

Unaudited Condensed Interim
Financial Report
for the period January 1, 2018
through June 30, 2018

Aegon Global Multi Manager Emerging
Market Debt Fund - USD

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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 Coos Luning, Robert Leenes, Wouter Peters and Annemieke Docter.

Depository

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

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Accounting

TKP Investments B.V.

Prospectus

A prospectus is drawn for this product, which is available at 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. 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 condensed interim financial statements and should be read in conjunction with them.

Investment objective

To achieve a three-year annualized out performance of 0.5% with a target ex-ante tracking error of 2%, through investing 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 specialized Investment Managers are assigned to a Fund through detailed mandates.

From a risk and adding value point of view, 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 that meet the above criteria. 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.

Managers

The Fund has assigned 3 managers with an active mandate.

Investment process

Within the Fund and within the investment funds in which the Fund invests directly and/or indirectly different specialized 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

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 money 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, form a partnership, commercial partnership or limited partnership.

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 Key Investor Information Document or the terms and conditions of the Fund. Participation classes are also used to account for potential differences in the fiscal status of participants.

Pooling

The Fund's assets are 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/EC on UCITS. TKP Investments B.V. is authorized by the Netherlands Authority for the Financial Markets ('AFM') to act as Fund Manager of UCITS in the Netherlands and has been granted a license accordingly pursuant to the Dutch Act on Financial Supervision on August 8, 2007. TKPI 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

	June 30, 2018	December 31, 2017
Fund		
Net asset value (x € 1,000)	1,391,778	1,431,949
Participation Class A		
Net asset value (x € 1,000)	1,391,433	1,431,582
Outstanding number of participations	14,505,900	14,591,641
Net asset value per participation (x € 1)	95.92	98.11
Participation Class I		
Net asset value (x € 1,000)	345	367
Outstanding number of participations	3,498	3,645
Net asset value per participation (x € 1)	98.50	100.74

Investment results

<i>(amounts x € 1,000)</i>	January 1, 2018 through June 30, 2018	June 27, 2017 through June 30, 2017
Fund		
Investment result	-33,009	-20,585
Other results	2,210	-314
Charges	-1,278	-20
Net result	-32,077	-20,919
Participation Class A		
Investment result	-33,000	-20,585
Other results	2,209	-314
Charges	-1,278	-20
Net result	-32,069	-20,919
Participation Class I		
Investment result	-9	-
Other results	1	-
Net result	-8	-

Performance

	January 1, 2018 through June 30, 2018	June 27, 2017 through June 30, 2017
Participation Class A		
Net performance	-2.2%	-1.6%
Performance benchmark	-2.5%	-1.5%
Out/Underperformance	0.3%	-0.1%
Out/Underperformance since inception	1.3%	-0.1%
Participation Class I		
Net performance	-2.2%	-
Performance benchmark	-2.5%	-
Out/Underperformance	0.3%	-
Out/Underperformance since inception	1.0%	-

Development value per participation

	January 1, 2018 through June 30, 2018	June 27, 2017 through June 30, 2017
<i>(amounts x € 1)</i>		
Participation Class A		
Net asset value as at the beginning of the period	98.11	100.00
Net asset value as at the end of the period	95.92	98.44
Investment result	-2.26	-1.53
Other results	0.15	-0.02
Charges	-0.09	-
Net investment result	-2.20	-1.55
Participation Class I		
Net asset value as at the beginning of the period	100.74	-
Net asset value as at the end of the period	98.50	-
Investment result	-2.43	-
Other results	0.27	-
Charges	0,00	-
Net investment result	-2.16	-

4 Investment management report

4.1 Market developments

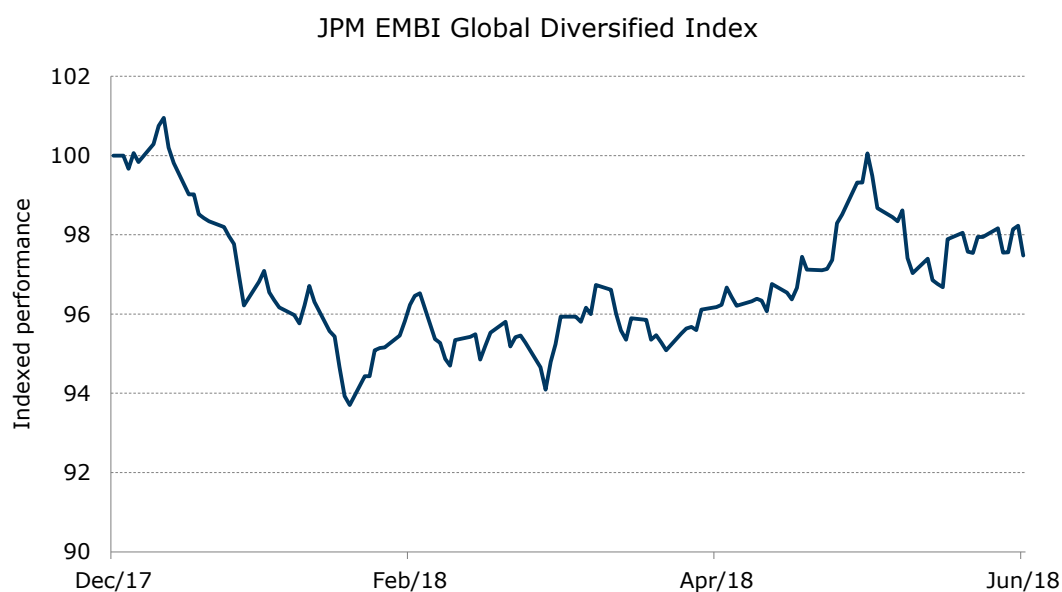
The returns for Emerging Market Debt were negative in the first half of 2018. The yield on Emerging Market Debt increased from 527 basis points at the beginning of the year to 653 basis points at the end of June 2018. The negative return mainly came from an increase in risk premium for Emerging Market Debt, the spread increased from 285 basis points to 369 basis points. The yield on US Treasuries increased as well, from 242 basis points to 284 basis points.

High Yield bonds lagged the return of investment grade bonds. Argentina was one of the countries where bond yields increased strongly and returns were negative. The country came under pressure from the market as market participants started to question the fiscal and monetary policy of the country. The Argentine peso came under pressure and Argentina asked the IMF for a stand-by arrangement to restore investors' confidence.

Other countries where spreads increased were Lebanon, Turkey and Zambia. Lebanon suffers from high public debt. Bonds of Turkey were volatile before of the presidential elections. Zambia needs IMF support but official negotiations have not started yet.

The situation in Venezuela deteriorated further. The incumbent President Maduro won the elections but these elections were not fair. The country is in default regarding repayment of debt.

Investment grade, lower risk countries performed relatively well, although most of the countries did see some spread widening. Hungary, Poland and Chile were amongst the countries of which bonds performed relatively well.



Source: J.P. Morgan

4.2 Investment policy

The Fund started on June 27, 2017. The external managers use an active investment approach. Using country- and security selection the Fund targets a return that is superior to the return of the benchmark index. External managers can invest part of the portfolio in local currency bonds and in emerging markets corporate bonds. In the first half of 2018 the risk profile was close to the risk profile of the benchmark index. In general the fund had an underweight position to interest duration while the fund had an overweight position to riskier countries. There were no changes in the external manager line-up of the fund.

4.3 Return

In the first half of 2018 the Participation Class A returned -2.2% in EUR and the benchmark returned -2.5%. The tables show a breakdown of the returns.

Return JPM EMBI Global Diversified Index in USD	-5.2%
Return US Treasuries	-1.6%
Excess return Emerging Market Debt	-3.7%
FX return	2.8%
Total return index in EUR	-2.5%

Emerging Market Debt had a negative return of 2.5% in the first half of 2018. The excess return of Emerging Market Debt was negative 3.7% and the return for US treasuries was negative 1.6%. The USD strengthened 2.8% versus the EUR, having a positive effect on the EUR return.

The Participation Class A outperformed the index by 0.3%.

Total return index in EUR	-2.5%
Relative return Participation Class	0.3%
Total return Participation Class in EUR	-2.2%

The fund had an underweight duration during the period, this had a positive effect on relative performance as yields increased. On a country level the underweight to Lebanon had a positive effect as yields for that country increased significantly. The overweight position in Argentina detracted from performance as the bonds declined after a strong rally in the previous year. Bond selection was particularly positive in Costa Rica.

The target of the Fund is to outperform the index by 0.5% per annum on a three-year rolling period. The Fund does not yet have a three year track record.

The returns for Participation Class A and Participation Class I are almost identical.

4.4 Outlook

Market

The last couple of months, sentiment in financial markets has mainly been driven by geopolitics. The trade conflict that was initiated by President Trump so far affects only a small part of global trade. However it has the potential to grow into a trade war with a severe impact on economic growth and growth forecasts worldwide. Fundamental economic growth figures are solid, with unemployment in the United States for instance reaching an 18-year low in May.

Contrary to the Eurozone, leading indicators in the US are picking up. The FED has increased the funds rate to range between 1.75%-2% and is expected to further raise the funds rate with 0.5% this year. The USD has strengthened as a result.

The 10-year US treasury yield should increase as well to prevent a very flat or even inverse yield curve, which historically has been a prelude to recessions.

In the Eurozone as well as the US the question whether long interest rates will rise depends on continued economic growth and inflation developments. Trade restrictions will put an upward pressure on general inflation and in the US wage inflation is monitored closely because of recent signs of increase.

Emerging markets have benefited from developed markets monetary easing causing large amounts of capital to flow into emerging markets. Investors have become more cautious due to trade discussions, a strengthening USD and late-cycle worries about the US economy. As a result emerging market currencies have fallen in value and rates have increased, making it more expensive for emerging markets to service USD debt. Spreads have increased and remain vulnerable to escalation of trade disputes which until now have affected only a small percentage of global trade. Returns will also be impacted by changes in underlying US treasury rates. It is likely that investors will remain cautious given the trade conflict and US dollar strength. Given current valuations, Emerging Market Debt is expected to deliver attractive returns but in the short run sentiment can remain subdued.

Fund

There are no changes anticipated for the Fund's policy and strategy in the second half of 2018.

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 line with 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 taken to manage the risks are also set out.

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 realize 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

Market risk is defined as the risk of losses arising as a result of movements in market prices.

Currency risk

The Fund invests in USD related financial instruments. In addition, the Fund may invest a maximum of 20% in currencies other than the euro and the USD.

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 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 guaranteed corporate debt is limited to a maximum of 20% of the Fund.

Financial instruments

The Fund utilizes various financial instruments to realize 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 in time at 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

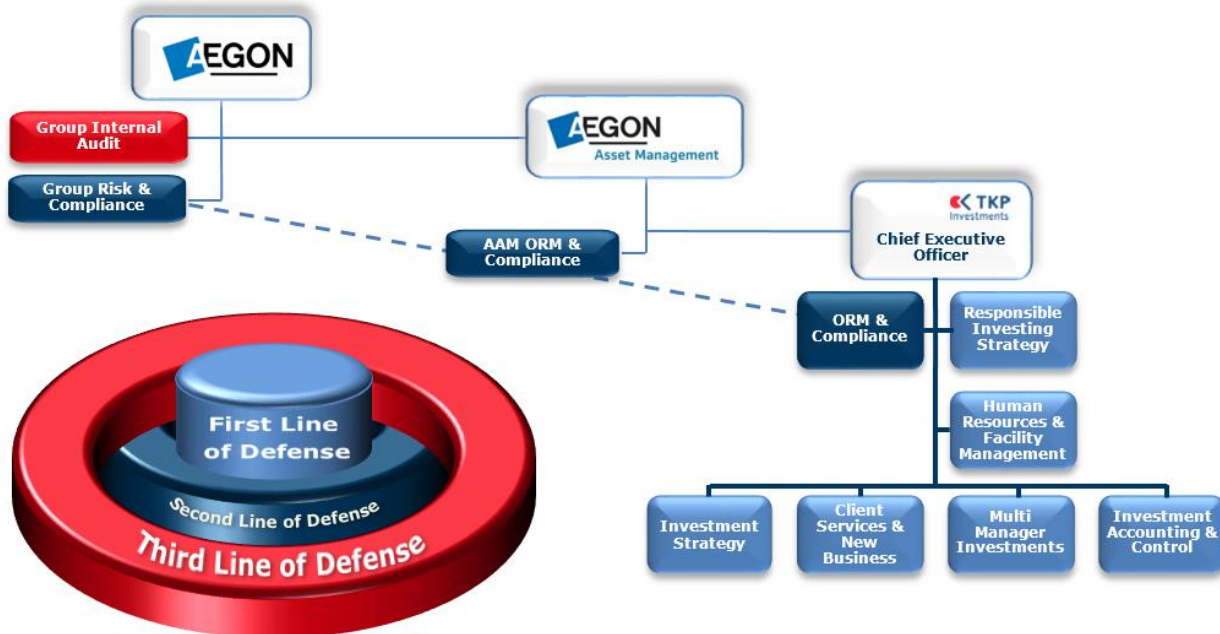
Risk management is an integral part of the management responsibilities within TKPI. TKPI has applied the three lines of defense model safeguarding the adequateness of the organizational and governance structures for managing the risk profile of TKPI. TKPI has designed and implemented operational risk management policies. The risk management processes are a central part of the implementation of the policies. The risk management processes ensure the adequateness of the risk identification, management and monitoring within TKPI. TKPI uses risk control self-assessments (RCSA) to assess the risks and controls, including the outsourced processes. The RCSA results in the identification of risks and the degree to which these risks are mitigated. The identified risks are monitored using risk measurement systems and internal control measures.

The design, existence and proper working of the internal control measures are assessed on yearly basis as part of TKPI’s ISAE 3402 Type II report. These control measures relate to the various components of TKPI’s operational management, such as investment trade execution and transaction recording, the selection, contracting and monitoring of external managers, the drafting of strategic investment plans, the reporting on investment results and various other focal areas within TKPI. The ISAE 3402 type II 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 reporting period.

Risk management by Fund Manager

TKPI has organized the risk management governance according to the Three Lines of Defense Model. This model distributes the responsibilities, the tasks and the set of instruments and measures needed to be ‘in control’. This model ensures independent monitoring of the risk management activities in the organization by the risk management, compliance and internal audit functions.



First Line of defense

The first line of defense is executed by the line organization. They are responsible for the performance of the primary operational processes. Many of the risk management measures are embedded in these processes and provide reasonable assurance that the processes are performed properly. Common used control measures are, for example, the segregation of duties, the four-eyes principle and reconciliations. 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 defense

The second line is executed by the Operational Risk Management, Portfolio Risk Management and Compliance functions within TKPI. The task of the second line is to identify, register and monitor TKPI's risks and assess, advise and supports the first line. Second line enforces the risk culture within the first line to encourage the management on its risk management responsibilities.

Third Line of defense

The third line of defense is executed by AEGON Internal Audit organization. Internal Audit is independently organized related to TKPI and provides an objective, independent opinion on the first and second line. AEGON Internal Audit has the mandate to assess all processes performed by the first and second line 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 organization, 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 authorization 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 organization

The Fund Manager is well aware of the attention directed towards demeanor and conduct in regards to the risk management and compliance, the so called soft controls.

The policy is aimed at the Fund Manager 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 customers of the Fund Manager;
- In the financial markets wherein the Fund Manager operates.

Compliance to the external regulations has additionally been given shape by the composition of internal regulations. The various regulations that apply to the Fund Manager 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 the Fund Manager 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, the Fund Manager 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.

The Fund Manager 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 organizational embedding 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 the Fund Manager 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 risk awareness.

Changes in the risk management system

In the last semi-annual book year, no significant changes have been applied to the risk management system.

DUFAS

Through Aegon Asset Management, TKPI has voluntarily joined the Dutch Fund and Asset Management Association (DUFAS) and is compliant with its code of conduct ('Code Vermogensbeheerders').

GIPS

TKPI also complies with the Global Investment Performance Standards (GIPS). An external auditing firm reviews the investment funds of TKPI on a yearly basis, with positive results since 2000. This emphasizes the reliability of the performance measurement of our investment funds.

4.6 Socially Responsible Investing

TKPI is convinced that integration of Environmental, Social and Governance (ESG) aspects into the investment process contributes to a better risk/return profile for investments. The policy is formalized through the Terms & Conditions of the Fund.

The Responsible Investment policy consists of:

- Annual screening of invested companies for compliance with the UN Global Compact Principles (UNGCP).
- Engagement with companies that do not comply with the UNGCP.
- Exclusion of companies based on specific criteria.
- Exclusion of government bonds of specific countries.

Policy

In addition to the instruments above TKPI portfolio managers and the external asset managers also contribute substantially to the Responsible Investment policy. The TKPI multi-manager selection and monitoring process ensures that ESG criteria are fully integrated in the investment process. External asset managers are explicitly expected to take ESG criteria into account in investment decisions. The degree to which this is implemented is subjected to periodic review. In addition, TKPI periodically measures the degree to which investments scores on ESG criteria using independent research. Furthermore TKPI initiates a discussion with the external asset manager on investments that do not perform well on ESG criteria.

Screening and engagement

An important guiding principle is that all companies in which an investment is made, behave according to the UNGCP in the areas of human rights, labor rights, the environment and anti-corruption.,). Investments managed by TKPI are annually screened for compliance with these principles by Sustainalytics, a specialized external party. Engagement will be carried out with companies that do not comply with the UNGCP. This engagement trajectory essentially runs for a maximum of three years. In the event of insufficient progress, a company is added to the exclusion list.

The annual screening of investments in the TKPI MM Investment funds at the end of 2017 resulted in 16 companies not complying with the UNGCP (year end 2016: 18 companies). Because one company had already been divested before the start of the engagement trajectory and another company will be excluded as of the end of June 2018, engagement in 2018 will be carried out with 14 companies.

The Fund is conducting a dialog with 2 companies in total. On June 30, 2018 the weight of these companies in the Fund amounts to 2.9%.

Exclusion of companies

The TKPI exclusion list is updated annually. Changes in the list are incorporated into the contracts with the external asset managers. Daily monitoring takes place for compliance with the list with exclusions. The TKPI exclusion list involves:

- Controversial weapons, on the basis of the Controversial Weapons Radar (CWR) issued by Sustainalytics. The following weapons are classified as controversial: biological weapons, nuclear weapons, chemical weapons, anti-personnel mines, cluster munitions, munitions with depleted uranium and white phosphorus (if a controversial application is involved).
- Thermal coal mining companies that derive 30 percent or more of their sales revenue from thermal coal mining. This type of coal is burned for the purpose of generating electricity and/or heat and has a strongly polluting impact on the environment. These companies are not diversified and run a great risk with regard to so-called 'stranded assets'.
- Companies that are non-compliant with the UNGCP and have shown insufficient progress in the engagement process.

On June 30, 2018 there are 106 companies on the TKPI exclusion list (December 31, 2017: 102 companies), 53 companies are excluded based on controversial weapons, 43 companies are excluded based on thermal coal mining and 10 companies are excluded based on non-compliance with the UNGCP and have shown insufficient progress in the engagement.

In 2018, the exclusion list contains ten companies that have been excluded given non-compliance with UN Global Compact principles and insufficient progress during engagement. These companies are Barrick Gold Corporation, China Petroleum & Chemical Corporation (Sinopec), Freeport-McMoRan Inc., Grupo México S.A.B. de C.V., PetroChina Co. Ltd., Petroleos de Venezuela S.A. (PDVSA, as of the end of June 2018), SNC Lavalin Group Inc., Southern Copper Corp., Tokyo Electric Power Company Holdings Inc. and Wal-Mart Stores Inc.

The Fund therefore does not invest in these companies, although these companies are a constituent of the benchmark. The excluded companies represent 1.6% of the benchmark on June 30, 2018 (December 31, 2017: 0.0%). The exclusion policy may therefore be a cause of "tracking error" and deviation of the Fund's return relative to the benchmark.

Exclusion of countries

A number of countries are excluded from investment (in government bonds) on the basis of universally recognized condemnations. These are countries that are involved in serious human rights violations. In 2018, 13 countries were on the TKPI exclusion list based on this criteria (2017: 13 countries).

One country that is on the TKPI exclusion list, Belarus, is in the benchmark of the Fund. This country represents 0.4% of the benchmark on June 30, 2018 (December 31, 2017: 0,3%). The exclusion policy may therefore be a cause of "tracking error" and deviation of the Fund's return relative to the benchmark.

ESG and carbon footprint

In 2017 a measurement of the sustainability scores of the investments in the TKPI funds took place. This involved evaluating the ESG scores and the carbon footprint. The ESG scores are derived from MSCI ESG Research and indicate how the investments perform on factors such as the environment, society and governance. Each company in the portfolio is scored on its exposure and ability to manage issues that are most relevant to it. For the environmental score these relate to climate change, resource and water efficiency, packaging and waste as well as seizing the environmental opportunities available to the company. The social score incorporates how a company deals with human capital, health & safety issues, its supply chain and adding value within underserved regions in the world. The governance score assesses board composition, remuneration policies, shareholder rights, business practices and anti-corruption policies. The carbon footprint represents the intensity of the CO₂ emissions, measured by the CO₂ emissions of the portfolio on a per-euro basis and comparing this metric with the portfolio's benchmark. For each company the direct emissions (scope 1) and the indirect emissions from purchased electricity (scope 2) is taken into account. Measurement of the greenhouse gas emissions stemming from the supply chain and the use of company's products are methodologically complex and the reliability of data is limited. Therefore this aspect is not yet taken into account.

Outlook

In recent years the value of global assets invested according to sustainability principles has grown substantially. Increasingly, investors all over the world are paying closer attention to whether companies are developing and sustaining high environmental, social and governance standards. Furthermore, various government agencies and non-profit organizations (for example Eurosif) are appealing to asset owners to support and take an active part in the transition to sustainable and renewable energy.

Recent academic and commercial publications suggest that the performance of sustainable investment strategies can match or outperform those of traditional investment approaches. Notably, organizations with better policies and practices for managing the risks of externalities generated by their business operations are expected to outperform in the long-run. For this reason, metrics of environmental, social and governance performance are becoming increasingly popular with investors.

In the first half of 2018 TKPI started the assessment of the impact of climate change in the Funds. Climate change is an issue that leaves no existing form of cooperation and no economic sector untouched. It is an intricate process to model its impact. In the near future, TKPI looks to partner up with experts from various fields to develop tools that will help to better identify and manage climate risks inherent in the Funds.

4.7 Statement set up conduct of business

At December 31, 2017 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 reporting period.

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 2017. The ISAE 3402 report for 2017 continues to be an accurate description of the investment management processes and embedded internal controls for the period January 1, 2018 through June 30, 2018.

Groningen, August 29, 2018

TKP Investments B.V.

Coos Luning

Robert Leenes

5 Condensed Interim Financial statements

5.1 Statement of financial position

Statement of financial position (after appropriation of result)			
<i>(amounts x € 1,000)</i>			
		June 30, 2018	December 31, 2017
Assets			
<u>Current assets</u>			
Cash and cash equivalents	[1]	50,571	37,999
Financial assets at fair value through profit or loss	[2]	1,315,638	1,369,387
Outstanding transactions in financial instruments		5,442	1,170
Outstanding transactions with holders of participations		3	14,001
Other assets and receivables	[3]	23,795	25,845
Total-assets		1,395,449	1,448,402
Liabilities			
<u>Current liabilities</u>			
Financial assets at fair value through profit or loss	[2]	-	301
Outstanding transactions in financial instruments		2,280	389
Outstanding transactions with holders of participations		3	14,001
Payables and other liabilities	[4]	1,388	1,762
Total liabilities excluding net assets attributable to holders of participations		3,671	16,453
Net assets attributable to holders of participations	[5]	1,391,778	1,431,949
Total liabilities		1,395,449	1,448,402

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

5.2 Statement of comprehensive income

Statement of comprehensive income		January 1, 2018 through June 30, 2018	June 27, 2017 through June 30, 2017
<i>(amounts x € 1,000)</i>			
Investment result			
Recognized net gains/(losses) on financial instruments at fair value through profit or loss			
		-69,807	-21,212
		36,798	627
		-33,009	-20,585
Other results			
		95	-
	[6]	2,115	-314
		2,210	-314
Charges			
	[7]	-	-
	[8]	-1,189	-12
		-89	-8
		-1,278	-20
		-32,077	-20,919
Net result attributable to each participation class			
		-32,069	-20,919
		-8	-
		-32,077	-20,919

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

Statement of changes in net assets attributable to holders of participations			
<i>(amounts x € 1,000)</i>	January 1, 2018 through June 30, 2018		
	Participations		<i>Total</i>
	<i>Class A</i>	<i>Class I</i>	
Balance at January 1, 2018	1,431,582	367	1,431,949
Subscriptions	142,445	153	142,598
Redemptions	-150,525	-167	-150,692
Net change from participation transactions	-8,080	-14	-8,094
Net result attributable to holders of participations	-32,069	-8	-32,077
Total change in net assets attributable to holders of participations	-40,149	-22	-40,171
Net assets attributable to holders of participations at June 30, 2018	1,391,433	345	1,391,778

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

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

5.4 Cash flow statement

Cash flow statement	January 1, 2018 through June 30, 2018	June 27, 2017 through June 30, 2017
<i>(amounts x € 1,000)</i>		
Cash flow from operating activities		
Purchase of financial instruments at fair value through profit or loss	-579,334	1,558
Proceeds from sale of financial instruments at fair value through profit or loss	560,594	-1,372
Proceeds from interest	37,511	2,082
Proceeds from other income	2,115	-
Charges paid	-1,652	-8
Net cash flow from operating activities	19,234	2,260
Cash flow from financing activities		
Proceeds from subscriptions	156,596	-
Payments for redemptions	-164,690	-
Proceeds from subscription and redemption fee	95	-
Transfer of cash and cash equivalents	-	35,284
Net cash flow from financing activities	-7,999	35,284
Net change in cash and cash equivalents	11,235	37,544
Cash and cash equivalents at beginning of period	41,916	-
Net change in cash and cash equivalents	11,235	37,544
Cash and cash equivalents at end of period	53,151	37,544
Specification of balance		
Cash balances at banks	50,571	36,633
Cash position at Stichting TKP Pensioen Treasury	1,212	295
Deposits at Stichting TKP Pensioen Treasury	1,368	616
Cash and cash equivalents	53,151	37,544

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

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 (UCITS) 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 authorized for issue by the Fund Managers' board of directors on August 29, 2018.

Key figures

The overviews in the section 'Key figures' of the condensed interim financial statements 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 (including short term money market funds, directly or indirectly held) exposure is not permitted to exceed 20% of the Fund value. Solely for the purpose of margin requirements, borrowing and/or a deficit on the total balance of all cash accounts is temporarily allowed to a maximum of 5% of the aggregate value of the Fund. Leverage is not allowed. Due to market movements, leverage can occur within the Fund. The Manager will use commercially reasonable efforts to cure any inadvertent breach of this provision caused by market movements.

2. Financial assets at fair value through profit or loss

Investments specified by instrument

(amounts x € 1,000)

	June 30, 2018	December 31, 2017
Debt instruments	1,315,530	1,369,387
Forwards	108	-301
Total financial assets at fair value through profit or loss	1,315,638	1,369,086

The debt instruments consist primarily of government bonds.

Investments specified by valuation technique

<i>(amounts x € 1,000)</i>	June 30, 2018	December 31, 2017
Quoted financial instruments traded in active markets (Level 1)	1,315,530	1,369,387
Financial instruments valued by valuation techniques using market observable inputs (Level 2)	<u>108</u>	<u>-301</u>
Total financial assets at fair value through profit or loss	1,315,638	1,369,086

The level in the fair value hierarchy within which the financial instruments are categorized 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 judgment, considering factors specific to the asset or liability. The determination of what constitutes 'observable' requires judgment 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. There have been no transfers between level 1 and level 2 financial instruments during the period.

Investments specified by market

<i>(amounts x € 1,000)</i>	June 30, 2018	December 31, 2017
Admitted to a quotation of a regulated market (Exchange quoted)	1,315,530	1,369,387
Traded on a regular or other market in financial instruments (Exchange or market traded)	<u>108</u>	<u>-301</u>
Total	1,315,638	1,369,086

Debt instruments movement

<i>(amounts x € 1,000)</i>	June 30, 2018	June 30, 2017
Opening balance	1,369,387	-
Transfers in kind	-	1,293,165
Purchases	581,225	13,656
Sales	-564,719	-15,658
Revaluation	<u>-70,363</u>	<u>-20,992</u>
Total	1,315,530	1,270,171

Forwards movement*(amounts x € 1,000)***June 30, 2018** **June 30, 2017**

Opening balance	-301	-
Sales	-147	-
Revaluation	556	-220
Total	108	-220

3. Other assets and receivables**Specification other assets and receivables***(amounts x € 1,000)***June 30, 2018** **December 31, 2017**

Accrued interest	21,215	21,928
Receivable Stichting TKP Pensioen Treasury	2,580	3,917
Total	23,795	25,845

4. Payables and other liabilities**Specification payables and other liabilities***(amounts x € 1,000)***June 30, 2018** **December 31, 2017**

Investment management fee payable	472	1,334
Other liabilities	916	428
Total	1,388	1,762

5. Net assets attributable to holders of participations**Specification net assets attributable to holders of participations***(amounts x € 1,000)***June 30, 2018** **December 31, 2017**

Participations class A	1,391,433	1,431,582
Participations class I	345	367
Total	1,391,778	1,431,949

Movement in net assets attributable to holders of participations						
<i>(amounts x € 1,000)</i>				January 1, 2018 - June 30, 2018		
	<i>Class A</i>		<i>Total</i>	<i>Class I</i>		<i>Total</i>
	<i>Cash</i>	<i>Non-cash</i>		<i>Cash</i>	<i>Non-Cash</i>	
Opening balance	1,431,582		1,431,582	367	-	367
Subscriptions	142,445	-	142,445	153	-	153
Redemptions	-150,525	-	-150,525	-167	-	-167
Interest income	36,788	-	36,788	10	-	10
Revaluation investments and derivatives	-69,788	-	-69,788	-19	-	-19
Other results assets and liabilities	2,209	-	2,209	1	-	1
Charges	-1,278	-	-1,278	-	-	-
Total movement	-40,149	-	-40,149	-22	-	-22
Balance as at June 30, 2018	1,391,433	-	-1,391,433	345	-	345

Movement in net assets attributable to holders of participations						
<i>(amounts x € 1,000)</i>				June 27, 2017 - June 30, 2017		
	<i>Class A</i>			<i>Total</i>		
	<i>Cash</i>	<i>Non-cash</i>		<i>Cash</i>	<i>Non-cash</i>	<i>Total</i>
Opening balance	-	-	-	-	-	-
Subscriptions in kind	-	1,343,216	1,343,216	-	-	1,343,216
Subscriptions	2,191	-	2,191	2,191	-	2,191
Interest income	627	-	627	627	-	627
Revaluation investments and derivatives	-21,212	-	-21,212	-21,212	-	-21,212
Other results assets and liabilities	-314	-	-314	-314	-	-314
Charges	-20	-	-20	-20	-	-20
Total movement	-18,728	1,343,216	1,324,488	-18,728	1,343,216	1,324,488
Balance as at June 30, 2017	-18,728	1,343,216	1,324,488	-18,728	1,343,216	1,324,488

Movement in participations			
	January 1, 2018 - June 30, 2018		
	<i>Class A</i>	<i>Class I</i>	<i>Total</i>
Opening balance	14,591,641	3,645	14,595,286
Number of participations subscribed	1,487,304	1,555	1,488,859
Number of participations redeemed	-1,573,045	-1,702	-1,574,747
Balance as at June 30, 2018	14,505,900	3,498	14,509,398

Movement in participations

	June 13, 2017 - June 30, 2017	
	<i>Class A</i>	<i>Total</i>
Opening balance	-	-
Number of participations subscribed	13,454,420	13,454,420
Balance as at June 30, 2017	13,454,420	13,454,420

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 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 participations. The amount of net asset attributable to holders of redeemable participations can change significantly on a weekly basis, as the Fund is subject to weekly subscriptions and redemptions at the discretion of participants, 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 participants, provide benefits for other stakeholders and maintain a strong capital base to support the development of the investment activities of the Fund.

Investor concentration

The Fund has two participants on June 30, 2018. 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.

Overview subscription and redemption fee percentage per participation class

	June 1, 2018 through June 30, 2018	December 1, 2017 through May 31, 2018	June 1, 2017 through November 30, 2017
Participations class A	0.35%	0.35%	0.40%
Participations class I	0.35%	0.35%	0.40%

6. Subscription and redemption fee income

The following table details the subscription and redemption fee income during the period:

Specification subscription and redemption fee income	January 1, 2018 through June 30, 2018	June 27, 2017 through June 30, 2017
<i>(amounts x € 1,000)</i>		
For the benefit of		
Participations class A	95	-
Participations class I	-	-
Total	95	-

7. Charges*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.

8. Management fee (external)

Specification management fee (external)	January 1, 2018 through June 30, 2018	June 27, 2017 through June 30, 2017
<i>(amounts x € 1,000)</i>		
Base fee external investment manager	911	15
Performance fee external investment manager	278	-3
Total	1,189	12

9. Profit appropriation

In accordance with the prospectus, the Fund has reinvested all earnings.

5.7 Significant accounting policies

Basis for preparation

The condensed interim financial statements report have been prepared in accordance with International Financial Reporting Standards IAS 34 Interim Financial Reporting as endorsed by the European Union (EU), with Part 9 of Book 2 of the Netherlands Civil Code (Burgerlijk Wetboek) and the Dutch Financial Supervision Act (Wet op het financieel toezicht). The condensed interim financial report does not include all information and disclosures required in the annual financial report and should be read in conjunction with the Fund's 2017 annual financial report.

Historical cost basis

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

New standards, amendments and interpretations to existing standards which are relevant to the Fund and have been implemented during the reporting period

IFRS 9 Financial Instruments, as endorsed by the EU on November 22, 2016 is effective as per January 1, 2018. 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. IFRS 9 is not having a substantive effect on the financial statements. The Fund measures and continues to measure its financial instruments at fair value through profit or loss, only the classification names 'held for trading' and 'designated at fair value through profit or loss' no longer exist. Therefore the Fund's net assets attributable to holders of participations and net result attributable to holders of participations is not affected by the introduction of the expected credit loss model. The Fund also doesn't apply hedge accounting.

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 classification of financial assets is determined by the business model under which the assets are held and whether the contractual cash flows are solely payments of principal and interest. Financial assets can be measured at amortized cost, fair value through other comprehensive income or fair value through profit or loss. Based on the business model applicable the Fund classifies its investments in debt securities, equity securities and derivatives, as financial assets or financial liabilities at fair value through profit or loss.

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 recognized 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 recognized at fair value (transaction price).

Financial assets are derecognized 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 recognized net gains/(losses) on financial instruments 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 are presented in the statement of comprehensive income within recognized net gains/(losses) on financial instruments 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 recognized 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 recognized 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 recognized net gains/(losses) on financial instruments 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 utilizes 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 daily 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 offered 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. 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, income from subscription and redemption fee and other income. Interest on debt securities is accrued on a time-proportionate basis, by reference to the principal outstanding and at the effective interest rate applicable. 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 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 sales 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 during the reporting period.



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