

# Unaudited Interim Financial Report

For the period 27 June 2017  
through 30 June 2017

Aegon Global Multi Manager Emerging  
Market Debt Fund - USD

# Contents

|     |  |    |
|-----|--|----|
| 1   | General Fund information .....   | 3  |
| 2   | Profile .....  | 4  |
| 3   | Key figures .....  | 6  |
| 4   | Investment management report .....   | 7  |
| 4.1 | Market developments .....  | 7  |
| 4.2 | Investment policy .....  | 7  |
| 4.3 | Return .....   | 7  |
| 4.4 | Outlook .....  | 7  |
| 4.5 | Risk management .....  | 7  |
| 4.6 | Socially Responsible Investing .....   | 13 |
| 4.7 | Statement set up conduct of business .....   | 14 |
| 5   | Interim financial statements.....  | 15 |
| 5.1 | Statement of financial position .....  | 15 |
| 5.2 | Statement of comprehensive income.....   | 16 |
| 5.3 | Statement of changes in net assets attributable to holders of participations ..... | 17 |
| 5.4 | Cash flow statement .....  | 18 |
| 5.5 | Notes to the financial statements.....   | 19 |
| 5.6 | Notes to specific items of the financial statements .....                          | 19 |
| 5.7 | Significant accounting policies .....  | 24 |
| 6   | Other information .....  | 29 |
| 6.1 | Statement interests board members of the Fund Manager .....                        | 29 |

# 1 General Fund information

## **Fund Manager**

TKP Investments B.V. (hereafter: 'TKPI'), with registered offices in Groningen, is the sole manager of the Fund.

## **Fund Manager's board of directors**

The Fund Manager's board of directors consists of Mrs R. van Wijk-Russchen, Mr C. Luning, Mr A. Laning and Mr. R.E. Leenes.

## **Depositary**

Citibank Europe Plc. (Netherlands Branch), with registered offices at Schiphol, Schiphol Boulevard 257, is the depositary of the Fund.

Aegon Custody B.V., with registered offices in The Hague, Aegonplein 50, 2591 TV, fulfils the duty of title holder.

## **Investment Committee**

The Fund Manager's investment committee consists of prof. dr. E. Sterken, drs. M.J.M. Jochems and drs. Ph.D. H. Menco RBA.

## **Office address**

Europaweg 31  
9723 AS Groningen

## **Postal address**

P.O. Box 5142  
9700 CG Groningen

Telephone: 00 31 (0)50 317 53 17  
Internet address: [www.tkpinvestments.com](http://www.tkpinvestments.com)

## **Independent auditor**

These condensed interim financial statements have not been audited by the independent auditor.

## **Accounting**

TKP Investments B.V.

## **Prospectus**

A prospectus is drawn for this product, which is available at [www.tkpinvestments.com](http://www.tkpinvestments.com).

For this product a Key Investor Information document is available with information regarding the Funds, charges and risks. This Key Investor Information document is available at [www.tkpinvestments.com](http://www.tkpinvestments.com). Ask for and read this Key Investor Information document before buying this product.

## 2 Profile

The Aegon Global Multi Manager Emerging Market Debt Fund - USD (hereafter 'the Fund') is a mutual fund and qualifies as an Enterprise for collective investment in transferable securities within the meaning of Article 1:1 of the Dutch Act on Financial Supervision. The Fund is an undertaking for collective investment in transferable securities ('UCITS') within the meaning of Article 1, section 2 of the Directive 2009/65/EC on UCITS.

This paragraph is an integral part of the financial statements and should be read in accordance with them.

### **Investment objective**

The investment objective of the Fund is to seek long term capital growth measured in euro through investments primarily in bonds.

### **Investment policy**

The investment policy is to outperform the benchmark of the Fund. The benchmark is a dispersed, market-capital-weighted and international index, is "total net return" and the measured portfolio performance includes incurred costs. The investments of the Fund are effected within the 'multi-manager' concept whereby multiple selected specialised Investment Managers are assigned to a Fund through detailed mandates.

From a risk point of view and potentially adding value, the Fund can use other financial instruments, techniques, financial derivatives and structures. Some examples are cash and bond futures, currency forwards, currency futures, structured notes, cash, money market instruments and/or units in funds investing in instruments. In the event that new techniques, instruments and/or other structures will become available within the financial markets, which are suitable within the investment policy of the Fund and can be justified by the changed circumstances according to the Fund Manager, the Fund Manager is allowed to use certain techniques, instruments and/or structures.

### **Investment process**

Within the Fund and within the investment funds in which the Fund invests directly and/or indirectly different specialised third party investment managers can be selected for executing the investment policy. The security selection process has been delegated to these third party managers. These managers have specific knowledge and skills to manage a portfolio for the Fund and meet the requirements as set out by the Fund Manager. In this way optimal advantage is taken of the specific market knowledge of the third party investment manager. Proper attention is paid to the selection and monitoring of all third party managers. A maximum tracking-error and so-called "linear" restrictions are imposed on each individual external portfolio managed by the investment manager.

### **Benchmark**

The benchmark is the JP Morgan EMBI Global Diversified Index.

### **Structure**

The Fund has an open-end status, which means that the Fund will upon request issue and redeem Participations subject to certain restrictions as described in the Prospectus and the Terms and Conditions.

### **Legal entity and conditions**

The Fund is not a legal entity, but the aggregate of all Fund assets and Fund obligations, in which monies or assets are called or received for the purpose of collective investment by the participants, as governed by inter alia the terms and conditions. The terms and conditions form part of the agreement entered into between the Fund Manager, the depositary and a participant and as such apply to their legal relationship.

The Fund nor the terms and conditions nor any acts ensuing there from (including the entering into of a Subscription Form) form a partnership, commercial partnership or limited partnership (maatschap, vennootschap onder firma or commanditaire vennootschap).

### **Participations**

Participations are in registered form. Participations cannot be transferred or assigned or be made subject to any encumbrance. Participations give the participant a contractual claim against the depositary for payment of an amount equal to the value of a pro rata share in the applicable Fund subject to the relevant terms and conditions. Participations are issued and redeemed at the option of the Participant. The Fund Manager reserves the right to accept or reject any application in whole or in part at its absolute discretion. Under exceptional circumstances and only in the interest of the participants, the subscription date may be a different day. Under exceptional circumstances, in the interest of the participants, the redemption date may be a different day. Participations are issued and redeemed at the net asset value per participation according to the relevant terms and conditions. The participations do not have a par value. The participations are fully paid.

### **Participation Classes**

The Fund can have multiple participation classes. Within each participation class, a participation will entitle the holder thereof to a proportional part of the fund investments and the Fund obligations in relation to that participation class. The value of participations within a participation class is determined by the terms as described in the Fund facts or the terms and conditions. Participation classes are also used to account for potential differences in the fiscal status of participants.

### **Pooling**

The Fund's assets will be pooled by the depositary with assets of other investment institutions, provided that the depositary will be able to evidence at all times which assets are held for a specific Fund. The Fund Manager and the depositary are authorized to give instructions to the custodian to enable the pooling of the Fund assets with the assets of other investment funds managed by the Fund Manager or other investment managers belonging to the Aegon group. The depositary shall remain responsible for the execution by the custodian of the services to be provided by it.

### **Law and regulation**

The Fund is an investment fund within the meaning of Article 1:1 of the Dutch Act on Financial Supervision. The Fund is an undertaking for collective investment in transferable securities ('UCITS') within the meaning of Article 1, section 2 of the Directive 2009/65/EEC on UCITS. TKP Investments B.V. is authorised by the Netherlands Authority for the Financial Markets ('AFM') to act as Fund Manager of UCITS in the Netherlands and has been granted a licence accordingly pursuant to the Dutch Act on Financial Supervision on August 8, 2007. TKP Investments is listed in the register held by the AFM. The Fund is registered with the AFM.

### **Fiscal**

The Fund is fiscally transparent.

### **Establishment**

The Fund was established on June 27, 2017 and commenced operations as of June 27, 2017.

### 3 Key figures

#### Fund and participation class assets and participations

30 June 2017

|   |            |
|---|------------|
| Net asset value (x € 1,000)               | 1,324,488  |
| Outstanding number of participations      | 13,454,420 |
| Net asset value per participation (x € 1) | 98.44      |

#### Investment results

27 June 2017  
through  
30 June 2017

(amounts x € 1,000)

|                   |                |
|-------------------|----------------|
| Investment result | -20,585        |
| Other results     | -314           |
| Charges           | -20            |
| <b>Net result</b> | <b>-20,919</b> |

#### Performance

27 June 2017  
through  
30 June 2017

|                                      |       |
|--------------------------------------|-------|
| Net performance                      | -1.6% |
| Performance benchmark                | -1.5% |
| Out/Underperformance                 | -0.1% |
| Out/Underperformance since inception | -0.1% |

#### Development value per participation

27 June 2017  
through  
30 June 2017

(amounts x € 1)

|  |              |
|--|--------------|
| Net asset value as at the beginning of the period  | 100.00       |
| <b>Net asset value as at the end of the period</b> | <b>98.44</b> |
| Investment result                                  | -1.53        |
| Other results                                      | 0.02         |
| Charges  | -            |
| <b>Net investment result</b>                       | <b>-1.55</b> |

## 4 Investment management report

### 4.1 Market developments

Emerging Market Debt declined slightly in the reporting period. The American dollar declined versus the euro.

### 4.2 Investment policy

The fund uses three external managers for the selection of bonds. All managers have a global emerging market debt mandate. There were no changes to the external managers that are being used in the fund.

### 4.3 Return

The fund performed almost in line with the index. The reporting period is too short to make a meaningful comment on the return.

### 4.4 Outlook

#### *Market*

Emerging Market government bonds are moderately expensive compared to their historic average yield. US Treasury yields are low, the risk premium for Emerging Market government bonds is slightly lower than the historic average. Fundamental conditions in most emerging markets have improved over the years. All in all the yields give sufficient compensation for the risks.

#### *Fund*

The fund's strategy is to adjust the risk profile and positioning in such a way that the fund will benefit from changes in market sentiment and outperform the benchmark on a 3 years rolling basis. The fund will continue this investment policy.

### 4.5 Risk management

#### **Financial risks**

The Fund Manager is responsible for monitoring the financial risks faced by the Fund. The Fund Manager has identified a number of risks in this respect, the key ones for this Fund being:

1. Active risk
2. Market risk
3. Currency risk
4. Concentration risk
5. Counterparty risk
6. Liquidity risk
7. Interest rate risk
8. Credit risk

Risk measures in the form of restrictions have been drawn up for each type of financial risk in order to manage the risks. These restrictions depend on the fund's strategy and are contained in the fund mandates. All restrictions are, where possible, monitored daily by the Fund Manager and by Citibank, which operates independently as depositary. Citibank was appointed as depositary in response to the AIFM directive that requires managers to have monitoring performed by an independent body. If the restrictions are transgressed, this is immediately taken up with the relevant stakeholders and actions are determined to resolve transgressions as quickly as possible. All transgressions and warnings are reported periodically to all stakeholders, including the management.

Below is a description of the Fund's objectives and policy in the area of risk management concerning the use of financial instruments in managing risks. The measures implemented to manage the risks are also outlined.

*Active risk*

Active risk denotes the risk that the Fund's risk-return profile differs from that of the benchmark. In order to be able to realise the Fund's objective, the portfolio must deviate from the benchmark to a certain extent. The degree of deviation can be monitored by means of the tracking error. By limiting the tracking error of both the Fund and the external managers in the Fund the active risk is managed. The tracking error does involve a number of limitations, however, such as the fact that risks are underestimated or overestimated depending on whether the market showed a higher or in fact lower level of volatility in the previous period. The external managers within the Fund who implement the active policy can lag behind their benchmark, temporarily or for a longer time, because of particular market conditions or as the result of making incorrect choices. Combining different managers in the Fund can prevent the Fund from becoming dependent on one particular investment style.

The external managers within the Fund are monitored on the basis of various risk parameters in order to assess whether a manager deviates sufficiently, but not excessively, from the benchmark set. Because the tracking error is largely determined by market conditions, efforts are made to keep the Fund's tracking error well within the tracking error restrictions set. This is to prevent the Fund's active risk from having to be reduced in times of stress.

*Market risk*

The Fund invests in bonds and can have bond-specific risks. By diversifying, within the portfolio and by having multiple managers, the bond-specific risk is reduced.

*Currency risk*

The Fund has taken measures to reduce currency risk, by allowing external managers to only engage in currency spot transactions. In addition, external managers have cost restrictions.

*Concentration risk*

Concentration risk is the risk that a large portion of the Fund's assets is invested in a small number of issuers, which can make the return (strongly) dependent on the return of this small group of issuers.

On average, the largest issuer in the Benchmark has a weight of around 6%. By definition the number of issuers is limited to the total number of countries. The methodology for constructing the Benchmark limits the weight of individual countries within the index.

*Counterparty risk*

Counterparty risk is the risk that a counterparty to a transaction cannot satisfy its contractual obligations. All buying and selling in the Fund takes place on the basis of delivery/receipt versus payment, except for markets where a different method prevails as the market practice. This strongly reduces the counterparty risk in the Fund.

*Liquidity risk*

Liquidity risk is the risk that the Fund is unable to trade a position quickly enough at a reasonable price. Liquidity decreases in times of stress.

*Interest rate risk*

Interest rate risk relates to negative price developments resulting from movement in the market interest rate. The sensitivity of a bond's price to a change in the market interest rate is measured with reference to its duration. For the managers within the Fund, a maximum deviation can be stipulated with respect to the duration of the benchmark.

*Credit risk*

Credit risk involves the risk that a debtor's creditworthiness deteriorates, possibly resulting in a downgraded rating, or that the debtor fails to satisfy its obligations to make payment on coupons and redemption on time. Losses in connection with credit risk can manifest in the form of missed payments and/or negative price fluctuations.

Exposure to non-government corporate debt is limited to a maximum of 20% of the net asset value of the Fund.



### Financial instruments

The Fund utilises various financial instruments to realise investments. The Fund invests in or can invest in bonds, financial derivatives and deposits.

Financial derivatives contain rights and obligations, subject to one or more of the financial risks of the underlying security (investments), that are being transferred between parties. They do not lead to the delivery of the underlying primary financial security at the start of the contract, and delivery does not always have to take place at the expiration of the contract.

The following risks are generally tied to the use of financial instruments:

- Through market forces the value of the financial instrument can change. Financial instruments within the Fund are, however, applied to acquire a certain market exposure. Fluctuations in the value of the financial instrument are not being viewed as a risk as long as the financial instrument is within the universe of investments instruments. Through the use of a derived financial instrument, it is possible to gain more exposure than that which is inherent to the underlying value. This risk leverage is, similar to other exposure restrictions in regards to the financial derivative, monitored on a daily basis so that the total Fund exposure adheres to the determined Fund restrictions.
- The risk that a position in financial instruments cannot be liquidated for a reasonable price. At the choice for selecting a financial instrument, liquidity is taken into account in regards to which financial instrument is best to be used. The liquidity of financial instruments is additionally taken into account when determining the position to be taken. The possible liquidity risk is reduced through the use of financial instruments with different maturities, wherein the positions taken are relatively large.
- The risk that either party involved in a derivative contract goes bankrupt or reaches suspension of payments, becomes negligent or deals fraudulently or that a counterparty defaults. A large part of the trading is regulated where listed derivatives are being settled on a daily basis. This limits the financial risk. For the miscellaneous financial instruments, the counterparty policy is valid. Counterparties must meet strict criteria such as for example a minimal credit rating to apply as a counterparty.

The pricing of the derivatives is based on the market value of the instruments at the balance sheet date. Due to market developments or new information, the market of the direct and derivative financial instruments and thus the value of the Fund could increase or decrease. The increase or decrease of the value of financial instruments and thus the value of the Fund after the balance sheet date is a risk inherent to investing.

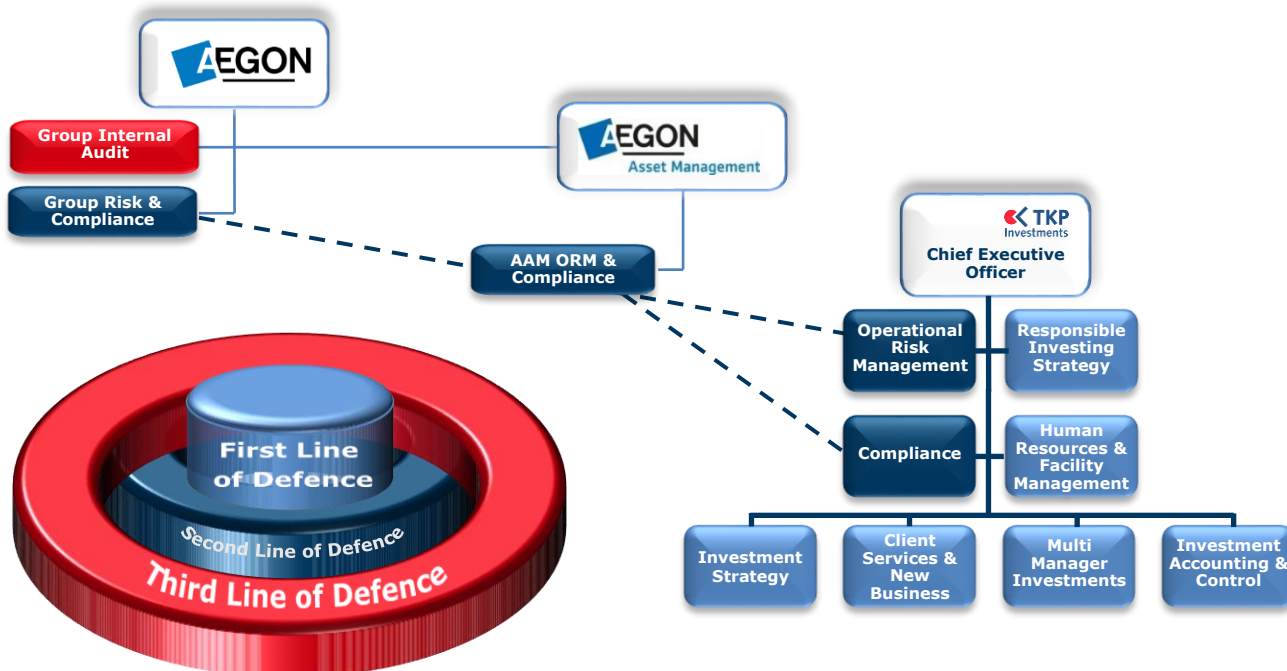
### Operational risk

Risk management is an integral part of operational management at TKPI. Central to this is the risk estimate by TKPI itself, the Risk Self Assessment (RSA) of TKPI's operational processes, including the outsourced processes. The input for the RSA comes on the one hand from the permanent monitoring of the process performance and on the other from the planning and control cycle at TKPI. The analysis also takes into account the quality of the control measures at outsourcing partners, based on the ISAE 3402 Type II reports from these parties. The RSA results in the identification of risks and the degree to which these risks are hedged. The identified risks are monitored using risk measurement systems and internal control measures. The structure, existence and functioning of the internal control measures are described in TKPI's ISAE 3402 Type II report. These control measures relate to the various components of TKPI's operational management, such as the appointment and monitoring of external managers, the drafting of strategic investment plans, the reporting on investment results and various other focal areas within TKPI. This ISAE 3402 report is provided with an Assurance Report from an independent auditor which contains an opinion on the effectiveness of the control measures and the degree to which the control objectives described are achieved.

As regards the financial reporting risks, TKPI's internal risk management and control systems adequately guarantee that the financial reporting contains no material inaccuracies and that the internal risk management and control systems worked well during the year under review. The functioning of the risk management and control systems was tested as part of the ISAE 3402 audit.

#### Risk management by manager

In order to assure TKPI's clients that the TKPI organisation is 'in control', the risk management model has been set up based on the 'Three Lines of Defence' model. The model distributes the full set of instruments and measures needed to be 'in control' across three layers in the organisation.



#### *First Line of Defence*

The line organisation is the first line where the primary operational processes are carried out. Logically, many of the risk management measures are embedded in these processes. As a result, it can be expected with a high degree of probability that the processes are carried out properly. Common ways of doing this include, for example, the segregation of duties and the four-eyes principle.

The monitoring of positions and the related investment risks takes place on the level of the overall client portfolios, the investment portfolios and the individual external asset managers.

#### *Second Line of Defence*

The task of the second line is to test, advise and support the line organisation. It also monitors whether the management is actually following through on its responsibilities. The second line is formed by Operational Risk Management (ORM) and Compliance. This department is responsible for identifying, recording and monitoring risks in the operational processes. By conducting risk analyses and advising the line organisation, the processes are steered such that the risks are controlled. This department also supervises the risk management activities assigned to the line organisation.

#### *Third Line of Defence*

Finally, within the organisation there is a function that gives an objective, independent opinion on the first and second line. This function is the third line, which operates entirely separately from all other organisational divisions. At Aegon, Internal Audit is the Third Line of Defence. This department is entirely independent of every operational process. Internal Audit has the mandate to assess all processes within TKPI.

#### *Operational risks of the fund*

##### *Risks and impact*

Operational risks in relation to the multi-manager funds mainly concern the selection of external managers, the contracting of agreements (Investment Management Agreement or IMA) and the performance by the external managers. If these risks occur, the impact relates to the appointment of a manager who does not satisfy expectations, which can manifest in inadequate performance or incidents, insufficient legal guarantees if issues arise with the external manager or insufficient insight into the manager's performance (qualitative and quantitative), which can manifest in losses.

##### *Control measures*

Risks in relation to the selection process are managed by means of a robust and intensive selection process aimed at appointing high-quality managers for each asset class and subclass worldwide. Important selection criteria include: the investment philosophy espoused, the investment process, the personnel and organisation, performance and opportunities for diversification. There are strict procedures for documenting the outcomes of the due diligence investigation into external managers and the resulting opinion, the confirmation of selected managers in the portfolio manager meeting and the authorisation of a selected manager by the Manager Equities, Fixed Income & Commodities and the Chief Investment Officer (CIO). The process is also reviewed by Operational Risk Management before the contract is signed.

Risks relating to the contracting of agreements with external managers are managed by having the agreements drafted by expert lawyers on the basis of standard contracts. The process and the IMA are also reviewed by Operational Risk Management.

Risks relating to the performance by the external managers are managed by monitoring undertaken by the Fund Administrator, Operations and the portfolio managers.

This includes, amongst other things, checks of the performance by external managers (qualitative/quantitative), compliance breaches and fee notes. Portfolio managers constantly follow the performance of the external managers on the basis of portfolio information, company news, attribution analyses and risk and return criteria. There is also a clear dismissal policy on the basis of qualitative and quantitative criteria.

The control measures mentioned above are tested annually in the ISAE 3402 audit.

### Legislation and regulations

Legal and compliance risks are the risks of, amongst other things, losses due to legal liability, inadequate legal documentation and reputational or integrity damage because the Fund or its manager does not comply with legislation and regulations and/or internal rules or because developments in applicable legislation and regulations are identified too late. This is monitored by TKPI's own legal experts and the legal experts at Aegon Asset Management. In cases that arise, external advice is also sought on new regulations and agreements are drafted by reputable parties.

### Risk awareness and embedding within the organisation

TKPI is well aware of the attention directed towards demeanour and conduct in regards to the risk management and compliance, the so called soft controls.

The policy of TKPI is aimed at complying to the statutory, administrative and societal norms. This entails that a breach, or the appearance of a breach, of valid law and legislation can affect trust adversely:

- While performing financial services and the ensuing commitments towards TKPI;
- In the financial markets wherein TKPI operates.

Compliance to the external regulations has additionally been given shape by the composition of internal regulations. The various regulations that apply to TKPI and/or her employees, are listed on the intranet and are available to all employees.

The customer is the point of focus and the know-your-customer rules have already been applied with TKPI before it was recorded in the legislation and the provision of information receives ample attention, for example in the form of tailored customer reports.

To maintain confidence in the financial markets, TKPI handles various procedures that, as per example, are focused on avoiding conflicts of interest and to ensure that no customers with a heightened level of integrity risk (for example due to money laundering or the financing of terrorism) are being admitted.

TKPI additionally handles the procedures that guarantee that (international) sanction laws are being met. Sanctions could, for example, relate to certain persons, whose assets need to be frozen or to which no financial services should be given. Sanctions could also entail that no investments are allowed to be made in certain areas and/or instruments. When new sanctions are being issued or current sanctions are being altered, the compliance department will forward this information as quickly as possible to the relevant departments that apply such alterations in the portfolios.

An important part of the organisational rooting of risk management and compliance is, among others, the raising of awareness in regards to the relevant law and regulations and the monitoring of processes and procedures. The integrity risk of TKPI is being controlled through internal guidelines, pre-employment screening, codes of conduct, e-learning modules for all employees and measures in the customer acceptance process. The compliance role plays an important part in the creation of the desired degree of awareness.

TKPI is, through Aegon Asset Management, voluntarily affiliated to the Dutch Fund and Asset Management Association (DUFAS) and keeps to the DUFAS "Code Assetmanagers". TKP Investments additionally complies to the Global Investment Performance Standards (GIPS). The GIPS compliance of investment funds is annually being verified by an external accounting firm. Since 2000 this has been accomplished with an affirmative result. TKP Investments in this manner complies to the obligations set by GIPS and emphasises the trustworthiness of the performance measurement of our investment funds.

### Changes in the risk management system

In the past half year, a few changes have been applied to the risk management system of which the most significant ones are:

- The ISAE 3402 control framework has been rationalised where, reasoned from the value chain, it is argued that a compact and effective set of trustee objectives and trustee measurements are defined. This has not detracted from the controlling of operational risks of the Fund.
- The Operational Risk Management & Compliance department has been expanded.

## 4.6 Socially Responsible Investing

### Introduction

In the investment process, TKPI also considers the impact on society and the living environment. TKPI is convinced that integrating Environmental, Social and Governance (ESG) aspects in the investment process contributes to a better risk-return profile for the investments. The policy is formalized via the Fund terms and conditions of the TKPI investment funds.

The Responsible Investing policy consists of:

- Periodic screening of the companies in which assets are invested on compliance with the principles of UN Global Compact;
- Continuous engagement with the companies in which assets are invested and are non-compliant with the principles of UN Global Compact;
- The exclusion of specific companies based on controversial weapons, non-compliance with the principles of UN Global Compact and companies involved in thermal coal mining;
- The exclusion of government bonds of specific countries.

### ESG integration

The integration of ESG criteria in the investment process is a permanent element of TKPI's multi-manager selection and monitoring process. The investments are periodically assessed on sustainability on the basis of independent research. This period assessment is used in the review meeting with the external asset managers in order to discuss the investments that perform less on sustainability issues and E, S and G factors.

### Exclusion companies

The exclusion list is determined annually by the management of TKPI. Changes in the list are processed in the contracts with the external asset managers. Compliance with the list of exclusions is monitored daily.

The list of exclusions concerns:

- Controversial weapons based on the Controversial Weapons Radar (CWR) developed by Sustainalytics. The following types of weapons are classified as controversial: biological weapons, nuclear weapons, chemical weapons, anti-personnel mines, cluster munitions, ammunition with depleted uranium and white phosphorus.
- Companies that are non-compliant with the principles of UN Global Compact and show insufficient progress in the engagement will be added to the exclusion list.
- Coal mining companies that derive 30% or more of their revenues by the sales of thermal coal mining. These companies are poorly diversified and are most likely the first companies that face the 'stranded asset' risk.

The 2017 TKPI exclusion list contains 181 companies. Therefore, the fund does not invest in these companies that are part of the benchmark. The benchmark does not include companies of the TKPI exclusion list at the end of June 2017. Therefore the exclusion policy has no effect on the return relative to the benchmark.

### Exclusion countries

On the basis of universally recognized convictions, a number of countries are excluded from investment universe (government bonds). These are countries that are involved in serious human rights violations.

In 2017, 13 countries are on the TKPI exclusion list. The benchmark does not include countries of the TKPI exclusion list at the end of June 2017. Therefore the exclusion policy has no effect on the return relative to the benchmark.

### Engagement

An important premise is that all companies being invested behave according to the principles of UN Global Compact, as drafted by the United Nations (UN). These are the principles on human rights, labor rights, the environment and corruption. Every year the investments, managed by TKPI, are screened for compliance with these principles. Sustainalytics, a specialized external research provider, is involved with the screening. The results of the engagement program will be discussed yearly and established by the

management of TKPI. An engagement process runs in principle for a maximum of three years. In case of insufficient progress, a company is added to the exclusion list. The TKPI engagement list currently contains 18 companies which do not comply with UN Global Compact principles. With these companies engagement is held on the different themes.

#### 4.7 Statement set up conduct of business

TKPI has a description available of their operational structure and control framework in the form of an ISAE 3402 report that complies with the requirements of article 4:14, first subsection of the Dutch Act on Financial Supervision. TKPI performed management testing to assess the operational effectiveness of the control framework during the past financial year. Our management testing did not give rise to any findings that would lead us to conclude that the description of the operational structure does not comply with the requirements of article 4:14, first subsection of the Dutch Act on Financial Supervision. On that basis we declare as manager that we have a description of the operational structure as referred to in article 4:14, first subsection of the Dutch Act on Financial Supervision.

In addition, we did not find that the operational structure does not operate effectively and in accordance with the description. We therefore declare with reasonable assurance that the operational structure operated effectively and in accordance with the description during the year under review.

The control framework in the form of an ISAE 3402 was independently tested by an independent auditor that resulted in a type II assurance report for 2016.

Groningen, 25 August 2017

TKP Investments B.V.

R. van Wijk-Russchen RBA

drs. C. Luning RBA

## 5 Interim financial statements

### 5.1 Statement of financial position

#### Statement of financial position (after proposed appropriation of result)

(amounts x € 1,000)

30 June 2017

#### Assets

##### Current assets

|   |     |           |
|---|-----|-----------|
| Cash and cash equivalents                             | [1] | 36,633    |
| Financial assets at fair value through profit or loss | [2] | 1,270,171 |
| Outstanding transactions in financial instruments     |     | 17,030    |
| Other assets and receivables                          | [3] | 23,929    |

#### Total-assets

**1,347,763**

#### Liabilities

##### Current liabilities

|   |     |        |
|---|-----|--------|
| Financial assets at fair value through profit or loss | [2] | 220    |
| Outstanding transactions in financial instruments     |     | 21,224 |
| Payables and other liabilities                        | [4] | 1,831  |

#### Total liabilities excluding net assets attributable to holders of participations

**23,275**

#### Net assets attributable to holders of participations

[5]

**1,324,488**

#### Total liabilities

**1,347,763**

The accompanying notes are an integral part of these condensed interim financial statements.

## 5.2 Statement of comprehensive income

| <b>Statement of comprehensive income</b>   |     | <b>27 June 2017<br/>through<br/>30 June 2017</b> |
|--|-----|--|
| <i>(amounts x € 1,000)</i>   |     |  |
| <b>Investment result</b>   |     |  |
| Recognised net gains/(losses) on financial instruments<br>at fair value through profit or loss |     | -21,212  |
| Net interest income  |     | 627  |
| <b>Total investment result</b>   |     | <b>-20,585</b>                                   |
| <b>Other results</b>   |     |  |
| Foreign currency result  |     | -314   |
| <b>Total other results</b>   |     | <b>-314</b>                                      |
| <b>Charges</b>   |     |  |
| Investment management fee  | [7] | -12  |
| Other charges  | [8] | -8   |
| <b>Total charges</b>   |     | <b>-20</b>                                       |
| <b>Net result attributable to holders of participations</b>                                    |     | <b>-20,919</b>                                   |

The accompanying notes are an integral part of these condensed interim financial statements.



### 5.3 Statement of changes in net assets attributable to holders of participations

| <b>Statement of changes in net assets attributable to holders of participations</b> |  | <b>27 June 2017<br/>through<br/>30 June 2017</b> |
|---|--|--|
| <i>(amounts x € 1,000)</i>  |  |  |
| Balance as at the beginning of the period   |  | -  |
| In kind subscriptions   |  | 1,343,216  |
| Subscriptions   |  | 2,191  |
| Redemptions   |  | -  |
| <b>Net change from participation transactions</b>                                   |  | <b>1,345,407</b>                                 |
| Net result attributable to holders of participations                                |  | -20,919  |
| <b>Total change in net assets attributable to holders of participations</b>         |  | <b>1,324,488</b>                                 |
| <b>Net assets attributable to holders of participations at 30 June</b>              |  | <b>1,324,488</b>                                 |

The accompanying notes are an integral part of these condensed interim financial statements.

## 5.4 Cash flow statement

| <b>Cash flow statement</b>   | <b>27 June 2017<br/>through<br/>30 June 2017</b> |
|--|--|
| <i>(amounts x € 1,000)</i>   |  |
| <b>Cash flow from operating activities</b>   |  |
| Net cash flow from purchases and sales of financial instruments at fair value through profit or loss | 186  |
| Proceeds from interest   | 2,082  |
| Net charges  | -8   |
| <b>Net cash flow from operating activities</b>   | <b>2,260</b>                                     |
| <b>Net change in cash and cash equivalents</b>   | <b>2,260</b>                                     |
| <b>Cash and cash equivalents at beginning of period</b>  | <b>-</b>   |
| Net change in cash and cash equivalents  | 2,260  |
| Transfer of cash and cash equivalents *  | 35,284   |
| <b>Cash and cash equivalents at end of period</b>  | <b>37,544</b>                                    |
| <b>Specification of balance</b>  |  |
| Cash balances at banks   | 36,633   |
| Cash position at Stichting TKP Pensioen Treasury   | 295  |
| Deposits at Stichting TKP Pensioen Treasury  | 616  |
| <b>Cash and cash equivalents</b>   | <b>37,544</b>                                    |

The accompanying notes are an integral part of these condensed interim financial statements.

\* The transfer of cash and cash equivalents consists of the cash balance transferred from MM Emerging Market Debt Fund - USD.

## 5.5 Notes to the financial statements

### 5.5.1 General

#### Profile

The Aegon Global Multi Manager Emerging Market Debt Fund - USD (hereafter the 'Fund') was established on June 27, 2017. As of June 27, 2017, the Fund has assets under management. The Fund is a multi-manager fund. The Fund is a mutual fund and qualifies as an Enterprise for collective investment in transferable securities within the meaning of Article 1:1 of the Dutch Act on Financial Supervision. The Fund is an undertaking for collective investment in transferable securities ('UCITS') within the meaning of Article 1, section 2 of the Directive 2009/65/EC on UCITS.

#### Issue of financial statements

The financial statements have been authorised for issue by the Fund Managers' board of directors on August 25, 2017.

#### Key figures

The overviews in the section "Key figures" of the interim financial report are an integral part of the explanatory notes of the condensed interim financial statements.

## 5.6 Notes to specific items of the financial statements

### 1. Cash and cash equivalents

Cash exposure is not permitted to exceed 20% of the Fund value. Due to market movements, the cash exposure may exceed this limit. If this is the case, the Fund Manager will resolve any breach of this restriction as soon as reasonably possible.

### 2. Financial assets at fair value through profit or loss

#### Investments specified by instrument

(amounts x € 1,000)

30 June 2017

|  |                  |
|--|------------------|
| Debt instruments   | 1,270,171        |
| Forwards   | -220             |
| <b>Total financial assets at fair value through profit or loss</b> | <b>1,269,951</b> |

The debt instruments consist of bonds.

#### Investments specified by valuation technique

(amounts x € 1,000)

30 June 2017

|   |                  |
|---|------------------|
| Quoted financial instruments traded in active markets (Level 1)                               | 1,270,171        |
| Financial instruments valued by valuation techniques using market observable inputs (Level 2) | -220             |
| <b>Total financial assets at fair value through profit or loss</b>                            | <b>1,269,951</b> |

The level in the fair value hierarchy within which the financial instruments are categorised in its entirety is determined on the basis of the lowest level input that is significant to the fair value measurement of the financial instruments in its entirety. For this purpose, the significance of an input is assessed against the fair value measurement of the financial instruments in its entirety. If a fair value measurement of a financial instrument uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is a level 3 measurement. Assessing the significance of a particular input to the fair value measurement of the financial instruments in its entirety requires judgement, considering factors specific to the asset or liability. The determination of what constitutes 'observable' requires judgement by the Fund. For classification as Level 2, the Fund considers observable data to be that market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market, including but not limited to recent market trades.

### Investments specified by market

(amounts x € 1,000)

30 June 2017

|   |                  |
|---|------------------|
| Admitted to a quotation of a regulated market   | 1,270,171        |
| Traded on a regular or other market<br>in financial instruments (Exchange or market traded) | -220             |
| <b>Total</b>  | <b>1,269,951</b> |

### Debt instruments movement

(amounts x € 1,000)

30 June 2017

|                  |                  |
|------------------|------------------|
| Opening balance  | -                |
| Transfer in kind | 1,293,165        |
| Purchases        | 13,656           |
| Sales            | -15,658          |
| Revaluation      | -20,992          |
| <b>Total</b>     | <b>1,270,171</b> |

The transfer in kind consists of debt instruments transferred from MM Emerging Market Debt Fund - USD.

### Forwards movement

(amounts x € 1,000)

30 June 2017

|                 |             |
|-----------------|-------------|
| Opening balance | -           |
| Purchases       | -           |
| Sales           | -           |
| Revaluation     | -220        |
| <b>Total</b>    | <b>-220</b> |

**3. Other assets and receivables****Specification other assets and receivables***(amounts x € 1,000)***30 June 2017**

|   |               |
|---|---------------|
| Accrued interest  | 20,421        |
| Outstanding transactions with holders of participations | 2,191         |
| Receivable Stichting TKP Pensioen Treasury              | 295           |
| Deposits at Stichting TKP Pensioen Treasury             | 616           |
| Other receivables                                       | 406           |
| <b>Total</b>  | <b>23,929</b> |

**4. Payables and other liabilities****Specification payables and other liabilities***(amounts x € 1,000)***30 June 2017**

|                                   |              |
|-----------------------------------|--------------|
| Investment management fee payable | 1,831        |
| <b>Total</b>                      | <b>1,831</b> |

**5. Net assets attributable to holders of participations****Movement in net assets attributable to holders of participations***(amounts x € 1,000)***27 June 2017 -  
30 June 2017**

|                              |                  |
|------------------------------|------------------|
| Opening balance              | -                |
| Subscription in kind         | 1,343,216        |
| Subscriptions                | 2,191            |
| Redemptions                  | -                |
| Net result                   | -20,919          |
| <b>Balance as at June 30</b> | <b>1,324,488</b> |

The subscription in kind consists of transfers from MM Emerging Market Debt Fund - USD.

**Movement in participations****27 June 2017 -  
30 June 2017**

|                                     |                   |
|-------------------------------------|-------------------|
| Opening balance                     | -                 |
| Number of participations subscribed | 13,454,420        |
| Number of participations redeemed   | -                 |
| <b>Balance as at June 30</b>        | <b>13,454,420</b> |

**Participations and participation classes**

The Fund may issue different classes of participations. Within each participation class, a participation will entitle the holder thereof to a proportional part of the net asset value and benefits of the Fund in relation to that participation class. Participation classes may be used to account for potential differences in the fiscal status of the participants regarding specific country, investor identity and/or tax aspects. Additionally a participation class may have its own specific subscription and redemption charge structure, fee structure and/or minimum subscription amount. The value of participation within a participation class is determined by the terms as described in the Fund Facts (see Schedule 1-11) of the prospectus.

The Title Holder and the Fund Manager may suspend redemption of Participations if:

- (i) the Fund Manager has objections due to facts and circumstances on the markets where the assets of the Fund are traded;
- (ii) the redemption of Participations would be prejudicial to the interests of the Participants as a whole or individually; or
- (iii) in case of suspension of valuations.

**Capital risk management**

The capital of the Fund is represented by the net assets attributable to holders of redeemable shares. The amount of net asset attributable to holders of redeemable shares can change significantly on a weekly basis, as the Fund is subject to weekly subscriptions and redemptions at the discretion of shareholders, as well as changes resulting from the Fund's performance. The Fund's objective when managing capital is to safeguard the Fund's ability to continue as a going concern in order to provide returns for shareholders, provide benefits for other stakeholders and maintain a strong capital base to support the development of the investment activities of the Fund.

**Investor concentration**

At 30 June, 2017 the Fund has 1 shareholder. This means the Fund is exposed to investor concentration risk. The risk of inability to finance redemption requests is however very limited due to the liquid nature of the investment portfolio.

**6. Subscription and redemption fee income****Overview subscription and redemption fee****2017**  
Percentage

|                       |       |
|-----------------------|-------|
| Participation Class A | 0.40% |
|-----------------------|-------|

**Specification subscription and redemption fee income****27 June 2017 -  
30 June 2017***(amounts x € 1,000)*

|                       |   |
|-----------------------|---|
| Participation Class A | - |
|-----------------------|---|

**7. Charges**

With the exception of transaction costs regarding transactions and interest charges all costs are borne by the investment manager. The investment management fee and interest charges are borne by the Fund and are disclosed as costs of the Fund in the Statement of comprehensive income.

**8. Investment management fee**

**Specification investment management fee**

*(amounts x € 1,000)*

**27 June 2017 -  
30 June 2017**

|  |           |
|--|-----------|
| Management fee external managers (base fee)        | 15        |
| Management fee external managers (performance fee) | -3        |
| <b>Total</b>                                       | <b>12</b> |

**9. Transaction costs**

Transaction costs are borne by the Fund and the participation classes in relation to the proportional part of the fund investments. Transaction costs on financial instruments are expensed immediately as charges, while on other financial instruments they are amortized if applicable.

**10. Proposal for profit appropriation**

In accordance with the prospectus, the Fund will reinvest all earnings.

## 5.7 Significant accounting policies

### **Basis for preparation**

The financial statements have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union (IFRS), with Part 9 of Book 2 of the Netherlands Civil Code (Burgerlijk Wetboek) and the Dutch Act on Financial Supervision (Wet op het financieel toezicht). The accounting policies have been consistently applied by and are consistent with those used in the previous reporting period.

### **Historical cost basis**

The financial statements have been prepared on a historical cost basis, except for 'financial assets and liabilities designated at fair value through profit or loss at inception'.

### **New standards, amendments and interpretations to existing standards which are relevant to the Fund**

*New standards, amendments and interpretations to existing standards which are implemented by the Fund during the reporting period*

In December 2014, the IASB issued amendments to IAS 1 which are effective as per 1 January 2016 as part of the IASB's Disclosure Initiative. The amendments clarify the materiality guidance in IAS 1. The adoption does not have a substantive effect on the Funds financial statements as the amendments only impact line items and non-significant notes.

*New standards, amendments and interpretations to existing standards which are relevant to the Fund and not yet effective*

The International Accounting Standards Board (IASB) completed the final element of its comprehensive response to the financial crisis with the publication of IFRS 9 Financial Instruments in July 2014. The package of improvements introduced by IFRS 9 includes a logical model for classification and measurement, a single, forward-looking 'expected loss' impairment model and a substantially-reformed approach to hedge accounting.

The effective date for mandatory adoption of IFRS 9 Financial Instruments is 1 January 2018. The Fund has not early adopted this standard for the current reporting period. No significant impact of IFRS 9 is expected for the Fund. The adoption will not affect the Funds financial statements as substantially all financial instruments are measured and presented at fair value.

### **Determination of results**

The determination of realized and unrealized results is based on the difference between the sales price and the average historical cost price.

### **Offsetting of assets and liabilities**

Financial assets and liabilities are offset in the statement of financial position when the Fund has a legally enforceable right to offset and has the intention to settle the asset and liability on a net basis or simultaneously.

### **Foreign currency**

A foreign currency transaction is recorded, on initial recognition in the functional currency, by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction. Foreign currency monetary items are translated by the closing rate. Non-monetary items that are measured in historical costs in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rate at the date when the fair value was determined. Exchange rate differences on monetary items are recognized in the Statement of comprehensive income when they arise, except when they are deferred in net assets as a result of a qualifying cash flow or net investment hedge. Exchange differences on non-monetary items are recognized in net assets or the Statement of comprehensive income, consistently with other gains and losses on these items.

### **Reporting and functional currency**

The reporting and functional currency of the Fund is the euro due to the establishment of the Fund in the Netherlands and the issue of participations in EUR.



### **Collateral**

With the exception of cash collateral, assets received as collateral are not separately recognized as an asset until the financial asset they secure is foreclosed. When cash collateral is recognized, a liability is recorded for the same amount. Cash collateral is not included as part of cash and cash equivalents and is presented separately.

### **Repurchase agreements**

Financial assets that are transferred subject to a repurchase agreement at a fixed price are not derecognized as the Fund retains substantially all the risks and rewards of the asset. A security that has been received under a reverse purchase agreement is not recognized as an asset. A receivable is recognized for any cash collateral paid by the Fund.

### **Financial assets and liabilities at fair value through profit or loss**

#### *(a) Classification*

The Fund classifies its investments in debt and equity securities, and derivatives, as financial assets or financial liabilities at fair value through profit or loss. This category has two sub-categories: financial assets or financial liabilities held for trading; and those designated at fair value through profit or loss at inception.

##### *(i) Financial assets and liabilities held for trading*

A financial asset or financial liability is classified as held for trading if it is acquired or incurred principally for the purpose of selling or repurchasing in the near term or if on initial recognition is part of a portfolio of identifiable financial investments that are managed together and for which there is evidence of a recent actual pattern of short-term profit taking. Derivatives are also categorised as held for trading. The Fund does not classify any derivatives as hedges in a hedging relationship.

##### *(ii) Financial assets and liabilities designated at fair value through profit or loss at inception*

Financial assets and financial liabilities designated at fair value through profit or loss at inception are financial instruments that are not classified as held for trading but are managed, and their performance is evaluated on a fair value basis in accordance with the Fund's documented investment strategy.

The Fund's policy requires the investment manager and the Board of Directors to evaluate the information about these financial assets and liabilities on a fair value basis together with other related financial information.

#### *(b) Recognition and derecognition*

Regular purchases and sales of investments are recognised on the trade date – the date on which the Fund commits to purchase or sell the investment. Financial assets and financial liabilities at fair value through profit or loss are initially recognised at fair value (transaction price). In case of financial instruments held for trading, fair value is ascertained for transaction costs that are directly attributable to the acquisition or issue of these financial instruments.

Financial assets are derecognised when the rights to receive cash flows from the investments have expired or the Fund has transferred substantially all risks and rewards of ownership.

When the Fund purchases an option, an amount equal to fair value which is based on the premium paid is recorded as an asset. When the Fund writes an option, an amount equal to fair value which is based on the premium received by the Fund is recorded as a liability. When options are closed, the difference between the premium and the amount paid or received, net of brokerage commissions, or the full amount of the premium if the option expires worthless, is recognized as a gain or loss and is presented in the statement of comprehensive income within other net changes in fair value of financial assets and liabilities at fair value through profit or loss.

#### *(c) Measurement*

Subsequent to initial recognition, all financial assets and financial liabilities at fair value through profit or loss are measured at fair value. Gains and losses arising from changes in the fair value of the 'financial assets or financial liabilities at fair value through profit or loss' category are presented in the statement of comprehensive income within other net changes in fair value of financial assets and liabilities at fair value through profit or loss in the period in which they arise. Transaction costs on financial instruments at fair

value through profit or loss are expensed immediately as charges, while on other financial instruments they are amortized if applicable. Dividend income from financial assets at fair value through profit or loss is recognised in the statement of comprehensive income within dividend income when the Fund's right to receive payments is established. Interest on debt securities at fair value through profit or loss is recognised in the statement of comprehensive income within interest income based on the effective interest rate. Dividend expense on short sales of equity securities is included within other net changes in fair value on financial assets and financial liabilities at fair value through profit or loss.

*(d) Fair value estimation*

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

For all financial instruments which are listed or otherwise traded in an active market (such as publicly traded derivatives and trading securities), fair value is determined directly from those quoted market prices and is based on mid prices, further referred to as 'Level 1'. The Fund utilises the last traded market price for both financial assets and financial liabilities where the last traded price falls within the bid-ask spread.

Where the market for a financial instrument is not active, fair value is established using a valuation technique. These valuation techniques involve a degree of estimation, the extent of which depends on the instrument's complexity and the availability of market-based data.

Where inputs are based on market observable data the measurement classification is further referred to as 'Level 2'. Where such data is not market observable, it is estimated by the Fund and is further referred to as 'Level 3'. A valuation technique might incorporate both observable market data and unobservable inputs. The Fund uses a variety of methods and makes assumptions that are based on market conditions existing at each reporting date. Valuation techniques used include the use of comparable recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, option pricing models and other valuation techniques commonly used by market participants making the maximum use of market inputs and relying as little as possible on entity-specific inputs. When unobservable inputs are significant to the fair value measurement, the resulting valuation will be disclosed as Level 3. Fair values of derivative financial instruments are obtained from quoted market prices.

*(e) Transfers between levels of the fair value hierarchy*

Transfers between levels of the fair value hierarchy are deemed to have occurred at the beginning of the reporting period.

### **Cash and cash equivalents**

Cash and cash equivalents consist of cash balances with banks, deposits and other short term highly liquid investments. Cash and cash equivalents are measured at the nominal amount and have a maturity date of one month or less, except for cash balances with banks that have indefinite maturity.

### **Other assets and receivables**

Other assets and receivables include trade and other receivables, receivables from Stichting TKP Pensioen Treasury, accrued interest, accrued dividend, tax reclaims and prepaid expenses. Other assets and receivables are measured at the amount that is expected to be received or, if applicable, paid in advance.

### **Participations**

The Fund issues two classes of redeemable participations, which are redeemable at the holder's option and do not have identical rights. Such participations are classified as financial liabilities. Redeemable participations can be put back to the Fund at any dealing date for cash equal to a proportionate share of the Fund's net asset value attributable to the participations class. participations are redeemable daily.

The redeemable participations are carried at the redemption amount that is payable at the statement of financial position date if the holder exercises the right to put the share back to the Fund.

Redeemable participations are issued and redeemed at the holder's option at prices based on the Fund's net asset value per participation at the time of issue or redemption. The Fund's net asset value per participation is calculated by dividing the net assets attributable to the holders of each class of redeemable

participations with the total number of outstanding redeemable participations for each respective class. In accordance with the provisions of the Fund's regulations, investment positions are valued based on the last traded market price for the purpose of determining the net asset value per participation for subscriptions and redemptions.

### **Payables and other liabilities**

Payables and other liabilities include trade and other payables and expenses to be paid and liabilities to Stichting TKP Pensioen Treasury. Payables and other liabilities are measured at the amount that is expected to be paid.

### **Investment income**

Investment income includes interest, dividend, income from subscription and redemption fee and other income. Dividend income is recognized when the Fund's right to receive the payment has been established, normally being the ex-dividend date. Dividend income is recognized gross of withholding tax, if any.

Interest on debt securities at fair value through profit or loss is accrued on a time-proportionate basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition. Interest income is recognized gross of withholding tax, if any.

### **Subscription and redemption fee**

Participants of participation classes have to pay a fee for subscription and redemption, based on the amount of the subscription or redemption. The proceeds for subscription fee are to the benefit of the applicable participation class to insulate the other participants of the participation class for transactions costs caused by subscriptions and redemptions. The fee is disclosed as subscription and redemption fee in the Statement of comprehensive income, as part of Other Income.

### **Charges**

Charges consist of management investment fee and interest charges. Charges are measured at the amount that is expected to be paid and are recognized as they are accrued.

### **Taxation**

The Fund is fiscal transparent for Dutch corporate and income tax and therefore the Fund is exempted from paying taxes on income, profits or capital gains. Distributions to holders of participations will be subject to taxation at the individual participant.

### **Significant accounting estimates and judgments**

Application of the accounting policies in the preparation of the financial statements requires the Fund Manager to apply judgment involving assumptions and estimates concerning future results and other developments, including the likelihood, timing or amount of future transactions or events. The Fund has no significant accounting estimates that require complex estimates or significant judgment in applying its accounting policies.

### **Cash flow statement**

The cash flow statement is drawn up in accordance with the direct method whereby the operational income and expenditure and cash flow arising from financing activities are presented separately. Cash flows from financing activities include proceeds from subscriptions and payments for redemptions of participations of the Fund. The cash and cash equivalents in the cash flow statement comprise the cash balances with banks, deposits borrowed and other short term investments. This definition differs from the definition of the statement of financial position. The statement of financial position classifies assets as cash and cash equivalents and liabilities as payables and other liabilities. Purchases and proceeds of sales of investments are inclusive of bought or sold accrued interest. The proceeds of sales of investments are presented based on the basis of market value. The cash flow statement has been drawn up based on settled transactions. In the movement schedule of investments the purchases and proceeds are drawn up taking into account the recognition and derecognition principles of investments. Due to these principles the purchases and proceeds in the flow statement of investments differ from the flows in the cash flow statement. The cash flow arising from derivatives are included on a net cash flow basis.

**Cash flow statement foreign currency**

Cash flows in foreign currency are converted against the exchange rate at the date of transaction. The effect of exchange rates is presented separately.

## 6 Other information

### 6.1 Statement interests board members of the Fund Manager

The board members of the Fund Manager did not hold any interests in the assets of the Fund at June 30 of the financial year 2017.



Europaweg 31  
9723 AS Groningen  
The Netherlands

P.O. Box 5142  
9700 GC Groningen  
[www.tkpinvestments.com](http://www.tkpinvestments.com)

TKP Investments is part of Aegon Asset Management