

# InsingerGilissen Asset Management N.V.

Annual Report for the year ended 31 December 2022

**Address:**

Herengracht 537

1017 BV Amsterdam

P.O. Box 10820

1001 EV Amsterdam

The Netherlands

Tel +31 (0)20 5215000

[assetmanagement@insingergilissen.nl](mailto:assetmanagement@insingergilissen.nl)

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## **DIRECTOR'S REPORT**

### **General**

InsingerGilissen Asset Management N.V. ("the Company") is a public company with limited liability incorporated in the Netherlands. The address of its registered office and principal place of business is disclosed on page 2. Its registration number of the Chamber of Commerce is 33055195, seated in Amsterdam.

As of 15 December 2020 InsingerGilissen Bankiers N.V. merged with Quintet Private Bank (Europe) S.A. ("Quintet") which resulted in that 100% of the Company is owned by Quintet as from 15 December 2020. This merger does not affect the activities of the Company. The Company's account is consolidated in the Quintet Private Bank (Europe) S.A. , and ultimately consolidated in Precision Capital LLC's consolidated accounts. Precision Capital LLC is a Qatari-based company governed by Qatar law representing the interests of a group of Qatari private investors.

The Company has no own employees but certain employees of InsingerGilissen, a Quintet Private Bank (Europe) S.A. branch ("InsingerGilissen") are seconded to the Company.

The COVID-19 pandemic has impacted society and economy in the past two years. The resulting impact of the virus on the operations of InsingerGilissen Asset Management N.V. was nevertheless limited as a result of robust management. The Covid-19 measures in the Netherlands are now lifted. For InsingerGilissen this entails that personnel is working in accordance with a hybrid model.

### **Review of 2022**

It was a difficult year for financial markets, with both equity and bond markets showing sharp declines. The main reason for this was the sharp rise in inflation resulting in substantial interest rate increases by central banks. In this environment of rising interest rates, bond markets reacted strongly negatively, but equity markets also corrected. In addition, the invasion of Russia in Ukraine also created a lot of uncertainty for financial markets and contributed to higher inflation.

#### *Recovery from the Covid pandemic gives pricing pressures*

After the end of the corona lockdowns, there was an exuberant economic recovery over 2021 in the US and Europe. Thanks to positive stock market sentiment, the US and European equity markets started the year 2022 at record levels. U.S. and European central banks announced tighter monetary policy to control inflation. As a result, investors began to price in higher interest rate expectations and both equity and bond markets came under pressure.

#### *Invasion of Russia in Ukraine*

Russia's invasion of Ukraine gave an escalation of geopolitical tensions that also impacted financial markets. The Russian army launched military operations in Ukraine in February, to which Western countries responded with sanctions against Russia. As a countermeasure Russia started by reducing the gas supplies to Europe. This led to sharply higher inflation due to rising energy prices and an energy crisis in Europe that affected both consumers and businesses.

### *Central Banks lift interest rates*

In the course of the year, the US and European central banks started lifting interest rates when inflation pressure was more persistent than expected. The first interest rate hike by the Fed (Central Bank in America) was in March, followed by many thereafter. At the end of the year, the range for the US policy rate was 4.25% to 4.5%. The European Central Bank (ECB) was in a difficult situation with an energy crisis and the aim to limit interest rate differentials between European countries. It was only in July that the ECB just abandoned the negative interest rate policy and raised the deposit rate from -0.5% to 0%. In the wake of the Fed, the ECB also took a number of major interest rate moves in the rest of the year. At the end of the year, the European deposit rate stood at 2%.

### *Financial markets*

Monetary and geopolitical developments led to losses for both bonds and equities. On balance, bond prices fell even more than stock prices. Government bonds in particular suffered substantial price losses as a result of rising interest rates. For example, the German 10-year government yield rose from -0.18% to 2.57%, while the US 10-year yield rose from 1.51% to 3.87%. In equities there were large differences in returns between sectors and investment styles. The share prices of companies with high growth prospects fell the most. In contrast shares of oil and gas companies performed best thanks to high energy prices.

## **InsingerGilissen fund strategies and performance in 2022**

InsingerGilissen Asset Management N.V. (hereinafter: the “Company”) focuses on managing funds, investment portfolios and selecting the specialised asset managers.

The investment funds managed by the Company are divided into profile funds, specialist funds, index funds and the core funds in the following umbrella investment structures:

- InsingerGilissen Umbrella Fund N.V.
- Beheerstrategie N.V.

On 1st July 2022 the below funds were restructured. This change is implemented taking into consideration communication of this change to the investors of the funds, adherence to applicable notice period before implementing the change, prospectus change, General shareholders meeting (applicable for InsingerGilissen Umbrella Fund N.V. and Beheerstrategie N.V.) and was notification of this change made to the Dutch Authority for the Financial Markets (AFM).

InsingerGilissen Asset Management N.V. (hereinafter: “the Investment Manager”) is of the opinion that with this restructuring economies of scale and cost reduction in the long run can be achieved.

Below specific information of the restructuring for each fund:

### - Index Funds

The 3 Index Funds, sub-funds of Index Umbrella Fund, are with the restructuring continued as new sub-funds of InsingerGilissen Umbrella Fund N.V.

The below key fund characteristics of these funds are unchanged continued (as sub-funds) in InsingerGilissen Umbrella Fund N.V.:

- Investment philosophy and its investment objectives
- Subscription and redemption conditions
- Fiscal status of the fund
- Accounting policies
- Management Fees
- Listing on Euronext Fund Service Platform

The conversion rate applied is one share old Index Fund for one share in respective serie class in InsingerGilissen Umbrella Fund N.V. as follows:

- 1 share Sustainable World Index Fund (sub-fund of Index Umbrella Fund) for 1 share in Sustainable World Index Fund, serie J of InsingerGilissen Umbrella Fund N.V.
- 1 share Sustainable Europe Index Fund (sub-fund of Index Umbrella Fund) for 1 share in Sustainable Europe Index Fund, serie K of InsingerGilissen Umbrella Fund N.V.
- 1 share Sustainable North America Index Fund (sub-fund of Index Umbrella Fund) for 1 share in Sustainable North America Index Fund, serie L of InsingerGilissen Umbrella Fund N.V.

### - Dynamic Fixed Income

The Dynamic Fixed Income, a sub-fund of Beheerstrategie N.V., is with the restructuring continued as a sub-fund, serie H of InsingerGilissen Umbrella Fund N.V.

The below key fund characteristics of this fund are unchanged continued (as sub-fund H) in InsingerGilissen Umbrella Fund N.V. as follows:

- Investment philosophy and its investment objectives
- Subscription and redemption conditions
- Fiscal status of the fund
- Accounting policies

With the restructuring the below fund characteristics are amended for Dynamic Fixed Income Fund as sub-fund, serie H of InsingerGilissen Umbrella Fund N.V.

- Decrease of the annual management fees from 0.75% to 0.30%
- Listing on Euronext Fund Service Platform

The conversion applied is one share old Dynamic Fixed Income, a sub-fund of Beheerstrategie N.V. for one share Dynamic Fixed Income Fund, serie H of InsingerGilissen Umbrella Fund N.V.:

Below some key information of the funds of which the Company is the Investment Manager and/or Portfolio Manager.

Supporting Information for annual report InsingerGilissen Asset Management N.V.													
Note	AuM		Valuation		Performance		Ongoing Charges				Performance Fees		
	31/dec/22	31/dec/21	Highest	Lowest	2022	2021	2022	2021	2021	2021	2022	2021	
	millions (EUR)	millions (EUR)	EUR	EUR	%	%	Fund level	Incl Underlying Funds	Fund level	Incl Underlying Funds	x EUR 1 000	x EUR 1 000	
<b>Profile Funds:</b>	<b>1</b>												
MM Equity	12,7	17,0			-15,40	21,40	0,76%	1,40%	0,77%	1,54%	-	367,0	
MM Balanced	23,8	31,4	153,62	130,02	-14,35	10,63	0,76%	1,35%	0,77%	1,44%	-	365,7	
MM Defensive Balanced	3,2	4,2	148,92	126,11	-13,97	6,03	0,76%	1,32%	0,77%	1,41%	-	37,3	
MM Defensive	2,4	2,8	93,86	86,16	-6,94	-1,09	0,76%	N/A	0,77%	N/A	N/A	N/A	
<b>Specialist Funds</b>													
ARS Multi Manager Hedge	42,1	55,01	126,50	122,79	-0,82	2,90	0,82%	2,24%	0,91%	2,27%	N/A	N/A	
Real Estate Equity Fund	76,7	119,0	186,10	126,91	-25,64	11,09	1,14%	N/A	1,15%	N/A	-	1.012,9	
European Large Cap Fund	10,5	22,6	75,10	51,52	-23,26	14,98	0,76%	N/A	0,77%	N/A	-	601,5	
European Mid Cap Fund	68,5	121,7	101,51	66,26	-27,66	10,43	0,69%	N/A	0,70%	N/A	-	2.253,2	
Dynamic Fixed Income	2	120,7	192,1	746,63	642,31	-11,51	-1,08	0,34%	0,75%	0,81%	1,28%	N/A	N/A
<b>Index Funds</b>	<b>2, 3</b>												
Sustainable World Index Fund	143,8	226,4	262,20	219,34	-10,76	34,09	0,24%	N/A	0,23%	0,23%	N/A	N/A	
Sustainable Europe Index Fund	28,1	81,2	170,43	118,55	-8,31	22,54	0,34%	N/A	0,34%	0,34%	N/A	N/A	
Sustainable North America Fund	260,0	281,5	253,16	208,64	-12,65	38,95	0,32%	N/A	0,33%	0,33%	N/A	N/A	
<b>Core Funds</b>	<b>1</b>												
Duurzaam Offensief	403,3	460,5	1.224,31	978,03	-18,07	24,05	0,81%	1,09%	0,81%	1,08%	N/A	N/A	
Duurzaam Gematigd Offensief	953,8	1.067,4	1.137,82	918,82	-17,53	18,45	0,81%	1,11%	0,81%	1,10%	N/A	N/A	
Duurzaam Gebalanceerd	805,0	932,1	1.040,02	848,36	-16,68	12,42	0,81%	1,13%	0,81%	1,14%	N/A	N/A	
Duurzaam Gematigd Defensief	167,6	162,4	976,42	802,15	-15,75	6,93	0,81%	1,17%	0,81%	1,18%	N/A	N/A	
Verantwoord Gematigd Offensief	248,7	301,4	1.030,10	863,10	-15,15	16,70	0,81%	1,46%	0,81%	1,45%	N/A	N/A	
Verantwoord Gebalanceerd	302,0	393,9	967,89	808,37	-15,13	11,41	0,81%	1,41%	0,81%	1,42%	N/A	N/A	
Verantwoord Gematigd Defensief	4	-	78,4	904,84	751,27	N/A	5,80	N/A	N/A	0,81%	1,28%	N/A	N/A

#### Notes:

- 1) InsingerGilissen, branch of Quintet Private Bank (Europe) S.A. is the Portfolio Investment Manager.
- 2) The historical data (before 1st July 2022) of the fund is based on historical information of the predecessor of the fund.
- 3) State Street Global Advisors Europe Limited is the Portfolio Investment Manager.
- 4) Investors in this fund have redeemed fully on 30th November 2022.

### Profile Funds

The Company'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. The MM Equity (offensive) fund achieved a performance of -15.35% in 2022 compared to 21.40% in 2021. The MM Balanced (neutral) fund achieved a performance of -14.35% compared to 10.63% in 2021.

### Specialist Funds

The Company 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 European Large Cap Fund that actively invests mainly in European companies with bigger market capitalisations and historical patterns of dividend capacity, achieved a performance of -23.26% in 2022. 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 performance of -27.66% in 2022. The Real Estate Equity Fund, with its focus on listed real estate companies, achieved -25.64% in 2022.

### Index Funds

The Company offers three Sustainable Index Funds and where the objective is to invest as much as possible in accordance with respective DJSI Index and minimise the performance error.

The performance of the Index Funds, respective Index and tracking error for 2022 is as follows:

Index Fund	Performance	DJSI Index	Performance	Performance Error
World Index Fund	-10,76%	DJSI World Developed Index ex Korea Diversified	-11,00%	0,24%
Europe Index Fund	-8,31%	DJSI Europe Index ex All	-10,41%	2,10%
North America Index Fund	-12,65%	DJSI North America Index ex All	-12,94%	0,29%

The portfolio management activities for the Index Funds are delegated to State Street Global Advisors Europe Limited. The costs of this delegation are borne by the Company.



## **Core Funds**

InsingerGilissen, a Quintet Private Bank (Europe) S.A. Branch is offering to their discretionary clients Core Funds with a Sustainable or a Responsible proposition with the risk profiles moderate defensive, balanced, moderate growth and growth. The funds are managed in accordance with the risk profile of the clients by investing in combination of appropriate and carefully selected investments. The core funds received an inflow of €85 million AuM in 2022, mostly going towards the sustainable funds. The Duurzaam Offensief fund achieved a performance of -18.07% in 2022 compared to 24.05% in 2021. The Duurzaam Gematigd Offensief fund achieved a performance of -17.53% in 2022 compared to 18.45% in 2021. The Verantwoord Gematigd Offensief fund achieved a performance of -15.15% in 2022 compared to 16.70% in 2021. The Verantwoord Gebalanceerd fund achieved a performance of -15.13% in 2022 compared to 11.41% in 2021.

## **Results**

Net fee and commission income decreased to € 6.3 million from € 11.6 million. The decrease in Net fee and commission income in 2022 was mainly due to no performance fees in 2022 and the negative performance on the assets under management. The negative performance is in line with general market fluctuations in 2022. The past year showed a net outflow of assets under management of €46 million (2021: inflow € 142 million). Total assets under management amounted to € 3.684 billion as at 31 December 2022 (2021: € 4.496 billion). During the year the Company paid no dividend (2021: € 20 million). Shareholder's equity amounted to € 13.9 million as at 31 December 2022 (2021: € 10.9 million). The minimum required own funds, according to "Besluit prudentiële regels Wft" amounts to €1,109 thousand. As a consequence the capital and reserves are sufficient to meet the minimum requirement.

## **Risk Management**

Directors of InsingerGilissen Asset Management N.V. are responsible for ensuring that risks and controls are addressed in each of their operations. For its enterprise risk management process, including the risk appetite, InsingerGilissen Asset Management N.V. is included in the Risk Framework of Quintet Private Bank (Europe) S.A.

The Risk Framework for Quintet Private Bank (Europe) S.A. is based on a three lines of defence model. The first line of defence is responsible for execution of risk activities which involve Risk Control Self Assessments, Incident Management and operational controls. The risk appetite statement translates the Company's strategy into concise qualitative and quantitative statements and targets for risk appetite indicators (also referred to as key risk indicators, KRIs), thus enabling the Company to achieve its strategic goals while remaining within the acceptable levels of risk.

Risk Management personnel are seconded from the Business Risk Management department of Quintet Private Bank (Europe) S.A. to InsingerGilissen Asset Management N.V. for first line of defence monitoring of these activities.

The Asset Management Risk Committee of the Company consisting both of the first and second line of defence is in place as the main body to ensure that risks in relation to InsingerGilissen Asset Management N.V. activities are monitored and controlled within the risk appetite.

Overlaying this process, the Internal Audit department of Quintet Private Bank (Europe) S.A. independently monitors the on-going adequacy and execution of this structure as the third line of defence. They report their findings directly to management of InsingerGilissen Asset Management N.V.

Key risk types relevant for InsingerGilissen Asset Management N.V. are Operational Risk and Investment Risk. Operational risk (in the broader context as non-financial 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, compliance risks, risks linked to operations processing and risks related to published financial information. Also fraud risk is part of operational risk and includes the risk of unauthorized payments, revenue recognition fraud and management over-ride of controls. In 2022 no fraud event has been reported.

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.

An important risk relates to services provided in relation to the investment portfolios of the funds. For each fund investment guidelines are stipulated which in addition to the prospectus investment restrictions of the fund include internal investment guidelines which are stricter than the prospectus investment restrictions and/or defines the quantitative maximums. The investment team continuously monitors the operational risks to ensure that the investment portfolio is at all times in line with these investment guidelines. The risk department monitors periodically, in most cases daily, that the investment portfolios are all compliant with its respective investment guidelines. These controls include checks on bandwidth, investable universe and deviations from model portfolios. In addition, it performs periodically monthly investment instrument reviews and evaluates the investment process set up.

During the course of the year, various aspects of the administrative organisation and internal controls were reviewed. We concluded, amongst other things, that the Company has 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 specialty funds, index funds, multi manager profile funds and core funds, reflecting a diversified investment structure that is aligned with Quintet Private Bank (Europe) S.A.'s investment process. 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 Quintet Private Bank (Europe) S.A., with a specific focus on the Netherlands.

## **Outlook**

As an investment manager, we take responsibility for the future of our planet, social environment and the generations after us. As a signatory of "Principle for Responsible Investment" we will continue our responsible (investment) policy. We are of the opinion that the risks in our investment portfolios are substantially reduced with a correct responsible policy.

For 2023, we are cautiously optimistic for the financial markets. The main motivation is that we expect inflation to decrease, mainly due to a decrease in raw material prices and especially driven by a decline in energy prices. In addition the effects of central bank interest rate hikes in 2022 will also have an

impact on lower economic growth with prices falling due to lower demand. These developments will be important for the future interest rate policy of central banks.

Due to the high degree of unpredictability, we do not assume an escalation of the geopolitical conflict between Russia and Ukraine. Of course, the outcomes of the conflict can have an impact on financial markets and investment strategies.

As we approach the end of central bank rate hike cycles, bond yields are also expected to adjust to this with falling rates, meaning bond yields could be positive.

The outlook for equity returns is also moderately positive, with equity returns still under pressure in the first half of 2023 due to lower corporate results in the economic cooling. In our expectations of improving growth in the second half, equity returns may also turn positive.

### **Ongoing developments**

A project team, at the request of Quintet Private Bank (Europe) S.A., the sole shareholder of the Company, is working on a strategic investment funds solutions with the objective to realise the synergy of asset management activities between the Company and Kredietrust Luxembourg S.A. (Management Company based in Luxembourg with core business to manage investment funds and is part of the Quintet Group). This can result in that where appropriate certain funds, either managed by the Company or by Kredietrust Luxembourg S.A. will be merged, harmonised, liquidated or restructured.

Not a direct result of the above, the directors of the Company have the intention to propose in the extraordinary general meeting of InsingerGilissen Umbrella Fund N.V. planned in 3rd Quarter 2023 the liquidation of InsingerGilissen European Large Cap Fund and ARS Multi Manager Hedge Fund and to pay out the investors in cash. The reason for this proposal is that the strategy of the Company is to focus on the management of funds where they can achieve consistent outperformance compared to its peers in combination with inflows. These two funds no longer fit within this strategy and the directors of the Company are of the opinion that it is appropriate to liquidate these funds.

More information for changes that will impact the investment funds managed by the Company will timely be notified to the investors and to the AFM including the adherence to the notice period to the investor in the Funds before changes are implemented.

### **Events after the balance sheet date**

No extraordinary events occurred in the period from the balance sheet date up to the date of the issuance of the financial statements.

The financial statements have been prepared by the Management Board. The financial statements, which appear on pages 12 to 23, were signed by the directors on 30 June 2023 and authorised for issue.

M. J. Baltus  
G.S. Wijnia

30 June 2023

## FINANCIAL STATEMENTS

### PROFIT AND LOSS ACCOUNT

for the year ended 31 December 2022

	Notes	2022 Euro	2021 Euro adjusted
<b>Income</b>			
Net fee and commission income	1	6,260,426	11,556,747
		<b>6,260,426</b>	<b>11,556,747</b>
<b>Expenses</b>			
Recharged salaries, pension and social security expenses	2	1,426,877	1,547,266
Other expenses	3	798,779	1,165,241
		<b>2,225,656</b>	<b>2,712,507</b>
<b>Result</b>			
Result on ordinary activities before taxation		4,034,770	8,844,240
Taxation on ordinary activities	7	(1,040,974)	(2,211,059)
Result after taxation		<b>2,993,796</b>	<b>6,633,181</b>

## BALANCE SHEET

as at 31 December 2022  
(before result appropriation)

	Notes	2022 Euro	2021 Euro adjusted
<b>Assets</b>			
<b>Current assets</b>			
Receivables and accrued income	5	2,251,160	3,239,900
Cash (Receivable from related parties)	4	20,859,521	13,219,494
		<b>23,110,681</b>	<b>16,459,394</b>
<b>Shareholder's equity and liabilities</b>			
<b>Shareholder's equity</b>			
Issued and paid-up share capital	6	70,000	70,000
Other reserves		10,869,459	4,236,278
Result for the period		2,993,796	6,633,181
		<b>13,933,255</b>	<b>10,939,459</b>
<b>Current liabilities</b>			
Other liabilities	8	231,179	424,230
Liabilities to related parties	9	8,946,247	5,095,705
		<b>9,177,426</b>	<b>5,519,935</b>
<b>Total equity and liabilities</b>		<b>23,110,681</b>	<b>16,459,394</b>

## STATEMENT OF CHANGES IN EQUITY

For the period ended 31 December 2022

	Share Capital	Other Reserves	Result for the year	Total
	Euro	Euro	Euro	Euro
Balance as at 1 January 2022	70,000	4,236,278	6,633,181	10,939,459
Appropriation of the result of prior year	-	6,633,181	(6,633,181)	-
Dividend	-	-	-	-
Result for the period	-	-	2,993,796	2,993,796
<b>Balance as at 31 December 2022</b>	<b>70,000</b>	<b>10,869,459</b>	<b>2,993,796</b>	<b>13,933,255</b>
Balance as at 1 January 2021	70,000	19,240,780	5,479,241	24,790,021
Effect of prior year adjustments	-	(483,763)	-	(483,763)
Appropriation of the result of prior year	-	5,479,241	(5,479,241)	-
Dividend	-	(19,999,980)	-	(19,999,980)
Result for the period	-	-	6,633,181	6,633,181
<b>Balance as at 31 December 2021</b>	<b>70,000</b>	<b>4,236,278</b>	<b>6,633,181</b>	<b>10,939,459</b>

On 26 March 2021 the Annual General Meeting of Shareholders decided to make a distribution of €285,714 per share out of the reserves. The dividend was paid on 9 April 2021.

## CASH FLOW STATEMENT

	2022	2021
	Euro	Euro adjusted
Cash flows from operating activities		
Net profit	2,993,796	6,633,181
Adjustment for taxation	1,040,974	2,211,059
	<b>4,034,770</b>	<b>8,844,240</b>
Increase/(Decrease) in operating assets	988,740	649,304
Other assets	<b>988,740</b>	<b>649,304</b>
Increase/(Decrease) in operating liabilities		
Liabilities to related parties	2,809,568	(1,223,386)
Other liabilities	(193,051)	(479,774)
	<b>2,616,517</b>	<b>(1,703,160)</b>
Net cash inflow/ (outflow) from operating activities before payment of taxation	<b>7,640,027</b>	<b>7,790,384</b>
Taxation received/(paid)	-	-
Net cash inflows/(outflow) from operating activities after payment of taxation	<b>7,640,027</b>	<b>7,790,384</b>
Cash flows from financing activities		
Dividend paid	-	(19,999,980)
	-	(19,999,980)
Net increase/(decrease) in cash	<b>7,640,027</b>	<b>(12,209,596)</b>
Cash at the beginning of the year	13,219,494	25,429,090
Net increase/(decrease in cash)	7,640,027	(12,209,596)
Cash at the end of year	<b>20,859,521</b>	<b>13,219,494</b>

## **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

For the year ended 31 December 2022

### **General**

InsingerGilissen Asset Management N.V. (“the Company”) is a public company with limited liability incorporated in the Netherlands. The address of its registered office and principal place of business is disclosed on page 2. Its registration number of the Chamber of Commerce is 33055195, seated in Amsterdam.

As of 15 December 2020 InsingerGilissen Bankiers N.V. merged with Quintet Private Bank (Europe) S.A. (“Quintet”) which resulted in that 100% of the Company is owned by Quintet as from 15 December 2020. This merger does not affect the activities of the Company. The Company’s account is consolidated in the Quintet Private Bank (Europe) S.A. , and ultimately consolidated in Precision Capital LLC’s consolidated accounts. Precision Capital LLC is a Qatari-based company governed by Qatar law representing the interests of a group of Qatari private investors.

The Company has no own employees but certain employees of InsingerGilissen, a Quintet Private Bank (Europe) S.A. branch (“InsingerGilissen”) are seconded to the Company.

### **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.

There are no changes in accounting policies compared to the prior year. The activities of the Company are not significantly impacted by seasonal influences.

### **Accounting estimates**

The estimates and underlying assumptions are periodically assessed. Assumptions about future developments (or future developments that do not occur) may change due to market changes or circumstances arising that are beyond the control of the company. These changes in estimates will be accounted for prospectively. No significant changes have occurred compared to 2021.

### **Going concern**

The Company’s management has made an assessment of its ability to continue as a going concern and is satisfied that it has the resources to continue in business for the foreseeable future. Furthermore, management is not aware of any material uncertainties that may cast significant doubt on the Company’s ability to continue as a going concern. Therefore, the financial statements continue to be prepared on the going concern basis.

### **Appropriation of the result**

The proposed appropriation of the result for 2022 is as follows. The management board proposes to add the profit of the year of € 2,993,796 to the other reserves.



## 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.

### Correction of errors

When preparing the annual report 2022 it was discovered that part of the Delegation agreement cost for the years 2019 to 2021 were not correctly recorded. Based on the amounts involved the impact is material. Therefore the adjustments are recorded based on Guideline for Annual Reporting 150 "Fouterstel". The opening balance equity of 2021 is adjusted and the comparatives figures for the balance sheet, profit and loss account and the cash flow statement 2021 are adjusted.

Impact 2021 profit and loss account:

Delegation agreement	EUR 20,380,904
Adjustment	<u>EUR 400,554</u>
	EUR 20,781,458

Taxation	EUR 2,311,198
Adjustment	<u>EUR (100,139)</u>
	EUR 2,211,059

Total 2021 adjustment EUR 300,415

Impact 2021 equity:

Equity	EUR 11,723,637
2019 adjustment	EUR (134,326)
2020 adjustment	EUR (349,437)
2021 adjustment	<u>EUR (300,415)</u>
	EUR 10,939,459

Impact 2021 Liabilities to related parties:

Before adjustment	EUR 4,311,527
2019 adjustment	EUR 134,326
2020 adjustment	EUR 349,437
2021 adjustment	<u>EUR 300,415</u>
	EUR 5,095,705

**Cash (Receivable from related parties)**

The cash as referred to in the cash flow statement consists of a current account with InsingerGilissen. Cash has been stated at nominal value and are at the Company's discretionary disposal.

**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. The resulting gains or losses are recognised in the profit or loss account.

Common currencies used:

	Closing rate	Average rate
EUR/USD	1,0673	1,0501
EUR/GBP	0,8871	0,8548

**Receivables and accrued income**

Receivables are initially recognised at fair value 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. The resulting gains or losses are recognised in the profit or loss account.

**Employee benefits**

InsingerGilissen, who manages and supplies staff to the Company, has defined contribution plans and defined benefit plans in place. The expenses of defined benefit plans relate to plans that are career-average pension schemes. The plan is related to the predecessors of InsingerGilissen and is therefore not active. No contributions except for indexation costs are carried by the InsingerGilissen. There are no contributions from personnel as there is an independent agreement between the companies to pay for certain seconded staff, this includes pension costs.

**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 and 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 with the exception of the lower percentage for the first €400 thousand profit. The receivable or payables relating to the taxation are due from/due to InsingerGilissen. 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, investing 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 consist of cash and deposits with InsingerGilissen. The deposit with InsingerGilissen is recorded under the item Cash (Receivable from related parties).

## NOTES

	2022	2021
	Euro	Euro
<b>1) Net fee and commission income</b>		
Management Fees	27,721,702	28,243,127
Delegation agreement	(21,207,171)	(20,781,458)
Other direct expenditures	(233,924)	(688,665)
Other	(20,181)	146,164
Subtotal	<u>6,260,426</u>	<u>6,919,168</u>
Performance fees	-	4,637,579
Net fee and commission income	<u>6,260,426</u>	<u>11,556,747</u>

included under the line item “Delegation Agreement” are fees due to InsingerGilissen for the delegation of the portfolio management activities of Beheerstrategie N.V. Included under the Line item “Other direct expenditures” are fees due to State Street Global Advisors (Europe) Limited for the delegation of the portfolio management activities for the three index funds.

The decrease in “Performance fees” is due to the fact that the performance of the respective funds did not exceed the High- Water Mark during the reporting period.

	2022	2021
	Euro	Euro
<b>2) Recharged salaries, pension and social security expenses</b>		
Salaries	1,230,542	1,339,938
Social security expenses	106,166	111,031
Pension costs	90,169	96,297
	<u>1,426,877</u>	<u>1,547,266</u>

This relates to recharged and seconded personnel. InsingerGilissen recharged the Company € 1,427 thousand (2021: €1,547 thousand) for the provision of intragroup services and for seconded personnel. This has been recorded in the Services Agreement for the Provision of Intragroup Services and the Secondment Agreements between InsingerGilissen and the Company.

	<b>2022</b>	<b>2021</b>
	Euro	Euro
<b>3) Other expenses</b>		
Recharges (1)	725,438	712,280
Information suppliers	280,728	316,090
Other	(207,387)	136,871
	<u>798,779</u>	<u>1,165,241</u>

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

	<b>2022</b>	<b>2021</b>
	Euro	Euro
<b>4) Cash (Receivable from related parties)</b>		
Bank accounts at InsingerGilissen, a Quintet Private Bank (Europe) S.A. Branch	<u>20,859,521</u>	<u>13,219,494</u>

No interest is charged or received on the bank accounts. The receivable is freely disposable by the company.

	<b>2022</b>	<b>2021</b>
	Euro	Euro
<b>5) Receivables and accrued income</b>		
Receivables from related parties (Note 10)	<u>2,251,160</u>	<u>3,239,900</u>

This relates primarily to debtors and receivables from investment management and is all receivable from related parties.

	<b>2022</b>	<b>2021</b>
	Euro	Euro
<b>6) Issued and paid-up share capital</b>	<u>70,000</u>	<u>70,000</u>

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

### 7) Taxes and social securities

In 2022 the corporate income tax payable of € 1,040,974 has been booked directly under the liabilities to related parties. Refer to note 9.

	2022	2021
	Euro	Euro
<b>8) Other liabilities</b>	<u>231,179</u>	<u>424,230</u>

The remaining term of the other liabilities is less than one year.

	2022	2021
	Euro	Euro
<b>9) Liabilities to related parties</b>		
InsingerGilissen	<u>8,946,247</u>	<u>5,095,705</u>

### 10) Related party transactions

The Company is controlled by Quintet Private Bank (Europe) S.A. which owns 100% of the ordinary shares and InsingerGilissen serves as a Quintet Private Bank (Europe) S.A. branch. A number of banking transactions are entered into with InsingerGilissen in the normal course of business.

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

Receivables and fee income are transactions with related parties (funds) and are on arm length basis.

## 11) Employees

Certain employees of InsingerGilissen are seconded to the Company, pursuant to a secondment agreement. The remuneration policy of the Company is based on the remuneration policy of InsingerGilissen.

In total 22 staff personnel (2021: 25) are performing activities for the Company, consisting of two Directors, eight staff personnel responsible for the portfolio investment activities and twelve staff personnel involved for the various controls. Not all staff personnel perform full time activities for the Company. Calculated in FTE for 2022, 10,1 FTE performed activities for the Company (2021: 11,9 FTE).

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

2022	Identified staff	MRT <sup>1</sup>	Other employees	Total
FTE	0.7	3.2	6.2	10.1
Fixed	190,612	448,766	673,486	1,312,864
Total (EUR)	<b>190,612</b>	<b>448,766</b>	<b>673,486</b>	<b>1,312,864</b>
2021	Identified staff	MRT	Other employees	Total
FTE	0.7	4.5	6.7	11.9
Fixed	191,518	541,862	643,053	1,376,433
Total (EUR)	<b>191,518</b>	<b>541,862</b>	<b>643,053</b>	<b>1,376,433</b>

## 12) Fiscal Unity

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

## 13) Post balance sheet events

No extraordinary events occurred in the period from the balance sheet date up to the date of the issuance of the financial statements.

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<sup>1</sup> Material Risk Takers are identified employees which have a material impact on the risk profile of the company.

## **OTHER INFORMATION**

Article 19 of the articles of association states:

1. The profits accrued in a financial year, shall be at the disposal of the General Meeting. If the General Meeting does not adopt a resolution regarding the allocation of the profits prior to or at latest immediately after the adoption of the annual accounts, the profits will be reserved.
2. Distribution of profits shall be made after adoption of the annual accounts, if permissible under the law given the contents of the annual accounts.
3. The General Meeting may resolve to make interim distributions on Shares and/or to make distributions on Shares at the expense of any reserve of the Company. In addition, the Management Board may decide to make interim distributions on Shares.
4. Distributions on Shares shall be made payable immediately after the resolution to make the distribution, unless another date of payment has been determined in the resolution.
5. Distributions may be made only up to an amount which does not exceed the amount of the Distributable Equity and, if it concerns an interim distribution, the compliance with this requirement is evidenced by an interim statement of assets and liabilities as referred to in Section 2:105, subsection 4, of the Dutch Civil Code. The Company shall deposit the statement of assets and liabilities at the office of the Dutch trade register within eight days after the day on which the resolution to distribute is published.



## **INDEPENDENT AUDITOR'S REPORT**

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

### **Report on the audit of the financial statements 2022 included in the annual report**

#### **Our opinion**

We have audited the financial statements for the financial year ended 2022 of InsingerGilissen 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 2022 and of its result for 2022 in accordance with Part 9 of Book 2 of the Dutch Civil Code.

The financial statements comprise:

- the balance sheet as at 31 December 2022
- the profit and loss account for 2022
- 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. ('the company') 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.

### **Information in support of our opinion**

We designed our audit procedures in the context of our audit of the financial statements as a whole and in forming our opinion thereon. The following information in support of our opinion and any findings were addressed in this context, and we do not provide a separate opinion or conclusion on these matters.

*Our focus on fraud and non-compliance with laws and regulations*

#### **Our responsibility**

Although we are not responsible for preventing fraud or non-compliance and we cannot be expected to detect non-compliance with all laws and regulations, it is our responsibility to obtain reasonable assurance that the financial statements, taken as a whole, are free from material misstatement, whether caused by fraud or error.

#### **Our audit response related to fraud risks**

We identified and assessed the risks of material misstatements of the financial statements due to fraud. During our audit we obtained an understanding of the company and its environment and the components of the system of internal control, including the risk assessment process and management's process for responding to the risks of fraud and monitoring the system of internal control, as well as the outcomes. We refer to section 'Risk Management' of the director's report for management's risk assessment after consideration for potential fraud risks.

We evaluated the design and relevant aspects of the system of internal control and in particular the fraud risk assessment. We evaluated the design and the implementation of internal controls designed to mitigate fraud risks.

As part of our process of identifying fraud risks, we evaluated fraud risk factors with respect to financial reporting fraud, misappropriation of assets and bribery and corruption. We evaluated whether these factors indicate that a risk of material misstatement due to fraud is present.

We incorporated elements of unpredictability in our audit. We also considered the outcome of our other audit procedures and evaluated whether any findings were indicative of fraud or non-compliance.

As in all of our audits, we addressed the risks related to management override of controls. For these risks we have performed procedures among others to evaluate key accounting estimates for management bias that may represent a risk of material misstatement due to fraud, in particular relating to important judgment areas and significant accounting estimates as disclosed in 'Accounting estimates' to the financial statements. We have also used data analysis to identify and address high-risk journal entries and evaluated the business rationale (or the lack thereof) of significant extraordinary transactions, including those with related parties. These risks did however not require significant auditor's attention during our audit. We did not identify a risk of fraud in revenue recognition.

We considered available information and made enquiries of relevant directors of InsingerGilissen Asset Management N.V. and employees of Quintet Private Bank (Europe) S.A. - Amsterdam (of InsingerGilissen) Branch.

The fraud risks we identified, enquiries and other available information did not lead to specific indications for fraud or suspected fraud potentially materially impacting the view of the financial statements.

#### **Our audit response related to risks of non-compliance with laws and regulations**

We performed appropriate audit procedures regarding compliance with the provisions of those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. Furthermore, we assessed factors related to the risks of non-compliance with laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general industry experience, through discussions with management, reading minutes, inspection of internal audit reports, and performing substantive tests of details of classes of transactions, account balances or disclosures.

We also inspected correspondence with regulatory authorities and remained alert to any indication of (suspected) non-compliance throughout the audit. Finally we obtained written representations that all known instances of non-compliance with laws and regulations have been disclosed to us.

#### **Our audit response related to going concern**

As disclosed in section 'Going concern' in the notes to the financial statements, the financial statements have been prepared on a going concern basis. When preparing the financial statements, management made a specific assessment of the company's ability to continue as a going concern and to continue its operations for the foreseeable future.

We discussed and evaluated the specific assessment with management exercising professional judgment and maintaining professional skepticism. We considered whether management's going concern assessment, based on our knowledge and understanding obtained through our audit of the financial statements or otherwise, contains all relevant events or conditions that may cast significant doubt on the company's ability to continue as a going concern.

Based on our procedures performed, we did not identify material uncertainties about 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.

## Report on other information included in the annual report

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

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 for the management report and the other 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 substantially less than the scope of those performed in our audit of the financial statements.

The management board is responsible for the preparation of the other information, including the management report in accordance with Part 9 of Book 2 of the Dutch Civil Code and other information required by Part 9 of Book 2 of the Dutch Civil Code.

## Description of responsibilities regarding the financial statements

### Responsibilities of the management board for the financial statements

The management board 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, the management board 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, the management board is responsible for assessing the company's ability to continue as a going concern. Based on the financial reporting framework mentioned, the management board should prepare the financial statements using the going concern basis of accounting unless the management board either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so. The management board 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 engagement 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 detect all material errors and fraud during our audit.

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. The 'Information in support of our opinion' section above includes an informative summary of our responsibilities and the work performed as the basis for our opinion. Our audit included among others:

- 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 the management board
- 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.

#### Communication

We communicate with the management board 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, 30 June 2023

Ernst & Young Accountants LLP

signed by R.R.H. Gosen