Goldman Sachs | Asset Management

GOLDMAN SACHS DUTCH RESIDENTIAL MORTGAGE FUND NON NHG (NL)

Annual Report 2023

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
M.C.M. Canisius
G.E.M. Cartigny
B.G.J. van Overbeek
E.J. Siermann

Custodian

The Bank of New York Mellon SA/NV, Amsterdam Branch
Claude Debussylaan 7
1082 MC Amsterdam

Legal owner

Goldman Sachs Bewaarstichting I

Board members Goldman Sachs Bewaarstichting I

H. Brink
T. Katgerman
A.F. Yska

Independent auditor

PricewaterhouseCoopers Accountants N.V.

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
Claude Debussylaan 7
1082 MC Amsterdam

2. BOARD OF DIRECTORS' REPORT

2.1 Key figures Participation Class I

		2023	2022	2021
Net asset value (x 1,000)	€	25,368	24,679	26,230
Units of participation outstanding (number)		317,505	315,619	258,690
Net asset value per unit of participation	€	79.90	78.19	101.40
Dividend per unit of participation	€	1.26	0.39	-
Net performance Participation Class	%	3.83	-22.52	1.40

Summary of investment result

Amounts x € 1,000	2023	2022	2021
Investment income	639	964	59
Operating expenses	-113	-135	-45
Revaluation	414	-8,333	133
Total investment result	**940**	**-7,504**	**147**

Summary of investment result per unit of participation

Amounts x € 1	2023	2022	2021
Investment income	2.02	3.02	0.56
Operating expenses	-0.36	-0.42	-0.43
Revaluation	1.31	-26.10	1.25
Total investment result	**2.97**	**-23.50**	**1.38**

2.1.1 Notes to the key figures Participation Class I

Reporting period

The key figures for 2023 and 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

		2023	2022	2021
Net asset value (x 1,000)	€	811,030	550,681	485,556
Units of participation outstanding (number)		10,086,070	7,013,119	4,779,678
Net asset value per unit of participation	€	80.41	78.52	101.59
Dividend per unit of participation	€	1.27	0.39	-
Net performance Participation Class	%	4.07	-22.34	1.59

Summary of investment result

Amounts x € 1,000	2023	2022	2021
Investment income	18,556	15,732	1,778
Operating expenses	-1,556	-1,232	-635
Revaluation	12,059	-133,891	3,382
Total investment result	**29,059**	**-119,391**	**4,525**

Summary of investment result per unit of participation

Amounts x € 1	2023	2022	2021
Investment income	2.19	2.81	0.65
Operating expenses	-0.18	-0.22	-0.23
Revaluation	1.43	-23.93	1.23
Investment income	**3.44**	**-21.34**	**1.65**

2.2.1 Notes to the key figures Participation Class Z

Reporting period

The key figures for 2023 and 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 BV), located in The Hague, which is licensed by the Dutch Authority for the Financial Markets Foundation (AFM) under the Dutch Financial Supervision Act ('Wet op het financieel toezicht', also referred to as 'Wft'). All shares in GSAM BV are held by Goldman Sachs Asset Management International Holdings B.V. During the reporting period, both these entities were part of The Goldman Sachs Group, Inc ("Goldman Sachs").

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 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 Change of names as of 6 March 2023

On 6 March 2023, the name of the Fund and that of the legal entities of GSAM BV were changed. In the 2023 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

2.5 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.

2.6 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 and 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 as described in the prospectus of the Fund. The Mortgage Loan Criteria are stipulated in the Master Investment and 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 manager aims, where legally possible, not to invest in issuers involved in activities including, but not limited to, the development, production, maintenance, or trade of controversial weapons, tobacco production, coal mining for electricity generation, and oil extraction from oil sands. Additionally, additional restrictions may apply to the Fund with sustainable investment objectives.

Regarding investments in UCITS and/or third-party investment institutions (including ETFs and index funds), the aforementioned investment restrictions cannot be imposed on these UCITS and/or investment institutions.

2.7 Investment restrictions

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

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.

2.8 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.

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None.

2.10 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. Furthermore, as described in the investment policy, the services of Venn Hypotheken B.V. are utilized in the acquisition, servicing, and administration of the mortgage loans on behalf of the Fund. 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 BV funds, to DM Financial Netherlands B.V. (formerly know as Solutional Netherlands B.V.). The manager remains ultimately responsible for the quality and continuity of all financial reports.

2.11 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 BV 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 31-12-2023	
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.

2.12 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.

2.13 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, the transfer of units of participation, other than through redemption to the Fund itself, is not possible.

2.14 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.

2.15 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 BV 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 BV assesses to what extent the information corresponds with the market information for Dutch Residential Mortgage Backed Securities. GSAM BV may adjust the CPR if this is deemed necessary and reasonable. In December 2023, the CPR was adjusted from 4% to 3.5%. The impact of this adjustment is explained further in paragraph 2.18.3 ‘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 7.93 (2022: 8.24). 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 and 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 BV's inherent fraud and corruption risk profile. To manage this risk, GSAM BV conducts an annual fraud and corruption risk assessment to determine the identification, exposure to and management of these risks. GSAM BV 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 BV 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 BV 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 BV 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 BV as ‘medium’ and are accepted through a formal risk acceptance, or at the level of the foreign GSAM BV 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 BV ISAE 3402 report. Furthermore, GSAM BV 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 BV also applies various soft controls, such as tone at the top, e-learnings, code of ethics and a whisteblower policy.

Sustainability risks

Sustainability risks can represent their own risk or influence other risks and contribute to general risks, such as market risks, liquidity risks, credit risks or operational risks. Sustainability risks may have a negative impact on the Fund's return.

The sustainability risks to which the Fund may be exposed may include, for example:

- Climate change
- Health & safety

The assessment of sustainability risks, as defined in Article 2(22) of Regulation (EU) 2019/2088 (on sustainability disclosures in the financial services sector, which Regulation may be amended or supplemented from time to time), is integrated into the investment decision process by application of Fund-specific criteria for responsible investing and, where applicable, integration of relevant environmental, social and governance (ESG) factors.

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.
- Information on the leverage is presented in the board of director’s report. 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.

2.16 Risk management

With regard to the design of the administrative organisation and internal control, the Manager applies the GSAM BV Control Framework. In the GSAM BV 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 Mender (trade name: 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 Mender. In the ISAE3402 report of Stater Nederland B.V. the following areas are included:

- Application for mortgages
- Management of mortgages
- Financial transactions

2.17 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 Investment and 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.

The table below gives information on the level of leverage.

	31-12-2023	31-12-2022
Net leverage restriction	105.0%	105.0%
Average level of net leverage*	100.0%	100.0%
Gross leverage restriction	105.0%	105.0%
Average level of gross leverage**	102.7%	101.2%

* The level of net leverage is determined using the commitment method taking netting and/or hedging into account.

** 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.

2.18 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.

2.18.1 General financial and economic developments in 2023

Economic Context

The first quarter of 2023 got off to an encouraging start, with optimism about China's reopening, a further fall in gas prices in Europe and moderating inflation and wage growth in the United States in January. However, better-than-expected macro data and higher-than-expected inflation readings in February led to concerns that the Federal Reserve (Fed) might have to tighten more than had been anticipated, increasing the risk of a hard landing for the economy. Oil prices fell from the second half of the quarter onwards. All eyes then turned to the banking sector in early March, with the rapid collapse of Silicon Valley Bank in the United States. It failed in part because its large investments in long-dated US Treasuries had fallen in value due to the considerable rise in interest rates over the previous year. Two days later Signature Bank also collapsed, while Swiss bank Credit Suisse was taken over by its competitor UBS amid fears about systemic risk. The US economy grew by 2.2% annualized over the quarter.

Inflation was gradually falling by the start of the second quarter. However, there was another banking collapse in the US, with First Republic Bank being sold to JPMorgan Chase. There was also considerable disquiet among investors about the looming US debt ceiling deadline, although eventually Congress passed legislation that averted a US default. US economic data improved in May, but European and Chinese data showed signs of weakening. Manufacturing PMIs continued to weaken, whereas services PMIs improved, leading to record divergence between the two. Tighter financial conditions, an ongoing rotation from goods to services consumption and weaker Chinese industrial activity were the main reasons for the divergence. Inflation continued to fall in most economies in June, and there was hope of better relations between the United States and China as US Secretary of State Antony Blinken became the most senior US official to visit China in five years. There were further signs that the US economy was proving resilient, and that consumer sentiment was improving.
The third quarter began with lower-than-expected inflation readings across developed markets and resilient activity data in the United States. The US economy had grown by 2.1% quarter-on-quarter annualized in the second quarter, which was more than expected. However, activity data from the euro area and China were weaker, as was global manufacturing. Nonetheless, there were tentative signs of optimism in China as policymakers stepped up measures to boost growth.

The macroeconomic backdrop in August was of regional growth divergence, with the United States and Japan holding up well but the euro area and China showing continued weakness in economic activity. Inflation was still coming down across the major economies, albeit at different rates. The US labor market continued to rebalance gradually, in line with the notion that the US economy could achieve a soft landing. On the negative side, there was continued weakness in Chinese trade and the country's real estate sector, a depressed euro area manufacturing cycle and a surprise downgrade of the US's credit rating from AAA to AA+ by Fitch. Chinese data came in better than expected in September after months of weakness, and there was further good news as inflation in the euro area and US continued to moderate. There was once again concern about a potential US government shutdown, but this was averted in a timely manner.

The major event of the final quarter of 2023 was war breaking out between Israel and Hamas. Although the conflict remained contained within Israel and Gaza during the quarter, it increased geopolitical risk. Other than this, the quarter was marked by relatively solid (albeit slowing) economic growth in the US, a resilient labor market, subdued inflationary pressure across the major economies and signals from central banks that their hiking cycles had ended. It was announced that the US economy had grown at an impressive annualized pace in the third quarter, but early data suggested that its growth would be significantly lower in the fourth quarter, with the labor market showing signs of softening. However, there were still hopes that the Fed would be able to engineer an economic soft landing. By contrast, the euro area's growth was weaker than expected in third quarter, but there were signs of improvement in the final quarter. There were also signs over the quarter that the Chinese economy was stabilizing.

Monetary Policy

In early January 2023 there were fears that the Bank of Japan might make more changes to its yield-curve control policy as 10-year bond yields approached their new upper limit, but in the end it left the policy unchanged. The Fed raised rates by 25 basis points in February, marking a further slowdown in the pace of hikes. It did the same in March, even though some market participants believed the turbulence in the banking system might compel it to pause to ensure the financial system remained stable. However, the Fed noted the US banking system was sound and resilient and that recent developments were likely to result in tighter credit conditions for households and businesses and to weigh on economic activity, hiring and inflation. It was a similar story in Europe, with the European Central Bank (ECB) hiking rates by 50 basis points in February and again in March despite Credit Suisse's troubles. Christine Lagarde made it clear that she believed inflation in the Eurozone was too high, and that the region's banking sector was resilient.

The Fed increased rates by 25 basis points in early May, taking the Fed Funds Rate to 5.00-5.25%. However, it hinted that this would be the last hike in the current tightening cycle. The ECB slowed the pace of rate hikes to 25 basis points at its May meeting, taking the deposit rate to 3.25%, and also ended its asset purchase program reinvestments. The ECB's Governing Council made it clear that it continued to see significant upside risks to inflation and indicated that it was not yet ready to pause. The Bank of England also hiked by 25 basis points at its meeting in May, taking the Bank Rate to 4.50%. It left the door open to future rate increases if warranted by the data. Meanwhile, the People's Bank of China hinted that it would keep monetary policy supportive, prompting expectations it might cut the reserve requirement ratio for banks or cut interest rates in the coming months. The Fed paused at its June meeting after 10 consecutive hikes to wait and see how higher rates were affecting the economy. Despite this it revised the path of expected rate hikes upwards. The ECB raised rates by another 25 basis points and the Bank of England hiked by a surprise 50 basis points in response to persistent inflation in the UK.

Both the Federal Reserve and European Central Bank hiked rates by 25 basis points in July, in line with market expectations. Interestingly, both central banks avoided providing forward guidance, stating that further policy action would be data-dependent. The Bank of Japan kept its target for 10-year Japanese government bond yields at 0%, but effectively increased the maximum level they can reach from 0.5% to 1.0%. This change was seen as an initial step towards policy normalization in Japan, although Bank of Japan Governor Kazuo Ueda said he did not expect long-term yields to actually rise to 1%. The Jackson Hole Economic Symposium was the most eagerly anticipated event in August, but Fed Chair Jerome Powell struck a balanced tone, stating his intent to continue to follow a data-dependent approach to monetary policy. The People's Bank of China surprised the markets by cutting interest rates in August, lowering the one-year medium-term lending facility by 15 basis points and the seven-day reverse repo rate by 10 basis points. These cuts were followed up with a 10 basis points cut to the one-year loan prime rate. At its September meeting, the Federal Reserve kept policy rates unchanged, as expected, but revised its median forecast for the policy rate at the end of 2024 up by 50 basis points. The ECB increased interest rates by 25 basis points, in line with market expectations, while the Bank of England surprised the market by keeping rates on hold when a 25 basis points raise had been expected. In Asia, both the People's Bank of China and the Bank of Japan kept their monetary policy unchanged.

The Federal Reserve, European Central Bank and Bank of England all kept interest rates unchanged throughout the final quarter, with the general consensus that all three banks had reached the end of their tightening cycles. In fact, the Fed adopted a decidedly dovish tone at its December meeting, with Chair Jerome Powell suggesting that its Federal Open Market Committee (FOMC) had started discussing rate cuts. The median dot plot for the 2024 Federal funds rate, which displays the interest rate projections of individual FOMC members, was revised down from 5.1% at the September meeting to 4.6% in December. This signaled that the FOMC expected 75 basis points of rate cuts in 2024. The Bank of Japan increased the flexibility of its yield curve control policy further in October. The bank said its operations to limit the rise of 10-year bond yields beyond 1% will be discontinued in favor of a nimbler approach. In effect, the 1% level on the 10-year yield was no longer a hard limit but rather a "reference" for its market operations. Between its October and December meetings expectations increased that the Bank of Japan might soon end its negative interest rate policy. But the bank maintained the status quo in December. During the quarter the Chinese central bank said that it would keep monetary policy accommodative to support the country's economy.

Fixed Income Markets

Government bond yields fell in January 2023 on expectations that interest rate rises would slow amid signs of falling inflation and inflation expectations. However, they rose again in February, with the unanticipated resurgence of inflation figures around the middle of the month sparking a flurry of volatility as traders reassessed the central bank action that would be needed to get prices back to target levels. Yields plummeted during the banking turbulence in March as sentiment towards the global economy worsened. They rose somewhat later on but still ended the month well below where they began it.

Global bond yields were little changed in April as calm returned to the markets following the turbulence of March, while corporate bonds rebounded. US yields rebounded sharply in May on hopes of a resolution of the debt ceiling issue, while UK gilt yields rose significantly due to an upwards repricing of Bank of England rate policy. There was much less upwards pressure on government bond yields elsewhere in Europe. There was a noticeable increase in short-term bond yields in June as markets repriced their assessments of central bank policy rates in the coming months upwards. However, well-anchored medium-term inflation expectations and some concerns about the economic outlook meant that the rise in longer-term yields was less pronounced. US Treasury yields hit a three-month high late in the month as stronger-than-expected economic data increased expectations that the Fed would have to raise rates once again in a bid to curb inflation. Meanwhile, the German bond yield was at its most inverted level since 1992 by near the end of the quarter as two-year yields, which are most sensitive to rate expectations, had risen sharply. UK bond yields also jumped over the month, particularly at the short end of the curve.

Bond performance was mixed in July. The US 10-year yield rose by 15 basis points even though inflation was down, as strong activity data pushed yields higher. In the UK, the 10-year yield fell by 12 basis points on the back of lower-than-expected inflation, while the German 10-year yield rose by a modest 6 basis points. At the short end, the US two-year yield was flat. August was quite a volatile month for bonds, especially in the US, where they were relentlessly sold off, resulting in yields hitting their highest level in years. The US 10-year yield hit an intra-day peak of 4.36% on 22 August – its highest level since 2007. However, it moderated somewhat towards the end of the month, ending August up 13 basis points. It was a similar story in the UK, where the 10-year yield was up 40 basis points at one point but finished the month up just 5 basis points. German and Japanese 10-year yields were essentially flat. Short-end rates were much less volatile, with the US two-year flat. In September, the US 10-year yield rose by 50 basis points due to the Fed's higher-for-longer stance, while German 10-year yields were up by 40 basis points. Japanese and UK 10-year yields moved up more modestly – by 13 basis points and 5 basis points respectively – as their central banks were less hawkish than the Fed. The US two-year yield rose by 20 basis points.

In October 10-year US Treasury yields briefly touched 5%, a level not seen since 2007. In the euro area and UK, bond yields remained range-bound in October. In Japan, 10-year government bond yields came under pressure as the market became nervous about further tweaks to the Bank of Japan's yield curve control policy. US government bonds rallied strongly in November, with 10-year Treasury yields down by nearly 80 basis points to 4.2%. This was due to slower economic growth, falling inflation, and the US Treasury slowing the increase in the size of government bond auctions, alleviating concerns about supply. The sharp drop in US yields spilled over to other developed markets, with the decline particularly pronounced in the euro area. Yields generally fell further in December. In the US, the two- and 10-year yields were both down by around 50 basis points over the month, the UK 10-year yield by 60 basis points and the 10-year Bund yield by 45 basis points. By contrast, the Japanese 10-year yield was essentially flat[1].

Equity Markets

Global equities rose by 6.0% in euro terms in the first quarter of 2023. Eurozone equities posted much the strongest return, gaining 12.3%, with US equities posting the next-best return of 5.8%. Japanese equities rose by 4.5% over the quarter, UK equities by 4.2% and emerging equities by 2.2%. Pacific ex-Japan equities lagged, eking out a 0.4% gain. There was considerable dispersion of returns at the sector level over the quarter. IT led the way, gaining 19.1%, followed by telecommunication services (+16.1%) and consumer discretionary (+14.5%). At the other end of the spectrum, energy (-4.9%) and financials and health care (both -3.2%) all fell in value over the quarter.

[1] Bloomberg, Haver Analytics. Data as at 31 December 2023.

Global developed market equities rose by 6.6% in euro terms in the second quarter, whereas emerging market equities gained just 0.6%. The US was the best-performing market over the quarter, rising by 8.3%, followed by Japanese equities, which were up by 6.0%. Eurozone equities rose by 3.3% and UK equities by 1.8%. Pacific ex-Japan was the only region to fall, down by 2.2% over the quarter. There was once again considerable dispersion of returns at the sector level, with IT leading the way with a 14.3% gain. Consumer discretionary was the only other sector to post a double-digit return, gaining 10.2%. By contrast, the energy and utilities sectors both fell by 0.7% over the quarter, and materials also fell slightly.

Global developed-market equities fell by 0.4% in the third quarter, while emerging-market equities rose by 0.2%. Japan was the best-performing market over the quarter, rising by 1.6%, with the UK not far behind, up by 1.5%. Eurozone equities were the worst performers, falling by 4.3%, while US equities were little changed, down by 0.1%. There was considerable dispersion at the sector level over the quarter. Energy was the best performer from a sector perspective, gaining 15%, followed by communication services, which rose by 4.7%. Utilities posted the worst return, losing 6.3%, while consumer staples was down by 3.4% and IT by 3.2%.

Global developed-market equities rose by 6.9% in the fourth quarter, while emerging-market equities were up by 3.4%. The euro area was the best-performing market over the quarter, gaining 7.8%, closely followed by US equities, which rose by 7.3%. UK equities posted the weakest return from a regional perspective, but were still up by 2.4%. All sectors apart from energy rose in value over the quarter. IT posted the best return, rising by 12.7%, followed by industrials (+9.2%) and financials (+8.7%). Energy fell by 7.9%, well below the returns of the two next-worst performers – consumer staples (+1.1%) and health care (+1.6%). All of these figures are in euro terms[2].

[2] LSEG. Data as at 31 December 2023.

2.18.2 Fund specific developments in 2023

Market developments

According to CBS (Statistics Netherlands), the Dutch economy contracted for the third quarter in a row in 2023, making recession a fact. However, the situation cannot be compared with the major contractions that occurred during COVID or the credit crisis. In the first, second and third quarters of 2023, the economy contracted by 0.5%, 0.4% and 0.2% respectively. Only in the fourth quarter of 2023 did the economy grow, by 0.3 %. The economic growth in the fourth quarter was primarily driven by increased household spending, which was 1.8% up on the third quarter. For 2023 as a whole, economic growth came out at 0.1%.

The costs of day-to-day living in the Netherlands rose less sharply in 2023 than it did in 2022. The CPI inflation rate for the year 2023 ended at 3.8%, against about 10% in 2022. The cost of living rose less rose less rapidly last year, primarily due to the drop in energy prices. At the same time, price increases of groceries in particular reached historic highs in 2023. During 2023, it was primarily the price of food that rose.

In 2023, Dutch negotiated wages were on average 6.1% higher than in 2022. According to CBS, this is almost twice as much as in the previous year, when wages increased by 3.2%. This increase in negotiated wages is the largest in over forty years, and partially compensates the decline in purchasing power.

According to the DNB (the Dutch central bank), house prices were on average 6.1% lower in May 2023 than at their earlier peak in July 2022. This decline was primarily due to a sharp jump in mortgage interest rates, as a result of which house buyers could borrow much less. This reduced borrowing capacity resulted in lower house prices. However, since June 2023 house prices have been rising again. According to the DNB's Autumn Forecast 2023, this increase is expected to continue, by 0.4% in 2024 and 2.0% in 2025 (relative to last year). The main reasons why house prices are rising again are that the housing market is as tight as ever and that consumer confidence has recovered more rapidly than initially expected. DNB also expects that unemployment will remain low for the time being and that incomes will rise again. As a result, borrowing capacity is increasing, which causes house prices to rise again.

According to CBS, 55,000 building permits for new houses were issued in 2023. This is 15% less than in 2022. For owner-occupied houses in particular fewer permits were issued. This number declined by 23% compared to the previous year. For rented housing it was 6% lower than in 2022. For the first time since this data was first collected, in 2012, more permits were issued for rented housing than for owner-occupied housing. This is the second year in a row that fewer permits were issued for new builds. In 2022, more than 64,000 building permits were issued for new builds, 9,000 more than in 2023.

According to the CBS land registry's real estate dashboard, 182,000 house transactions were completed in 2023, against 193,000 in 2022. In 2023, 322,000 mortgage loans were granted, compared to 462,000 in 2022. One important reason for this drop in number of mortgage transactions is that the refinancing market has largely disappeared due to higher interest rates. The total value of new mortgage loans was € 107 billion, compared to € 154 billion in 2022.

In 2023, the housing market continued to increase its trend to sustainability at full speed. According to the HDN mortgage network, sustainability is increasingly brought up by mortgage advisors (in 30% of the consultations), with more mortgage lenders offering appropriate products, resulting in more consumers taking the opportunity to improve the sustainability of their house when relocating or taking out a second/higher mortgage. According to HDN, several options were open to consumers to fund improving the sustainability of their homes in 2023. In 2023, 14.1% of mortgage applications included the option to finance energy-saving measures, compared to 11.2% in the previous year.

2023 also saw an increased focus on potential climate risks that could affect the Dutch housing market. It is suggested in the market that, in addition to an energy label, a climate label might be introduced for houses. On 9 October 2023 the KNMI (Royal Netherlands Meteorological Institute) published its new climate scenarios, which replaced its previous ones from 2014. The KNMI climate scenarios translate the global climate projections published by the IPCC (the United Nations climate panel) for the Netherlands. The four new scenarios outline what the climate in the Netherlands might be like in the future. They form the basis for research into the effects of climate change and adaptation to this change. For example, financial institutions use the climate scenarios as input for their capital requirements (Pillar 3), the European Central Bank's stress tests, and for determining whether a mortgage loan qualifies as sustainable under the EU Taxonomy Regulation.

As measured by CBS, consumer sentiment improved from -49 in January 2023 to -39 at the end of June 2023 and to -29 in December 2023. During 2023, the view taken of the economic climate improved, as did the willingness to buy. At – 29 , December's figure for consumer confidence was below the average (-10) for the past twenty years. In January 2010, confidence peaked at its highest level ever (+36), while in September 2022 it fell to its lowest level ever (-59). CBS has been measuring consumer confidence every month since April 1986.

In 2023, swap interest rates declined for all periods, apart from for the 1-year segment. We saw the greatest decline at the shorter end of the curve, with the 5-year swap declining by 81 basis points. At the longer end of the curve, the decline gradually eased, with a decline of 19 basis points at the 30-year mark. The same occurred with the mortgage interest rates, with the 1-year rate rising about 60 bps and the rate for the longer fixed-rate periods declining by 0 - 35 basis points. This combination of movements in the swap and mortgage rates led to a rise in the Fund's Z spread from 132 basis points at year-end 2022 to 167 basis points at the end of December 2023.

As of 1 January 2024, the NHG cost limit has been increased to € 435,000. If the financing also covers energy-savings measures, this limit is even € 461,000. For 2024, the NHG guarantee fee will continue to be 0.60% of the total mortgage amount. The maximum interest relief for 2024 has been set at 36.96%.

Investment policy
In the period under review, the Fund achieved a net return of 3.83% on Class I Participations and 4.07% on Class Z Participations. This net performance refers to the Fund's performance as set out in the Key Figures section, after deduction of the costs incurred for Fund management. 1.58% of this figure can be allocated to market value and other effects, including resulting from changed mortgage quotation rates, so-called 'pull back to par', and the adjustment of valuation assumptions. In addition, interest income contributed 2.71% to the return achieved. No losses were incurred on the Fund's mortgage loans in 2023.

The Fund invests the capital for the account and risk of the participants, primarily in Dutch mortgage receivables and non-NHG-guaranteed mortgages granted after 1 January 2020 by Venn Hypotheken B.V. These mortgages all comply with the Dutch Code of Conduct for Mortgage Loans, the Wft (Dutch Financial Supervision Act), and the provisional scheme for mortgage credit. At year-end 2023, the Fund's duration stood at 7.93 years. The decline in house prices and the purchase of new mortgages led to an increase in the weighted average LTIV (Loan To Indexed Value), from 64.3% at year-end 2022 to 69.3% at year-end 2023.

The fund is classified as an Article 8 fund according to the SFDR. What binds the Fund is that the outstanding principal on mortgage loans for houses with an A-label or higher must account for at least 40% of the outstanding principal of all the Fund's mortgages.

The Fund's invested capital increased to € 836 million as at year-end and it is now registered in 15 countries: the Netherlands, UK, Belgium, France, Denmark, Sweden, Finland, Germany, Spain, Italy, Ireland, Czech Republic, Greece, Slovakia and Austria.

In June 2023, the Fund distributed a dividend on both Class I Participations and on Class Z Participations, of 1.60% of the NAV (Net Asset Value) as at the end of May 2023.

Interest-only mortgages:

The Fund holds so-called interest-only mortgages, which only pay interest and do not repay the principal of the mortgage. Mortgages provided by Venn Hypotheken can consist of a maximum of 50% of the market value of the collateral in interest-only loan parts. This means that these mortgages either have a loan-to-value ratio of up to 50%, or still have loan parts that repay (amortizing / linear). As a result, we view the additional risk of interest-only mortgages as limited. Interest-only mortgages have a surcharge on the interest rate, which compensates for this limited extra risk.

Risk appetite and risk policy within the investment policy

Investors in the Goldman Sachs Dutch Residential Mortgage Fund non NHG (NL) are exposed to various risks, which are described in the section ‘Principal risks and uncertainties’. The most important risks are liquidity risk, repayment risk, concentration risk, interest rate risk, quotation risk and queuing risk.

The Fund aims to maintain the Fund’s relevant mortgage production at the level of the average production in the Dutch mortgage market, subject to the Mortgage Loan Criteria. With regard to new production, the Manager may (temporarily) deviate from the allocation if this benefits the Participants. Each mortgage allocated to the Fund (via the Allocation Mechanism) from the production of mortgage loans of Venn Hypotheken B.V. must comply with the Mortgage Loan Criteria.

Note too that house prices affect the creditworthiness of the mortgages: although in previous years this had been favorably influenced by house prices, for the period from August 2022 to April 2023 we saw house prices decline, before they started to rise again slightly from May onwards. In part as a result of these trends, in 2023 the ‘Weighted Average Loan to Indexed Market Value’ rose from 64.3% to 69.3%.

Use of derivatives in the reporting period

The Fund does not use derivatives.

Outlook

According to the DNB, the slight increase (0.1%) in GDP in 2023 was due to a drop in spending caused by high inflation and the rapid rise in interest rates. Because inflation is expected to decrease in both 2024 and 2025, the Dutch economy is expected to gradually recover in these years. From 2024, government spending levels should start rising again, and the DNB also expects that an increase in households’ real incomes will support domestic spending. It is still uncertain, however, how global trade will develop and how this may affect the Dutch economy.

Nevertheless, inflation is not expected to fall back to the 2% level that the European Central Bank is aiming for. This in view of the overheated economy and shortages on the labor market. Currently it is rising wages in particular that delay a decrease of inflation. Unemployment will increase only slightly, from 3.6% in 2023 to 4.2% in 2025.

However, the outlook for the interest rates remains uncertain. It seems likely that the period of major interest rate increases is behind us. Given the expected slowdown in growth and the falling inflation rate, we expect interest rates to ease slightly in the short to medium term.

Major domestic challenges continue to be the energy transition and the increasing demand for care services as a result of the aging population. In the political world, the formation of a new coalition government will be a difficult obstacle to overcome. In addition, the shortage of houses seems to be permanent in nature. Currently, this shortage is approximately 390,000 houses, or 4.8% of the total number of houses.

We also note that the brief period of falling house prices appears to be at an end. The DNB forecasts 0.4% growth for 2024 and of 2.0% in 2025. Recovering consumer confidence, along with the shortage on the housing market, will have a positive impact on house prices. Furthermore, unemployment is expected to remain low during both 2024 and 2025. As a result, we do not expect either arrears or losses to increase in the short term.

2.18.3 Other aspects

Change in the conditional prepayment rate ('CPR')

In December 2023, the conditional prepayment rate (CPR) was adjusted from 4% to 3.5%. This decrease in the CPR is based on an analysis of the mortgage portfolio prepayment behavior. Due to the increased interest rates, it is expected that the amount of early repayments will decline. The impact of the CPR change is negative € 4.4 million, equal to 0.48% of the fund's assets.

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

The composition of the Board of Directors of GSAM BV ("the Board of Directors") has changed during the reporting period. The composition of the current members of the Executive Board as of 23 April 2024 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 23 April 2024	Date of joining
P. den Besten	21 December 2022
M.C.M. Canisius	1 August 2017
G.E.M. Cartigny	21 December 2022
B.G.J. van Overbeek	11 March 2020
E.J. Siermann	15 December 2023

Resigned directors	Date of resignation
H.W.D.G. Borrie	12 May 2023
M.C.J. Grobbe	30 June 2023
V. van Nieuwenhuijzen	15 December 2023

2.19 Remuneration disclosures

Introduction

The following disclosures are made by Goldman Sachs Asset Management B.V. (“GSAM BV”) in accordance with the AIFMD (2011/61/EU) and UCITS Directive (2014/91/EU) and further guidance included in the ESMA Guidelines on sound remuneration policies under the AIFMD (3 July 2013/ESMA/2013/232) and UCITS Directive (14 October 2016/ESMA/2016/575).

2.19.1 Remuneration Programme Philosophy

Retention of talented employees is critical to executing the The Goldman Sachs Group, Inc.’s (“the firm” or “GS Group”) business strategy successfully. Remuneration is, therefore, a key component of the costs the firm incurs to generate revenues, similar to cost of goods sold or manufacturing costs in other industries.

The remuneration philosophy and the objectives of the remuneration programme for the firm are reflected in the Compensation Principles for GS Group, as posted on the Goldman Sachs public website:

http://www.goldmansachs.com/investor-relations/corporate-governance/corporate-governance-documents/compensation-principles.pdf

In particular, effective remuneration practices should:
(i) Encourage a real sense of teamwork and communication, binding individual short-term interests to the institution’s long-term interests;
(ii) Evaluate performance on a multi-year basis;
(iii) Discourage excessive or concentrated risk-taking;
(iv) Allow an institution to attract and retain proven talent;
(v) Align aggregate remuneration for the firm with performance over the cycle; and
(vi) Promote a strong risk management & control environment.

2.19.2 Compensation Frameworks

The Amended and Restated Firmwide Performance Assessment & Variable Compensation Framework (“Firmwide Compensation Framework”) formalises the variable remuneration practices of the firm.

The primary purpose of this Firmwide Compensation Framework is to assist the firm in assuring that its variable compensation programme does not provide “covered employees” (i.e., senior executives as well as other employees of the firm, who, either individually or as part of a group, have the ability to expose the firm to material amounts of risk) with incentives to take imprudent risks and is consistent with the safety and soundness of the firm.

Each business, and each of its underlying business units, maintains a Performance Assessment & Variable Compensation Framework that is specific to the business or business unit, as applicable, and that is consistent with the Firmwide Compensation Framework (collectively, the “Compensation Frameworks”).

2.19.3 Integration of GSAM BV and its Remuneration structures

The firm completed the acquisition of GSAM BV on 11 April 2022 from NN Group. The NN Group Remuneration Framework remained applicable during the transition year of 2022 and this framework – in addition to the Goldman Sachs Compensation Frameworks and Plans such as the Goldman Sachs NNIP Phantom Unit Investment Plan – was followed until the full integration into Goldman Sachs. From 1 January 2024, and effective over fiscal year 2023 grants, GSAM B.V implemented the Goldman Sachs Asset Management B.V. Compensation Policy, with the purpose of supplementing the firm’s remuneration programmes and frameworks in alignment with applicable local laws, rules and regulations.

2.19.4 Remuneration Governance

The Compensation Committee

The Board of Directors of GS Group (the "Group Board") oversees the development, implementation and effectiveness of the firm's global remuneration practices, and it generally exercises this responsibility directly or through delegation to the Compensation Committee of the Group Board (the "Compensation Committee"). The responsibilities of the Compensation Committee include:

- Review and approval of (or recommendation to the Group Board to approve) the firm's variable remuneration structure, including the portion to be paid as share-based awards, all year-end share-based grants for eligible employees and the terms and conditions of such awards.
- Assisting the Group Board in its oversight of the development, implementation and effectiveness of policies and strategies relating to the Human Capital Management ("HCM") function, including recruiting, retention, career development and progression, management succession (other than that within the purview of the Corporate Governance and Nominating Committee) and diversity.
- The Compensation Committee held 10 meetings in 2023 to discuss and make determinations regarding remuneration.
- The members of the Compensation Committee at the end of 2023 were Kimberley D. Harris (Chair), M. Michele Burns, Kevin R. Johnson, Ellen J. Kullman, Lakshmi N. Mittal, and Adebayo O. Ogunlesi (ex-officio). None of the members of the Compensation Committee was an employee of the firm. All members of the Compensation Committee were "independent" within the meaning of the New York Stock Exchange Rules and the Group Board Policy on Director Independence.

External Consultants

The Compensation Committee recognises the importance of using a remuneration consultant that is appropriately qualified and is determined to be independent.

For 2023, the Compensation Committee received the advice of a remuneration consultant from Frederic W. Cook & Co., Inc.

Other Group Stakeholders

In carrying out the responsibilities of the Compensation Committee, the Chair of the Compensation Committee met multiple times with senior management during the year, including the firm's Chief Operating Officer ("COO"), the Executive Vice President, the Global Head of HCM and other members of senior management.

The GSAM BV Compensation Committee

The GSAM BV Compensation Committee (the " GSAM BV Compensation Committee") operates in line with GS Group policies and practices.

The members of the GSAM BV Compensation Committee at the end of 2023 were Martijn Canisius (Chair), Anya Radford, Jan van Vulpen, Patrick den Besten and Kameliya Evtimova. The responsibilities of the GSAM BV Compensation Committee include:

- Overseeing the development and implementation of the Goldman Sachs Asset Management B.V. remuneration policy ("the GSAM BV Compensation Policy") and related practices of GSAM BV in accordance with the relevant provisions in and any other applicable law and regulation.
- Supporting the GSAM BV Supervisory Compensation Committee with regard to reviewing and approving the remuneration of the GSAM BV Board and the highest paid staff members of GSAM BV and the senior officers in the independent control functions.
- Preparing appropriate recommendations for holdback of deferred compensation by way of malus and or holdback to GSAM BV staff, to be signed-off by the GSAM BV Supervisory Compensation Committee.

The GSAM BV Compensation Committee held 4 meetings in 2023 in fulfilment of these responsibilities.

GSAM BV Supervisory Compensation Committee

The GSAM BV Supervisory Compensation Committee oversees the development and implementation of those remuneration policies and practices of GSAM BV that are required to supplement the global Compensation Policy of GS Group in accordance with applicable law and regulations.

The GSAM BV Supervisory Committee works alongside the GSAM BV Compensation Committee. The GSAM BV Supervisory Compensation Committee is chaired by Fadi Abuali. The GSAM BV Supervisory Compensation Committee held 3 meetings in 2023 in fulfilment of these responsibilities.

Remuneration Risk Assessment

The GSAM BV Head of Reward presented the annual remuneration risk assessment to the GSAM BV Compensation Committee, to assist the GSAM BV. Compensation Committee in its assessment of the effectiveness of GSAM BV's remuneration programme, and particularly, whether the programme is consistent with the principle that variable remuneration does not encourage employees to expose the firm to imprudent risk. This assessment most recently occurred in March 2024, over performance year 2023.

Global Remuneration Determination Process

The firm's global process for setting variable remuneration (including the requirement to consider risk and compliance issues) applies to employees of GSAM BV and is subject to oversight by the GSAM BV Compensation Committee and the GSAM BV Supervisory Compensation Committee and ultimately the Group Board and the Compensation Committee. The firm uses a highly disciplined and robust process for setting variable remuneration across all regions following the processes outlined in the Compensation Frameworks.

In addition, as part of the remuneration determination process, members of the firm's Compliance, Risk, Employment Law Group and Employee Relations functions make arrangements for business and business unit management to take into consideration certain compliance, risk or control matters when determining remuneration of individuals.

2.19.5 Link Between Pay and Performance

In 2023, annual remuneration for employees comprised fixed remuneration (including base salary) and variable remuneration. The firm's remuneration practices provide for variable remuneration determinations to be made on a discretionary basis. Variable remuneration is based on multiple factors and is not set as a fixed percentage of revenue or by reference to any other formula, consistent with the process outlined in the Compensation Frameworks. Firmwide performance is a key factor in determining variable remuneration.

The firm is committed to aligning variable remuneration with performance. In order to do so, the performance of the firm, relevant business, and/or business unit, desk (if applicable) and individual over the past year, as well as over prior years, are taken into account.

The firm believes that multi-year guarantees should be avoided as they risk misaligning remuneration and performance, and guaranteed variable remuneration should be awarded in exceptional circumstances only (for example, for certain new hires).

2.19.6 Selection and remuneration of Identified Staff

GSAM BV selects Identified Staff (staff whose professional activities have material impact on the risk profile 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). AIFMD and UCITS Identified Staff are selected in accordance with ESMA guidelines 2013/232 and 2016/575. Under its selection methodology, GSAM BV considers the categories as detailed in the aforementioned ESMA guidelines and conducts a review of employees who have a material impact and whose total remuneration takes them into the same remuneration bracket as senior managers and risk takers. GSAM BV also selected Identified Staff on the basis of the Regulatory Technical Standards on Identified Staff under IFD in 2023. It should be noted that IFD ceased to apply to any entities in The Netherlands during the year.

The applied selection methodology and selection criteria were approved by the GSAM BV Compensation Committee.

2.19.7 Performance Measurement

Financial performance is measured at the firmwide, business, business unit, desk and individual level as applicable. Employees are evaluated annually as part of the performance review feedback process. The process reflects evaluation of employee objectives and performance focusing on matters including but not limited to teamwork and collaboration.

Firmwide performance

The following metrics are among the firmwide financial performance measures, considered in determining amounts, although the firm does not use specific measures/targets as part of a formula:

- Net revenues;
- Provision for credit losses;
- Revenues net of provision for credit losses;
- Compensation and benefits expense;
- Non-compensation expenses;
- Pre-tax earnings;
- Net earnings;
- Ratio of compensation and benefits to revenues net of provision for credit losses;
- Efficiency ratio;
- Diluted earnings per share;
- Return on average common equity;
- Return on average tangible common equity; and
- Book value per common share.

Business, business unit, desk performance

Additionally, at both the business and business unit level, quantitative and/or qualitative metrics specific to such levels, respectively, and below are used to evaluate the performance of the business/business unit and their respective employees.

Individual performance

Employees are evaluated annually as part of the performance review feedback process.

Performance Management for Identified Staff

The performance management principles applied to Identified Staff ensure that there is focus on financial and non-financial performance, strong leadership behavior and reinforcement of GSAM BV’s strategy. The principles also create alignment with the AIF and UCITS risk profile. The performance objectives include both financial and non-financial performance objectives according to the following balance:

- A maximum of 50% financial objectives for non-control functions Identified Staff;
- A maximum of 15% financial objectives for control functions;
- Control functions will only have financial performance objectives that are not linked to the performance of the business unit they control.

GSAM BV promotes robust and effective risk management. This includes risk management of sustainability risks (such as environment, society, governance and people related matters). It supports balanced risk-taking and long-term value creation. This will be supported, among others, by the processes related to determining performance targets that can be linked to variable remuneration. Investment professionals are required and all staff are encouraged to incorporate objectives related to sustainability and the integration of sustainability risks.

2.19.8 Risk Adjustment

Prudent risk management is a hallmark of the firm's culture and sensitivity to risk and risk management are key elements in assessing employee performance, including as part of the performance review feedback process noted above.

The firm takes risk, including conduct risk, into account both on an ex-ante and ex-post basis when setting the amount and form of variable remuneration for employees. As indicated in the Compensation Frameworks, different lines of business have different risk profiles and these are taken into account when determining remuneration. These include Compliance and Operational Risk, Strategic and Business Environment Risk, Credit and Market Risk, Liquidity and Funding Risk and the potential for reputational risk that may emanate from any of the aforementioned risks.

Guidelines are provided to assist compensation managers when exercising discretion during the remuneration process to promote appropriate consideration of the different risks presented by the firm's businesses. Further, to ensure the independence of control function employees, remuneration for those employees is not determined by individuals in revenue-producing positions but rather by the management of the relevant control function.

Consistent with prior years, for 2023 certain employees receive a portion of their variable remuneration as a share-based award that is subject to a number of terms and conditions that could result in forfeiture or recapture. For further details, see "Structure of Remuneration" below.

In the 2023 annual remuneration risk assessment presented to the Compensation Committee, meeting jointly with the Risk Committee of the Group Board, GS Group's CRO confirmed that the various components of the firm's remuneration programmes and policies (for example, process, structure and governance) balanced risk and incentives in a manner that does not encourage imprudent risk-taking. In addition, the CRO stated that the firm has a risk management process that, among other things, is consistent with the safety and soundness of the firm and focuses on our:

(i) *Risk management culture*: the firm's culture emphasises continuous and prudent risk management;
(ii) *Risk-taking authority*: there is a formal process for identifying employees who, individually or as part of a group, have the ability to expose the firm to material amounts of risk;
(iii) *Upfront risk management*: the firm has tight controls on the allocation, utilisation and overall management of risk-taking, as well as comprehensive profit and loss and other management information which provide ongoing performance feedback. In addition, in determining variable remuneration, the firm reviews performance metrics that incorporate ex-ante risk adjustments; and
(iv) *Governance*: the oversight of the Group Board, management structure and the associated processes all contribute to a strong control environment and control functions have input into remuneration structure and design.

The GSAM BV Compensation Committee has also reviewed the annual compensation-related risk assessment with respect to GSAM BV

2.19.9 Structure of Remuneration

Fixed Remuneration

The firm has a global salary approach to ensure consistency in salary levels and to achieve an appropriate balance between fixed and variable remuneration.

Variable Remuneration

For employees with total remuneration and variable remuneration above specific thresholds, variable remuneration is generally paid in a combination of cash and equity-based remuneration. In general, the portion paid in the form of an equity-based award increases as variable remuneration increases and, for Identified Staff, is set to ensure compliance with the applicable rules of the AIFMD and UCITS Directive.

The variable remuneration programme is flexible to allow the firm to respond to changes in market conditions and to maintain its pay-for-performance approach. Variable remuneration is discretionary (even if paid consistently over a period of years).

Equity-Based Remuneration

The firm believes that remuneration should encourage a long-term, firmwide approach to performance and discourage imprudent risk-taking. Paying a significant portion of variable remuneration in the form of equity-based remuneration that delivers over time, changes in value according to the price of shares of common stock (shares) of GS Group and/or the performance of GSAM BV funds, and is subject to forfeiture or recapture encourages a long-term, firmwide focus because its value is realised through long-term responsible behaviour and the financial performance of the firm.

To ensure continued alignment to the investment activities of GSAM BV, Identified Staff and GSAM BV staff eligible for equity-based remuneration are generally awarded both GS Group Restricted Stock Units ("RSUs") and Phantom Units under the Goldman Sachs NNIP Phantom Investment Plan ("GSAM BV Phantom Unit Plan"), described further below.

The firm imposes transfer restrictions, retention requirements, and anti-hedging policies on RSUs to further align the interests of the firm's employees with those of the firm's shareholders. The firm's retention and transfer restriction policies, coupled with the practice of paying senior employees a significant portion of variable remuneration in the form of share-based awards, leads to a considerable investment in shares of GS Group over time.

- **Identified Staff upfront award**: For Identified Staff, the upfront part of the award consists of cash and GSAM BV Phantom units. These Phantom Units are tied to the performance of funds managed by GSAM BV and vest immediately upon grant. A 12 month retention applies over all upfront GSAM BV Phantom Unit awards.

- **Deferral Policy**: The deferred portion of fiscal year 2023 annual variable remuneration was generally awarded in the form of RSUs and GSAM BV Phantom Units. An RSU is an unfunded, unsecured promise to deliver a share on a predetermined date. RSUs awarded in respect of fiscal year 2023 generally deliver in three equal instalments on or about each of the first, second and third anniversaries of the grant date, and GSAM BV Phantom Units generally vest in three equal instalments on or about each of the first, second and third anniversaries of the grant date, assuming the employee has satisfied the terms and conditions of the award at each such date.

- **Transfer Restrictions over RSUs**: The firm generally requires certain individuals to hold a material portion of the shares they receive in respect of RSUs granted as part of their year-end remuneration according to the firm's global deferral table. These transfer restrictions apply to the lower of 50% of the shares delivered before reduction for tax withholding, or the number of shares received after reduction for tax withholding. Because combined tax and social security rates in the Netherlands are close to 50%, transfer restrictions apply to substantially all net shares delivered to employees resident in the Netherlands.

  An employee generally cannot sell, exchange, transfer, assign, pledge, hedge or otherwise dispose of any RSUs or shares that are subject to transfer restrictions.

- **Retention Requirement**: For certain individuals the firm requires that the GSAM BV Phantom Units awarded in relation to their variable remuneration will remain subject to a 12 month retention period after vesting. All GSAM BV Phantom Units awarded to employees designated as Identified Staff are subject to this retention requirement.

- **Forfeiture and Recapture Provisions**: The RSUs and shares delivered thereunder and GSAM BV Phantom Units awarded in relation to variable remuneration are subject to forfeiture or recapture if the Compensation Committee or its delegate(s) determine(s) that during 2023 the employee participated (or otherwise oversaw or was responsible for, depending on the circumstances, another individual's participation) in the structuring or marketing of any product or service, or participated on behalf of the firm or any of its clients in the purchase or sale of any security or other property, in any case without appropriate consideration of the risk to the firm or the broader financial system as a whole (for example, if the employee were to improperly analyse risk or fail sufficiently to raise concerns about such risk) and, as a result of such action or omission, the Compensation Committee or its delegate(s) determine(s) there has been, or reasonably could be expected to be, a material adverse impact on the firm, the employee's business unit or the broader financial system.

  This provision is not limited to financial risks and is designed to encourage the consideration of the full range of risks associated with the activities (for example, legal, compliance or reputational). The provision also does not require that a material adverse impact actually occur, but rather may be triggered if the firm determines that there is a reasonable expectation of such an impact.

  The Compensation Committee previously adopted guidelines that set forth a formal process regarding determinations to forfeit or recapture awards for failure to consider risk appropriately upon the occurrence of certain pre-determined events (for example, in the event of annual firmwide, business unit and below or individual losses). The review of whether forfeiture or recapture is appropriate includes input from the CRO, as well as representatives from Legal Division, as appropriate. Determinations are made by the Compensation Committee or its delegates, with any determinations made by delegates reported to the Compensation Committee.

  All variable remuneration granted to Identified Staff is generally subject to forfeiture or recapture in the event of a "material failure of risk management", or in the event that the employee engages in "serious misconduct", at any time during the seven year period after grant (equity-based awards) or payment (cash).

  Additionally, RSUs and shares delivered thereunder and GSAM BV Phantom Units awarded in relation to variable remuneration are generally subject to forfeiture or recapture if it is appropriate to hold a Material Risk Taker accountable in whole or in part for an "adjustment event" that occurred during 2023. This may include conduct which resulted in a material loss of capital or a material relevant regulatory sanction for the firm.

  An employee's RSUs and GSAM BV Phantom Units may also be forfeited, and shares delivered thereunder recaptured if the employee engages in conduct constituting "cause" at any time before the RSUs are delivered and any applicable transfer restrictions lapse. Cause includes, among other things, any material violation of any firm policy, any act or statement that negatively reflects on the firm's name, reputation or business interests and any conduct detrimental to the firm.

  With respect to all of the forfeiture conditions, if the firm determines after delivery or release of transfer restrictions that an RSU or share delivered thereunder or GSAM BV Phantom Unit should have been forfeited or recaptured, the firm can require return of any shares delivered or repayment to the firm of the fair market value of the shares or GSAM BV Phantom Units when delivered or paid (including those withheld to pay taxes) or any other amounts paid or delivered in respect thereof.

- **Hedging**: The firm's anti-hedging policy ensures employees maintain the intended exposure to the firm's stock performance. In particular, all employees are prohibited from hedging RSUs, including shares that are subject to transfer restrictions. Employees may hedge only shares that they can otherwise sell. However, no employee may enter into uncovered hedging transactions or sell short any shares. Employees may only enter into transactions or otherwise make investment decisions with respect to shares during applicable "window periods".

- **Treatment upon Termination or Change-in-Control**: As a general matter, delivery schedules are not accelerated, and transfer restrictions are not removed, when an employee leaves the firm. The limited exceptions include death and "conflicted employment." A change in control alone is not sufficient to trigger acceleration of any deliveries or removal of transfer restrictions; only if the change in control is followed within 18 months by a termination of employment by the firm without "cause" or by the employee for "good reason" will delivery and release of transfer restrictions be accelerated.

2.19.10 Quantitative Disclosures

Remuneration over 2023

Over 2023, GSAM BV has awarded a total amount of € 124.09 million to all employees. This amount consists of fixed remuneration of € 91.93 million and variable remuneration of € 32.16 million . Per 31 December 2023 this concerned 770 employees and 5 board members of GSAM BV 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. In total GSAM BV awarded remuneration exceeding € 1 million to 2 employees.

From the above mentioned amounts, total remuneration for the board members is € 3.01 million, of which fixed remuneration is € 1.58 million and variable remuneration is € 1.43 million

Remuneration paid or awarded for the financial year ended December 31, 2023 comprised fixed remuneration (salaries, allowances and director fees) and variable remuneration. Information of fixed remuneration and variable remuneration is not administered on fund level, resulting in the costs above to be disclosed on aggregated total management company level.

Aggregated fixed and variable remuneration over 2023

The following tables show aggregate quantitative remuneration information for all Identified Staff of GSAM BV selected on the basis of AIFMD, UCITs and/or IFD for the performance year 2023.

Table 1: Aggregated fixed and variable remuneration for the performance year 2023 for Identified Staff

Amounts x € 1,000 and gross	Identified Staff qualified as Executives	Other Identified Staff
Number of employees (#)	5	28
Fixed remuneration (1)	1,582	7,981
Variable remuneration (2)	1,430	7,014
Aggregate of fixed and variable remuneration	**3,012**	**14,995**

1- Fixed remuneration per ultimo 2023 for contractual working hours. The Fixed remuneration includes allowances, which includes elements such as holiday pay, and pension allowance and excludes benefits.
2- Variable remuneration includes all conditional and unconditional awards in relation to the performance year 2023 as approved by the relevant committees and authorized per December 2023. This includes all payments to be processed through payroll per January 2024, and GSAM BV Phantom Unit awards as awarded to Identified Staff as well as all conditional deferred RSUs and GSAM BV Phantom Units. A reference to the allocated Funds is not available.

Table 2: Aggregated fixed and variable remuneration for the performance year 2022 for Identified Staff

Amounts x € 1,000 and gross	Identified Staff qualified as Executives	Other Identified Staff
Number of employees (#)	6	23
Fixed remuneration (1)	2,482	5,832
Variable remuneration (2)	1,885	3,512
Aggregate of fixed and variable remuneration	**4,367**	**9,344**

1- Fixed remuneration per ultimo 2022 for contractual working hours. The Fixed remuneration includes allowances, which includes elements such as holiday pay, and pension allowance and excludes benefits.
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 October 2022. This includes all payments to be processed through payroll per January 2023, and GSAM BV Phantom Unit awards as awarded to Identified Staff as well as all conditional deferred RSUs and GSAM BV Phantom Unit. A reference to the allocated Funds is not available.

2.20 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 2023 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 BV 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, 23 April 2024

Goldman Sachs Asset Management B.V.

3. FINANCIAL STATEMENTS 2023

(For the period 1 January through 31 December 2023)

3.1 Balance sheet

Before appropriation of the result

Amounts x € 1,000	Reference	31-12-2023	31-12-2022
Investments			
Mortgages	3.5.1	800,712	551,932
Investment funds	3.5.2	27,291	19,654
Total investments		**828,003**	**571,586**
Receivables	3.5.4		
Outstanding investment transactions		10,040	15,877
Other receivables		10,287	4,847
Total receivables		**20,327**	**20,724**
Other assets	3.5.5		
Cash and cash equivalents		110	104
Total other assets		**110**	**104**
Total assets		**848,440**	**592,414**
Net asset value	3.5.6		
Net assets participation holders		806,399	702,255
Net result		29,999	-126,895
Net asset value		**836,398**	**575,360**
Short term liabilities	3.5.7		
Construction depots		11,572	15,456
Outstanding investment transactions		77	108
Debts to participants		-	1,168
Other liabilities		393	322
Total short-term liabilities		**12,042**	**17,054**
Total liabilities		**848,440**	**592,414**

3.2 Profit and loss statement

For the period 1 January through 31 December

Amounts x € 1,000	Reference	2023	2022
OPERATING INCOME			
Investment income	3.6.1		
Interest from mortgages		18,594	9,409
Revaluation of investments	3.6.2		
Realised changes in the value of investments		664	-349
Unrealised changes in the value of investments		11,809	-141,875
Other results	3.6.3		
Offer risk		796	7,428
Interest on construction depots		-249	-143
Other interest income		52	
Other operating income		2	2
Total operating income		**31,668**	**-125,528**
OPERATING EXPENSES	3.6.4		
Operating costs		1,628	1,235
Interest		41	132
Total operating expenses		**1,669**	**1,367**
Net result		**29,999**	**-126,895**

3.3 Cash flow statement

For the period 1 January through 31 December

Amounts x € 1,000	2023	2022
CASH FLOW FROM INVESTMENT ACTIVITIES		
Purchases of investments	-566,428	-532,593
Sales of investments	328,290	324,440
Interest received	18,646	9,409
Other results	-5,810	11,090
Change in construction depots	-3,884	-2,551
Other interest paid	-290	-275
Operating costs paid	-1,557	-1,124
Total cash flow from investment activities	**-231,033**	**-191,604**
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issue of participations	249,381	194,067
Proceeds from purchase of participations	-7,873	-118
Distribution to participants	-10,469	-2,312
Total cash flow from financing activities	**231,039**	**191,637**
NET CASH FLOW	**6**	**33**
Cash and cash equivalents opening balance	104	71
Cash and cash equivalents closing balance	**110**	**104**

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 Change in presentation of balance sheet

With effect from 2023, the Fund uses a modified balance sheet model, in accordance with balance sheet model R of the Financial Statements Models Decree. With this change in presentation, the Fund is more in line with what is customary in the market. The change in presentation has no consequences for the fund's assets and the result. The comparative figures have been adjusted to reflect the changed presentation.

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 BV. The liquidity risk is covered at GSAM BV 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 BV 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 2.15 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.

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.

Conclusion

At present, we do not foresee any impact on the continuity of the Fund, nor that of the manager over the next 12 months. 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 the purchase price (100.5% of the nominal value), which is the fair value. Bridging mortgages are valued at 100.0% of par value. After initial recognition, mortgages are valued at fair value. This means discounting the future contractual cash flows, taking into account early repayments by the borrower, using a market-consistent discount curve for similar mortgage loans as of the end of each month for which the Fund's value is determined.
- The values of the collateral are indexed quarterly. For indexing, the house price index per province, as published by the Central Bureau of Statistics (CBS), is used.
- Investments in other GSAM BV 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.

3.5 Notes to the balance sheet

For the period 1 January through 31 December

3.5.1 Mortgages

Amounts x € 1,000	2023	2022
Opening balance	551,932	436,021
Purchases	297,288	304,968
Sales/repayments	-59,866	-46,915
Revaluation	11,358	-142,142
Closing balance	**800,712**	**551,932**

The revaluation on the mortgages for 2023 includes an unrealised revaluation amount of -796 (2022: -7,428) 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	2023	2022
Opening balance	19,654	59,551
Purchases	269,109	227,536
Sales	-262,587	-267,351
Revaluation	1,115	-82
Closing balance	**27,291**	**19,654**

Investments in investment funds

Below is an overview of the investment funds in which the Fund participates at reporting date. The participating interest percentage relates to the interest in the relevant participation class of the investment fund in which the Fund participates. If the Fund participates in Liquid Euro or Liquid Euribor 3M, these participations are kept for cash management purposes.

At 31 December 2023

Name of the fund	Number of shares/participation	Net Asset value in €	Ownership-percentage	Value x € 1,000
Liquid Euro - Zz Cap Eur	26,626	1,024.97	1.3%	27,291
Closing balance				**27,291**

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**

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.

3.5.3.1 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	2023	2022
Nominal value mortgages (x € 1,000)	922,873	686,723
Outstanding construction depots (x € 1,000)	11,572	15,456
Number of loans	2,860	2,204
Number of loan parts	6,917	5,568
Weighted average interest rate on mortgages	2.57%	1.92%
Payments overdue for more than 90 days (x € 1,000)	20	-
Credit losses (x € 1,000)	-	-
Loan to value ratio*	72.07%	71.67%

* 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	31-12-2023	31-12-2022
Annuity mortgages	514,055	315,977
Interest only mortgages	382,185	353,539
Linear mortgages	16,634	12,195
Bridging mortgages	9,999	5,012
Total	**922,873**	**686,723**

Mortgage portfolio by province

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

Amounts x €1,000	31-12-2023	31-12-2022
Zuid-Holland	199,077	139,032
Noord-Holland	178,771	129,200
Noord-Brabant	154,866	116,223
Utrecht	116,694	79,584
Gelderland	105,717	83,260
Overijssel	52,374	45,797
Limburg	28,604	20,392
Drenthe	19,621	13,906
Flevoland	18,514	15,142
Friesland	16,029	11,997
Nederland*	12,217	16,782
Groningen	11,288	8,205
Zeeland	9,101	7,203
Total	**922,873**	**686,723**

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

3.5.3.2 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	31-12-2023	31-12-2022
Shorter than 1 year	0%	0%
Between 1 and 5 years	1%	1%
Between 5 and 10 years	32%	22%
Between 10 and 15 years	4%	3%
Between 15 and 20 years	49%	57%
Longer than 20 years	14%	17%
Total	**100%**	**100%**

3.5.3.3 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.

3.5.3.4 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 € 322,683 (2022: € 311,580).

The amount that best represents the maximum credit risk of the Fund at 31 December 2023 is € 848,440 (2022: € 591,246).

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

At 31 December 2023

	0%-50%	50%-100%	100%-106%	Total
Non NHG	17.0%	82.9%	0.1%	100.0%
Total	**17.0%**	**82.9%**	**0.1%**	**100.0%**

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%**

3.5.3.5 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.

3.5.3.6 Investments by valuation method

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

Amounts x € 1,000	2023	2022
Discounted cash flow calculation	800,712	551,932
Other method*	27,291	19,654
Balance at end of reporting period	**828,003**	**571,586**

* 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.

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	31-12-2023	31-12-2022
Receivable from Venn Hypotheken B.V.	10,189	4,784
Other receivables	98	63
Closing balance	**10,287**	**4,847**

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 Net asset value

For the period 1 January through 31 December 2023

Amounts x € 1,000	Participation Class I	Participation Class Z	Total
Opening balance	24,679	550,681	575,360
Issue of participations	147	249,234	249,381
Redemption of participations	-	-7,873	-7,873
Distribution to participations	-398	-10,071	-10,469
Net assets participation holders	**24,428**	**781,971**	**806,399**
Net result	940	29,059	29,999
Closing balance	**25,368**	**811,030**	**836,398**

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 2023 amounts to 0 (2022: 0).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 administrative systems do not provide the possibility to split the unrealized revaluation on the mortgages into positive and negative revaluation at the level of individual mortgages. Therefore, the revaluation reserve has been determined based on the valuation of the mortgage portfolio at the aggregate level, utilizing an average cost approach.

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	7,252	186,815	194,067
Redemption of participations	-1,170	-116	-1,286
Distribution to participations	-129	-2,183	-2,312
Net assets participation holders	**32,183**	**670,072**	**702,255**
Net result	-7,504	-119,391	-126,895
Closing balance	**24,679**	**550,681**	**575,360**

Unrealised revaluation

Overview of positive and negative unrealized revaluation of the investment portfolio

Amounts x €1,000	Positive revaluation	Negative revaluation	Total at 31-12-2023	Total at 31-12-2022
Mortgages*	-	-126,256	-126,256	-137,881
Investment funds	216	-	216	32
Balance at end of reporting period	**216**	**-126,256**	**-126,040**	**137,849**

* The administrative systems do not provide the possibility to split the unrealized revaluation on the mortgages into positive and negative revaluation at the level of individual mortgages. Therefore, the table only presents the total amount of unrealized revaluation on the mortgages.

3.5.7 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	31-12-2023	31-12-2022
Costs to be paid	375	268
Other payables	18	54
Closing balance	**393**	**322**

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	31-12-2023	31-12-2022
Participation class I	-	-
Participation class Z	150,000	223,000
Total	**150,000**	**223,000**

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	2023	2022
Realised gains and losses on mortgages*	-267	-210
Unrealised gains and losses on mortgages *	11,625	-141,932
Realised gains on investment funds	931	-
Realised losses on investment funds	-	-139
Unrealised gains on investment funds	184	57
Total revaluation of investment	**12,473**	**-142,224**
Realised changes in the value of investments	664	-349
Unrealised changes in the value of investments	11,809	-141,875
Total revaluation of investment	**12,473**	**-142,224**

* The administrative systems 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 -796 (2022: -7,428) 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 -796 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 796 (2022: 7,428) and the unrealised revaluation on mortgages as disclosed in paragraph 3.6.2, have 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 interest income

This is the interest income on cash and cash equivalents 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

	2023	2022
Purchases of investments	566,397	532,504
Sales of investments	322,453	314,266
Total of investment transactions	**888,850**	**846,770**
Subscriptions to participations	249,381	194,067
Redemption of participations	7,873	1,286
Total of participation transactions	**257,254**	**195,353**
Portfolio turnover	**631,596**	**651,417**
Average net asset value	690,231	511,384
Portfolio turnover ratio	**92**	**127**

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.

Affiliates are all companies and other business units belonging to The Goldman Sachs Group, Inc.

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, the services of Venn Hypotheken B.V. are 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 purpose of the Fund's investment transactions, the Fund has entered an agreement ("Master Investment and Purchase Agreement") with Venn Hypotheken B.V., under which mortgage receivables are purchased from time to time. The costs of this service are included in the Fixed Miscellaneous Expenses Fee.
- When executing the investment policy, the Fund purchased and sold investments in other GSAM BV funds as disclosed in the notes to the balance sheet. These transactions represent 59,8% of the total transaction volume during the reporting period.

3.7.3 Profit appropriation

On 26 June 2024 (ex dividend date), the Fund will distribute a dividend of 2.46% 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 2024. The part of the net result that will not be distributed will be added to 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 through 31 December

Amounts x € 1,000	2023	2022
INVESTMENT RESULT		
Investment result		
Interest from mortgages	613	561
Revaluation of investments	414	-8,333
Other results		
Offer risk	32	412
Interest on construction depots	-8	-9
Other interest income	2	-
Total operating result	**1,053**	**-7,369**
OPERATING EXPENSES		
Operating costs	113	128
Interest	-	7
Total operating expenses	**113**	**135**
Net result	**940**	**-7,504**

3.8.2 Net asset value

	31-12-2023	31-12-2022	31-12-2021
Fund assets (x € 1,000)	25,368	24,679	26,230
Number of participations issued (units)	317,505	315,619	258,690
Net asset value per participation (in €)	79.90	78.19	101.40

3.8.3 Performance

For the period 1 January through 31 December for 2023 and 2022 and the period 26 February 2021 through 31 December 2021

	2023	2022	2021
Net performance Participation Class (%)	3.83	-22.52	1.40

3.8.4 Expenses

For the period 1 January through 31 December

Amounts x € 1,000	2023	2022
Management fee	56	64
Fixed Miscellaneous Expenses Fee	56	64
Other expenses	1	-
Total operating costs Participation Class I	**113**	**128**

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 2023 attributable to Participation Class I is included in the Fixed Miscellaneous Expenses Fee. The costs related to the audit of the financial statements are 2 (2022: 3) and the costs related to other engagements are <1 (2022: <1). There are no audit fees related to consultancy and other non-assurance services.

The amount included in other expenses consists of costs related to the implementation of legal requirements concerning SFDR and the Taxonomy Regulation (EU).

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.

In addition to the Fixed Miscellaneous Expenses Fee, incidental extraordinary costs are charged at the expense of the Fund, related to the implementation of significant changes in applicable laws and regulations. As stated in the prospectus, these costs may not exceed 0.02% of the average net asset value of the fund on a yearly basis. The attributed costs are lower than 0.02%.

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.

	2023	2022
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") and Other expenses as disclosed in the paragraph ‘Expenses’.

3.9 Notes for Participation Class Z

3.9.1 Result

For the period 1 January through 31 December

Amounts x € 1,000	2023	2022
INVESTMENT RESULT		
Investment result		
Interest from mortgages	17,981	8,848
Revaluation of investments	12,059	-133,891
Other results		
Offer risk	764	7,016
Interest on construction depots	-241	-134
Other interest income	50	-
Other operating income	2	2
Total operating result	**30,615**	**-118,159**
OPERATING EXPENSES		
Operating costs	1,515	1,107
Interest	41	125
Total operating expenses	**1,556**	**1,232**
Net result	**29,059**	**-119,391**

3.9.2 Net asset value

	31-12-2023	31-12-2022	31-12-2021
Fund assets (x € 1,000)	811,030	550,861	485,556
Number of participations issued (units)	10,086,070	7,013,119	4,779,678
Net asset value per participation (in €)	80.41	78.52	101.59

3.9.3 Performance

For the period 1 January through 31 December for 2023 and 2022 and the period 26 February 2021 through 31 December 2021

	2023	2022	2021
Net performance Participation Class (%)	4.07	-22.34	1.59

3.9.4 Expenses

For the period 1 January through 31 December

Amounts x € 1,000	2023	2022
Fixed Miscellaneous Expenses Fee	1,495	1,107
Other expenses	20	-
Total operating costs Participation Class Z	**1,515**	**1,107**

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 2023 attributable to Participation Class Z is included in the Fixed Miscellaneous Expenses Fee. The costs related to the audit of the financial statements are 58 (2022: 47) and the costs related to other engagements are <1 (2022: <1). There are no audit fees related to consultancy and other non-assurance services.

The amount included in other expenses consists of costs related to the implementation of legal requirements concerning SFDR and the Taxonomy Regulation (EU).

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.

In addition to the Fixed Miscellaneous Expenses Fee, incidental extraordinary costs are charged at the expense of the Fund, related to the implementation of significant changes in applicable laws and regulations. As stated in the prospectus, these costs may not exceed 0.02% of the average net asset value of the fund on a yearly basis. The attributed costs are lower than 0.02%.

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.

	2023	2022
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") and Other expenses as disclosed in the paragraph ‘Expenses’.

The Hague, 23 April 2024

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 2023 and 1 January 2023, 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 2023

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 2023, 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 2023 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 2023;
- the income 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.

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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 assuranceopdrachten' (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).

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 B.V. ('the investment manager') as well as other officials within the investment manager, including the head of 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 and manual in nature. For the Fund, this concerns the accuracy of the unrealised results of the investments because these are directly related to the valuation of the mortgage loans.

We have tested the unrealised results of investments through our work on the valuation of mortgage loans as at 31 December 2023. In addition, we performed a recalculation to determine that all unrealised 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 31 December 2023, the Fund has no external financing. As of 31 December 2023, 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 twelve 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 included, among others:

- 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 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 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.

In preparing 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 and is not a guarantee that an audit conducted in accordance with the Dutch Standards on Auditing will always detect a material misstatement when it exists. 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, 23 April 2024
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 2023 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 Funds' 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 Funds' 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 investment manager regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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.

Template for the periodic disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow 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 lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective may be aligned with the Taxonomy or not.

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

Legal entity identifier (LEI): 5493000JVLZ71I4OT074

Environmental and social characteristics (E/S characteristics)

Did this financial product have a sustainable investment objective?

☐ **Yes**	X **No**
☐ It made **sustainable investments with an environmental objective:**___% ☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy ☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy	☐ It **promoted Environmental/Social (E/S) characteristics** and while it did not have as its objective a sustainable investment, it had a proportion of _% of sustainable investments ☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy ☐ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy ☐ with a social objective
☐ **It made sustainable investments with a social objective:**___%	X It promoted E/S characteristics, but did not make any sustainable investments

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

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

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	54%	Not applicable

...and compared to previous periods?

	Reference period		Previous reference period	
Indicator	**Portfolio**	**Benchmark**	**Indicator**	**Portfolio**
Distribution of the energy labels of the properties in the Fund with at least a C-label	54%	Not applicable	61%	Not applicable

What were the objectives of the sustainable investments that the financial product partially made and how did the sustainable investment contribute to such 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.

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

How did the sustainable investments that the financial product partially made not cause significant harm to any environmental or social sustainable investment objective?

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 indicators for adverse impacts on sustainability factors been taken into account?

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.

Were sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN 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 sets out a "do no significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific Union criteria.

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

Any other sustainable investments must also not significantly harm any environmental or social objectives.

How did this financial product consider principal adverse impacts on sustainability factors?

During the reporting period, elements related to PAIs were considered in the context of the Fund/Sub-Fund's investments. This was achieved using exclusion criteria and stewardship. The following PAIs were taken into account: - -

- PAI 4: Exposure to companies active in the fossil fuel sector (via exclusion criteria, engagement and voting);

- PAI 14: Exposure to controversial weapons (via exclusion criteria).

What were the top investments of this financial product?

The list includes the investments constituting **the greatest proportion of investments** of the financial product during the reference period which is: 31/12/2023

Largest investments	Sector	% Assets	Country
Residential Mortgages	Mortgages	94.35	Netherlands
Liquid Eur Fund		3.26	
Cash		2.39	

What was the proportion of sustainability-related investments?

Asset allocation describes the share of investments in specific assets.

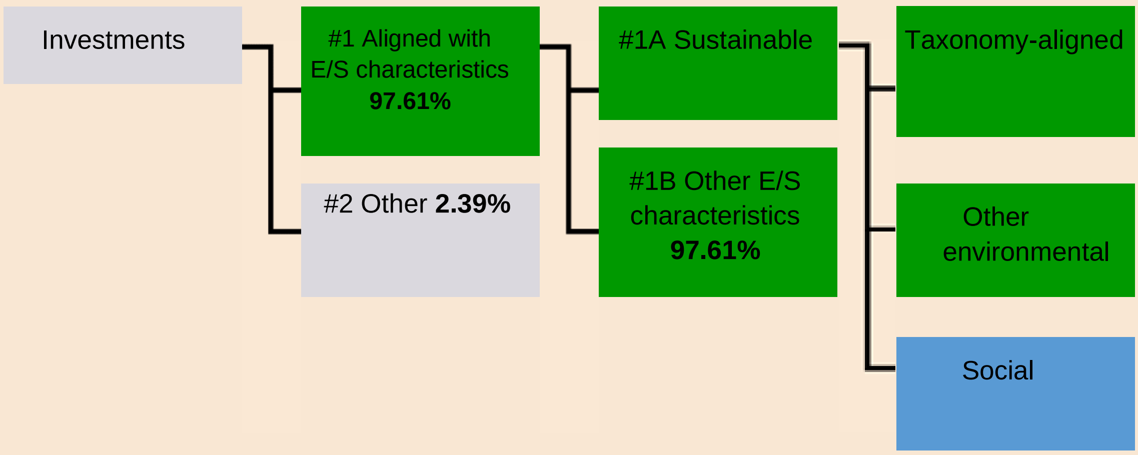
Taxonomy-aligned activities are expressed as a share of:

- **turnover**, reflecting the share of revenue from green activities of investee companies;

- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy;

- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

What was the asset allocation?



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.
#2 Other includes the remaining investments of the financial product which are neither aligned with environmental or social characteristics, nor are qualified as sustainable investments.
The category **#1 Aligned with E/S characteristics** covers:
- The subcategory **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

In what economic sectors were investments made?

Sector	% Assets
Residential Mortgages	94.35
Cash (including Liquid Euro Fund)	5.65

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to fully renewable energy or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

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

During the reporting period, there was no data available to the Fund Manager about Taxonomy alignment. We are still reviewing external data providers and internal solutions for data-related matters.

***Did the financial product invest in fossil gas and/or nuclear energy-related activities complying with the EU Taxonomy*?**

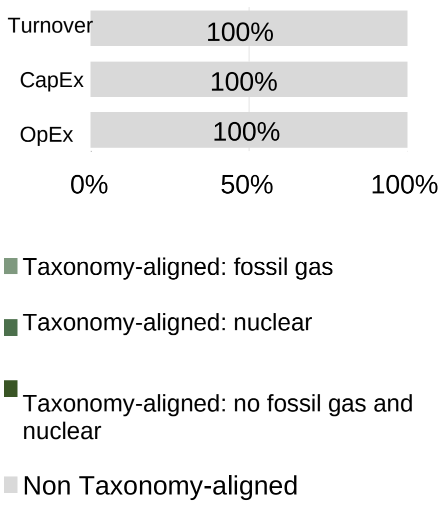
☐ Yes:

☐ In fossil gas ☐ In nuclear energy

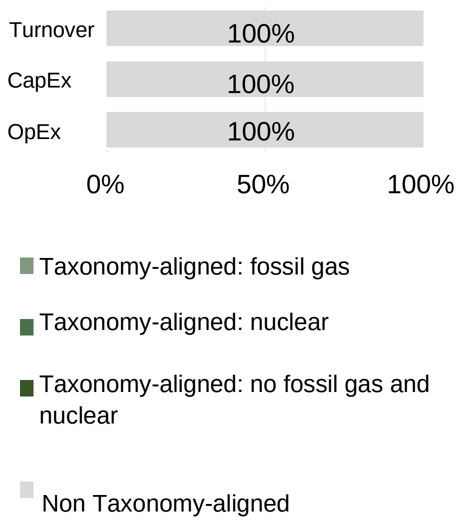
X No

The graphs below show the percentage of investments that were aligned with the EU Taxonomy in green. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy-alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.

1. Taxonomy-alignment of investments **including sovereign bonds***



2. Taxonomy-alignment of investments **excluding sovereign bonds***



This diagram represents 100% of total investments.

** For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures.*

1 Fossil gas and/or nuclear-related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective — see explanatory note in the left-hand margin. The full criteria for fossil gas and nuclear economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

What was the share of investments made in transitional and enabling activities?

0

How did the percentage of investments that were aligned with the EU Taxonomy compare with previous reference periods?

Not applicable

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

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.

are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under Regulation (EU) 2020/852.

What was the share 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 under "other", what was their purpose and were there minimum environmental or social safeguards?

The investments covered under "other" include cash used for liquidity purposes and investments in UCITS and UCIs that were necessary to achieve the Fund/Sub-Fund's investment objective but did not meet the characteristics promoted by the Fund/Sub-Fund. These investments were not subject to environmental and social minimum safeguards.

What actions have been taken to meet the environmental and/or social characteristics during the reference period?

The Fund/Sub-Fund promoted environmental and social characteristics during the reporting period via the following action:
1. The Sub-Fund focuses on energy efficiency and maximising energy-efficient mortgages in the portfolio.

How did this financial product perform compared to 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 that this financial product promoted.

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

How 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 did this financial product perform with regard to the sustainability indicators to determine the alignment of the reference benchmark with the environmental or social characteristics promoted?

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 compared to 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 that this financial product promoted.

How did this financial product perform compared with 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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