general meeting of shareholders of the company was held via webcast on Thursday 29 April 2021. This was reported on in the Interim Report 2021.



Shareholders of ASN Beleggingsfondsen UCITS N.V. can request the minutes of all shareholders' meetings from ASN Impact Investors by calling +31 (0)70-356 93 33 or by emailing info@asnimpactinvestors.com. The minutes and voting results are also posted on the website www.asnimpactinvestors.com 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 can be found at www.asnimpactinvestors.com under Documenten (Documents).

1.3 Changes in legislation and regulations

In 2021, the following legislative and regulatory developments occurred which were relevant for ASN Impact Investors.

SFDR

The European Sustainable Finance Disclosure Regulation (SFDR) took immediate effect on 10 March 2021. This regulation set new requirements for the publication of information about sustainability by participants in financial markets. Among other requirements, managers must include sustainability information in the prospectuses of their funds, to provide transparency around the extent to which the funds are sustainable. We implemented the initial requirements (Level 1) in a timely manner. For example, all ASN investment funds have been classified as Article 9 products, since they have a specific focus on achieving a sustainability goal. In 2022 we will implement further requirements (Level 2), with the aim of complying with the technical standards by 1 January 2023.

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 Key Investor Information Document (KIID) is now mandatory, a transitional period until 31 December 2022 applies. Accordingly, we do not have to replace the KIIDs for our current funds with new KIDs until that date. We will provide investors with the new KIDs in due course.

1.4 Fund costs

For each fund, we charge a percentage fee to cover the day-to-day work performed. 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.

We use the fee to pay the costs associated with managing the fund. The various costs covered in this manner are set out in the prospectus. The contractors to whom asset 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 released. All NAVs issued during the year are added up and divided by the number of NAVs issued. In 2021, the OCF of the funds was as follows:

	OCF (on annual basis)	
	01-01-2021 to 31-12-2021	01-01-2020 to 31-12-2020
ASN Duurzaam Obligatiefonds	0.45%	0.45%
ASN Milieu & Waterfondsen	1.20%	1.20%
ASN Duurzaam Aandelenfonds	0.85%	0.85%
ASN Duurzaam Small & Midcapfondsen	1.20%	1.20%



1.5 ASN Beleggingsfondsen inflow and outflow

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

In 2021, the assets of the UCITS funds increased by €727 million to €3.843 billion. €538 million of the increase in fund assets was caused by share price increases. The total inflow exceeded the total outflow. The balance amounted to €189 million, including reinvested dividends.

Inflows and outflows for the UCITS funds were positively affected by a large influx of ASN Bank customers, who became more interested in investments as a result of the low or negative interest rates for savings. In particular, there was growing interest in sustainable investment. Both developments contributed to the inflow.

A significant portion of the inflow came from the ASN Mixfondsen, which invests in the UCITS funds. In 2021, the ASN Mixfondsen grew by €122 million, of which a significant portion was invested in UCITS fund shares. Collectively, the UCITS funds showed a net inflow.

1.6 Developments regarding UCITS manager

ASN Impact Investors has been appointed as the UCITS manager for ASN Beleggingsfondsen UCITS N.V. In this capacity, ASN Impact Investors manages the assets of the UCITS funds. This involves the investment and reinvestment of funds within the framework of the investment policy established by ASN Impact Investors.

In addition, ASN Impact Investors is responsible for the risk management of the various UCITS funds and for all other tasks that a UCITS manager is required to perform. In June, we announced a move to Achmea Investment Management for implementation of the investment policy of the ASN Duurzaam Aandelenfonds, ASN Duurzaam Obligatiefonds and ASN Duurzame Mixfondsen. Achmea Investment Management took up its duties on 1 October 2021.

On 29 April 2021, the General Meeting of Shareholders of ASN Beleggingsfondsen UCITS N.V. adopted the proposal to reappoint Anne Gram as chair of the Supervisory Board. Chris Zadeh joined the Supervisory Board, bringing experience as a businessman and director.

Ms Gram was reappointed for a four-year term. Mr Zadeh was appointed by the General Meeting of Shareholders on 29 April 2021 as a member of the Supervisory Board for a term of four years.

On 22 June 2021, the composition of the Board of Directors of ASN Impact Investors changed. Gert-Jan Bruijinooge stepped down and was succeeded by Ro Dielbandhoesing. Mr Dielbandhoesing was formerly Senior Risk Manager at ASN Impact Investors. The Board of Directors now consists of Bas-Jan Blom (Chair) and Ro Dielbandhoesing. As Sales and Fund Management Director, Mr Blom led the Marketing & Sales, Portfolio Management and Product Management departments during the financial year. In his role as Risk Management and Compliance Director, Mr Dielbandhoesing is in charge of the Risk Management & Compliance Department.

Owing to the growth of the organisation, from 1 March 2022 ASN Impact Investors has expanded the Board of Directors by adding a Finance and Reporting Director in the person of Dirk-Jan Stam. Mr Stam was previously Head of the Control and Compliance Department of ASN Bank, and as such was closely involved in the financial activities of ASN Impact Investors. Mr Blom stepped down as Sales and Fund Management Director as of 1 March 2022. He was succeeded by San Lie. Mr Lie was previously Head of Portfolio Management at ASN Impact Investors. With effect from 1 March 2022, the Board of Directors of ASN Impact Investors comprises San Lie (Sales and Fund Management Director), Ro Dielbandhoesing (Risk Management and Compliance Director) and Dirk-Jan Stam (Finance and Reporting Director).

1.7 Developments in the reporting period

Change in surcharges and deductions

As a result of an interim evaluation, the levels of the surcharge and deduction for the ASN Milieu & Waterfondsen were adjusted. The change took effect on 10 March 2021. The average transaction costs paid were no longer consistent with the surcharge and deduction applicable to the fund. The surcharges and deductions for the ASN Duurzaam Obligatiefonds, the ASN Duurzaam Aandelenfonds and the ASN Duurzaam Small & Midcapfondsen have not changed.

SFDR

In the first half of 2021, work was done to implement the Sustainable Finance Disclosure Regulation (SFDR). On 10 March 2021, we amended the prospectus in line with the SFDR requirements. Because of their sustainable investment objectives, all ASN investment funds qualify as Article 9 products within the meaning of the SFDR. Article 9 products are investment



products that focus specifically on achieving a sustainability target. Sustainability is a common and compulsory element of the investment process of these products.

On 1 January 2022, we amended the prospectus again by adding information about the selection of investments that contribute to two environmental objectives: climate change mitigation and climate change adaptation.

ASN Impact Investors

On 11 May 2021, we introduced a new trading name: ASN Impact Investors. The new name promises a positive impact on the climate, biodiversity and human rights by 2030 and is a better fit for our ambition and future plans.

Achmea Investment Management

After a careful, considered evaluation in accordance with the outsourcing policy, ASN Impact Investors switched to Achmea Investment Management to conduct the asset management of the ASN Duurzaam Obligatiefonds and ASN Duurzaam Aandelenfonds as of 1 October 2021. Until 30 September 2021, these two funds had been managed by ACTIAM.

ASN Duurzaam Obligatiefonds

In conjunction with the move to Achmea Investment Management, we reviewed the strategy for the ASN Duurzaam Obligatiefonds and decided that model-based management would no longer be used. Accordingly, the investment policy for this fund was amended on 1 October 2021. We lowered the neutral weighting of government bonds in the portfolio from 90% to 80%, with a range from 70% to 90%, and raised the neutral weighting of green and social bonds from 10% to 20%, with a range from 10% to 30%. In addition, from now on the ASN Duurzaam Obligatiefonds can invest in bonds issued in a currency other than the euro. We have also improved the diversification.

As part of the strategy review, we also selected a new benchmark. The benchmark for the ASN Duurzaam Obligatiefonds is now a composite index comprising 80% Bloomberg Barclays EUR Treasury 1-10 yr and 20% Bloomberg Barclays Euro Green Bond Government Related 1-10yr.

ASN Duurzaam Aandelenfonds

On 1 October 2021, we also selected a new benchmark for the ASN Duurzaam Aandelenfonds. The benchmark for the ASN Duurzaam Aandelenfonds has changed from the MSCI All Country World Index to the MSCI ACWI Climate Paris Aligned Total Return Index (EUR). The new benchmark is a better fit for the fund's investment policy, of which the climate objective has become an integral part.



1.8 Sustainable investment policy

The ASN investment funds invest in sustainable development. Sustainability is embedded in our mission and vision and laid down in our sustainability policy. The starting point for the investment process is the ASN Impact Investors Sustainability Policy. This 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 three pillars: 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 Impact Investors

ASN Impact Investors has set a long-term goal for each of the sustainability pillars: climate, human rights and biodiversity.

Sustainability policy pillar	Long-term goal
Climate	Climate positive by 2030
Human rights	By 2030, the clothing sector will have implemented the necessary processes to enable a living wage to be paid to workers in the value chain
Biodiversity	Net positive impact on biodiversity by 2030

Climate

Greenhouse gas emissions, in particular CO₂, 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 linked to greenhouse gas emissions, such as power plants, industry, transport and large-scale agriculture and livestock farming.

Climate positive by 2030

ASN Impact Investors wants to minimise climate change. Accordingly, in 2018 it set a goal of ensuring the overall investments of ASN Impact Investors are climate positive by 2030. There are still very few options for investments that have a positive impact on the climate, and measurement methods are not yet sufficiently advanced to be able to measure the positive impact of investments. We are therefore still reporting on our progress towards climate neutrality. ASN Impact Investors is climate neutral if its emissions are less than or equal to its avoided emissions. Investments that remove CO₂ from the atmosphere contribute to the goal of becoming climate positive. Dividing the tonnes of avoided CO₂ emissions by the tonnes of emitted CO₂ allows us to calculate the 'climate neutral' percentage.

The objective of being climate positive by 2030 applies to all of the investment funds managed by ASN Impact Investors. We have calculated the emissions or avoided emissions for all our investments, with the exception of the new ASN Biodiversiteitsfonds. This fund will report its figures for the first time in the interim report on 30 June 2022. From that date onwards, we will integrate the climate figures for the ASN Biodiversiteitsfonds into the figures for ASN Impact Investors.

Climate impact

We calculate the emissions or avoided emissions of almost all our investments. We will report on the carbon impact of the investments of ASN Biodiversiteitsfonds for the first time in the upcoming semi-annual report, and we will integrate this data in our objective from then on. A group of international financial institutions developed the Joint Impact Model in 2021 to calculate the carbon impact of microfinance institutions. We have been reporting on the portfolio of the ASN Microkredietfonds since 2021, providing insight into the environmental impact of these investments.

Changes in CO₂ reporting in 2021 compared with 2020

The way CO₂ emissions are reported in this annual report has changed in three ways from the previous annual report:

1. CO₂ reporting for listed companies has changed.
2. The CO₂ emissions for the ASN Microkredietpool have been added.
3. CO₂ reporting for loans has changed.

We explain these changes below.



Change in CO₂ reporting for listed companies

Addition of downstream Scope 3 data

Since the 2020 annual report we have presented a breakdown of Scope 1 and 2 CO₂ emissions, with Scope 3 emissions reported separately. The data is supplied by Trucost. Scope 1 and 2 emissions 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. Scope 3 is subdivided into upstream CO₂ and downstream CO₂. Upstream CO₂ is the CO₂ emissions from purchased products and services; downstream CO₂ is the CO₂ emissions from products and services sold. Reporting on scopes 1 and 2 is mandatory, but we have opted to include scope 3 in our calculations as well. In the 2020 annual report we only presented upstream Scope 3 CO₂ emissions. In this annual report we have also included downstream CO₂ emissions in our calculations. Below you can see the impact of adding downstream CO₂ data.

	<i>Trucost data excl. scope 3 CO₂-downstream</i>	<i>Trucost data incl. scope 3 CO₂-downstream</i>
Scope 1	69,751	69,751
Scope 2	53,288	53,288
Scope 3	266,125	3,935,579
Total	389,164	4,058,618

New data supplier

The Sustainable Finance Disclosure Regulation (SFDR) requires us to report on our social impact based on various sustainability indicators, including climate impact. Accordingly, in 2021 we assessed a number of different data suppliers. We primarily looked at coverage of the investment universe, coverage of the different impact indicators, the methodology for calculating Scope 3 CO₂ emissions and the supply of data to measure sustainability risks. We concluded that MSCI would do the best job of supplying us with the required impact data, which meant parting ways with Trucost. From 2021 onwards, we are reporting CO₂ data based on MSCI figures. Not all companies report CO₂ emissions, which means data suppliers' models are based on assumptions and estimates. The model used by MSCI produces different data to Trucost's model. The biggest assumptions and estimates are for Scope 3 emissions, and that is also where the biggest differences lie. Below you can see the impact of switching from Trucost to MSCI. This concerns the carbon impact of the ASN Beleggingsfondsen, excluding the investments in ASN Duurzaam Obligatiefonds. MSCI only provides data about companies, not about countries, in which ASN Duurzaam Obligatiefonds invests.

	Trucost	MSCI
Scope 1	69,751	48,598
Scope 2	53,288	44,927
Scope 3	3,935,579	739,570
Total	4,058,618	833,096

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There are big differences between the climate impact data provided by Trucost and by MSCI. The difference in Scope 3 data is particularly striking. This difference did not play a role in the decision to switch from Trucost to MSCI. Many companies do not report comprehensive, reliable CO₂ data for their business operations, and only a few companies report on Scope 3 emissions. The Scope 3 data in this report is mainly based on estimates; reporting by companies and analysis by data suppliers are still very much in development. As a result, at present we are working with a lot of assumptions.

Addition of the CO₂ emissions for the ASN Microkredietpool

In this report, we are reporting for the first time our calculation of the CO₂ impact of investments by the ASN Microkredietpool. These figures fall under the ASN Impact Investors objective and are part of the overall figures. Reporting is based on the Joint Impact Model, which was developed by a group of international financial institutions to calculate CO₂ impact. In this way, we also aim to understand and report the environmental impact of these investments.

Change in CO₂ reporting for loans

In the 2020 annual report we stated that we intended to report entirely on the basis of P50 energy production, starting in 2021. We have since reviewed that decision, and will continue to report on the basis of the P90 value. PCAF favours P50 values because this data is generally more readily available. However, we have decided to keep reporting on the basis of P90 values. P90 values provide a better representation of reality and result in more conservative estimates of avoided CO₂ emissions.

Progress towards the CO₂ objective

The ASN investment funds are contained in three legal entities: ASN Beleggingsfondsen AIF N.V., which covers the AIF funds, ASN Beleggingsfondsen UCITS N.V., which covers the UCITS funds, and ASN Biodiversiteitsfonds N.V. The following



table shows the achievement of the objective for all ASN investment funds. The figures for carbon emissions as at 31 December 2021 for the first time also include the carbon emissions for ASN Microkredietfonds. To this end, a methodology for measuring carbon emissions has been developed. Data for calculating the carbon emissions for this fund for 2020 are not available. The comparative figures as at 31 December 2020 therefore do not include ASN Microkredietfonds. The carbon emissions of the new ASN Biodiversiteitsfonds will be reported for the first time in the upcoming semiannual report.

CO ₂ emissions for AIF and UCITS funds in tonnes ¹	Emissions 31/12/2021	Avoided emissions 31/12/2021	Emissions 31/12/2020	Avoided emissions 31/12/2020
ASN Beleggingsfondsen UCITS N.V.	694,963	-18,829	839,406	-14,310
ASN Beleggingsfondsen AIF N.V.	49,593	-194,970	1,417	-144,727
Total for ASN Beleggingsfondsen	744,556	-213,799	840,823	-159,037
Percentage climate neutral	29%		19%	

¹ CO₂ emissions in tonnes are the emissions for one year.

2021	CO ₂ emissions	Avoided CO ₂ emissions	Change in CO ₂ emissions relative to 2020	Change in avoided CO ₂ emissions relative to 2020
ASN Duurzaam Aandelenfonds	331,520	-	-36.3%	-
ASN Duurzaam Small & Midcapfonds	97,272	-	46.7%	
ASN Milieu & Waterfonds	262,178	-	6.6%	
ASN Duurzaam Obligatiefonds	3,991	-18,829	-18.4%	31.6%
Total	694,963	-18,829	-17.2%	31.6%

2020	CO ₂ emissions	Avoided CO ₂ emissions
ASN Duurzaam Aandelenfonds	520,736	-
ASN Duurzaam Small & Midcapfonds	66,328	-
ASN Milieu & Waterfonds	246,032	-
ASN Duurzaam Obligatiefonds	4,893	-14,310
Total	839,406	-14,310

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There were considerable changes between the UCITS funds. In total, the CO₂ emissions decreased by more than 15% from 2020 to 2021, and the avoided CO₂ emissions increased by more than 31%.

The methodology for measuring the CO₂ impact of investments and loans is constantly evolving. At the same time, the quality of the data used is continuously improving. As a result, the calculated CO₂ impact may be adjusted in the future (with retroactive effect) should better data become available.

Human rights

ASN Duurzaam Aandelenfonds and ASN Duurzaam Small & 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.

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. Accordingly, ASN Impact Investors has formulated a living wage objective: by 2030, the clothing sector will have implemented the necessary processes to enable a living wage to be paid to workers in the value chain.



Investigating clothing companies

After formulating its living wage objective, in 2016 ASN Impact Investors started investigating clothing companies by measuring whether they pay a living wage. This investigation showed that none of the clothing companies in the ASN Investment Universe paid their production workers a living wage. 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. Until then, companies had been classified in four categories; from 2020 onwards, there are five. We divided the *leading* category into *advanced* and *leading*. This allows us to better identify the leaders. Mazars provides annual independent assurance in which it determines that we have carefully applied the methodology. We also received this assurance in 2021.

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 asked 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? How transparent is the company about the living wage? 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), to *developing*, then *maturing* (the development is progressing), *advanced* (the development is nearing completion) and finally *leading*. Hennes & Mauritz is the only company in the *advanced* phase. Adidas has dropped back to *maturing*, the phase in which the majority of companies have been placed (ten in total). We expect that the risk assessment of companies will lead to more targeted action. Adidas' actions have been insufficient. Puma, VF Corp and Coats Group have made the biggest improvements, while Marks & Spencer and Inditex have gone down a category. Kontoor is the only company still in the *embryonic* phase. In 2022 we will engage more intensively with Kontoor, with the aim of helping them move in the right direction.

Step-by-step plan to achieve a living wage

The living wage objective is for all clothing companies to be in the *leading* phase by 2030. To achieve this objective, ASN Impact Investors has created a step-by-step plan showing the progress that clothing companies must make between now and 2030. The step-by-step plan is as follows:

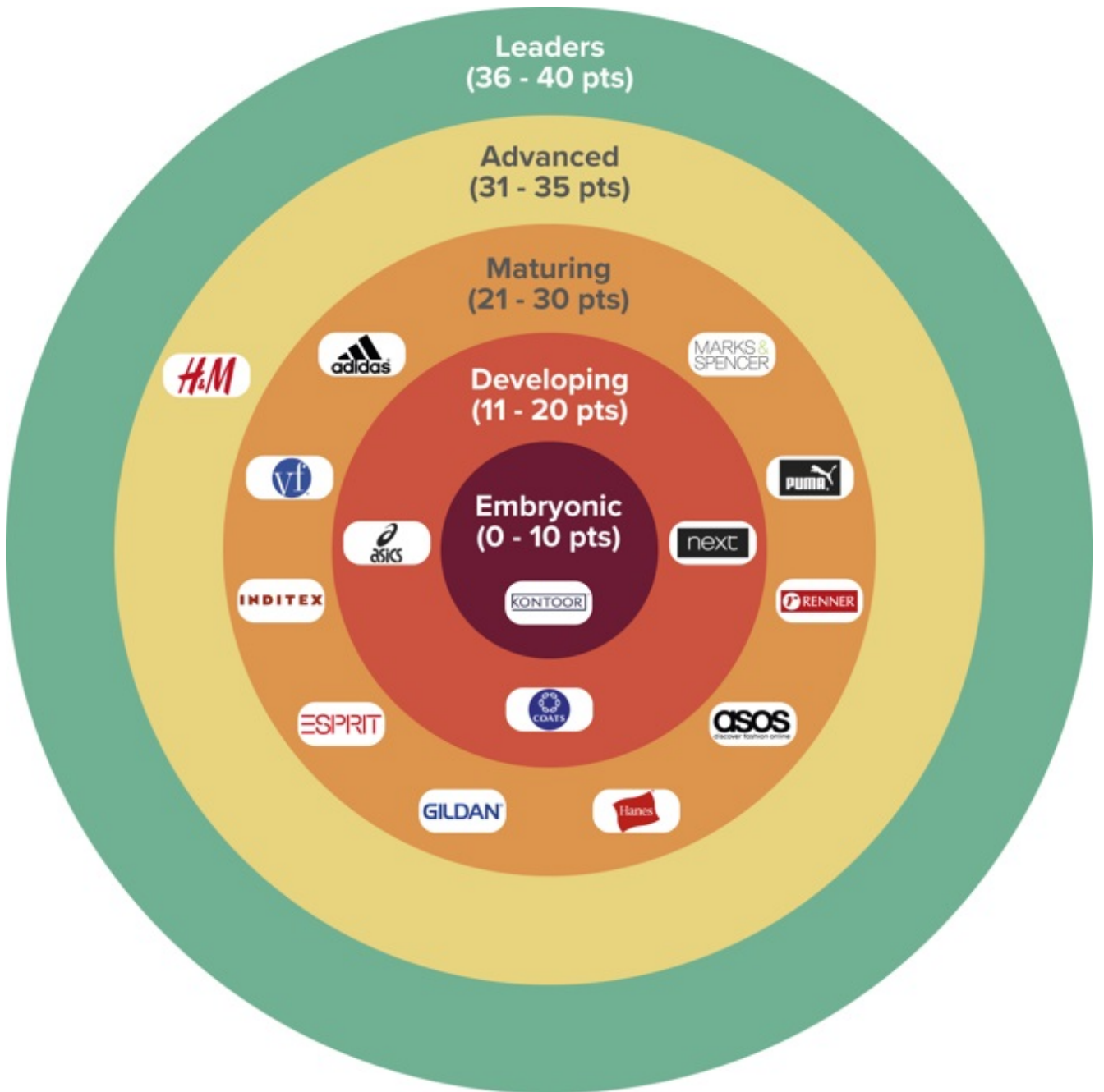
- 2021–2024: All clothing companies are in the *developing* phase or higher.
- 2024–2027: All clothing companies are in the *maturing* phase or higher.
- 2027–2030: All clothing companies are in the *advanced* phase or higher.

If a clothing company does not meet the above requirements, there are two options:

1. We will decide to immediately sell our stake in the company concerned.
2. We will start intensive engagement. If this does not produce the desired effect in a timely manner, we will sell our stake.

Progress towards the living wage objective in 2021

Below you can see the outcomes of the annual measurement that appeared in the Living Wage Report 2021, which was published in October. 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 the individual company assessments, we spoke to eight of the clothing companies in our investment universe in 2021. We will speak to the remaining companies in 2022, and intensify our engagement with Kontoor.



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 18 members, with combined invested assets of €4.800 trillion.

Biodiversity

Biodiversity is under threat. 2021 once again saw the publication of disturbing reports about the climate and the loss of biodiversity. We have experienced these issues in the Netherlands, particularly through the nitrogen crisis and more extreme weather events. After a couple of years of drought, in 2021 we experienced significant flooding due to extreme rainfall and high water levels in Limburg. With our way of life, we are extracting more resources from nature than nature can restore. Diversity in nature can help mitigate the harmful effects of climate change. ASN Impact Investors intends to make every effort to contribute to the protection and improvement of biodiversity. Our aim is that all the assets under our management will have a net positive effect on biodiversity by 2030. To achieve this, we launched a new fund in 2021: the ASN Biodiversiteitsfonds. This fund's objective is to promote recovery and protection 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 partially be 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. This is why protecting biodiversity is important. 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 published our positive and negative impacts for 2020 in our Impact Report, which can be found at www.asnimpactinvestors.com under *Documenten* (Documents). The Impact Report 2021 will be published in the 2nd quarter of 2022.

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.

On behalf of the funds, we invest only in companies, governments, green bonds, 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.asnimpactinvestors.com, under *Duurzame keuzes* (Sustainable choices).

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

- **Plastics**
For the plastics policy we clarified the types of companies we will not invest in, such as petrochemical companies. The microplastics criterion has become a relative criterion. The policy document was also expanded to include examples clarifying the absolute and relative criteria.
- **Property**
We have developed two new criteria and tightened up one criterion for the policy on property. Green fields – pieces of land that have never been built on – were included in our policy and assigned a criterion. We have also developed a criterion for building certifications that exceed statutory requirements, such as BREEAM (Building Research Establishment Environmental Assessment Method) and LEED (Leadership in Energy and Environmental Design). With regard to wood purchasing, we formulated clearly how much of the purchased wood must be certified and under which certification system.
- **Transport**
The transport policy was amended based on recent data. In addition, we provided more clarity around how we will apply the criteria.
- **Renewable energy**

This policy is a summary of our biomass and solar energy policies. The policy was updated with regard to investing in solar energy around the world, dams, wind, nuclear energy, geothermal energy, nuclear fusion, electricity and heating networks, energy carriers and storage, and energy from waste.

Application of the sustainability policy

ASN Impact Investors applies its sustainability policy to the investments of ASN Beleggingsfondsen UCITS N.V., ASN Biodiversiteitsfonds N.V. and ASN Beleggingsfondsen AIF N.V. We apply the sustainability policy in three ways: 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:



- Companies 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, ASN Duurzaam Small & Midcapfonds and ASN Biodiversiteitsfonds) are selected from among the approved companies;
- Governments 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 governments;
- Green bonds, social bonds and sustainable bonds that qualify for investment by the ASN Duurzaam Obligatiefonds and ASN Biodiversiteitsfonds.

The team of analysts at ASN Bank's Expertise Centre for Sustainability (Expertise Centrum Duurzaamheid, ECD) conducts sustainability research into companies, governments and green, social and sustainable bonds on behalf of ASN Impact Investors. This research does not only concern the selection of new entities: the ECD also assesses whether entities that have already been selected still meet our sustainability criteria. 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, and make a recommendation to ASN Impact Investors. This recommendation is discussed in the Investment Committee.

Investment Committee

The Sales & Fund Management Director, the Head of Portfolio Management, The Biodiversiteitsfonds Manager, the SRI Funds Manager and the Sustainability Manager have voting rights in the Investment Committee of ASN Impact Investors. 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 2021.

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.

More information about the ASN Investment Universe can be found on the Duurzame keuzes (Sustainable choices) page on our website.

Businesses

For the selection of companies, we base our assessment on information provided by the companies concerned and by specialist 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.
- MSCI – Determines the impact of business activities on the environment and climate.

In the reporting period, we screened 174 companies because they were due for re-examination or were new. A total of 387 listed companies met our sustainability criteria as at 31 December 2021, This is 40 more than on 31 December 2020. Twelve companies were removed from the universe due to mergers and acquisitions, or because they had become illiquid or had grown too large for a specific investment universe.

Government bodies

We rejected two countries in the reporting period and removed them from the ASN Duurzaam Obligatiefonds investment universe.

Green, social and sustainable bonds

For the selection of green bonds, ECD's analysts assessed bonds against our criteria for green bonds. We admitted 28 new green bonds during the reporting period. We also approved three green bond frameworks. These frameworks are standards that state the conditions which the underlying loans must meet.

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. We report on our engagement with companies in the reports on the management of the ASN Duurzaam Aandelenfonds, ASN Milieu & Waterfonds and ASN Duurzaam Small & Midcapfonds. We also report on this topic on www.asnimpactinvestors.com, on the Duurzame keuzes (Sustainable choices) page.

This page also contains information on how we implement strategic engagement in practice. 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 2021, we pursued strategic engagement with companies in the pharmaceutical and clothing sectors. We report on our engagement with companies in the clothing sector in the *Sustainable investment policy* section, under the *Sustainable objectives* heading and the 'Human rights' sub-heading. You can read about our engagement with companies in the pharmaceutical sector below.

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. ASN Impact Investors 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.

We conducted engagement with the pharmaceutical 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 our scorecards with the companies, and also published them.

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, in 2020 we drew up an investor statement in conjunction 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. In 2021, we followed up on this statement. Along with other investors who had signed the investor statement, we attended a meeting of AstraZeneca shareholders and drew attention to this issue.

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 from the consequences of the coronavirus pandemic.

Engagement in response to reports of forced labour by Uyghurs in the production of solar panels

Last year, disturbing reports regularly appeared in the media about serious human rights violations in the Chinese province of Xinjiang. There are strong indications that Uyghurs are being forced by the Chinese authorities to work in factories that manufacture solar panels. This follows similar reports about forced labour in the clothing and electronics industries.



We have investigated all of the companies in the equity fund investment universes which produce solar panels, for involvement in forced labour by Uyghurs. We also approached the companies to discuss the issue. We found no indications that any of the companies are directly involved in forced labour by Uyghurs.

We also investigated whether we might be involved in this abuse via the solar farms financed by the ASN Groenprojectenfonds. This could have happened if, for example, the supplier has a production location in Xinjiang, purchases raw materials from Xinjiang and/or works with suppliers involved in the abuse. For several manufacturers, indications were found that they were involved in this controversy. In a number of cases, hearing from both sides did not produce enough information. This was assessed as involvement in serious wrongdoing. As a result, several solar panel producers were rejected for project financing. This means that the ASN Groenprojectenfonds will no longer finance solar farms using solar panels produced by these suppliers. In addition, we encourage all parties involved in solar projects to discuss this controversy with solar panel manufacturers. We hope that if these companies face questions from many sides, they will put an end to their wrongdoing.

Voting

The ASN investment funds 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. The principles underpinning our votes are set out in the ASN Impact Investors sustainable voting policy.

In the reporting period we voted at 220 shareholders' meetings of 189 companies across the globe in line with this sustainable voting policy. Some companies hold multiple shareholders' meetings each year, which explains why the number of meetings attended is larger than the number of companies. At the 220 meetings, we voted on 2,845 motions. We voted in favour of 2,578 motions, against 256 motions and abstained from voting 11 times.

We usually voted against 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. This will encourage sustainable behaviour.

We also 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.

The third category of motions we voted against was capital increases. For example, we voted against the issuing of new shares where this would have a negative impact on the interests of employees, consumers or communities.

More information about the voting behaviour of the ASN investment funds at shareholders' meetings can be found at www.asnimpactinvestors.com.



Sustainable Development Goals (SDGs)

The United Nations Sustainable Development Goals¹ (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. ASN Impact Investors endorses the importance of these objectives for a global sustainable development agenda.



We have identified similarities and differences between the SDGs and the sustainability policy of ASN Impact Investors 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 the climate, biodiversity and a living wage and our engagement efforts in the pharmaceutical field, we are creating 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.

¹ <https://www.un.org/sustainabledevelopment/sustainable-development-goals/>

Contribution of long-term goals to SDGs

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 the responsibility of the manager, ASN Impact Investors. The risk management function at ASN Impact Investors is structured and organised in compliance with the applicable laws and regulations.

Our 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 ASN Impact Investors and of parties related to us. These 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 ASN Impact Investors. They also advise our Board of Directors on matters of internal control.
- The De Volksbank Internal Audit Department forms the third line. This department, which operates entirely independently of the first and second lines and the management of ASN Impact Investors, assesses the quality of the internal control.

In risk management, we identify financial risks and non-financial risks. These risks and their management are explained in the remainder of this section.

Financial risks

In our risk management, we have identified the financial risks described below. Because the policies and methods of risk mitigation differ from fund to fund, the main 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. It 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:

- There is a determination of the maximum exposures allowed for specific regions and/or sectors (see also the section on concentration risk);



- An internal VaR limit is set, if the manager considers this relevant.

Currency risk

A specific form of market risk is currency risk. The value of investments in financial instruments is influenced by developments in exchange rates for the currencies in which the investments concerned are denominated, if 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 4. 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 affect 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. Transactions for the sale and purchase of financial instruments usually 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 the 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 come 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 borne by 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 our risk management, we have identified the non-financial risks described below. Because the materialisation of these risks applies generally to the various ASN investment funds and/or the risks mainly occur at the level of the manager (ASN Impact Investors), this section 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 and/or tax status of the shareholders or relevant changes in local legislation and its interpretation may have a substantial impact on the tax position of shareholders.

Risk of change in 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 could 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 the funds invest predominantly in countries where these less favourable external factors are not applicable. Nonetheless, the risk of change in 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 Corporation Tax Act 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 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.	ASN Impact Investors holds frequent consultations with its legal and tax advisors.

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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. It relates to damage to the reputation, assets or results of ASN Impact Investors as a consequence of non-compliance with internal or external laws and regulations. The culture and behaviour of employees, customers and parties with whom we do business play an important role. We will not tolerate actions that violate our core values, the code of conduct or legal requirements. 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. We have a specific money laundering risk policies and associated 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 investment funds and/or ASN Impact Investors. Certain countries and regions have increased risks of fraud and corruption. We have a fraud and corruption policy and associated 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. ASN Impact Investors and the funds have a low 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. We believe 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.	ASN Impact Investors 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 contractors. We use various outsourcing contractors in the management of the ASN investment funds:

- We have outsourced the asset management and project advice for various funds to a range of asset managers and project advisers.
- The administration of and reporting on the funds are outsourced to BNP Paribas Securities Services SCA.

We employ a system of policies and procedures in relation to 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.

We have signed asset management agreements with the parties to which we have outsourced our asset management. These agreements contain details of the investment restrictions and formalise agreements about reporting and termination of the arrangement. The investment restrictions consist of a detailed, practical implementation of our investment policy. Among other things, we monitor asset managers’ ongoing compliance with applicable investment restrictions. We have implemented outsourcing procedures that include 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. We use assurance reports, such as ISAE 3402 reports, to establish whether the internal risk management of the relevant asset managers and the fund administrator is sufficient. The outsourcing agreements include provisions on liabilities between ASN Impact Investors and the relevant outsourcing contractor. ASN Impact Investors 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. We only use custodians and sub-custodians 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.	ASN Impact Investors 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 financial return of an investment. We take these risks into consideration. Depending on the type of investment, sustainability risks can lead to changes in market or credit risks. At present, there is still considerable uncertainty around how and to what extent sustainability risks will affect future returns.

We primarily mitigate the sustainability risks by applying the ASN Sustainability Criteria. Companies and countries engaging in activities that should 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).

We also perform risk analyses in relation to the impact of sustainability risks on the value of the funds' investments and integrate these analyses into our investment decisions. In this context, we assess the production processes of companies that have been admitted to the investment universe. For example, we look at whether companies operate in regions in which climate change may lead to water scarcity, which could disrupt the production of food and drink companies. For this purpose, we use 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.

We continually evaluate and strengthens our framework and methods for monitoring, assessing, mitigating and controlling sustainability risks. As more reliable data becomes available with which the underlying risks can be quantified, we will obtain an increasingly accurate picture of the specific sustainability risks to which the funds are exposed.

Climate risk

We estimate that the greatest sustainability risks are currently caused by climate change, with a significant negative impact on the global economy and indirectly on the financial markets. Our climate objectives mean that the funds will be climate positive (on an aggregate basis) by 2030. The funds have an objective of reducing the CO₂ emissions of the companies, countries, institutions and other parties in which they invest. We measure the total CO₂ emissions, carbon footprint and carbon intensity of the investments in terms of actual CO₂ emissions and avoided CO₂ emissions. To this end, we use the methodology of PCAF (Platform Carbon Accounting Financials). We consider 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 we apply. However, the companies, governments and semi-public institutions in which the funds invest will likewise be confronted with the consequences of climate change. This may cause them to incur additional costs and/or lose sales. In general terms, we have concluded that if climate change is limited or reduced, future returns will be better than if global warming is allowed to continue. We continually evaluate our system for measuring the climate risks affecting the funds and tighten it up where necessary.



Risk management by ASN Impact Investors

In our risk management, ASN Impact Investors differentiates between two areas of responsibility:

- Financial risk management; and
- Operational risk management.

Financial risk management

For each type of financial risk, we have defined measures to manage these risks. The measures may vary from fund to fund, based on the fund's strategy. We set appropriate risk limits for the selected measures for each fund, and we then monitor those limits to ensure the funds act within the set mandates. In principle, we monitor the risk limits 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. We set internal limits as warning levels to prevent external limits from being breached or further restrictions being imposed on the basis of other considerations (e.g. in respect of the investment universe). For most limits, we outsource the daily determination of positions in relation to applicable limits to the fund administrator, BNP Paribas Securities Services SCA. As the manager of the funds, ASN Impact Investors receives daily portfolio compliance reports indicating any instances of internal or external limits being exceeded. We analyse these reports and follow up on any instances where limits were exceeded. Each month, the Risk & Compliance Committee of ASN Impact Investors is informed of all reported instances where limits were exceeded, 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 we have 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.
- We use appropriate, reliable risk management tools 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 coronavirus outbreak and the measures taken by the Dutch government to control it, in March 2020 we activated our business continuity plan (BCP). This BCP was continued throughout 2021. We initiated crisis consultations with participants including our Board of Directors with the aim of ensuring the safety of employees, preventing further spread of the virus and guaranteeing the continuity of critical business processes. During the crisis consultations, potential risks with respect to the goals described above were identified and discussed. Where necessary, (additional) measures are taken to mitigate these risks. There were no significant incidents or stagnation in the business processes of ASN Impact Investors or in the services outsourced by ASN Impact Investors during the reporting period.



110 Economy and financial markets in 2021 and outlook

Economic developments

The Western economies made a strong recovery in the first half of 2021, with the United States leading the field. Although the United States was not the only country to ease its corona restrictions, the government also gave the economy a major impulse by directly supporting family incomes. There was a slowdown in growth later in the year. This was due to the rise in energy prices, but more directly to the effects of the new corona waves for companies in the services sector and parts of the retail sector. Industrial companies kept performing well throughout the year, despite continued supply chain disruptions, material shortages and a sharp rise in purchase costs.

On balance, the Dutch economy made a complete recovery from the major downturn in 2020. The macroeconomic developments compared favourably to those in most other European countries. During the first three quarters, the Dutch government continued to support companies via wage cost subsidies, contributions towards overhead costs and tax deferrals. As a result, the number of insolvencies reached a record low in August. Unemployment declined by 0.6 percentage point to an annual average of 4.2%, despite a strong influx of people who were previously outside the labour market. Inflation rose by 1.4 percentage point to 2.7%. This increase occurred primarily in the second half of the year, due to the sharp rise in petrol and diesel prices and higher gas and electricity rates.

Financial markets

The ECB kept its deposit rate at -0.5% throughout the year. This meant that money market interest rates remained extremely low. Bond interest rates went up in the first months of the year, due to ebbing pandemic fears and growing optimism about the economic outlook. The ECB halted this development by ramping up its bond purchasing in the context of the Pandemic Emergency Purchase Program (PEPP). This ensured that financing conditions remained favourable. Interest rates went up again later in the year, because the persistently high energy prices and the increasing labour shortage fed the fear that the rise in inflation was less temporary than originally foreseen. The ECB's announcement that it was to end its PEPP purchasing in March 2022 pushed up interest rates as well. The move towards a tighter monetary policy by the American central bank, the Fed, reinforced this trend even further. Meanwhile investors fled to the safety of bonds, fearful of the consequences of the delta wave and later the omicron wave of the coronavirus. This, too, caused interest rates to fall. On balance, the German 10-year bond yields rose from -0.58% at the end of 2020 to -0.18% at the end of 2021, reaching their lowest level early in the year and recording interim highs of around -0.10% in May and October.

The euro saw its 2020 price gain evaporate in 2021. The currency's trade-weighted value declined by 1.3%, which is more than the gain it had recorded in 2020. The euro rate fell against the dollar nearly all through the year, except in the spring, when business cycle indicators in the eurozone bounced back. Across the year as a whole, the euro fell by 8.5 dollar cents to \$ 1.1370. The prospect of a persistently generous monetary policy constantly held out by the ECB is the principal explanation for the euro's weak position.

The equity markets gained considerable ground. The favourable development in profits was decisive factor in this context. Companies benefited from the recovery of demand and often managed to raise their sales prices. The price fluctuations showed greater interim decreases in the second half of the year than in the first half of 2021. This can be explained by the emergence of the delta variant. Interest rate concerns played a part as well towards the end of the year, when it became clear that central banks such as the Fed and the Bank of England were accelerating the termination of their quantitative easing policy.

On balance, the MSCI USA went up by 25.2% in 2021 while the MSCI Europe increased by 19.9%. The MSCI Emerging Markets was far less successful, recording a loss of 2.3%. This can be explained by the fact that these countries lagged behind in terms of coronavirus vaccinations, due to a lack of financial resources and/or inadequate healthcare systems. The interest rate signals given by the Fed appear to have been another factor at the end of the year. Emerging markets have a greater than average sensitivity to such signals, because higher US interest rates usually lead to capital outflows. Such outflows weaken the currencies of the countries concerned and reduce their monetary leeway.

The oil, gas and coal sector was the best performing sector in Europe, benefiting from the sharp rise in energy prices. By contrast, this rise adversely affected utility companies, making this the worst-performing sector. The consumer goods sector (companies selling essential products) was clearly struggling as well.



Outlook

The slowdown in economic growth in the eurozone may change to an acceleration, now that many countries have passed the peak of the omicron wave and eased their corona restrictions. This effect will be temporary, however. The cyclical outlook in the slightly longer term is less favourable. After all, any knock-on effect of higher energy prices will hit actual family incomes. Although savings buffers are high from a macroeconomic perspective, the lower-income groups in particular will be forced to reduce their spending.

Companies in the Netherlands were greatly helped by the corona support packages. Nevertheless, many businesses had to draw heavily on their reserves. Now that the support measures are discontinued, the delayed consequences are becoming visible. It is therefore expected that insolvency numbers and unemployment rates will increase in the coming period.

At the time of publication of this annual report, war is raging in Ukraine following its invasion by the Russian Federation. As a response to this violation of the sovereignty of Ukraine's borders, the EU and the US have imposed sanctions against Russia. Aside from the humanitarian disaster that is taking place, the war is also affecting economies and financial markets worldwide. The outcome of the war, its economic consequences and the impact thereof on the investments of ASN's investment funds are uncertain. ASN Impact Investors has established that the investments of the funds are not at risk of immediate exposure in either Ukraine or Russia. It will continue to keep a close eye on developments.

Sustainability trends

There were further important developments in the area of sustainability in 2021. For example, US president Joe Biden signed the Paris Climate Agreement at the start of the year. In this agreement, nearly all countries undertake to keep the rise in average global temperature well below 2%. The significance of a superpower such as the US now endorsing the Climate Agreement should not be underestimated. August saw the publication of the new report of the United Nations Intergovernmental Panel on Climate Change (IPCC). This report put it beyond doubt that global warming is man-made and already has major and diverse consequences. 2021 was also the year in which the European Commission (EC) presented its long-expected Green Deal. The keystone of this programme is the transition from fossil fuels to renewable energy. This poses a great challenge, whereby the Commission expressly highlights the opportunities to develop markets for new, environmentally-friendly technologies and products. Although the current high fossil fuel prices make investing in renewable energy more attractive, such a move may also erode public support because it would disproportionately hit people on low incomes. Fortunately, the new Dutch government acknowledges this: it subscribes to the green objectives of the European Union, but has promised to make the recalibration of climate policy dependent on factors such as its affordability for households and SMEs.

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The Hague, 16 March 2022

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

San Lie

Ro Dielbandhoesing

Dirk-Jan Stam

1.11 Dividend

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

ASN Duurzaam Aandelenfonds	€2,00
ASN Duurzaam Obligatiefonds	€0,30
ASN Milieu & Waterfonds	€1,00
ASN Duurzaam Small & Midcapfonds	€0,70

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 18 December 2019) 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 2021 financial year.

Remuneration policy of ASN Impact Investors

In line with its mission, ASN Impact Investors performs its activities with a focus on reliability, integrity of service delivery, and protecting the interests of the fund investors. In providing its services, ASN Impact Investors seeks to realise an optimum return for fund investors as well as a sustainable world.

We are committed to applying an appropriate remuneration policy that will help us achieve this ambition while giving our employees a sense of purpose, as well as appropriate remuneration, adequate training and long-term employability. With this policy, we are also aiming to contribute to appropriate risk management, including the management of sustainability risks, and to ensuring the continuity of business operations.

The remuneration of the employees of ASN Impact Investors is in line with these aims and is justifiable to investors, society and other stakeholders. To ensure this is the case, we are committed to transparency around our remuneration policy.

Laws and regulations

Because of the similarities between the missions and visions of de Volksbank and ASN Impact Investors, as well as the desired manner of remunerating staff, we identified many correlations in de Volksbank's remuneration policy and its implementation. We therefore adopted de Volksbank's remuneration policy as our own.

We acknowledge that we have an independent obligation to comply with the statutory and other requirements on remuneration to which we are subject as a manager. Since de Volksbank's remuneration policy is primarily based on the relevant requirements for banks, we supplemented de Volksbank's remuneration policy in our own policy.

This enabled us to comply with the sector-specific provisions on remuneration laid down in European directives, regulations and guidelines (AIFMD, UCITS, SFDR and the Guidelines on Sound Remuneration Policies under the UCITS Directive and AIFMD) and in Dutch laws and regulations (the Financial Supervision Act, the Remuneration Policy (Financial Enterprises) Act, the 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 ("the Remuneration and Nomination Committee"). As part of its responsibility – pursuant to the laws and regulations concerning restrained remuneration policies – the Remuneration and Nomination Committee prepares decisions on remuneration and the remuneration policy.

As well as de Volksbank's remuneration policy, when preparing decisions for ASN Impact Investors the Remuneration and Nomination Committee gives consideration to the provisions applicable to ASN Impact Investors, as set out in the Guidelines on Sound Remuneration Policies.

In addition, de Volksbank's remuneration policy, having been approved by de Volksbank's Supervisory Board, was also approved by the Management Board of ASN Impact Investors. The basis for this approval by our board was that the remuneration policy was aligned with sound and effective risk management on the part of ASN Impact Investors. The Management Board of ASN Impact Investors (with the support of our compliance officer) has established that de Volksbank's remuneration policy:

- is consistent with our strategy, objectives, values and interests;
- complies with the laws and regulations applicable to ASN Impact Investors;
- does not encourage the taking of risks, including sustainability risks, which are excessive in view of the fund portfolio management policy; and
- enables us to align the interests of the funds and the investors in the funds with the interests of identified staff and contributes to achieving and maintaining a healthy financial position.

Remuneration features

De Volksbank's remuneration policy, which, following its adoption by the Management Board of ASN Impact Investors, also applies to the employees of ASN Impact Investors, is characterised by the following features:



- remuneration in line with the human dimension: The highest salary at de Volksbank is no more than ten times the average salary at the bank. Every person is different and contributes to the operating result in their own way; this contribution may be rewarded by means of a modest financial gesture;
- Financial resilience: It is important for our organisation that employment conditions and salaries are consistent with the market;
- Usefulness rather than return: It is not only the result that counts – good behaviour is also rewarded; and
- Sustainability: a low risk profile for remuneration is essential to ensure the continuity of our services.

No variable remuneration

From 1 January 2018, de Volksbank no longer awards variable remuneration. We share this vision of remuneration and adopted this remuneration measure when we adopted de Volksbank's remuneration policy. In principle, our employees 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 ASN Impact Investors and de Volksbank.

This ban encompasses all forms of variable remuneration, i.e. all extra payments and benefits that depend on performance or, in certain cases, other contractual criteria.

Any additional payments that may be made by de Volksbank are part of a general, non-discretionary policy covering all AIF and UCITS managers and do not create an incentive to take risks. These payments fall outside the definition of 'remuneration' for the purpose of the application of rules on risk-related remuneration specific to the AIFMD, UCITS or SFDR.

Identified staff

The regulatory framework imposes specific requirements with regard to the remuneration policy for particular categories of employees who can exert material influence on the risk profile of ASN Impact Investors and the funds, known as 'identified staff'. We have classified the following roles as identified staff:

- The two directors of ASN Impact Investors as the executive members of the Management Board; and
- The Head of Portfolio Management of ASN Impact Investors.

By way of derogation from the procedure for identifying identified staff in de Volksbank's remuneration policy, the compliance officer of ASN Impact Investors – in consultation with de Volksbank's central HR department – is responsible for identifying identified staff at ASN Impact Investors. In doing so, the compliance officer follows the applicable provisions of the Guidelines on Sound Remuneration Policies.

Remuneration during the reporting period

In 2021, ASN Impact Investors paid its employees a total of €2.46 million in remuneration. ASN Impact Investors does not pay variable remuneration, The aforementioned amount is fixed remuneration only. On average, ASN Impact Investors employed 20.6 FTEs during the reporting period.

Remuneration in euros	Average number of FTEs in 2021	Fixed remuneration in 2021 ¹
Board of Directors/Identified staff	3 ²	563.962
Staff in audit positions	2.5	283.534
Other staff	15.1	1.608.783
Total		2.456.279

¹ Salaries plus pension and social security contributions paid by the employer

² One of the members of the Board of Directors was employed ad interim by ASN Impact Investors. He was not a paid employee of ASN Impact Investors; instead, he invoiced ASN Impact Investors for the hours worked. During 2021, there were changes to the membership of the Board of Directors of ASN Impact Investors.

Outsourcing relationships

ASN Impact Investors guarantees that the people involved in outsourced activities who could have a material impact on the risk profile of the funds are compliant with the remuneration rules laid down in the applicable laws and regulations.

This refers to specific staff members of the asset managers ACTIAM, Achmea Investment Management, Impax Asset Management and Kempen Capital Management, who have been classified as identified staff. Arrangements have been made with these asset managers with regard to the remuneration policy, and these arrangements have been documented



in the contracts and service level agreements (SLAs) signed with the asset managers. ASN Impact Investors monitors the arrangements set out in the SLAs and evaluates them once a year.

The Hague, 16 March 2022

Board of Directors of ASN Beleggingsinstellingen Beheer B.V.

San Lie

Ro Dielbandhoesing

Dirk-Jan Stam



A 3D digital illustration featuring a large, white, cylindrical hydrogen storage tank in the foreground. The tank is positioned diagonally, with its top edge curving towards the left. On the side of the tank, the word "Hydrogen" is written in a bold, blue, sans-serif font. To the right of "Hydrogen", the chemical formula "H₂" is displayed in a smaller, blue, sans-serif font. Below these, the phrase "zero emission" is written in a blue, italicized, sans-serif font. The background consists of a bright blue sky with scattered white clouds. Three white wind turbines with three blades each are visible, their blades extending across the sky. The blades have red and white striped tips. The overall scene is brightly lit, suggesting a sunny day. The bottom of the image shows a patch of green grass with small yellow and white flowers.

Hydrogen

H₂

zero emission



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





2.1 ASN Duurzaam Aandelenfonds

Fund profile

The ASN Duurzaam Aandelenfonds invests primarily in shares 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. ASN Impact Investors has outsourced the portfolio management of the listed shares. For the first nine months of 2021, this was outsourced to ACTIAM N.V. (ACTIAM). A new manager took over on 1 October 2021, namely Achmea Investment Management B.V. (AIM). ASN Impact Investors manages the portfolio of ASN Venture Capital Fonds N.V. itself. All companies must meet the sustainability criteria of ASN Impact Investors. ASN Impact Investors sets the investment policy for the fund. Within the parameters of this policy, the portfolio managers actively respond to market developments through their portfolio construction. 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.asnimpactinvestors.com on the fund's webpage.

Investment policy

ASN Impact Investors determines the investment universe of the ASN Duurzaam Aandelenfonds based on an analysis of companies' sustainability. The starting point for this process is the ASN Impact Investors Sustainability Policy. The focus of this policy is that investments should make a positive contribution to society and the environment and that negative consequences of investments should be avoided. In addition, three specific sustainable objectives have been set for the ASN Duurzaam Aandelenfonds. These will be discussed later in this section. The portfolio managers perform the financial analysis. With the change of portfolio manager in the second half of 2021, there was also a change in the composition of the portfolio. Under ACTIAM's management, shares were selected from the sustainable investment universe on a bottom-up basis, following a fundamental analysis. In determining the composition of the portfolio, ACTIAM took into account the economic phase (cyclical, neutral or defensive), using a quantitative analysis based on a factor analysis. A factor analysis 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 new portfolio manager, AIM, uses three factors (statistical features) in its portfolio construction. The first factor, the *quality factor*, is based on the quality features of companies, such as profitability, good governance and prudent accounting rules. The second factor, the *value factor*, is about the valuation of companies relative to the market. This relates to the market price of a share in relation to the expected profits, for example. The third factor is based on the sustainability characteristics of companies, in line with the sustainable objectives of the fund. This factor was developed through collaboration between All and AIM and is called the *impact factor*. The sustainability characteristics we take into consideration for this factor are the climate, biodiversity and human rights. AIM determines each company's score for each of the three factors. This results in an overall score for each company. Based on this overall score, AIM selects the best companies for the fund portfolio.

The benchmark for the fund was changed during the reporting period. For the period from 1 January to 30 September, the benchmark was the MSCI All Country Weighted Index (MSCI ACWI). From 1 October, the benchmark was the MSCI ACWI Climate Paris Aligned Index. The reason for the change is that the new benchmark is more aligned with the fund's sustainable objectives, particularly with regard to the climate.

The starting point for management of the portfolio is the investment universe, not the fund's benchmark. 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). In this report, the benchmark figures until 30 September 2021 are based on the old benchmark, and from 1 October 2021 they are based on the new benchmark.

Portfolio management

Due to the change to a new portfolio manager, we have divided the management of this fund in 2021 into two separate periods. In the first nine months of 2021, the portfolio managers expanded the fund's cyclical tilt in expectation of a partial reopening of the economy. They anticipated that strong consumer demand, particularly in the second half of the year, would push up the profits of the more cyclical companies. Cyclical shares in particular would benefit from this trend when global economic growth accelerated after the pandemic, largely thanks to successful vaccination campaigns in the major economies. Risks that could affect this scenario include new virus variants against which existing vaccines are less



effective, and the re-emergence of inflation. During this period shareholdings in the following companies, among others, were added to the portfolio for the first time, or were expanded:

- The American company **Micron Technology** manufactures computer memories and semiconductors. Companies such as HP (printers), Intel (computer microprocessors) and Kingston (memory cards) are established customers and use these components in their products. Micron shares were purchased due to the strong demand for the company's chips.
- **Tokyo Electron** from Japan produces and sells industrial electronic products, such as machines for the production of semiconductors, flat panel displays and solar panels, as well as electronic components. Tokyo Electron presented strong turnover and profit figures. As a supplier to the chip industry, the company increased its growth outlook for the sale of wafer fabrication equipment (WFE) for 2021.
- **Omron** is an international automation company based in Japan. Omron supplies products and services including automation of factories, processes and machines for a wide range of industries, such as the manufacturing industry and health care. The fund manager expects Omron to benefit from the high demand for factory automation products.

The fund sold its shares in companies including **Salesforce.com**, **KDDI** and **Advanced Micro Devices**, after they were removed from the universe.

AIM took over the fund on 1 October. It made significant changes to the portfolio and conducted numerous transactions in October and November. The transition to the new approach to portfolio composition saw the number of names in the portfolio shrink from around 180 to close to 120. Eighteen new companies were added to the portfolio, while the investments in 84 companies were sold off completely. During this period the following two companies were among those added to the portfolio, after being added to the investment universe:

- **Vantage Towers** is Europe's largest producer of broadcast towers. The German company is a spin-off of Vodafone, which still owns more than 80% of the company. Vantage Towers has approximately 82,000 towers in ten countries, including Germany, Greece and Spain. In the communication services sector, Vantage Towers is a beacon of sustainability, which is a good reason to acquire a shareholding in the company.
- The Swedish company **Tele2 AB** has been providing fixed and mobile telephony to the business and consumer markets since 1993. The company also provides other communication services such as cloud services, IT networks and other IT services. The company shows good profitability and the portfolio managers thought the shares were appropriately valued. This company also has a strong sustainability profile. These three reasons explain why we acquired a stake in Tele2.

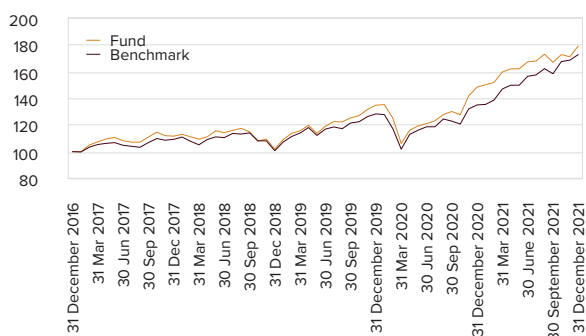
The redesign of the portfolio had two goals: improving the diversification of the investments and giving more weight in the portfolio composition to companies' sustainability characteristics. The biggest change in terms of sectors was that investments in the IT sector were reduced by more than 10%, although by the end of 2021 the fund still had more than 21% invested in this sector. We expanded shareholdings in healthcare and industrial companies: at the end of 2021, the healthcare sector made up approximately 22% of the portfolio, while industry came out at around 24%. We reduced our shareholdings in the United States, Germany and Taiwan and increased our shareholdings in Denmark, the Netherlands, Switzerland and Sweden. By the end of 2021, the countries in which the fund had the most money invested were the United States, with approximately 15%, and the United Kingdom. However, these country positions were significantly smaller than those of the benchmark. Denmark and the Netherlands were next, with shareholdings of around 10% of the fund portfolio.

Performance

The ASN Duurzaam Aandelenfonds achieved a return for 2021, based on the net asset value, of 20.76% (2020: 10.03%). This includes the reinvested dividend for 2020 of €1.80 per share (2019: €2.85). In the same period the benchmark achieved a return of 27.92% (year-end 2020: 5.23%).



Indexed return over the last five years relative to the benchmark



Performance contributions

Performance attribution of ASN Duurzaam Aandelenfonds in 2021 relative to the benchmark

Fund NAV return ¹	Benchmark return	Outperformance	Investment portfolio outperformance	Costs
20.76%	27.92%	-7.16%	-6.31%	-0.85%

¹ The fund return based on the net asset value (NAV) may differ from the return based on the quoted stock market price. The quoted stock market price at year-end 2021 is based on the NAV on the previous trading day.

The value of the fund rose by 20.8% over the reporting period. This was less than the benchmark, which rose by 27.9%. When economies opened up again after the coronavirus lockdowns, corporate profits experienced strong growth. That was the main reason for the rise in share prices over the first nine months of the reporting period. In September, investors became more pessimistic due to a combination of two reasons: renewed anxiety that inflation would drive up interest rates, and concern about a slowdown in growth due to renewed lockdowns in response to new variants of the virus. In the first nine months of the reporting period, the selection of companies based on sustainability reduced the return by 3.0%. The trend for 2020 – strong performance from companies that are active in the development or production of green energy, such as manufacturers of solar panels and wind turbines – came to a halt in 2021. Investors took the gains from their investments in these companies and reinvested the sales proceeds in cyclical companies and financial institutions. The large-scale vaccination programmes and reopening of the economy gave commodity companies and banks a big boost, resulting in higher profits. Most of these companies do not meet our sustainability requirements and the ASN Duurzaam Aandelenfonds therefore holds few, if any investments in them. In addition, the higher capital market interest rates put pressure on the valuation of growth stocks, in which the fund had invested relatively heavily. Over the same period, active portfolio management reduced the return by 1.1%. Here, too, we can see that the profitable positions of the previous year performed less well in 2021. The further expansion of cyclical investments could not prevent the fund from having a lower return due to active management. However, it did benefit from shareholdings in the market leaders in the chip industry.

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The negative sentiment continued in the final quarter, as a result of increasing inflation and imminent increases in interest rates. Technology shares suffered the most, since their prices were mainly based on the value of future growth. This meant the share prices of the major technology companies fell, but the fund had no investments in these. As a result, in December the fund did 2.2% better than the benchmark.

The fund costs were 0.85%.

In 2021, the following shares made the biggest contributions to the return:

- Demand for digitalisation has increased in recent years, and the coronavirus pandemic has only accelerated it. This has led to an enormous increase in demand for semiconductors/chips. **ASML** (+1.78% contribution to the fund) is the biggest producer of lithography systems for the semiconductor industry. Due to its large market share, ASML holds a dominant position in the chip industry. ASML has long enjoyed high margins and turnover increased in 2021, as it had for several years in a row.
- **Tokyo Electron** (+1.41% contribution to the fund), like ASML, is active in the semiconductor industry. 2021 was a good year for the company, with strong figures. The company received an extra boost in the fourth quarter: the Taiwanese semiconductor giant TSMC broke the news that it would be building a new factory in Japan. Tokyo Electron will benefit from this project, which boosted the share price in the fourth quarter.
- **Novo Nordisk** (+1.35% contribution to the fund) is a Danish pharmaceutical company specialising in diabetes medicines and devices such as insulin and insulin pens. The company had a strong year. Novo Nordisk has a solid



business model and its market share, turnover and profit are growing steadily. Demand for medicines, particularly for Type 2 diabetes (GLP-1 therapy), is increasing. Even greater growth is predicted in the next few years, primarily because the number of patients being diagnosed with Type 2 diabetes (geriatric diabetes) is on the rise.

The biggest negative contributions came from:

- The wind energy sector had a hard time in 2021, mainly because demand for wind turbines in China declined and the costs of raw materials rose. It was therefore a tough year for **Vestas Wind Systems** (-0.95% contribution to the fund). The biggest blow to these shares came at the end of October, just after the company had downgraded its profit forecast for 2021. Although turnover was no lower than in 2020, Vestas expected profits to fall due to higher costs.
- **Midway through the year, Koninklijke Philips N.V.** (-0.62% contribution to the fund), a Dutch manufacturer of medical and personal care equipment, had to launch a major recall of sleep apnea devices and ventilators in the United States. The American medicines watchdog, the FDA, subsequently ruled that the devices posed a significant risk, and Philips had to recall more equipment. The recall resulted in a number of lawsuits against Philips. Later in the year, a debate arose in the media between Philips and the FDA about the number of complaints that had been made, and the share price fell again. Philips' turnover was also down in 2021.
- The British online clothing store **ASOS** (-0.56% contribution to the fund) acquired its competitor Topshop in early 2021. A mere six months later, the company stated that its sales were down, particularly in Britain, due to disruptions in its production and supply chains and ongoing uncertainty around the pandemic. When figures did not improve in October, the CEO quit. The trend continued until the end of the year and led to a halving of the share price over the course of 2021.

Key figures of ASN Duurzaam Aandelenfonds

% return

	Fund	Benchmark ¹
2021	20.76%	27.92%
2020	10.03%	5.23%
Last three years (yearly average)	20.70%	19.71%
Last five years (yearly average)	12.37%	11.56%
Yearly average since inception date (20-04-1993)	8.56%	8.83%

¹ From 1 October 2021 the benchmark is MSCI ACWI Climate Paris Aligned Index.

Key figures in euros

Price 31 December 2021	166.99
Price 31 December 2020	139.19
Highest price in 12 months	166.99
Lowest price in 12 months	139.41
Net asset value per share 31 December 2021 ¹	166.07
Dividend for financial year 2020	1.80

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

Fund growth

	31-12-2021	31-12-2020
Fund size in € thousands	1,875,019	1,543,572
Number of shares outstanding	11,290,696	11,091,282

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. draws on the expertise and experience of external fund managers. The investments in ASN Venture Capital Fonds N.V. are carefully assessed against sustainability criteria, projected sustainable development and expected returns. The company invests in the sustainable technology and energy, healthcare and microcredit sectors, and in SMEs in Africa and Asia. We are no longer adding investments to this fund. As at the balance sheet date, 0.53% of ASN Duurzaam Aandelenfonds was invested in ASN Venture Capital Fonds N.V. This investment made a slightly positive (0.3%)



contribution to the return in the reporting period. The positive return is mainly due to one of the underlying investments in the portfolio being upgraded following a market transaction.

Sustainability

ASN Impact Investors only invests 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.

Three sustainable objectives

The ASN Duurzaam Aandelenfonds is an Article 9 product within the meaning of the SFDR. An Article 9 product is an investment product with a specific focus on achieving one or more sustainability goals. Three goals have been set for the ASN Duurzaam Aandelenfonds.

1. Climate: minimising annual CO₂ emissions in line with the Paris Agreement (expressed as the contribution of the Fund to the 1.5 degree economy);
2. Biodiversity: Minimising the negative impact on biodiversity per euro invested (in relation to the reference year, 2019); and
3. Human rights: Implementing all necessary processes to make a living wage accessible to factory workers in the garment industry value chain by 2030.

ASN Impact Investors has a Climate and Impact Committee which monitors progress towards these objectives. The committee discusses proposals and analyses of scenarios that could contribute to achieving the sustainable objectives. The MSCI ACWI Climate Paris Aligned Total Return Index (EUR) was selected as the benchmark for the ASN Duurzaam Aandelenfonds. This benchmark is consistent with the climate objective of the ASN Duurzaam Aandelenfonds. From 2022, the benchmark will be used to monitor progress towards the climate objective. The benchmark is not consistent with the other two objectives. For these objectives, ASN Impact Investors uses its own methodology to monitor progress towards the sustainable objectives.

Climate

The ASN Duurzaam Aandelenfonds doesn't yet have enough data to monitor the minimising of carbon emissions in line with the Paris agreement. As a proxy, ASN Impact Investors measures the carbon footprint (Scope 1, 2 and 3 emissions) for the ASN Duurzaam Aandelenfonds using the PCAF method.

The carbon emissions at year-end 2021 were:

CO ₂ emissions of the ASN Duurzaam Aandelenfonds ^{1,2}	Year-end 2021	Year-end 2020	Difference
Scope 1 and 2 emissions	19.415	42.672	-54.5%
Scope 3	312.106	478.064	-34.7%
Total Scope 1, 2 and 3 emissions	331.520	520.736	-36.3%

¹ The methodology for measuring the CO₂ impact of investments and loans is constantly evolving. The data used is improving all the time. As a result, the calculated CO₂ impact may be adjusted in the future should better data become available.

² In this report, we present the CO₂ results for the funds that are part of ASN Beleggingsfondsen UCITS N.V. (UCITS funds). In the report of ASN Beleggingsfondsen AIF N.V., we present the CO₂ results of the ASN Duurzame Mixfondsen and the ASN Groenprojectenfonds. The ASN Duurzame Mixfondsen invest directly in the UCITS funds. As a result, the CO₂ figures for the UCITS funds also include the CO₂ results for the investments of the ASN Duurzame Mixfondsen.

Absolute CO₂ emissions in tonnes

In 2021, the total CO₂ emissions of the ASN Duurzaam Aandelenfonds amounted to 331,520 tonnes for scopes 1, 2 and 3. Changes in the CO₂ 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 CO₂ data.
3. Changes in the size of the fund.

Changes in the composition of the investment portfolio

The removal of Lear Corp, Wistron Corp and Lite-On Technology Corp made the greatest contribution to the reduction in the CO₂ emissions of the ASN Duurzaam Aandelenfonds. Together, they accounted for a reduction of more than 115,000 tonnes. The newly-purchased shares in Electrolux, Vestas Wind Systems and Kronos made the greatest contribution to the increase in CO₂ emissions. Together, they accounted for an increase of more than 36,000 tonnes.

Changes in the CO₂ data

CO₂ data is improving all the time. An increasing number of companies report on their CO₂ emissions. The models used by data suppliers are improving as well. This means that the data input we are using to calculate the CO₂ emissions of our funds is improving accordingly. As a result of the switch from Trucost to MSCI, we have used the same data for 2020 and 2021.

Changes in the size of the fund

The number of outstanding shares increased by 1.8% in 2021, while the total CO₂ emissions fell by 36.3%. This means that the absolute CO₂ emissions figure per ASN Duurzame Aandelenfonds share went down.

Biodiversity

One of the goals of the ASN Duurzaam Aandelenfonds is to minimise the negative impact of its investments on biodiversity. Progress towards achieving this objective is measured using the method developed by the Partnership for Biodiversity Accounting Financials (PBAF). This method is still in development. ASN Impact Investors does not yet have any data available to present in this annual report on the biodiversity impact in 2021. In its Impact Report, ASN Impact Investors reports on the progress made by the ASN Beleggingsfondsen towards its biodiversity objective. You can find this report on www.asnimpactinvestors.com.

Human rights



The ASN Duurzaam Aandelenfonds invests in clothing companies. ASN Impact Investors has formulated a living wage objective for the ASN Duurzaam Aandelenfonds: by 2030, the clothing sector will have implemented the necessary processes to enable a living wage to be paid to workers in the value chain. ASN Impact Investors reported on the progress made towards this objective in section 1.8 of this annual report.

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.

SDG 8	Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all	
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 avoids sectors with 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.	
SDG 9	Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation	
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 that primarily dump waste or 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.	
SDG 12	Ensure sustainable consumption and production patterns	
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.	
SDG 13	Take urgent action to combat climate change and its impacts	
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 ₂ emissions.	



Sustainable selection

In 2021, we assessed 116 companies for the ASN Duurzaam Aandelenfonds. This resulted in a net increase in the investment universe of 15 companies. Dialog Semiconductor and Meredith Corp were removed for non-sustainability reasons.

Overview of the companies reviewed for the ASN Duurzaam Aandelenfonds

Newly admitted	Retained (continued)	Removed
Cellnex Telecom	Ericsson	Advanced Micro Devices
Cochlear	Essity	Construcciones y Auxiliar de Ferrocarriles (CAF)
Fisher & Paykel Healthcare	FirstGroup	Henkel
Howden Joinery Group	Gecina	KDDI
Infrastrutture Wireless	GoPro	Salesforce.com
Insulet Corporation	Great Portland Estates	
Millicom International Cellular	Hays	
Nel ASA	Herman Miller	
NortonLifeLock	Holmen	
SEEK	Ibiden Co	
SIG Combibloc Group	Jungheinrich	
Sunnova	Kesko	
TeamViewer	Krones	
TechnoPro Holdings	Landis+Gyr	
Teladoc Health	Lassila & Tikanoja	
Tele2	LG Electronics	
Travis Perkins	Lite-on Technology Corp	
Vantage Towers	L'Oréal	
Warehouses De Pauw	Metro	
	Murata Manufacturing	
Retained	Nemetschek	
AAC Technologies Holdings	Netcare	
Adecco	Omron	
Alexion	Orora	
AstraZeneca	Ramsay Health Care	
Bellway	Randstad	
BIC	Rockwool International	
BillerudKorsnäs	Severn Trent	
Chr. Hansen Holding	SIG	
Coloplast	Smith & Nephew	
Demant	Sonova Holding	
Dexus	Tarkett	
DS Smith	Taylor Wimpey	
Elis	Telenet Group Holding	
Elmos Semiconductor	Tupperware Brands Corp	
	Unilever	
	Wickes Group	

During the reporting period we admitted the Australian company Cochlear, among others. This company designs, produces and supplies hearing aids, and is a good fit for ASN Impact Investors. One of the companies we rejected and removed is Advanced Micro Devices. It produces supercomputer processors for American laboratories that are responsible for designing and testing nuclear weapons.

Engagement

In 2021, we engaged in dialogue with 47 companies in the investment universe. Five of these companies operate in the pharmaceutical sector, and further details can be found in section 1.8 under *Engagement*. In connection with the long-term living wage objective we engaged in dialogue with ten clothing companies. Details can also be found in section 1.8, under



Sustainable objectives of ASN Impact Investors. Another 32 companies were approached for other reasons, for example because:

- Wrongdoing at the company had come to light.
- A review revealed that the company no longer met our criteria.
- ASN Impact Investors wanted to encourage the company to develop further in the area of sustainability.

In 2020, we started engagement with the Japanese telecommunications operator KDDI, which was associated with freedom of speech violations in Myanmar. The engagement continued in 2021, but did not achieve the desired outcome. We therefore rejected KDDI and removed it from our investment universe.

Taxonomy Regulation

The technical screening criteria supplementing the Taxonomy Regulation for environmentally-sustainable economic activities relate to the environmental objectives of climate change mitigation and climate change adaptation, and came into effect on 1 January 2022. The technical screening criteria for the other four environmental objectives described in the Taxonomy Regulation have not yet been developed. These detailed criteria require the availability of multiple specific data points for each investment. At present, there is not enough reliable, timely or verifiable data available to be able to assess investments against the technical screening criteria.

In addition, the Regulatory Technical Standards (RTS) under the SFDR which define the methodology for calculating the share of environmentally sustainable investments and the templates for these disclosures are not yet in force. It is currently not possible to provide standardised and comparable information about the share of ecologically sustainable investments in accordance with the EU taxonomy.

Although the Funds hold investments in companies performing economic activities which help achieve an environmental objective and which may be eligible for assessment against the technical screening criteria, it is currently not possible to give a description of (a) the degree to which a fund's investments are made in economic activities which qualify as environmentally sustainable and consistent with the Taxonomy Regulation; (b) the share, as a percentage of a fund's portfolio, of investments in environmentally sustainable economic activities which are consistent with the Taxonomy Regulation; or (c) the share, as a percentage of the fund's portfolio, of enabling and transitional activities (as described in the Taxonomy Regulation).

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 for each 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 not exceeded during the reporting period. Year-end 2021: 31,21%.	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.

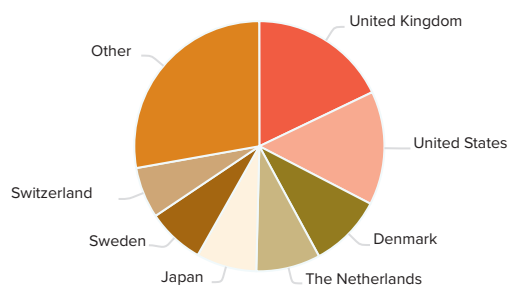
Risk appetite	Probability	Impact	Limit	Materialisation	Control measure
High	High	Medium	VaR99 not exceeding 50%	The limit was not exceeded during the reporting period. Year-end 2021: 31,21%.	Risk control and monitoring through: <ul style="list-style-type: none"> • limit to Value at Risk (VaR) • active currency positions (positions that do not result from equity positions) are not permitted

The currency risk can be limited by the geographical spread of the investments in the portfolio of ASN Duurzaam Aandelenfonds. In the tables below you will find the geographical distribution of the investment portfolio as at 31-12-2021.

Geographical allocation as %

United Kingdom	17.9
United States	14.7
Denmark	9.5
The Netherlands	8.3
Japan	7.8
Sweden	7.4
Switzerland	6.6
Other	27.8

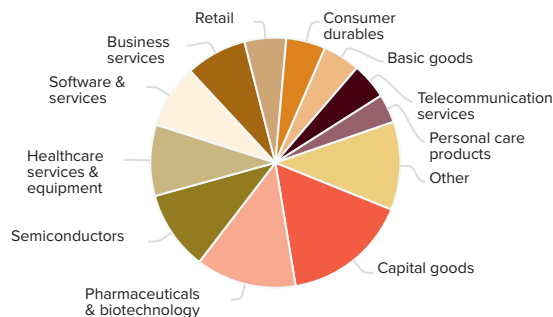
Geographical allocation



Sector allocation as %

Capital goods	16.3
Pharmaceuticals & biotechnology	13.0
Semiconductors	10.3
Healthcare services & equipment	9.2
Software & services	8.2
Business services	7.9
Retail	5.4
Consumer durables	5.1
Basic goods	4.8
Telecommunication services	4.7
Personal care products	3.7
Other	11.4

Sector allocation





2.2 ASN Duurzaam Obligatiefonds

Fund profile

The ASN Duurzaam Obligatiefonds invests only in bonds issued by governments that meet the sustainability criteria of ASN Impact Investors. We assess governments on their social and environmental performance. The fund may also invest in green and social bonds. These are bonds issued to finance specific social or environmental projects. We have outsourced the portfolio management of the fund. For the first nine months of 2021, it was outsourced to ACTIAM N.V. (ACTIAM). A new manager took over on 1 October 2021, namely Achmea Investment Management B.V. (AIM). 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.asnimpactinvestors.com on the fund's webpage.

Investment policy

The investment policy for this fund changed with the arrival of the new portfolio manager. One major change is that the target weighting of green and social bonds was increased from 10% to 20%. The second major change relates to the weighting of the various countries in the portfolio. Previously, this was determined according to their sustainability scores and repayment capacity. Since 1 October 2021, only the sustainability scores of each country matter. ASN Impact Investors determines these scores. Based on these changes a new, unique benchmark has been created. Eighty percent of this benchmark is made up of the countries with the highest sustainability scores that issue eurobonds, with the remaining 20% consisting of green bonds. For AIM, the benchmark is the starting point for the composition of the portfolio. It 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. AIM also has the option of actively deviating from the benchmark to generate an additional return. The benchmarks for the fund are the Bloomberg 80% EUR Treasury 1-10yr and 20% Euro Green Bond Government Related 1-10yr. These have been specially developed by Bloomberg, the benchmark supplier.

In this report, the benchmark figures up to 30 September 2021 are based on the old benchmark, while from 1 October 2021 the figures are based on the new benchmark.

Portfolio management

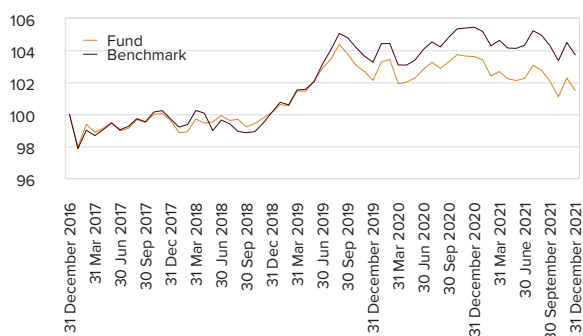
For the first nine months of 2021, the weighting of the various countries in the portfolio was determined according to their sustainability score and repayment capacity. Relative to the benchmark which applied at that time, in this period the fund was most overweight in Austria, Portugal, Slovakia, Slovenia and the Netherlands. The fund has invested less than the benchmark in France, Italy, Spain and Germany, among other countries. Several transactions were undertaken during the reporting period 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, Italy, the Netherlands, Germany and Belgium for similar bonds with a later maturity date. The proportion of green, social and sustainable bonds rose slightly in this period, from 10.8% to 11.2%.

From 1 October 2021 the portfolio was adjusted to fit the new policy, which resulted in changes to the portfolio. The number of countries in which the fund invests was expanded. The target weighting of green and social bonds was increased to 20%. Consequently, in October a relatively high number of transactions were conducted in the portfolio in order to implement these changes. For instance, government bonds were purchased from Luxembourg, Lithuania and Chile, and several green government-related bonds were purchased from German, French, Dutch and Italian institutions. Meanwhile, government bonds from Austria, the Netherlands, Germany and Slovakia were sold. The proportion of green and social bonds rose to 19% over this period.

Performance

The ASN Duurzaam Obligatiefonds achieved a return for 2021, based on the net asset value, of -2.04% (2020: 1.46%). This includes the reinvested dividend for 2020 of €0.30 per share (2019: €1.00). In the same period the benchmark achieved a return of -1.64% (year-end 2020: 2.12%).

Indexed return over the last five years relative to the benchmark



Performance contributions

Performance attribution of ASN Duurzaam Obligatiefonds in 2021 relative to the benchmark

Fund NAV return ¹	Benchmark return	Outperformance	ESG overlay	Active management	Costs
-2.04%	-1.64%	-0.40%	n/a	+0.05%	-0.45%

¹ The fund return based on the net asset value (NAV) may differ from the return based on the quoted stock market price. The quoted stock market price at year-end 2021 is based on the NAV on the previous trading day.

The value of the fund fell 2.0% over the reporting period. It fell further than the benchmark, which dropped 1.6%. To a large extent, this was attributable to the rise in the capital market interest rate (German ten-year government bonds) from -0.57% to -0.18%. This pushed down the value of the bonds. The higher interest rate was driven by the economic recovery, and higher inflation in particular. The rise in inflation was steeper than expected and ultimately led to a response from central banks. For example, the ECB announced that it would scale back its loan and bond buyback programme. Less support from the ECB led to higher interest rates and thus a negative return on bonds.

In the first nine months of 2021, the interest rate differential (spread) between Germany and most other countries in the eurozone increased. For example, the spreads of countries such as Belgium (+14 basis points), France (+12 basis points) and Ireland (+11 basis points) rose significantly. The southern European countries of Italy and Portugal (both countries -5 basis points) were the main exceptions, thanks to a major support package from the European Union to combat the consequences of the coronavirus crisis. On balance, the difference between the country positions of the fund and of the benchmark was positive. The overweight position in Portugal and the underweight position in France had a positive effect on the return, while the overweight position in Ireland and the underweight position in Italy pushed the fund's return down slightly.

In the fourth quarter, the fund achieved a higher return than the new benchmark. The positive contribution to the return was mainly due to various positions with interest-rate sensitivity (duration). An overweight duration position in October was positive for the result, as was the underweight duration position at the end of the year. In terms of countries, underweight holdings in Luxembourg and Lithuania and overweight positions in Italy, Ireland, Portugal and Chile made a positive contribution.

Key figures of ASN Duurzaam Obligatiefonds

% return

	Fund	Benchmark ¹
2021	-2.04%	-1.64%
2020	1.46%	2.12%
Last three years (yearly average)	0.46%	1.18%
Last five years (yearly average)	0.30%	0.73%
Yearly average since inception date (20-04-1993)	3.14%	4.05%

¹ From 1 October 2021 the benchmark is Bloomberg 80% EUR Treasury 1-10yr en 20% Euro Green Bond Government Related 1-10yr.



Key figures in euros

Price 31 December 2021	27.47
Price 31 December 2020	28.34
Highest price in 12 months	28.36
Lowest price in 12 months	27.36
Net asset value per share 31 December 2021 ¹	27.45
Dividend for financial year 2020	0.30

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

Fund growth

	31-12-2021	31-12-2020
Fund size in € thousands	605,611	576,826
Number of shares outstanding	22,066,024	20,366,907

Sustainability

ASN Impact Investors only invests 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.

Two sustainable objectives

The ASN Duurzaam Obligatiefonds is an Article 9 product within the meaning of the SFDR. An Article 9 product is an investment product with a specific focus on achieving one or more sustainability goals. Two goals have been set for the ASN Duurzaam Obligatiefonds.

1. Financing semi-public institutions pursuing an ambitious climate policy, and protecting and promoting biodiversity and human rights;
2. Minimising carbon emissions (measured in tonnes of CO₂ per million euros of invested capital).

ASN Impact Investors has a Climate and Impact Committee which monitors progress towards these objectives. The committee discusses proposals and analyses of scenarios that could contribute to achieving the sustainable objectives. ASN Impact Investors monitors progress towards the sustainable investment objectives using a methodology developed in house, based on 15 indicators for countries' efforts in the area of sustainability (ESG analysis). The benchmark for the ASN Duurzaam Obligatiefonds is consistent with this ESG analysis, which precedes the creation of the investment universe and thus the fund's sustainable investment objectives. The benchmark for the ASN Duurzaam Obligatiefonds can thus be seen as a reference benchmark in line with the SFDR. In addition, the CO₂ emissions are monitored using data from external data suppliers.

Climate

ASN Impact Investors has a climate goal: by 2030, the investments of the ASN investment funds must be climate positive. More information on this subject can be found in Section 1.8. To measure our progress towards this goal, we have calculated the CO₂ emissions generated by the investments of the ASN investment funds.

The countries in which the ASN Duurzaam Obligatiefonds invests emit CO₂. When selecting countries, we assess the CO₂ emissions of individual countries. This involves Scope 1, 2 and 3 emissions from the goods and services purchased by governments. 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 use them to invest in projects that avoid CO₂. In our methodology, we calculate the CO₂ emissions reported or the CO₂ emissions avoided for each green bond.



CO ₂ emissions of the ASN Duurzaam Obligatiefonds ^{1,2}	Year-end 2021	Year-end 2020	Difference
Scope 1 and 2 emissions	2.259		
Scope 3	1.734		
Total Scope 1, 2 and 3 emissions	3.992	4.893	-18.4%
Avoided CO ₂ emissions in tonnes	-18.829	-14.310	31.6%

1 The methodology for measuring the CO₂ impact of investments and loans is constantly evolving. The data used is improving all the time. As a result, the calculated CO₂ impact may be adjusted in the future should better data become available.

2 In this report, we present the CO₂ results for the funds that are part of ASN Beleggingsfondsen UCITS N.V. (UCITS funds). In the report of ASN Beleggingsfondsen AIF N.V., we present the CO₂ results of the ASN Duurzame Mixfondsen and the ASN Groenprojectenfonds. The ASN Duurzame Mixfondsen invest directly in the UCITS funds. As a result, the CO₂ figures for the UCITS funds also include the CO₂ results for the investments of the ASN Duurzame Mixfondsen.

The above table presents the absolute CO₂ emissions in tonnes.

Development of absolute CO₂ emissions in tonnes

The total CO₂ emissions of the ASN Duurzaam Obligatiefonds amount to 3,992 tonnes. Green bonds accounted for 18,829 tonnes of avoided CO₂ emissions. The changes in the CO₂ 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 investments in certain countries and green bonds.
2. Changes in the CO₂ data.
3. Changes in the size of the fund.

Changes in the composition of the investment portfolio

In 2021, we did not reject and remove any countries from the country universe. The decline in the fund's CO₂ emissions was largely caused by the sale of German, Dutch and Slovakian bonds. We purchased three new green bonds from KfW in 2021. Together, they accounted for an increase in avoided emissions of more than 4,000 tonnes.

Changes in the CO₂ data

There was no significant change in countries' CO₂ emissions in 2021. However, we received better data on two KfW bonds and one FMO bond. As a result, the avoided CO₂ emissions increased by nearly 5,500 tonnes.

Change in the size of the fund





The number of shares in the fund rose by 8.3% in 2021. This is less than the improvement in the fund's CO₂ emissions and avoided CO₂ emissions. This means that the absolute carbon emissions figure per share of ASN Duurzame Obligatiefonds increased.

Biodiversity

The ASN Duurzaam Obligatiefonds has a goal of promoting biodiversity. Progress towards achieving this objective is measured using the method developed by the Partnership for Biodiversity Accounting Financials (PBAF). This method is still in development. ASN Impact Investors does not yet have any data available to present in this annual report on the biodiversity impact in 2021. In its Impact Report, ASN Impact Investors reports on the progress made by the ASN Beleggingsfondsen towards the biodiversity objective. You can find this report on www.asnimpactinvestors.com.

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.

SDG 10	Reduce inequality within and among countries	
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 contribute to the reduction of inequality.	
SDG 13	Take urgent action to combat climate change and its impacts	
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 contribute to the fight against climate change.	
SDG 15	Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss	
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.	
SDG 16	Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and open institutions at all levels	
Target 16.10	Ensure public access to information and protect fundamental freedoms, in accordance with national legislation and international agreements.	
Explanation	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

We rejected two countries in the reporting period and removed them from the ASN Duurzaam Obligatiefonds investment universe. During the reporting period we admitted 28 green bonds and approved 3 green bond frameworks. A green bond framework is a standard that describes the conditions which the underlying loans must meet.

Taxonomy Regulation

The technical screening criteria supplementing the Taxonomy Regulation for environmentally-sustainable economic activities relate to the environmental objectives of climate change mitigation and climate change adaptation, and came into effect on 1 January 2022. The technical screening criteria for the other four environmental objectives described in the Taxonomy Regulation have not yet been developed. These detailed criteria require the availability of multiple specific data points for each investment. At present, there is not enough reliable, timely or verifiable data available to be able to assess investments against the technical screening criteria.



In addition, the Regulatory Technical Standards (RTS) under the SFDR which define the methodology for calculating the share of environmentally sustainable investments and the templates for these disclosures are not yet in force. It is currently not possible to provide standardised and comparable information about the share of ecologically sustainable investments in accordance with the EU taxonomy.

Although the Funds hold investments in companies performing economic activities which help achieve an environmental objective and which may be eligible for assessment against the technical screening criteria, it is currently not possible to give a description of (a) the degree to which a fund’s investments are made in economic activities which qualify as environmentally sustainable and consistent with the Taxonomy Regulation; (b) the share, as a percentage of a fund’s portfolio, of investments in environmentally sustainable economic activities which are consistent with the Taxonomy Regulation; or (c) the share, as a percentage of the fund’s portfolio, of enabling and transitional activities (as described in the Taxonomy Regulation).

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 for each 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	Year-end 2021: 4.9	Risk control and monitoring through limit to duration
			VaR99 not exceeding 5.5%	Year-end 2021: 5.3%	Risk control and monitoring through limit to Value at Risk (VaR)
				During the reporting period, the VaR limit was exceeded in October and November. In December the limit was back within the accepted range.	

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	Government bonds: 70–90%	Year-end 2021: 80.72%	Risk control and monitoring through limits to (maximum) allocations per country and green and social bonds.
			Green and social bonds: 10–30%	Year-end 2021: 19.28%	
			Maximum allocation per country: 35%	Year-end 2021: 13.80%	
			Maximum allocation per issuer: 10%	The limits were not exceeded in the reporting period.	

Duration

31-12-2021

Modified duration	4.97
Modified duration of the benchmark	5.21

Five largest interests as %

as % of the portfolio as at 31 December 2021

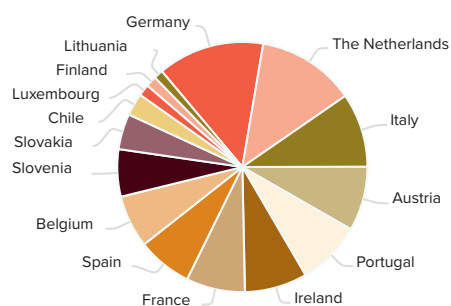
%

Republic of Germany	13.8
Kingdom of The Netherlands	12.7
Republic of Italy	9.6
Republic of Austria	8.3
Republic of Portugal	8.3

Country allocation as %

Germany	13.8
The Netherlands	12.7
Italy	9.6
Austria	8.3
Portugal	8.3
Ireland	8.1
France	7.6
Spain	7.1
Belgium	6.8
Slovenia	6.1
Slovakia	4.6
Chile	2.9
Luxembourg	1.5
Finland	1.4
Lithuania	1.2

Country allocation

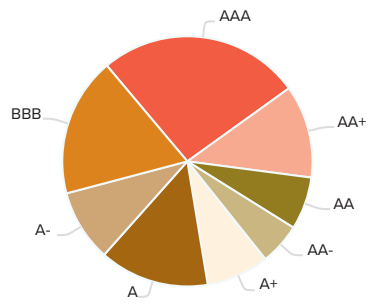




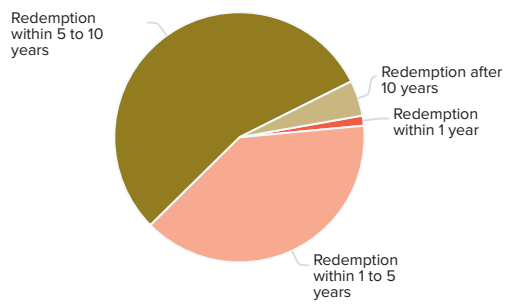
Credit rating allocation as %

AAA	26.2
AA+	12.0
AA	6.8
AA-	5.4
A+	8.1
A	14.2
A-	9.3
BBB	18.0

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. ASN Impact Investors has outsourced the asset management of the fund to Impax Asset Management. The investment manager selects companies operating in the water, sustainable energy, energy efficiency, wastewater treatment, waste management, and sustainable food, agriculture and forestry sectors. These companies meet the sustainability criteria of ASN Impact Investors. 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.asnimpactinvestors.com on the fund's webpage.

Investment policy

ASN Impact Investors determines the investment universe of the ASN Milieu & Waterfonds based on an analysis of companies' sustainability. 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).

Portfolio management

During the reporting period, portfolio management focused on the health of the companies in the portfolio, their competitive position and their long-term outlook. Although monetary policy is changing, policy support for sustainable markets remains clear. Interest in sustainable and environmental markets in 2021 came from a variety of sources. At the COP26 summit, which was held in November, India and Vietnam joined the increasing number of countries committed to aiming for net-zero carbon emissions. A notable success at the COP26 summit was the emergence of coalitions of key actors around individual issues, such as the reduction of coal energy, deforestation and methane emissions. The business and financial sectors, together with governments, made ambitious pledges with regard to these issues. In the US, the two-part 'Build Back Better' infrastructure bill was passed, which was positively received. Although the bill has encountered resistance, President Biden seems willing to use executive orders to implement policy measures.

The managers did not make any strategic changes to the portfolio. The environmental and climate measures implemented by governments, partly in response to public calls for action, strengthen our belief that the fund's strategy will provide additional opportunities, particularly in the medium to long term. New innovations in the fields of industrial automation, digitalisation, energy, health and food safety seem set to determine what will constitute the 'new normal'.

65

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

- **American Water Works** (water supply companies, USA) is a top-tier water company. This investment increases the fund's holdings in American and defensive shares.
- **Equinix** (energy efficiency in industry, USA) is a leading global supplier of colocation data centres for the retail trade. The company develops network- and cloud-neutral data centre platforms for a broad range of industries.
- **Maytronics** (water treatment equipment, Israel) is a market leader in the area of water- and energy-efficient robotic pool cleaners.
- **TeamViewer** (energy efficiency in transport, Germany) is a leading supplier of software for remote working.
- **Terna Energy** (development of renewable energy, Greece) ensures the diversification of the fund's interests in the attractive renewable energy market.
- **Descartes Systems** (energy efficiency in transport, Canada) is a key player in the digital transformation of the logistics sector.
- **A.O. Smith** (energy efficiency of buildings, USA) was added to the portfolio after a conversation with senior management allayed our governance concerns.
- **Stericycle** (hazardous waste management, USA) is a dominant market leader in the US medical waste industry, partially due to a turnaround.
- **Switch Inc.** (energy efficiency in industry, USA) is a leading supplier of green data centres. Switch builds and operates colocation facilities, driven by 100% renewable energy combined with a high degree of power and water efficiency.



- **Vertiv Holdings** (energy efficiency in industry, USA) is a leading supplier of uninterruptible power systems (UPS), which help companies adapt to the increasing instability of the electricity grid. The company has proven management and a significant success story, and is well positioned as a leading supplier of energy efficiency solutions for the fast-growing data centre market.

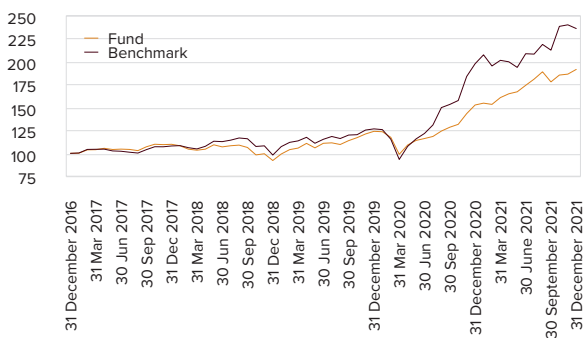
We sold the shares in the following companies:

- **Rational** (sustainable and efficient agriculture, Germany) was sold for valuation reasons, after very strong performance.
- **Kingspan Group** (energy efficiency of buildings, Ireland) was also sold on the basis of its valuation. The portfolio managers saw a low valuation benefit, given the expectations of investors that the company could significantly profit from Build Back Better initiatives.
- **Rinnai Corp** (energy efficiency of buildings, Japan) was sold after strong performance. Moreover, there are concerns about the business prospects of the company in the lead-up to a society with net-zero CO₂ emissions.
- **ZhuZhou CRRC Times Electric** (logistics, China) was sold because sharp increases in its share price were not supported by an improvement in the fundamental figures.
- **Daiseki** (water treatment equipment, Japan) was sold following good performance and because we preferred other investments.
- **Landis+Gyr** (efficiency of electricity grids, Switzerland) was sold because we believed Itron was better positioned from a technological standpoint. Accordingly, we decided to invest more in smart meters through Itron.
- **Middlesex Water** (water utilities, USA) left the portfolio following a strong performance. We invested the proceeds from the sale in its rival American Water Works (water utilities, USA): a comparable company with a better spread of regulatory risk.
- **TeamViewer** (energy efficiency in transport, Germany) was sold following an early announcement that growth was significantly lower than expected. Management lost confidence due to poor capital allocation and the lack of a clear growth picture. That made it difficult for the company to restore competitiveness and market confidence in the short term.

Performance

The ASN Milieu & Waterfonds achieved a return for 2021, based on the net asset value, of 25.45% (2020: 23.19%). This includes the reinvested dividend for 2020 of €0.35 per share (2019: €0.60). In the same period the benchmark achieved a return of 19.44% (year-end 2020: 56.18%).

Indexed return over the last five years relative to the benchmark



Performance contributions

Performance attribution of ASN Milieu & Waterfonds in 2021 relative to the benchmark

Fund NAV return ¹	Benchmark return	Outperformance	ESG overlay	Active management	Costs
25.45%	19.44%	6.01%	9.26%	-2.05%	-1.20%

¹ The fund return based on the net asset value (NAV) may differ from the return based on the quoted stock market price. The quoted stock market price at year-end 2021 is based on the NAV on the previous trading day.

The value of the fund rose by 25.5% during the reporting period. This was better than the benchmark, the FTSE ET100 Index, which produced a return of 19.4%. The overweight position in the water infrastructure & technology sector and the underweight position in the renewable & alternative energy sector were the main reasons why the fund performed better than the benchmark. The underweight position in the energy efficiency sector, particularly in transport, made a negative

contribution to the return relative to the benchmark, with Tesla occupying a significant position. More sustainable choices than the benchmark made a positive contribution of 9.3%, while active management by the portfolio manager made a negative contribution of 2.1%.

The fund costs were 1.20%.

In 2021, the following shares made the biggest contributions to the return:

- The share price of **Nibe Industrier** (+1.8% contribution to fund performance) reflected the fact that the company consistently achieved profits that exceeded expectations. The company also has solid prospects in the heat pump market, which is growing as heating moves away from fossil fuels.
- **Advanced Drainage Systems** (+1.4% contribution to fund performance) is a leading water management company. It continues to achieve strong growth, supported by robust residential and non-residential markets.
- **Mettler-Toledo International** (+1.3% contribution to fund performance) recorded an impressive increase in turnover in 2021 and significantly extended its margins, despite inflation putting a squeeze on costs.

The biggest negative contributions came from:

- **TeamViewer** (-1.4% contribution to fund performance) produced disappointing results that were considerably lower than earlier guidance. That exacerbates the market's concerns about how management handles growth and capital allocation.
- After a strong 2020 from **Vestas Wind Systems** (-0.8% contribution to fund performance), investors' expectations for infrastructure spending cooled in the first half of 2021. As a result, the share price fell. In the second half of the year, Vestas' margins tightened due to supply chain and logistics challenges.
- The share price of **Xinyi Solar** (-0.4% contribution to fund performance) was affected by the negative market reaction to the announcement that the company would be investing in the capital-intensive production of polysilicon, which is the key raw material in the manufacture of solar panels.

Key figures of ASN Milieu & Waterfonds

% return

	Fund	Benchmark ¹
2021	25.45%	19.44%
2020	23.19%	56.18%
Last three years (yearly average)	27.67%	34.06%
Last five years (yearly average)	13.91%	18.78%
Yearly average since inception date (20-04-1993)	4.44%	7.99%

¹ The benchmark is FTSE Environmental Technologies 100 Index.

Key figures in euros

Price 31 December 2021	56.67
Price 31 December 2020	45.17
Highest price in 12 months	57.55
Lowest price in 12 months	45.32
Net asset value per share 31 December 2021 ¹	56.49
Dividend for financial year 2020	0.35

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

Fund growth

	31-12-2021	31-12-2020
Fund size in € thousands	1,136,398	838,039
Number of shares outstanding	20,115,995	18,477,881

Sustainability

ASN Impact Investors only invests 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.

Two sustainable objectives

The ASN Milieu & Waterfonds is an Article 9 product within the meaning of the SFDR. An Article 9 product is an investment product with a specific focus on achieving one or more sustainability goals. Two goals have been set for the ASN Milieu & Waterfonds.

1. Climate: Minimising annual carbon emissions in line with the Paris agreement (expressed through the fund's contribution to the 1.5 degree economy);
2. Biodiversity: Minimising the negative impact on biodiversity per euro invested (in relation to the reference year, 2019).

ASN Impact Investors has a Climate and Impact Committee which monitors progress towards these objectives. The committee discusses proposals and analyses of scenarios that could contribute to achieving the sustainable objectives.

Climate

The ASN Duurzaam Aandelenfonds doesn't yet have enough data to monitor the minimising of carbon emissions in line with the Paris agreement. As a proxy, ASN Impact Investors measures the carbon footprint (Scope 1, 2 and 3 emissions) for the ASN Duurzaam Aandelenfonds using the PCAF method.

The companies in which the ASN Milieu & Waterfonds invests emit CO₂. In selecting companies, we assess their climate and environmental policies as well as performance. The companies in the ASN Milieu & Waterfonds make a significant contribution to increasing the sustainability of society, but generate relatively high CO₂ 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 CO₂ emissions generated by the activities. The contribution made by the products and services during their useful life is not included.

The carbon emissions at year-end 2021 were:

CO ₂ emissions of the ASN Milieu & Waterfonds ^{1,2}	Year-end 2021	Year-end 2020	Difference
Scope 1 and 2 emissions	57.325	46.993	22.1%
Scope 3	204.853	199.099	2.9%
Total Scope 1, 2 and 3 emissions	262.178	246.032	6.6%

1 The methodology for measuring the CO₂ impact of investments and loans is constantly evolving. The data used is improving all the time. As a result, the calculated CO₂ impact may be adjusted in the future should better data become available.

2 In this report, we present the CO₂ results for the funds that are part of ASN Beleggingsfondsen UCITS N.V. (UCITS funds). In the report of ASN Beleggingsfondsen AIF N.V., we present the CO₂ results of the ASN Duurzame Mixfondsen and the ASN Groenprojectenfonds. The ASN Duurzame Mixfondsen invest directly in the UCITS funds. As a result, the CO₂ figures for the UCITS funds also include the CO₂ results for the investments of the ASN Duurzame Mixfondsen.

Development of absolute CO₂ emissions in tonnes

In 2021, the total absolute CO₂ emissions of the ASN Milieu & Waterfonds amounted to 262,178 tonnes for scopes 1, 2 and 3. Changes in the CO₂ 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 CO₂ data.
3. Changes in the size of the fund.

Changes in the composition of the investment portfolio

The removal of Landis+Gyr Group, Rinnai and Kingspan made the biggest contribution to the fall in the emissions of the ASN Milieu & Waterfonds, collectively accounting for more than 13,000 tonnes. The newly-purchased holdings in Renewi, Stericycle and Vestas Wind Systems collectively accounted for an increase of more than 13,000 tonnes of carbon emissions.

Changes in the CO₂ data

CO₂ data is improving all the time. An increasing number of companies report on their CO₂ emissions. The models used by data suppliers are improving as well. This means that the data input we are using to calculate the CO₂ emissions of our funds is improving accordingly. As a result of the switch from Trucost to MSCI, we were unable to establish any changes in the data for 2021.



Changes in the size of the fund

The number of outstanding shares increased by 8.9% in 2021, while the total CO₂ emissions increased by 6%. This means that the absolute CO₂ emissions figure per ASN Milieu & Waterfonds share rose more sharply.

Biodiversity

One of the goals of the ASN Milieu & Waterfonds is to minimise the negative impact of its investments on biodiversity. Progress towards achieving this objective is measured using the method developed by the Partnership for Biodiversity Accounting Financials (PBAF). This method is still in development. ASN Impact Investors does not yet have any data available to present in this annual report on the biodiversity impact in 2021. In its Impact Report, ASN Impact Investors reports on the progress made by the ASN investment funds towards the biodiversity objective. You can find this report on asnimpactinvestors.com.



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.



SDG 6	Ensure availability and sustainable management of water and sanitation for all	
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.	
SDG 7	Ensure access to affordable, reliable, sustainable and modern energy for all	
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.	



SDG 9	Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation	
Target	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 use clean and environmentally sound 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.	
SDG 12	Ensure sustainable consumption and production patterns	
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 2021, we assessed 44 companies for the ASN Milieu & Waterfondsen. We admitted 13 new companies to the ASN Investment Universe, retained 17 companies and declined to admit 13, while 1 company was rejected and removed. Asahi Holding was removed for non-sustainability reasons.

<i>Newly admitted</i>	<i>Retained</i>	<i>Removed</i>
American Water Works Co	Acuity Brands	Rinnai Corp
Comfort Systems USA	Belimo	
Descartes Systems Group	BillerudKorsnäs	
Equinix	Boralex Inc.	
FarmersEdge	Centrotec Sustainable	
Maytronics	Chr. Hansen Holding	
Monolithic Power Systems	DS Smith	
Stericycle	Holmen	
Sunnova	Krones	
Switch Inc	Landis+Gyr	
TeamViewer	Lassila & Tikanoja	
Terna Energy	Lenzing	
Vertiv holdings	Murata Manufacturing	
	Nemetschek	
	Rockwool International	
	Severn Trent	
	Unilever	

During the reporting period, we admitted the American company Stericycle. This company processes medical waste for hospitals and other customers. We rejected and removed Rinnai Corp, a Japanese company that had made insufficient improvements in a number of areas over the past four years. The deciding factor was the fact that Rinnai Corp is involved in the production of equipment that runs on gas, such as hot water tanks, clothes dryers and gas appliances. These activities are not in line with our vision of a sustainable society.

Engagement

In 2021, 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. For the remaining companies, our discussions were prompted by the discovery of wrongdoing, or because a review had revealed that the companies no longer met our criteria.



One of the companies with which we engaged in 2021 is Evoqua Water Technologies, which is not yet reporting on its CO₂ emissions and water consumption. Impax, the executive manager, discussed this matter with the company. Evoqua indicated that it intends to start reporting on these indicators and is aiming to improve its communications on sustainability matters more broadly. As a key stakeholder, Impax shared its thoughts with Evoqua on the ESG strategy (the environment, labour and governance) and reporting methods.

Taxonomy Regulation

The technical screening criteria supplementing the Taxonomy Regulation for environmentally-sustainable economic activities relate to the environmental objectives of climate change mitigation and climate change adaptation, and came into effect on 1 January 2022. The technical screening criteria for the other four environmental objectives described in the Taxonomy Regulation have not yet been developed. These detailed criteria require the availability of multiple specific data points for each investment. At present, there is not enough reliable, timely or verifiable data available to be able to assess investments against the technical screening criteria.

In addition, the Regulatory Technical Standards (RTS) under the SFDR which define the methodology for calculating the share of environmentally sustainable investments and the templates for these disclosures are not yet in force. It is currently not possible to provide standardised and comparable information about the share of ecologically sustainable investments in accordance with the EU taxonomy.

Although the Funds hold investments in companies performing economic activities which help achieve an environmental objective and which may be eligible for assessment against the technical screening criteria, it is currently not possible to give a description of (a) the degree to which a fund's investments are made in economic activities which qualify as environmentally sustainable and consistent with the Taxonomy Regulation; (b) the share, as a percentage of a fund's portfolio, of investments in environmentally sustainable economic activities which are consistent with the Taxonomy Regulation; or (c) the share, as a percentage of the fund's portfolio, of enabling and transitional activities (as described in the Taxonomy Regulation).

Risk management

Investing in the ASN Milieu & Waterfonds 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 for each 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.					
Risk appetite	Probability	Impact	Limit	Materialisation	Control measure
High	High	High	VaR99 not exceeding 55%	The limit was not exceeded during the reporting period. Year-end 2021: Limit not exceeded.	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.

Risk appetite	Probability	Impact	Limit	Materialisation	Control measure
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

Sector	Limit	Materialisation
Renewable energy	20-50%	Year-end 2021: 38%
Water treatment	25-60%	Year-end 2021: 36%
Waste & recycling	0-20%	Year-end 2021: 10%
Food & agriculture	0-20%	Year-end 2021: 10%

Limit for regional allocation

Region	Limit	Materialisation
Europe	30-60%	Year-end 2021: 47.9%
United States and Canada	15-50%	Year-end 2021: 35.8%
Rest of the world	10-40%	Year-end 2021: 16.3%

Limit for maximum investment in a single company or undertaking

Restriction	Limit	Materialisation
Size of investment in a single company or institution relative to the fund capital	5%	Year-end 2021: 2.7%

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 table on the concentration risk.	Risk control through monitoring of the limits set.

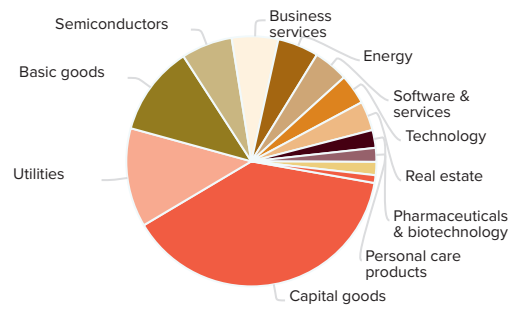
The following tables and graphs contain a further breakdown of the sector allocation and country allocation.



Sector allocation as %

Capital goods	38.7
Utilities	12.8
Basic goods	11.6
Semiconductors	6.6
Business services	6
Energy	5.3
Software & services	4.5
Technology	3.9
Real estate	3.8
Pharmaceuticals & biotechnology	2.3
Personal care products	1.8
Transport	1.7
Consumer durables	1

Sector allocation

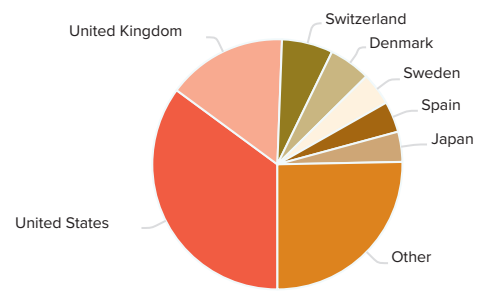




Country allocation as %

United States	35.1
United Kingdom	15.5
Switzerland	6.6
Denmark	5.4
Sweden	4.2
Spain	4.0
Japan	3.9
Other	25.3

Country allocation



Ten largest interests as %

<i>Ten largest interest as % of the portfolio</i>		%
Georg Fischer		2.6
Severn Trent		2.6
American Water Works		2.5
United Utilities		2.5
Pentair		2.4
NIBE Industrier		2.3
California Water Service		2.3
Mettler-Toledo International		2.3
Novozymes		2.3
EDP Renováveis		2.2
Total		24.0

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. ASN Impact Investors has outsourced the portfolio management of the fund to Kempen Capital Management. The companies in which the fund invests meet the sustainability criteria of ASN Impact Investors. The prospectus of ASN Beleggingsfondsen UCITS N.V. contains full information on the investment policy of this fund. The prospectus can be found at www.asnimpactinvestors.com on the fund's webpage.

Investment policy

ASN Impact Investors determines the investment universe of the ASN Duurzaam Small & Midcapfonds based on an analysis of companies' sustainability. 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).

Portfolio management

The economic recovery in 2021 was stronger than expected. Up to now, the macroeconomic situation has been characterised by low or even negative interest rates. As a result, the strongest performers were shares in the industrial and information technology sectors. Share prices continued to rise in 2021. We sold all or part of our holdings in shares of which the valuation had risen sharply – perhaps too sharply – while the likelihood of an increase in the share price was low. We used the proceeds of these sales to buy high-quality shares that were valued more attractively, with late-cycle characteristics (materials) or more defensive characteristics (telecommunications, non-cyclical consumer goods). On balance, the overweight positions in the industrial (sale of Adtech) and information technology (sale of Simcorp, Dialog) sectors decreased. With the purchase of Bekaert, the underweight position in the materials sector turned into an overweight position. The underweight positions in the healthcare and non-cyclical consumer goods sectors were reduced during the year with the purchase of Fagron and Premier Foods respectively. Finally, the overweight position in the telecommunications sector increased due to the purchase of Ipsos and Telenet, which had low share prices at the time.

In 2021, we added five new shares to the portfolio and sold seven shareholdings in their entirety. We added the following companies to the portfolio:

- **ASOS** is an online clothing retailer focusing on customers in their twenties. At the end of July, the company published a strategy update that was weaker than expected. We added the share to the portfolio because we think ASOS still has significant potential for long-term growth, particularly in the United States.
- **Bekaert** was added to the portfolio for cyclical and fundamental reasons. The steel wire cycle is developing well, since demand is increasing (car tyres, cables, construction) and global capacity is growing in a disciplined way. Furthermore, new management is making great strides with structural improvements to profitability, cash generation and debt position, which will benefit the valuation of the share.
- **Otello** has sold or floated a range of activities in recent years. What remains is a much more focused company. The key remaining activity is Adcolony, which is involved in technology for mobile advertisements. After a number of difficult years, Adcolony is once again enjoying a strong tailwind. In the fourth quarter of 2020, Adcolony recorded growth that was 30% better than expected. We believed that Adcolony's strong outlook was not accurately reflected in the share price of its parent company, Otello.
- **Premier Foods** produces foodstuffs such as desserts, soups and sauces, which are primarily sold in supermarkets. New management has restored order following a difficult period, creating a good opportunity to invest in Premier Foods. The company is primarily investing in healthier alternatives – containing less sugar and salt, for example – of its own products. Premier Foods has also recently increased its sustainability ambitions, aiming to be carbon neutral in its own activities by 2040 and throughout its value chain by 2050.
- We see the British company **Travis Perkins**, which operates in the home improvement retail sector, as a strong player within its niche, and one which will benefit in future from greater operational focus. However, the uncertainties resulting from Brexit and the coronavirus have delayed the implementation of the strategy. After we had added the company to the portfolio in March 2021, it became clear that the demerger of the DIY retail chain **Wickes** was going to go ahead sooner than expected. Based on our analysis and the attractive valuation, we decided to retain the Wickes



shares we received in the portfolio and to buy more. A few weeks after the Wickes demerger, Travis Perkins announced the sale of its Plumbing & Heating activities. That significantly reduced the number of activities engaged in by Travis Perkins. As a result, previously underexposed gems such as Toolstation, which also operates in the Netherlands, should receive more attention in future.

- **Warehouse De Pauw (WDP)** builds and owns logistics buildings in a total of 250 locations in the Netherlands, Belgium and France. WDP was not affected by the coronavirus pandemic, unlike other types of property such as retail and the office market. Demand for logistics buildings is strong, partly due to the continued increase in online stores. WDP has a healthy development pipeline and good access to the capital market to finance its growth. We also expect continued growth in renting of the existing portfolio.

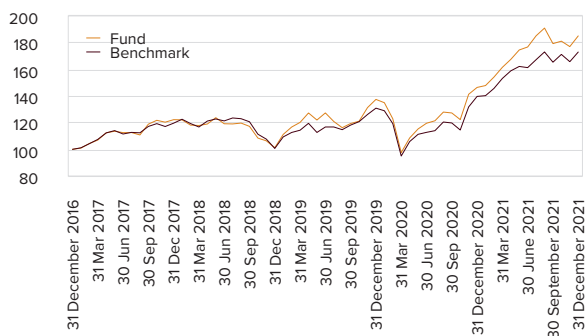
We sold the shares in the following companies:

- Once the price of shares in the Scottish soft drink manufacturer **AG Barr** recovered, we sold the fund's entire holding. Given the upward pressure on costs, particularly raw material costs, we saw little likelihood of structural profit growth in the near future. We found the mooted takeovers financially and strategically unappealing.
- We sold the holding in **AddTech**, a Swedish distributor and supplier of technical solutions, because we no longer found the risk-return ratio attractive – which was also the case with some of the other positions in this list.
- **Dialog** and Renesas announced in February that they had reached agreement on an offer by Renesas for Dialog.
- The management of **Greggs** acted quickly in adapting the business model to the restrictions of the coronavirus and government subsidies. They succeeded in limiting the impact of these restrictions on the results and balance sheet, and the share price recovered strongly. As a result, investors assumed that the situation would quickly normalise and Greggs would outstrip its 2019 performance. This combination of a strong valuation and high expectations led to an unbalanced risk-return ratio, and we decided to sell the position.
- Shortly after we had included **Otello** in the portfolio, it received an offer for Adcolony. We then decided to sell the Otello shares, because Otello had become a cash shell company. The investment was thus for a shorter period than planned, but was nonetheless successful.
- We sold the British company **Shaftesbury**, which is active in retail property, once the share price had recovered from the coronavirus dip. We think the pandemic accelerated an existing trend of a shift to online shopping, and many customers will shop more online over the long term. London shops are heavily dependent on tourism and their recovery continues to be plagued by developments relating to the pandemic. We believe Shaftesbury's profile remains extremely strong, but the risk-return profile was not sufficiently attractive once the share price had recovered.
- **SimCorp** supplies software to asset managers. We sold the fund's shares due to their high valuation. The company has a good product and strong track record, but the asset management sector is consolidating. Accordingly, we think SimCorp's growth prospects are out of proportion with its shares' high valuation.
- We believe **Tecan**, which designs and produces laboratory instruments, is a high-quality company with a very solid balance sheet and good market positions. However, the shares were so highly valued that we decided to sell our holding.

Performance

The ASN Duurzaam Small & Midcapfonds achieved a return for 2021, based on the net asset value, of 26.38% (2020: 6.55%). This includes the reinvested dividend for 2020 of €0.40 per share (2019: €0.80). In the same period the benchmark achieved a return of 23.83% (year-end 2020: 6.72%).

Indexed return over the last five years relative to the benchmark



Performance contributions

Performance attribution of ASN Duurzaam Small & Midcapfonds in 2021 relative to the benchmark

Fund NAV return ¹	Benchmark return	Outperformance	ESG overlay	Active management	Costs
26.38%	23.83%	2.55%	n/a	3.75%	-1.20%

¹ The fund return based on the net asset value (NAV) may differ from the return based on the quoted stock market price. The quoted stock market price at year-end 2021 is based on the net asset value on the previous trading day.

The value of the fund rose by 26.4% in 2021. This means it performed 2.6% better than the benchmark (MSCI European Small cap net TR index), which rose by 23.8%. The European small-cap market started the year very strongly, with the index rising steadily for five months. In the second half of the year the market still rose overall, because the months with a positive return more than compensated for the three months with a negative return. Many companies benefited from strong pent-up demand in 2021. Unlike in 2020, many companies had a better idea of how to deal with the uncertainty of the coronavirus pandemic. Around the world, the strong demand for products persisted. Alongside the pandemic other key themes emerged, such as component shortages, logistics problems and rising inflation. Rising energy and commodity prices saw inflation increase to the highest level in years, well above the ECB's target of 2%. Although inflation is high, it appears to be under control. Central banks are still applying accommodative interest rate policies to stimulate economic growth, although they are starting to quietly ease back on this strategy. The ECB is phasing out bond purchasing under the Pandemic Emergency Purchase Programme, and will stop it altogether in March 2022. Unlike in the United States, an interest rate hike in Europe is not expected in 2022. As a result, actual interest rates remain negative. In combination with the broad financial buffers for private investors, this will see share prices rise.

The fund's holdings in Germany, the United Kingdom and France produced the best performance in 2021, while the holdings in Belgium, Finland and Sweden were the weakest. From a sector perspective, the strongest contributions came from the shareholdings in the industrial, information technology and real estate sectors, while the commodities, financial instruments and healthcare sectors lagged behind.

The fund costs were 1.20%.

In 2021, the following shares made the biggest contributions to the return:

- **Safestore** (contribution to fund performance: +2.47%) benefited considerably from the increased demand for (flexible) storage space. On the one hand, this demand is driven by the massive shift to working from home, forcing employees to create space for a work area. On the other, the global logistics challenges mean that (small) companies, too, are maintaining extra back-up stocks. This resulted in a healthy capacity utilisation rate of 85.1% as at the end of October – an improvement on the figure of 80.1% a year earlier – and a comparable price increase of 10.8%. In our opinion, Safestore can grow in 2022 as well, seeing that the capacity utilisation rate at year-end was 5% higher than the year before, while prices were higher than average. Furthermore, Safestore has a property pipeline for high-quality new developments.
- **Sthree** SThree (contribution to fund performance: +2.46%) reported strong results throughout the year, suggesting a continuing recovery. The productivity of SThree's consultants also went up. The Dutch and German activities in particular did very well. According to the company, its end markets continue to recover.
- The share price of **Dialog Semiconductors** (contribution to fund performance: +2.03%) rose sharply in January, when the company again increased its objective for the current quarter. Revenue was higher than expected due to the demand for 5G telephones and tablets. In February, Dialog and Renesas announced that they had reached agreement on a bid from Renesas for Dialog. This news caused another sharp rise in the share price.

The biggest negative contributions came from:

- In October, **ASOS** (contribution to fund performance: -1.00%) presented its objectives for the financial year 2022 and the medium term. The profitability rate reflected in these objectives was clearly below expectation. This caused the share price to fall. ASOS also announced that its CEO was stepping down with immediate effect. Although its short-term results were disappointing, ASOS still has long-term growth opportunities as a proper global online retailer with its ASOS platform. We believe that the expansion of this platform and the company's growth will eventually create much shareholder value. This is why we gradually increased our interest during the fourth quarter.
- **Fagron** markets pharmaceutical applications for the healthcare sector. Fagron's share price (contribution to fund performance: -0.46%) mostly declined in 2021. Orders which the company had received in 2020 in connection with the pandemic were not repeated. The construction of a new facility in Poland experienced delay, while competition increased in the important Dutch market. However, we believe that the company has taken the right steps to reinforce



its European activities and increase capacity utilisation in North America. We therefore have high expectations in respect of the long-term objectives. In 2021, we discussed the CO₂ targets and reporting with the company. We also spoke about the composition of the Supervisory Board. We are positive that the involvement of representatives of the shareholder Alychlo will be reduced in the future.

- The interest in **Simcorp** (contribution to fund performance: -0.28%) was sold in its entirety in September. The share ended 2020 on a record price. When the annual figures were published, profitability turned out to be better than expected. However, the management's observations on 2021 failed to meet the high expectations, causing the share price to fall.

Key figures of ASN Duurzaam Small & Midcapfonds

% return

	Fund	Benchmark ¹
2021	26.38%	23.83%
2020	6.55%	6.72%
Last three years (yearly average)	22.27%	19.76%
Last five years (yearly average)	13.10%	11.58%
Yearly average since inception date (20-04-1993)	7.09%	6.58%

¹ The benchmark is MSCI Europe Small Cap Total Return Net Index.

Key figures in euros

Price 31 December 2021	59.83
Price 31 December 2020	47.72
Highest price in 12 months	62.33
Lowest price in 12 months	47.32
Net asset value per share 31 December 2021 ¹	59.46
Dividend for financial year 2020	0.40

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

Fund growth

	31-12-2021	31-12-2020
Fund size in € thousands	226,208	157,359
Number of shares outstanding	3,804,203	3,320,386

Sustainability

ASN Impact Investors only invests 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.

Two sustainability objectives

The ASN Duurzaam Small & Midcapfonds qualifies as an Article 9 product under the SFDR. An Article 9 product is an investment product that specifically aims to achieve one or more sustainability objectives. The following two objectives have been formulated for the ASN Duurzaam Small & Midcapfonds:

1. Climate: minimising annual CO₂ emissions in line with the Paris Agreement (expressed as the contribution of the Fund to the 1.5 degree economy);
2. Biodiversity: minimising the negative impact on biodiversity per euro invested (compared to baseline year 2019).

ASN Impact Investors monitors progress in achieving these objectives through its Climate and Impact Committee. This committee discusses proposals and scenario analyses which will help achieve the sustainability objectives.

Climate

ASN Impact Investors still has insufficient data to monitor the minimisation of CO₂ emissions in line with the Paris Agreement. By way of a proxy, ASN Impact Investors measures the carbon footprint of the ASN Duurzaam Small & Midcapfonds (scopes 1, 2 and 3) in accordance with the PCAF method.



The companies in which the ASN Duurzaam Small & Midcapfonds invests emit CO₂. 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 CO₂ emissions generated by the activities. The contribution made by the products or services during their useful life is not included.

The CO₂ emissions as at year-end 2021 were as follows:

CO ₂ emissions of ASN Duurzaam Small & Midcapfonds ^{1,2}	Year-end 2021	Year-end 2020	Difference
Scope 1 and 2 emissions	9678	3920	146.9%
Scope 3	87594	62408	40.4%
Total Scope 1, 2 and 3 emissions	97272	66328	46.7%

1 The methodology for measuring the CO₂ impact of investments and loans is in constant development. The data used is improving all the time. As a result, the calculated CO₂ impact may be adjusted in the future should better data become available.

2 In this report, we present the CO₂ results for the funds that are part of ASN Beleggingsfondsen UCITS N.V. (UCITS funds). In the report of ASN Beleggingsfondsen AIF N.V., we present the CO₂ results of the ASN Duurzame Mixfondsen and the ASN Groenprojectenfonds. The ASN Duurzame Mixfondsen invest directly in the UCITS funds. As a result, the CO₂ figures of the UCITS funds include the CO₂ results of the investments in the ASN Duurzame Mixfondsen.

Development of absolute CO₂ emissions in tonnes

In 2021, the total absolute CO₂ emissions of the ASN Duurzaam Small & Midcapfonds amounted to 97,272 tonnes for scopes 1, 2 and 3. Changes in the CO₂ 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 CO₂ data.
3. Changes in the size of the fund.

Changes in the composition of the investment portfolio

Changes in the interests in Signify, Jost Werke and Coats Group helped reduce emissions by the ASN Duurzaam Small & Midcapfonds by more than 5,000 tonnes. The newly acquired companies Bekaert, Premier Foods and Travis Perkins made the greatest contribution: together they caused an increase by nearly 27,000 tonnes.

Changes in the CO₂ data

CO₂ data is improving all the time. An increasing number of companies report on their CO₂ emissions. The models used by data suppliers are improving as well. This means that the data input we are using to calculate the CO₂ emissions of our funds is improving accordingly. As a result of the switch from Trucost to MSCI, we were unable to establish any changes in the data for 2021.

Changes In the size of the fund

The number of shares outstanding rose by 14.6% in 2021, while the total absolute CO₂ emissions increased by nearly 47%. This means that the absolute CO₂ emission figure per share of the ASN Duurzaam Small & Midcapfonds went up.

Biodiversity

The ASN Duurzaam Small & Midcapfonds aims to minimise the negative impact of its investments on biodiversity. The realisation of this aim is measured using the method developed by the Partnership for Biodiversity Accounting Financials (PBAF). This method is still under development. ASN Impact Investors does not yet have the data it needs to report on the biodiversity impact for 2021 in this annual report. In its Impact Report, ASN Impact Investors describes the progress in achieving the biodiversity objective of the ASN Beleggingsfondsen. You can find this report on asnimpactinvestors.com.

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 Section 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.



SDG 8	Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all	
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 avoids sectors with 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.	
SDG 9	Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation	
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.	
SDG 12	Ensure sustainable consumption and production patterns	
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.	
SDG 13	Take urgent action to combat climate change and its impacts	
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 2021, we assessed 51 companies for the ASN Duurzaam Small & Midcapfonds. We admitted 6 new companies to the investment universe, retained 37 companies, refused 6 companies and rejected and removed 3 companies from the investment universe. Dialog Semiconductor, Diebol Nixdorf, Kcom and Opus were removed for reasons other than sustainability.²

² This can take place in connection with a merger, takeover or bankruptcy. Companies may also be removed from the investment universe if the investment manager no longer considers a company to be a financially attractive investment.

Newly admitted	Retained	Removed
Dustin	Addlife	A.G. Barr
Midsona	Barco	Construcciones y Auxiliar de Ferrocarriles (CAF)
Nobina	Belimo	SABAF
Premier Foods plc	Bellway	
Travis Perkins	BIC	
Warehouses De Pauw	BillerudKorsnäs	
	CEWE	
	Clas Ohlson	
	Computacenter	
	Demant	
	DS Smith	
	Dunelm	
	Elmos Semiconductor	
	FDM Holdings	
	FirstGroup	
	Go-Ahead Group	
	Great Portland Estates	
	Greggs	
	Holmen	
	Jungheinrich	
	Kesko	
	Krones	
	Lassila & Tikanoja	
	Lenzing	
	Lindab International	
	Promotora de Informaciones S.A. (Prisa)	
	Rockwool International	
	Severn Trent	
	SIG	
	Solaria Energia y Medio Ambiente	
	Stratec	
	Tarkett	
	Taylor Wimpey	
	Telenet Group Holding	
	Wickes Group	
	Workspace Group	

The Swedish company Midsona develops, produces and sells food and health products. It focuses on plant-based and vegetarian products, and makes an excellent addition to the investment universe. The British online clothing store. We rejected and removed the British company Barr. An in-depth investigation revealed that more than 4% of A.G. Barr's revenue is generated by the production of alcoholic beverages. An in-depth investigation revealed that more than 4% of Barr's revenue is generated by the production of alcoholic beverages. We exclude the production of alcoholic beverages.

Engagement

In 2021, we held talks with 26 companies from the investment universe. As part of the long-term living wage objective, we conducted a dialogue with 15 garment companies. The details can be found in Section 1.8, under *Sustainability 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 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:

- Wrongdoing at the company had come to light.
- A review revealed that the company no longer met our criteria.



- We wanted to encourage the company to develop further in the area of sustainability.

In 2021, we engaged with Befesa. We requested the company to provide more climate data about scopes 1 and 2, and asked what its plans were to manage the scope 3 emissions. We also asked how the company links its climate targets to remuneration.

Taxonomy Regulation

The technical screening criteria supplementing the Taxonomy Regulation for environmentally-sustainable economic activities relate to the environmental objectives of climate change mitigation and climate change adaptation, and came into effect on 1 January 2022. The technical screening criteria for the other four environmental objectives described in the Taxonomy Regulation have not yet been developed. These detailed criteria require the availability of multiple specific data points for each investment. At present, there is not enough reliable, timely or verifiable data available to be able to assess investments against the technical screening criteria.

In addition, the Regulatory Technical Standards (RTS) under the SFDR which define the methodology for calculating the share of environmentally sustainable investments and the templates for these disclosures are not yet in force. It is currently not possible to provide standardised and comparable information about the share of ecologically sustainable investments in accordance with the EU taxonomy.

Although the Funds hold investments in companies performing economic activities which help achieve an environmental objective and which may be eligible for assessment against the technical screening criteria, it is currently not possible to give a description of (a) the degree to which a fund’s investments are made in economic activities which qualify as environmentally sustainable and consistent with the Taxonomy Regulation; (b) the share, as a percentage of a fund’s portfolio, of investments in environmentally sustainable economic activities which are consistent with the Taxonomy Regulation; or (c) the share, as a percentage of the fund’s portfolio, of enabling and transitional activities (as described in the Taxonomy Regulation).

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 for each 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 limits was not exceeded in the reporting period. Year-end 2021: 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.

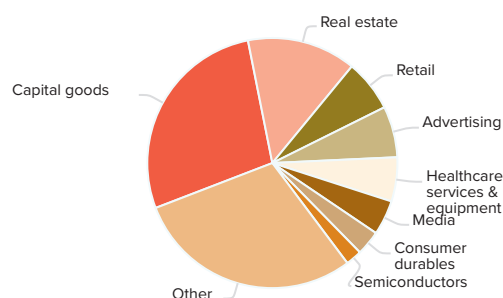
Risk appetite	Probability	Impact	Limit	Materialisation	Control measure
Medium	High	High	Restrictions to investment size. The limits are shown separately in the table below.	The materialisation is shown separately in the table below. The limits were not exceeded during the reporting period.	Risk control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

Restriction	Limit	Materialisation
Size of investment in a single company or undertaking relative to fund capital	10%	Year-end 2021: 4.4%
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. small caps: companies with a market capitalisation below €10 billion	This limit was not exceeded during the reporting year.
Interest held in the share capital of companies	Duration not exceeding 5% not exceeding No more than No more than 10% during the investment. Investments larger than 5% may not together comprise more than 40% of the portfolio. 40% of the world	Year-end 2021: 4.4% - N/A

Sector allocation as %

Capital goods	27.7
Real estate	14.1
Retail	6.7
Advertising	6.6
Healthcare services & equipment	5.7
Media	4.5
Consumer durables	3.2
Semiconductors	2.1
Other	29.4

Sector allocation

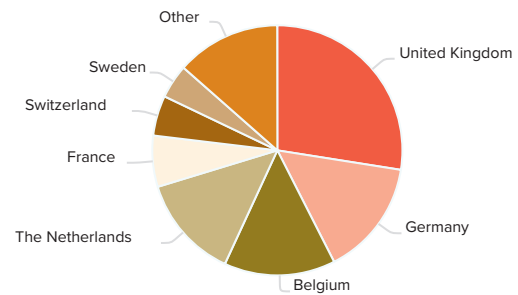




Country allocation as %

United Kingdom	27.5
Germany	15.0
Belgium	14.4
The Netherlands	13.4
France	6.6
Switzerland	5.2
Sweden	4.4
Other	13.5

Country allocation



2.5 In control statement of the UCITS manager

Activities performed

As UCITS manager, ASN Impact Investors has a statement of the operational management as referred to in Section 121 (1) which meets the requirements of the Market Conduct Supervision (Financial Institutions) Decree (Bgfo: Besluit gedragtoezicht financiële ondernemingen Wft). During the past financial year, ASN Impact Investors 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 121 (1) 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, 16 March 2022

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

San Lie

Ro Dielbandhoesing

Dirk-Jan Stam







3 Financial Statements ASN Beleggingsfondsen UCITS N.V.

3.1 Balance sheet

<i>Before profit appropriation and in € thousands</i>	<i>Ref.¹</i>	31-12-2021	31-12-2020
Investments	(A)		
Direct Investments ²		3,785,165	3,055,786
Accounts receivable	(B)	29,323	32,643
Other assets	(C)		
Cash at bank		38,355	39,627
Current liabilities	(D)	9,607	12,260
Accounts receivable and other assets less current liabilities		58,071	60,010
Assets less current liabilities		3,843,236	3,115,796
Equity	(E)		
Issued capital		286,385	266,282
Share premium reserve		2,115,685	1,852,483
Other reserves		868,422	686,651
Retained earnings		572,744	310,380
Total equity		3,843,236	3,115,796

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 Funds.

3.2 Profit and loss account

<i>In € thousands</i>	<i>Ref.¹</i>	01-01-2021 to 31-12-2021	01-01-2020 to 31-12-2020
Investment income		71,327	50,292
Realised changes in value on investments	(F)	105,999	-154,751
Unrealised changes in value on investments	(G)	426,849	436,407
Surcharges and deductions charged		980	744
Other operating income		24	63
Total income		605,179	332,755
Operating expenses	(H)		
Management fees		31,645	20,542
Other operating expenses		790	1,833
Total operating expenses		32,435	22,375
Net result		572,744	310,380

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>	01-01-2021 to 31-12-2021	01-01-2020 to 31-12-2020
Cashflow from investment activities		
Net result	572,744	310,380
Exchange rate differences on cash	425	-1,557
Net result excluding exchange rate differences on cash	573,169	308,823
Adjustment to reconcile the result with the cashflow generated by the investment activities:		
Realised changes in value on investments	-105,999	154,751
Unrealised changes in value on investments	-426,849	-436,407
Purchase of investments	-2,393,995	-1,483,191
Disposal of investments	2,196,809	1,689,885
Redemption of investments	655	1,712
Changes in assets and liabilities:		
Change in receivables arising from investment activities	4,811	-12,173
Change in liabilities arising from investment activities	-477	8,450
Net cashflows from investment activities	-151,876	231,850
Cashflows from financing activities		
Issue of shares	540,581	226,291
Purchase of shares	-351,461	-415,616
Movement due to split up ¹	-	-4,169
Change in receivables arising from issue of shares	-1,491	-2,329
Change in liabilities arising from purchase of shares	-2,176	2,039
Dividend distributed	-34,424	-36,242
Net cash flow from financing activities	151,029	-230,026
Total net cash flow	-847	1,824
Exchange rate differences on cash	-425	1,557
Change in cash	-1,272	3,381
Cash at the beginning of the reporting period	39,627	36,246
Cash at the end of the reporting period	38,355	39,627

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 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 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 financial statements

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 2021 up to and including 31 December 2021. The financial statements of ASN Beleggingsfondsen UCITS N.V. were prepared on 16 March 2022.

ASN Beleggingsfondsen UCITS N.V. consists of the ASN Duurzaam Obligatiefonds, the ASN Milieu & Waterfonds, the ASN Duurzaam Aandelenfonds and the ASN Duurzaam Small & Midcapfonds, about which we report in this annual report. These funds are managed under a UCITS licence and are consequently also available in other countries.

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. ASN Beleggingsinstellingen Beheer B.V. (ABB), trading as ASN Impact Investors, 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 profits and losses in the portfolio of a fund accrue to or are borne by the holders of the series of shares in question. ASN Impact Investors, 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.

ASN Impact Investors acts as UCITS manager for ASN Beleggingsfondsen UCITS N.V. and in this capacity determines the investment policy of ASN Beleggingsfondsen UCITS N.V. ASN Impact Investors is also the management of ASN Beleggingsfondsen UCITS N.V., in accordance with its Articles of Association.

Each ASN Beleggingsfonds pays fund costs to ASN Impact Investors. Out of these fund costs ASN Impact Investors pays all the costs it incurs on behalf of the fund, as set out in Chapter 11 of the prospectus. The costs paid to ASN Impact Investors 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:

	OCF (on annual basis)	
	01-01-2021 to 31-12-2021	01-01-2020 to 31-12-2020
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%

ASN Impact Investors is the trade name of ASN Beleggingsinstellingen Beheer B.V. (ABB). 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. ASN Impact Investors 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*):

<i>Exchange rate against the euro</i>	31-12-2021	31-12-2020
US Dollar	1.1372	1.2235
Australian Dollar	1.5641	1.5856
Brazilian Real	6.3342	6.3554
Pound Sterling	0.8396	0.8951
Canadian Dollar	1.4365	1.5588
Danish Krone	7.4376	7.4435
Euro	1.0000	1.0000
Hong Kong Dollar	8.8660	9.4872
Japanese Yen	130.9543	126.3254
New Israel Sjekel	3.5394	3.9286
Norwegian Krone	10.0282	10.4760
Singapore Dollar	1.5331	1.6171
Taiwanese Dollar	31.4629	34.3793
South African Rand	18.1497	17.9724
South Korean Won	1,351.8465	1,329.1424
Swedish Krona	10.2960	10.0485
Swiss Frank	1.0362	1.0816

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 income statement 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 Annual Reporting Guideline (RJ) 290.916, 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:

Class 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	Level 2	Level 3	Level 4
		Listed market prices	Independent assessments	Net present value calculations	Other method
In € thousands	31-12-20				
ASN Duurzaam Aandelenfonds	1,858,080	1,848,175	-	-	9,905 ¹
ASN Duurzaam Obligatiefonds	594,018	594,018	-	-	-
ASN Milieu & Waterfonds	1,115,338	1,115,338	-	-	-
ASN Duurzaam Small & Midcapfonds	217,729	217,729	-	-	-
Totaal	3,785,165	3,775,260	-	-	9,905

¹ 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 profits 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 income statement under the *Surcharges and deductions charged* item 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 March 2021 are shown below.

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	ASN Duurzaam Obligatiefonds	ASN Milieu & Waterfondsen	ASN Duurzaam Aandelenfonds	ASN Duurzaam Small & Midcapfonds
Surcharge	+ 0.075%	+ 0.125%	+ 0.175%	+ 0.60%
Deduction	- 0.075%	- 0.10%	- 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 profits 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 profits 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 cash flow statement identifies the source of the cash and cash equivalents that 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 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 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 Section 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	31-12-2021		31-12-2020	
	Market value	%	Market value	%
Euro	587,262	31.7	495,465	32.3
Pound Sterling	278,644	15.0	200,327	13.1
US Dollar	271,956	14.6	329,453	21.5
Danish Krone	174,423	9.4	50,904	3.3
Japanese Yen	145,429	7.8	112,669	7.4
Swedish Krona	137,420	7.4	62,017	4.1
Swiss Frank	101,275	5.5	29,285	1.9
Taiwanese Dollar	74,584	4.0	115,341	7.5
Australian Dollar	52,793	2.8	14,894	1.0
South Korean Won	21,146	1.1	30,278	2.0
Hong Kong Dollar	5,667	0.3	50,954	3.3
Canadian Dollar	4,995	0.3	5,376	0.4
South African Rand	2,486	0.1	10,481	0.7
Norwegian Krone	-	-	15,394	1.0
Brazilian Real	-	-	6,011	0.4
Singapore Dollar	-	-	1,251	0.1
Total	1,858,080	100.0	1,530,100	100.0

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.

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 €21.0 million (year-end 2020: €19.3 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 20% 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.

ASN Impact Investors 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 €607.0 million (year-end 2020: €578.2 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>31-12-2021</i>		<i>31-12-2020</i>	
	<i>Market value</i>	<i>%</i>	<i>Market value</i>	<i>%</i>
US Dollar	434,046	39.0	238,206	29.5
Euro	193,624	17.4	165,470	20.5
Pound Sterling	131,718	11.8	103,096	12.8
Swiss Frank	74,053	6.6	73,230	9.1
Danish Krone	60,630	5.4	44,790	5.6
Swedish Krona	47,331	4.2	35,170	4.4
Hong Kong Dollar	44,853	4.0	50,327	6.2
Japanese Yen	43,354	3.9	53,688	6.7
Australian Dollar	24,058	2.2	17,781	2.2
Taiwanese Dollar	22,244	2.0	17,220	2.1
Canadian Dollar	16,431	1.5	-	-
Norwegian Krone	11,504	1.0	7,273	0.9
New Israel Sjekel	11,492	1.0	-	-
Total	1,115,338	100.0	806,251	100.0

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:

Regional allocation of investment portfolio	
Europe	30-60%
United States & Canada	15-50%
Rest of the world	10-40%

Sector allocation of investment portfolio	
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 €24.3 million (year-end 2020: €36.5 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 Section 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>31-12-2021</i>		<i>31-12-2020</i>	
	<i>Market value</i>	<i>%</i>	<i>Market value</i>	<i>%</i>
Euro	136,671	62.8	97,661	64.7
Pound Sterling	60,075	27.6	28,858	19.1
Swiss Frank	11,423	5.2	9,542	6.3
Swedish Krona	9,560	4.4	11,355	7.5
Danish Krone	-	0.0	3,701	2.4
Total	217,729	100.0	151,117	100.0

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 fund purchases shares in a company, at the moment of purchase, this interest may amount to no more than 5% of the share capital of the company.
- If the fund purchases shares in a company, this interest may amount to 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 €9.3 million (year-end 2020: €6.6 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>	01-01-2021 to 31-12-2021	01-01-2020 to 31-12-2020
Balance as at start of period	3,055,786	2,982,536
Purchases	2,393,995	1,483,191
Disposals	-2,196,809	-1,689,885
Redemptions	-655	-1,712
Realised changes in value on investments	105,999	-154,751
Unrealised changes in value on investments	426,849	436,407
Balance as at end of period	3,785,165	3,055,786

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

(B) Accounts receivable

The following items are shown under 'accounts receivable':

<i>In € thousands</i>	31-12-2021	31-12-2020
Investment activities		
Receivables arising from securities transactions	5,726	11,583
Dividend receivable	2,956	2,444
Dividend/withholding tax receivable	11,507	9,519
Accruals on bonds	3,375	4,829
Subtotal of receivables arising from investment activities	23,564	28,375
Financing activities		
Receivable from shareholders due to issue of shares	5,759	4,268
Subtotal of receivables arising from financing activities	5,759	4,268
Total	29,323	32,643

Of the above receivables, an amount of €6.17 million (2020: €4.28 million) falls due after more than one year. In total, this concerns dividend or withholding tax receivable.

(C) Other assets

Cash and cash equivalents

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>	31-12-2021	31-12-2020
Investment activities		
Liabilities arising from securities transactions	6,667	7,778
Fund costs payable	2,905	2,271
Subtotal of liabilities arising from investment activities	9,572	10,049
Financing activities		
Payable to shareholders due to repurchase of shares	35	2,211
Subtotal of liabilities arising from financing activities	35	2,211
Total	9,607	12,260

The current liabilities will fall due within one year.

(E) Equity

Equity is divided among the funds as follows:

<i>In € thousands</i>	31-12-2021	31-12-2020
ASN Duurzaam Aandelenfonds	1,875,019	1,543,572
ASN Duurzaam Obligatiefonds	605,611	576,826
ASN Milieu & Waterfonds	1,136,398	838,039
ASN Duurzaam Small & Midcapfonds	226,208	157,359
Total	3,843,236	3,115,796

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 one 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 2021 and 2020.



	ASN Duurzaam Aandelenfonds	ASN Duurzaam Obligatiefonds	ASN Milieu & Waterfonds	ASN Duurzaam Small & Midcapfonds	Priority share	Total
Balance as at 01-01-2020	11,463,400	22,275,347	18,904,827	4,281,283	1	56,924,858
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 ¹	163,386	-522,482	869,357	-768,648	-	-258,387
Balance as at 31-12-2020	11,091,282	20,366,907	18,477,881	3,320,386	1	53,256,457
Issued shares	1,247,185	5,257,869	3,088,403	789,728	-	10,383,185
Purchased shares	-1,047,771	-3,558,752	-1,450,289	-305,911	-	-6,362,723
Balance as at 31-12-2021	11,290,696	22,066,024	20,115,995	3,804,203	1	57,276,919

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 2020 up to the split date. This is partly the result of the split-up and the application of the pooling of interest method. As a result, the issued and purchased shares of the AIF mix funds in the UCITS N.V. in 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 shares" and "Purchased shares".

In € thousands	01-01-2021 to 31-12-2021	01-01-2020 to 31-12-2020
Issued capital		
Balance as at 1 January	266,282	284,624
Issued shares	51,917	24,478
Purchased shares	-31,814	-41,528
Movement due to split up ¹	-	-1,292
Balance as at end of period	286,385	266,282
Share premium reserve		
Balance as at 1 January	1,852,483	1,926,053
Issued shares	488,664	201,813
Purchased shares	-225,462	-272,506
Movement due to split up ¹	-	-2,877
Balance as at end of period	2,115,685	1,852,483
Other reserves		
Balance as at 1 January	686,651	166,140
Addition to/withdrawal from retained earnings	275,956	622,093
Purchased shares	-94,185	-101,582
Balance as at end of period	868,422	686,651
Retained earnings		
Balance as at 1 January	310,380	658,335
Addition to/withdrawal from other reserves	-275,956	-622,093
Dividend paid out	-34,424	-36,242
Result for the reporting period	572,744	310,380
Balance as at end of period	572,744	310,380
Total equity	3,843,236	3,115,796

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 2020 up to the split date. This is partly the result of the split-up and the application of the pooling of interest method. As a result, the issued and purchased shares of the AIF mix funds in the UCITS N.V. in 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 shares" and "Purchased shares".

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

3.6 Notes to the income statement

(F) Realised changes in value of 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 on the realised gains and losses on investments of each investment fund is provided below.

Realised gains and losses per investment fund

<i>In € thousands</i>	01-01-2021 to 31-12-2021	01-01-2020 to 31-12-2020
ASN Duurzaam Aandelenfonds	81,716	-112,126
ASN Duurzaam Obligatiefonds	-5,430	-908
ASN Milieu & Waterfonds	19,130	-18,182
ASN Duurzaam Small & Midcapfonds	10,583	-23,535
Total	105,999	-154,751

Specification of the realised gains and losses is provided in the financial statements of the funds.

(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 on the unrealised gains and losses on investments of each investment fund is provided below.

Unrealised gains and losses per investment fund

<i>In € thousands</i>	01-01-2021 to 31-12-2021	01-01-2020 to 31-12-2020
ASN Duurzaam Aandelenfonds	221,931	236,215
ASN Duurzaam Obligatiefonds	-12,643	2,289
ASN Milieu & Waterfonds	188,733	173,636
ASN Duurzaam Small & Midcapfonds	28,828	24,267
Total	426,849	436,407

Specification of the unrealised gains and losses is provided in the financial statements of the funds.

(H) Operating expenses

Fund costs

ASN Impact Investors 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. ASN Impact Investors 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 purchasing and selling costs of the financial instruments in which the funds invest. ASN Impact Investors may adjust this percentage rate if the long-term average has changed as a



result of market circumstances. ASN Impact Investors 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

<i>In € thousands</i>	01-01-2021 to 31-12-2021	01-01-2020 to 31-12-2020
ASN Duurzaam Aandelenfonds	14,691	9,661
ASN Duurzaam Obligatiefonds	2,744	1,631
ASN Milieu & Waterfonds	11,839	7,770
ASN Duurzaam Small & Midcapfonds	2,371	1,480
Total	31,645	20,542

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

ASN Impact Investors charges fund costs to the funds. ASN Impact Investors 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 ASN Impact Investors. No audit fees are borne directly by the funds.



The audit fees associated with the regular audit and the review of the interim report were €106,300 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 the review of the interim report and to other activities, such as the assurance activities with respect to prospectus updates, the review of the summary financial statements of the ASN Microkredietfonds and the review of the UCITS compliance reports. The audit fees for other activities amounted to €28,500 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>	2021	2020
Audit of annual report and review of interim report	106,300	100,350
Other activities ¹	28,500	67,310
Total	134,800	167,660

¹ The audit fees for other activities are the total amount for ASN Beleggingsfondsen UCITS N.V. and ASN Beleggingsfondsen AIF N.V.

Employees

The company does not have any employees.

Supervisory Board remuneration

The members of the Supervisory Board each receive an annual fee of €8,360 for the work they perform on behalf of ASN Beleggingsfondsen UCITS N.V. The chairman receives an annual fee of €12,540. These amounts are inclusive of expense allowance and exclusive of VAT. In 2021, 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 ceased 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. ASN Impact Investors 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. (until 01-10-2021)
Investment management of ASN Duurzaam Aandelenfonds and ASN Duurzaam Obligatiefonds	Achmea Investment Management B.V. (from 01-10-2021)
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
Tax adviser	KPMG Meijburg & Co B.V.
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 ASN Impact Investors, on the one hand, and the funds managed by it, the investors in those funds, the outsourcing parties and other clients of ASN Impact Investors, on the other. In addition, conflicts of interest may also arise

- between the funds managed by ASN Impact Investors;
- between funds managed by ASN Impact Investors and clients of ASN Impact Investors; and
- between clients of ASN Impact Investors.

ASN Impact Investors has put in place appropriate and effective measures to prevent and manage (potential) conflicts of interest. ASN Impact Investors keeps records of the information relating to the types of activity performed by or on behalf of ASN Impact Investors 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 ASN Impact Investors 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, ASN Impact Investors will clearly disclose the general nature or the sources of the conflict of interest in question to investors. ASN Impact Investors ensures the equitable treatment of investors by means of internal procedures. ASN Impact Investors 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 affiliated with 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 ASN, 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 Impact Investors.	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 *arm's length* basis. This means that the prices used in the transactions reflect market values. A transaction conducted with a 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.

ASN Impact Investors 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 Impax Asset Management, the investment manager of the ASN Milieu & Waterfondsen. No return commission was received in the reporting period from the other investment managers that carried out securities transactions.

Coronavirus crisis

The repeated coronavirus outbreaks 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. ASN Impact Investors has intensified its management activities further as a result of the coronavirus crisis. During the reporting period, ASN Impact Investors 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 ASN Impact Investors 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

At the time of publication of this annual report, war is raging in Ukraine following its invasion by the Russian Federation. As a response to this violation of the sovereignty of Ukraine's borders, the EU and the US have imposed sanctions against Russia. Aside from the humanitarian disaster that is taking place, the war is also affecting economies and financial markets worldwide. The outcome of the war, its economic consequences and the impact thereof on the investments of ASN's investment funds are uncertain. ASN Impact Investors has established that the investments of the funds are not at risk of immediate exposure in either Ukraine or Russia. It will continue to keep a close eye on developments.



3.8 Proposed profit appropriation

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

ASN Duurzaam Aandelenfonds	€2,00
ASN Duurzaam Obligatiefonds	€0,30
ASN Milieu & Waterfonds	€1,00
ASN Duurzaam Small & Midcapfonds	€0,70

The Hague, 16 March 2022

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

San Lie

Ro Dielbandhoesing

Dirk-Jan Stam





4 Financial Statements
ASN UCITS-Beleggingsfondsen



4.1 ASN Duurzaam Aandelenfonds

Balance sheet

<i>Before profit appropriation and in € thousands</i>	<i>Ref.¹</i>	31-12-2021	31-12-2020
Investments	(A)		
Direct Investments ²		1,858,080	1,530,100
Accounts receivable	(B)	12,217	10,100
Other assets	(C)		
Cash at bank		8,827	9,196
Current liabilities	(D)	4,105	5,824
Accounts receivable and other assets less current liabilities		16,939	13,472
Assets less current liabilities		1,875,019	1,543,572
Equity	(E)		
Issued capital		56,454	55,456
Share premium reserve		1,022,616	938,222
Other reserves		473,221	409,660
Retained earnings		322,728	140,234
Total equity		1,875,019	1,543,572

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

<i>In € thousands</i>	<i>Ref.¹</i>	01-01-2021 to 31-12-2021	01-01-2020 to 31-12-2020
Investment income		33,745	27,178
Realised changes in value on investments	(F)	81,716	-112,126
Unrealised changes in value on investments	(G)	221,931	236,215
Surcharges and deductions charged		327	219
Other operating income		-1	-
Total income		337,718	151,486
Operating expenses	(H)		
Management fees		14,691	9,661
Other operating expenses		299	1,591
Total operating expenses		14,990	11,252
Net result		322,728	140,234

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



Cashflow statement

<i>In € thousands</i>	01-01-2021 to 31-12-2021	01-01-2020 to 31-12-2020
Cashflow from investment activities		
Net result	322,728	140,234
Exchange rate differences on cash	173	1,477
Net result excluding exchange rate differences on cash	322,901	141,711
Adjustment to reconcile the result with the cashflow generated by the investment activities:		
Realised changes in value on investments	-81,716	112,126
Unrealised changes in value on investments	-221,931	-236,215
Purchase of investments	-1,614,514	-1,058,057
Disposal of investments	1,590,181	1,119,333
<i>Changes in assets and liabilities:</i>		
Change in receivables arising from investment activities	-906	-3,570
Change in liabilities arising from investment activities	439	3,008
Net cashflows from investment activities	-5,546	78,336
Cashflows from financing activities		
Issue of shares	190,573	90,756
Purchase of shares	-161,896	-186,847
Movement due to split up ¹	-	31,886
Change in receivables arising from issue of shares	-1,211	-475
Change in liabilities arising from purchase of shares	-2,158	2,075
Dividend paid out	-19,958	-20,010
Net cashflows from financing activities	5,350	-82,615
Total net cashflows	-196	-4,279
Exchange rate differences on cash	-173	-1,477
Change in cash	-369	-5,756
Cash at the beginning of the reporting period	9,196	14,952
Cash at the end of the reporting period	8,827	9,196

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 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 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

Shares

<i>In € thousands</i>	01-01-2021 to 31-12-2021¹	01-01-2020 to 31-12-2020¹
Balance as at start of period	1,530,100	1,467,287
Purchases	1,614,514	1,058,057
Disposals	-1,590,181	-1,119,333
Realised changes in value on investments	81,716	-112,126
Unrealised changes in value on investments	221,931	236,215
Balance as at end of period	1,858,080	1,530,100

¹ Movements in the investment fund ASN Venture Capital Fonds N.V. are also included in the movement in shares. This investment fund is not listed.

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

Securities portfolio

Disclosures on fair value measurements of financial instruments in accordance with RJ290.916

The fair value of all the financial instruments in the portfolio of the 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 2021, with the market value presented in thousands of euros.

Country allocation of ASN Duurzaam Aandelenfonds

<i>In € thousands</i>	31-12-2021		31-12-2020	
	<i>Market value</i>	<i>%</i>	<i>Market value</i>	<i>%</i>
United Kingdom	329,948	17.9	207,617	13.6
United States	271,956	14.7	298,662	19.6
Denmark	174,423	9.5	50,904	3.3
The Netherlands	154,842	8.3	108,173	7.1
Japan	145,429	7.8	112,669	7.4
Sweden	137,420	7.4	62,017	4.1
Switzerland	123,272	6.6	58,381	3.8
France	106,487	5.7	99,837	6.5
Germany	85,885	4.6	138,416	9.0
Taiwan	74,584	4.0	115,341	7.5
Spain	63,721	3.4	35,524	2.3
Finland	46,985	2.5	31,253	2.0
Australia	39,585	2.1	14,894	1.0
Italy	28,076	1.5	3,729	0.2
South Korea	21,146	1.1	30,278	2.0
Ireland	15,428	0.8	38,419	2.5
New Zealand	13,208	0.7	-	-
Belgium	11,531	0.6	12,152	0.8
Canada	4,995	0.3	7,240	0.5
China	3,629	0.2	45,731	3.0
South Africa	2,486	0.1	10,481	0.7
Hong Kong	2,038	0.1	5,223	0.3
Austria	1,006	0.1	4,567	0.3

<i>In € thousands</i>	<i>31-12-2021</i>		<i>31-12-2020</i>	
Israel	-	-	15,936	1.0
Norway	-	-	15,394	1.0
Singapore	-	-	1,251	0.1
Brazil	-	-	6,011	0.4
Total	1,858,080	100.0	1,530,100	100.0

Sector allocation of ASN Duurzaam Aandelenfonds

<i>Number of shares</i>		<i>Currency</i>	<i>Marketvalue in € thousands</i>
	Automotive		
49,755	Hella	EUR	2,965
104,515	Plastic Omnium	EUR	2,389
			5,354
	Basic goods		
214,645	Chr. Hansen	DKK	14,874
9,419	Givaudan	CHF	43,561
417,943	Novozymes	DKK	30,187
			88,622
	Retail		
194,675	ASOS	GBP	5,544
1,485,916	Hennes & Mauritz	SEK	25,700
1,228,841	Inditex	EUR	35,059
4,175,348	Kingfisher	GBP	16,824
1,232,337	Marks & Spencer	GBP	3,396
85,098	NEXT	GBP	8,260
280,765	WH Smith	GBP	4,949
539,607	Wickes Group	GBP	1,523
			101,255
	Retail food		
541,602	Kesko Corp.	EUR	15,891
			15,891
	Healthcare services & equipment		
162,483	Amplifon	EUR	7,710
45,287	Cochlear	AUD	6,257
241,686	Coloplast	DKK	37,402
676,687	Fisher & Paykel Healthcare	AUD	13,208
2,841,797	Netcare	ZAR	2,486
67,335	Pennant Group	USD	1,367
1,314,334	Philips	EUR	43,064
176,395	ResMed	USD	40,404
98,482	Smith & Nephew	GBP	1,517
8,097	Sonova Holding	CHF	2,796
7,462	Straumann Holding AG	CHF	13,949
			170,160
	Consumer durables		
2,004,974	Barratt Developments	GBP	17,862
244,366	Bellway	GBP	9,709
93,993	Berkeley Group	GBP	5,346
446,281	Electrolux	SEK	9,514
207,142	LG Electronics	KRW	21,146
490,013	Persimmon	GBP	16,668
57,166	SEB	EUR	7,826



<i>Number of shares</i>		<i>Currency</i>	<i>Marketvalue in € thousands</i>
2,917,392	Taylor Wimpey	GBP	6,098
			94,169
	Energy		
565,135	EDP Renováveis	EUR	12,376
			12,376
	Pharmaceuticals & biotechnology		
2,832,300	Astellas Pharma	JPY	40,455
336,725	AstraZeneca	GBP	34,804
1,883,162	GlaxoSmithKline	GBP	36,036
180,305	Merck	EUR	40,929
29,410	Mettler-Toledo International	USD	43,893
451,743	Novo Nordisk	DKK	44,642
			240,759
	Fund certificates		
13,454	ASN Venture Capital Fonds	EUR	9,905
			9,905
	Semiconductors		
203,000	Advantest	JPY	16,897
220,631	Aixtron	EUR	3,943
62,807	AMS	CHF	1,006
65,120	ASML	EUR	46,020
270,000	Global Unichip	TWD	5,029
62,338	SMA Solar Technology	EUR	2,330
530,399	STMicroelectronics	EUR	23,003
2,363,103	Taiwan Semiconductor Manufacturing	TWD	46,191
94,000	Tokyo Electron	JPY	47,576
			191,995
	Capital goods		
147,702	Dürr	EUR	5,926
139,399	Advanced Drainage Systems	USD	16,687
1,512,311	Assa Abloy	SEK	40,569
866,337	Chroma ATE	TWD	5,507
235,473	Electrocomponents	GBP	3,382
337,311	Electrolux Professional	SEK	2,056
237,012	Evoqua Water Technologies	USD	9,744
903,175	Howden Joinery Group	GBP	9,694
715,139	Indutrade	SEK	19,254
146,936	Kingspan	EUR	15,428
45,124	Krones	EUR	4,327
395,519	Legrand	EUR	40,699
67,277	Lennox International	USD	19,189
2,824,266	NIBE Industrier	SEK	37,511
129,200	Nordex	EUR	1,797
3,493	Rockwool	DKK	1,343
29,855	Sunrun	USD	900
67,343	TPI Composites	USD	886
435,395	Travis Perkins	GBP	8,061
211,090	Uponor	EUR	4,420
303,077	Valmet	EUR	11,432
1,418,786	Vestas Wind Systems	DKK	38,152

<i>Number of shares</i>		<i>Currency</i>	<i>Marketvalue in € thousands</i>
2,114,140	Xinjiang Goldwind Science & Te	HKD	3,629
38,300	Yaskawa Electric	JPY	1,650
			302,243
	Media		
143,764	M6 Métropole Télévision	EUR	2,467
496,207	ProSiebenSat.1 Media	EUR	6,952
1,744,513	Rightmove	GBP	16,518
662,898	SEEK	AUD	13,893
196,358	Telenet	EUR	6,295
			46,125
	Utilities		
5,964,000	Beijing Enterprises Water	HKD	2,038
856,019	Red Eléctrica de España	EUR	16,286
2,862,799	Terna Rete Elettrica Nazionale	EUR	20,366
94,676	United Utilities	GBP	1,228
			39,918
	Real estate		
186,001	British Land	GBP	1,176
66,412	Castellum	SEK	1,573
52,973	Gecina	EUR	6,510
2,938,731	Hammerson	GBP	1,148
306,767	Land Securities	GBP	2,837
			13,244
	Advertising		
39,537	JCDecaux	EUR	870
70,931	Stroeer SE & Co	EUR	4,916
727,668	WPP	GBP	9,702
			15,488
	Software & services		
189,716	Autodesk	USD	46,910
86,402	DOoredoo	EUR	9,746
1,183,443	Nortonlivelock	USD	27,036
71,184	Palo Alto Networks	USD	34,851
141,892	Sage Group	GBP	1,441
81,394	SimCorp	DKK	7,823
99,900	Workday	USD	23,998
			151,805
	Technology		
2,043,000	Delta Electronics	TWD	17,857
377,600	Omron	JPY	33,044
			50,901
	Telecommunication services		
281,634	Elisa	EUR	15,242
531,856	KPN	EUR	1,452
305,512	Proximus SADP	EUR	5,236
119,118	Rogers Communications	CAD	4,995
52,697	Swisscom	CHF	26,172
99,138	Tele2	SEK	1,243
63,774	Vantage Towers	EUR	2,054
23,327,782	Vodafone Group	GBP	31,192



Number of shares		Currency	Marketvalue in € thousands
			87,586
	Transport		
1,518,046	FirstGroup	GBP	1,848
			1,848
	Publishers		
292,746	Pearson	GBP	2,138
			2,138
	Personal care products		
109,667	L'Oréal	EUR	45,726
237,595	Reckitt Benckiser Group	GBP	17,948
116,234	Unilever	EUR	5,469
			69,143
	Business services		
306,652	Adecco	CHF	13,791
2,859,720	Brambles	AUD	19,435
116,776	Interface	USD	1,638
52,024	Manpower	USD	4,453
236,613	Randstad	EUR	14,206
1,607,087	RELX	EUR	45,835
199,102	Renewi	GBP	1,795
217,900	TechnoPro Holdings Inc	JPY	5,807
387,982	Wolters Kluwer	EUR	40,195
			147,155
	Total		1,858,080

(B) Accounts receivable

Receivables include:

In € thousands	31-12-2021	31-12-2020
Investment activities		
Receivables arising from securities transactions	2,527	2,585
Dividend receivable	1,697	1,637
Dividend tax/withholding tax receivable	5,466	4,562
Total receivables arising from investment activities	9,690	8,784
Financing activities		
Receivables from shareholders arising from issue of shares	2,527	1,316
Total receivables arising from financing activities	2,527	1,316
Total	12,217	10,100

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 the ASN Duurzaam Aandelenfonds, these receivables amount to €2.40 million at the end of the reporting period (year-end 2020: €2.32 million).

(C) Other assets

Cash and cash equivalents

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>	31-12-2021	31-12-2020
Investment activities		
Liabilities arising from securities transactions	2,786	2,585
Fund costs payable	1,319	1,081
Total liabilities arising from investment activities	4,105	3,666
Financing activities		
Liabilities to shareholders arising from purchase of shares	-	2,158
Total liabilities arising from financing activities	-	2,158
Total	4,105	5,824

Liabilities fall due within one year.

(E) Equity

Statement of movements in equity

<i>In € thousands</i>	01-01-2021 to 31-12-2021	01-01-2020 to 31-12-2020
Issued capital		
Balance as at start of period	55,456	57,317
Issued shares	6,237	3,896
Purchased shares	-5,239	-6,574
Movement due to split up ¹	-	817
Balance as at end of period	56,454	55,456
Share premium reserve		
Balance as at start of period	938,222	934,134
Issued shares	184,336	86,860
Purchased shares	-99,942	-113,841
Movement due to split up ¹	-	31,069
Balance as at end of period	1,022,616	938,222
Other reserves		
Balance as at start of period	409,660	99,499
Addition to/withdrawal from retained earnings	120,276	376,593
Purchased shares	-56,715	-66,432
Balance as at end of period	473,221	409,660
Retained earnings		
Balance as at start of period	140,234	396,603
Addition to/withdrawal from other reserves	-120,276	-376,593
Dividend paid out	-19,958	-20,010
Result for the reporting period	322,728	140,234
Balance as at end of period	322,728	140,234
Total equity	1,875,019	1,543,572

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 2020 up to the split date. This is partly the result of the split-up and the application of the pooling of interest method. As a result, the issued and purchased shares of the AIF mix funds in the UCITS N.V. in 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 shares" and "Purchased shares".

Five-year summary

<i>In € thousands</i>	31-12-2021	31-12-2020	31-12-2019	31-12-2018 ¹	31-12-2017 ¹
Total net asset value	1,875,019	1,543,572	1,487,553	767,710	839,973
Direct income	33,744	27,178	37,559	-	-
Changes in value of investments	303,647	124,089	365,981	-66,848	97,434
Surcharges and deductions charged	327	219	188	267	283
Other income	-	-	236	-	-
Operating expenses	14,990	11,252	7,361	7,321	7,050
Total result	322,728	140,234	396,603	-73,902	90,667
Number of ordinary shares outstanding	11,290,696	11,091,282	11,463,400	7,627,250	7,458,053
Per ordinary share					
<i>In euros</i>					
Net asset value	166.07	139.17	129.73	100.65	112.63
Share price	166.99	139.19	130.06	100.26	112.93
Dividend ²	1.80	2.85	2.95	2.50	2.15
Investment income	3.01	2.89	3.10	-	-
Changes in value of investments	27.04	13.20	30.24	-8.66	12.94
Surcharges and deductions charged	0.03	0.02	0.02	0.03	0.04
Other income	-	-	0.02	-	-
Operating expenses	1.34	1.20	0.61	0.95	0.94
Total result	28.74	14.91	32.77	-9.58	12.04

¹ The comparative figures of 2018 and 2017 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 €21.0 million (year-end 2020: €19.3 million).

Liquidity risk

As at the reporting date, 0.53% (year-end 2020: 0.41%) 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 income statement

(F) Realised changes in value of investments

Notes on the breakdown of gains 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>	01-01-2021 to 31-12-2021	01-01-2020 to 31-12-2020
Shares		
Shares - realised price gains	140,845	143,344
Shares - realised price losses	-82,439	-239,720
Shares - realised exchange gains	26,723	11,948
Shares - realised exchange losses	-3,413	-27,698
Total	81,716	-112,126

(G) Unrealised changes in value on investments

Notes on the breakdown of gains 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>	01-01-2021 to 31-12-2021	01-01-2020 to 31-12-2020
Shares		
Shares - unrealised price gains	238,520	280,704
Shares - unrealised price losses	-42,133	-24,590
Shares - unrealised exchange gains	29,848	4,184
Shares - unrealised exchange losses	-4,304	-24,083
Total	221,931	236,215

(H) Operating expenses

The other operating expenses consist of:

<i>In € thousands</i>	01-01-2021 to 31-12-2021	01-01-2020 to 31-12-2020
Exchange rate differences on cash	173	1,477
Interest on current account	126	114
Total	299	1,591

Ongoing charges figure

<i>In € thousands</i>	01-01-2021 to 31-12-2021	01-01-2020 to 31-12-2020
Ongoing charges		
Total operating expenses	14,691	9,661
Average fund capital during the reporting period	1,730,165	1,140,884
Ongoing charge figure (on annual basis)	0.85%	0.85%

The fund pays fund costs to ASN Impact Investors. From these fund costs, ASN Impact Investors 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 total amount of securities transactions, less the total amount of transactions in respect of units in the investment fund, as a percentage of the average net asset value of the investment fund.

	01-01-2021 to 31-12-2021	01-01-2020 to 31-12-2020
Turnover rate	164.85%	166.52%

Transaction costs

Transaction costs are part of realised profits and losses. The transaction costs in the reporting period, to the extent that they were identifiable and quantifiable, amounted to €2,320,501 (2020: €1,608,027).

4.2 ASN Duurzaam Obligatiefonds

Balance sheet

<i>Before profit appropriation and in € thousands</i>	<i>Ref.¹</i>	31-12-2021	31-12-2020
Investments	(A)		
Direct investments		594,018	568,318
Accounts receivable	(B)	5,669	7,054
Other assets	(C)		
Cash at bank		7,320	2,811
Current liabilities	(D)	1,396	1,357
Accounts receivable and other assets less current liabilities		11,593	8,508
Assets less current liabilities		605,611	576,826
Equity	(E)		
Issued capital		110,330	101,835
Share premium reserve		510,739	473,195
Other reserves		-3,150	-7,296
Retained earnings		-12,308	9,092
Total equity		605,611	576,826

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

<i>In € thousands</i>	<i>Ref.¹</i>	01-01-2021 to 31-12-2021	01-01-2020 to 31-12-2020
Investment income		8,407	9,208
Realised changes in value on investments	(F)	-5,430	-908
Unrealised changes in value on investments	(G)	-12,643	2,289
Surcharges and deductions charged		129	148
Total income		-9,537	10,737
Operating expenses	(H)		
Management fees		2,744	1,631
Other operating expenses		27	14
Total operating expenses		2,771	1,645
Net result		-12,308	9,092

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



Cashflow statement

<i>In € thousands</i>	01-01-2021 to 31-12-2021	01-01-2020 to 31-12-2020
Cashflow from investment activities		
Net result	-12,308	9,092
Exchange rate differences on cash	-	-
Net result excluding exchange rate differences on cash	-12,308	9,092
Adjustment to reconcile the result with the cashflow generated by the investment activities:		
Realised changes in value on investments	5,430	908
Unrealised changes in value on investments	12,643	-2,289
Purchase of investments	-368,112	-195,338
Disposal of investments	323,684	262,180
Redemption of investments	655	1,712
<i>Changes in assets and liabilities:</i>		
Change in receivables arising from investment activities	1,411	344
Change in liabilities arising from investment activities	55	1,228
Net cashflows from investment activities	-36,542	77,837
Cashflows from financing activities		
Issue of shares	146,334	63,248
Purchase of shares	-98,697	-119,901
Movement due to split up ¹	-	-15,408
Change in receivables arising from issue of shares	-26	-389
Change in liabilities arising from purchase of shares	-16	14
Dividend paid out	-6,544	-4,478
Net cashflows from financing activities	41,051	-76,914
Total net cashflows	4,509	923
Exchange rate differences on cash	-	-
Change in cash	4,509	923
Cash at the beginning of the reporting period	2,811	1,888
Cash at the end of the reporting period	7,320	2,811

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 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 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>	01-01-2021 to 31-12-2021	01-01-2020 to 31-12-2020
Balance as at start of period	568,318	635,491
Purchases	368,112	195,338
Disposals	-323,684	-262,180
Redemptions	-655	-1,712
Realised changes in value on investments	-5,430	-908
Unrealised changes in value on investments	-12,643	2,289
Balance as at end of period	594,018	568,318

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 1% change in the market interest rate.

	31-12-2021	31-12-2020
Effective yield	0.00%	-0.47%
Coupon yield	1.04%	1.57%
Average term to maturity	5.12 years	5.02 years
Modified duration	4.97	4.83

Disclosures on fair value measurements of financial instruments in accordance with RJ290.916

The fair value of all the financial instruments in the portfolio of the 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 2021, with the market value presented in thousands of euros.

Country allocation of ASN Duurzaam Obligatiefonds

<i>In € thousands</i>	31-12-2021		31-12-2020	
	<i>Market value</i>	<i>%</i>	<i>Market value</i>	<i>%</i>
Germany	81,864	13.8	92,941	16.4
The Netherlands	75,444	12.7	80,121	14.2
Italy	57,295	9.6	42,158	7.4
Austria	49,564	8.3	70,431	12.4
Portugal	49,440	8.3	47,813	8.4
Ireland	48,335	8.1	37,652	6.6
France	45,206	7.6	41,648	7.3
Spain	42,213	7.1	32,092	5.6
Belgium	40,530	6.8	28,353	5.0
Slovenia	36,167	6.1	40,523	7.1
Slovakia	27,034	4.6	40,867	7.2
Chile	17,005	2.9	-	-
Luxembourg	8,730	1.5	5,548	1.0
Finland	8,074	1.4	8,171	1.4
Lithuania	7,117	1.2	-	-
Total	594,018	100.0	568,318	100.0



Sector allocation of ASN Duurzaam Obligatiefonds

Nominal value in € thousands	Coupon- yield	State(-guaranteed)	Currency	Coupon review date	Marketvalue in € thousands
		State(-guaranteed)			
1,000	0,2%	Belgium	EUR	22-10-2023	1,014
2,500	2,6%	Belgium	EUR	22-6-2024	2,699
4,100	0,8%	Belgium	EUR	22-6-2025	4,285
3,800	1%	Belgium	EUR	22-6-2026	4,037
3,600	0,8%	Belgium	EUR	22-6-2027	3,819
2,000	0%	Belgium	EUR	22-10-2027	2,031
2,400	5,5%	Belgium	EUR	28-3-2028	3,278
1,600	0,8%	Belgium	EUR	22-6-2028	1,705
1,900	0,9%	Belgium	EUR	22-6-2029	2,041
2,100	0,1%	Belgium	EUR	22-6-2030	2,115
3,200	1%	Belgium	EUR	22-6-2031	3,465
1,800	0%	Belgium	EUR	22-10-2031	1,768
					32,257
20,200	0%	Germany	EUR	15-12-2022	20,322
6,000	1,5%	Germany	EUR	15-2-2023	6,152
6,000	0%	Germany	EUR	10-3-2023	6,045
3,000	1%	Germany	EUR	15-8-2024	3,129
6,200	0%	Germany	EUR	10-4-2026	6,332
2,400	0%	Germany	EUR	9-10-2026	2,452
					44,432
4,900	0%	France	EUR	25-3-2023	4,939
500	1,75%	France	EUR	25-5-2023	517
700	0%	France	EUR	25-3-2024	709
3,300	1%	France	EUR	25-11-2025	3,480
1,000	0,5%	France	EUR	25-5-2026	1,037
1,400	2,75%	France	EUR	25-10-2027	1,648
2,850	0,75%	France	EUR	25-5-2028	3,018
3,700	0,5%	France	EUR	25-5-2029	3,855
3,900	0%	France	EUR	25-11-2029	3,901
1,200	0%	France	EUR	25-11-2030	1,188
					24,292
2,744	3,9%	Ireland	EUR	20-3-2023	2,893
2,450	3,4%	Ireland	EUR	18-3-2024	2,665
3,700	5,4%	Ireland	EUR	13-3-2025	4,396
7,900	1%	Ireland	EUR	15-5-2026	8,368
3,800	0,2%	Ireland	EUR	15-5-2027	3,876
3,300	0,9%	Ireland	EUR	15-5-2028	3,513
4,200	1,1%	Ireland	EUR	15-5-2029	4,538
4,100	2,4%	Ireland	EUR	15-5-2030	4,905
4,600	0,2%	Ireland	EUR	18-10-2030	4,629
3,400	1,35%	Ireland	EUR	18-3-2031	3,772
4,900	0%	Ireland	EUR	18-10-2031	4,780
					48,335
2,100	4,75%	Italy	EUR	1-8-2023	2,267
1,500	4,5%	Italy	EUR	1-3-2024	1,648
3,000	0%	Italy	EUR	15-4-2024	2,999
3,300	1,85%	Italy	EUR	15-5-2024	3,447

Nominal value in € thousands	Coupon- yield		Currency	Coupon review date	Marketvalue in € thousands
1,400	1,75%	Italy	EUR	1-7-2024	1,460
2,000	0%	Italy	EUR	15-8-2024	1,997
3,100	3,75%	Italy	EUR	1-9-2024	3,404
2,000	0,35%	Italy	EUR	1-2-2025	2,014
1,700	5%	Italy	EUR	1-3-2025	1,961
3,200	1,45%	Italy	EUR	15-5-2025	3,338
1,000	0,5%	Italy	EUR	1-2-2026	1,007
2,200	1,6%	Italy	EUR	1-6-2026	2,321
2,600	0%	Italy	EUR	1-8-2026	2,550
1,500	1,25%	Italy	EUR	1-12-2026	1,561
4,200	2,2%	Italy	EUR	1-6-2027	4,580
1,500	2,05%	Italy	EUR	1-8-2027	1,624
3,200	2%	Italy	EUR	1-2-2028	3,465
2,900	2,8%	Italy	EUR	1-12-2028	3,307
1,300	3%	Italy	EUR	1-8-2029	1,507
1,200	3,5%	Italy	EUR	1-3-2030	1,448
3,900	0,95%	Italy	EUR	1-8-2030	3,886
1,600	0,6%	Italy	EUR	1-8-2031	1,522
					53,313
2,200	1,25%	Lithuania	EUR	22-10-2025	2,307
2,500	2,125%	Lithuania	EUR	29-10-2026	2,756
1,000	0,75%	Lithuania	EUR	6-5-2030	1,037
					6,100
1,000	0%	Luxembourg	EUR	13-11-2026	1,007
2,000	0%	Luxembourg	EUR	28-4-2030	1,988
2,556	0%	Luxembourg	EUR	24-3-2031	2,522
					5,517
2,200	0%	The Netherlands	EUR	15-1-2024	2,227
6,500	2%	The Netherlands	EUR	15-7-2024	6,929
9,850	0,5%	The Netherlands	EUR	15-7-2026	10,272
3,400	0%	The Netherlands	EUR	15-1-2027	3,462
5,100	0,75%	The Netherlands	EUR	15-7-2027	5,417
1,500	5,5%	The Netherlands	EUR	15-1-2028	2,034
3,100	0,75%	The Netherlands	EUR	15-7-2028	3,313
1,600	0%	The Netherlands	EUR	15-1-2029	1,622
900	0,25%	The Netherlands	EUR	15-7-2029	930
3,000	0%	The Netherlands	EUR	15-7-2030	3,028
2,000	0%	The Netherlands	EUR	15-7-2031	2,006
					41,240
5,000	0%	Austria	EUR	15-7-2024	5,072
6,200	1,65%	Austria	EUR	21-10-2024	6,589
5,100	1,2%	Austria	EUR	20-10-2025	5,430
4,900	4,85%	Austria	EUR	15-3-2026	6,015
4,150	0,75%	Austria	EUR	20-10-2026	4,371
3,800	0,5%	Austria	EUR	20-4-2027	3,963
5,969	0,75%	Austria	EUR	20-2-2028	6,323
5,100	0,5%	Austria	EUR	20-2-2029	5,321
4,000	0%	Austria	EUR	20-2-2030	4,000
2,500	0%	Austria	EUR	20-2-2031	2,480
					49,564

<i>Nominal value in € thousands</i>	<i>Coupon- yield</i>		<i>Currency</i>	<i>Coupon review date</i>	<i>Marketvalue in € thousands</i>
5,150	5,65%	Portugal	EUR	15-2-2024	5,832
5,100	2,875%	Portugal	EUR	15-10-2025	5,726
6,450	2,875%	Portugal	EUR	21-7-2026	7,372
4,050	4,125%	Portugal	EUR	14-4-2027	4,967
3,200	0,7%	Portugal	EUR	15-10-2027	3,334
3,300	2,125%	Portugal	EUR	17-10-2028	3,759
3,750	1,95%	Portugal	EUR	15-6-2029	4,248
5,600	3,875%	Portugal	EUR	15-2-2030	7,253
5,000	0,475%	Portugal	EUR	18-10-2030	5,080
1,900	0,3%	Portugal	EUR	17-10-2031	1,869
					49,440
1,500	4,625%	Slovenia	EUR	9-9-2024	1,713
4,500	2,125%	Slovenia	EUR	28-7-2025	4,909
3,650	5,125%	Slovenia	EUR	30-3-2026	4,503
5,800	1,25%	Slovenia	EUR	22-3-2027	6,231
3,700	1%	Slovenia	EUR	6-3-2028	3,926
3,700	1,1875%	Slovenia	EUR	14-3-2029	3,976
3,700	0,275%	Slovenia	EUR	14-1-2030	3,701
3,000	0,875%	Slovenia	EUR	15-7-2030	3,139
2,500	0%	Slovenia	EUR	12-2-2031	2,410
1,700	0,125%	Slovenia	EUR	1-7-2031	1,659
					36,167
2,800	0%	Slovakia	EUR	13-11-2023	2,835
1,000	0%	Slovakia	EUR	17-6-2024	1,014
1,600	0,25%	Slovakia	EUR	14-5-2025	1,632
4,750	0,625%	Slovakia	EUR	22-5-2026	4,978
2,900	1,375%	Slovakia	EUR	21-1-2027	3,161
2,550	1%	Slovakia	EUR	12-6-2028	2,758
2,700	3,625%	Slovakia	EUR	16-1-2029	3,429
3,750	0,75%	Slovakia	EUR	9-4-2030	3,971
3,000	1%	Slovakia	EUR	9-10-2030	3,256
					27,034
5,000	0%	Spain	EUR	31-5-2024	5,050
2,000	0,25%	Spain	EUR	30-7-2024	2,038
2,100	2,75%	Spain	EUR	31-10-2024	2,293
3,000	0%	Spain	EUR	31-1-2025	3,036
2,350	1,6%	Spain	EUR	30-4-2025	2,503
950	4,65%	Spain	EUR	30-7-2025	1,119
2,000	0%	Spain	EUR	31-1-2026	2,012
2,300	1,95%	Spain	EUR	30-4-2026	2,509
4,000	0%	Spain	EUR	31-1-2027	4,004
1,500	0,8%	Spain	EUR	30-7-2027	1,564
2,500	1,45%	Spain	EUR	31-10-2027	2,703
400	1,4%	Spain	EUR	30-4-2028	433
1,000	1,4%	Spain	EUR	30-7-2028	1,085
900	5,15%	Spain	EUR	31-10-2028	1,207
1,000	6%	Spain	EUR	31-1-2029	1,415
2,000	1,45%	Spain	EUR	30-4-2029	2,177
2,500	0,5%	Spain	EUR	30-4-2030	2,531
773	1,95%	Spain	EUR	30-7-2030	875



Nominal value in € thousands	Coupon- yield		Currency	Coupon review date	Marketvalue in € thousands
2,500	1,25%	Spain	EUR	31-10-2030	2,677
400	0,1%	Spain	EUR	30-4-2031	386
600	0,5%	Spain	EUR	31-10-2031	596
					42,213
		Total state(-guaranteed)			459,904
		Greenbonds			
8,200	0%	België	EUR	2-6-2028	8,273
		Belgium			8,273
8,000	0.1%	Chile	EUR	26-1-2027	7,839
3,000	0.555%	Chile	EUR	21-1-2029	2,972
4,000	1.44%	Chile	EUR	1-2-2029	4,198
2,000	0.83%	Chile	EUR	2-7-2031	1,996
		Chile			17,005
5,000	0.05%	Kreditanstalt für Wiederaufbau	EUR	30-5-2024	5,062
4,000	0.5%	Kreditanstalt für Wiederaufbau	EUR	28-9-2026	4,136
5,000	0.01%	Kreditanstalt für Wiederaufbau	EUR	5-5-2027	5,047
5,000	0%	Kreditanstalt für Wiederaufbau	EUR	15-9-2028	5,031
10,000	0%	Kreditanstalt für Wiederaufbau	EUR	15-6-2029	10,023
5,000	0.125%	Land Nordrhein-Westfalen	EUR	16-3-2023	5,037
2,000	0.5%	Land Nordrhein-Westfalen	EUR	16-2-2027	2,059
1,000	0.875%	NRW Bank	EUR	10-11-2025	1,037
		Germany			37,432
3,000	0.375%	Nordic Investment Bank	EUR	19-9-2022	3,020
5,000	0.125%	Nordic Investment Bank	EUR	10-6-2024	5,054
		Finland			8,074
5,000	0.125%	Council of Europe Development Bank	EUR	10-4-2024	5,053
1,000	0.1%	Frankrijk	EUR	2-7-2030	986
5,800	0.4%	Frankrijk	EUR	28-5-2031	5,808
1,200	0.5%	Île-de-France	EUR	14-6-2025	1,229
1,000	0.625%	Île-de-France	EUR	23-4-2027	1,033
7,000	0%	Société du Grand Paris	EUR	25-11-2030	6,805
		France			20,914
4,000	0.375%	Ferrovie Dello Stato	EUR	25-3-2028	3,982
		Italy			3,982
1,000	0.5%	Litouwen	EUR	19-6-2029	1,017
		Lithuania			1,017
3,000	1.25%	European Investment Bank	EUR	13-11-2026	3,213
		Luxembourg			3,213
6,000	0.2%	Bank Nederlandse Gemeenten	EUR	9-11-2024	6,076
8,000	0.125%	Nederlandse Financierings-Maatschappij voor Ontwikkelingslanden	EUR	20-4-2022	8,017
5,800	0.125%	Nederlandse Waterschapsbank	EUR	25-9-2023	5,855
4,242	1%	Nederlandse Waterschapsbank	EUR	3-9-2025	4,423
1,000	0.125%	Tennet Holding	EUR	9-12-2027	992
1,900	1.375%	Tennet Holding	EUR	5-6-2028	2,022
2,800	1.375%	Tennet Holding	EUR	26-6-2029	2,982
2,000	0.875%	Tennet Holding	EUR	3-6-2030	2,055
1,800	0.5%	Tennet Holding	EUR	9-6-2031	1,782

Nominal value in € thousands	Coupon- yield	Currency	Coupon review date	Marketvalue in € thousands
The Netherlands				34,204
		Total greenbonds		134,114
		Total		594,018

Rating allocation of ASN Duurzaam Obligatiefonds

In € thousands	31-12-2021		31-12-2020	
	Market value	%	Market value	%
AAA	156,146	26.2	178,517	31.5
AA+	71,023	12.0	83,812	14.8
AA	40,153	6.8	36,531	6.4
AA-	32,257	5.4	28,353	5.0
A+	48,335	8.1	37,652	6.6
A	84,351	14.2	81,390	14.3
A-	55,018	9.3	32,092	5.6
BBB	106,735	18.0	47,813	8.4
BBB-	-	-	42,158	7.4
Total	594,018	100.0	568,318	100.0

Redemption of ASN Duurzaam Obligatiefonds

In € thousands	31-12-2021		31-12-2020	
	Market value	%	Market value	%
Redemption within 1 year	8,017	1.3	3,284	0.6
Redemption within 1 to 5 years	231,984	39.1	292,654	51.5
Redemption within 5 to 10 years	326,766	55.0	272,380	47.9
Redemption after 10 years	27,251	4.6	-	-
Total	594,018	100.0	568,318	100.0

(B) Accounts receivable

Receivables include:

In € thousands	31-12-2021	31-12-2020
Investment activities		
Receivables arising from security transactions	1,130	1,087
Accruals on bonds	3,375	4,829
Total receivables arising from investment activities	4,505	5,916
Financing activities		
Receivables from shareholders arising from issue of shares	1,164	1,138
Total receivables arising from financing activities	1,164	1,138
Total	5,669	7,054

The receivables fall due within one year.

(C) Other assets

Cash and cash equivalents

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>	31-12-2021	31-12-2020
Investment activities		
Liabilities arising from securities transactions	1,129	1,087
Fund costs payable	232	219
Total liabilities arising from investment activities	1,361	1,306
Financing activities		
Liabilities to shareholders arising from purchase of shares	35	51
Total liabilities arising from financing activities	35	51
Total	1,396	1,357

Liabilities fall due within one year.

(E) Equity

Statement of movements in equity

<i>In € thousands</i>	01-01-2021 to 31-12-2021	01-01-2020 to 31-12-2020
Issued capital		
Balance as at start of period	101,835	111,377
Issued shares	26,289	11,117
Purchased shares	-17,794	-18,047
Movement due to split up ¹	-	-2,612
Balance as at end of period	110,330	101,835
Share premium reserve		
Balance as at start of period	473,195	519,370
Issued shares	120,045	52,131
Purchased shares	-82,501	-85,510
Movement due to split up ¹	-	-12,796
Balance as at end of period	510,739	473,195
Other reserves		
Balance as at start of period	-7,296	-3,398
Addition to/withdrawal from retained earnings	2,548	12,446
Purchased shares	1,598	-16,344
Balance as at end of period	-3,150	-7,296
Retained earnings		
Balance as at start of period	9,092	16,924
Addition to/withdrawal from other reserves	-2,548	-12,446
Dividend paid out	-6,544	-4,478
Result for the reporting period	-12,308	9,092
Balance as at end of period	-12,308	9,092
Total equity	605,611	576,826

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 2020 up to the split date. This is partly the result of the split-up and the application of the pooling of interest method. As a result, the issued and purchased shares of the AIF mix funds in the UCITS N.V. in 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 shares" and "Purchased shares".



Five-year summary

<i>In € thousands</i>	31-12-2021	31-12-2020	31-12-2019	31-12-2018 ¹	31-12-2017 ¹
Total net asset value	605,611	576,826	644,273	221,812	255,242
Direct income	8,407	9,208	13,774	-	-
Changes in value of investments	-18,073	1,381	4,091	2,058	282
Surcharges and deductions charged	129	148	97	149	79
Operating expenses	2,771	1,645	1,038	1,121	1,256
Total result	-12,308	9,092	16,924	1,086	-895
Number of ordinary shares outstanding	22,066,024	20,366,907	22,275,347	7,665,071	8,638,061
Per ordinary share					
<i>In euros</i>					
Net asset value	27.45	28.32	28.92	28.94	29.55
Share price	27.47	28.34	28.95	28.98	29.62
Dividend ²	0.30	1.00	0.60	0.75	0.60
Investment income	0.38	0.71	0.58	-	-
Changes in value of investments	-0.82	0.12	0.17	0.24	0.03
Surcharges and deductions charged	0.01	0.01	-	0.02	0.01
Operating expenses	0.13	0.13	0.04	0.13	0.15
Total result	-0.56	0.71	0.71	0.13	-0.11

¹ The comparative figures of 2018 and 2017 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 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 €607.0 million (year-end 2020: €578.2 million).

4.2.2 Notes to the income statement

(F) Realised changes in value of investments

Notes on the breakdown of gains 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>	01-01-2021 to 31-12-2021	01-01-2020 to 31-12-2020
Bonds		
Bonds - realised price gains	176	2,947
Bonds - realised price losses	-5,606	-3,855
Bonds - realised exchange gains	-	-
Bonds - realised exchange losses	-	-
Total	-5,430	-908

(G) Unrealised changes in value on investments

Notes on the breakdown of gains 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>	01-01-2021 to 31-12-2021	01-01-2020 to 31-12-2020
Bonds		
Bonds - unrealised price gains	29	4,360
Bonds - unrealised price losses	-12,672	-2,071
Bonds - unrealised exchange gains	-	-
Bonds - unrealised exchange losses	-	-
Total	-12,643	2,289

(H) Operating expenses

The other operating expenses consist of:

<i>In € thousands</i>	01-01-2021 to 31-12-2021	01-01-2020 to 31-12-2020
Interest on current account	27	14
Total	27	14

Ongoing charges figure

<i>In € thousands</i>	01-01-2021 to 31-12-2021	01-01-2020 to 31-12-2020
Ongoing charges		
Total operating expenses	2,744	1,631
Average fund capital during the reporting period	609,944	364,978
Ongoing charge figure (on annual basis)	0.45%	0.45%

The fund pays fund costs to ASN Impact Investors. From these fund costs, ASN Impact Investors 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 total amount of securities transactions, less the total amount of transactions in respect of units in the investment fund, as a percentage of the average net asset value of the investment fund.

	01-01-2021 to 31-12-2021	01-01-2020 to 31-12-2020
Turnover rate	73.25%	75.17%

Transaction costs

Transaction costs are part of realised and unrealised profits 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

<i>Before profit appropriation and in € thousands</i>	<i>Ref.¹</i>	31-12-2021	31-12-2020
Investments	(A)		
Direct investments		1,115,338	806,251
Accounts receivable	(B)	8,472	13,918
Other assets	(C)		
Cash at bank		15,832	22,556
Current liabilities	(D)	3,244	4,686
Accounts receivable and other assets less current liabilities		21,060	31,788
Assets less current liabilities		1,136,398	838,039
Equity	(E)		
Issued capital		100,580	92,389
Share premium reserve		469,022	359,067
Other reserves		346,788	227,054
Retained earnings		220,008	159,529
Total equity		1,136,398	838,039

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

<i>In € thousands</i>	<i>Ref.¹</i>	01-01-2021 to 31-12-2021	01-01-2020 to 31-12-2020
Investment income		24,166	11,666
Realised changes in value on investments	(F)	19,130	-18,182
Unrealised changes in value on investments	(G)	188,733	173,636
Surcharges and deductions charged		210	250
Other operating income	(H)	25	63
Total income		232,264	167,433
Operating expenses	(I)		
Management fees		11,839	7,770
Other operating expenses		417	134
Total operating expenses		12,256	7,904
Net result		220,008	159,529

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



Cashflow statement

<i>In € thousands</i>	01-01-2021 to 31-12-2021	01-01-2020 to 31-12-2020
Cashflow from investment activities		
Net result	220,008	159,529
Exchange rate differences on cash	244	26
Net result excluding exchange rate differences on cash	220,252	159,555
Adjustment to reconcile the result with the cashflow generated by the investment activities:		
Realised changes in value on investments	-19,130	18,182
Unrealised changes in value on investments	-188,733	-173,636
Purchase of investments	-322,492	-145,899
Disposal of investments	221,268	190,167
<i>Changes in assets and liabilities:</i>		
Change in receivables arising from investment activities	5,339	-8,353
Change in liabilities arising from investment activities	-1,441	4,045
Net cashflows from investment activities	-84,937	44,061
Cashflows from financing activities		
Issue of shares	158,772	54,427
Purchase of shares	-73,857	-94,317
Movement due to split up ¹	-	19,466
Change in receivables arising from issue of shares	107	-1,545
Change in liabilities arising from purchase of shares	-1	-37
Dividend paid out	-6,564	-9,671
Net cashflows from financing activities	78,457	-31,677
Total net cashflows	-6,480	12,384
Exchange rate differences on cash	-244	-26
Change in cash	-6,724	12,358
Cash at the beginning of the reporting period	22,556	10,198
Cash at the end of the reporting period	15,832	22,556

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 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 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

Shares

<i>In € thousands</i>	01-01-2021 to 31-12-2021	01-01-2020 to 31-12-2020
Balance as at start of period	806,251	695,065
Purchases	322,492	145,899
Disposals	-221,268	-190,167
Realised changes in value on investments	19,130	-18,182
Unrealised changes in value on investments	188,733	173,636
Balance as at end of period	1,115,338	806,251

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

Securities portfolio

Disclosures on fair value measurements of financial instruments in accordance with RJ290.916

The fair value of all the financial instruments in the portfolio of the 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 2021, with the market value presented in thousands of euros.

Country allocation of ASN Milieu & Waterfonds

<i>In € thousands</i>	31-12-2021		31-12-2020	
	<i>Market value</i>	<i>%</i>	<i>Market value</i>	<i>%</i>
United States	389,922	35.1	203,706	25.2
United Kingdom	173,196	15.5	136,650	16.8
Switzerland	74,053	6.6	73,230	9.1
Denmark	60,630	5.4	44,790	5.6
Sweden	47,331	4.2	35,170	4.4
Spain	44,064	4.0	40,957	5.1
Japan	43,354	3.9	53,688	6.7
The Netherlands	39,454	3.5	31,572	3.9
Israel	34,495	3.1	19,034	2.4
Hong Kong	30,276	2.7	24,009	3.0
Australia	24,058	2.2	17,781	2.2
Taiwan	22,244	2.0	17,220	2.1
Ireland	21,725	1.9	25,557	3.2
Austria	20,103	1.8	16,740	2.1
France	19,297	1.7	13,690	1.7
Finland	16,463	1.5	10,675	1.3
Canada	16,431	1.5	-	-
China	14,577	1.3	26,318	3.3
Greece	12,161	1.1	-	-
Norway	11,504	1.0	7,273	0.9
Singapore	-	-	-	-
Germany	-	-	8,191	1.0
Total	1,115,338	100.0	806,251	100.0



Sector allocation of ASN Milieu & Waterfonds

<i>Number of shares</i>		<i>Currency</i>	<i>Marketvalue in € thousands</i>
	Basic goods		
554,181	Corbion	EUR	22,965
4,264,225	DS Smith	GBP	19,493
164,781	Lenzing	EUR	20,103
348,696	Novozymes	DKK	25,186
448,484	Smurfit Kappa	EUR	21,725
381,979	Sonoco Products	USD	19,445
			128,917
	Consumer durables		
529,640	MAYTRONICS	ILS	11,492
			11,492
	Energy		
1,143,944	EDP Renováveis	EUR	25,052
311,775	Ormat Technologies	USD	21,741
895,517	TERNA ENERGY	EUR	12,161
			58,954
	Pharmaceuticals & biotechnology		
17,029	Mettler-Toledo International	USD	25,415
			25,415
	Semiconductors		
44,776	Monolithic Power Systems	USD	19,424
70,913	Solaredge Technologies	USD	17,496
1,138,000	Taiwan Semiconductor Manufacturing	TWD	22,244
9,775,769	Xinyi Solar Holdings	HKD	14,577
			73,741
	Capital goods		
327,252	A.O. Smith	USD	24,705
184,681	Advanced Drainage Systems	USD	22,107
1,270,207	Amiad Water Systems	GBP	5,507
593,200	Azbil	JPY	23,736
525,669	Evoqua Water Technologies	USD	21,610
540,116	Fluidra	EUR	19,012
32,371	Geberit	CHF	23,281
2,074,706	GENUIT GROUP	GBP	14,480
22,064	Georg Fischer	CHF	29,492
789,907	Indutrade	SEK	21,267
201,444	Itron	USD	12,138
187,532	Legrand	EUR	19,297
8,681	LEM	CHF	21,280
44,899	Lennox International	USD	12,806
74,753	Lindsay	USD	9,992
1,962,409	NIBE Industrier	SEK	26,064
414,643	Pentair	USD	26,628
30,850	Rockwool	DKK	11,863
404,333	Signify	EUR	16,489
786,199	Uponor	EUR	16,463
598,757	Vertiv	USD	13,147
876,917	Vestas Wind Systems	DKK	23,581
93,567	Watts Water Technologies	USD	15,976
			430,921

<i>Number of shares</i>		<i>Currency</i>	<i>Marketvalue in € thousands</i>
	Utilities		
169,837	American Water Works	USD	28,206
31,718,000	Beijing Enterprises Water	HKD	10,840
403,718	California Water Service	USD	25,511
6,151,750	Hyflux	SGD	-
1,487,736	Pennon Group	GBP	20,679
824,187	Severn Trent	GBP	28,929
2,150,954	United Utilities	GBP	27,899
			142,064
	Real estate		
28,909	Equinix	USD	21,502
456,146	Hannon Armstrong Sustainable	USD	21,307
			42,809
	Software & services		
87,042	Autodesk	USD	21,522
225,602	Descartes System Group	CAD	16,431
505,257	Switch	USD	12,725
			50,678
	Technology		
84,833	Littelfuse Inc.	USD	23,475
280,554	Murata Manufacturing	JPY	19,618
			43,093
	Transport		
4,117,500	MTR	HKD	19,436
			19,436
	Personal care products		
432,629	Unilever	EUR	20,357
			20,357
	Business services		
3,540,030	Brambles	AUD	24,058
1,633,822	Renewi	GBP	14,731
327,357	Stericycle	USD	17,168
182,828	Tomra systems	NOK	11,504
			67,461
	Total		1,115,338

(B) Accounts receivable

Receivables include:

<i>In € thousands</i>	31-12-2021	31-12-2020
Investment activities		
Receivables arising from security transactions	1,554	7,756
Dividend receivable	1,259	807
Dividend tax/withholding tax receivable	4,106	3,695
Total receivables arising from investment activities	6,919	12,258
Financing activities		
Receivables from shareholders arising from issue of shares	1,553	1,660
Total receivables arising from financing activities	1,553	1,660
Total	8,472	13,918

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 the ASN Milieu & Waterfondsen, these receivables amount to €2.71 million at the end of



the reporting period (year-end 2020: €1.34 million). The amount stems from the fact that these receivables cannot be offset until sufficient dividends are paid to shareholders.

(C) Other assets

Cash and cash equivalents

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>	31-12-2021	31-12-2020
Investment activities		
Liabilities arising from securities transactions	2,112	3,871
Fund costs payable	1,132	814
Total liabilities arising from investment activities	3,244	4,685
Financing activities		
Liabilities to shareholders arising from purchase of shares	-	1
Total liabilities arising from financing activities	-	1
Total	3,244	4,686

Liabilities fall due within one year.



(E) Equity

Statement of movements in equity

<i>In € thousands</i>	01-01-2021 to 31-12-2021	01-01-2020 to 31-12-2020
Issued capital		
Balance as at start of period	92,389	94,524
Issued shares	15,442	7,111
Purchased shares	-7,251	-13,592
Movement due to split up ¹	-	4,346
Balance as at end of period	100,580	92,389
Share premium reserve		
Balance as at start of period	359,067	351,114
Issued shares	143,330	47,316
Purchased shares	-33,375	-54,483
Movement due to split up ¹	-	15,120
Balance as at end of period	469,022	359,067
Other reserves		
Balance as at start of period	227,054	66,032
Addition to/withdrawal from retained earnings	152,965	187,264
Purchased shares	-33,231	-26,242
Balance as at end of period	346,788	227,054
Retained earnings		
Balance as at start of period	159,529	196,935
Addition to/withdrawal from other reserves	-152,965	-187,264
Dividend paid out	-6,564	-9,671
Result for the reporting period	220,008	159,529
Balance as at end of period	220,008	159,529
Total equity	1,136,398	838,039

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 2020 up to the split date. This is partly the result of the split-up and the application of the pooling of interest method. As a result, the issued and purchased shares of the AIF mix funds in the UCITS N.V. in 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 shares" and "Purchased shares".



Five-year summary

<i>In € thousands</i>	31-12-2021	31-12-2020	31-12-2019	31-12-2018 ¹	31-12-2017 ¹
Total net asset value	1,136,398	838,039	708,605	493,339	552,780
Direct income	24,191	11,666	15,981	-	-
Changes in value of investments	207,863	155,454	187,552	-88,581	53,308
Surcharges and deductions charged	210	250	140	289	253
Other income	-	63	149	-	-
Operating expenses	12,256	7,904	6,887	6,764	6,119
Total result	220,008	159,466	196,786	-95,056	47,442
Number of ordinary shares outstanding	20,115,995	18,477,881	18,904,827	17,530,949	16,259,204
Per ordinary share					
<i>In euros</i>					
Net asset value	56.49	45.35	37.48	28.14	34.00
Share price	56.67	45.17	37.55	27.88	34.27
Dividend ²	0.35	0.60	0.35	0.45	0.25
Investment income	1.26	0.66	0.79	-	-
Changes in value of investments	10.81	8.84	9.30	-5.05	3.41
Surcharges and deductions charged	0.01	0.01	0.01	0.02	0.02
Other income	-	-	0.01	-	-
Operating expenses	0.64	0.45	0.34	0.39	0.39
Total result	11.44	9.06	9.76	-5.42	3.04

¹ The comparative figures of 2018 and 2017 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 €24.3 million (year-end 2020: €36.5 million).

4.3.2 Notes to the income statement

(F) Realised changes in value of investments

Notes on the breakdown of gains 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>	01-01-2021 to 31-12-2021	01-01-2020 to 31-12-2020
Shares		
Shares - realised price gains	33,132	61,385
Shares - realised price losses	-14,897	-75,509
Shares - realised exchange gains	2,182	3,333
Shares - realised exchange losses	-1,287	-7,391
Total	19,130	-18,182

(G) Unrealised changes in value on investments

Notes on the breakdown of gains 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>	01-01-2021 to 31-12-2021	01-01-2020 to 31-12-2020
Shares		
Shares - unrealised price gains	185,553	200,643
Shares - unrealised price losses	-32,593	-9,148
Shares - unrealised exchange gains	37,275	1,974
Shares - unrealised exchange losses	-1,502	-19,833
Total	188,733	173,636

(H) Other operating income

<i>In € thousands</i>	01-01-2021 to 31-12-2021	01-01-2020 to 31-12-2020
Other operating income	25	63
Total	25	63

In 2021, other operating income relates entirely to a *rebate* (refund) received from JP Morgan. In 2020, this item concerned return commissions which the fund received from Impax Asset Management.

(I) Operating expenses

The other operating expenses consist of:

<i>In € thousands</i>	01-01-2021 to 31-12-2021	01-01-2020 to 31-12-2020
Exchange rate differences on cash	244	26
Interest on current account	173	108
Total	417	134

Ongoing charges figure

<i>In € thousands</i>	01-01-2021 to 31-12-2021	01-01-2020 to 31-12-2020
Ongoing charges		
Total operating expenses	11,839	7,770
Average fund capital during the reporting period	988,414	648,950
Ongoing charge figure (on annual basis)	1.20%	1.20%

The fund pays fund costs to ASN Impact Investors. From these fund costs, ASN Impact Investors 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 total amount of securities transactions, less the total amount of transactions in respect of units in the investment fund, as a percentage of the average net asset value of the investment fund.

	01-01-2021 to 31-12-2021	01-01-2020 to 31-12-2020
Turnover rate	31.48%	28.87%

Transaction costs

Transaction costs are part of realised profits and losses. The transaction costs in the reporting period, to the extent that they were identifiable and quantifiable, amounted to €422,060 (2020: €432,919).

4.4 ASN Duurzaam Small & Midcapfonds

Balance sheet

<i>Before profit appropriation and in € thousands</i>	<i>Ref.¹</i>	31-12-2021	31-12-2020
Investments	(A)		
Direct investments		217,729	151,117
Accounts receivable	(B)	2,965	1,571
Other assets	(C)		
Cash at bank		6,376	5,064
Current liabilities	(D)	862	393
Accounts receivable and other assets less current liabilities		8,479	6,242
Assets less current liabilities		226,208	157,359
Equity	(E)		
Issued capital		19,021	16,602
Share premium reserve		113,308	81,999
Other reserves		51,563	57,233
Retained earnings		42,316	1,525
Total equity		226,208	157,359

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

<i>In € thousands</i>	<i>Ref.¹</i>	01-01-2021 to 31-12-2021	01-01-2020 to 31-12-2020
Investment income		5,009	2,240
Realised changes in value on investments	(F)	10,583	-23,535
Unrealised changes in value on investments	(G)	28,828	24,267
Surcharges and deductions charged		314	127
Total income		44,734	3,099
Operating expenses	(H)		
Management fees		2,371	1,480
Other operating expenses		47	94
Total operating expenses		2,418	1,574
Net result		42,316	1,525

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

Cashflow statement

<i>In € thousands</i>	01-01-2021 to 31-12-2021	01-01-2020 to 31-12-2020
Cashflow from investment activities		
Net result	42,316	1,525
Exchange rate differences on cash	8	54
Net result excluding exchange rate differences on cash	42,324	1,579
Adjustment to reconcile the result with the cashflow generated by the investment activities:		
Realised changes in value on investments	-10,583	23,535
Unrealised changes in value on investments	-28,828	-24,267
Purchase of investments	-88,877	-83,897
Disposal of investments	61,676	118,205
<i>Changes in assets and liabilities:</i>		
Change in receivables arising from investment activities	-1,033	-594
Change in liabilities arising from investment activities	470	169
Net cashflows from investment activities	-24,851	34,730
Cashflows from financing activities		
Issue of shares	44,902	25,296
Purchase of shares	-17,011	-21,987
Movement due to split up ¹	-	-40,113
Change in receivables arising from issue of shares	-361	80
Change in liabilities arising from purchase of shares	-1	-13
Dividend paid out	-1,358	-2,083
Net cashflows from financing activities	26,171	-38,820
Total net cashflows	1,320	-4,090
Exchange rate differences on cash	-8	-54
Change in cash	1,312	-4,144
Cash at the beginning of the reporting period	5,064	9,208
Cash at the end of the reporting period	6,376	5,064

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 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 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

Shares

<i>In € thousands</i>	01-01-2021 to 31-12-2021	01-01-2020 to 31-12-2020
Balance as at start of period	151,117	184,693
Purchases	88,877	83,897
Disposals	-61,676	-118,205
Realised changes in value on investments	10,583	-23,535
Unrealised changes in value on investments	28,828	24,267
Balance as at end of period	217,729	151,117

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

Securities portfolio

Disclosures on fair value measurements of financial instruments in accordance with RJ290.916

The fair value of all the financial instruments in the portfolio of the 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 2021, with the market value presented in thousands of euros.

Country allocation of ASN Duurzaam Small & Midcapfonds

<i>In € thousands</i>	<i>31-12-2021</i>		<i>31-12-2020</i>	
	<i>Market value</i>	<i>%</i>	<i>Market value</i>	<i>%</i>
United Kingdom	60,075	27.5	35,897	23.7
Germany	32,711	15.0	29,482	19.5
Belgium	31,347	14.4	10,815	7.2
The Netherlands	29,083	13.4	20,663	13.7
France	14,324	6.6	8,430	5.6
Switzerland	11,423	5.2	9,542	6.3
Sweden	9,560	4.4	11,355	7.5
Luxembourg	8,897	4.1	6,876	4.6
Spain	7,383	3.4	5,091	3.4
Finland	6,699	3.1	4,585	3.0
Ireland	6,227	2.9	4,680	3.1
Denmark	-	-	3,701	2.4
Total	217,729	100.0	151,117	100.0

Sector allocation of ASN Duurzaam Small & Midcapfonds

<i>Number of shares</i>		<i>Currency</i>	<i>Marketvalue in € thousands</i>
	Basic goods		
215,750	Bekaert	EUR	8,444
175,750	Corbion	EUR	7,283
172,250	Huhtamaki	EUR	6,699
			22,426
	Retail		
171,500	ASOS	GBP	4,884
420,750	Takkt	EUR	6,463



<i>Number of shares</i>		<i>Currency</i>	<i>Marketvalue in € thousands</i>
1,179,500	Wickes Group	GBP	3,329
			14,676
	Healthcare services & equipment		
480,750	EMIS Group	GBP	7,787
319,000	Fagron	EUR	4,721
			12,508
	Consumer durables		
8,494,300	Coats Group	GBP	7,001
			7,001
	Semiconductors		
61,000	BE Semiconductor Industries	EUR	4,576
			4,576
	Capital goods		
51,250	Dürr	EUR	2,056
251,000	Barco N.V.	EUR	4,809
209,750	Fluidra	EUR	7,383
143,250	JOST Werke	EUR	7,091
21,250	Kardex	CHF	6,153
2,150	LEM	CHF	5,270
242,000	Signify	EUR	9,870
132,500	TKH Group	EUR	7,354
299,000	Travis Perkins	GBP	5,536
82,445	Washtec	EUR	4,534
			60,056
	Media		
304,000	Telenet	EUR	9,746
			9,746
	Real estate		
333,000	Fabege	SEK	4,902
4,790,345	Hibernia REIT	EUR	6,227
381,250	Safestore Holdings	GBP	6,398
192,750	TAG Immobilien	EUR	4,744
365,250	UNITE Group	GBP	4,831
86,000	Warehouses De Pauw SCA	EUR	3,627
			30,729
	Advertising		
219,250	Ipsos	EUR	9,044
240,000	JCDecaux	EUR	5,280
			14,324
	Software & services		
170,000	Computacenter	GBP	5,892
223,000	Software	EUR	7,823
			13,715
	Food & drinks		
4,601,000	Premier Foods	GBP	6,127
			6,127
	Food & drinks		
132,000	Befesa	EUR	8,897
377,644	Bravida Holding	SEK	4,658
1,500,000	Sthree	GBP	8,290
			21,845

Number of shares	Currency	Marketvalue in € thousands
Total		217,729

(B) Accounts receivable

Receivables include:

<i>In € thousands</i>	31-12-2021	31-12-2020
Investment activities		
Receivables arising from securities transactions	515	155
Dividend tax/withholding tax receivable	1,935	1,262
Total receivables arising from investment activities	2,450	1,417
Financing activities		
Receivables from shareholders arising from issue of shares	515	154
Total receivables arising from financing activities	515	154
Total	2,965	1,571

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 the ASN Duurzaam Small & Midcapfonds, these receivables amount to €1.06 million at the end of the reporting period (year-end 2020: €0.62 million).

(C) Other assets**Cash and cash equivalents**

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>	31-12-2021	31-12-2020
Investment activities		
Liabilities arising from securities transactions	640	235
Fund costs payable	222	157
Total liabilities arising from investment activities	862	392
Financing activities		
Liabilities to shareholders arising from purchase of shares	-	1
Total liabilities arising from financing activities	-	1
Total	862	393

Liabilities fall due within one year.

(E) Equity

Statement of movements in equity

<i>In € thousands</i>	01-01-2021 to 31-12-2021	01-01-2020 to 31-12-2020
Issued capital		
Balance as at start of period	16,602	21,406
Issued shares	3,949	2,354
Purchased shares	-1,530	-3,315
Movement due to split up ¹	-	-3,843
Balance as at end of period	19,021	16,602
Share premium reserve		
Balance as at start of period	81,999	121,435
Issued shares	40,953	15,506
Purchased shares	-9,644	-18,672
Movement due to split up ¹	-	-36,270
Balance as at end of period	113,308	81,999
Other reserves		
Balance as at start of period	57,233	4,007
Addition to/withdrawal from retained earnings	167	45,790
Purchased shares	-5,837	7,436
Balance as at end of period	51,563	57,233
Retained earnings		
Balance as at start of period	1,525	47,873
Addition to/withdrawal from other reserves	-167	-45,790
Dividend paid out	-1,358	-2,083
Result for the reporting period	42,316	1,525
Balance as at end of period	42,316	1,525
Total equity	226,208	157,359

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 2020 up to the split date. This is partly the result of the split-up and the application of the pooling of interest method. As a result, the issued and purchased shares of the AIF mix funds in the UCITS N.V. in 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 shares" and "Purchased shares".



Five-year summary

<i>In € thousands</i>	31-12-2021	31-12-2020	31-12-2019	31-12-2018 ¹	31-12-2017 ¹
Total net asset value	226,208	157,359	194,721	92,265	103,180
Direct income	5,009	2,240	4,174	-	-
Changes in value of investments	39,411	732	44,728	-18,140	18,690
Surcharges and deductions charged	314	127	60	93	103
Other income	-	-	187	-	-
Operating expenses	2,418	1,574	1,276	1,282	1,077
Total result	42,316	1,525	47,873	-19,329	17,716
Number of ordinary shares outstanding	3,804,203	3,320,386	4,281,283	2,724,850	2,490,291
Per ordinary share					
<i>In euros</i>					
Net asset value	59.46	47.39	45.46	33.86	41.43
Share price	59.83	47.72	45.57	33.67	41.33
Dividend ²	0.40	0.80	0.45	0.55	0.70
Investment income	1.42	0.73	1.08	-	-
Changes in value of investments	11.13	0.25	11.61	-6.67	7.98
Surcharges and deductions charged	0.09	0.04	0.02	0.03	0.04
Other income	-	-	0.05	-	-
Operating expenses	0.68	0.52	0.33	0.47	0.46
Total result	11.96	0.50	12.43	-7.11	7.56

¹ The comparative figures of 2018 and 2017 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 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 €9.3 million (year-end 2020: €6.6 million).

4.4.2 Notes to the income statement

(F) Realised changes in value of investments

Notes on the breakdown of gains 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>	01-01-2021 to 31-12-2021	01-01-2020 to 31-12-2020
Shares		
Shares - realised price gains	10,971	28,535
Shares - realised price losses	-816	-49,946
Shares - realised exchange gains	459	757
Shares - realised exchange losses	-31	-2,881
Total	10,583	-23,535

(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>	01-01-2021 to 31-12-2021	01-01-2020 to 31-12-2020
Shares		
Shares - unrealised price gains	31,800	24,277
Shares - unrealised price losses	-5,129	-354
Shares - unrealised exchange gains	2,350	439
Shares - unrealised exchange losses	-193	-95
Total	28,828	24,267

(H) Operating expenses

The other operating expenses consist of:

<i>In € thousands</i>	01-01-2021 to 31-12-2021	01-01-2020 to 31-12-2020
Exchange rate differences on cash	8	54
Interest on current account	39	40
Total	47	94

Ongoing charges figure

<i>In € thousands</i>	01-01-2021 to 31-12-2021	01-01-2020 to 31-12-2020
Ongoing charges		
Total operating expenses	2,371	1,480
Average fund capital during the reporting period	197,997	123,671
Ongoing charge figure (on annual basis)	1.20%	1.20%

The fund pays fund costs to ASN Impact Investors. From these fund costs, ASN Impact Investors 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 total amount of securities transactions, less the total amount of transactions in respect of units in the investment fund, as a percentage of the average net asset value of the investment fund.

	01-01-2021 to 31-12-2021	01-01-2020 to 31-12-2020
Turnover rate	44.77%	125.19%

Transaction costs

Transaction costs are part of realised profits and losses. The transaction costs in the reporting period, to the extent that they were identifiable and quantifiable, amounted to €239,928 (2020: €178,478).



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5 Other information

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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.

Profit appropriation according to the Articles of Association

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 ASN Impact Investors 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.

For the purpose of transparency, the following table lists the personal interests that the members of the Board of Directors of ASN Impact Investors 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.

Description	<i>Collective interest of Board of Directors of ASN Impact Investors and members of the Supervisory Board in figures 31 December 2021</i>	<i>Collective interest of Board of Directors of ASN Impact Investors and members of the Supervisory Board in figures 31 December 2020</i>
	ASN Duurzaam Aandelenfonds	224
ASN Milieu & Waterfonds	252	252
ASN Duurzaam Small & Midcapfonds	220	220



Independent auditor's report

The following is an English translation of the independent auditor's report issued 16 March 2022

To: the shareholders and supervisory board of ASN Beleggingsfondsen UCITS N.V.

Report on the audit of the financial statements 2021 included in the annual report

Our opinion

We have audited the financial statements for the year ended on 31 December 2021 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 December 2021 and of its result for 2021 in accordance with Part 9 of Book 2 of the Dutch Civil Code.

The financial statements comprise:

- The balance sheet as at 31 December 2021;
- The profit and loss account for 2021;
- The notes comprising of a summary of the accounting policies and other explanatory information, including the annual financial information 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. (hereinafter: the investment entity) 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.

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Information in support of our opinion

We designed our audit procedures in the context of our audit of the financial statements as a whole and in forming our opinion thereon. The following information in support of our opinion and any findings were addressed in this context, and we do not provide a separate opinion or conclusion on these matters.

Our understanding in ASN Beleggingsfondsen UCITS N.V.

ASN Beleggingsfondsen UCITS N.V. is an investment entity with variable capital, having its registered office in The Hague, the Netherlands, and consist of four sub-funds (undertakings for collective investment in transferable securities): ASN Duurzaam Obligatiefonds, ASN Milieu & Waterfonds, ASN Duurzaam Aandelenfonds and ASN Duurzaam Small & Midcapfonds. Shares of the sub-funds of ASN Beleggingsfondsen UCITS N.V. are traded via Euronext Amsterdam, segment Euronext Fund Service. The sub-funds invest in listed securities for which the fair value is derived from quoted market prices. The management company and management board is ASN Beleggingsinstellingen Beheer B.V., part of de Volksbank N.V., and references to positions and departments in this section are positions and departments of ASN Beleggingsinstellingen Beheer B.V.

We start by determining materiality and identifying and assessing the risks of material misstatement of the financial statements, whether due to fraud or error in order to design audit procedures responsive to those risks and to obtain 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.

Materiality

Materiality	The materiality is based per sub-fund 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, share price and a separate administration. Investors can only invest in sub-fonds. Annual financial information is prepared for each sub-fund, which is part of the notes to the financial statements of ASN Beleggingsfondsen UCITS N.V. These financial statements are based on the cumulative annual financial information of the sub-funds. Based upon the foregoing, 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 previous 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 sub-fund which are identified during the audit, would be reported to the board, as well as smaller misstatements that in our view must be reported on qualitative grounds.

Teaming and use of specialists

We ensured that the audit team has the appropriate skills and competences which is needed for the audit of a listed investment entity. We included specialists in the areas of IT audit, sustainability, and taxes.

Our focus on fraud and non-compliance with laws and regulations

Our responsibility

Although we are not responsible for preventing fraud or non-compliance and we cannot be expected to detect non-compliance with all laws and regulations, it is our responsibility to obtain reasonable assurance that the financial statements, taken as a whole, are free from material misstatement, whether caused by fraud or error.

Our audit response related to fraud risks

We identify and assess the risks of material misstatements of the financial statements due to fraud. During our audit we obtained an understanding of the investment entity and its environment and the components of the system of internal control, including the risk assessment process and management's process for responding to the risks of fraud and monitoring the system of internal control and how the supervisory board exercises oversight, as well as the outcomes. We refer to section 1. Management Board report of the annual report for management's (fraud) risk assessment and section Report of the Supervisory Board of the annual report in which the supervisory board reflects on this (fraud) risk assessment.

We evaluated the design and relevant aspects of the system of internal control and in particular the fraud risk assessment, as well as the code of conduct, whistle blower procedures and incident registration. We evaluated the design and the implementation and, where considered appropriate, tested the operating effectiveness, of internal controls designed to mitigate fraud risks.

As part of our process of identifying fraud risks, we evaluated fraud risk factors with respect to financial reporting fraud, misappropriation of assets and bribery and corruption, including potential conflict of interest between the management company and the investors in the investment entity. We evaluated whether these factors indicate that a risk of material misstatement due to fraud is present.

We incorporated elements of unpredictability in our audit. We also considered the outcome of our other audit procedures and evaluated whether any findings were indicative of fraud or non-compliance.

As in all of our audits, we addressed the risks related to management override of controls. Because of this risk, we have used data analysis to identify and test journal entries with an increased risk. We have also reviewed accounting estimates for biases that may present a risk of material misstatement, focusing in particular on important areas requiring judgment and significant accounting estimates as disclosed in section 3.4.1 under 'Use of estimates' in the notes to the financial statements. We also examined transactions where the costs for the investment entity are revenue for the management company and/or related parties. In that context, we refer to the key audit matter 'Outsourcing'.



We considered available information and made enquiries of relevant executives, directors (including the legal-, compliance-, and risk departments) and the supervisory board.

From our evaluation of the risk of override of controls by management, enquiries and other available information did not lead to specific indications for fraud or suspected fraud potentially materially impacting the view of the financial statements.

Our audit response related to risks of non-compliance with laws and regulations

We assessed factors related to the risks of non-compliance with laws and regulations that could reasonably be expected to have a material effect on the financial statements. In line with NBA Practice Note 1142 from the professional body for auditors in the Netherlands (NBA) on the “*Specific obligations from laws and regulations on financial supervision for the internal auditor and the external auditor of investment firms, alternative investment funds (managers) and (management companies of) undertakings for collective investment in transferable securities*”, is our estimate based on our general industry experience, through discussions with the management board, inspection of the integrity risk analysis (SIRA), reading minutes, inspection of reports of internal audit of de Volksbank insofar as relevant for ASN Beleggingsfondsen UCITS N.V., and compliance reports. We also performed substantive audit procedures of classes of transactions, account balances or disclosures.

We also inspected the reports of the legal department and correspondence with regulatory authorities and remained alert to any indication of (suspected) non-compliance throughout the audit. Finally we obtained written representations that all known instances of non-compliance with laws and regulations have been disclosed to us.

Our audit response related to going concern

As disclosed in section 3.4 ‘Notes to the financial statements’, management made a specific assessment of the investment entity’s ability to continue as a going concern and to continue its operations for at least the next 12 months.

We discussed and evaluated the specific assessment with management exercising professional judgment and maintaining professional skepticism. We considered whether management’s going concern assessment, based on our knowledge and understanding obtained through our audit of the financial statements or otherwise, contains all events or conditions that may cast significant doubt on the investment entity’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are 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.

Based on our procedures performed, we did not identify serious doubts on the investment entity’s ability to continue as a going concern for the next 12 months.

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 an investment entity to cease to continue as a going concern.

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 have not changed the key audit matters in comparison to previous year.

Existence and valuation of investments	
Risk	<p>The sub-funds that make up ASN Beleggingsfondsen UCITS N.V., invest mainly in listed investments, which are considered to be the key driver of the financial performance of the sub-funds.</p> <p>Reference is made to the disclosures on the investment portfolio in the annual financial information of the sub-funds of ASN Beleggingsfondsen UCITS N.V. which form part of the notes to the financial statements 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. ASN Duurzaam Aandelenfonds invest also in ASN Venture Capital Fonds N.V.</p> <p>We do consider these investments as a lower risk of significant misstatement, or to be subject to a significant degree of judgement, as the investments consist of listed securities for which a quoted price on an active market is available and not subject to estimations. However, due to the size of the investments in the context of the financial statements as a whole, the investment portfolio is considered to be the area which had the greatest effect on our audit.</p>
Our audit approach	<p>Our audit procedures included among others evaluating whether the accounting policies applied by the investment entity for recognition and measurement of investments and the (currency) pricing data and protocols are in accordance with Part 9 of Book 2 of the Dutch Civil Code and whether these accounting policies, data and protocols have been consistently applied. We have evaluated the design and implementation of controls related to the valuation process.</p> <p>Our audit procedures with regard to the existence and valuation investments included, but were not limited to:</p> <ul style="list-style-type: none"> reconciling values of the investment portfolio to at least one independent pricing source; reconciling the value of the investment in ASN Venture Capital Fonds N.V. with the statement received from the administrator of the fund; verifying the existence and ownership of the holdings in the investment portfolio with independently received third party confirmations from the custodian.
Key observations	Based on the procedures performed, we have no significant findings relating to the existence and valuation of investments.
Investment income	
Risk	<p>Investment income is the main source of income of the investment entity and comprises both dividend and interest income as well as (un)realized changes in fair value of investments. Therefore, we consider investment income as a key audit matter.</p> <p>Reference is made to the split of the investment income in the profit and loss account and the discussion of the results of the sub-funds compared to their benchmark in the management board report.</p>
Our audit approach	<p>Our audit procedures with regard to investments income included, amongst others:</p> <ul style="list-style-type: none"> obtaining an understanding and testing of controls, including relevant IT general controls, for processing transactions, corporate actions, reconciliation of investments and portfolio valuation. For outsourced processes, we have used the independent report on the design, implementation and operating effectiveness of relevant controls of the administrator, BNP Parisbas Securities Services SCA; Performing granular, substantive analytical procedures (including data-analytics using market data) on both dividend and interest income as well as (un)realized changes in fair value of investments in relation to the investments and in relation to the performance of the benchmark for each sub-fund.
Key Observations	Based on the procedures performed, we have no significant findings relating to the investment income.

Outsourcing	
Risk	<p>The investment entity does not have employees and outsourced asset management, risk management, shareholder registration, financial accounting as well as bookkeeping to the management company, ASN Beleggingsinstellingen Beheer B.V. (ABB). ABB has outsourced a part of these activities to BNP Paribas Securities Services SCA.</p> <p>We consider outsourcing a key audit matter. The financial information from these activities is used for the preparation of the financial statements of the investment entity and management is ultimately responsible for the full service chain including the controlled and sound business processes of the management company This comprises the following two aspects:</p> <ul style="list-style-type: none"> controlling the business processes and operational risks management by the management company and the investment entity's administrator (outsourcing); and mitigating integrity risks, which may result from potential conflict of interest between the management company and the investors in the sub-funds. <p>Reference is made to the "Management Board report" and the "Management Board report in respect of ASN Beleggingsfondsen UCITS N.V." for the (risks of) outsourcing and the in-control statement of the management company, and the ongoing charges disclosure that compares the charges to the information included in the prospectus.</p>
Our audit approach	<p>As part of our audit of the financial statements of the investment entity, we have focused on the controlled and sound business processes of the management company, in line with NBA Practice Note 1142. Our audit procedures consisted among others of:</p> <ul style="list-style-type: none"> obtaining an understanding and testing of controls of the investment company and other parties to which (key) processes have been outsourced, including relevant IT general controls. We have made use of the independent report on the design, implementation and operating effectiveness of relevant controls of the administrator; confirming that the management company and depositary hold the required license from the supervisory authority; reading through the correspondence with the supervisory authorities and the report of the independent depositary. In performing our audit procedures, we have also remained alert of signals of potential non-compliance with laws and regulations in general and more specifically, the provisions of the Wet op het financieel toezicht (Wft, Act on Financial Supervision) and the Wet ter voorkoming van witwassen en financiering terrorisme (Wwft, Act on the prevention of money laundering and terrorist financing); verifying the management fees and other operating expenses charged by performing a recalculation in accordance with the stipulations in the prospectus and verifying that related party transactions are accurately and completely disclosed; performing substantive audit procedures such as analytical review and sampling on the outcome of relevant flows of financial information.
Key Observations	<p>Based on the procedures performed, we have no significant findings related to outsourced activities and the resulting financial information with a direct impact on the financial statements of the investment entity.</p>

Report on other information included in the annual report

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

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 for the management report and the other 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 of the Dutch Civil code 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 and 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 demerger 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 have operated as statutory auditor ever since that date.

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 regarding 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 investment entity's ability to continue as a going concern. Based on the financial reporting framework mentioned, management should prepare the financial statements using the going concern basis of accounting unless management either intends to liquidate the investment entity 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 investment entity's ability to continue as a going concern in the financial statements.

The supervisory board is responsible for overseeing the investment entity'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. The 'Information in support of our opinion' section above includes an informative summary of our responsibilities and the work performed as the basis for our opinion.

Our audit further included among others:

- Performing audit procedures responsive to the risks identified, and obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion
- 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
- evaluating the overall presentation, structure and content of the financial statements, including the disclosures



- evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Communication

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, 16 March 2022

Ernst & Young Accountants LLP

Signed by M.J. Knijnenburg



6 Annexes







Annex I 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 2021 are listed below, together with their positions, responsibilities and work experience.

ASN Impact Investors

ASN Impact Investors is responsible for portfolio management, the development and marketing of investment products and the risk management of ASN Beleggingsfondsen UCITS N.V. 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	25 years
Frank Bergkamp	Analyst Impact Funds	4 years
Nick Brugman	Sales Manager	31 years
Karin van Dijk	Portfolio Manager	10 years
Jouke de Haas	Marketing Manager	25 years
Ad Huisman	Sales Manager	38 years
José de Jong	Secretary	30 years
Carine van der Kooij Guevara-Verhoeven	Product Manager	9 years
Robin Krispijn	Compliance Officer	14 years
Stephan Langen	Portfolio Manager	30 years
Priscila Mauricio Gonçalves	Fund Legal Counsel	3 years
Rosemarijn van der Meij	Portfolio Manager	24 years
Sascha Noé	Portfolio Manager	19 years
Marjolein Rigter	Risk Manager	15 years
Maurits de Ruyter	Risk Analyst	12 years
Mariëtta Smid	Senior Manager Sustainability	26 years
Victor Smid	Data Analyst	3 years
Leon Vingerhoeds	Product Manager	28 years
Katja Wende	Fund Legal Counsel	17 years

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Investment Fund	Strategy	Investment Manager/Adviser
ASN Duurzaam Obligatiefonds	Eurobonds; active	ACTIAM N.V. / Achmea Investment Management (from 01-10-2021)
ASN Milieu & Waterfonds	Equities Global; active	Impax Asset Management Ltd.
ASN Duurzaam Aandelenfonds	Equities Global; active	ACTIAM N.V. / Achmea Investment Management (from 01-10-2021)
ASN Duurzaam Small & Midcapfonds	Equities Europe; active	Kempen Capital Management N.V.

Sustainability Expertise Centre (ECD)

ASN Bank's Sustainability Expertise Centre (ECD) advises ASN Impact Investors 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 Impact Investors.



Name	Position	Work experience
Lisa van Blaricum	Manager Sustainability Expertise Centre	10 years
Piet Sprengers	Manager Sustainability Strategy and Policy	35 years
Stef Driesen	Sustainability Adviser	6 years
Freek Geurts	Impact Analyst	6 years
Kirsten Haak	Sustainability Analyst	20 years
Lotte Jongstra	Sustainability Policy Adviser	5 years
Jeroen Loots	Senior Adviser Climate	25 years
Roel Nozeman	Senior Adviser Biodiversity	16 years
Sjirk Prins	Sustainability Policy Adviser (ASN Impact Investors and ASN Duurzame Financieringen)	6 years
Irina van der Sluijs	Senior Adviser Human Rights	18 years
Bas Smeets	Impact Analyst	2 years
Jonna Tjapkes	Senior Sustainability Policy Adviser (de Volksbank)	7 years
Emmelien Venselaar	Sustainability Adviser	3 years
Jip van Vulpen	ESG Adviser	6 years



Investment managers

ASN Impact Investors has outsourced the investment management of the ASN Beleggingsfondsen. When selecting an investment manager, we assess, 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: Achmea Investment Management (until 01-10-2021: ACTIAM);
- 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	24 years' experience in managing global equities portfolios, specialised in quantitative analysis
Hans Slomp	Senior Portfolio Manager	33 years' experience in managing global equities portfolios, specialised in fundamental analysis

Managers of ASN Duurzaam Obligatiefonds

Name	Position	Work experience
Pim Burggraave	Senior Portfolio Manager	25 years' experience in rates, including rates derivatives
Mehdi Abdi	Senior Portfolio Manager	14 years' experience in rates & credits



Achmea Investment Management

Managers of ASN Duurzaam Aandelenfonds

Table 1:

Name	Position	Work experience
Marc Voermans	Equities Portfolio Manager	22 years' experience in quantitative management of global equities portfolios
Dennis Thé	Equities Manager	16 years' experience in equities analysis and management of global equities portfolios

Managers of ASN Duurzaam Obligatiefonds

Table 2:

Name	Position	Work experience
Rob Dekker	LDI & Rates Portfolio Manager	22 years' experience in analysing and managing sovereign bonds and government-related bonds
Raymond Vermeulen	LDI & Rates Manager	23 years' experience in managing fixed-income securities and overlay portfolios

Impax Asset Management

Managers of ASN Milieu & Waterfonds

Name	Position	Work experience
Jon Forster	Senior Portfolio Manager, Managing Director	27 years' experience
Justin Winter	Portfolio Manager, Director	19 years' experience
Fotis Chatzimichalakis	Portfolio Manager, Associate Director	6 years' experience
Matthew Wright	Research Analyst	4 years' experience

Kempen Capital Management

Managers of ASN Duurzaam Small & Midcapfonds

Name	Position	Work experience
Jan-Willem Berghuis	Head of SmallCap Team	23 years' experience
Michiel van Dijk	Senior Portfolio Manager	14 years' experience
Ingmar Schaefer	Senior Portfolio Manager	16 years' experience
Sander van Oort	Senior Portfolio Manager	21 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 33
www.asnimpactinvestors.com

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 Impact Investors

1. Bas-Jan Blom (until 1 March 2022)
2. San Lie (from 1 March 2022)
3. Ro Dielbandhoesing
4. Dirk-Jan Stam (from 1 March 2022)

Supervisory board of ASN Beleggingsfondsen UCITS N.V.

1. Anne Gram (Chair)
2. Lodi Hennink (Vice-Chair)
3. Tineke Lambooy
4. Dennis Bams
5. Chris Zadeh (from 29 April 2021)

Depositary

CACEIS BANK, Netherlands branch
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

Achmea Investment Management B.V. (from 01-10-2021)
Handelsweg 2
3707 NH Zeist
PO Box 866
3700 AW Zeist

ACTIAM N.V. (until 01-10-2021)
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 branch
De Entree 500
1101 EE Amsterdam-Zuidoost



Supervisory Board

Anne Gram (Chair)

Appointed in 2017, current term expires 2025.

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 29 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 is currently a board member at Pensioenfonds ABP and sits on the supervisory board of the Zorg en Welzijn pension fund and on the investment committee of ING Pensioenfonds. 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 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 (FFMU/medTzorg; Utrecht Forensic Medical Society), member of the supervisory board of Rosa Spier Huis and Secretary-steward of the Evert Zoudenbalch Huis (wealth fund).

Lodi studied business economics, with a specialisation in 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 (CSR). 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 at 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.

Chris Zadeh

Appointed in 2021, current term expires 2025

Chris Zadeh (1975) is an entrepreneur and founder of Ohpen, a fintech company where he was CEO until 2019. He left Ohpen a year later in order to start a new company: Whangai, a firm aiming to help other scale-up enterprises grow by providing advice on corporate finance and other subjects.

Before he started Ohpen in 2009 after a sabbatical, Chris spent 10 years as a managing director at BinckBank.

Together with founder Kalo Bagijn, he was one of the first staff members. Before that, Chris worked for asset manager Alex and – while studying law at the University of Amsterdam – for what was then the Postbank.

Because of his roles at BinckBank and Ohpen, Chris not only gained 25 years' experience in the latest technology behind financial services but also acquired a wealth of commercial experience and legal knowledge. He was a

board member at an insurance company and at an asset management firm that managed 750 million euros and sold its own investment funds to private individuals. Alongside his day-to-day activities, Chris sits on the Supervisory Board of InShared, among other things. He supports various organisations that promote animal welfare and nature conservation, in particular projects concerning the protection of submarine life. Diving is one of Chris's greatest passions.

Board of Directors of ASN Impact Investors

Bas-Jan Blom

Bas-Jan Blom (1962) has been a director of ASN Impact Investors since 2007. Bas-Jan chairs the Board of Directors and is responsible for Marketing & Sales, Product Management 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. Bas-Jan stepped down a director of ASN Impact Investors with effect from 1 March 2022.

San Lie

San Lie (1971) succeeded Bas-Jan Blom as Managing Director of ASN Impact Investors on 1 March 2022. San chairs the Board of Directors and is responsible for Marketing & Sales and Portfolio Management. Since August 2019 he has been Head of Portfolio Management at ASN Impact Investors. Before that, he worked for companies including Morningstar Benelux, Insinger de Beaufort, Fortis Bank (Netherlands and Belgium) and ABN AMRO in various management roles in the field of sustainability and investment services. San studied economics at Erasmus University Rotterdam. In addition, he regularly publishes articles in professional journals.

Ro Dielbandhoesing

Ro Dielbandhoesing (1979) has been a director of ASN Impact Investors since 22 June 2021 and is responsible for Risk Management and Compliance. From 2017, Ro worked in various roles as risk manager at de Volksbank and its subsidiary ASN Impact Investors. His previous roles include that of financial risk manager at Staalbankiers. Ro started his career as a controller at Achmea.

Ro studied Business Economics at Inholland University of Applied Sciences and obtained a Master's in Accountancy & Control and an Executive Master's in Finance & Control / Registered Controller (RC) at the University of Amsterdam.

Dirk-Jan Stam

Dirk-Jan Stam (1982) has been Director of Finance and Reporting at ASN Impact Investors since 1 March 2022 and is responsible for the accounts and financial disclosures, as well as for Product Management. Dirk-Jan has worked for de Volksbank and its legal predecessors since 2011 and has been ASN Bank's Head of Controlling and Compliance since 2018. Dirk-Jan studied Industrial



Engineering and Management at Rotterdam University of Applied Sciences and obtained a Bachelor's in Business Administration and a Master's in Accountancy and Control at Erasmus University Rotterdam.

