GOLDMAN SACHS DUTCH RESIDENTIAL MORTGAGE FUND NON NHG (NL)

Formerly known as: NN Dutch Residential Mortgage Fund Non NHG

Annual Report 2022

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

Contents

1. GENERAL INFORMATION

Manager

Goldman Sachs Asset Management B.V.
Prinses Beatrixlaan 35
2595 AK The Hague, The Netherlands
Internet: www.gsam.com/responsible-investing

Board members Goldman Sachs Asset Management B.V.

P. den Besten
H.W.D.G. Borrie
M.C.M. Canisius
G.E.M. Cartigny
M.C.J. Grobbe
V. van Nieuwenhuijzen
B.G.J. van Overbeek

Custodian

The Bank of New York Mellon SA/NV
Strawinskylaan 337
1077 XX Amsterdam, The Netherlands

Legal owner

Goldman Sachs Bewaarstichting I

Board members Goldman Sachs Bewaarstichting I

H. Brink
T. Katgerman
A.F. Yska

Auditor

PricewaterhouseCoopers Accountants N.V.
Fascinatio Boulevard 350
3065 WB Rotterdam, The Netherlands

Banker

The Bank of New York Mellon SA/NV
Boulevard Anspachlaan 1
1000 B-Brussels, Belgium

Transfer Agent

The Bank of New York Mellon SA/NV, Amsterdam Branch
Strawinskylaan 337
1077 XX Amsterdam, The Netherlands

2. BOARD OF DIRECTORS' REPORT

2.1 Key figures Participation Class I

		2022	2021
Net asset value (x 1,000)	€	24,679	26,230
Units of participation outstanding (number)		315,619	258,690
Net asset value per unit of participation	€	78.19	101.40
Dividend per unit of participation	€	0.39	-
Net performance Participation Class	%	-22.52	1.40

Summary of investment result

Amounts x € 1,000	2022	2021
Investment income	964	59
Operating expenses	-135	-45
Revaluation	-8,333	133
Total investment result	**-7,504**	**147**

Summary of investment result per unit of participation

Amounts x € 1	2022	2021
Investment income	3.02	0.56
Operating expenses	-0.42	-0.43
Revaluation	-26.10	1.25
Total investment result	**-23.50**	**1.38**

2.1.1 Notes to the key figures Participation Class I

Reporting period

The key figures for 2022 relate to the positions at 31 December and the period from 1 January through 31 December.

Participation class I of the Fund was launched on 26 February 2021. The key figures for 2021 relate to the positions at 31 December 2021 and the period from 26 February 2021 through 31 December 2021.

Net asset value per unit of participation

The net asset value of Participation Class I of the Fund will be determined by the Manager. The Manager calculates the net asset value per participation class on a monthly basis. The net asset value per unit of Participation Class I is determined by dividing the net asset value of Participation Class I by the number of outstanding units of participation of Participation Class I at the calculation date.

Net performance

The net performance of Participation Class I of the Fund is based on the net asset value per unit of participation, taking into account any dividend distributions to holders of units of participation.

Average number of outstanding units of participation

The average number of outstanding units of participation, used for the calculation of the investment result per unit of participation, is based on the weighted average of the outstanding units of participation on a monthly basis. This is in line with the number of times the calculation of the net asset value takes place during the reporting period.

Key figures per unit of participation

Due to the timing and volume of subscriptions and redemptions in combination with the volatility of the results during the reporting period, the calculation of the key figures per unit of participation can provide a different outcome compared to the development of the net asset value per unit of participation during the reporting period.

2.2 Key figures Participation Class Z

		2022	2021
Net asset value (x 1,000)	€	550,681	485,556
Units of participation outstanding (number)		7,013,119	4,779,678
Net asset value per unit of participation	€	78.52	101.59
Dividend per unit of participation	€	0.39	-
Net performance Participation Class	%	-22.34	1.59

Summary of investment result

Amounts x € 1,000	2022	2021
Investment income	15,732	1,778
Operating expenses	-1,232	-635
Revaluation	-133,891	3,382
Total investment result	**-119,391**	**4,525**

Summary of investment result per unit of participation

Amounts x € 1	2022	2021
Investment income	2.81	0.65
Operating expenses	-0.22	-0.23
Revaluation	-23.93	1.23
Investment income	**-21.34**	**1.65**

2.2.1 Notes to the key figures Participation Class Z

Reporting period

The key figures for 2022 relate to the positions at 31 December and the period from 1 January through 31 December.

Participation class Z of the Fund was launched on 26 February 2021. The key figures for 2021 relate to the positions at 31 December 2021 and the period from 26 February 2021 through 31 December 2021.

Net asset value per unit of participation

The net asset value of Participation Class Z of the Fund will be determined by the Manager. The Manager calculates the net asset value per participation class on a monthly basis. The net asset value per unit of Participation Class Z is determined by dividing the net asset value of Participation Class Z by the number of outstanding units of participation of Participation Class Z at the calculation date.

Net performance

The net performance of Participation Class Z of the Fund is based on the net asset value per unit of participation, taking into account any dividend distributions to holders of units of participation.

Average number of outstanding units of participation

The average number of outstanding units of participation, used for the calculation of the investment result per unit of participation, is based on the weighted average of the outstanding units of participation on a monthly basis. This is in line with the number of times the calculation of the net asset value takes place during the reporting period.

Key figures per unit of participation

Due to the timing and volume of subscriptions and redemptions in combination with the volatility of the results during the reporting period, the calculation of the key figures per unit of participation can provide a different outcome compared to the development of the net asset value per unit of participation during the reporting period.

2.3 General information

Goldman Sachs Dutch Residential Mortgage Fund Non NHG (NL) (“the Fund”) has no employees. The Fund is managed by Goldman Sachs Asset Management B.V (GSAM)., which is licensed by the Dutch Authority for the Financial Markets (AFM) under the Dutch Financial Supervision Act (‘Wet op het financieel toezicht’, also referred to as ‘Wft’). All shares in GSAM (formerly known as NN Investment Partners B.V.) are held by Goldman Sachs Asset Management International Holdings B.V (formerly known as NN Investment Partners International Holdings B.V.). During the reporting period, both these entities were part of The Goldman Sachs Group, Inc (“Goldman Sachs”). Up until 11 April 2022, both entities were part of NN Group N.V.

The Goldman Sachs Group, Inc. Is listed on the New York Stock Exchange and qualifies as a bank holding company under US law. Goldman Sachs is a global financial institution, offering (integrated) financial services to individuals, businesses and institutions through a wide variety of leading companies and subsidiaries.

The Dutch Authority for the Financial Markets (“AFM”) and De Nederlandsche Bank N.V. (“DNB”) act as supervisors. The AFM is responsible for conduct of business supervision pursuant to the Wft. Prudential supervision is exercised by DNB.

2.4 Sale of NN Investment Partners (NN IP)

On 18 August 2021, NN Group and Goldman Sachs announced that they entered into an agreement to sell NN Investment Partners Holding N.V. to Goldman Sachs. NN Investment Partners B.V., manager of the NN IP funds, is part of this acquisition. The transaction was effected on 11 April 2022. This acquisition allows Goldman Sachs to accelerate their growth strategy and broaden their asset management platform.

The management structure of the NN IP funds will remain unchanged. The board of directors of NN IP will remain responsible for management of the activities. The board of directors of NN IP will remain responsible for compliance with all relevant laws and regulations.

2.5 Change of names as of 6 March 2023

On 6 March 2023, the name of the Fund was changed. The names of the legal entities of NN IP have also been changed. In the 2022 annual report, the new names have been used as they apply from 6 March 2023.

Name as of 6 March 2023	Name until 6 March 2023
Goldman Sachs Dutch Residential Mortgage Fund Non NHG (NL)	NN Dutch Residential Mortgage Fund Non NHG
Goldman Sachs Bewaarstichting I	Bewaarstichting NNIP I
Goldman Sachs Asset Management B.V.	NN Investment Partners B.V.
Goldman Sachs Asset Management International Holdings B.V.	NN Investment Partners International Holdings B.V.
www.gsam.com/responsible-investing	www.nnip.com

2.6 Objective

The Fund is a fund that offers participants the opportunity to invest in a managed portfolio of mortgage receivables arising under mortgage loans granted in the Netherlands by Venn Hypotheken B.V. after 1 January 2020. The Fund's investment policy is intended to achieve the highest possible total return in the longer term on the basis of spread and within the set risk profile.

2.7 Investment policy

The Fund invests the equity for the account and risk of the participants mainly in Dutch mortgage receivables/mortgages with NHG (Nationale Hypotheek Garantie – National Mortgage Guarantee) that are granted by Venn Hypotheken B.V. after 1 January 2020. These mortgages all comply with the Code of Conduct for Mortgage Finance, the Wft and the temporary mortgage loan scheme.

In this context, Goldman Sachs Asset Management B.V. en Goldman Sachs Bewaarstichting I have entered into an agreement with Venn Hypotheken B.V. (' Master Investment Purchase Agreement ') under which mortgage receivables are purchased for the benefit of the Fund from time to time. At the time that there are new committed amounts for the Fund or available cash can be reinvested, the Fund will – possibly in advance – reserve new mortgage production by Venn Hypotheken B.V.

The mortgage receivables are, with the exception of bridging mortgages, purchased at 100.5% of the nominal value (purchase price). Bridging mortgages are purchased at 100.0%. Legal transfer of the mortgage receivables by Venn Hypotheken B.V. to the Fund takes place during the month, and the Fund is entitled to all income (proceeds) from the mortgage receivable from the time of purchase. Mortgages are purchased above par because all costs of delivery of the mortgages (making the offer, screening mortgages documents and the total file review) have already been made.

The purchased mortgage receivables will be held by the Custodian Company on behalf of the Fund. The transfer of the mortgage receivables is by way of silent assignment. The Fund acquires the right of action and the mortgage customers are unaware that these loans have been transferred. Venn Hypotheken B.V. remains the point of contact for mortgage customers.

Every mortgage allocated to the Fund from the production of mortgage loans of Venn Hypotheken B.V. by means of the Allocation Mechanism (the method to allocate underlying mortgage offers as agreed between Venn Hypotheken B.V., Goldman Sachs Bewaarstichting I and the manager) must meet the Mortgage Loan Criteria. The Mortgage Loan Criteria are stipulated in the Master Investment Purchase Agreement. If a mortgage does not meet the Mortgage Loan Criteria, it will remain in the Fund, but there are compensation arrangements in the case of a loss of credit. The Allocation Mechanism is available from the Manager upon request.

The Fund strives to keep the relevant production for the Fund equivalent to that produced on average in the Dutch mortgage market, subject to the Mortgage Loan Criteria. For new production, the Manager may (temporarily) deviate from the allocation, if this serves the interests of the Participants. Participants are informed about the allocation of the production during the annual meeting for participants. Liquid assets, ensuing from interest income or repayments on the mortgages, will also be present in the Fund. The liquid assets may be invested in Liquid Euro, which is also managed by the Manager, or in another fund with a similar investment policy to be designated by the Manager.

The Fund promotes environmental and/or social characteristics, as described in Article 8 of Regulation (EU) 2019/2088 (on sustainability disclosures in the financial services sector, which may be amended or supplemented from time to time).

The Fund applies active ownership as well as the manager's ESG integration approach and normative responsible investment criteria.

The Fund does not undertake to invest in taxonomy-aligned environmentally sustainable investments. However, it is not excluded that the Fund is exposed to underlying investments that contribute to climate change mitigation and/or adaptation to climate change (including underlying investments that facilitate this and/or contribute to the transition). Currently, the share of environmentally sustainable investments under the Taxonomy Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 (on establishing a framework to promote sustainable investments and amending Regulation (EU)) 2019/2088, which may be amended from time to time) is estimated at 0% due to lack of reliable data.

The “do no significant harm” principle only applies to the underlying investments of the financial product that take into account the EU criteria for environmentally sustainable economic activities. The underlying investments of the remainder of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

2.8 Investment restrictions

The Fund will invest in mortgages that meet the Mortgage Loan Criteria as stipulated in the Master Investment Purchase Agreement..

The Fund may contract loans up to a maximum equal to 5% of the equity of the Fund. If the limits described above are exceeded, the Manager will strive to bring the Fund's Equity within the limits as soon as possible. The Manager is not obliged to dispose of the Fund's assets in this case. The Fund does not make use of securities lending techniques or repurchase agreements to generate additional income for the Fund. The Fund does not make use of derivatives.

Transactions with affiliated parties will be conducted at arms’ length.

2.9 Target group and risk profile

The Fund is aimed exclusively at qualified investors within the meaning of the Wft. Due to the illiquid nature of the assets in which the Fund invests, the Fund is only suitable for investors with a long-term investment horizon. The Fund offers investors the opportunity to invest in residential mortgages granted by Venn Hypotheken B.V. after 1 January 2020. The Fund has a conservative character as it invests in new mortgages that comply with recent regulations, which are directed towards repayments being made on the mortgages. The Fund applies a Loan To Value (LTV) limit to the mortgages in which the Fund invests in line with the applicable regulations. In the reporting period, this is a maximum LTV of 100%. In the case of energy-saving measures, the Fund may invest in mortgages with an LTV of up to 106% if the portion above 100% is used in full for energy-saving measures.

2.10 Index

None.

2.11 Outsourcing

Outsourcing of fund accounting

The manager of the Fund has outsourced the accounting function to The Bank of New York Mellon SA/NV. This outsourcing relates to, among others, the calculation of the net asset value, maintaining accounting records and processing of and executing payments. The manager remains ultimately responsible for the quality and continuity of these services.

Outsourcing of financial reporting

The manager of the Fund, has outsourced the preparation of multiple financial reports, including the (semi-)annual reports of the Dutch GSAM funds, to Solutional Netherlands B.V. The manager remains ultimately responsible for the quality and continuity of all financial reports.

2.12 Structure

The Fund is a closed mutual fund for Dutch tax purposes and thus fiscally transparent for corporation tax and dividend tax.

The Fund has an open-ended character, except that there is no maximum number of units of participation. The extent to which participants can enter or exit depends upon the mortgage production at Venn Hypotheken B.V. and the liquid assets in the Fund. Units of participation in the Fund cannot be transferred to third parties. Transfer can only take place by having the Fund purchase units of participation. If and as long as one or more units of participation are offered to the Fund for purchase, the Manager will make no further investments until all of these units of participation have been purchased. Admittance and purchase of units of participation generally takes place on a monthly basis.

The Fund is an investment entity as defined in Section 1:1 of the Wft and following Section 4(1)(a) of the AIFMD it is a mutual fund for joint account with an open-ended structure. GSAM acts as manager of the Fund as mentioned in Section 1:1 of the Wft and in that capacity holds a license as defined in Section 2:65(1), preamble and part of the Wft of the AFM.

The Fund is a mutual fund for joint account and therefore it is not a separate legal entity.

Goldman Sachs Bewaarstichting I acts as custodian company (the Custodian Company). The Custodian Company is the legal owner of all the assets of the Fund. All assets are or will be acquired by the Custodian Company in its own name for the joint account and risk of the Participants.

Obligations that are or become part of the Fund are or will be entered into in the name of the Custodian Company. The Investments belonging to the Investment Fund are held in the name of the Custodian Company for the account and risk of the Participants.

The Investment Fund has two Participation Classes. Units of participation per Participation Class give the right to a proportionate share of the net asset value of the respective Participation Class. The Participation Classes within the Fund may mutually differ in terms of cost and fee structure, the minimum amount of the initial deposit and demands on the quality of the investors.

Summary of the main characteristics per participation class at 31-12-2022	
Participation Class I	
Investor type	This Participation Class is intended for qualified investors as defined in the Wft or another legal concept taking its place at any time, for which a minimum initial deposit of € 1,000,000 applies, such that the deposited amounts, excluding decreases in value, will never be less than the stated amount.
Legal name	Goldman Sachs Dutch Residential Mortgage Fund Non NHG (NL) - I
Commercial name	Goldman Sachs Dutch Residential Mortgage Fund Non NHG (NL) - I
ISIN code	NL0015602525
Management fee	0.225%
Fixed Miscellaneous Expenses Fee	0.225%
Participation Class Z	
Investor type	This Participation Class is intended for other investment institutions and UCITS managed by the Manager or professional investors which (in another manner) pay a fee to the Manager itself or to a party affiliated with the Manager for the management of their assets.
Legal name	Goldman Sachs Dutch Residential Mortgage Fund (NL) - Z
Commercial name	Goldman Sachs Dutch Residential Mortgage Fund (NL) - Z
ISIN code	NL0015602533
Fixed Miscellaneous Expenses Fee	0.225%

Fees

Management fee

An annual management fee is charged to Participation Class I, which is calculated pro-rata on a monthly basis by using the total net asset value of the participation class at the end of the month. Participation Class Z does not incur any management fee.

Fixed Miscellaneous Expenses Fee

The Manager charges a Fixed Miscellaneous Expenses Fee ('Vaste Overige Kostenvergoeding') to each Participation Class. This fee is calculated pro-rata on a monthly basis using the total net asset value of the Participation Class at the end of each month.

Other costs

Other costs may be charged at the expense of the Participation Class. These costs are, where applicable, further explained in the notes to the relevant Participation Class as included in the financial statements.

2.13 Subscription and redemption of Units of Participation

Admittance to the Fund is only possible by means of a completed Application Form, which must be received by the Manager at the address specified by the Manager before the cut- off time (12.00 midday Dutch time on the 15th calendar day of the month or on the first working day after the 15th calendar day if the 15th calendar day is not a working day prior to the Admittance Date) in order to be processed before the next Admittance Date. An Admittance Date is the first working day of a calendar month. By signing the Application Form, the incoming participant undertakes to pay the committed amount when the Manager, whether or not represented by the Transfer Agent, requests such by means of a Payment Request. The Manager will at all times be entitled to refuse admittance or restrict or alter the right to admittance without stating any reason thereof. The Manager may set additional conditions on admittance. During the term of the Fund, a participant may increase its committed amount with the prior consent of the Manager. For the order in which the committed amounts are processed, the increase of the committed amount is regarded as a new order.

The issue of units of participation takes place on the Issue Date. The Issue Date is the last working day of a Participation Month. A Participation Month is the month in which a participant satisfies a request of the Manager to deposit its committed amount, in whole or part. Units of Participation are deemed issued on the last working day of the month. Units of Participation are issued at the value as determined on the Valuation Date. The Valuation Date is the date, no later than 12 working days after an Issue Date, on which the Holding Value is calculated and on the basis of which Units of Participation are issued. If the Offer Risk result is passed on, the Individual Holding Value is calculated according to Article 13 of the Conditions. In each Payment Request, the date of payment of the amount that is requested from the (Incoming) Participant will be stated. The relevant amount must be received on the Manager's account on the payment date specified in the Payment Request.

The Manager will, whether or not represented by the Transfer Agent, request the committed amounts for each cut-off time on a proportional basis. The Manager may, at its own discretion, deviate from this in the event that a participant has a relatively small committed amount relative to the committed amount(s) of the other participant(s) from whom the Application Form is received in respect of the same Admittance Date.

All deposits by and payments to the participants and all the calculations under the Conditions must be made in euros. In principle, no participant is permitted to withdraw, cancel or revoke any part of the committed amount. In special circumstances, the Manager may allow a committed investor to revoke the committed amount in accordance with Articles 7.6 and 7.7 of the Conditions. No compensation on the outstanding committed amount is payable by the Fund. None of the participants may suspend their payment or deposit obligations to the Fund or invoke settlement against the Fund.

Any result that arises because actual costs of the Fund differ from the compensation referred to above, will accrue to or be charged to the Fund.

The committed amount will be issued indefinitely. The Manager is permitted to deviate from this. The Manager may change the committed amount for an indefinite period to a committed amount for a definite period.

In principle, Incoming Participants bear the Offer Risk associated with the mortgage receivables that the Manager purchases – possibly in advance – from Venn Hypotheken B.V. in connection with their admittance, so that the admittance of these new Participants is as price-neutral as possible for existing Participants. The Offer Risk exists upon the purchase of new mortgage receivables for the issue of new Units of Participation. If no new mortgage receivables are purchased for the issue of new Units of Participation, for example if the Units of Participation of Outgoing Participants are set off against those of Incoming Participants or if liquid assets, in whole or in part, are held for the newly issued Units of Participation, there is no Offer Risk, in principle. The Offer Risk result is passed on in the Individual Holding Value as set out in Article 13 of the Conditions.

Transfer of units of participation can only take place by having the Fund purchase units of participation. The Fund may purchase units of participation on written request. A purchase request is irrevocable, must be made no later than on the 15th day of a calendar month or on the next working day after the 15th calendar day if the 15th calendar day is not a working day and be received by the Manager before the cut-off time (12.00 midday Dutch time). The Manager will process the order a month after it has been received in the manner as referred to above.

Purchasing will take place at the holding value as determined on the second valuation date following the month in which the written purchase request has been received. If at the discretion of the Manager sufficient liquid assets are available in the Fund for this, it will proceed with the purchase and acquisition of the relevant units of participation, as much as possible, in proportion to the total number of units of participation offered for purchase for each Participation Class.

The purchase of units of participation can only take place if sufficient liquid assets are available in the Fund for this at the discretion of the Manager. When determining the liquid assets available for purchase, the Manager will disregard the liquid assets that are required for operational matters and intended for distributions. The Manager may at its own discretion consider the committed amounts of Incoming Participants, which have not yet been accounted for in the liquid assets, when determining the assets available for purchase.

Any request to purchase units of participation will be given for an indefinite period. If a purchase request is not carried out in full, the remainder will be processed the next month on a proportional basis with all other purchase requests. When a unit of participation is acquired by the Fund, the unit of participation is extinguished.

If the Manager is aware that the purchase of units of participation has been requested, no more reinvestments will take place insofar as the liquid assets are insufficient to facilitate the purchase. The Manager may not enter into loans in order to finance the purchase of units of participation.

If the opportunity arises, the Manager may offer a representative cross-section to Venn Hypotheken B.V. or another related entity in order to provide liquidity to the Fund. However, the Manager is not obliged to proceed with such an offer. The offer will not automatically lead to acceptance; the counterparty has no acceptance obligation. The Fund's investment profile must not change as a result of such a transaction, and the sale must be in the interests of the incumbent participants.

2.14 Tax aspects

The Fund is a transparent entity in The Netherlands for tax purposes and is therefore not a subject to Dutch corporate income tax and is not responsible for withholding Dutch dividend tax. To guarantee the closed character of the Fund, certain conditions may be attached to the transferability of the units of participation.

2.15 Custodian of the fund

The assets of the Fund are in custody at The Bank of New York Mellon SA/NV, Amsterdam branch, who is appointed as custodian of the Fund (the “custodian”). The capital position of the custodian amounts to at least EUR 730,000.

The Manager and the Custodian of the Fund have entered into a written custody agreement. The main elements of this agreement are the following:

- The Custodian ensures that the cash flows of the Fund are properly verified and in particular that all payments by or on behalf of investors for subscriptions to units of participation have been received and that all cash of the Fund has been put into cash accounts in the name of the Fund or in the name of the Custodian acting on behalf of the Fund. These cash accounts have to be held at (in principle) an entity as described in Section 18(1) (a), (b) and (c) of the European Directive 2006/73/EC (a credit institution or a bank that has been granted a licence in a third country).
- The assets of the Fund, consisting of financial instruments, are trusted to the Custodian. The Custodian holds all financial instruments that can be registered on a financial instruments account in its books on separate accounts in the name of the Fund. In addition, the Custodian holds all financial instruments that can be physically delivered to the Custodian.
- The Custodian ensures that the sale, issue and cancellation of units of participation as well as their redemption, takes place in accordance with Dutch law and the regulations of the Fund.
- The Custodian ensures that the value of the units of participation in the Fund is calculated in accordance with Dutch law and the regulations of the Fund.
- The Custodian carries out the instructions of the Manager, unless they conflict with Dutch law or the regulations of the Fund.
- The Custodian verifies that upon transactions involving the assets of the Fund, the equivalent value is transferred to the Fund within the agreed timeframes.
- The Custodian verifies that the income of the Fund is allocated in accordance with Dutch law and the regulations of the Fund.

When carrying out its duties, the Custodian acts in the interests of the investors in the Fund.

According to Dutch law, the Custodian is liable towards the Fund or the investors for the loss by the Custodian or by a third party to whom the custody of financial instruments is transferred. In the event of such a loss of a financial instrument held in custody, the Custodian immediately refunds a financial instrument of the same type or for an equivalent amount to the Fund. The Custodian is not liable if it can prove that the loss is the result of an external event beyond its reasonable control and the consequences of which were unavoidable despite all efforts to prevent this.

The Custodian is also liable towards the Fund or investors for any other losses they incur because the Custodian intentionally or due to negligence does not properly comply with its obligations.

According to Dutch law, a custodian can only avoid liability towards the Fund or the Manager for the loss of the financial instruments if:

- It has complied with all requirements applicable to the delegation of custody duties;
- It has a written agreement with the third party that performs the outsourced activities in which liability is transferred to the third party and by virtue of which the Fund, the Manager or the custodian on their behalf, can sue the third party for damages for loss of financial instruments on the same basis as that on which the custodian could originally be sued; and
- It has a written agreement with the Fund or the Manager in which the Fund or the Manager on behalf of the Fund agrees with the exclusion of the liability of the Custodian, including an objective reason for this exclusion.

2.16 Principal risks and uncertainties

Investments in the Fund provide financial opportunities, but also bring financial risks. The value of investments can fluctuate and participants of the Fund may possibly experience a pay-out that is lower than their initial investment.

An overview of the risks of the Fund, categorised to 'large, medium and small' is included in the prospectus. The prospectus will be updated when new regulation on risk management is effective. The main risks which the Fund encounters are:

Repayment risk

Mortgages may be repaid early. If a mortgage is repaid early, the receipts are, in principle, reinvested according to prevailing market conditions.

A 'conditional prepayment rate’ (CPR) is taken into account in the valuation of the mortgages. The CPR is an estimate of the repayment on the underlying loans. As part of their continuous monitoring, Venn Hypotheken B.V. delivers information to GSAM on the actual repayments on the mortgage portfolio. Based on the realised early repayments in the Fund and reports from brokers and rating agencies, GSAM assesses to what extent the information corresponds with the market information for Dutch Residential Mortgage Backed Securities. GSAM may adjust the CPR if this is deemed necessary and reasonable. In November 2022, the CPR was adjusted from 5% to 4%. The impact of this adjustment is explained further in paragraph 2.19.3 ‘Other aspects’ of the board of director’s report.

Concentration risk

The Fund invests in Dutch mortgage debt. The Fund will therefore be sensitive to developments in the Dutch economy and the mortgage market in particular. Non-economic factors, such as the political climate, tax regulations and culture, also play a role.

An overview with information on the geographical spread and the distribution of the mortgage per type is included in the notes to the balance sheet under Market risk.

Liquidity risk

Mortgages and mortgage debt are considered illiquid assets. Consequently, there is a risk that the Fund is unable to release the financial resources that may be required to comply with certain obligations. For the purpose of liquidity management, the Manager is allowed to temporarily enter into loan agreements or acquire funding in another manner up to a maximum of 5% of the Fund's net asset value.

Redemption of units of participation can only take place if, at the discretion of the Manager, there is sufficient liquidity available in the Fund. When determining the available liquidity for redemptions, the Manager will disregard the liquidity that is required for operational matters and the liquidity intended for distributions. As soon as the Manager is aware of a request for redemption, the Manager will make no more reinvestments when the liquidity is insufficient to fund the redemption request. The Manager may not enter into loans in order to finance redemptions. Investors will therefore be dependent on the liquidity of the Fund when requesting for redemption. The Manager may, if he expects a significant inflow of liquidity as a result of subscription by new participants in the Fund, take these amounts into account when determining the available liquidity. Limited liquidity in the Fund can lead to a situation that redemption from the Fund is also limited and may take longer.

Units of participation in the Fund cannot be transferred to a third party, but can only be redeemed back to the Fund.

Interest rate risk

The valuation of mortgage debt may fluctuate due to changes in interest rates. If interest rates rise, the value of mortgage debt will generally decrease and vice versa.

The Fund buys mortgages issued by Venn Hypotheken B.V. and is dependent on the rates to be applied by Venn Hypotheken B.V. in accordance with its policy to mortgage customers. In addition, Venn Hypotheken B.V. can make (product) changes to existing and new mortgages, which may influence the (future) return on the Fund.

The duration of the mortgage portfolio at the end of the reporting period is 8.24 (2021: 9.00). This is calculated according to the modified duration method. The duration measures the sensitivity of the portfolio to changes in market interest rates.

Information on the breakdown of the mortgage portfolio by interest maturity is included in the notes to the balance sheet under Interest risk.

Credit risk

Investors must be aware that investing in fixed income securities involves credit risk. When a debtor/borrower is unable to fulfil its mortgage obligations, this will have a negative effect on the performance of the Fund. This risk of the Fund is generally unlimited.

Information on credit losses in the portfolio and/or overdue payments of 90 days or longer and the ‘loan to value’ratio are included in the notes to the balance sheet under Market risk. The allocation of the mortgages to outstanding principal in relation to the market value of the collateral is included in the notes to the balance sheet under Credit risk.

Offer risk

Upon receipt and acceptance of the Application Form, the Manager will – possibly in advance – reserve mortgage receivables from – solely, if applicable – Venn Hypotheken B.V. in accordance with the Master Investment Purchase Agreement for a purchase price that is approximately equal to the whole committed amount of the incoming participant, taking account of any amounts to be reinvested and requests to purchase Units of Participation.

The mortgage receivables are, with the exception of bridging mortgages, purchased at 100.5% of the nominal value (bridging mortgages are purchased at 100.0%). In the context of the Fund, 'Offer Risk' is understood as the risk run because the value of the debt may be subject to change during the period lying between the time that the mortgage offer is sent to the underlying customers (the Borrower(s)) and the transfer of the related mortgage receivables to the Fund. The Offer Risk result is calculated as the market value of the purchased mortgages on the valuation date (the last working day of the month) less the nominal value of the purchased mortgages. In the context of the Fund, the term 'offer risk' therefore had a broader meaning than how it is usually understood in the mortgage market.

In principle, the Offer Risk result is for the account and risk of the Incoming Participant(s), so that the admittance of new Participants is as price-neutral as possible for existing Participants. Reinvestments may also be subject to Offer Risk.

Waiting risk

A long period may lie between the time that the Application Form is accepted and a Payment Request. The length of this period will depend on the number and size of the outstanding committed amounts of other subscribing Participants (prospective Participants) and the number of available mortgage loans that become available monthly for the Fund.

During this period, which may be subject to various changes in market and other circumstances, the subscribing Participant has committed himself for the committed amount. There is a risk that, during this period, the circumstances could change such that a subscribing Participant would wish to withdraw or leave even before it has been fully admitted to the Fund.

An exit request may be submitted in accordance with the Conditions for the part in respect of which it has been admitted. For the outstanding committed amount, the Manager will have already reserved the mortgage debt at Venn Hypotheken B.V. and cannot reverse that. This risk is for the account and risk of the incoming participant(s).

Fraud risks and corruption

Fraud is any intentional act or omission to mislead others, causing loss to the victim and/or profit to the perpetrator. Corruption is the misuse of entrusted power for personal gain, including bribery. The lack of controls in the payment process increases the likelihood and therefore creates the opportunity for fraud.

The asset management industry is characterized by the management of third party assets, which is quite extensive in its entirety. Having access to these assets increases GSAM's inherent fraud and corruption risk profile. To manage this risk, GSAM conducts an annual fraud and corruption risk assessment to determine the identification, exposure to and management of these risks. GSAM concludes in its annual risk assessment that there are no high residual risks in the context of fraud and corruption. The main inherent risks identified by GSAM in the annual risk assessment are the following:

- Cyber risks;
- Unauthorized withdrawal of funds;
- Fraudulent invoices;
- Insider trading risk;
- Bribery.

The following measures have been taken to mitigate these inherent risks:

Cyber risks, cyber risk is recognized as a collective term which, knowingly (e.g. ransomware) or unknowingly (e.g. hack), can lead to a withdrawal of assets. The range of techniques that a malicious person can use is extensive. That is why it is important for GSAM to be aware of these techniques and to test its own environment accordingly. The measures taken are inspired by the NIST cyber security framework of protect, detect, respond, recover and identify and are evaluated annually on the basis of the Cyber Security Risk Assessment.

Unauthorized withdrawal of funds, is prevented by having authorization limits and a four (or more) eyes principles, whereby modern techniques such as 2 factor authentication are required.

Fraudulent invoices, the payment of invoices at the expense of an investment fund is only permitted if this corresponds with the prospectus. The beneficiary as well as the correctness of the amounts charged are often verifiable, through a link with the assets. Invoices must be assessed and approved in advance by budget holders, in accordance with the procuration policy. Within this process, a separation of functions has been made between ordering, entering and approval.

Insider trading risk, involves misusing information for personal gain, or having orders executed in such a way that self-enrichment can be achieved at the expense of the fund. The measures taken to prevent this are diverse, including best execution review, mandatory periodic reporting on personal investment portfolios, education in the form of mandatory training and pre-employment screening.

Bribery involves having a tender being influenced by, for example, bribes, dinners, travel and gifts. To mitigate this, GSAM has a strict policy, whereby anything with a value of more than fifty euros may not be accepted. Furthermore, in the context of broker execution, price and quality assessments are carried out periodically, the outcome of which is indicative of the extent to which orders are allocated to these brokers.

The residual risk, following from the risks described above, are determined by GSAM as ‘medium’ and are accepted through a formal risk acceptance, or at the level of the foreign GSAM entities.

Furthermore, there is a clear legal and operational separation between the asset manager, the external administrator, the fund and the custodian. This segregation of duties has an important preventive effect on the risk of fraud and corruption.

The beforementioned control measures are part of a larger control framework, of which various parts are periodically assessed by an external auditor via the GSAM ISAE 3402 report. Furthermore, GSAM applies the 3-lines of defense mechanism, in which risk management and internal audit continuously test and monitor the effectiveness of the administrative organization and internal control. GSAM also applies various soft controls, such as tone at the top, e-learnings, code of ethics and a whisteblower policy.

Sustainability risks

Sustainability risks may negatively impact the Fund's returns. The sustainability risks to which the Fund may be exposed may include, for example:

- Climate change
- Health & safety
- Business conduct

Sustainability risks are defined in article 2 paragraph 22 of the Regulation (EU) 2019/2088 (on sustainability disclosures in the financial services sector, which may be amended or supplemented from time to time) as an environmental, social or governance event or condition which, if it occurs, could have an actual or potential material adverse effect on the value of the investment. The assessment of these sustainability risks is included in the investment decision due to the responsible investment criteria set by the manager. These responsible investment criteria and their application are described in the “NN IP Responsible Investment Policy” as in force in 2022.

Risk perception

The annual report, among other things, serves to provide insight into the prevailing risks at the end of the reporting period.

Insights into relevant risks during the reporting period are obtained as follows:

- In the section ‘risk appetite and risk policy within the investment policy’ which is part of the disclosure on the investment policy during the reporting period, the main developments, trade-offs and decisions regarding the risk policy are explained.

Additionally, in the notes to the financial statements more insights are provided into the mortgage portfolio with respect to:

- Market risk, by disclosing the number of loans and loan parts, the part that is overdue for more than 90 days, credit losses and distribution of mortgage portfolio by type and province.
- Interest rate risk, through explanatory notes on the mortgage portfolio including the remaining interest maturity and weighted average interest rate.
- Explanatory note on currency risk.
- Credit risk allocation, by comparing the mortgages relative to the market value of the collateral and the average Loan to Value.
- Explanatory note on counterparty risk.
- In the notes to the balance sheet, information on the leverage is presented. Leverage is a method by which the Manager enhances the position of the Fund with borrowed money, with leverage in the form of additional mortgages.

2.17 Risk management

With regard to the design of the administrative organisation and internal control, the Manager applies the GSAM Control Framework. In the GSAM Framework all core processes are recorded including key risks per process. For all of these risks the main ' controls ' are defined, which are regularly monitored and tested to ensure compliance with internal and external regulations. The significant risks are determined periodically in a systematic manner. The existing system of internal controls mitigates these risks.

The control framework of the Manager, as far as this applies to the activities of the investment institution, is partly aimed at managing financial- and operational risks. The section "Statement on the business of operations" provides further information on the control framework of the Manager.

Goldman Sachs Asset Management B.V., the Manager of the Fund, monitors, by using a system of risk control measures, that the Fund in general and the investment portfolio comply with the conditions included in the prospectus as well as the legal frameworks and the more fund specific internal guidelines. Such guidelines include the degree of portfolio diversification, the credit rating of debtors, the quality of third parties with which business is conducted and the liquidity of the investments.

Of the activities by Venn Hypotheken B.V. on which the Fund relies, arrears management has been outsourced to Hypocasso B.V. and the majority of the other activities have been outsourced to Stater Nederland B.V. For most of these activities, the significant risks and control measures have been systematically determined. These measures are evaluated and included in an ISAE3402 report provided to Venn Hypotheken B.V. The arrears management process is included in the ISAE3402 report of Hypocasso B.V. In the ISAE3402 report of Stater Nederland B.V. the following areas are included:

- Application for mortgages
- Management of mortgages
- Financial transactions

2.18 Leverage

Leveraged financing is the method with which the Manager increases the position of the Fund by using borrowed cash to acquire extra mortgages thus creating leverage. The Fund generally does not use leverage, although leverage can arise to a limited extent when entering into loans or in the situation of a negative cash balance.

The Manager may enter into loans on behalf of the Fund up to a maximum equal to 5% of the Fund's net assets, not counting undrawn home construction or improvement accounts as referred to in the Master Mortgage Receivables Purchase Agreement. The loans referred to may only be concluded on condition that the lender undertakes never to seek recourse outside the net assets of the Fund. To the extent necessary for the payment obligations arising from these loans, the Manager may pledge the net assets of the Fund as security up to a maximum equal to 5% of the Fund's net asset value. The percentages referred to will in each case be calculated on the value of the net assets of the Fund at the time that such a loan is entered into or such security is provided. All the above loans will be entered into on the basis of conditions and rates that are in line with generally accepted market practice.

2.19 Developments during the reporting period

This section sets out the main general developments and fund-specific developments. We also explain the impact on the (relative) return of the Fund in more detail.

2.19.1 General financial and economic developments in 2022

- The global economy faced two shocks in early 2022 – an inflation shock that led to a sharp hawkish shift by central banks and a geopolitical shock created by Russia's invasion of Ukraine, which led to soaring commodity prices. The interplay between these shocks complicated central banks' task of managing a soft landing.

- Bond yields rose sharply in the first quarter in response to the hawkish monetary shift of central banks. The 10-year US Treasury yield ended the quarter 83 basis points higher at 2.32%, and the German Bund yield rose 69 basis points to 51 basis points. In credit, spreads widened in investment grade as well as high yield.

- Equities fell sharply in reaction to Russia's attack on Ukraine in February, as investors sought the safety of safe government bonds. However, this downfall did not last long, as inflation fears gained the upper hand and pushed yields higher. Equities staged a comeback as the conflict did not escalate further, even though the situation remained dire.

- Amid the turmoil, commodity markets were the only place to hide. All sub-segments posted strong positive returns in the first quarter. Tight inventories and supply risks for energy, industrial, and agricultural products pushed prices higher. The reopening of economies around the world also bolstered the demand for commodities. The commodity market confirmed its status as a good hedge against inflation and geopolitical risk.

- At the beginning of the second quarter, inflation remained the number one topic in the financial markets. Soaring energy prices and supply shortages for a wide range of goods and services were the primary drivers of higher prices.

- Central banks became more hawkish in the second quarter. The Bank of Japan was the outlier in developed markets and continued to focus on controlling the Japanese yield curve.

- In the second quarter, every asset class, from equities to safe government bonds to commodities, printed profoundly negative results (in local currency terms). The quarter also included two mini-bear rallies of 5% in May and June. These rallies were primarily driven by behavioral factors like depressed sentiment, low positioning, and technical factors and were not sustained.

- In the third quarter, central banks other than the Bank of Japan hiked rates further. They stressed that the fight against inflation was priority number one. This meant hiking fast and keeping rates higher for as long as necessary. The Federal Reserve delivered another two hikes of +75 basis points in July and September. The US dollar rose to its highest level in 20 years against other major currencies, and most central banks in the developed world also raised their interest rates. The European Central Bank (ECB) ended an era of negative deposit rates with hikes of +50 basis points in July and +75 basis points in September.

- The Bank of Japan kept interest rates unchanged despite the yen's depreciation, a record-high trade deficit, and rising inflation. The Bank of Japan did intervene in the market with aggressive bond buying and even yen buying for the first time since 1998. The euro hit parity against the US dollar in August for the first time in 20 years, while the British pound fell to its weakest level against the US dollar.

- The combination of tight monetary and loose fiscal policies led to a sharp rise in nominal and real bond yields in the third quarter. Nowhere was this more evident than in the UK, where Prime Minister Liz Truss's mini-budget sparked a crisis of confidence in September. Sharp corrections in the British pound and Gilts forced the Bank of England to intervene in the bond market.

- The rapid rise in global bond yields contaminated other asset classes in the third quarter. Fixed income spreads widened, real estate posted negative returns, and equities declined under increased earnings risk and downward pressure on valuations. Commodities could not escape the September sell-off either. Recession fears weighed on the performance of cyclical commodities, including oil. At the same time, gold suffered from the appreciation of the US dollar and higher real bond yields.

- By the end of the year, central banks had started to moderate the pace of tightening, but they were not close to a pivot. Inflation remained too high, and the US labor market still seemed tight. Despite a fourth-quarter slowdown in rate hikes, central bank rhetoric remained hawkish, particularly that of the ECB.

- The Bank of Japan expanded the band on the 10-year government bond yields from +/-25 basis points to +/-50 basis points. This seemed to be a first step by the Bank of Japan towards policy normalization and eventually abandoning its yield curve control policy.

- A November rally in all asset classes suddenly ended in December when both equities and fixed income posted negative returns. Commodities, on the other hand, did relatively well; both gold and copper rose.

2.19.2 Fund specific developments in 2022

Dutch housing and mortgage market

According to the Netherlands Bureau for Economic Policy Analysis (CPB), existing owner-occupied homes were on average 13.6% more expensive in 2022 than in 2021. In 2021, existing owner-occupied houses were, on average, 15.2% more expensive than in 2020. In December 2022, the price index for existing owner-occupied homes fell by 2.3% month-on-month, the most significant decline in a decade. Prices of existing owner-occupied homes reached an all-time low in June 2013, followed by an upward trend until August 2022. Since then, the price index has fallen for five consecutive months. Compared to the all-time low in June 2013, prices were more than 90% higher in December.

The Netherlands has been struggling with a housing shortage for some time now, varying from 1-2% in the provinces of Friesland, Drenthe, and Overijssel to more than 3% of the total housing stock in the Randstad region. According to the Dutch Ministry of Housing, Spatial Planning and the Environment (VROM), the Netherlands has 8.13 million households, for which 8.05 million homes are available. Because the demand for housing is much greater than the number of people leaving the housing market (e.g., seniors leaving for care homes, emigrants), there is a shortage of about 315,000 homes. More supply is therefore needed to increase accessibility, especially for starters.

To counter the problems in the housing market, the Dutch government stated in 2021 that one million new homes need to be built in the next ten years, amounting to an average of 100,000 new homes per year. In 2022, only 71,000 new homes were added. It is expected that not 100,000 but only 60,000 new homes will be built in 2023, partly due to capacity issues at municipalities, a shortage of construction workers, delays in the supply of raw materials, a lack of land, complex project development, and the nitrogen crisis.

The Dutch government's budget for 2023 again pays ample attention to the critical housing shortage. In the 'A Home for All' program, municipalities prioritize helping vulnerable residents find affordable housing. For example, suitable accommodation for the elderly should promote the flow in the housing market. The Dutch government strives for every municipality – if it does not yet meet this standard - to grow to 30% social rental housing. The Central Government Real Estate Agency will, among other things, buy flex homes to resell to housing corporations. A total of 380 million euros is available to accelerate this kind of temporary housing, which can be realized quickly. Transformation of vacant buildings, including healthcare real estate and offices, should also make more housing available for refugees and other temporary home seekers.

In its coalition agreement 2021-2025, the Dutch government calls climate change the greatest challenge of our generation. To be climate neutral by 2050, the government has raised its target in the Climate Act from 55% to 60% carbon reduction by 2030. To achieve the climate goals, 7 million homes will have to be natural gas-free and sufficiently insulated by 2050. With the National Insulation Program, the government wants to make it possible for households to make homes energy efficient. The government has committed 300 million euros for this program for 2023 and 2024. Furthermore, the hybrid heat pump will become the standard for heating homes from 2026, and from 2030 it will no longer be allowed to rent out houses with an energy label E, F or G.

According to the Real Estate Dashboard of CBS/Kadaster, 193,103 housing transactions were registered in 2022, 14.6% less than in 2021. The number of mortgages amounted to 462,000, 10% less than in 2021. In 2022, the total mortgage production had a value of EUR 154 billion, a decrease of 6% compared to 2021. The average sales price of a house stood at EUR 401,000 at the end of December 2022, which is 5.5% lower than in November 2022 and 1% higher than in December 2021. According to the Mortgage Data Network (HDN), 2022 was characterized by a turnaround in the mortgage market. HDN registered 521,433 mortgage applications in 2022, over 7% less than in 2021 (562,655). Of these, 256,963 applications were intended for purchasing an owner-occupied home (-3.2% year-on-year) and 264,470 applications for refinancing the mortgage (-11% year-on-year). As a result, the number of applications on the non-buyer market in 2022 was again higher than on the buyer's market, driven by the vast number of refinancing in the first quarter. In 2022, interest rates were hiked rapidly in response to geopolitical turmoil and high inflation, ending the historically low interest rates of recent years. Mortgage production within the non-buyer segment declined from the second quarter onwards.

Despite the rise in interest rates, which reduced borrowing capacity, the buyer's market was down only 3.2% in 2022, according to HDN, partly due to the housing shortage. HDN noted a growing buyer market in the third quarter of 2022. In the fourth quarter, a different picture emerged. The number of applications for new mortgages to purchase a new home decreased by 20.5% compared to a year ago. The lower number of mortgages is primarily due to the sharp rise in interest rates. At the end of 2022, the average mortgage interest rate was at least three percentage points higher than at the beginning of the year, so many home movers transferred their existing mortgages. According to HDN, this group accounted for roughly 15% of all mortgage applications in December 2022. As the average home value and sales prices are falling, it is to be expected that the decline in the number of mortgage transactions will continue. Buyers postpone the purchase of a home in anticipation of further price declines.

HDN also noted shifts in the sustainability of the housing market. The energy crisis has resulted in an acceleration in 2022. An energy label was specified in 44.2% of the 521,433 mortgage applications, an increase of 16.9% compared to 2021. According to HDN, more people also opted to co-finance energy-saving measures, namely in 11.2% of the applications, compared to 8% a year earlier. A crucial detail is that due to the growing share of renovators, non-buyers invest more often in sustainability than buyers.

It is also striking that in 2022 people borrowed less to finance their homes, both in relation to the value of the object to be purchased and the income. The average Loan-to-value (LTV) decreased from 79.6% in 2021 to 75.9% in 2022, and the average Loan-to-Income (LTI) decreased from 4.43 to 4.21.

At the end of December 2022, the 20-year mortgage interest rate (<80 LTV) stood at 4.44%, 2.73% higher than the level of 1.71% at the end of December 2021. As the 10-year swap rate increased to 3.203% from 0.25% at the end of December 2021, the gross spread on mortgage loans stands at 1.24%, 22 basis points lower than at the end of December 2021. The gross spread stood at 189 basis points in June 2022.

Rising interest rates also impact the average fixed-rate period for new mortgages. A publication by De Nederlandsche Bank (DNB) at the end of November 2022 shows that Dutch households are increasingly taking out a mortgage with a variable interest rate or fixed-rate period of up to one year. Mortgages with a fixed-rate period longer than ten years, favored for years because of the low interest rates, are becoming less popular. The fixed-rate period of five to ten years was most popular in May-September 2022.

Consumer sentiment in the housing market, measured by the 'Eigen Huis Markt indicator' of Vereniging Eigen Huis (VEH), further decreased from 98 in December 2021 to 87 in June 2022 and 73 in December 2022, with 100 being considered neutral. According to the CBS index, consumer confidence fell from -19 in January to -52 in December 2022. Consumer confidence reached all-time lows in both September and October 2022 (-59), compared to an all-time high of 36 in January 2000.

Investment policy

In 2022, the Fund achieved a net return of -22.52% for Participation Class I and -22.34% for Participation Class Z. This net performance refers to the performance of the Fund as set out in the section 'Key Figures' after deducting the costs incurred in managing the Fund. The negative performance was mainly due to market value effects resulting from the sharply increased mortgage offer rates of -24.37% for Participation Class I and -24.42% for Participation Class Z. In addition, the interest income of 1.85% contributed to the return achieved.

The Fund invests in mortgages provided by Venn Hypotheken B.V. after January 1, 2020. The Fund's duration at the end of December 2022 was 8.24 years. Due to repayments and rising house prices, the weighted average loan-to-value has decreased from 67.93% at the end of December 2021 to 64.29% at the end of December 2022.

During the reporting period, the Fund's assets increased by € 203 million. Compared to last year, however, the Fund's assets only increased by € 118 million. The Fund's assets did not grow in line with the capital increase in the Fund, because the discount values were substantially higher at the end of June 2022 due to the significantly increased mortgage interest rates.

The Fund is registered in the Netherlands, the United Kingdom, Belgium, France, Denmark, Sweden, Finland, Germany, Spain, Italy, Ireland, Greece, Slovakia, Austria, and the Czech Republic. The Fund paid dividends of 0.45% for both Participation Class I and Participation Class Z on July 1, 2022. The ex-dividend date of the Fund was June 22, 2022. The annual Participants' Meeting took place on August 30, 2022.

Risk appetite and risk policy within the investment policy

Investors in the Fund are exposed to various risks described in the section 'Main Risks and Uncertainties.' Significant risks include liquidity, repayment, concentration, interest rate, and credit risk.

In principle, the production of mortgages for the Fund is equivalent to the production of the total Dutch mortgage market. However, all mortgages allocated to the Fund through the allocation mechanism must meet the Fund's eligibility criteria.

The credit risk on new mortgages (cp) decreases because the majority of the Fund has an annuity or linear repayment profile. The credit risk on new mortgages (cp) decreases over the term because borrowers cannot borrow more than 50% of the market value 'interest-only.'

Rising house prices in recent years have typically had a positive effect on the creditworthiness of mortgage loans, as the current Loan-to-Market value of existing loans has decreased. For example, the Weighted Average Loan to Indexed Market Value of December 2021 was 67.93%, compared to 64.29% in December 2022. Venn Hypotheken B.V. applies strict criteria in its acceptance policy. These factors, in combination with a liquid housing market and a relatively strong Dutch economy, mitigate credit risk.

According to the Sustainable Finance Disclosure Regulation (SFDR), as of October 2022, the Fund has obtained the classification of a financial product under Article 8.

Use of derivatives in the reporting period

The Fund does not use derivatives.

Outlook

According to DNB, 2022 was a year of two halves. Because the economy was running at full speed in the year's first half, growth over 2022 will be 4.2%. The second half of 2022 showed a contraction due to high inflation and lower growth in world trade. DNB expects the economy to grow by approximately 0.8% in 2023. Due to the government policy pursued to compensate incomes for higher energy prices, DNB expects growth to increase from 2024 onwards (+1.9%).

DNB expects inflation to have peaked in 2022. According to Statistics Netherlands (CBS), consumer goods and services prices were, on average, 10% higher in 2022 than in 2021. In 2021, inflation was 2.7%. In particular, the price development of energy (electricity, gas, and district heating) contributed to the high inflation in 2022. The contribution of energy to headline inflation of 10% in 2022 was 4.6 percentage points. The inflation rate in 2022 is the highest since 1975, when consumer products were, on average, 10.2% more expensive than the year before.

The labor market is still tense. Unemployment fell from 4.2% in 2021 to 3.6% in 2022. For 2023 and 2024, DNB expects slightly higher unemployment rates of 4.2% and 4.0%, respectively.

Despite the Russian invasion of Ukraine, private consumption grew strongly in the first half of 2022. Growth was mainly driven by the consumption of services, which had been under pressure in the previous two years due to social distancing measures. For example, services consumption grew by more than 17% year-on-year in the second quarter. In contrast, consumption of durable and non-durable goods declined. As a result of the war in Ukraine, increasing energy prices, and rising inflation, consumer confidence has fallen to historic lows from the third quarter of 2022.

Due to geopolitical turmoil, rising interest rates, and (slightly) rising unemployment, DNB expects private consumption to shrink by 0.3% in 2023. Nevertheless, DNB expects real household income to grow by around 1.6% in 2023. This growth is partly due to the partial compensation by the government for the increased energy costs.

Rising consumer confidence in 2024 is likely to lead to consumption growth of 1.8%. However, real disposable household income is expected to contract by 2.5% in 2024. DNB attributes this decrease mainly to higher interest costs and the loss of government support for the high energy costs.

Furthermore, the energy transition will continue at an accelerated pace within the Dutch economy. Institutional asset management and mortgage lenders will strongly encourage mortgage borrowers to make their homes more sustainable. Due to the stricter reporting obligations that apply to Funds with an SFDR Article 8 classification as of January 1, 2023, investors will be better informed about the progress on the ESG characteristics of the Fund. Furthermore, improved data quality will lead to a more accurate calculation when determining the carbon footprint of mortgage portfolios.

GSAM expects the Fund to sustain its strong credit rating in 2023. In December 2022, the effective arrears in the Fund were € 4,000, compared to EUR 1,700 a year ago. At the end of December 2022 and December 2021, there were no backlogs of 90 days or more. However, high energy costs will increase costs for many homeowners. Only mortgage borrowers who meet the following three conditions should be able to resist a perfect storm: i) a DSTI ratio higher than 30%, ii) refinancing within ten years, iii) a house with an energy label worse than D, and iv) a mortgage loan without an NHG coverage. The Fund has few of these borrowers, less than 1% of the Fund’s outstanding mortgage assets.

DNB expects house prices to fall by 3% in 2023 and 2024. A price drop has an upward impact on the CLTIMV. Nonetheless, the Fund’s CLTIMV has decreased significantly due to the rise in house prices in recent years. Even if house prices fall more prolonged than expected, the Fund’s low average LTV (64.29%) provides a vital buffer against losses that may arise from forced sales. According to Calcasa, which researched owner-occupied homes that have changed hands since January 1, 1993, owner-occupied homes in the Netherlands have an average surplus of EUR 175,000, which should be adequate to avoid potential credit losses in the event of forced sales, even if the fall in house prices were to persist in the medium term.

2.19.3 Other aspects

Change of the conditional prepayment rate (‘CPR’)

As of November 2022, the conditional prepayment rate (‘CPR’) has been adjusted from 5% to 4%. This decrease in the CPR is based on an analysis of the repayment behavior of the mortgage portfolio. Resulting from the increase in interest rates, it is expected that early repayments will decrease. The impact of the change in the CPR is negative € 10.0 million, which equals 1.86% of the fund's assets.

Change to Article 8 SFDR

The Fund has been classified as SFDR Article 8 since 21 October this year. The Fund promotes environmental and social characteristics, specifically by focusing on energy efficiency and maximizing energy efficient mortgages in the portfolio. The Fund examined the distribution of various energy labels of homes and introduced a minimum % of (more) energy efficient homes to achieve this.

For the Fund, we follow the view of Venn Hypotheken. This is more aligned with the energy transition, for example due to “Easy Green”. This does not always lead to houses improving to an A rating, which is why we say here that at least 40% of the portfolio should be rated C or better. As a result, the Fund has been reclassified from Article 6 to Article 8.

Change in composition of the Goldman Sachs Asset Management B.V. board.

The composition of the Board of Directors of GSAM ("the Board of Directors") has changed during the reporting period. The composition of the current members of the Executive Board as of 19 April 2023 and an overview of the changes in the reporting period are shown in the overview below.

Overview board members Goldman Sachs Asset Management B.V.

Current board members as of 19 April 2023	Date of joining
P. den Besten	21 December 2022
H.W.D.G. Borrie	1 March 2017
M.C.M. Canisius	1 August 2017
G.E.M. Cartigny	21 December 2022
M.C.J. Grobbe	11 March2020
V. van Nieuwenhuijzen	1 August 2017
B.G.J. van Overbeek	11 March 2020

Retired board members	Date of resignation
S.S. Bapat	8 September 2022

2.20 Remuneration during the reporting period

In relation to the remuneration governance, GSAM made use of the existing remuneration governance for the first part of 2022 and transitioned to the Goldman Sachs (GS) governance 2022-2023.
Until April 10, 2022 GSAM was part of NN Group and therefore followed the NN Group Remuneration Framework (the “Framework”). This Framework, was also applicable for the rest of 2022 as GSAM continues to follow the Framework until full integration into GS as part of the ongoing Transitional Services Agreement. The Framework is an overarching remuneration policy applicable to all staff working in all countries and business units, which incorporates relevant remuneration and performance management legislation and regulations, as applicable, throughout the company. The aim is to apply a clear and transparent remuneration policy that is adequate to attract and retain expert leaders, senior staff and other highly qualified employees. The remuneration policy is also designed to support employees to act with integrity and to carefully balance the interests of our stakeholders, including the future of our customers and of the company.

Remuneration may consist of both fixed and variable remuneration. Most employees who qualify for variable remuneration, will be eligible for variable remuneration by achieving a number of qualitative and quantitative objectives. These objectives are set at the beginning of the performance year. The qualitative objectives may include objectives related to environment, society, governance and personnel. For certain employees, the quantitative objectives include achieving the investment objectives of the funds of GSAM. In addition, a comparison is made with the return achieved versus comparable funds of competitors, the so-called “peer ranking”. For other employees who qualify for variable remuneration, there is no direct dependency on the returns achieved by the fund. In that case an assessment is made of the result of a representative portfolio of the shares of GSAM funds, bonds and multi-asset funds.

Clear financial and non-financial performance objectives are set which are aligned with the overall strategy of the company, both in the short term and the long term, to ensure that remuneration is properly linked to individual, team and company performance. Specifically for portfolio managers for GSAM the performance is directly linked to the 1-, 3- and 5- year relative performance of the funds managed by GSAM which creates alignment with our clients’ interests. Furthermore, the remuneration policy supports a focus on the company’s long term interests and the interests of its customers and various stakeholders by ensuring that there is careful management of risk and that staff are not encouraged, via remuneration, to take excessive risk.

In addition to variable remuneration payable in cash, GSAM awards deferred compensation in the form of Funds managed by GSAM to create further alignment of the employees interests with those of our clients. These awards are granted under the Phantom Investment Plan for employees of GSAM B.V., adopted on December 21, 2022. And as part of the purchase/ take over by GS, shares or Gold-man Sachs Restricted Stock Units (GS RSUs) will now be awarded under the Goldman Sachs Amended and Restated Stock Incentive Plan 1. GSAM has a deferral policy which is in place for all staff. The general practice for staff employed by GSAM exceeding the deferral thresholds, not being Identified Staff, is to deliver 50% of the deferred variable remuneration in Funds managed by GSAM, and the remaining 50% of the deferred variable remuneration in RSUs. GSAM/GS applies hold back (by way of malus) and clawback as per the Forfeiture and Recapture Provisions establishing a longer-term horizon that ensures that variable remuneration continues to remain ' at risk' due to any issues or staff behaviours that were not apparent (or foreseen) at the time variable remuneration was awarded.

European and national legal requirements among others, including the Wft, Alternative Investment Funds Management Directive (AIFMD) and/or the Undertakings for Collective Investments in Transfer-able Securities Directive (UCITS) have been incorporated when drafting the remuneration policy for staff who perform activities for the funds as required under any such regulations and/or NN Investment Partners B.V. (the Management Company). GSAM operates a Compensation Committee responsible for (among others) setting, monitoring and reviewing the remuneration policies, plans and overall remuneration spend globally for GSAM. The GSAM Compensation Committee (formerly NN IP Compensation Committee) comprises of the CEO GSAM, the Head of Human Resources GSAM, the Chief Risk Officer GSAM, the Head of Compliance GSAM and the Head of Reward GSAM.

GSAM selects Identified Staff (staff whose professional activities have material impact on the risk pro-file of GSAM) on the basis of both AIFMD and UCITS (being staff whose professional activities have a material impact on the Dutch licensed AIF(s), and/or the UCITS and/or GSAM based in The Hague) and on the basis of the Regulatory Technical Standards on Identified Staff under IFD.

AIFMD and UCITS Identified Staff are selected in accordance with ESMA guidelines 2013/232 and 2016/575 and the Regulatory Technical Standards on Identified Staff under IFD. The applied selection methodology and selection criteria were approved by the GSAM Compensation Committee.

The performance management principles applied to Identified Staff ensure that there is focus on financial and non-financial performance and on leadership behavior. In addition, the company's strategy (both long and short term objectives), client interests, as well as the companies values are rein-forced. The principles also create alignment with the AIF and UCITS risk profile. Control functions Identified Staff have a maximum of 15% financial (e.g. departmental budget responsibility) and a minimum of 85% non-financial performance objectives. Control functions will only have financial performance objectives that are not linked to the performance of the business unit they control. Non-control functions Identified Staff have a maximum of 50% financial and a minimum of 50% non-financial performance objectives.

GSAM promotes robust and effective risk management. This includes risk management of sustainability risks (such as environment, society, governance and personnel related matters). It supports balanced risk-taking and long-term value creation. This will be supported, among others, by the process-es related to determining performance targets that can be linked to variable remuneration. It differs per department and position which performance targets have been or can be agreed. There are no specific criteria related to sustainability objectives that are applicable to the entire GSAM population, on the basis of which (variable) remuneration is paid. However, during the performance objectives setting process, guidelines are provided with examples of different qualitative objectives related to sustainability that can be used. Specific objectives apply for investment professionals, aimed at re-sponsible investing. The performance objectives are subject to minimum standards formulated within the company, such as limitations on financial targets.

As deferral periods apply to variable remuneration of Identified Staff, it is ensured that variable remuneration is "at risk" during the entire deferral period. Variable remuneration is linked to risk and non-financial performance and takes into account the company performance at group level, business line performance and individual performance. Any undesired risk taking or breaches of compliance that were not apparent at the time the variable remuneration was awarded, will be taken into account at every (deferred) vesting of variable remuneration.
Variable remuneration for Identified Staff is performance-based and risk-adjusted and is partly paid upfront and partly deferred. Deferred variable remuneration is subject to the assessment of undesired risk-taking, as well as non-compliant behavior in view of past performance. If deemed necessary by the GSAM Supervisory Compensation Committee, (deferred) compensation is adjusted downwards via hold back or claw back.
At least 40% of the variable remuneration as awarded to Identified Staff is deferred, and for control function Identified Staff a stricter regime applies as a minimum of 50% is deferred.
For all selected Identified Staff members, the variable remuneration comprises the following components: phantom unit awards, managed by GS, GS RSUs and upfront cash.

Remuneration over 2022

Over 2022, GSAM has awarded a total amount of € 100.23 million to all employees. This amount consists of fixed remuneration of € 78.33 million and variable remuneration of € 21.90 million. Per 31st of December 2022 GSAM had 712 employees, of which 6 board members. The majority of employees spend their time on activities that are directly or indirectly related to the management of the funds. There is no remuneration in the form of carried interest.

From the above mentioned amounts, total remuneration for the board members is € 4.37 million, of which fixed remuneration is € 2.48 million and variable remuneration is € 1.88 million.

The below table presents a summary of the remuneration awarded to GSAM employees.

Over 2022, the Management Company awarded remuneration above € 1 million to 2 employees.

Quantitative information

The table below provides aggregated information on the remuneration of all active staff members employed on 31 December 2022 and performing activities for Goldman Sachs Asset Management International Holdings B.V. in The Netherlands during the year 2022, and includes all Identified Staff selected on the basis of AIFMD and/or UCITS. A significant proportion of the amounts listed below can be attributed to Goldman Sachs Asset Management B.V. (Management Company), as Goldman Sachs Asset Management B.V. is the main operating entity held by Goldman Sachs Asset Management International Holdings B.V.

With regard to the management of the funds, a management fee is charged if applicable and in line with the prospectus. It is converted to a percentage on a daily basis (for Dutch Residential Mortgage funds this takes place on a monthly basis), which is calculated on the total equity of the share or participation class at the end of each day. In addition, operating costs are charged to the AIFs/UCITS, in line with the prospectus. These costs are not directly attributable and are charged to the share or participation class by means of an allocation key.

The costs regarding share classes or participation classes with an all-in fee or Fixed Miscellaneous Fee (the so-called “Vaste Overige Kostenvergoeding” or “VOK”) are included in the all-in fee or VOK. More information on whether an all-in fee or VOK applies per share class or participation class can be found in the 'Structure' paragraph in the management report of the annual report.

Information of fixed remuneration and variable remuneration is not administered on fund level, resulting in the costs in below table to be disclosed on aggregated total management company level.

Aggregated fixed and variable remuneration for the performance year 2022

Amounts x € 1.000	Fixed and variable remuneration awarded in relation to the performance year 2022		
	Identified Staff qualified as Executives	**Other Identified Staff**	**All staff – excluding Identified Staff**
Number of employees	6	23	683
Fixed remuneration (1)	2,482	5,832	70,012
Variable remuneration (2)	1,885	3,512	16,506
Aggregate of fixed and variable remuneration	**4,367**	**9,344**	**86,518**

Note 1) Fixed remuneration per ultimo 2022 for contractual working hours. The Fixed remuneration includes collective fixed allowances, which includes elements such as holiday pay, and pension allowance and excludes benefits.

Note 2) Variable remuneration includes all conditional and unconditional awards in relation to the performance year 2022 as approved by the relevant committees and authorized per 28 October 2022. This includes all payments to be processed through payroll per January 2023, and phantom unit awards (Fund-of-Fund with a one year holding period) as awarded to Identified Staff as well as all conditional deferred GS RSUs and phantom unit awards. A reference to the allocated Funds is not available.

Aggregated fixed and variable remuneration for the performance year 2021

Amounts x € 1.000	Fixed and variable remuneration awarded in relation to the performance year 2021		
	Identified Staff qualified as Executives	**Other Identified Staff**	**All staff – excluding Identified Staff**
Number of employees	6	27	674
Fixed remuneration (1)	2,865	6,416	67,123
Variable remuneration (2)	1,750	4,334	19,298
Aggregate of fixed and variable remuneration	**4,615**	**10,750**	**86,421**

Note 1) Fixed remuneration per ultimo 2021 for contractual working hours. The Fixed remuneration includes collective fixed allowances, which includes elements such as holiday pay, and pension allowance and excludes benefits.

Note 2) Variable remuneration includes all conditional and unconditional awards in relation to the performance year 2021 as approved by the relevant committees and authorized per 18 February 2022. This includes all payments to be processed through payroll per March/April 2022, upfront and NN IP Investment Entitlements (Fund-of-Fund with a one year holding period) as awarded to Identified Staff as well as all conditional deferred NN Group shares and NN IP Investment Entitlements. A reference to the allocated Funds is not available.

2.21 Statement on the business of operations

General

As Manager of Goldman Sachs Dutch Residential Mortgage Fund Non NHG (NL) it is, in accordance with Section 115y Paragraph 5 of the Decree on the Supervision of the Conduct of Financial Enterprises pursuant to the Act on Financial Supervision (‘Besluit gedragstoezicht financiële ondernemingen’ or ‘Bgfo’), our responsibility to declare that for the Goldman Sachs Dutch Residential Mortgage Fund Non NHG (NL) we have a description of the control framework that complies with the Dutch Financial Supervision Act and the related regulatory requirements and that the control framework has been functioning effectively during the reporting period from 1 January until 31 December 2022 and in accordance with the description.

Below we present our view on the design of the business operations of the Manager related to the activities of the Fund. The control framework is setup in line with the size of the organization and legal requirements. The setup is unable to provide absolute certainty that deviations will never occur, but is designed to provide reasonable assurance on the effectiveness of internal controls and the risks related to the activities of the Fund. The assessment of the effectiveness of the control framework is the responsibility of the Manager.

With regard to the design of the administrative organisation and internal control environment (overall named 'control framework'), the Manager applies the GSAM Control Framework. The significant risks are determined periodically in a systematic manner. The existing system of internal controls mitigates these risks.

The description of the control framework has been evaluated and is in line with legal requirements. This means that the significant risks and controls of the relevant processes have been reviewed and updated.

The assessment of the effectiveness and functioning of the control framework is performed in different ways in practice. Management is periodically informed by means of performance indicators, which are based on process descriptions and their control measures. In addition, there is an incidents and complaints procedure. In the reporting period, the effective functioning of the control framework is tested by means of detailed testing of the setup, existence and operation of internal controls. This concerns generic testing, which has been implemented in a process oriented manner for the different investment funds managed by Goldman Sachs Asset Management B.V.. Therefore, the executed test work can be different at the level of the individual funds. The tests are carried out by the Operational Risk Management Department. In the context of this financial report, no relevant findings have emerged.

Reporting on the business operations

During the reporting period, we have reviewed the various aspects of the control framework. During our test work, we have no observations based on which it should be concluded that the description of the design of the control framework, as referred to in Section 115y Paragraph 5 of the Bgfo, does not meet the requirements as stated in the Bgfo and related regulations. We have not found internal control measures that were not effective or were operating not in accordance with their description. Based on this we, as Manager for Goldman Sachs Dutch Residential Mortgage Fund Non NHG (NL), declare to have a description of the control framework as referred to in Section 115y, paragraph 5 in Bgfo, which meets the requirements of the Bgfo and we declare with a reasonable degree of certainty that the business operations during the reporting period have operated effectively and in accordance with the description.

The Hague, 19 April 2023

Goldman Sachs Asset Management B.V.

3. FINANCIAL STATEMENTS 2022

(For the period 1 January through 31 December 2022)

3.1 Balance sheet

Before appropriation of the result

Amounts x € 1,000	Reference	31-12-2022	31-12-2021
Investments			
Mortgages	3.5.1	551,932	436,021
Investment funds	3.5.2	19,654	59,551
Total investments		**571,586**	**495,572**
Receivables	3.5.4		
Outstanding investment transactions		15,877	26,051
Other receivables		4,847	8,507
Total receivables		**20,724**	**34,558**
Other assets	3.5.5		
Cash and cash equivalents		104	71
Total other assets		**104**	**71**
Short term liabilities	3.5.6		
Construction depots		15,456	18,007
Outstanding investment transactions		108	197
Debts to participants		1,168	-
Other liabilities		322	211
Total short-term liabilities		**17,054**	**18,415**
Net amount for receivables and other assets minus short-term liabilities		**3,774**	**16,214**
Net amount for assets minus liabilities		**575,360**	**511,786**
Net assets participation holders		702,255	507,114
Net result		-126,895	4,672
Net asset value	**3.5.7**	**575,360**	**511,786**

3.2 Profit and loss statement

For the period 1 January 2022 through 31 December 2022 and the period 1 October 2020 through 31 December 2021

Amounts x € 1,000	Reference	2022	2021
OPERATING INCOME			
Investment income	3.6.1		
Interest from mortgages		9,409	3,010
Revaluation of investments	3.6.2		
Realised changes in the value of investments		-349	-511
Unrealised changes in the value of investments		-141,875	4,026
Other results	3.6.3		
Offer risk		7,428	-1,114
Interest on construction depots		-143	-62
Other operating income		2	3
Total operating income		**-125,528**	**5,352**
OPERATING EXPENSES	3.6.4		
Operating costs		1,235	564
Interest		132	116
Total operating expenses		**1,367**	**680**
Net result		**-126,895**	**4,672**

3.3 Cash flow statement

For the period 1 January 2022 through 31 December 2022 and the period 1 October 2020 through 31 December 2021

Amounts x € 1,000	2022	2021
CASH FLOW FROM INVESTMENT ACTIVITIES		
Purchases of investments	-532,593	-969,262
Sales of investments	324,440	451,351
Interest received	9,409	3,010
Other results	11,090	-9,618
Change in construction depots	-2,551	18,007
Other interest paid	-275	-178
Operating costs paid	-1,124	-353
Total cash flow from investment activities	**-191,604**	**-507,043**
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issue of participations	194,067	507,114
Proceeds from purchase of participations	-118	-
Distribution to participants	-2,312	-
Total cash flow from financing activities	**191,637**	**507,114**
NET CASH FLOW	**33**	**71**
Cash and cash equivalents opening balance	71	-
Cash and cash equivalents closing balance	**104**	**71**

3.4 Notes

3.4.1 General Notes

The financial statements are prepared under going concern principles and according to the financial statements models for investment institutions as established by the legislator. The financial statements are prepared in accordance with Title 9 of Book 2 of the Dutch Civil Code and the Dutch Accounting Standards (“Richtlijnen voor de jaarverslaggeving”). Wording may be used that deviates from these models to better reflect the contents of the specific items. The same principles for the valuation of assets and liabilities and the determination of the result have been applied for the annual financial statements in the 2022 annual accounts.

When preparing the financial statements, the Manager uses estimates and judgments that are essential for the amounts in the financial statements. If deemed necessary, the nature of these estimates and judgements, including the corresponding assumptions, are disclosed in the notes to the financial statements.

The functional currency of the Fund is the euro. Unless stated otherwise, all amounts in the financial statements are presented in thousands of euros. Amounts in whole euro’s are shown using the euro sign (€).

3.4.2 Comparative figures

The Fund was launched on 1 October 2020 and started on 30 April 2021. As a result, the comparative figures in the annual financial statements for 2021 are not fully comparable with the figures for the year 2022.

3.4.3 Continuity

The objective of the continuity management of the Fund manager is to ensure the continuity of its activities, to establish trust, to protect the assets and funds entrusted, to be able to meet obligations, to comply with internal and external regulations, to prevent or mitigate damage and risk and to identify and manage risks to an acceptable level.

Liquidity monitoring

Liquidity monitoring takes place within GSAM. The liquidity risk is covered at GSAM through several departments. Risk Management (RM) manages the liquidity risk in the funds by measuring, monitoring and reporting so that corrective action can be taken in a timely manner if necessary.

The GSAM Control Framework includes liquidity on the asset side, liquidity on the liability side and the pay off coverage ratio which indicates how many times liquid assets can cover liabilities. Liquidity risk is also calculated as a stress version in accordance with the ESAM guidelines for liquidity stress testing and this forms the basis for monitoring funds.

Liquidity is continuously monitored against thresholds specific to the liquidity risk profile to ensure that the funds have liquidity in line with the prospectus.

The Fund’s process for liquidity management is further described in paragraph 2.16 under ‘Liquidity risk’.

The manager is subject to Investment Firm Directive/Regulation (IFD/IFR) requirements and in that capacity also complies with the liquidity requirement (Internal Liquidity Adequacy Assessment Process “ILAAP”). This is periodically reported to the DNB.

Acquisition of NN IP by Goldman Sachs

In 2022, NN IP was acquired by Goldman Sachs, as further described in the Board of directors’ report. The policy of the Fund and the management structure of the manager of the NN IP funds have remained unchanged. This acquisition has therefore no impact on the continuity of the Fund. However, as a result of this acquisition, the names of the NN IP funds and NN IP entities have been changed as of March 6, 2023.

Investments

The Fund mainly invests in illiquid investments. During the reporting period, no marketability problems occurred. The Fund's available cash during the reporting period was sufficient to manage capital inflows and outflows. It is expected that this will also be the case in the coming reporting period. Current market conditions (including the Russian invasion of Ukraine, rising interest rates and high inflation) have no impact on the continuity of the Fund.

Conclusion

We currently do not foresee any impact on the continuity of the Fund, nor that of the manager. The financial statements have therefore been prepared on a going concern basis.

3.4.4 Significant accounting policies

General

Unless otherwise stated, assets and liabilities are stated at historical cost.

An asset is recognised in the balance sheet when it is likely that future economic benefits will be obtained by the Fund and these can be reliably valued. A liability is recognised when it is probable that its settlement will lead to an outflow of assets and this can be reliably valued.

An asset of liability is no longer included in the balance sheet when a transaction leads to a situation where virtually all rights to economic benefits or all risks related to an asset of liability have been transferred to a third party.

An asset and a liability will only be offset if it is legally possible to settle the asset and the liability simultaneously and the Fund has the firm intention to actually do so.

Assets and liabilities in foreign currencies are converted at the exchange rates applicable on the calculation date. All foreign currency transactions are accounted for at the last known mid-market exchange rate on the transaction date.

Investments

All financial instruments, as categorised under investments or as investments with a negative value in this report, are recognised in the balance sheet in the period that the economic risk is attributable to the Fund.

The investments in mortgages are not considered part of the trading portfolio.

Investments are valued at fair value, which is based on the following principles:

- Mortgages are, with the exception of bridging mortgages, initially valued at cost, i.e. 100.5% of par value. Bridging mortgages are valued at 100.0% of par value. After initial recognition, mortgages are valued at fair value.
- Investments in other GSAM funds are valued at the net asset value of the respective day.

When investments have no quoted market price or when the market price is considered to not be representative (which can be the case in times of high market volatility), the investments are valued by the Manager. The valuation is then done using objective and up-to-date market information and/or by using generally accepted calculation models.

Other financial instruments that have been designated as investments are valued at market value, which is derived from third party market prices and information. If no objective market price for these financial instruments is available, the valuation will be based on the theoretical value from objective and widely accepted calculation models, taking into account the judgement of the Manager on the variables used for the calculation.

Short term assets and liabilities

All receivables and current liabilities have a term of less than 1 year. Receivables and current liabilities are valued at fair value upon initial recognition. Receivables and short-term debts are valued at amortized cost after initial recognition and, where applicable for the receivables, less any provision for irrecoverable debts.

Other assets

The other assets relate to cash and cash equivalents, which are valued at nominal value.

Net asset value

The Manager can, when he believes that there are exceptional circumstances that prevent the determination of the net asset value, deviate from the principles for the calculation of the net asset value (this can happen in times of high volatility on the financial markets). In this situation, the determination of the net assets will be done based on indices or other generally accepted valuation principles.

3.4.5 Income and expense recognition

General

Operating income and expenses are recognised in the period to which they relate.

Interest

Interest is attributed to the period that it relates to.

Revaluation of investments

Realised and unrealised changes in the fair value of investments, including foreign currency gains and losses, are included in the profit and loss statement under revaluation of investments.

The realised changes in the fair value of investments and foreign currency results are determined as the difference between the selling price and the average historical cost. The unrealised changes in the fair value of investments and foreign currency results are determined as the movement in the unrealised fair value of investments and foreign currency results during the reporting period. The reversal of the unrealised changes in the fair value of investments and foreign currency results of prior years are included in the unrealised changes in the fair value of investments and foreign currency results when realised.

Result per participation class

The result of a Participation Class consists of revaluation of the investments, the interest received and paid during the period, the declared dividends and the expenses that are attributable to the financial period. When determining the interest gains, the interest receivable on bank deposits is taken into account. Direct income and expenses are allocated to each Participation Class and attributed to the relating financial period.

Transaction costs

Transaction costs of investments are included in the cost price or deducted from the sales proceeds of the relevant investments.

3.4.6 Cash flow statement

The cash flow statement provides insights into cash and cash equivalents originated by the Fund during the reporting period and the way in which this has been used. Cash flows are split into operating, investment and financing activities.

The cash flow statement is prepared according to the direct method. The cash flow statement distinguishes between cashflows from financing activities, which relate to transactions with unitholders, and cashflows from investment activities, which relate to the operational activities of the Fund.

The change in short-term liabilities as included in the cash flow statement under the cash flow from investment activities is presented excluding the change in the deferred mortgage origination costs. The cash flows related to the mortgage origination costs are included in the cash flows from transactions in mortgages.

The cash and cash equivalents consist of freely available positions at banks, including, when applicable, the margin account for transactions in derivatives.

3.5 Notes to the balance sheet

For the period 1 January 2022 through 31 December 2022 and the period 1 October 2020 through 31 December 2021

3.5.1 Mortgages

Amounts x € 1,000	2022	2021
Opening balance	436,021	-
Purchases	304,968	486,800
Sales/repayments	-46,915	-54,590
Revaluation	-142,142	3,811
Closing balance	**551,932**	**436,021**

The revaluation on the mortgages for 2022 includes an unrealised revaluation amount of -7,428 (2021: 1,114) on mortgages for the period between the mortgage offering by Venn Hypotheken B.V. to the mortgage lender and the delivery of the mortgage by Venn Hypotheken B.V. to the Fund. The above mentioned amount of unrealised revaluation on mortgages together with the offer risk, as described in paragraph 3.6.3, has no impact on the existing participants of the Fund.

3.5.2 Investment funds

Amounts x € 1,000	2022	2021
Opening balance	59,551	-
Purchases	227,536	482,659
Sales	-267,351	-422,812
Revaluation	-82	-296
Closing balance	**19,654**	**59,551**

Investments in investment funds

At 31 December 2022

Name of the fund	Number of shares/participation	Net Asset value in €	Ownership-percentage	Value x € 1,000
Liquid Euro – Zz Cap Eur*	19,829	991.19	1.3%	19,654
Closing balance				**19,654**

At 31 December 2021

Name of the fund	Number of shares/participation	Net Asset value in €	Ownership-percentage	Value x € 1,000
Liquid Euro – Zz Cap Eur*	60,072	991.33	2.4%	59,551
Closing balance				**59,551**

* This investment is held for cash management purposes.

The participating interest percentage relates to the interest in the relevant participation class of the fund in which the Fund participates.

3.5.3 Risk relating to financial instruments

Investing involves entering into transactions with financial instruments. Investing in the Fund, and therefore the use of financial instruments, means both seizing opportunities and taking risks. Managing risks that are related to investing should always be seen in conjunction with the opportunities, eventually expressed in the performance. Therefore, risk management is not solely focused on mitigating risks but to create an optimal balance between performance and risk, all within acceptable limits.

The disclosures of the risks that are included in this section relate to investments in financial instruments of the Fund. The Fund also invests in investment funds. For detailed risk disclosures on these investments, please refer to the annual reports of these funds.

Market risk

The Fund is sensitive to changes in the value of the investments as a result of fluctuations in prices in financial markets such as fixed income markets.

Details on mortgage portfolio	2022	2021
Nominal value mortgages (x € 1,000)	686,723	430,047
Outstanding construction depots (x € 1,000)	15,456	18,007
Number of loans	2,204	1,408
Number of loan parts	5,568	3,610
Weighted average interest rate on mortgages	1.92%	1.53%
Payments overdue for more than 90 days (x € 1,000)	-	-
Credit losses (x € 1,000)	-	-
Loan to value ratio*	71.67%	72.36%

* The loan to value ratio (LTV) of a mortgage is calculated by dividing the total outstanding principal amount of the mortgage by the original market value of the related collateral.

Mortgage portfolio by type

The overview below provides a breakdown of the nominal values of the mortgage portfolio by type of mortgage.

Amounts x €1,000	31-12-2022	31-12-2021
Annuity mortgages	315,977	171,076
Interest only mortgages	353,539	242,401
Linear mortgages	12,195	9,619
Bridging mortgages	5,012	6,951
Total	**686,723**	**430,047**

Mortgage portfolio by province

The overview below provides a breakdown of the nominal values of the mortgage portfolio by province.

Amounts x €1,000	31-12-2022	31-12-2021
Zuid-Holland	139,032	84,458
Noord-Holland	129,200	75,662
Noord-Brabant	116,223	77,559
Gelderland	83,260	56,015
Utrecht	79,584	41,076
Overijssel	45,797	29,434
Limburg	20,392	14,634
Nederland*	16,782	13,695
Flevoland	15,142	11,556
Drenthe	13,906	8,554
Friesland	11,997	8,378
Groningen	8,205	3,567
Zeeland	7,203	5,469
Total	**686,723**	**430,047**

* The category 'Netherlands' relates to new-build houses without a postal code and therefore no province has yet been included.

Interest risk

The Fund invests in fixed income financial instruments with a long maturity and is therefore exposed to significant interest rate risk. The table below shows the breakdown of the mortgage portfolio by interest maturity.

Breakdown of the mortgage portfolio by interest maturity

Amounts x €1,000	31-12-2022	31-12-2021
Shorter than 1 year	0%	1%
Between 1 and 5 years	1%	1%
Between 5 and 10 years	22%	22%
Between 10 and 15 years	3%	2%
Between 15 and 20 years	57%	59%
Longer than 20 years	17%	15%
Total	**100%**	**100%**

Currency risk

Currency risk is the risk that the value of a financial instrument may fluctuate as a result of changes in exchange rates. All the investments of the Fund are denominated in euro. The Fund is therefore not exposed to significant currency risk.

Credit risk

Credit risk is the risk that a specific counterparty is unable to fulfil its obligations under contracts for financial instruments.

At the end of the reporting period, the average nominal value of the mortgage portfolio is € 311,580 (2021: €305,432).

The amount that best represents the maximum credit risk of the Fund at 31 December 2022 is 591,246 (2021: 530,201).

Allocation of mortgage portfolio outstanding principal relative to the market value of the collateral

At 31 December 2022

	0%-50%	50%-100%	100%-106%	Total
Non NHG	18.8%	81.0%	0.2%	100.0%
Total	**18.8%**	**81.0%**	**0.2%**	**100.0%**

At 31 December 2021

	0%–50%	50%-100%	100%-106%	Total
Non-NHG	18.7%	81.0%	0.3%	100.0%
Total	**18.7%**	**81.0%**	**0.3%**	**100.0%**

Counterparty risk

The Fund is exposed to counterparty risk for the amount of the assets on the balance sheet. For the various assets with a substantial financial interest the following can be explained:

- The mortgages purchased from Venn Hypotheken B.V. will be held by the Custodian Company (Goldman Sachs Bewaarstichting I) for account of the Fund.
- Cash and cash equivalents are held at banks that have at least an investment grade rating.
- For counterparty risk with regard to the investments in investment funds, we refer to the financial statements of the specific investment funds.

Investments by valuation method

The breakdown of the investment portfolio by valuation method is as follows:

Amounts x € 1,000	2022	2021
Discounted cash flow calculation	551,932	436,021
Other method	19,654	59,551
Balance at end of reporting period	**571,586**	**495,572**

The investments in other investment funds are included in the category ‘Other method’. These investments are valued at the net asset value at year-end.

Leverage

The table below gives information on the level of leverage.

	31-12-2022	31-12-2021
Net leverage restriction	105.0%	105.0%
Average level of net leverage (1)	100.0%	101.1%
Gross leverage restriction	105.0%	105.0%
Average level of gross leverage (2)	101.2%	101.1%

(1) The level of net leverage is determined using the commitment method taking netting and/or hedging into account.
(2) The level of gross leverage is determined based on the sum of the nominal value of the derivatives without taking into account netting and/or hedging.

3.5.4 Receivables

All receivables have a maturity shorter than one year, unless stated otherwise.

Outstanding investment transactions

The receivables for outstanding transactions in investments relate to loan prepayments that have not yet been administered by Stater.

Other receivables

Amounts x € 1,000	31-12-2022	31-12-2021
Receivable from Venn Hypotheken B.V.	4,784	8,451
Other receivables	63	56
Closing balance	**4,847**	**8,507**

3.5.5 Other assets

Cash and cash equivalents

This concerns freely available cash at banks. Interest on the bank balances is received or paid based on market interest rates.

3.5.6 Short term liabilities

All short term liabilities have a maturity shorter than one year, unless stated otherwise.

Construction depots

The construction depots are the unused amounts of the principal mortgages, which are available for withdrawal by the mortgage customers.

Outstanding investment transactions

These liabilities arise as a result of the fact that there are several days between the date of purchase and the date of the payment for investment transactions.

Debts to participants

This concerns debts relating to already repurchased own participations.

Other payables

Amounts x € 1,000	31-12-2022	31-12-2021
Costs to be paid	268	209
Other payables	54	2
Closing balance	**322**	**211**

3.5.7 Net asset value

For the period 1 January through 31 December 2022

Amounts x € 1,000	Participation Class I	Participation Class Z	Total
Opening balance	26,230	485,556	511,786
Issue of participations	8,420	185,647	194,067
Redemption of participations	-1.170	-116	-1,286
Distribution to participations	-129	-2,183	-2,312
Net assets participation holders	**33,351**	**668,904**	**702,255**
Net result	-7,504	-119,391	-126,895
Closing balance	**25,847**	**549,513**	**575,360**

The Fund invests in mortgages, for which a frequent market price is not available. As a result, laws and regulations prescribe forming a revaluation reserve for the amount of unrealised revaluation. However, this does not limit the distribution capacity of the Fund.

The revaluation reserve as at 31 December 2022 amounts to 0 (2021: 4,051).This revaluation reserve relates to the part of the total fund assets related to the positive unrealised revaluation of investments without a frequent market price.

The revaluation reserve is determined based on the valuation of the total mortgage portfolio using an average cost price.

For the period 1 October 2020 through 31 December 2021

Amounts x € 1,000	Participation Class I	Participation Class Z	Total
Opening balance	-	-	-
Issue of participations	26,083	481,031	507,114
Net assets participation holders	**26,083**	**481,031**	**507,114**
Net result	147	4,525	4,672
Closing balance	**26,230**	**485,556**	**511,786**

Unrealised revaluation

Overview of positive and negative unrealized revaluation of the investment portfolio

Amounts x €1,000	Positive revaluation	Negative revaluation	Total at 31-12-2022	Total at 31-12-2021
Mortgages*	-	-137,881	-137,881	4,051
Investment funds	32	-	32	-25
Balance at end of reporting period	**32**	**-137,881**	**137,849**	**4,026**

* The mortgage portfolio is managed by Venn Hypotheken B.V. From the administrative systems of Venn Hypotheken B.V. it is not possible to split the unrealised revaluation on the mortgages into positive and negative revaluations at the level of the individual mortgages. Therefore, only the total amount of the unrealised revaluation on the mortgages is mentioned in the table.

3.5.8 Rights and obligations not included in the balance sheet

Commitments

The overview below includes the amounts that (potential) participants have committed for subscription to participations of the Fund at the end of the reporting period.

Outstanding commitments

Amounts x €1,000	31-12-2022	31-12-2021
Participation class I	-	7,191
Participation class Z	223,000	100,009
Total	**223,000**	**107,200**

3.6 Notes to the profit and loss statement

3.6.1 Investment income

Interest from mortgages

This is the interest income on mortgage loans (including interest for early repayment) that is attributable to the reporting period.

3.6.2 Revaluation of investments

Amounts x € 1,000	2022	2021
Realised gains and losses on mortgages*	-210	-240
Unrealised gains and losses on mortgages *	-141,932	4,051
Realised losses on investment funds	-139	-271
Unrealised losses on investment funds	57	-25
Total revaluation of investment	**-142,224**	**3,515**
Realised changes in the value of investments	-349	-511
Unrealised changes in the value of investments	-141,875	4,026
Total revaluation of investment	**-142,224**	**3,515**

* The mortgage portfolio is managed by Venn Hypotheken B.V. The administrative systems of Venn Hypotheken B.V. do not provide the possibility to split the revaluation on the mortgage portfolio to profits and losses at the level of the individual mortgages. Therefore, the table only shows the total amounts for gains and losses of the mortgage portfolio.

The revaluation amount of the mortgages includes an unrealised amount of -7.428 (2021: 1,114) relating to changes in market value during the period between the mortgage offer by Venn Hypotheken B.V. to the mortgage lender and the delivery of the mortgage by Hypotheken B.V. to the Fund. The amount of -7.428 in unrealised result on mortgages together with the offer risk as described in paragraph 3.6.3 has no impact on the existing participants of the Fund.

3.6.3 Other results

Offer risk

The offer risk consists of revaluation of purchased mortgages, net mortgage interest and results from maintaining cash and cash equivalents by the Fund for the period between the receipt of the amounts and the delivery of the mortgages by Venn Hypotheken B.V. to the mortgage lender. The offer risk is for the risk and account of the subscribing participants and is disclosed in the profit and loss statement as offer risk.

The offer risk amount of 7,428 (2021: -1,114) is also included in the unrealised revaluation on mortgages and therefore, as disclosed in paragraph 3.6.2, has no net impact on the existing participants.

Interest on construction depots

This is the interest expense on construction depots attributable to the reporting period.

Other operating income

Other operating income represents proceeds that are not directly generated from income from investments. This also includes a fee for the allocated cost of the investment in investment funds and the fund is therefore compensated for these costs since allocated costs are already included in the Fixed Miscellaneous Expenses Fee of Participation Class I and Z of the Fund.

3.6.4 Operating expenses

Operating costs

The operating costs include the management fee and the Fixed Miscellaneous Expenses Fee (‘Vaste Overige Kostenvergoeding’ or ‘VOK’). These costs are further explained in the notes to the Participation classes included in this report.

Interest

This is the interest due to credit institutions and the interest on the outstanding balance at Venn Hypotheken B.V.

3.7 Other general notes

3.7.1 Portfolio turnover ratio

	2022	2021
Purchases of investments	532,504	969,459
Sales of investments	314,266	477,402
Total of investment transactions	**846,770**	**1,446,861**
Subscriptions to participations	194,067	507,114
Redemption of participations	1,286	-
Total of participation transactions	**195,353**	**507,114**
Portfolio turnover	**651,417**	**939,747**
Average net asset value	511,384	288,875
Portfolio turnover ratio	**127**	**325**

The portfolio turnover ratio (PTR) expresses the ratio between the total size of the portfolio transactions and the average net asset value of the Fund. The ratio is intended to provide an indication of the turnover rate of the portfolio of an investment fund and is thus a measure of both the degree of active investment management as for the resulting transaction costs.

The total amount of portfolio transactions is determined by the sum of purchases and sales of investments less the sum of subscriptions and redemptions. With the exception of deposits, all asset classes are included in the calculation. The average net asset value of the Fund is determined as the weighted average of the Fund net asset value on a monthly basis, based on the number of times the net asset value calculation takes place during the reporting period.

3.7.2 Affiliated parties

The investment policy of the Fund allows for the use of affiliated parties.

As of April 11, 2022, affiliates are all companies and other business units belonging to The Goldman Sachs Group, Inc. Until April 11, 2022, affiliated parties were all companies and other business units belonging to NN Group N.V.

This concerns, among other things, the management of the Fund, acquiring and lending of cash and cash equivalents and entering into loan agreements. In addition, Venn Hypotheken B.V. is used for acquiring and servicing the mortgages of the Fund. These services take place at arm's length.

During the reporting period, the following services and affiliated entities have been used:

- For the management activities, a management fee is charged to Participation Class I. For details on the management fee percentage, we refer to the information on Participation Class I included in this annual report.
- Goldman Sachs Bewaarstichting I acts as Custodian Company to the Fund. The Custodian Company is the legal owner of or legally entitled to the assets of the Fund that are managed by the Manager. All goods that are or will become part of the Fund are or will be legally entitled to the Custodian Company on behalf of the participants in the Fund. Obligations that are or will become a liability of the Fund are recorded in the name of the Custodian Company. All assets and liabilities held by the Custodian Company are held on behalf of the participants. For this service, no fee is charged to the Fund.
- For the benefit of the Fund's investments, the Fund has entered into an agreement with Venn Hypotheken B.V ("Master Investment Purchase Agreement") under which mortgage receivables are purchased from time to time. The costs of this service are part of the Fixed Miscellaneous Expenses Fee.
- When executing the investment policy, the Fund purchased and sold investments in other GSAM funds as disclosed in the notes to the balance sheet. These transactions represent 58.4% of the total transaction volume during the reporting period.

3.7.3 Profit appropriation

On 28 June 2023 (ex dividend date), the Fund will distribute a dividend of 1.60% for both Participation Class I and Participation Class Z. The amount per participation will be calculated based on the NAV of each participation class at the end of May 2023. The part of the net result that will not be distributed will be withdrawn from the NAV of the respective participation class.

3.7.4 Subsequent events

None.

3.8 Notes for Participation Class I

3.8.1 Result

For the period 1 January 2022 through 31 December 2022 and the period 26 February 2021 through 31 December 2021

Amounts x € 1,000	2022	2021
INVESTMENT RESULT		
Investment result		
Interest from mortgages	561	114
Revaluation of investments	-8,333	133
Other results		
Offer risk	412	-53
Interest on construction depots	-9	-2
Total operating result	**-7,369**	**192**
OPERATING EXPENSES		
Operating costs	128	40
Interest	7	5
Total operating expenses	**135**	**45**
Net result	**-7,504**	**147**

3.8.2 Net asset value

	31-12-2022	31-12-2021
Fund assets (x € 1,000)	25,847	26,230
Number of participations issued (units)	330,554	258,690
Net asset value per participation (in €)	78.19	101.40

3.8.3 Performance

For the period 1 January 2022 through 31 December 2022 and the period 26 February 2021 through 31 December 2021

	2022	2021
Net performance Participation Class (%)	-22.52	1.40

3.8.4 Expenses

For the period 1 January 2022 through 31 December 2022 and the period 26 February 2021 through 31 December 2021

Amounts x € 1,000	2022	2021
Management fee	64	20
Fixed Miscellaneous Expenses Fee	64	20
Total operating costs Participation Class I	**128**	**40**

The management fee for Participation Class I of the Fund Participation amounts to 0.225% per year. The management fee is charged on a monthly basis and calculated on the total net asset value of Participation Class I at the end of each month.

The Fixed Miscellaneous Expenses Fee ("VOK") for Participation Class I of the Fund amounts to 0.225% per year. This fee is charged on a monthly basis and calculated on the total net asset value of Participation Class I at the end of each month.

These other costs include servicing and administration of mortgages of 0.195% as well as regular and/or ongoing costs of 0.03% including the costs of: the administration and reporting (including the costs of data supply and processing and calculating financial data of the Fund, the custody of the assets, the auditor, supervision, payments, publications, meetings of participants as well as external advisors and service providers such as the Transfer Agent), as far as these costs have been charged to the Fund.

The amount of the audit fee 2022 attributable to Participation Class I is included in the Fixed Miscellaneous Expenses Fee. The costs related to the audit of the financial statements are 3 (2021: 2) and the costs related to other engagements are <1 (2021: <1). There are no audit fees related to consultancy and other non-assurance services.

Cost comparison

Based on RJ 615.405 a comparison of the normative costs and the actual costs should be included in the notes to the financial statements. The normative costs are the costs, categorised to type of costs, according to the prospectus. Since the management fee is calculated as a percentage of the net asset value, the prospectus does not provide an expected absolute amount for these costs. The percentage used during the reporting period is equal to the percentage as included in the prospectus.

Furthermore, the other costs are part of the Fixed Miscellaneous Expenses Fee which is calculated as a percentage of the net asset value. For these reasons, the cost comparison overview is not included in these financial statements. The percentage used during the reporting period is equal to the percentage as included in the prospectus.

Ongoing charges figure

The Ongoing charges figure is a cost ratio that shows the costs incurred by the Fund during the reporting period as a percentage of the average net asset value of the Fund.

The Fund invests directly or indirectly in other investment entities managed by the Manager or an affiliated party of the Manager. The costs of these investment entities are taken into account when determining the total cost level of the Fund. For Participation Class I these costs are included in the Fixed Miscellaneous Expenses Fee.

When calculating the Ongoing charges figure, transaction costs for portfolio transactions are not excluded from the costs, since these costs are included in the investment purchases and sales amounts. Subscription and redemption fees are also excluded from the calculation of the Ongoing charges figure.

The average net asset value of the Fund is determined as the weighted average of the Fund net asset value on a monthly basis, based on the number of times the net asset value calculation takes place during the reporting period.

	2022	2021
Management fee	0.225%	0.225%
Other expenses	0.225%	0.225%
Total Participation Class I	**0.450%**	**0.450%**

The Other expenses consist of the Fixed Miscellaneous Expenses Fee ("VOK") as disclosed in the paragraph ‘Expenses’. Participation class I of the Fund was launched on 26 February 2021. The presented ongoing charges figure for 2021 is an annualised percentage.

3.9 Notes for Participation Class Z

3.9.1 Result

For the period 1 January 2022 through 31 December 2022 and the period 26 February 2021 through 31 December 2021

Amounts x € 1,000	2022	2021
INVESTMENT RESULT		
Investment result		
Interest from mortgages	8,848	2,896
Revaluation of investments	-133,891	3,382
Other results		
Offer risk	7,016	-1,061
Interest on construction depots	-134	-60
Other operating income	2	3
Total operating result	**-118,159**	**5,160**
OPERATING EXPENSES		
Operating costs	1,107	524
Interest	125	111
Total operating expenses	**1,232**	**635**
Net result	**-119,391**	**4,525**

3.9.2 Net asset value

	31-12-2022	31-12-2021
Fund assets (x € 1,000)	549,513	485,556
Number of participations issued (units)	6,998,246	4,779,678
Net asset value per participation (in €)	78,52	101,59

3.9.3 Performance

For the period 1 January 2022 through 31 December 2022 and the period 26 February 2021 through 31 December 2021

	2022	2021
Net performance Participation Class (%)	-22.34	1.59

3.9.4 Expenses

For the period 1 January 2022 through 31 December 2022 and the period 26 February 2021 through 31 December 2021

Amounts x € 1,000	2022	2021
Fixed Miscellaneous Expenses Fee	1,107	524
Total operating costs Participation Class Z	**1,107**	**524**

The Fixed Miscellaneous Expenses Fee ("VOK") for Participation Class Z of the Fund amounts to 0.225% per year. This fee is charged on a monthly basis and calculated on the total net asset value of Participation Class Z at the end of each month.

These other costs include servicing and administration of mortgages of 0.195% as well as regular and/or ongoing costs of 0.03% including the costs of: the administration and reporting (including the costs of data supply and processing and calculating financial data of the Fund, the custody of the assets, the auditor, supervision, payments, publications, meetings of participants as well as external advisors and service providers such as the Transfer Agent), as far as these costs have been charged to the Fund.

The amount of the audit fee 2022 attributable to Participation Class Z is included in the Fixed Miscellaneous Expenses Fee. The costs related to the audit of the financial statements are 47 (2021: 38) and the costs related to other engagements are <1 (2021: <1). There are no audit fees related to consultancy and other non-assurance services.

Cost comparison

Based on RJ 615.405 a comparison of the normative costs and the actual costs should be included in the notes to the financial statements. The normative costs are the costs, categorised to type of costs, according to the prospectus.

The other costs are part of the Fixed Miscellaneous Expenses Fee which is calculated as a percentage of the net asset value. For these reasons, the cost comparison overview is not included in these financial statements.

Ongoing charges figure

The Ongoing charges figure is a cost ratio that shows the costs incurred by the Fund during the reporting period as a percentage of the average net asset value of the Fund.

The Fund invests directly or indirectly in other investment entities managed by the Manager or an affiliated party of the Manager. The costs of these investment entities are taken into account when determining the total cost level of the Fund. For Participation Class Z these costs are included in the Fixed Miscellaneous Expenses Fee.

When calculating the Ongoing charges figure, transaction costs for portfolio transactions are not excluded from the costs, since these costs are included in the investment purchases and sales amounts. Subscription and redemption fees are also excluded from the calculation of the Ongoing charges figure.

The average net asset value of the Fund is determined as the weighted average of the Fund net asset value on a monthly basis, based on the number of times the net asset value calculation takes place during the reporting period.

	2022	2021
Other expenses	0.225%	0.225%
Total Participation Class Z	**0.225%**	**0.225%**

The Other expenses consist of the Fixed Miscellaneous Expenses Fee ("VOK") as disclosed in the paragraph ‘Expenses’. Participation class Z of the Fund was launched on 26 February 2021. The presented ongoing charges figure for 2021 is an annualised percentage.

The Hague, 22 April 2023

Goldman Sachs Asset Management B.V.

4. OTHER INFORMATION

4.1 Sustainable Finance Disclosure Regulation (SFDR)

The template for periodic disclosure for financial products referred to in the Sustainable Finance Disclosure Regulation is included in the appendix to this annual report.

4.2 Management interest

At 31 December 2022 and 1 January 2022, the Board Members, as appointed on the date mentioned, had no personal interest in (the investments of) the Fund.

4.3 Independent auditor’s report

The independent auditor's report is included on the next page.

Independent auditor's report

To: the investment manager of Goldman Sachs Dutch Residential Mortgage Fund Non NHG (NL)

Report on the financial statements 2022

Our opinion

In our opinion, the financial statements of Goldman Sachs Dutch Residential Mortgage Fund Non NHG (NL) ('the fund') give a true and fair view of the financial position of the fund as at 31 December 2022, and of its result for the year then ended in accordance with Part 9 of Book 2 of the Dutch Civil Code.

What we have audited

We have audited the accompanying financial statements 2022 of Goldman Sachs Dutch Residential Mortgage Fund Non NHG (NL) in The Hague included in this annual report.

The financial statements comprise:

- the balance sheet as at 31 December 2022;
- the profit and loss statement for the year then ended; and
- the notes, comprising a summary of the accounting policies applied and other explanatory information.

The financial reporting framework applied in the preparation of the financial statements is 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. We have further described our responsibilities under those standards 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 the fund in accordance with the 'Wet toezicht accountantsorganisaties' (Wta, Audit firms supervision act), the 'Verordening inzake de onafhankelijkheid van accountants bij assurance opdrachten' (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore, we have complied with the 'Verordening gedrags- en beroepsregels accountants' (VGBA, Dutch Code of Ethics).

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Information in support of our opinion

We designed our audit procedures with respect to fraud and going concern, and the matters resulting from that, in the context of our audit of the financial statements as a whole and in forming our opinion thereon. The information in support of our opinion, such as our findings and observations related to the audit approach fraud risk and the audit approach going concern was addressed in this context, and we do not provide a separate opinion or conclusion on these matters.

Audit approach fraud risks

We identified and assessed the risks of material misstatements of the financial statements due to fraud. During our audit we obtained an understanding of the fund and its environment and the components of the internal control system, including the risk assessment process, management's process for responding to fraud risks and monitoring the internal control system, as well as the outcomes thereof. We refer to section 'Principal risks and uncertainties' of the board of directors' report, in which the investment manager of the fund has included its fraud risk analysis.

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

We asked the board of directors ("the management") of Goldman Sachs Asset Management BV ("the investment manager") as well as other officials within the investment manager, including the head of internal audit, legal and compliance, as to whether they are aware of any factual, alleged or suspected fraud. This resulted in no indications of actual, alleged or suspected fraud that may lead to a material misstatement. In addition, we conducted interviews to understand the investment manager's fraud risk assessment and the processes for identifying and responding to the fraud risks and the internal controls that management has put in place to mitigate these risks.

As described in the auditing standards, management override of controls and the risk of fraud in revenue recognition are presumed risks of fraud. Management of the investment manager inherently is in a unique position to commit fraud because of the management's ability to manipulate accounting records and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively. We addressed this risk by evaluating whether there was evidence of bias in management's estimates that may represent a risk of material misstatement due to fraud.

With regard to the mortgage loans valued at fair value, we carried out an independent valuation with the support of our valuation specialists, which we then compared with the valuation as drawn up by management. We have determined that the fair value of the mortgage loans is within the range that we consider acceptable. On this basis, we determined that there are no indications of bias in the estimates made by management.

Control procedures include evaluating the design and implementation of controls designed to mitigate fraud risks (such as processing and reviewing journal entries) and procedures for unexpected journal entries. With respect to the risk of fraud in revenue recognition, based on our risk analysis, we have concluded that this risk is related to revenue recognition in areas that are more complex, non-systematic or manual in nature. For the fund, this concerns the accuracy of the unrealized results of the investments because these are directly related to the valuation of the mortgage loans.

We have tested the unrealized results of investments through our work on the valuation of mortgage loans as at 31 December 2022. In addition, we performed a recalculation to determine that all unrealized value changes have been correctly accounted for.

We have not identified any significant transactions outside the normal course of business. We also incorporated an element of unpredictability in our audit. We have also taken notice of correspondence with regulators and have remained alert to indications of fraud during the audit. We also considered the outcome of other audit procedures and evaluated whether any findings were indicative of fraud or non-compliance of laws and regulations. Whenever we identify any indications of fraud, we re-evaluate our fraud risk assessment and its impact on our audit procedures.

Audit approach going concern

The fund invests in Dutch mortgage loans where the collateral are Dutch residential homes. As of December 31, 2022, the fund has no external financing. As of December 31, 2022, the fund mainly holds illiquid investments in Dutch mortgage loans, which means there is a chance of liquidity risks in the event of a possible disruption in the financial markets.

As disclosed in the 'Continuity' section in the notes to the financial statements, the investment manager has performed their assessment of the fund's ability to continue as a going concern for at least 12 months from the date of preparation of the financial statements and has not identified events or conditions that may cast significant doubt on the fund's ability to continue as a going (hereinafter: going concern risks).

Our procedures to evaluate the investment manager's going concern assessment include, among other things:

- considering whether the investment manager's going concern assessment contains all relevant information of which we are aware as a result of our audit, obtaining additional evidence and questioning the investment manager about key assumptions and principles

- analysing the issue of participations after the end of the financial year and assessing whether these may indicate continuity risks

- taking note of the prospectus with the described possibility of the investment manager to temporarily suspend or limit applications for the redemption of shares in exceptional cases

- obtaining information from the investment manager about its knowledge of continuity risks after the period of the continuity assessment performed by the investment manager.

Our audit procedures have not revealed any information that conflicts with the investment manager's assumptions and assumptions about the going concern assumption used.

Report on the other information included in the annual report

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

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; and
- contains all the information regarding the board of directors' report and the other 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 the 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 procedures performed in our audit of the financial statements.

The investment manager is responsible for the preparation of the other information, including the board of 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 investment manager for the financial statements

The investment manager is responsible for:

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

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

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 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 and to issue an auditor's report that includes our opinion. Reasonable assurance is a high but not absolute level of assurance, which makes it possible that we may not detect all material misstatements. Misstatements may arise due to fraud or error. They are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of 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.

Rotterdam, 26 April 2023
PricewaterhouseCoopers Accountants N.V.

This is an English translation of the original Dutch text, furnished for convenience only. In case of any conflict between this translation and the original text, the latter will prevail.

Appendix to our auditor's report on the financial statements 2022 of the fund

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 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 investment manager.
- Concluding on the appropriateness of the investment 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 supervisory board 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.

5. APPENDIX – TEMPLATE FOR PERIODIC DISCLOSURE FOR FINANCIAL PRODUCTS

The template for periodic disclosure for financial products referred to in the Sustainable Finance Disclosure Regulation is included on the next page.

Model for the periodic disclosures for the financial products referred to in Article 8(1), (2) and (2)(a) of Regulation (EU) 2019/2088 and Article 6(1) of Regulation (EU) 2020/852

Sustainable investment: an investment in an economic activity that contributes to achieving an environmental objective or social objective, provided that this investment does not significantly harm environmental or social objectives and that the undertakings in which investment is made apply good governance practices.

The **EU taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. The regulation does not establish a list of socially sustainable economic activities. Sustainable investments with an environmental objective may or may not be in line with the taxonomy.

Product name: Goldman Sachs Dutch Residential Mortgage Fund Non NHG (NL)

Legal entity identification code (LEI): 5493000JVLZ71I4OT074

Environmental and social characteristics (E/S characteristics)

Did this financial product have a sustainable investment objective?

☐ **Yes** | **X No**

☐ Sustainable **investments with an environmental objective** were made: %

- ☐ in economic activities that have been classified as environmentally sustainable in the EU taxonomy
- ☐ in economic activities that are not considered environmentally sustainable in the EU taxonomy

☐ **Sustainable investments with a social objective were made: _____%**

☐ The product **promoted ecological/social (E/S) characteristics** and, although it did not have a sustainable investment objective, it contained a minimum share of sustainable investments of _%

- ☐ with an environmental objective in economic activities that have been identified as environmentally sustainable in the EU taxonomy
- ☐ with an environmental objective in economic activities that are not considered environmentally sustainable in the EU taxonomy
- ☐ with a social objective

X The product promoted E/S characteristics, but **did not make any sustainable investments**

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are achieved.

To what extent have the environmental and/or social characteristics promoted by this financial product been met?

During the reporting period, the SFDR RTS was not yet applicable and the pre-contractual disclosure model included in the SFDR RTS (Appendix II) was not yet available for this Fund/Sub-Fund. During the reporting period, there was no explicit commitment in the prospectus to make sustainable investments, as defined in the SFDR. The sustainability indicators chosen reflect the environmental and social characteristics promoted by the Fund/Sub-Fund, but were not mentioned in the prospectus applicable during the reporting period.

The Fund/Sub-Fund promoted environmental and social characteristics during the reporting period. More specifically:

1. The Sub-Fund focuses on energy efficiency and maximising energy-efficient mortgages in the portfolio.
The performance of this characteristic was measured by the indicator “Distribution of the energy labels of the properties in the Fund with at least a C-label”.

How did the sustainability indicators perform?

Indicator	Portfolio	Benchmark
Distribution of the energy labels of the properties in the Fund with at least a C-label	61%	Not applicable

...and compared to previous periods?

	2022		2021	
Indicator	**Portfolio**	**Benchmark**	**Portfolio**	**Benchmark**
Distribution of the energy labels of the properties in the Fund with at least a C-label	61%	Not applicable	Not applicable	Not applicable

What were the objectives of the sustainable investments that the financial product partly made and how did the sustainable investment contribute to these objectives?

Not applicable. During the reporting period, the Fund/Sub-Fund did not make an explicit commitment to make sustainable investments in line with the SFDR.

The principal adverse impacts are the most significant negative effects of investment decisions on sustainability factors related to environmental and

How did the sustainable investments that the financial product partly made not significantly harm environmental or socially sustainable investment objectives?

Not applicable. During the reporting period, the Fund/Sub-Fund did not make an explicit commitment to make sustainable investments in line with the SFDR.

How have the adverse impact indicators on sustainability factors been taken into account?

Not applicable. During the reporting period, the Fund/Sub-Fund did not have explicit social issues, working conditions, respect for human rights and the fight against corruption and bribery.

commitment given to make sustainable investments in accordance with the SFDR.

Were sustainable investments aligned with the OECD guidelines for multinational companies and the UN's guiding principles on business and human rights? Details:

Not applicable. During the reporting period, the Fund/Sub-Fund did not make an explicit commitment to make sustainable investments in line with the SFDR.

The EU taxonomy establishes the principle of "no significant harm", which means that investments aligned with the taxonomy should cause no significant harm to the objectives of the EU taxonomy and is accompanied by specific EU criteria.

The "no significant harm" principle applies only to the underlying investments of the financial product that take account of the EU criteria for environmentally sustainable economic activities. The underlying investments of the remaining part of this financial product do not take into account the EU criteria for ecologically sustainable economic activities.

Other sustainable investments must also not seriously compromise environmental or social objectives.

How have the main adverse effects on sustainability factors been taken into account in this financial product?

No Principal Adverse Indicators (PAIs) were in place during the reporting period. However, during the reporting period, elements related to PAIs were considered in the context of the Fund/Sub-Fund's investments. This was done using RI mitigation criteria, active ownership and the Fund Manager's policy documents. The following PAIs were taken into account:
- PAI 4: exposure to companies active in the fossil fuel sector (via restriction criteria, controversy engagement, thematic engagement and via voting)
- PAI 14: exposure to controversial weapons (via restriction criteria)

What were the largest investments of this financial product?

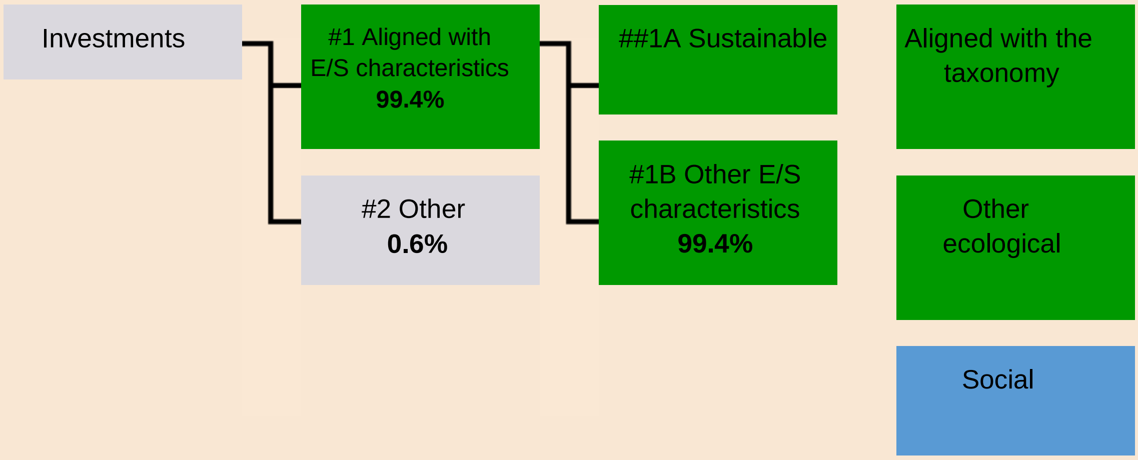
The list contains the **investments constituting the largest proportion** of the financial product during the reference period, namely:

Largest investments	Sector	% Assets	Country
Residential Mortgage Non-NHG	MBS Pass-Through	96	Netherlands
LIQUID EUR-ZZ CAP EUR	Cash Equivalents	3	Netherlands

The asset allocation describes the share of investments in certain assets.

What was the share of sustainability-related investments?

What did the asset allocation look like?



#1 Aligned with E/S characteristics includes the investments of the financial product used to meet the ecological or social characteristics that the financial product promotes.

#2 Other includes the other investments of the financial product that are not aligned with environmental or social characteristics and that do not qualify as sustainable investment.

The category **#1 Aligned with E/S characteristics** includes:
- Subcategory **#1B Other E/S characteristics** includes investments that are aligned with the ecological or social characteristics that do not qualify as a sustainable investment.

In what economic sectors were investment made?

Sector	% Assets

To what extent were sustainable investments with an environmental objective aligned with the EU Taxonomy?

0% During the reporting period, the Fund/Sub-Fund did not make an explicit commitment to make sustainable investments in line with the SFDR. Taxonomy alignment data was not available to the Fund Manager during the reporting period.

Did the financial product invest in activities in the fossil gas and/or nuclear energy sectors that comply with the EU taxonomy?

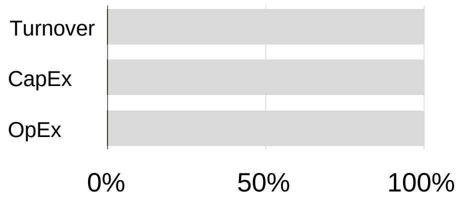
☐ Yes:

☐ In fossil gas ☐ In nuclear energy

X No

The graphs below show in green the percentage of investments that were aligned to the EU taxonomy. Since there is no suitable methodology for determining whether sovereign bonds are aligned with the taxonomy*, the first graph shows the alignment with the taxonomy for all investments of the financial product, including sovereign bonds, while the second graph shows the alignment with the taxonomy for only the investments of the financial product other than in sovereign bonds.

1. Alignment with taxonomy of investments **including sovereign bonds***



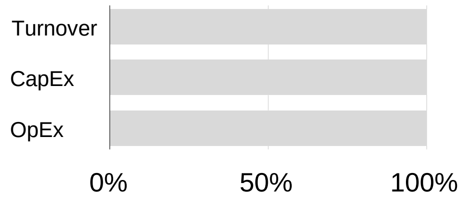
Aligned to the taxonomy: fossil gas

Aligned to the taxonomy: nuclear energy

Aligned to taxonomy: no fossil gas or nuclear energy

Not aligned to the taxonomy

2. Alignment with taxonomy of investments **excluding sovereign bonds***



Aligned to the taxonomy: fossil gas

Aligned to the taxonomy: nuclear energy

Aligned to taxonomy: no fossil gas or nuclear energy

Not aligned to the taxonomy

This diagram represents 0% of total investments.

**For these graphs, "government bonds" includes all exposures to sovereign debt.*

have sustainable investments with an

What was the minimum share of sustainable investments with an environmental objective that were not aligned with the EU Taxonomy?

Not applicable. During the reporting period, the Fund/Sub-Fund did not have explicit environmental objective that **do not consider with the criteria** for environmentally sustainable economic activities within the framework of Regulation (EU) 2020/852.

commitment given to make sustainable investments in accordance with the SFDR.

What was the minimum proportion of socially sustainable investments?

Not applicable. During the reporting period, the Fund/Sub-Fund did not make an explicit commitment to make sustainable investments in line with the SFDR.

What investments are included in "Other"? What were these intended for and were there minimum environmental and social safeguards?

The investments included under "other" are cash used for liquidity purposes and derivatives for efficient portfolio management/investment purposes. These investments were not subject to environmental and social minimum safeguards.

What measures were taken during the reference period to meet environmental and/or social characteristics?

As mentioned in the answer to question 1, during the reference period, the Fund/Sub-Fund promoted environmental and social characteristics through the following actions:
1. The Sub-Fund focuses on energy efficiency and maximising energy-efficient mortgages in the portfolio.

How did this financial product perform against the reference benchmark?

Reference benchmarks are indices that measure whether the financial product meets the environmental and social characteristics promoted by that product.

Not applicable. This Fund/Sub-Fund was actively managed and therefore did not have a specific index designated as a reference benchmark to determine whether this financial product was aligned with the environmental and social characteristics that this financial product promoted.

In what way does the reference benchmark differ from a broad market index?

Not applicable. This Fund/Sub-Fund was actively managed and therefore did not have a specific index designated as a reference benchmark to determine whether this financial product was aligned with the environmental and social characteristics that this financial product promoted.

How has this financial product performed with respect to the sustainability indicators to determine the alignment of the reference benchmark with the promoted environmental and social characteristics?

Not applicable. This Fund/Sub-Fund was actively managed and therefore did not have a specific index designated as a reference benchmark to determine whether this financial product was aligned with the environmental and social characteristics that this financial product promoted.

How did this financial product perform against the reference benchmark?

Not applicable. This Fund/Sub-Fund was actively managed and therefore did not have a specific index designated as a reference benchmark to determine whether this financial product was aligned with the environmental and social characteristics promoted by this financial product.

How did this financial product perform against the broad market index?

Not applicable. This Fund/Sub-Fund was actively managed and therefore did not have a specific index designated as a reference benchmark to determine whether this financial product was aligned with the environmental and social characteristics that this financial product promoted.

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