

Financial Report  
for the period 13 June 2017  
through 31 December 2017

Aegon Global Multi Manager European  
Equity Fund - EUR

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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 (as of 1 January 2018), Annemieke Docter (as of 1 January 2018), Roelie van Wijk-Russchen (up to and including 31 December 2017) and Anne Laning (up to and including 31 December 2017).

## **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**

PricewaterhouseCoopers Accountants N.V.

## **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 European Equity Fund - EUR (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**

To achieve a return that is close to the benchmark return, through investments primarily in equities.

The Fund is a feeder-fund with the objective to permanently invest 85% or more of its assets in the Aegon Global Multi Manager European Equity Fund (the 'Master-Fund').

### **Investment policy**

The investment policy is to achieve a return that is close to the benchmark. 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 point of view and potentially adding value, the Fund can use other financial instruments, techniques, financial derivatives and structures. Some examples are cash and equity 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. Within the Fund the benchmark country weight will be used to hedge the British pound exposure into euro on a daily basis.

### **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**

TKPI Europe Index Total Net Return (in euro) based on MSCI Europe Index Total Net Return (in euro).

### **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 8 August 2007. TKP Investments B.V. 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 2 June 2017 and commenced operations as of 13 June 2017.

### 3 Key figures

#### Fund and participation class assets and participations

31 December 2017

##### Fund

Net asset value (x € 1,000) 694,400

##### Participation Class A

Net asset value (x € 1,000) 694,151

Outstanding number of participations 6,861,128

Net asset value per participation (x € 1) 101.17

##### Participation Class I

Net asset value (x € 1,000) 249

Outstanding number of participations 2,407

Net asset value per participation (x € 1) 103.64

#### Investment results

13 June 2017  
through  
31 December 2017

(amounts x € 1,000)

##### Fund

Investment result 6,221

Other results 1,599

Charges -38

**Net result 7,782**

##### Participation Class A

Investment result 6,213

Other results 1,599

Charges -38

**Net result 7,774**

##### Participation Class I

Investment result 8

Other results -

Charges -

**Net result 8**

**Performance**

**13 June 2017  
through  
31 December 2017**

**Participation Class A**

Net performance	1.2%
Performance benchmark	1.0%
Out/Under performance	0.2%
Out/Under performance since inception	0.2%

**Participation Class I**

Net performance	3.6%
Performance benchmark	3.6%
Out/Under performance	0.1%
Out/Under performance since inception	0.1%

**Development value per participation**

**13 June 2017  
through  
31 December 2017**

*(amounts x € 1)*

**Participation Class A**

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>101.17</b>

Investment result	0.94
Other results	0.24
Charges	-0.01
<b>Net investment result</b>	<b>1.17</b>

**Participation Class I**

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>103.64</b>

Investment result	3.51
Other results	0.14
Charges	-
<b>Net investment result</b>	<b>3.65</b>

**Ongoing charges figure, turnover and other information**

**13 June 2017  
through  
31 December 2017**

**Ongoing charges figure**

Participation Class A	0.03%
Participation Class I	0.03%

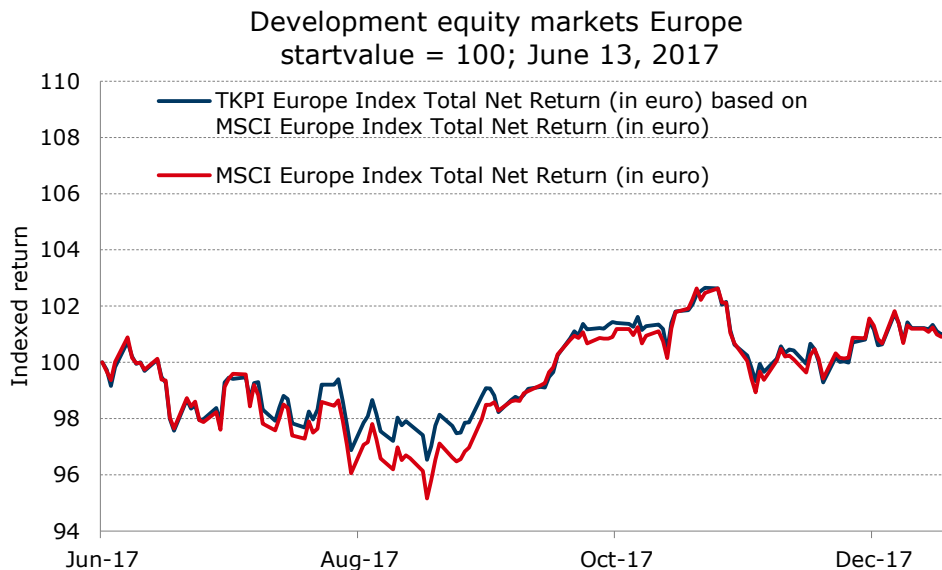
**Turnover ratio****0****Average number of outstanding participations**

Participation Class A	6,628,307
Participation Class I	2,377

## 4 Investment management report

### 4.1 Market developments

Since the inception date of 13 June 2017, European stock markets improved marginally. The TKPI Europe Index (with the British pound hedged) advanced by 1%. In the eurozone, equity markets rose by 1% on average, in the United Kingdom (UK) share prices progressed by almost 4% (measured in British pounds). The British pound (GBP) weakened by 1% relative to the euro, however this decline was neutralised by the currency hedge in the Fund. The Swiss market recorded a return in euro-terms of -2% primarily caused by a 7% decline in the Swiss Franc exchange rate with the euro.



Source: Datastream and TKPI

Although the news headlines were regularly dominated by the Brexit negotiations, upheaval in the Trump administration and by rocket launches by North Korea, equity investors mainly focused on the positive economic momentum. In Europe, economic growth accelerated throughout the year. Many indicators, such as producer and consumer confidence, purchasing managers' activities and employment reached levels not seen since decades. Whereas many had feared that a continuation of the economic upswing that started in 2010 would fuel inflation and cause interest rates to rise, this effect did not materialize in most regions. In the eurozone, the rise in consumer prices has remained subdued at an annual rate of well under 2%. This resulted in the most favoured scenario for equity investors with robust economic growth without significant inflationary pressures. The UK formed an exception as in this country inflation has risen to a level of 3%. The weakness of the GBP in 2016 and 2017 has led to a rise in the domestic price of imported goods and services.

Moderate inflation rates allowed the monetary authorities in the US and the eurozone to continue their relatively loose monetary policy during 2017. The ECB announced that it would continue its the purchase programme of listed bonds into 2018, although the monthly outlay has been halved to 30bn euro. The programme is aimed at keeping interest rates in the eurozone at low levels. Despite the fact that the favourable growth rates achieved in the eurozone diminish the need for such a stimulation scheme, the ECB has not signalled when it intends to end it.

Sentiment in the European equity markets was also supported by the fact that in France, Germany and the Netherlands populist and anti-European parties failed to make significant breakthroughs in local elections. In France the newly elected president, Emmanuel Macron, embarked on a pro-European policy reinvigorating positive sentiment towards European cooperation in surrounding countries. Moreover, the cumbersome Brexit negotiations highlighted the economic advantages of the European Union for many European citizens. It has also become apparent that the actual exit of the UK from the EU will proceed



slower than initially believed as a 2-year transition period following March 30, 2019 is likely to be applied. Still, Brexit has resulted in to considerable economic uncertainty within the UK, crucially affecting decisions on new capital expenditures.

The year 2017 was also characterised by widespread optimism with regard to the advent of information technologies, in particular with regard to its applications in the Health Care sector as well as with respect to Trading platforms and many manufacturing processes. Examples are improved monitoring systems and diagnosis tools for many illnesses, the development of smart and energy-efficient devices and the advent of autonomous driving, facilitating on-demand transportation services. Growth stocks performed strongly as a result. In addition, increased worldwide attention to climate change and the United Nations' Sustainable Development Goals 2030 resulted, on average, in a slight outperformance of companies that anticipate well on climate risk and sustainable developments.

## 4.2 Investment policy

The Fund started as from 13 June 2017 and invests in listed European equities of the developed European countries which are part of the MSCI Europe index by investing through the Aegon Global Multi Manager European Equity Fund which follows the same policy as the Fund. The Fund applies a passive approach with the investment objective to achieve a return that is as close to the benchmark as possible. This is done by a full replication method. However, the portfolio can have some small deviations from the index as a result of the blacklist used by TKPI. Also it could be that some very small and less liquid index positions are not included in the portfolio as a result of cost efficiency. Also as a result of cost efficiency all assets are managed by one external asset manager. Within the Fund the GBP exposure is hedged into euro on a daily basis.

## 4.3 Return

Aegon Global Multi Manager European Equity Fund – EUR Participation Class A achieved a return of 1.2% compared to a return of 1.0% for the benchmark in 2017. Aegon Global Multi Manager European Equity Fund – EUR Participation Class I achieved a return of 3.6% compared to a return of 3.6% for the benchmark in 2017. The small outperformance after costs was the result of a better fiscal status of the Fund compared to the index. This as the Fund is able to reclaim or (partly) tax exempt for dividend tax in some countries while the index assumes these dividend taxes should have been paid.

## 4.4 Outlook

### *Market*

European and worldwide economic growth is becoming more and more widespread. And also for the coming year growth expectations have been revised upward. In the eurozone in particular, the economy is picking up substantially; there has been growth for 18 quarters in a row: German business confidence, purchasing managers' indices and other indicators for sentiment in the eurozone are at exceptionally high levels. Business profits are rising due to, among other things, inexpensive financing opportunities and the absence of an increase in wage costs. Even though political risks are clearly present, they have no great influence on market expectations for the time being.

Despite a rise in oil prices in 2017, European price inflation has remained low, and clearly under the ECB objective. In particular, core inflation in the eurozone remains well below 2%. At the end of October 2017, the ECB decided to halve its purchasing program, but also to extend it to September 2018. The ECB is expected to raise its interest rates only after the end of the purchasing program. Consequently, the rise in interest rates for longer maturities may be limited in 2018. This is helpful for countries such as Italy, since it allows them to keep their government debt manageable without having to implement substantial reforms.

At the end of 2017, valuations were reaching historically high levels with unprecedented low volatility. Investors are confident that the policy of the central banks is focused, among other things, on stabilizing the financial markets and in combination with the improving world economy this is seen as an important cause of the low volatility and falling risk premiums. However, vulnerabilities in the financial system can develop against this background since investors are prepared to take on more risk, and credit provision is

motivated by the current low and stable interest charges. Specific examples of fundamental risks for the world economy are the increasing use of debt in business financing and the growth model of the Chinese economy that is based on strong credit growth.

The relative calm on the financial markets may persist in 2018. This is supported by the cautious policy of the central banks and positive growth expectations for the eurozone. The phaseout of the purchasing program announced by the ECB seems to be a logical step to preserve the calm on the financial markets. TKPI expects that interest rates will not yet rise significantly in the coming period. The Federal Reserve (FED) is also expected to be cautious in raising its policy rate.

For equity markets, the expected return has declined due to rising valuations, but there is still room for a further rise in stock prices. The sentiment on equity markets is predominantly positive, but due to higher valuations the risk of a (substantial) correction to stock prices has further increased. Within Europe, the British equity market is the largest market, and seems less expensive than the others. Since the UK market is dominated by large-cap multinationals, it is less directly affected by the Brexit. Nonetheless, the market is strongly concentrated in oil and gas, commodities and the banking sector. For the time being, the sustained growth of business profits makes stocks an attractive alternative to bonds, which in addition to a low interest revenue involve the risk of a fall in prices in the event of interest rate increases.

#### *Fund*

The Fund has followed a passive investment policy during the reporting period and will continue this approach.

## 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

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 taken to manage the risks are also set out.

#### *Active risk*

Active risk denotes the risk that the Fund's risk-return profile deviates from that of the benchmark. The degree of deviation can be monitored by means of the tracking error. By limiting the tracking error of the Fund and the external manager, the active risk is managed.

#### *Market risk*

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

#### *Currency risk*

The Fund has taken steps to reduce the currency risk. The external managers are only qualified to do spot currency transactions. The external managers also have cash restrictions. In addition, also on fund level the cash exposure is limited and the cash position is monitored daily. The currency risk is also limited by the tracking error restrictions. The currency exposure of the Fund is monitored daily. Within the Fund the benchmark country weight will be used to hedge the GBP exposure into euro on a daily basis within a range of +/-5%.

#### *Concentration risk*

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

The weight of the individual securities in the benchmark depends on the market capitalisation of the particular company. The benchmark is widely dispersed and therefore the concentration risk is limited in that respect.

#### *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.

#### *Financial instruments*

The Fund utilises various financial instruments to realise investments. The Fund invests in or can invest in equities, 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.

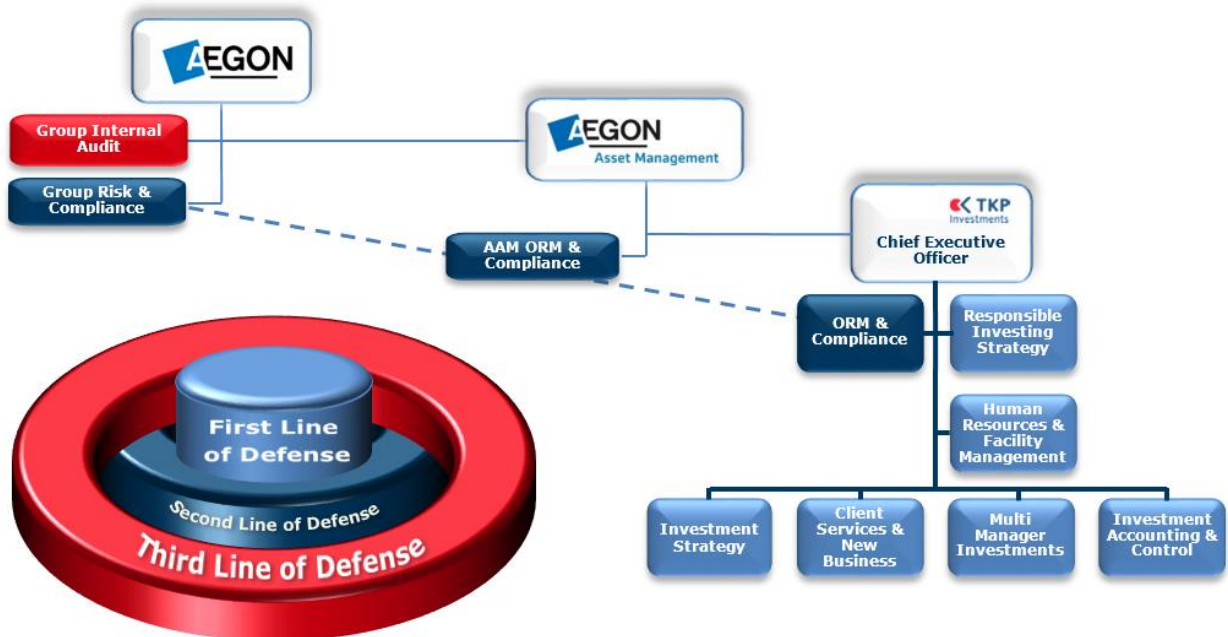
**Operational risk**

Risk management is an integral part of operational management at TKPI. Central to this is the risk estimate by TKPI itself, the Risk Control Self Assessment (RCSA) of TKPI’s operational processes, including the outsourced processes. The input for the RCSA 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 RCSA 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 Fund 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 defense’ 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 defense*

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 defense*

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 executed by the Operational Risk Management, Portfolio Risk Management and Compliance department (ORM&C). The task of ORM&C is to identify, register and monitor TKPI's risks and assess, advise and supports the first line. The risk management and compliance officers enforces the risk culture within the first line to encourage the management board on its risk management responsibilities and establishes a dialogue with the management board about this topic.

#### *Third Line of defense*

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 organizational divisions. At Aegon, Internal Audit is the Third Line of defense. 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 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 organisation

The trustee 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 is aimed at the trustee 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 to trustee;
- In the financial markets wherein the trustee operates.

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

### Changes in the risk management system

The second line of defense management function at TKPI has been expanded since April 2017 by adding the Portfolio Risk Management & Control function. This function monitors and advises on Portfolio Risk Management within TKPI. Focus areas are for example the monitoring of portfolios and follow-up of open breaches, product development, 'emerging risks' and the use of derivatives.

### 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 complies with the Global Investment Performance Standards (GIPS). An external auditing firm verifies the compliance to GIPS of the investment funds of TKPI on a yearly basis, with positive results since the year 2000. This emphasizes the reliability and 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 via the Terms & Conditions of the Fund.

The Responsible Investment policy consists of:

- Periodic screening of companies in which investment is made for compliance with the UN Global Compact Principles (UNGCP)
- Conducting a dialogue (engagement) with companies that do not comply with the UNGCP
- Exclusion of specific companies
- Voting at shareholder meetings of European companies

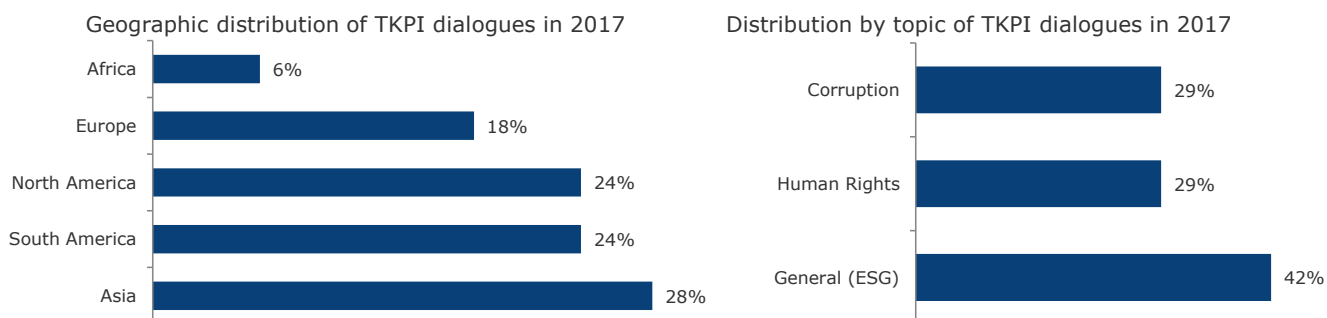
### Policy

TKPI portfolio managers and the appointed external managers also give substance to the Responsible Investment policy. TKPI periodically screens investments on ESG criteria, using independent research. TKPI initiates a discussion with the external manager on investments that are designated as controversial.

### Screening and engagement

An important guiding principle is that all companies in which investment is made, behave according to the UNGCP in the areas of human rights, labor rights, the environment and corruption, as established by the United Nations (UN). Investments managed by TKPI are screened annually for compliance with these principles using Sustainalytics, a specialized external party. A dialogue is conducted with companies that do not behave in compliance with the UNGCP. In principle, an engagement process runs for a maximum of three years. In the event of insufficient progress, a company is added to the exclusion list. The results of the 2017 engagement program have been assessed and determined by TKPI management.

In the screening of investments in the TKPI Investment Funds at the end of 2016, 18 companies did not comply with the UNGCP (year end 2015: 17 companies). In the beginning of 2017, the positions of one of these companies were sold, so that TKPI conducted a dialogue with 17 companies on the 2017 Engagement focus list in 2017. Seven of these companies are in the final phase of the engagement process. The dialogue involved various topics. The graphs below show the screening by region and by topic. The data originate from Sustainalytics.



Two companies (General Motors and Alstom S.A) with which a dialogue has been conducted, have improved significantly in 2017, so that they were no longer assessed as noncompliant and were therefore removed from the engagement focus list in 2017.

The company Tokyo Electric Power Co. Inc. and the two state-owned companies China Petroleum & Chemical Corporation (SINOPEC) and Petróleos de Venezuela S.A. (PDVSA) were added to the TKPI exclusion list after the dialogue cycle because insufficient progress had been made. It was decided to extend the dialog cycle for three companies because the progress made shows that it is probable that these companies are on the way to becoming compliant with the UNGCP.

The Fund is conducting a dialog with 3 companies in total. As of the end of the year, the weight of these companies in the Fund amounts to 0.6%.

### Exclusion of companies

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

- Controversial weapons, on the basis of the Controversial Weapons Radar (CWR) drawn up by Sustainalytics. The following types are classified as controversial weapons: biological weapons, nuclear weapons, chemical weapons, anti-personnel mines, cluster munitions, munitions with depleted uranium and white phosphorus (if a controversial application is involved).
- Coal mining companies that obtain 30 percent or more of their revenue from extraction of thermal coal. 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 noncompliant with the UNGCP and have shown insufficient progress in the dialogue, are included in the exclusion list.

In 2017, the exclusion list contains eight companies that have previously been added on the grounds of this criterion. These are: Freeport-McMoran Inc. (2012), PetroChina Co. Ltd. (2015), Barrick Gold Corporation (2015), Wal-Mart Stores Inc. (2015), Southern Copper Corp. (2016), Grupo México S.A.B. de C.V. (2016), Chevron Corporation (2016) and SNC Lavalin Group Inc. (2017). At the end of 2017, the Chevron Corporation was found to be no longer noncompliant and is therefore being removed from the exclusion list.

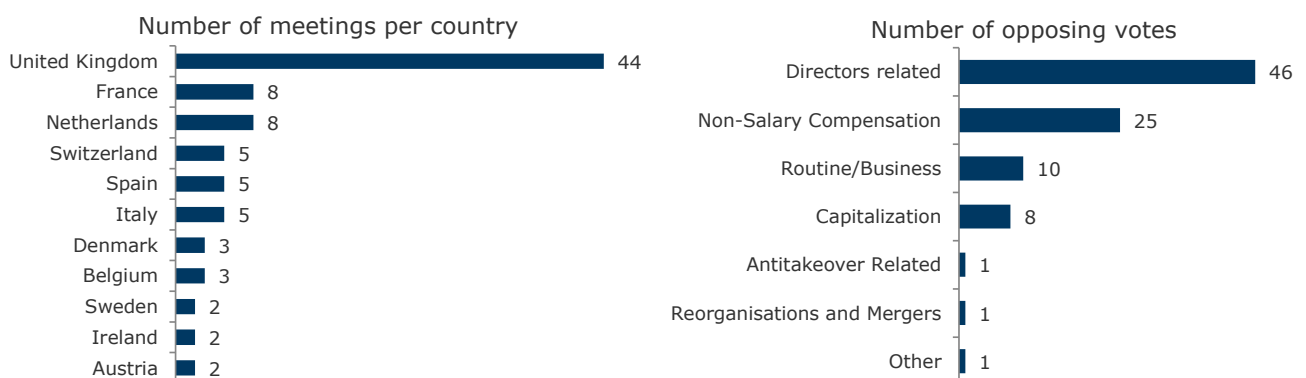
181 companies were on the 2017 exclusion list (2016: 59 companies). The Fund therefore does not invest in these companies, which do enter into the benchmark. These excluded companies represent 1.4 % of the benchmark as of the end of 2017. The exclusion policy may therefore be a cause of the deviation of the return with regard to the benchmark.

### Voting

The TKPI voting policy concerns European companies and takes as its starting point the European Proxy Voting Guidelines summary of ISS. This external voting firm implements the voting policy.

For this fund, TKPI voted at 87 shareholders' meetings of companies in which the funds invest on 1,348 topics in total since the start of the Fund in 2017. In a good 7% of the topics the proposal was voted against. This involved in particular proposals for appointment of directors or supervisors and remuneration proposals.

The graphs show several cross-sections of the votes cast in 2017:





### ESG and carbon footprint

In 2017 measurement of the sustainability scores of the investments in the TKPI funds was undertaken. This involves taking inventory of the ESG scores and the ecological footprint (carbon footprint).

The ESG scores indicate how the investments perform on factors such as the environment, society and governance. The carbon footprint represents the intensity of the CO<sub>2</sub> emissions. TKPI will develop this further.

### Outlook

In recent years the value of global assets invested according to sustainability principles has grown strongly. 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.

To serve its clients' needs, TKPI continues to focus on developing and extending its expertise in sustainable investing. With this in mind, in 2017 TKPI began a project aimed at evaluating the exposure of various asset classes to ESG risks and opportunities. In 2018 TKPI will continue to assess the performance of the Fund against ESG criteria. TKPI is also looking to increase cooperation with experts in the field of sustainable investing. TKPI its goal is to find optimal sustainable investment solutions for its clients. One of the main goals is to investigate the value impact of the climate related developments within the Fund.

## 4.7 Statement set up conduct of business

At 31 December 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 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 2017.

Groningen, 30 March 2018

TKP Investments B.V.

Coos Luning

Robert Leenes

## 5 Financial statements

### 5.1 Statement of financial position

<b>Statement of financial position (after proposed appropriation of result)</b>		<b>31 December 2017</b>
<i>(amounts x € 1,000)</i>		
<b>Assets</b>		
<u>Current assets</u>		
Cash and cash equivalents	[1]	1
Financial assets at fair value through profit or loss	[2]	690,278
Outstanding transactions with holders of participations		681
Other assets and receivables	[3]	4,492
<b>Total assets</b>		<b>695,452</b>
<b>Liabilities</b>		
<u>Current liabilities</u>		
Financial liabilities at fair value through profit or loss	[2]	1,036
Payables and other liabilities	[4]	16
<b>Total liabilities excluding net assets attributable to holders of participations</b>		<b>1,052</b>
<b>Net assets attributable to holders of participations</b>	[5]	<b>694,400</b>
<b>Total liabilities</b>		<b>695,452</b>

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

## 5.2 Statement of comprehensive income

<b>Statement of comprehensive income</b>		<b>13 June 2017 through 31 December 2017</b>
<i>(amounts x € 1,000)</i>		
<b>Investment result</b>		
Recognised net gains/(losses) on financial instruments at fair value through profit or loss	[6]	6,221
<b>Total investment result</b>		<b>6,221</b>
<b>Other results</b>		
Subscription and redemption fee income	[7]	89
Other income		1,510
<b>Total other results</b>		<b>1,599</b>
<b>Charges</b>		
Other charges	[8]	-38
<b>Total charges</b>		<b>-38</b>
<b>Net result attributable to holders of participations</b>		<b>7,782</b>
<b>Net result attributable to each participation class</b>		
Participation Class A		7,774
Participation Class I		8
<b>Net result attributable to holders of participations</b>		<b>7,782</b>

The accompanying notes are an integral part of these 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>			
<i>(amounts x € 1,000)</i>	<b>13 June 2017 through 31 December 2017</b>		
	Class A	Participations Class I	Total
Balance at 13 June	-	-	-
In kind subscriptions	630,895	-	630,895
Subscriptions	59,397	241	59,638
Redemptions	-3,915	-	-3,915
<b>Net change from participation transactions</b>	<b>686,377</b>	<b>241</b>	<b>686,618</b>
Net result attributable to holders of participations	7,774	8	7,782
<b>Total change in net assets attributable to holders of participations</b>	<b>694,151</b>	<b>249</b>	<b>694,400</b>
<b>Net assets attributable to holders of participations at 31 December</b>	<b>694,151</b>	<b>249</b>	<b>694,400</b>

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

## 5.4 Cash flow statement

<b>Cash flow statement</b>	<b>13 June 2017 through 31 December 2017</b>
<i>(amounts x € 1,000)</i>	
<b>Cash flow from operating activities</b>	
Purchase of financial instruments at fair value through profit or loss	-61,885
Proceeds from sale of financial instruments at fair value through profit or loss	3,716
Proceeds from other income	502
Charges paid	-22
<b>Net cash flow from operating activities</b>	<b>-57,689</b>
<b>Cash flow from financing activities</b>	
Proceeds from subscriptions	58,957
Payments for redemptions	-3,915
Proceeds from subscription and redemption fee	89
Transfer of cash and cash equivalents	6,043
<b>Net cash flow from financing activities</b>	<b>61,174</b>
<b>Net change in cash and cash equivalents</b>	<b>3,485</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>-</b>
Net change in cash and cash equivalents	-3,485
<b>Cash and cash equivalents at end of period</b>	<b>3,485</b>
<b>Specification of balance</b>	
Cash balances at banks	1
Cash position at Stichting TKP Pensioen Treasury	2,443
Deposits at Stichting TKP Pensioen Treasury	1,041
<b>Cash and cash equivalents</b>	<b>3,485</b>

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

## 5.5 Notes to the financial statements

### 5.5.1 General

#### **Profile**

The Aegon Global Multi Manager European Equity Fund - EUR (hereafter the 'Fund') was established on 13 June 2017. As of 13 June 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 30 March 2018.

#### **Key figures**

The overviews "Fund and participation class assets and participations" and "Ongoing charges figure, turnover ratio and other information" in the section "Key figures" of the annual report are an integral part of the explanatory notes of the financial statements.

## 5.6 Financial risk management

### 5.6.1 Risk management and hedging

An acceptable risk level will be reached by a considerable degree of dispersion to equity and sectors, and also sufficient dispersion to different Investment Managers and investment styles. Passive Investment Managers aim to invest as much as possible in conformity with the benchmark. For hedging purposes, the Fund can use other financial instruments, techniques, financial derivatives and structures. Some examples are cash and equity futures, currency forwards, currency futures, structured notes, 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 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 Investment Manager is allowed to use certain techniques, instruments and/or structures. The use of the abovementioned instruments and techniques can increase the risk profile of the Fund.

## 5.6.2 Financial risks

The Fund's financial risks are managed through diversification of the financial instruments at fair value through profit or loss. For further explanation of the investment objectives, policies and processes, refer to the chapter explaining the investment objective, policies and processes.

### Market risk

Market Risk is defined as the risk of losses arising from movements in market prices.

The Fund's diversification of financial instruments at fair value through profit or loss bought (excluding derivatives) by significant industry sector at 31 December is as follows:

#### Overview market price risk by industry sector

<i>(amounts x € 1,000)</i>	<b>31 December 2017</b>	%-of investments	%-of NAV
<b>Sector</b>			
Financial	146,182	21.3	21.0
Consumer, non-cyclical	96,374	14.0	13.9
Healthcare	85,120	12.3	12.3
Industrial	81,844	11.9	11.8
Consumer, cyclical	73,618	10.7	10.6
Materials	58,667	8.5	8.4
Energy	51,350	7.4	7.4
Information Technology	35,172	5.1	5.1
Other	61,055	8.8	8.8
<b>Total financial instruments at fair value through profit or loss</b>	<b>689,382</b>	<b>100.0</b>	<b>99.3</b>

The Fund identifies each sector based on the classification of the individual investment as determined by Bloomberg. The Fund has determined each sector as significant when the total amount of an individual sector represents at least 5% of the Fund's net asset value.

The table below details the sensitivity of a reasonable possible increase in fair value of 5% for each significant sector towards the Fund's NAV (and Statement of comprehensive income) at 31 December.

#### Overview sensitivity market price risk by industry sector

<i>(amounts x € 1,000)</i>	<b>31 December 2017</b>	%-of investments	%-of NAV
<b>Sector</b>			
Financial	7,309	1.1	1.1
Consumer, non-cyclical	4,819	0.7	0.7
Healthcare	4,256	0.6	0.6
Industrial	4,092	0.6	0.6
Consumer, cyclical	3,681	0.5	0.5
Materials	2,933	0.4	0.4
Energy	2,568	0.4	0.4
Information Technology	1,759	0.3	0.3

A 5% decrease of each sector would have resulted in an equal but opposite effect on the above financial statement amounts to the amounts shown above, on the basis that all other variables remain constant. For the market price risk sensitivity analysis no FX conversion rate volatility was included.

#### Currency risk

Currency risk exposure exists primarily with respect to investments in securities denominated in foreign currencies and cash at banks. As at 31 December 2017, 100% of the equity instruments are denominated in euro. As a result the Fund is not exposed to significant currency risk.

#### **Credit and counterparty risk**

Counterparty risk arising from the inability of counterparties to meet the terms of the Fund's financial instrument contracts is limited as it is the Fund's policy to enter into financial instruments with a diversity of creditworthy counterparties. All transactions in securities are settled/ paid for upon delivery using approved brokers. Regarding to securities, the risk of default is considered minimal, as delivery of securities sold takes place once the broker has received payment. Payment is made on a purchase once the securities have been received by the custodian. The trade will fail if either party fails to meet their obligation.

#### **Liquidity risk**

The Fund's Articles of Association provide for the daily creation and cancellation / redemption of participations and therefore the Fund is exposed to liquidity risk of meeting participant redemptions. The Fund invests directly and indirectly in securities which are considered to be readily realisable as they are all listed on major stock exchanges, thus reducing liquidity risk exposure. At 31 December 2017 all other financial assets and liabilities have a contractual maturity date within three months except for cash and cash equivalents for an amount of € 2,444,000 which have indefinite maturity.

#### **Fair value of other financial assets and financial liabilities**

There is no material difference between the value of the other financial assets and liabilities, as shown in the statement of financial position, and their fair value due to their short term nature.

#### **Cross class risk**

Notwithstanding that the participations may be issued in different classes, with separate accounting records, contributions, portfolio investments and investment results, the Fund is a single entity and the insolvency of the Fund would affect all issued participations regardless of class, with the net assets attributable to each class of participations available to satisfy the excess liabilities of another class.



## 5.7 Notes to specific items of the financial statements

### 1. Cash and cash equivalents

Cash exposure is not permitted to exceed 4% 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. There are no restrictions on the use of cash and cash equivalents.

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

#### Investments specified by instrument

(amounts x € 1,000)

31 December 2017

Equity instruments	689,382
<b>Designated at fair value through profit or loss</b>	<b>689,382</b>
Futures	-12
Forwards	-128
<b>Held for trading</b>	<b>-140</b>
<b>Total financial assets and liabilities at fair value through profit or loss</b>	<b>689,242</b>

The equity instruments consist of world publicly traded equities.

#### Investments specified by valuation technique

(amounts x € 1,000)

31 December 2017

Quoted financial instruments traded in active markets (Level 1)	689,370
Financial instruments valued by valuation techniques using market observable inputs (Level 2)	-128
<b>Total financial assets and liabilities at fair value through profit or loss</b>	<b>689,242</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.

There have been no transfers between level 1 and level 2 financial instruments during the period.

**Investments specified by market***(amounts x € 1,000)***31 December 2017**

Traded on a regular or other market in financial instruments (Exchange or market traded)	689,242
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<b>Total</b>	<b>689,242</b>
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**Investments by country***(amounts x € 1,000)***31 December 2017**%-of equity  
investments %-of  
NAV

<b>Country</b>			
United Kingdom	192,986	28.0	27.8
France	109,012	15.8	15.7
Germany	108,977	15.8	15.7
Switzerland	89,297	13.0	12.9
Netherlands	40,192	5.8	5.8
Spain	35,601	5.2	5.1
Sweden	29,779	4.3	4.3
Italy	24,592	3.6	3.5
Denmark	20,012	2.9	2.9
Belgium	12,440	1.8	1.8
Finland	10,220	1.5	1.5
Norway	7,200	1.0	1.0
Ireland	4,547	0.7	0.7
Austria	2,844	0.4	0.4
Portugal	1,572	0.2	0.2
Luxembourg	111	0.0	0.0
<b>Total</b>	<b>689,382</b>	<b>100.0</b>	<b>99.3</b>

**Equity instruments movement***(amounts x € 1,000)***13 June 2017  
through  
31 December 2017**

Opening balance	-
Transfers in kind	624,856
Purchases	61,885
Sales	-4,421
Revaluation	7,062
<b>Total</b>	<b>689,382</b>

The transfer in kind represents the transfer of equity instruments from MM European Equity Afdekking Fund, in addition to €6,039,000 other financial assets. In return, the Fund issued Class A participations to MM European Equity Afdekking Fund for €630,895,000.

<b>Futures movement</b>	<b>13 June 2017 through 31 December 2017</b>
<i>(amounts x € 1,000)</i>	

Opening balance	-
Transfers in kind	-4
Sales	-72
Revaluation	64
<b>Total</b>	<b>-12</b>

<b>Forwards movement</b>	<b>13 June 2017 through 31 December 2017</b>
<i>(amounts x € 1,000)</i>	

Opening balance	-
Sales and expirations	777
Revaluation	-905
<b>Total</b>	<b>-128</b>

### 3. Other assets and receivables

<b>Specification other assets and receivables</b>	<b>31 December 2017</b>
<i>(amounts x € 1,000)</i>	

Receivable Stichting TKP Pensioen Treasury	3,484
Other receivables	1,008
<b>Total</b>	<b>4,492</b>

### 4. Payables and other liabilities

<b>Specification payables and other receivables</b>	<b>31 December 2017</b>
<i>(amounts x € 1,000)</i>	

Other liabilities	16
<b>Total</b>	<b>16</b>

### 5. Net assets attributable to holders of participations

<b>Specification net assets attributable to holders of participations</b>	<b>31 December 2017</b>
<i>(amounts x € 1,000)</i>	

Participation class A	694,151
Participation class I	249
<b>Total</b>	<b>694,400</b>

<i>(amounts x € 1,000)</i>	<b>Movement in net assets attributable to holders of participations</b>					
				<b>13 June 2017 through 31 December 2017</b>		
	<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	-	-	-	-	-	-
Subscription in kind	-	630,895	630,895	-	-	-
Subscriptions	59,397	-	59,397	241	-	241
Redemptions	-3,915	-	-3,915	-	-	-
Revaluation investments and derivatives	6,213	-	6,213	8	-	8
Other results assets and liabilities	1,599	-	1,599	-	-	-
Charges	-38	-	-38	-	-	-
<b>Balance as at 31 December</b>	<b>63,256</b>	<b>630,895</b>	<b>694,151</b>	<b>249</b>	<b>-</b>	<b>249</b>

	<b>Movement in participations</b>		
	<b>13 June 2017 through 31 December 2017</b>		
	<i>Class A</i>	<i>Class I</i>	<i>Total</i>
Opening balance	-	-	-
Number of participations subscribed	6,900,514	2,407	6,902,921
Number of participations redeemed	-39,386	-	-39,386
<b>Balance as at 31 December</b>	<b>6,861,128</b>	<b>2,407</b>	<b>6,863,535</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 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.

### Introduction participation classes

Participation class I has been introduced this reporting period and commenced operations on 6 September 2017.

**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 one participant in participation class A and one participant in participation class I at year-end 2017. 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 per participation class**

		2017 Percentage
Participation Class A	Entry fee	0.25%
	Exit fee	0.05%
Participation Class I	Entry fee	0.25%
	Exit fee	0.05%

**6. Recognised net gains/losses on financial instruments at fair value through profit or loss**

The following table details the results on financial instruments designated at fair value through profit or loss split into realised and unrealised results:

**Recognised net gains/losses on financial instruments at fair value through profit or loss**

<i>(amounts x € 1,000)</i>	13 June 2017 through 31 December 2017	
	<i>Gains</i>	<i>Losses</i>
Realised results equity	2	-22
Unrealised results equity	7,082	-
<b>Total net gains and losses on financial instruments designated at fair value through profit or loss</b>	<b>7,084</b>	<b>-22</b>
Realised results futures	159	-83
Unrealised results futures	29	-41
Realised results forwards	3,647	-4,424
Unrealised results forwards	866	-994
<b>Total net gains and losses on financial instruments held for trading</b>	<b>4,701</b>	<b>-5,542</b>
<b>Total net gains and losses on financial instruments at fair value through profit or loss</b>	<b>11,785</b>	<b>-5,564</b>

**7. Subscription and redemption fee income**

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

<b>Specification subscription and redemption fee income</b>	<b>13 June 2017 through 31 December 2017</b>
<i>(amounts x € 1,000)</i>	
<b>For the benefit of</b>	
Participation Class A	89
Participation Class I	-
<b>Total</b>	<b>89</b>

**8. 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.

**Independent auditor**

The Fund Manager appointed PricewaterhouseCoopers Accountants N.V. as the independent auditor. The independent auditor's remuneration consists of € 9,700 audit fee for audit of the annual report. The independent auditor does not provide any other audit or non-audit services to the Fund.

**9. Foreign currency translation**

Realized and unrealized exchange differences consist of realized and unrealized translation gains and losses on assets and liabilities other than financial instruments at fair value through profit or loss.

The following closing rates have been applied in preparation of these financial statements:

<b>Overview closing rate foreign currencies</b>	<b>31 December 2017</b>
<i>(The equivalent of € 1)</i>	
Switzerland franc	1.170180
Denmark krone	7.445437
United Kingdom pound	0.887673
Norway krone	9.821772
Sweden krona	9.831583
United States dollar	1.200800

**10. Ongoing charges figure****Specification ongoing charges figure****2017**

Participation Class A	0.03%
Participation Class I	0.03%

The ongoing charges figure reflects the ratio between the ongoing charges of the investment institution over the reporting period and the average net asset value. Subscription and redemption fee, transaction costs and interest on borrowing are not included in the calculation of the ongoing charges figure. Any costs which have not been taken into account are borne by the Fund Manager. The average net asset value is based on the daily NAVs of the financial year.

**11. Turnover ratio****Turnover ratio****2017**

Turnover ratio	0
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The turnover factor of the assets gives an indication of the turnover of the investments of the Fund. In this way an impression is given regarding the level of active management. The turnover factor gives information about the relative transaction costs. The turnover factor is calculated as follows:

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

Total 1 = purchases +/+ sales of financial assets at fair value through profit or loss by the Fund

Total 2 = subscriptions +/+ redemption by the Fund

The Average NAV is based on the daily NAVs of the financial year.

## 12. Transactions with related parties

The Fund engages in transactions with Stichting Treasury for treasury and transaction processing purposes. All subscriptions and redemptions that relate to the participants of the Fund are wired to and from Stichting Treasury. The amounts invested by the investment manager(s) are wired from Stichting Treasury to the respective bank account(s) managed by the external manager(s). The amounts involved are disclosed within the cash flow statement on page 21. All transactions took place at arm's length.

The Fund does not engage in transactions with other related parties.

## 13. Personnel

The Fund did not employ any personnel during the reporting period.

## 14. Remuneration

TKPI uses a modern evaluation and remuneration system. Objectives for each employee are defined at the beginning of the year. In the assessment over a year it is determined to what extent these objectives have been achieved, and if the employee has not yet reached its maximum salary, this will affect the salary of the following year.

The remuneration policy is designed to maintain highly qualified professionals (considering the remuneration at competitors) and, if necessary, to be able to attract them.

The fixed income of employees of TKPI consists of a monthly salary, a flexible budget (inter alia holiday pay and 13th month), pension and other secondary benefits that are custom in the Dutch market.

Some of the employees within TKPI are eligible for variable pay. This forms an integral part of the overall benefits package. For the calculation of the annual budget for variable pay, the so-called bonus pool methodology is used. The height of the bonus pool (in other words the budget) is calculated by comparing the operating results to pre-set targets. These consist of a mix of long and short term fund performance, customer satisfaction, profitability, sales, risk management and Aegon N.V. business performance. The award of variable pay, within this budget, is based on individual performance. Both the bonus pool and the award of variable remuneration on an individual level include performance measures up to a maximum of 40% of non-risk adjusted financial performance indicators and for minimal 50% of non-financial indicators.

Employees who do not qualify for variable pay, can under strict conditions, be awarded a bonus.

The condition for variable remuneration is that this does not conflict with the interests of TKPI customers. The remuneration policy is designed to encourage employees to work at TKPI for a longer period of time. This (variable) remuneration policy meets the social standards, codes and (inter) national regulations.

Based on AIFMD criteria, eight employees are designated as Identified Staff. This concerns the entire Board (4 persons) and four other Identified Staff. With regard to the eligibility for a certain fixed income and variable remuneration, there is no distinction between Identified Staff and other staff. In the area of personal objectives and payment of variable remuneration other rules apply. The personal objectives of Identified Staff are first assessed on the degree of risk and, if necessary, adjusted accordingly. In addition, variable remuneration to Identified Staff is not paid in cash at once. The first 40% or 60% will be paid immediately after the performance year, of which half in cash and half in financial instruments. The remaining 60% or 40% will be paid in equal instalments over three years thereafter, also to every part one half in cash and half in financial instruments, the so-called phantom shares. Before each of these parts is paid, it is determined whether there are facts based on which variable remuneration should be adjusted downwards. The phantom shares are linked to the performance of the main funds managed by the Fund Manager. The shares are held for one year after these are granted before they are settled and paid to the employee in cash.

Aegon Asset Management (AAM) employs a Remuneration Committee consisting of the CEO AAM, the CFO AAM, Global Head of HR AAM, the Global Reward Specialist AAM, the Head of Group HR Aegon and the CEO Aegon. The Board of TKPI is responsible for awarding the remuneration.



Remuneration within TKPI is based on the Aegon Global Remuneration Framework and is in line with AIFMD requirements. The remuneration policy is established by the Remuneration Committee and approved by the Board. ORM & Compliance checks the policy for compliance with AIFMD. Actual variable remuneration of individuals is reviewed by ORM & Compliance before it is paid.

Total remuneration for employees and temporary staff of TKPI (2017: 150 persons – 121 FTE, 2016: 134 persons - 101 FTE) in the financial year 2017 amounted to € 14.0 million (2016: € 12.0 million), of which € 1.3 million (2016: € 1.2 million) concerns variable remuneration. The fixed remuneration of the Fund Manager's board of directors in the financial year 2017 amounted to € 1.1 million (2016: € 1.0 million), of which € 0.3 million (2016: € 0.3 million) concerns variable remuneration. The fixed remuneration of other Identified Staff in the financial year 2017 amounted to € 0.6 million (2016: € 0.5 million), of which € 0.2 million (2016: € 0.2 million) concerns variable remuneration. There are no employees for whom the total remuneration exceeds € 1 million.

TKPI employees do not have interests in the Fund, hence the Fund did not distribute capital to TKPI employees.

The remuneration of TKPI employees cannot be allocated to individual funds since the remuneration is also based on services provided to clients and other variables such as market developments, manager performance, etc. In addition, TKPI employees are not exclusively working for one fund. No carried interest exists.

## **15. Outsourcing and other services from third parties**

### **Fund Accounting Service provider**

Citibank N.A. (London branch)  
1 North Wall Quay  
Dublin  
Ireland

### **Legal Advisor**

Clifford Chance LLP  
Droogbak 1a  
1013 GE Amsterdam  
The Netherlands

### **Tax Advisor**

KPMG Meijburg  
Laan van Langerhuize 9  
1186 DS Amstelveen  
The Netherlands

## **16. Profit appropriation**

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

## 5.8 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).

### **Introduction participation classes**

Participation class I has been introduced this reporting period and commenced operations on 6 September 2017.

### **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 January 2016, the International Accounting Standards Board (IASB) issued amendments to IAS 7 which are effective as per 1 January 2017 as part of the IASB's Disclosure Initiative. On 6 November 2017 the amendments to IAS 7 were endorsed by the EU. The amendments require entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities. The adoption does not have a substantive effect on the Fund's financial statements as the amendments to IAS 7 only require an additional disclosure with the movements in liabilities arising from financing activities. The adoption of this amendment does not have any impact on the amounts recognized in prior, current and future periods.

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

The IASB completed the final element of its comprehensive response to the financial crisis with the publication of IFRS 9 Financial Instruments in July 2014. On 22 November 2016 this standard was adopted by the European Union. IFRS 9 replaces the multiple classification and measurement models in IAS 39 and is effective for reporting periods beginning on or after 1 January 2018. Classification and measurement of debt assets will be driven by the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets. An entity may however, at initial recognition, irrevocably designate a financial asset as measured at fair value through profit or loss if doing so eliminates or significantly reduces a measurement or recognition inconsistency. Derivative and equity instruments are measured at fair value through profit or loss unless, for equity instruments not held for trading, an irrevocable option is taken to measure at fair value through other comprehensive income. IFRS 9 also introduces a new expected credit loss impairment model. On adoption of IFRS 9 the Fund's equity and derivative financial instruments will continue to be classified and measured as fair value through profit or loss. Other financial assets which are held for collection will continue to be measured at amortised cost with no material impact expected from application of the new impairment model. As a result, the adoption of IFRS 9 is not expected to have a material impact on the Fund's financial statements.

### **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.

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

#### *(a) Classification*

The Fund classifies its investments in 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 assessed 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 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, 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.

### **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.

As of 31 December 2017, the subscription and redemption fees for participation classes A and I are 0.10% and 0.05% respectively. These fees have remained unchanged during the reporting period.

### **Charges**

Charges consist of investment management 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. 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 financial year.

### 6.2 Independent auditor's report

To: the Fund Manager of Aegon Global Multi Manager European Equity Fund – EUR.

#### **Report on the financial statements 2017**

##### *Our opinion*

In our opinion Aegon Global Multi Manager European Equity Fund - EUR's financial statements give a true and fair view of the financial position of the Fund as at 31 December 2017, and of its result and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union (EU-IFRS) and with Part 9 of Book 2 of the Dutch Civil Code.

##### *What we have audited*

We have audited the accompanying financial statements 2017 of Aegon Global Multi Manager European Equity Fund - EUR, Groningen ('the Fund').

The financial statements comprise:

- the statement of financial position as at 31 December 2017;
- the following statements for 2017: the income statement, the statements of comprehensive income, changes in equity and cash flows; and
- the notes, comprising a summary of the significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is EU-IFRS and the relevant provisions of Part 9 of Book 2 of the Dutch Civil Code.

##### *The basis for our opinion*

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

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

##### *Independence*

We are independent of Aegon Global Multi Manager European Equity Fund - EUR in accordance with the 'Verordening inzake de onafhankelijkheid van accountants bij assuranceopdrachten' (ViO – Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence requirements in the Netherlands. Furthermore, we have complied with the 'Verordening gedrags- en beroepsregels accountants' (VGBA – Code of Ethics for Professional Accountants, a regulation with respect to rules of professional conduct).

#### **Report on the other information included in the annual report**

In addition to the financial statements and our auditor's report thereon, the annual report contains other information that consists of:

- general fund information;
- profile;
- key figures;

- investment management report;
- other information pursuant to Part 9 of Book 2 of the Dutch Civil Code.

Based on the procedures performed as set out below, we conclude that the other information:

- is consistent with the financial statements and does not contain material misstatements;
- contains all information that is required by Part 9 of Book 2 of the Dutch Civil Code.

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

By performing our procedures, we comply with the requirements of Part 9 of Book 2 of the Dutch Civil Code and the Dutch Standard 720. The scope of such procedures was substantially less than the scope of those performed in our audit of the financial statements.

The Fund Manager is responsible for the preparation of the other information, including the directors' report and the other information in accordance with Part 9 of Book 2 of the Dutch Civil Code.

### **Responsibilities for the financial statements and the audit**

#### *Responsibilities of the Fund Manager*

The Fund Manager is responsible for:

- the preparation and fair presentation of the financial statements in accordance with EU-IFRS and with Part 9 of Book 2 of the Dutch Civil Code; and for
- such internal control as the Fund Manager determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

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

#### *Our responsibilities for the audit of the financial statements*

Our responsibility is to plan and perform an audit engagement in a manner that allows us to obtain sufficient and appropriate audit evidence to provide a basis for our opinion. Our audit opinion aims to provide reasonable assurance about whether the financial statements are free from material misstatement. Reasonable assurance is a high but not absolute level of assurance which makes it possible that we may not detect all misstatements. Misstatements may arise due to fraud or error. They are considered to be material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

Materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

A more detailed description of our responsibilities is set out in the appendix to our report.

Groningen, 30 March 2018  
PricewaterhouseCoopers Accountants N.V.

H.D.M. Plomp RA



**Appendix to our auditor's report on the financial statements 2017 of Aegon Global Multi Manager European Equity Fund - EUR**

In addition to what is included in our auditor's report we have further set out in this appendix our responsibilities for the audit of the financial statements and explained what an audit involves.

The auditor's responsibilities for the audit of the financial statements

We have exercised professional judgement and have maintained professional scepticism throughout the audit in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error. Our audit consisted, among other things of the following:

- Identifying and assessing the risks of material misstatement of the financial statements, whether due to fraud or error, designing and performing audit procedures responsive to those risks, and obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the intentional override of internal control.
- Obtaining an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Fund Manager.
- Concluding on the appropriateness of the Fund Manager's use of the going concern basis of accounting, and based on the audit evidence obtained, concluding whether a material uncertainty exists related to events and/or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report and are made in the context of our opinion on the financial statements as a whole. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluating the overall presentation, structure and content of the financial statements, including the disclosures, and evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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



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