

InsingerGilissen Asset Management N.V.
(“formerly known as: Insinger de Beaufort Asset Management N.V.”)

Annual Report for the year ended 31 December 2017

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DIRECTOR'S REPORT

Review of 2017

While the year 2016 was characterised by many unusual events (result of the Brexit referendum, election of Donald Trump) and sharp trend reversals in both bond markets as well as equity markets, the year 2017 rather offered the opposite picture with extraordinarily calm developments in financial markets. In many markets volatility dropped to historic lows. The most remarkable development was probably the strong recovery of the Euro, not only against the US Dollar, against which the currency gained 14%, but against practically all other currencies as well. Due to the strong rise in the Euro investment returns expressed in Euros were often disappointing, even whilst equity markets recorded strong returns expressed in local currencies, in particular in emerging markets.

Within bond markets, developments in government bonds were particularly calm. The yield on a 10-year Dutch government bond traded around 0.6% all year, within a tight range of roughly 0.4% to 0.8%. The yield managed to stay at such low levels even though the European economy gave increasing signs of a strong acceleration in growth. The improving growth was not accompanied by higher inflation, while ECB monetary policies remained extremely loose with the refi rate unchanged at 0% and monthly bond purchases of EUR 60 billion, the rate of which was only halved towards the end of the year. Government bond markets of peripheral Eurozone countries were hardly more volatile. The yield on Italian and Spanish government bonds finished the year around the level where they had started, namely at around 2.0% and 1.6% respectively. Contrary to previous years there were no large price gains to be realised in these markets, although they still offered a higher return than the core markets, that traded at lower yield levels. The important US government bond market was also remarkably quiet. The US economy has been growing at a higher pace than the European economy for years, but in the US there were also no clear signs of accelerating inflation. The Federal Reserve hiked official short rates three times by 0.25%, but this hardly seemed to affect US government bond rates, with the yield on the US 10-year Treasury trading within a tight range of around 2.1% to 2.6%, finishing the year practically at the level where it had started (2.4%).

As in 2016, corporate bonds yielded better returns than government bonds. Supported by accelerating economic growth across the globe, risk premiums on corporate bonds continued to decline, resulting in modest price gains on most corporate bonds. Price gains on the riskiest corporate bonds (high yield) were similar to those on investment-grade bonds. With yields on government bonds roughly stable and risk premiums on corporate bonds declining, a diversified European bond portfolio consequently yielded a modestly positive return over the year as a whole.

Equity markets again had a good year, supported by an improving global economy in combination with continued strong monetary support by the world's main central banks. However, the strong rise in the Euro against most other currencies seriously dampened investment returns expressed in Euros. The total return (price gains plus dividends) on the MSCI World All Countries index was 21% when expressed in US dollars, but was limited to less than 9% in euros. Supported by a weak Dollar and a strong recovery in oil prices, emerging market equity markets strongly outperformed, with price gains expressed in Euros of close to 20%. The strong interest in technology stocks played an important role in this development. The increasing weight of the large Chinese internet stocks makes emerging market indices more sensitive to the technology sector. The returns on developed markets were, expressed in Euros, much lower and showed little variation across regions. The well-known US S&P500 index returned close to 20% in US Dollars, but less than 5% in euros. As in the emerging markets, technology stocks delivered by far the best returns in developed equity markets, with the Nasdaq index gaining almost 13% in Euros. Also in line with emerging markets the US equity market demonstrated remarkably low volatility, rising all year without major corrections. European markets were strong in the first half of the year, supported by the surprising result of the French Presidential elections, that boosted optimism on the future of the Eurozone. However, after the month of May, European markets lagged the world index, held back by the rising value of the Euro and the small weight of the technology sector in European indices. The broad European DJ Stoxx 600 index ultimately managed to gain over 7%, thereby slightly outperforming the broad US market expressed in euros. The Japanese Nikkei 225 index in the end delivered a slightly higher return of just over 8% in euros. The Japanese market not only benefitted from the strong world economy, but also from the re-election of Prime Minister Abe in the fall.

IdB fund strategies and performance in 2017

InsingerGilissen has many years of experience in managing funds and selecting the best asset managers. The investment funds managed are divided into profile funds and specialist funds.

Fund Name	AuM		Valuation		Performance		Ongoing Charges		Performance Fees	
	31-dec-17 x millions	31-dec-16 x millions	Highest EUR	Lowest EUR	2017 %	2016 %	2017 %	2016 %	2017 x EUR 1 000	2016 x EUR 1 000
Profile Funds:										
MM Equity	25.6	27.1	126.12	116.74	6.1	6.0	1.03%	1.27%	175	6
MM Balanced	59.2	63.3	125.92	119.75	3.7	4.5	1.02%	1.15%	256	29
MM Defensive Balanced	14.9	16.4	131.52	127.47	1.9	3.3	1.02%	1.49%	37	2
MM Defensive	5.0	6.2	99.97	98.15	-1.0	-0.6	1.04%	1.47%	N/A	N/A
Specialist Funds										
ARS - Multi Manager Hedge	50.2	52.9	128.54	123.04	3.8	-0.5	0.90%	1.10%	0	0
Real Estate Equity Fund	92.1	64.8	162.16	146.91	8.7	-4.4	1.24%	1.24%	174	0
Equity Income Fund	61.1	62.1	54.12	49.66	5.9	1.0	0.79%	0.78%	400	0
European Mid Cap Fund	103.1	67.2	65.09	51.45	26.1	-2.2	0.75%	0.78%	2,457	0
Fixed Income Strategy	21.2	26.8	177.41	174.74	-0.6	0.8	0.36%	0.31%	N/A	N/A

Profile Funds

InsingerGilissen's profile funds are tailored to four risk profiles (defensive, moderate-defensive, neutral and offensive) and are managed mainly according to the multi-manager strategy. This implies that - per risk profile - clients invest in a combination of appropriate and carefully-selected funds.

Specialist Funds

InsingerGilissen also actively manages a number of specialist investment funds. These specialist funds are managed according to a specific investment strategy by a team of specialist and experienced portfolio managers. Each specialist fund has its own investment objective, investment policy, investment strategy and risk/return characteristics.

Our Equity Income Fund, that actively invests mainly in European companies with bigger market capitalisations and historical pattern of dividend capacity, achieved a performance of 5.93% in 2017. With its objective to strive for low volatility in achieving long term investment returns the fund was in the beginning of the year not fully invested, but as economic expectations improved the fund became fully invested in the course of the year. As a result, the fund lagged to market performance (the MSCI Euro Index).

The European Mid Cap Fund, with its growth investment focus on medium sized companies with sufficient liquidity based on in-house primary research, achieved a strong performance of 26.1% in 2017. With the economic cycle improving, equity strategies with a focus on small and medium sized companies, are well positioned. The fund created "alpha" with company specific investments and as a result outperformed the MSCI Europe Mid Cap Index.

The Long/Short Real Estate fund (IdB Real Estate Equity fund), with its focus on listed real estate companies, achieved 8.65% in 2017. As the year started with volatility in the real estate market the fund performed well in line with its strategic objectives. As the market continued to improve in the remainder of the year, the fund ended the year with a positive performance.

The Fund of Fund offering MM Hedge gained 3.78% in return in 2017, slightly better than the performance of the representative hedge fund category based on a consistent allocation of the different hedge fund strategies.

Our Fixed Income Strategy fund returned a small loss of -0.58% over 2017. The fund's objective is to invest in Investment Grade bonds and therefore is exposed to the interest rate cycle. With European interest rates moving up towards the end of the year, this resulted in a small loss for the fund.

Outlook

It is our expectation that in 2018 equity markets will still be supported by the ideal combination of ample liquidity, strong profit growth and low inflation pressures, the so called “Goldilocks”-scenario. While most central banks will maintain an accommodative monetary policy the American Federal Reserve will continue the path of raising interest rates.

In relation to macro fundamentals we expect economic growth to continue to be supportive to financial markets. For developed markets, such as the United States and Europe, growth seems likely to accelerate in the first half of 2018, supported by limited inflation pressures.

In the United States the agreement on tax reforms, reached in December 2017 will have a positive effect on corporate earnings and possibly spur consumer spending. It is our expectation that in this environment equity type strategies could profit, whereas bond strategies could be hindered as rising interest rate in the United States could also lift interest rates in Europe.

Results

Gross income increased to € 6.1 million from € 2.6 million. Gross income increase in 2017 was due to the increase in performance fees of € 3.5 million. The past year showed a net inflow of assets under management of € 46 million. Total assets under management amounted to € 432 million as at 31 December 2017 compared to € 386 million as at 31 December 2016. Shareholder's equity amounted to € 12.3 million as at 31 December 2017. The minimum required own funds according to "Besluit prudentiële regels Wft" amounts to €125.000 plus 0.02% of the amount of managed assets in excess of € 250 million or at least 25% of the fixed costs. As a consequence the minimum required own funds is approximately € 0.4 million and thus InsingerGilissen Asset Management N.V. (“the Company”) meets the minimum requirement.

Risk Management

Executive management is responsible for ensuring that operational risks and controls are addressed in each of their operations. The Risk Management department of InsingerGilissen Bankiers N.V. provides support and tools in order to ensure that the risk management process is adequately executed in a consistent manner throughout the group.

Overlaying this process, the Internal Audit department independently monitors the on-going adequacy and execution of this structure. They report their findings directly to Management.

Operational risk is defined as the risk due to inadequate or failed internal processes or due to external events, whether deliberate, accidental or natural occurrences. Operational risk encompasses human resources risks, legal risks, tax risks, information system risks, non-compliance risks, risks linked to operations processing and risks related to published financial information. The scope of risks covered by operational risk being so large, management relies on specialised committees which have the relevant skills for assessing and mitigating the respective risks.

An important operational risk relates to services provided in relation to the investment portfolios of the funds. The investment risk committee, a subcommittee of the risk committee, monitors the operational risks in relation to this investment process. It meets every month to consider monitor and evaluate the quarterly fund portfolio controls that are performed by the portfolio guardian. This includes checks on bandwidth, investable universe and deviations from model portfolios. In addition, it performs monthly investment instrument reviews and evaluates the investment process set up.

Another important risk is legal & compliance risk: the regulatory environment in which the Company operates is continuously changing with existing legislation being regularly updated or new laws being implemented. Greater emphasis is being placed by regulators on integrity risks, particularly in respect of customer due diligence and transparency. The legal & compliance teams are responsible for reviewing all changes in the legal and compliance environment and assisting with the implementation of these changes within products, policies and processes of the Company.

During the course of the year, various aspects of the administrative organisation and internal controls were reviewed. We concluded, amongst other things, that the InsingerGilissen investment funds have adequate written procedures of the administrative organisation and internal controls that comply with article 3:17 paragraph 2 sub c and article 9/21 4:14 first paragraph of the Dutch law on financial supervision (Wet op het financieel toezicht or Wft) and that the procedures function adequately.

Strategy

The fund offering is based on a range of multi manager profile funds, reflecting a diversified investment structure that is aligned with InsingerGilissen's investment process, and specialist funds. Our funds are based on a strong alignment of investors' interests with the Company with regards to risk, investment returns and total cost of ownership. The fund offering positions the Company to benefit from distribution opportunities in the core markets of InsingerGilissen, with a specific focus on the Netherlands.

Outlook

We believe that the fund offering is correctly positioned to benefit from the economic environment in 2018. A continuous process is on-going to amend the legal structure to achieve an optimum balance between offering and costs. Additionally, it is expected that the funds will continue to increase in size, benefitting from distribution from clients in the core markets.

On 1 October 2017, the shareholder of the company, Theodoor Gilissen Bankiers NV, merged with Bank Insinger de Beaufort NV to form InsingerGilissen Bankiers NV. All activities previously subcontracted to Theodoor Gilissen Bankiers NV for the benefit of the Index Umbrella Fund have been transferred to InsingerGilissen Bankiers NV. This also means that the asset management of the securities portfolios of the Subfunds will be implemented by InsingerGilissen Bankiers NV with effect from 1 October 2017.

With the above-mentioned merger of Theodoor Gilissen Bankiers N.V. with Bank Insinger de Beaufort N.V. into InsingerGilissen Bankiers N.V., this bank had two 100% subsidiaries that both have a license as referred to in Section 2:67 Wft (for the management of an investment institution). These were the company TG Fund Management B.V. and Insinger de Beaufort Asset Management N.V.

After being notified to the Netherlands Authority for the Financial Markets ('AFM') by Insinger de Beaufort Asset Management N.V. and TG Fund Management B.V. and the received notification from AFM that there is no impediment to this, The two companies each filed the documents as referred to in Article 2: 314 paragraph 1 of the Dutch Civil Code on 10 November 2017 at the Office of the Trade Register. At the same time, the management boards of both companies declared that they had been made available for inspection at the offices of the two merging companies as referred to in Section 2: 314, paragraph 2 of the Dutch Civil Code. On 13 November 2017, the two companies announced in a newspaper that the aforementioned deposits had taken place.

After it appeared on 14 December 2017 that there had been no opposition to the merger proposal, both companies to be merged took the merger decision on 29 December 2017 and the merger act was passed on 31 December 2017. The merger took effect from 1 January 2018.

At the merger, TG Fund Management B.V. the disappearing company and Insinger de Beaufort Asset Management N.V. the acquiring company. This means that the financial statements for the reporting period from 1 January 2017 to 31 December 2017 are the latest annual accounts of the company.

The annual financial statements are prepared on a going concern basis. Nothing has come to the attention of the directors to indicate that the Company will not continue as a going concern until the next reporting date. The financial statements have been prepared by the Management Board. The financial statements, which appear on pages 10 to 21, were signed by the directors on 27 August 2018 and authorised for issue,

M. J. Baltus
27 August 2018

G.S. Wijnia
27 August 2018

FINANCIAL STATEMENTS

PROFIT AND LOSS ACCOUNT

for the year ended 31 December 2017

	Notes	2017 Euro	2016 Euro
Income			
Net fee and commission income	1	6,115,039	2,618,953
		<u>6,115,039</u>	<u>2,618,953</u>
Expenses			
Recharged salaries, pension and social security expenses	2	674,369	574,336
Other expenses	3	822,975	863,422
		<u>1,497,344</u>	<u>1,437,758</u>
Result			
Result on ordinary activities before taxation		4,617,695	1,181,195
Taxation on ordinary activities		(1,154,424)	(295,299)
Result after taxation		<u>3,463,271</u>	<u>885,896</u>

BALANCE SHEET

as at 31 December 2017

(before result appropriation)

	Notes	2017 Euro	2016 Euro
Assets			
Current assets			
Cash (Receivable from related parties)	4	13,122,326	9,256,406
Receivables and accrued income	5	585,924	265,900
		13,708,250	9,522,306
Shareholder's equity and liabilities			
Shareholder's equity			
Issued and paid-up share capital	6	70,000	70,000
Other reserves		8,812,818	7,926,922
Result for the period		3,463,271	885,896
		12,346,089	8,882,818
Current liabilities			
Taxes and social securities	7	-	-
Other liabilities	8	103,311	17,820
Liabilities to related parties	9	1,258,850	621,668
		1,362,161	639,488
Total equity and liabilities		13,708,250	9,522,306

**STATEMENTS OF CHANGES IN
EQUITY**

For the year ended 31 December 2017

	Share Capital	Other Reserves	Result for the year	Total
	Euro	Euro	Euro	Euro
Balance as at 1 January 2017	70,000	7,926,922	885,896	8,882,818
Appropriation of the result of prior year	-	885,896	(885,896)	-
Dividend	-	-	-	-
Net Profit	-	-	3,463,271	3,463,271
Balance as at 31 December 2017	70,000	8,812,818	3,463,271	12,346,089
Balance as at 1 January 2016	70,000	2,711,558	6,010,364	8,791,922
Appropriation of the result of prior year	-	6,010,364	(6,010,364)	-
Dividend	-	(795,000)	-	(795,000)
Net Profit	-	-	885,896	885,896
Balance as at 31 December 2016	70,000	7,926,922	885,896	8,882,818

CASH FLOW STATEMENT

	2017 Euro	2016 Euro
Cash flows from operating activities		
Net profit/ loss	3,463,271	885,896
Adjustment for taxation	1,154,424	295,299
	<u>4,617,695</u>	<u>1,181,195</u>
Decrease/ (Increase) in operating assets		
Other assets	(320,024)	36,474
	<u>(320,024)</u>	<u>36,474</u>
(Decrease)/ Increase in operating liabilities		
Liabilities to related parties	(517,242)	(1,985,014)
Other liabilities	85,491	(318,711)
	<u>(431,751)</u>	<u>(2,303,725)</u>
Net cash inflow/ (outflow) from operating activities before payment of taxation	3,865,920	(1,086,056)
Taxation received/ (paid)	-	-
	<u>-</u>	<u>-</u>
Net cash inflow/ outflow from operating activities after payment of taxation	3,865,920	(1,086,056)
Cash flows from financing activities		
Dividend paid	-	(795,000)
	<u>3,865,920</u>	<u>(795,000)</u>
Net increase/(decrease) in cash and cash equivalents	3,865,920	(1,881,056)
Cash and cash equivalents at beginning of year	9,256,406	11,137,462
Net increase in cash and cash equivalents	3,865,920	(1,881,056)
Cash and cash equivalents at the end of year	<u>13,122,326</u>	<u>9,256,406</u>

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

For the year ended 31 December 2017

General

InsingerGilissen Asset Management N.V. ("the Company") ("formerly known as: Insinger de Beaufort Asset Management N.V.") is a 100% subsidiary of InsingerGilissen Bankiers N.V., Amsterdam. In 2010 BNP Paribas Wealth Management SA ("BNPPWM") and the former ultimate parent company Blue Marlin Holdings SA (formerly known as IdB Holdings SA) concluded the strategic transaction announced on 1 August 2008. As a result BNPPWM had a 63.02% interest in InsingerGilissen Bankiers N.V. during 2016. On 31 December 2016 KBL European Private Bankers SA acquired all the shares in InsingerGilissen Bankiers N.V.. The Company is consolidated in the annual accounts of InsingerGilissen Bankiers N.V.. The Company is registered under Chamber of Commerce number 33055195.

The activities of the Company are not significantly impacted by seasonal influences.

Accounting policies

The annual accounts were prepared in accordance with the statutory provisions of Title 9, Book 2, of the Netherlands Civil Code and the "Wet op het financieel toezicht" ("Wft") and the firm pronouncements in the Guidelines for Annual Reporting in the Netherlands as issued by the Dutch Accounting Standards Board. The annual accounts are denominated in Euros.

Appropriation of the result

The proposed appropriation of the result for 2017 is as follows. Of the net profit, EUR 3,463,271 will be distributed to the shareholder InsingerGilissen Bankiers N.V..

Basis of valuation of assets and liabilities

General information

Unless stated otherwise, assets and liabilities have been stated at nominal value. The book value does not differ from the fair value.

Cash (Receivable from related parties)

The cash as referred to in the cash flow statement consist of a current account with InsingerGilissen Bankiers N.V. Cash has been stated at book value.

Maturity Assets and Liabilities

The booked assets and liabilities have a duration of no longer than one year.

Foreign currency

Assets and liabilities denominated in foreign currencies are translated at the rates of exchange ruling at the balance sheet date. Resulting gains or losses are recognised in the profit and loss account.

Receivables and accrued income

Receivables are initially recognised initially at fair value and subsequently and subsequently measured at amortised cost taking into account the provision for bad debts.

This item has a period shorter than one year.

Basis for determination of results

General

Income and expenses are recorded in the year to which they relate.

Fees and commissions

Fees and commissions are generally recognised on an accrual basis when the service has been provided. Commission and fees arising from negotiating, or participating in the negotiation of, a transaction for a third party – such as the arrangement of the acquisition of shares or other securities or the purchase or sale of businesses – are recognised on completion of the underlying transaction.

Foreign currency translation

Transactions arising in foreign currencies are translated into the functional currency at the spot exchange rate at the date of transaction. Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the rates of exchange ruling at the balance sheet date. Resulting gains or losses are recognised in the statement of profit or loss.

Employee benefits

The parent company, InsingerGilissen Bankiers N.V., has defined contribution plans and defined benefit plans in place. Reference is made to the annual report of InsingerGilissen Bankiers N.V. for information about the pension plans.

Taxation

The tax charge is calculated on the profit before taxes for the year under review in accordance with ruling tax legislation. The Company forms part of the fiscal unit headed by InsingerGilissen Bankiers N.V. As a member of the fiscal unit headed by InsingerGilissen Bankiers N.V., the Company is severally liable for the tax liability of the fiscal unit. The taxation recorded is the amount as if the Company was operating as a stand-alone entity. The receivable or payables relating to the taxation are due from/ due to InsingerGilissen Bankiers N.V. The recorded tax is the effective tax.

Cash flow statement

The cash flow statement has been drawn up in accordance with the indirect method, making a distinction between cash flows from operating, investment and financing activities.

Cash flows in foreign currency are converted at the average exchange rates during the financial year. With regard to cash flow from operations, the net profit is adjusted for income and expenses that did not result in receipts and payments in the same financial year and for changes in provisions and accrued and deferred items (other assets, accrued assets, other debts and accrued liabilities).

Cash and cash equivalents consist of cash and deposits with InsingerGilissen Bankiers N.V. The deposit with InsingerGilissen Bankiers N.V. is recorded under the item Cash (Receivable from related parties).

Accounting estimates

The Company makes estimates and assumptions that affect the reported amounts of assets and liabilities. Estimates and judgments are continually evaluated. No significant changes have occurred compared to 2016.

NOTES

	2017 Euro	2016 Euro
1) Net fee and commission income		
Commission and management fee income	2,617,239	2,581,528
Performance fees	3,497,800	37,425
Net fee and commission income	<u>6,115,039</u>	<u>2,618,953</u>

Included under the line commission and management fee income are management fees, commissions received and upfront fees. The increase in performance fees is due to the strong performance of the respective funds.

	2017 Euro	2016 Euro
2) Recharged salaries, pension and social security expenses		
Salaries	599,906	510,919
Social security expenses	54,835	46,701
Pension costs	19,628	16,716
	<u>674,369</u>	<u>574,336</u>

This relates to recharged personnel.

InsingerGilissen Bankiers N.V. recharged to the Company €674 thousand (2016: €574 thousand) for the joint and several liability statement issued to the Company under section 2:403 of the Dutch Civil Code. This has been recorded in the agreement between InsingerGilissen Bankiers N.V. and the Company dated July 16th, 2014.

	2017 Euro	2016 Euro
3) Other expenses		
Recharges (1)	633,597	656,418
Information suppliers	171,608	146,532
Other (2)	17,770	60,472
	<u>822,975</u>	<u>863,422</u>

1) This relates to recharged expenses from the parent company InsingerGilissen Bankiers N.V. for various services performed. These services are charged at a cost-plus basis.

2) Included in other expenses is the remuneration of the auditor EY. For a specification of the fees paid to the external auditor reference is made to the annual report of InsingerGilissen Bankiers N.V.

	2017 Euro	2016 Euro
4) Cash (Receivable from related parties)		
Bank account at InsingerGilissen Bankiers N.V.	13,122.326	9,256,406
	13,122,326	9,256,406

No interest is received on the bank account.

	2017 Euro	2016 Euro
5) Receivables and accrued income		
	585,924	265,900
	585,924	265,900

This relates primarily to debtors and receivables from investment management.

	2017 Euro	2016 Euro
6) Shareholder's equity		
	70,000	70,000
	70,000	70,000

The authorized capital of EUR 350,000 consists of 350 shares with a nominal value of EUR 1,000. The issued and paid up share capital amounts to EUR 70,000 and consists of 70 shares with a nominal value of EUR 1,000.

7) Taxes and social securities

In 2017 the corporate income tax payable has been booked directly under the liabilities to related parties. See note 9.

	2017 Euro	2016 Euro
8) Other liabilities		
	103,311	17,820
	103,311	17,820

This item includes accrued expenses and deferred income. The remaining term is less than one year.

	2017 Euro	2016 Euro
9) Liabilities to related parties		
InsingerGilissen Bankiers N.V.	1,258,850	621,668
	1,258,850	621,668

The increase mainly relates to a pending tax payment.

10) Related party transactions

The Company is controlled by InsingerGilissen Bankiers N.V. which owns 100% of the ordinary shares. A number of banking transactions are entered into with related parties in the normal course of business.

The outstanding balances with related parties are separately disclosed in the balance sheet and profit and loss statement.

11) Employees

Certain employees of InsingerGilissen Bankiers N.V. are seconded to the Company. The remuneration policy of the Company is based on the remuneration policy of InsingerGilissen Bankiers N.V. For a detailed description of the policy see the annual report of InsingerGilissen Bankiers N.V..

The total FTE's seconded are 5.9 FTEs (2016: 4.9).

The personnel cost can be split as follows (note identified staff is only the directors):

2017	Identified Staff	Other employees	Total
FTE	0,7	5,2	5,9
Fixed	163,495	400,721	564,216
Variable	21,873	88,280	110,153
Total	<u>185,368</u>	<u>489,001</u>	<u>674,369</u>
2016	Identified Staff	Other employees	Total
FTE	0,7	4,2	4,9
Fixed	173,302	306,201	479,503
Variable	40,000	54,833	94,833
Total	<u>213,302</u>	<u>361,034</u>	<u>574,336</u>

The Supervisory Board does not receive compensation.

12) Contingent liabilities

As a member of the fiscal unity headed by InsingerGilissen Bankiers N.V. for both corporate income tax and value added tax, the Company is severally liable for the tax liability of the fiscal unity.

OTHER INFORMATION

Appropriation of the result

Article 16 of the article of association states:

- 1) All profit as revealed in the adopted annual accounts is at the disposal of the general meeting.
- 2) The company is entitled to allocate payments to shareholders and other beneficiaries from the profit available for distribution only insofar as shareholders' equity exceeds the paid-up and called-up portion of the share capital augmented by statutorily retainable reserves. No distribution of profit can be made to the company itself on shares held by the company itself.
- 3) The general meeting is entitled, with due regard to the provisions laid down in paragraph 2 of this article and to Article 2:105 of the Civil Code, to make one or more dividends available for distribution.
- 4) Profit distribution takes place after the adoption of the annual accounts showing that such appropriation is permissible.

Post balance sheet events

The Company and TG Fund Management B.V. merged with effect from 1 January 2018. At the merger, TG Fund Management B.V. the disappearing company and the Company the acquiring company. This means that the financial statements for the reporting period from 1 January 2017 to 31 December 2017 are the latest annual accounts of the company.

The general meeting of the acquiring company, Insinger de Beaufort Asset Management N.V., also decided to amend the articles of association with the merger resolution of 29 December 2017. The name of the acquiring company was changed to InsingerGilissen Asset Management N.V. ("the Company") with effect from 1 January 2018. This means that with effect from 1 January 2018 InsingerGilissen Asset Management N.V. is the manager of the Index Umbrella Fund.

In connection with the merger, with the approval of AFM, new directors of the company have also been appointed and one director has resigned. With effect from 1 January 2018, the management of the company consists of the following persons: Ms. K.P.A. Cools and Mr. M.J. Baltus, G. S. Wijnia, J.J. Maas and R.J.M. Verberne. Mr. P.R. Broholm, former director of TG Fund Management BV, has resigned with effect from 1 January 2018.

The Supervisory Board of the two merged companies (Messrs P.G. Sieradzki, L.H. Siertsema, P.N. Klijn and J.J. Maas) also resigned with the approval of AFM.

Independent auditor's report

To: the shareholders and management of InsingerGilissen Asset Management N.V.

Report on the audit of the financial statements 2017 included in the annual report

Our opinion

We have audited the financial statements 2017 of InsingerGilissen Asset Management N.V. (formerly known as Insinger de Beaufort Asset Management N.V.), based in Amsterdam, The Netherlands.

In our opinion the accompanying financial statements give a true and fair view of the financial position of InsingerGilissen Asset Management N.V. as at 31 December 2017, and of its result for 2017 in accordance with Part 9 of Book 2 of the Dutch Civil Code.

The financial statements comprise:

- ▶ The balance sheet as at 31 December 2017
- ▶ The profit and loss account for 2017
- ▶ The notes comprising a summary of the accounting policies and other explanatory information

Basis for our opinion

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

We are independent of InsingerGilissen Asset Management N.V. in accordance with the Wet toezicht accountantsorganisaties (Wta, Audit firms supervision act), the Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore we have complied with the Verordening gedrags- en beroepsregels accountants (VGBA, Dutch Code of Ethics).

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

Report on other information included in the annual report

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

- ▶ Director's report
- ▶ Other information

Based on the following procedures performed, we conclude that the other information:

- ▶ Is consistent with the financial statements and does not contain material misstatements
- ▶ Contains the information as required by Part 9 of Book 2 of the Dutch Civil Code

We have read the other information. Based on our knowledge and understanding obtained through our audit of the financial statements or otherwise, we have considered whether the other information contains material misstatements. By performing these 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 the procedures performed is less than the scope of those performed in our audit of the financial statements.

Management is responsible for the preparation of the other information, including the management board's report in accordance with Part 9 of Book 2 of the Dutch Civil Code and other information pursuant to Part 9 of Book 2 of the Dutch Civil Code.

Description of responsibilities for the financial statements

Responsibilities of management for the financial statements

Management 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. Furthermore, management is responsible for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

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

Our responsibilities for the audit of the financial statements

Our objective is to plan and perform the audit assignment in a manner that allows us to obtain sufficient and appropriate audit evidence for our opinion.

Our audit has been performed with a high, but not absolute, level of assurance, which means we may not have detected all material errors and fraud.

Misstatements can arise from fraud or error and 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 these financial statements. The materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

We have exercised professional judgment and have maintained professional skepticism throughout the audit, in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements. Our audit included e.g.,:

- ▶ 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 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 company's internal control

- ▶ Evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management
- ▶ Concluding on the appropriateness of management's use of the going concern basis of accounting, and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause a company to cease to continue as a going concern
- ▶ Evaluating the overall presentation, structure and content of the financial statements, including the disclosures
- ▶ Evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation

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

Amsterdam, 27 August 2018

Ernst & Young Accountants LLP

signed by J.C.J. Preijde