Goldman Sachs | Asset Management

GOLDMAN SACHS DUTCH RESIDENTIAL MORTGAGE FUND NHG (NL)

Semi 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
V. van Nieuwenhuijzen
B.G.J. van Overbeek

Custodian

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

Legal owner

Goldman Sachs Bewaarstichting I

Board members Goldman Sachs Bewaarstichting I

H. Brink
T. Katgerman
A.F. Yska

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, The Netherlands

2. BOARD OF DIRECTORS' REPORT

2.1 Key figures Participation Class I

		2023	2022	2021
Net asset value (x 1,000)	€	5,787	5,802	1,516
Units of participation outstanding (number)		74,227	74,227	14,972
Net asset value per unit of participation	€	77.96	78.17	101.27
Dividend per unit of participation	€	0.94	0.21	-
Net performance Participation Class	%	0.94	-22.62	1.27

2.1.1 Notes to the key figures Participation Class I

Reporting period

The key figures for 2023 relate to the positions at 30 June and the period from 1 January through 30 June. The key figures for the other years relate to the positions at 31 December and the period from 1 January through 31 December, unless stated otherwise.

Participation class I of the Fund was launched on 30 April 2021. The key figures for 2021 relate to the positions at 31 December 2021 and the period from 30 April 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.

2.2 Key figures Participation Class Z

		2023	2022	2021
Net asset value (x 1,000)	€	39,072	39,135	50,587
Units of participation outstanding (number)		498,754	498,754	498,754
Net asset value per unit of participation	€	78.34	78.47	101.43
Dividend per unit of participation	€	0.95	0.21	-
Net performance Participation Class	%	1.05	-22.44	1.43

2.2.1 Notes to the key figures Participation Class Z

Reporting period

The key figures for 2023 relate to the positions at 30 June and the period from 1 January through 30 June. The key figures for the other years relate to the positions at 31 December and the period from 1 January through 31 December, unless stated otherwise.

Participation class Z of the Fund was launched on 30 April 2021. The key figures for 2021 relate to the positions at 31 December 2021 and the period from 30 April 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.

2.3 General information

Goldman Sachs Dutch Residential Mortgage Fund NHG (NL) ("the Fund") has no employees. The Fund is managed by Goldman Sachs Asset Management B.V. (GSAM), which is licensed by the Dutch Authority for the Financial Markets (AFM) under the Dutch Financial Supervision Act ('Wet op het financieel toezicht', also referred to as 'Wft'). All shares in GSAM 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 was changed. The names of the legal entities of NN IP have also been changed. In the 2022 annual report, the new names have been used as they apply from 6 March 2023.

Name as of 6 March 2023	Name until 6 March 2023
Goldman Sachs Dutch Residential Mortgage Fund NHG (NL)	NN Dutch Residential Mortgage Fund 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. and Goldman Sachs Bewaarstichting I have entered into an agreement with Venn Hypotheken B.V. ('Mortgage Investment Purchase Agreement') under which mortgage receivables are purchased for the benefit of the Fund from time to time. At the time that there are new committed amounts for the Fund or available cash can be reinvested, the Fund will – possibly in advance – reserve new mortgage production by Venn Hypotheken B.V.

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

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

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

The Fund strives to keep the relevant production for the Fund equivalent to that produced on average in the Dutch mortgage market, subject to the Mortgage Loan Criteria. For new production, the Manager may (temporarily) deviate from the allocation, if this serves the interests of the Participants. Participants are informed about the production allocation 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 investments underlying this Fund do not take into account the EU criteria for environmentally sustainable economic activities.

2.7 Investment restrictions

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

The Fund may contract loans up to a maximum of 5% of the net asset value of the Fund. If the limits as described above are exceeded, the Manager will strive to bring the Fund's Equity within the limits as soon as possible. In this situation, the Manager is not obliged to sell any of the Fund's assets. 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.

2.9 Index

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. The manager remains ultimately responsible for the quality and continuity of these services.

Outsourcing of financial reporting

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

2.11 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 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 30-06-2023

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 NHG (NL) - I
Commercial name	Goldman Sachs Dutch Residential Mortgage Fund NHG (NL) - I
ISIN code	NL0015602509
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 NHG (NL) - Z
Commercial name	Goldman Sachs Dutch Residential Mortgage Fund NHG (NL) - Z
ISIN code	NL0015602517
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 fees

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 annual accounts.

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, certain conditions may be attached to the transferability of the units of participation.

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 'constant prepayment rate' (CPR) is taken into account in the valuation of the mortgages. The CPR is an estimate of the repayment on the underlying loans. As part of their continuous monitoring, Venn Hypotheken B.V. delivers information to GSAM on the actual repayments on the mortgage portfolio. Based on the realised early repayments in the Fund and reports from brokers and rating agencies, GSAM assesses to what extent the information corresponds with the market information for Dutch Residential Mortgage Backed Securities. GSAM may adjust the CPR if this is deemed necessary and reasonable. During the reporting period, the CPR remained at 4%.

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.

Liquidity risk

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

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

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

Interest rate risk

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

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

The duration of the mortgage portfolio at the end of the reporting period is 8.83 (2021: 8.92). This is calculated according to the modified duration method. The duration measures the sensitivity of the portfolio to changes in market interest rates.

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.

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 Mortgage Investment Purchase Agreement for a purchase price that is approximately equal to the whole committed amount of the incoming participant, taking account of any amounts to be reinvested and requests to purchase Units of Participation.

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

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

Waiting risk

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

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

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

Fraud risks and corruption

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

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

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

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

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

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

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

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

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

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

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

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

Sustainability risks

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

- Climate change
- Health & safety

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

2.16 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.

2.16.1 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 rival UBS amid fears about systemic risk. The US economy grew by 2.0% 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.

Monetary Policy

In early January 2023 there were fears that the Bank of Japan (BoJ) 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 (bps) 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 ECB hiking rates by 50 bps 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 bps 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 European Central Bank (ECB) slowed the pace of rate hikes to 25 bps 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 bps 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 rate hikes to wait and see how higher rates are affecting the economy. Despite this it revised the path of expected rate increases upwards. The ECB raised rates by another 25 bps and the Bank of England hiked by a surprise 50 bps in response to persistent inflation in the UK.

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.

Equity Markets

Global equities rose by 6.0% in euro terms in Q1 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.

Global developed market equities rose by 6.6% in euro terms in Q2, 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.

2.16.2 Fund specific developments in 2023

Dutch housing and mortgage market

The trend of falling house prices that started in August 2022 has continued. In the first half of 2023, house prices fell by 1.4% and are now 5.9% lower than the peak of July 2022. The last few months show the first signs of stabilization. Statistics Netherlands (CBS) and the real estate association NVM, which uses purchase agreement data instead of notary transfers, observed a slight increase in house prices in June. According to the Dutch Land Registry, 84,937 homes were sold during the first half of 2023, a decrease of 7% compared to the first half of 2022. In the first five months of 2023, more than 27 thousand new homes were added to the housing stock, a decrease of 7% compared to the same period last year. According to CBS, building permits for dwellings decreased in the first five months of 2023. Nearly 28 thousand permits were issued in the first five months of 2022, compared to almost 22 thousand in the same period this year. This decrease of approximately 22% is partly due to the increased uncertainty amid falling house prices, higher interest rates, and high construction costs.

Consumer sentiment on the housing market, as measured by the Eigen Huis Market Indicator of Vereniging Eigen Huis (VEH), has decreased slightly to 72 at the end of June 2023 (December 2022: 73). In the first half of the year, the market indicator was more or less unchanged after a sharp decline from March 2021, when it was still at 106. According to the NVM, the recent decline was mainly due to rising interest rates. Due to the stabilization of the market indicator, the NVM concludes that people expect interest rate and selling price trends not to deteriorate further.

Swap rates for maturities up to five years rose in the first half of 2023, with the shorter swap rates rising the most. Swap rates for maturities of six years and over showed a decline, with the most significant drop, of 20 bps, for the 13-year swap rate. The decrease was smaller for maturities of more than 13 years, and for maturities of 30 years, the interest rate remained virtually the same. Mortgage rates increased in the first half of 2023 for periods up to 10 years. We see a slight decrease in mortgage rates for fixed-rate periods longer than ten years. Due to the trends in swap rates and mortgage rates, the spread in the Fund has increased from 112 bps at the end of 2022 to 126 bps at the end of June 2023.

In January 2023, the Dutch National Mortgage Guarantee (NHG) limit increased from € 355,000 to € 405,000. In addition, the Dutch government raised the option for first-time home buyers under 35 to pay 0% transfer tax from a purchase of € 400,000 to € 440,000. The property transfer tax for buy-to-let investors increased from 8% to 10.4%.

Investment policy

In the period under review, the Fund achieved a net return of 0.94% for Participation Class I and 1.05% for Participation Class Z. This net performance relates to the performance of the Fund as set out in the key figures section, excluding the costs incurred for the management of the Fund. 0.22% was attributable to market value and other effects, partly as a result of changed mortgage offer rates and so-called pull back to par. In addition, interest income contributed 0.94% to the return achieved. There have been no losses on the Fund’s mortgage loans in the first half of 2023.

The Fund invests the assets for the account and risk of the participants, mainly in Dutch mortgage receivables/mortgages with NHG provided by Venn Hypotheken B.V. after 1 January 2020. These mortgages all comply with the Code of Conduct for Mortgage Financing, the Wft, and the temporary mortgage credit scheme. The Fund duration equaled 7.97 years at the end of June 2023. Due to lower house prices, the weighted average loan-to-indexed value has increased from 62.5% at the end of 2022 to 64.4% at the end of June 2023.

The Fund is classified as an Article 6 Fund under the Sustainable Finance Disclosure Regulation (SFDR).

As of the end of June 2023, the Fund has an invested capital of € 45 million. It is registered in 15 countries: the Netherlands, the United Kingdom, Belgium, France, Denmark, Sweden, Finland, Germany, Spain, Italy, Ireland, the Czech Republic, Greece, Slovakia, and Austria.

The Fund paid a dividend of 1.20% on the Net Asset Value (NAV) at the end of May 2023 for both Participation Class I and Z in June 2023.

Risk appetite and risk policy within the investment policy

Investors in the Goldman Sachs Dutch Residential Mortgage Fund NHG (NL) face different risks, as described in the section ‘Main Risks and uncertainties’. Key risks include liquidity, repayment, concentration, interest rate and quote and queue risk.

The Fund aims to keep the relevant production for the Fund equivalent to the average production in the Dutch mortgage market, subject to the Mortgage Loan Criteria. The Manager may (temporarily) deviate from the distribution for new production if this serves the interests of the Participants. Each mortgage from the production of Venn Hypotheken B.V. mortgage loans allocated to the Fund via the Allocation Mechanism must meet the Mortgage Loan Criteria.

In addition, house prices affect the creditworthiness of mortgages. House prices have had a positive effect in recent years but have decreased since August 2022. As a result, the Weighted Average Loan to Indexed Market Value rose from 62.5% to 64.4% in the first half of 2023.

Use of derivatives in the reporting period

The Fund does not use derivatives.

Outlook

Central banks appear to be in the final stages of monetary tightening. The policy rate has clearly entered restrictive territory, and economic growth and inflation are likely to slow in the second half of this year. It is more uncertain when central banks will start easing again. A scenario is conceivable in which the economic figures suddenly weaken sharply. However, a scenario in which inflation remains too high for the time being cannot be ruled out either.

This means that the interest rate outlook is unclear as well. The period of significant interest rate rises is likely behind us. Given the expected slowdown in growth and the fall in inflation, we expect slightly lower interest rates this year; In particular, labor market developments should be closely monitored.

We expect that house prices will fall further and then stabilize. More housing is still needed, especially in the big cities. Combined with the fact that most of the portfolio is repayable, these developments will further reduce the Fund’s risk profile and Weighted Average Loan to Indexed Market Value.

2.16.3 Other aspects

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

The composition of the Board of Directors of GSAM ("the Board of Directors") has changed during the reporting period. The composition of the current members of the Executive Board as of 25 August 2023 and an overview of the changes in the reporting period are shown in the overview below.

Overview board members Goldman Sachs Asset Management B.V.	
Current board members as of 25 August 2023	**Date of joining**
P. den Besten	21 December 2022
M.C.M. Canisius	1 August 2017
G.E.M. Cartigny	21 December 2022
V. van Nieuwenhuijzen	1 August 2017
B.G.J. van Overbeek	1 March 2020
Retired board members	**Date of resignation**
H.W.D.G. Borrie	12 May 2023
M.C.J. Grobbe	30 June 2023

The Hague, August 25, 2023

Goldman Sachs Asset Management B.V.

3. Semi Annual Financial Statements 2023

(For the period 1 January through 30 June 2023)

3.1 Balance sheet

Before appropriation of the result

Amounts x € 1,000	Reference	30-06-2023	31-12-2022
Investments			
Mortgages	3.5.1	41,154	40,863
Investment funds	3.5.2	3,698	3,375
Total investments		**44,852**	**44,238**
Receivables	3.5.3		
Outstanding investment transactions		-	849
Other receivables		175	399
Total receivables		**175**	**1,248**
Other assets	3.5.4		
Cash and cash equivalents		644	101
Total other assets		**644**	**101**
Total assets		**45,671**	**45,587**
Net asset value			
Net assets participation holders		44,393	56,688
Net result		466	-11,751
Net asset value	3.5.5	**44,859**	**44,937**
Short term liabilities	3.5.6		
Construction depots		137	590
Outstanding investment transactions		72	2
Other liabilities		603	58
Total short-term liabilities		**812**	**650**
Total liabilities		**45,671**	**45,587**

3.2 Profit and loss statement

For the period 1 January 2023 through 30 June 2023 and the period 1 January 2022 through 30 June 2022

Amounts x € 1,000	Reference	2023	2022
OPERATING INCOME			
Investment income	3.6.1		
Interest from mortgages		422	306
Revaluation of investments			
Realised revaluation of investments		3	-24
Unrealised revaluation of investments		98	-9,898
Other results	3.6.2		-
Interest on construction depots		-1	-
Other operating income		2	-
Total operating income		**524**	**-9,616**
OPERATING EXPENSES	3.6.3		
Operating costs		58	57
Interest		-	4
Total operating expenses		**58**	**61**
Net result		**466**	**-9,677**

3.3 Cash flow statement

For the period 1 January 2023 through 30 June 2023 and the period 1 January 2022 through 30 June 2022

Amounts x € 1,000	2023	2022
CASH FLOW FROM INVESTMENT ACTIVITIES		
Purchases of investments	-3,444	-8,150
Sales of investments	3,850	8,695
Interest received	422	306
Other results	225	6
Change in construction depots	-453	-528
Other interest paid	-	-4
Operating costs paid	-57	-50
Total cash flow from investment activities	**543**	**275**
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issue of participations	-	-
Proceeds from purchase of participations	-	-257
Total cash flow from financing activities	**-**	**-257**
NET CASH FLOW	**543**	**18**
Cash and cash equivalents opening balance	101	82
Cash and cash equivalents closing balance	**644**	**100**

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 semi-annual financial statements have not been audited by an independent auditor.

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.

3.5 Notes to the balance sheet

For the period 1 January 2023 through 30 June 2023 and the period 1 January 2022 through 30 June 2022

3.5.1 Mortgages

Amounts x € 1,000	2023	2022
Opening balance	40,863	41,892
Purchases	1,963	7,400
Sales/repayments	-1,721	-893
Revaluation	49	-9,905
Closing balance	**41,154**	**38,494**

Details on mortgage portfolio	30-06-2023	31-12-2022
Nominal value mortgages (x € 1,000)	52,681	52,443
Outstanding construction depots (x € 1,000)	137	590
Number of loans	269	267
Number of loan parts	710	702
Weighted average interest rate on mortgages	1.61%	1.56%
Payments overdue for more than 90 days (x € 1,000)	-	-
Credit losses (x € 1,000)	-	-
Loan to value ratio*	70.46%	71.28%

* 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.

3.5.2 Investment funds

Amounts x € 1,000	2023	2022
Opening balance	3,375	9,597
Purchases	1,551	735
Sales	-1,280	-6,480
Revaluation	52	-17
Closing balance	**3,698**	**3,835**

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 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 30 June 2023

Name of the fund	Number of shares/participation	Net Asset value in €	Ownership-percentage	Value x € 1.000
Liquid Euro - Zz Cap Eur	3,679	1,005.11	0.2%	3,698
Closing balance				**3,698**

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	3,405	991.19	0.2%	3,375
Closing balance				**3,375**

3.5.3 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	30-06-2023	31-12-2022
Receivable from Venn Hypotheken B.V.	159	378
Other receivables	16	21
Closing balance	**175**	**399**

3.5.4 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.

3.5.5 Net asset value

For the period 1 January through 30 June 2023

Amounts x € 1,000	Participation Class I	Participation Class Z	Total
Opening balance	5,802	39,135	44,937
Issue of participations	-	-	-
Redemption of participations	-	-	-
Distribution to participations	-70	-474	-544
Net assets participation holders	**5,732**	**38,661**	**44,393**
Net result	55	411	466
Closing balance	**5,787**	**39,072**	**44,859**

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 30 June 2023 amounts to nil (31-12-2022: 0).This revaluation reserve relates to the part of the total fund assets related to the unrealised revaluation of investments without a frequent market price.

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

For the period 1 January 2022 through 30 June 2022

Amounts x € 1,000	Participation Class I	Participation Class Z	Total
Opening balance	1,516	50,587	52,103
Issue of participations	-	-	-
Redemption of participations	-257	-	-257
Distribution to participations	-3	-105	-108
Net assets participation holders	**1,256**	**50,482**	**51,738**
Net result	-273	-9,904	-9,677
Closing balance	**983**	**41,078**	**42,061**

Unrealised revaluation

Overview of positive and negative unrealized revaluation of the investment portfolio

Amounts x € 1,000	Positive revaluation	Negative revaluation	Total at 30-06-2023	Total at 31-12-2022
Mortgages*	-	-11,781	-11,781	-11,838
Investment funds	47	-	47	25
Balance at end of reporting period	**47**	**-11,781**	**-11,734**	**-11,813**

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

3.5.6 Short term liabilities

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

Construction depots

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

Outstanding investment transactions

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

Other payables

Amounts x € 1,000	30-06-2023	31-12-2022
Payable to participants	544	-
Costs to be paid	59	58
Closing balance	**603**	**58**

3.5.7 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 Committed Amounts

Amounts x € 1,000	30-06-2023	31-12-2022
Participation class I	-	-
Participation class Z	-	-
Total	**-**	**-**

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 Other results

Interest on construction depots

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

Other operating income

Other operating income represents proceeds that are not directly generated from income from investments. This also includes a fee for the allocated cost of the investment in investment funds and the fund is therefore compensated for these costs since allocated costs are already included in the Fixed Miscellaneous Expenses Fee of Participation Class I and Z of the Fund. This amount was <1 in both 2023 and 2022.

3.6.3 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 Subsequent events

None.

3.8 Notes for Participation Class I

3.8.1 Result

For the period 1 January through 30 June 2023 and the period 1 January through 30 June 2022

Amounts x € 1,000	2023	2022
INVESTMENT RESULT		
Investment result		
Interest from mortgages	66	8
Revaluation of investments	3	-277
Other results		
Offer risk	-	-
Other operating income	-	-
Total operating result	**69**	**-269**
OPERATING EXPENSES		
Operating costs	14	4
Interest	-	-
Total operating expenses	**14**	**4**
Net result	**55**	**-273**

3.8.2 Net asset value

	30-6-2023	31-12-2022	31-12-2021
Fund assets (x € 1,000)	5,787	5,802	1,516
Number of participations issued (units)	74,227	74,227	14,972
Net asset value per participation (in €)	77.96	78.17	101.27

3.8.3 Performance

For the period 1 January through 30 June for 2023 and 2022 and the period 30 April through 30 June 2021

	2023	2022	2021
Net performance Participation Class (%)	0.94	-18.68	0.25

3.8.4 Expenses

For the period 1 January through 30 June 2023 and the period 1 January through 30 June 2022

Amounts x € 1,000	2023	2022
Management fee	7	2
Fixed Miscellaneous Expenses Fee	7	2
Total operating costs Participation Class I	**14**	**4**

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.

3.9 Notes for Participation Class Z

3.9.1 Result

For the period 1 January through 30 June 2023 and the period 1 January through 30 June 2022

Amounts x € 1,000	2023	2022
INVESTMENT RESULT		
Investment result		
Interest from mortgages	356	298
Revaluation of investments	98	-9,645
Other results		
Interest on construction depots	-1	-
Other operating income	2	-
Total operating result	**455**	**-9,347**
OPERATING EXPENSES		
Operating costs	44	53
Interest	-	4
Total operating expenses	**44**	**57**
Net result	**411**	**-9,404**

3.9.2 Net asset value

	30-6-2023	31-12-2022	31-12-2021
Fund assets (x € 1,000)	39,072	39,135	50,587
Number of participations issued (units)	498,754	498,754	498,754
Net asset value per participation (in €)	78.34	78.47	101.43

3.9.3 Performance

For the period 1 January through 30 June for 2023 and 2022 and the period 30 April through 30 June 2021

	2023	2022	2021
Net performance Participation Class (%)	1.05	-18.59	0.29

3.9.4 Expenses

For the period 1 January through 30 June 2023 and the period 1 January through 30 June 2022

Amounts x € 1,000	2023	2022
Fixed Miscellaneous Fee	44	53
Total operating costs Participation Class Z	**44**	**53**

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 Hague, 25 August 2023

Goldman Sachs Asset Management B.V.

4. OTHER INFORMATION

4.1 Management interest

At 30 June 2023 and 1 January 2023, the Board Members, as appointed on the date mentioned, had no personal interest in (the investments of) the Fund.