ACHMEA DUTCH HEALTH CARE PROPERTY FUND

2023 Annual Report

achmea Real Estate

MISSION

The Achmea Dutch Health Care Property Fund (the Fund) aims to achieve stable and sustainable returns from invested healthcare properties. The Fund draws on Achmea's real estate expertise and knowledge of the market. The key principle is to provide suitable housing for the tenants.

The Achmea Dutch Health Care Property Fund aims to build a portfolio of high-quality healthcare properties, which can be characterised as a portfolio with a core investment feature. The Fund focuses on sustainable operations and thus contributes to the ESG objectives drawn up in the portfolio plan together with the investors. These objectives contribute to the living and working environment, the wellbeing of tenants and the social impact for the investors.

Investors

The Achmea Dutch Health Care Property Fund invests for institutional investors, such as pension funds, insurers and charities.

De Slinge, Assen

Contents

1. About Achmea Dutch Health Care Property Fund 4

2. Highlights 2023 & key figures 6

3. Manager's Report
- Looking back with the Manager 9
- Market trends 11
- Strategy 14
- ESG policy and key themes in 2023 16
- Portfolio developments 20
- Financial performance 2023 24
- Corporate Governance 26
- Risk management 29
- Investment restrictions 34
- Decisions of the Investor Meeting 35

4. Statement of the Depositary 36

Story of tenants 37

5. Financial statements
- Balance sheet as of 31 December 2023 43
- Income statement for 2023 44
- Cash flow statement for 2023 44
- Notes to the balance sheet and income statement 45

6. Other information
- Regulatory provisions on the appropriation of profit 60
- Independent auditor's report 61

Appendices
- I. Five-year overview 65
- II. Profile of the Fund 66
- III. Composition of the property portfolio 68
- IV. Overview of the real estate portfolio 69
- V. SFDR Level 2 73
- VI. INREV 80
- VII. Profile of the Manager 82
- VIII. Human Resources 84
- IX. Glossary 86

Manager: Achmea Real Estate (ARE)
Fund Manager: Daan Tettero
Director Investment Management: Casper Hesp

FRONT PAGE PHOTO: DeBuurt, Utrecht

1. About Achmea Dutch Health Care Property Fund

The Achmea Dutch Health Care Property Fund invests in sustainable and future proof healthcare property. The Fund thus responds to the growing and changing demand for healthcare, stimulates healthcare innovation and the efficient use of public funds, and offers investors a stable and attractive return at a limited risk.

The Fund acts as a partner for investors, care institutions and residents. The aim is to provide high-quality healthcare real estate that meets the needs of residents and care providers and ensures that the care is future-proof. It offers residents and staff a safe, pleasant, modern working and living environment that can easily adapt to changing care needs.

70 CARE PROPERTIES (INCLUDING PIPELINE) €749,0 MILLION
- 1,556 residential care homes
- 700 lifetime homes

TENANT SATISFACTION
6.8
BENCHMARK
6.7

€118.3 MILLION
IN INVESTMENT COMMITMENTS

GROSS ASSET VALUE
€675.0 million

5.6% RENTAL GROWTH
- Index 4.7%

98.3% OCCUPANCY RATE
10.3 years Walt

18 INVESTORS

GRESB 5-STAR ★★★★★
ENERGY LABEL (A) 95.6%

GPR building label
AVERAGE SCORE 7.2

The Fund takes over the real estate matters for healthcare institutions so that they can focus on providing care, and we offer their staff a suitable and pleasant working environment. Residents can live longer and in comfort in their familiar surroundings. By combining care functions in one building, based on the demand for care in the area, we help place various care services within reach for all.

INVESTMENT COMMITMENTS FROM INVESTORS

At the end of 2023, the Fund had a total of €118.3 million in outstanding investment commitments from eleven investors. During 2023, one investor committed €4.3 million in new investment commitments. During 2023, four investors exited (€162.7 million), six entered (€167.5 million) and €12.5 million of stock dividend was paid out. End of November 2023, one investor submitted an exit request for an amount of €10.0 million.

INVESTMENT MANAGEMENT

At the end of 2023, the Fund had €86.2 million in pipeline obligations (committed and uncommitted) for properties under construction. To cover these liabilities and properties yet to be acquired, the Fund expects to call €118.3 million in investment commitments from the investors in the coming years. The calls are distributed in accordance with the Fund terms and conditions to the investors wishing to join in proportion to their investment commitments and the sequence of the periods in which the investment commitments have been submitted. The Fund's funding further consists of stock dividend.

DEVELOPMENT PIPELINE

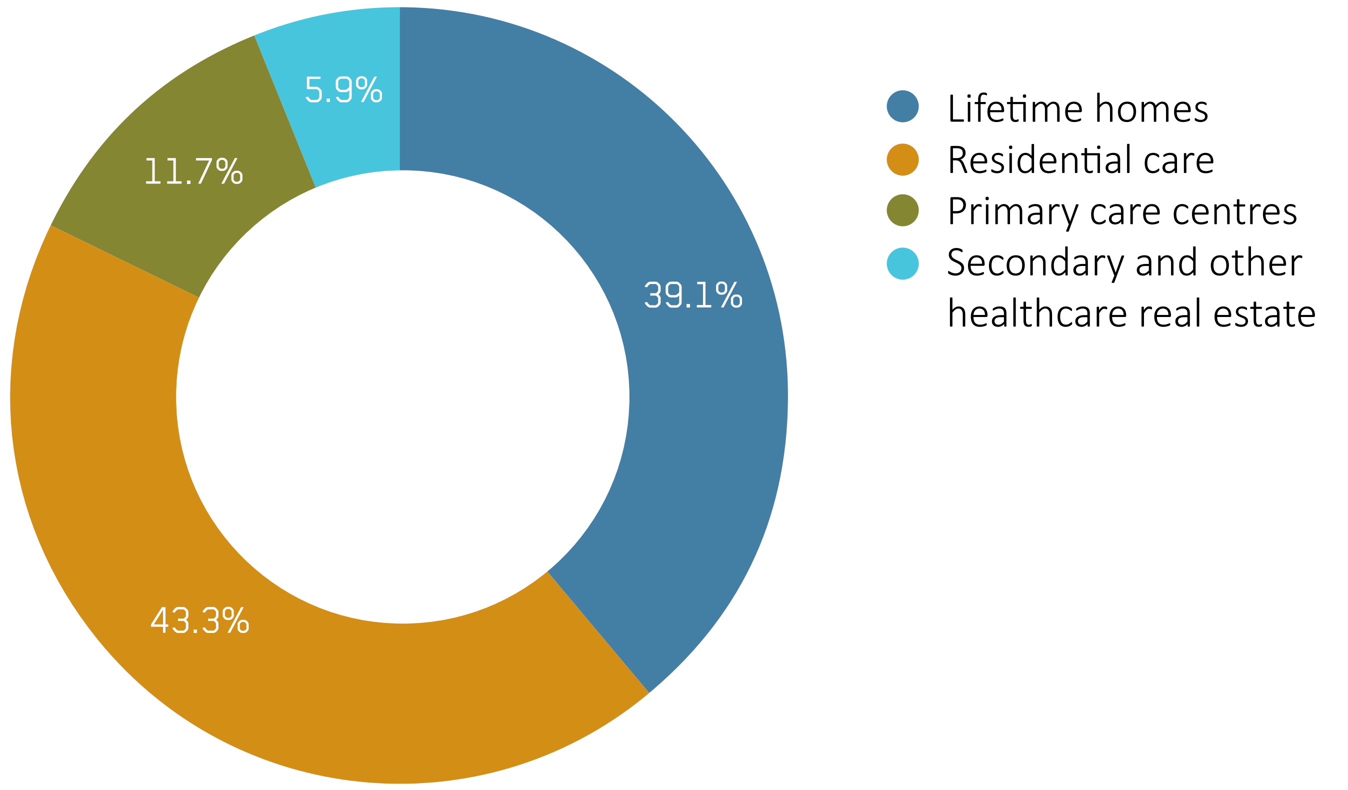
The Fund's development pipeline consists of:

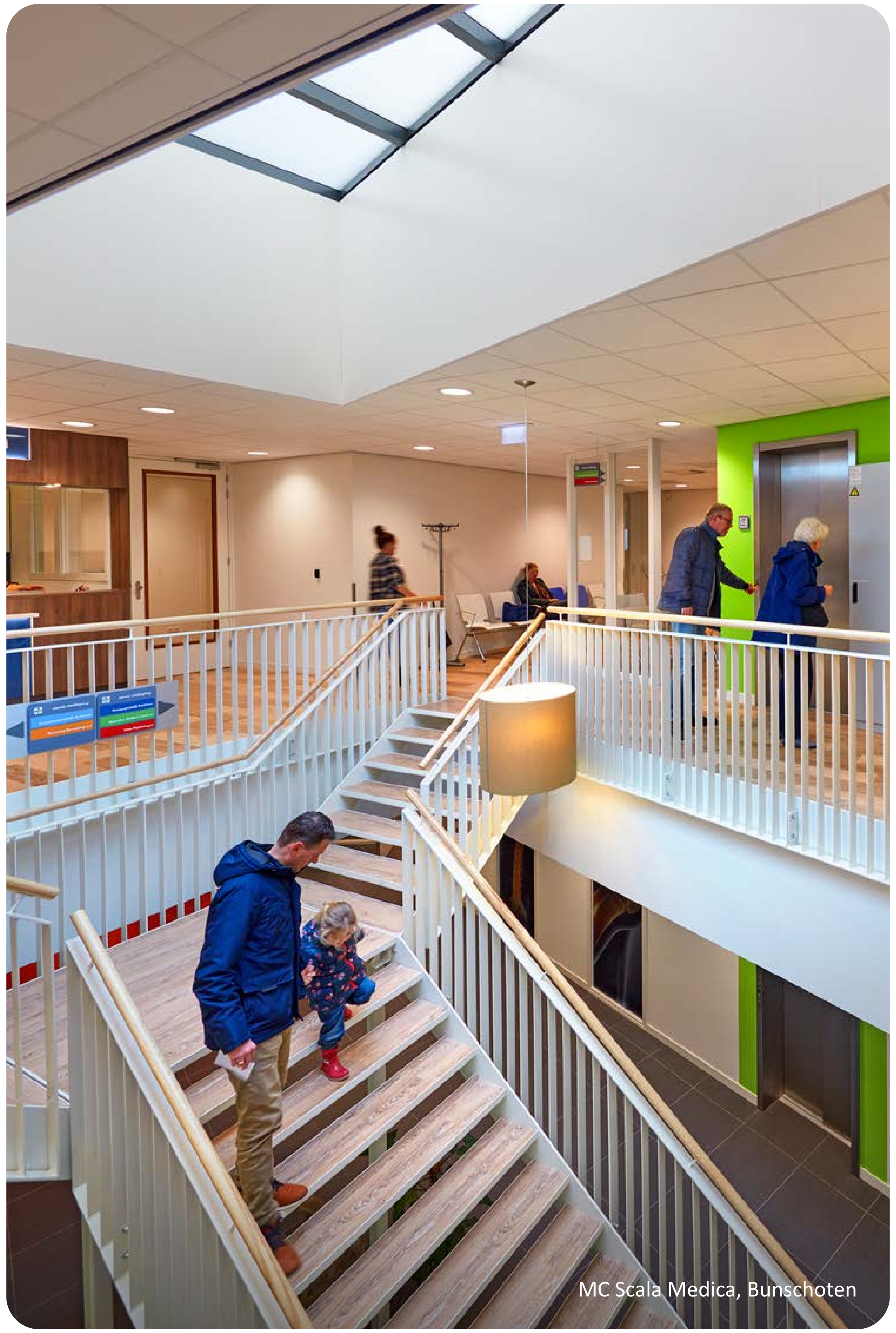
- The Hague, Maestro, Block D
- Haarlem, Hof van Jacob
- Assen, De Slinge

KEY CHARACTERISTICS

- Investing in Dutch care real estate: lifetime homes, residential care real estate or nursing homes, first-line real estate and selectively in second-line real estate
- Responding to changing demand for care
- Focus on sustainability - ESG
- Low risk, stable dividend and long-term value growth
- Managed by a dedicated fund team

PORTFOLIO COMPOSITION BY SEGMENT HOUSING OPPORTUNITY MAP




MC Scala Medica, Bunschoten

2. Highlights 2023 & key figures

MARCH: The acquisition of a property operated by Dagelijks Leven (for private residential care, a small-scale residential facility for the demented elderly) in Hoogeveen

JUNE: The acquisition of a property operated by Dagelijks Leven (for private residential care, a small-scale residential facility for the demented elderly) in Gorinchem

JUNE: Approval for the development of the 176 residential care units in De Slinge in Assen

MAY

MARCH

JUNE

OCTOBER

MAY: Approval for the development of the 103 lifetime homes and 2.371 m² commercial units (physio, pharmacy and PG) in the Hof van Jacob in Haarlem

OCTOBER: Ceremonial celebration start construction Meastro The Hague

GRESB ★★★★★ 2023

OCTOBER: Disclosure GRESB score of 94 points and a top-5 position in the peer group (Western Europe/ Healthcare/Corporate /Tenanted)

NOVEMBER: Approval of Fund's portfolio plan 2024-2026

NOVEMBER: Signing of purchase agreement for Hof van Jacob in Haarlem

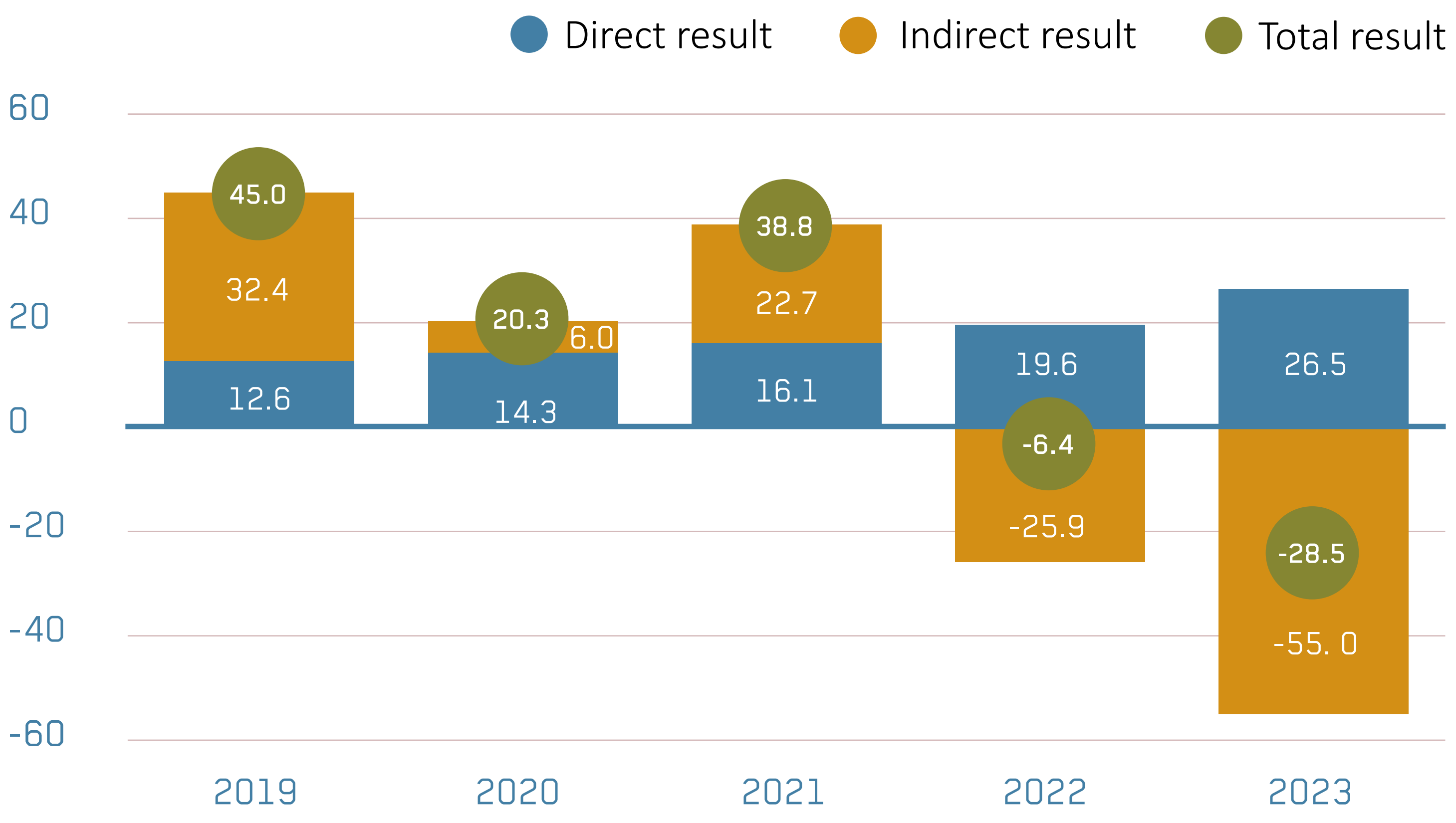
NOVEMBER: Start demolition existing building De Slinge in Assen

NOVEMBER

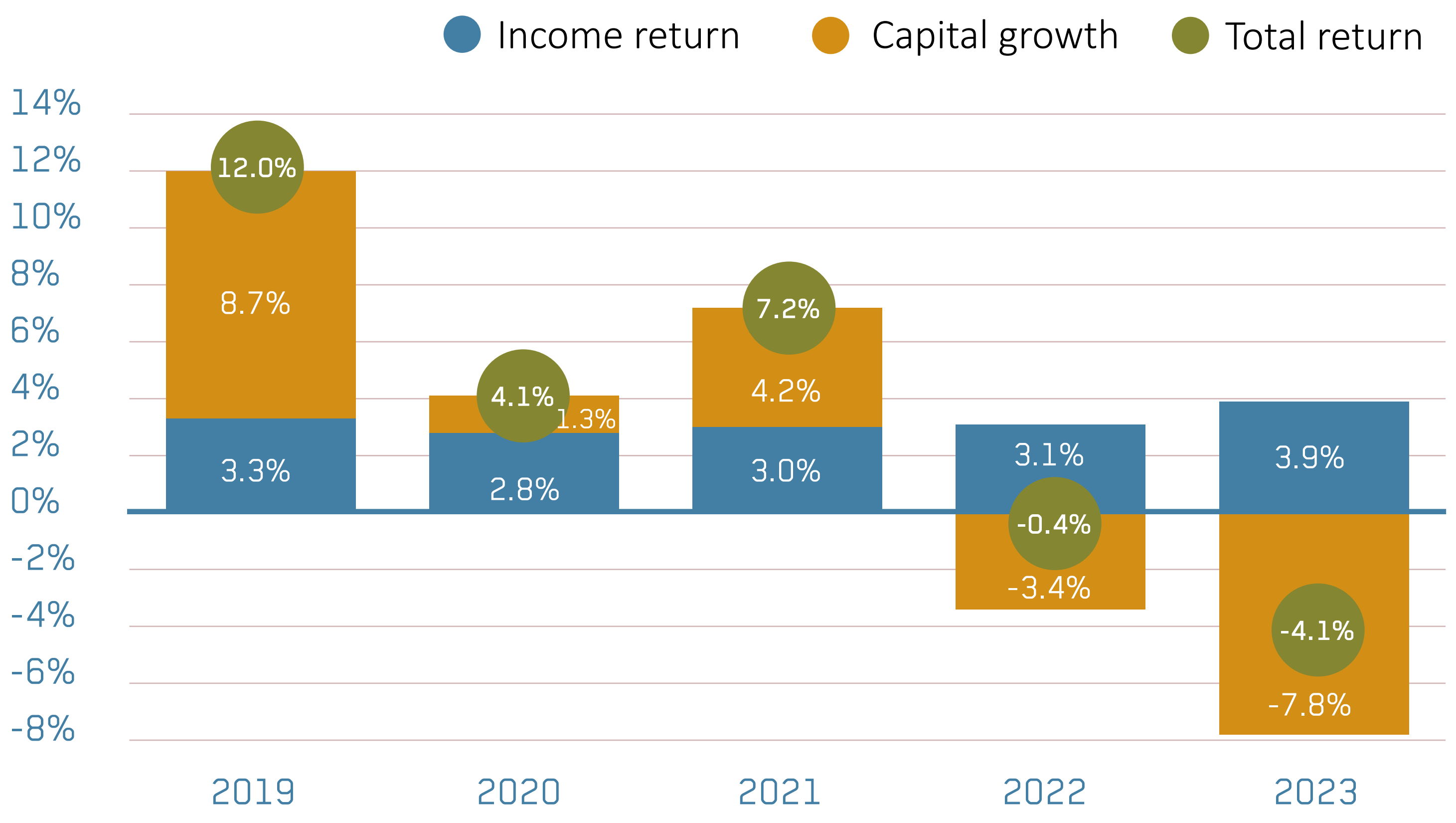
DECEMBER

DECEMBER: Opening Younity in DeBuurt in Utrecht

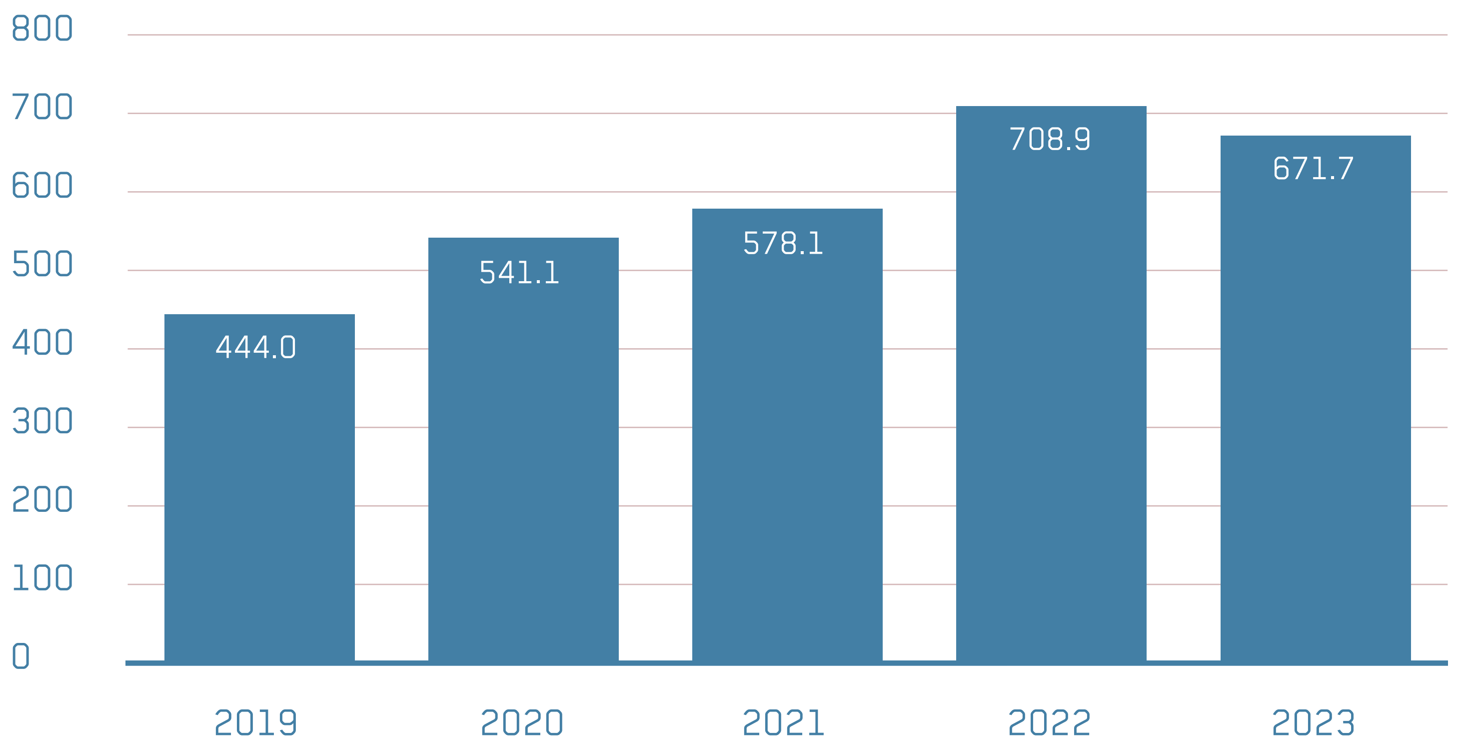
TOTAL RESULT (AMOUNTS X €MILLION)



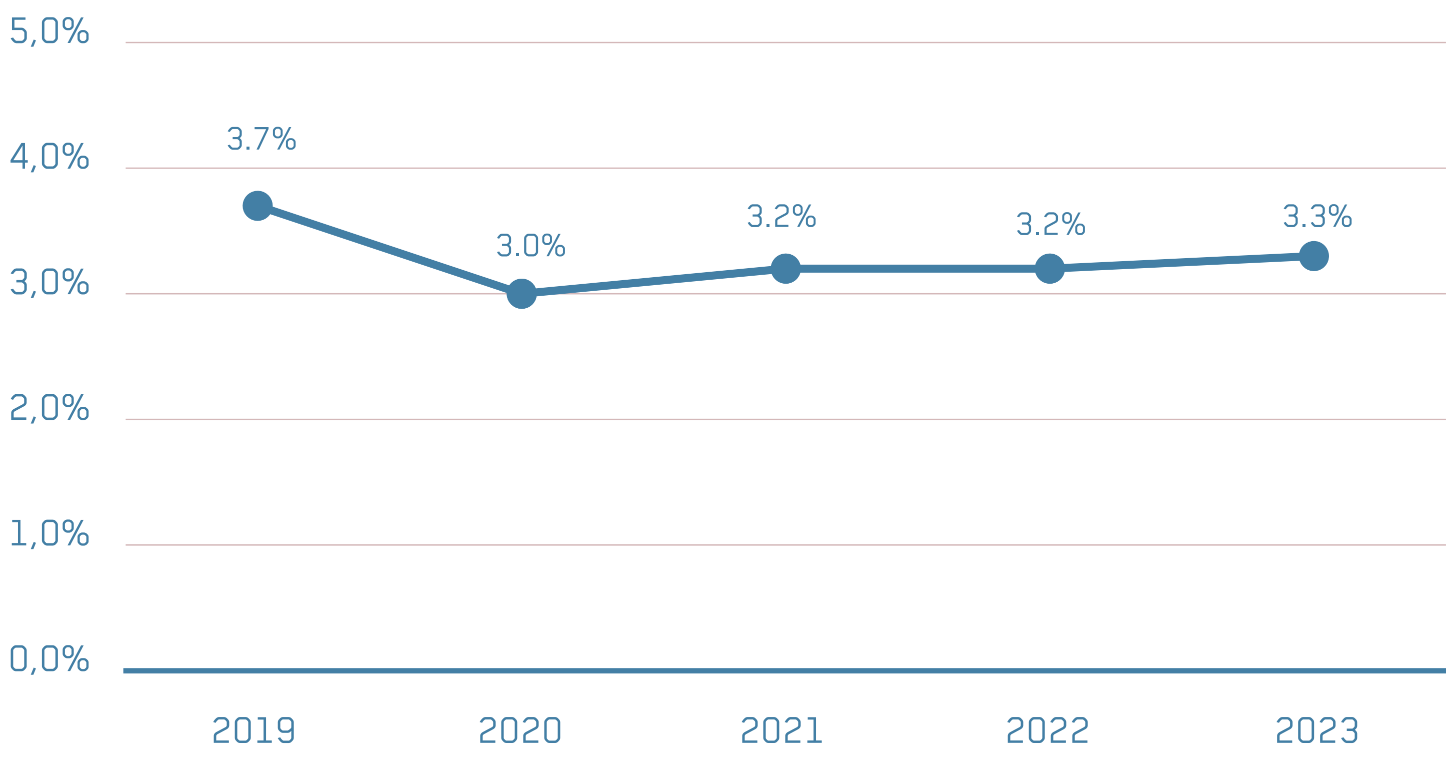
FINANCIAL RETURN



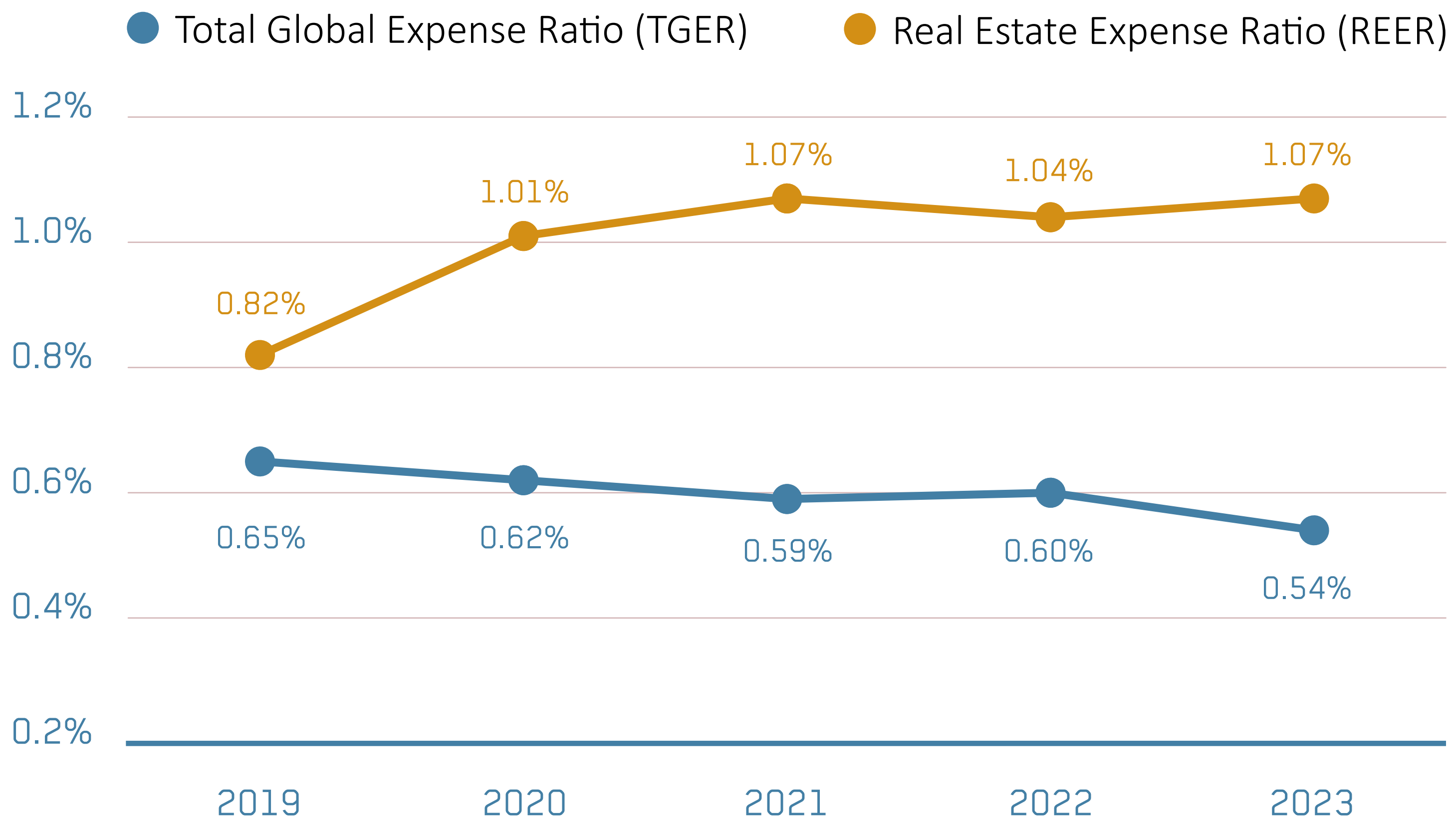
INREV NAV (AMOUNTS X €MILLION)



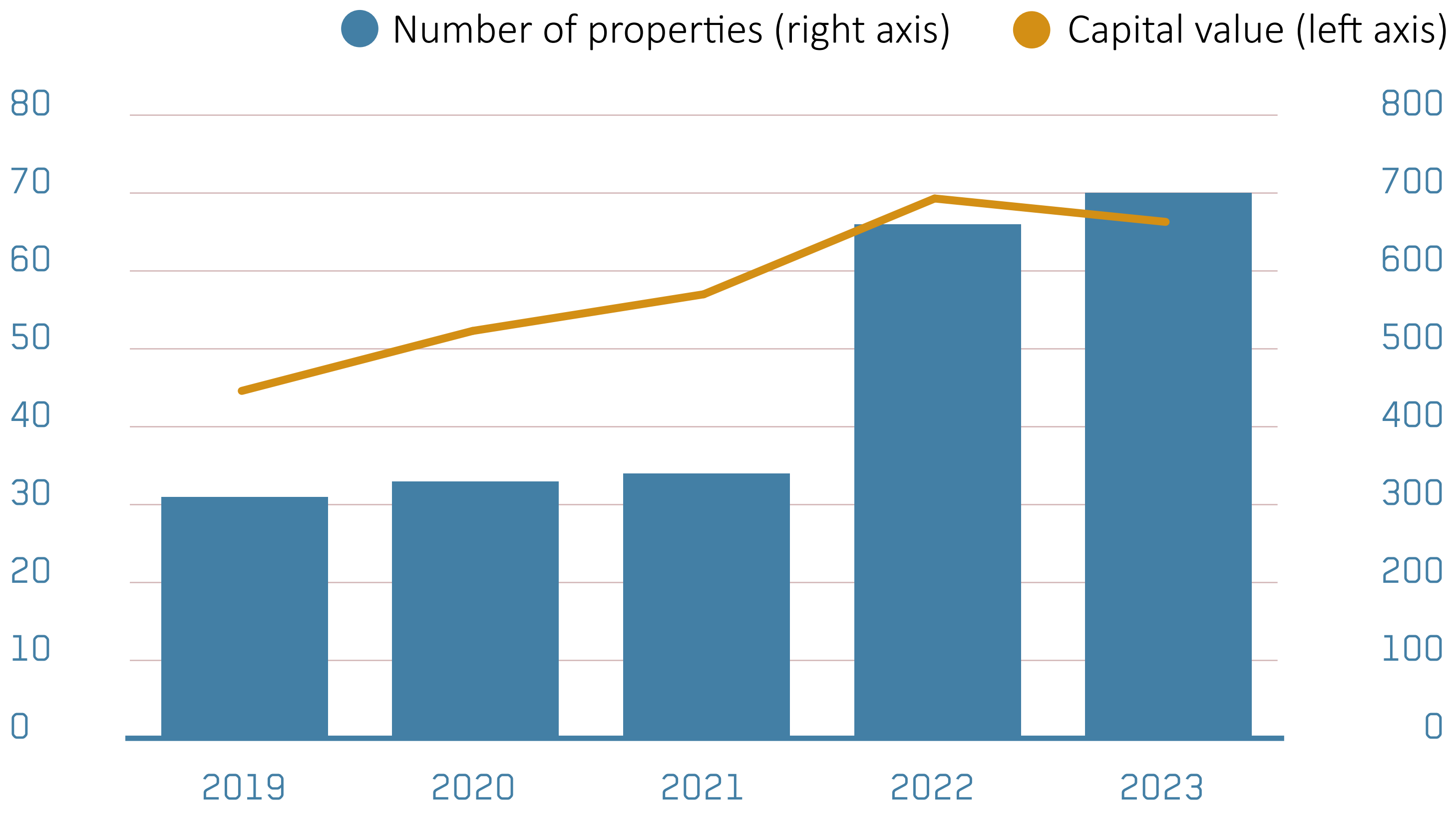
DIVIDEND YIELD (BASED ON INREV NAV AS OF 1 JANUARY)



TGER AND REER (BASED ON THE WEIGHTED AVERAGE INREV GAV)



DEVELOPMENT OF INVESTED ASSETS AND NUMBER OF PROPERTIES (AMOUNTS X €MILLION)



3. Manager's Report

LOOKING BACK WITH THE MANAGER

A YEAR OF STARK CONTRAST IN RETURNS, ACQUISITIONS AND MANDATES

2023 is in stark contrast to 2022 and was a year in which we took a step back. Not only in terms of returns, but also in terms of acquisitions and mandates. The sharp rise in inflation and the associated increase in interest rates hit liquid markets such as equities and bonds as early as mid-2022. Real estate followed not much later, although healthcare property valuations seemed to remain stable for some time. This showed once again that healthcare real estate is driven more by demographics than economic cycles. For the residential part of the portfolio, we already saw the first decline in value in 2022. This decline continues in 2023, affecting the other healthcare property categories as well. With an overall decline in value of 7.8%, the impact on the Fund is limited, especially when compared to other asset classes. Healthcare real estate remains an asset class that is less volatile than the other asset classes.

The increased return requirements also had an impact on pending acquisitions. We were unable to bring a number of acquisitions to an investment proposal stage because the changed market conditions required a different return in order to complete the purchase. In most cases, the sellers were unwilling to agree to a lower price. In two projects, however, it was possible to realise an optimisation or agree a lower price. One was the Hof van Jacob project in Haarlem, where we optimised the programme. This improved the gross initial yield by around 100 basis points compared with the price agreed in Q3 2022. The second was the project Assen de Slinge. Here, although a price had been agreed, we renegotiated the price at a late stage. This was necessary to bring the price in line with market developments. A total of €73 million was agreed by the Investment Committee in 2023. The target of €100 million in purchases was not achieved. At the same time, there were still three projects worth around €50 million for which a price had been agreed. However, the sellers were unwilling to accept our downwardly revised prices, so these purchases did not go ahead. A number of projects were also dropped during the acquisition phase for this reason.

CREATING LIQUIDITY IN A STRUGGLING MARKET

The fall in the value of equities and bonds meant that a number of participants in the Fund were over-allocated to real estate. These participants and their trustees sought to sell the underperforming property. In many cases this proved difficult or impossible, so they looked to funds with high levels of liquidity to bring the allocation back up to standard. For the Fund, this resulted in a total of three redemptions in 2023. Two of these were submitted and granted in Q2 and Q3. The total amount of redemption requests was €131.5 million. Both of these were able to be processed due to the size of the outstanding mandates and the fact that there are a number of parties considering investing in the Fund. Finally, one redemption request was received in the fourth quarter. This request has not yet been honoured. As the queue has now shrunk to a reasonable size and there are a reasonable number of acquisitions in the pipeline in addition to the commitments made, this request will not be executed immediately.

WORKING TOWARDS THE ESG GOALS

The CO_2 roadmap was completed in early 2023. The first actions have also been planned and included in the budgets for the coming years. This is not yet the case for all actions and will be further incorporated into the budgets next year. It has been chosen to align with the CRREM standard, where the Fund's goal is to meet the 2050 CRREM standard by 2040. The consumption at the time of making the roadmap was 129 kWh per m^2 GO and this needs to be reduced to 86.3 kWh per m^2 GO in 2040. This will require an investment of around €50 million. The Fund again achieved 5 stars in the GRESB benchmark this year. In addition, the target of a 25% CO_2 reduction by 2025 compared to 2017 was more than achieved this year.

In addition to the results and ambitions on the E of ESG, steps were also taken on the S. Younity opened the event space in the base of the DeBuurt site in Utrecht. You can read more about this in the interview, but the alderman of Utrecht pointed out that this concept has more impact in this neighbourhood than 20 social workers. In addition, an impact framework for the Fund has been developed together with the GRREY Company. This will be completed early 2024 and then presented to the investors.

The tenant satisfaction survey was carried out again this year. Although our score of 6.8 in 2023 was a tenth lower than in 2022, we remain slightly ahead of the benchmark. Satisfaction with the home and living environment was high, satisfaction with the Property Manager increased from 6.1 to 6.4. On the one hand, we see an improvement in to the service charge settlement and the score is also better than the benchmark.
On the other hand, the scores for dealing with complaints and following up repairs have fallen and in some cases are below the benchmark.
The Manager has therefore drawn up an improvement plan which will be monitored in 2024.

REGULATION REMAINS AN ELEMENT OF UNCERTAINTY

While at the end of 2022 we still believed that the government would provide clarity on the regulation of the rental market in 2023, this expectation is now much lower. The fall of the Dutch Cabinet last summer and the ongoing criticism from the market, the Council of State and the academic community on the government's policy in the housing market continue to create noise for investors and asset managers. Some clarity has been provided by the setting of the liberalization threshold at €879.66 from 1 January 2024.
In addition, the maximum rent increase for liberalized housing in 2023 was linked to wage growth as long as inflation is higher. This condition means that the government has announced that, from 1 January 2024, the permitted rent increase in the liberalized sector will be limited to a maximum of 5.5 per cent (4.5% inflation plus 1%). This regulation will apply until 1 May 2024. A proposal for liberalized sector tenants after 1 May 2024 is being prepared. For the regulated sector, the 2024 rent increase is not yet known.

At the same time the proposed budget cuts in the healthcare will continue. There is not so much attention for healthcare in the election programs which could either lead to loosening or tightening budgetary constraints. It for sure is another factor adding to the rising uncertainty.

OUTLOOK

There are opportunities in the enormous underlying user demand arising from an aging population. In addition, there is a great need to make the existing healthcare real estate stock more sustainable. Rental income from healthcare real estate is moderate, is hardly influenced by economic developments and has a relatively low vacancy risk. The political policy direction for healthcare is largely focused on living at home longer and clustered decentralization of primary care. Direct returns are therefore stable and will retain this characteristic in the future.

Amsterdam, 25 April 2024

Daan Tettero Fund Manager
Casper Hesp Director Investment Management

Daan Tettero has since October 2020 been responsible at Achmea Real Estate as Fund Manager for the Achmea Dutch Health Care Property Fund. Previously, Daan was Associate Director Healthcare at CBRE where he advised investors and healthcare institutions on healthcare real estate. Before that, he worked at Syntrus Achmea as Concept Developer for Healthcare Property, and in that capacity he has worked for more than ten years for the Achmea Dutch Health Care Property Fund.

Casper Hesp (MSc, RBA) has been responsible as Director for the Investment Management department of Achmea Real Estate since 2019. Previously, Casper was Head of Portfolio Management (2014-2019). Casper previously worked at INREV (European trade association for non-listed real estate vehicles) as Director of Research (2007-2014).

MARKET TRENDS

THE DUTCH ECONOMY

In 2023, the Dutch economy has been in a low-cycle phase, with a mild recession in the first three quarters. According to Oxford Economics, the final annual growth rate will be only 0.1%. As a result of the significantly higher price level in 2022, individuals kept a tight grip on their wallets in 2023. Although average inflation fell during 2023, it was still high at 3.8% on average, with a noticeable leveling off towards the end of the year.

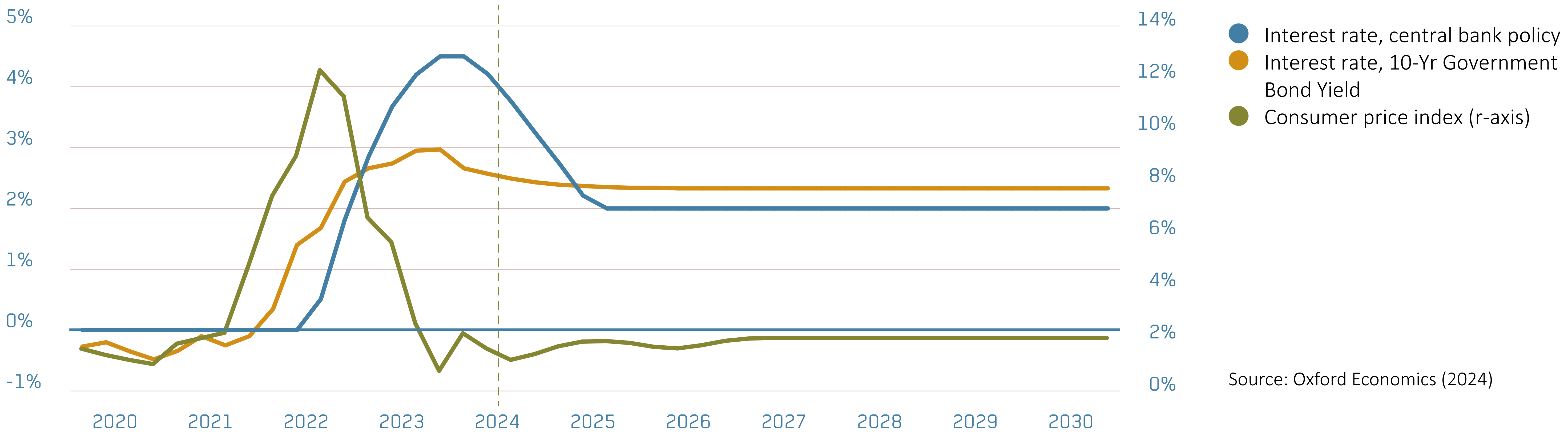
Compared to December 2022, inflation in December 2023 was only 1.2%. Consumers are slowly regaining some purchasing power through higher wage settlements, while unemployment remains low at 3.5%. Although consumer confidence rose during 2023 as a result of these positive developments, more consumers remain negative than positive. Rising interest rates have led to higher mortgage rates and a decline in production and business investment in 2023. However, by the end of 2023, the rise in interest rates appears to have come to an end.

INVESTMENT MARKET

In 2023, the real estate investment market felt the impact of sharply rising interest rates. Higher cost of capital, economic uncertainty and over-allocation to real estate in investment portfolios led many parties to apply the brakes. This led to a further increase in initial yields, with initial yields rising by 30 to 50 basis points by 2023, depending on the healthcare segment. However, the level of prime initial yields appears to have stabilised towards the end of 2023.

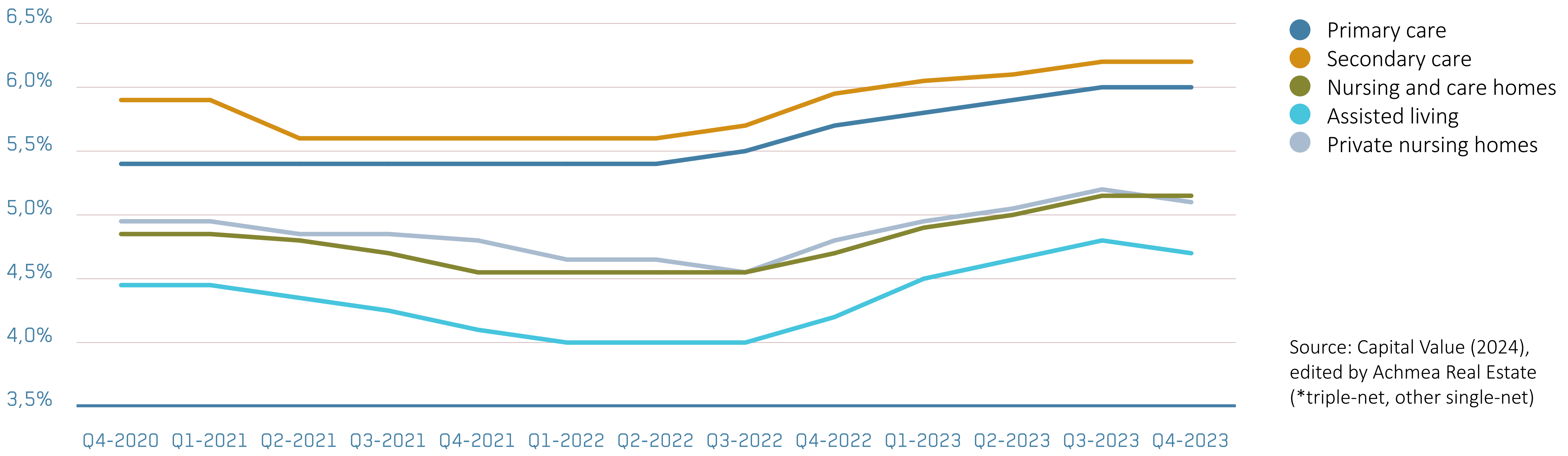
The increase in interest rates and prime initial yields, together with the limited number of reference transactions available, has also resulted in higher discount rates being applied by appraisers when valuing investment properties in 2023.

INTEREST RATES AND CPI



Source: Oxford Economics (2024)

PRIME GROSS YIELD (INCLUDING BUYERS COSTS)



Source: Capital Value (2024), edited by Achmea Real Estate (*triple-net, other single-net)

This has led to a decline in value across all property segments. The total return for healthcare real estate was -1.6% year-on-year (Q4 2022 - Q3 2023), similar to the retail sector. The residential and office segments experienced significant negative revaluations.

The rise in initial yields also led to a significant decline in investment market activity. Investment volumes were particularly low in the first half of 2023, with some recovery in the second half of the year. The total investment volume in 2023 fell to EUR 626 million, more than half of the record EUR 1,453 million in 2022. In 2023, Dutch institutional investors were mainly responsible for the transaction volume, while real estate funds and foreign investors were largely cautious in the healthcare property market. Buyers showed particular interest in extramural care real estate and private residential care in 2023..

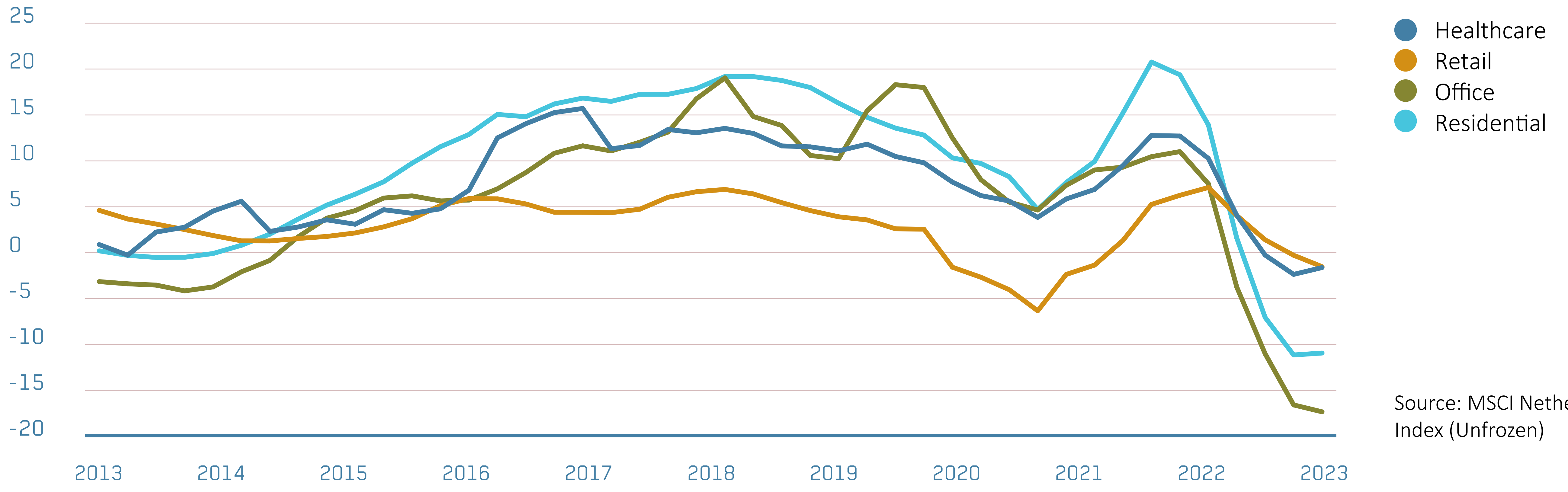
USER MARKET

In the user market, shortages persist in several areas. An ageing population is contributing to continued demand from people with a range of care needs, both light and heavy. The limited supply of nursing homes under the Long-Term Care Act has resulted in a waiting list of almost 25,000 people. The importance of high quality health centres is underlined by the fact that three quarters of GPs need more or better practice space.

In addition, the decline in the number of informal carers and the increasing pressure on care staff means that there is a continuing need for extramural and lifelong housing to enable people to live independently at home for as long as possible.

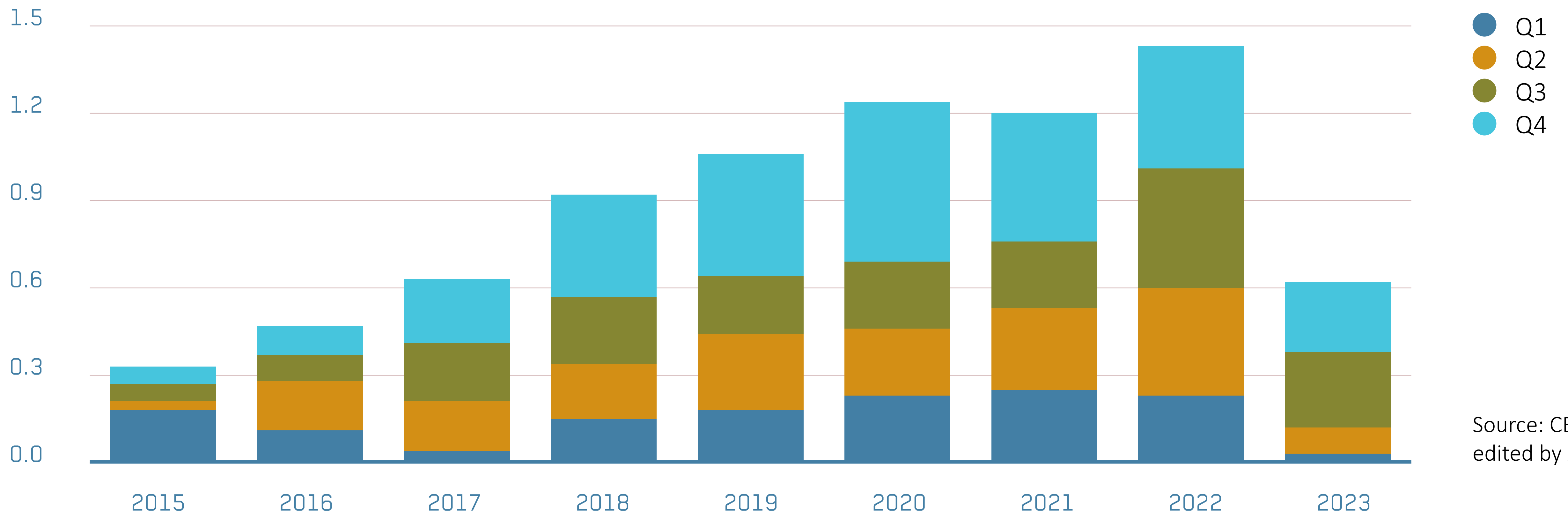
In 2023, health providers received final confirmation that the normative housing component (NHC) would be reduced in 2024. Taking into account the annual indexation, this results in a net decrease of 1.7% in the NHC.

TOTAL RETURN NETHERLANDS QUARTERLY PROPERTY INDEX (% ANNUALISED, Q3 2023)



Source: MSCI Netherlands Quarterly Property Index (Unfrozen)

INVESTMENT VOLUME HEALTHCARE (€ BILLION)



Source: CBRE (2015-2018), Capital Value edited by Achmea Real Estate

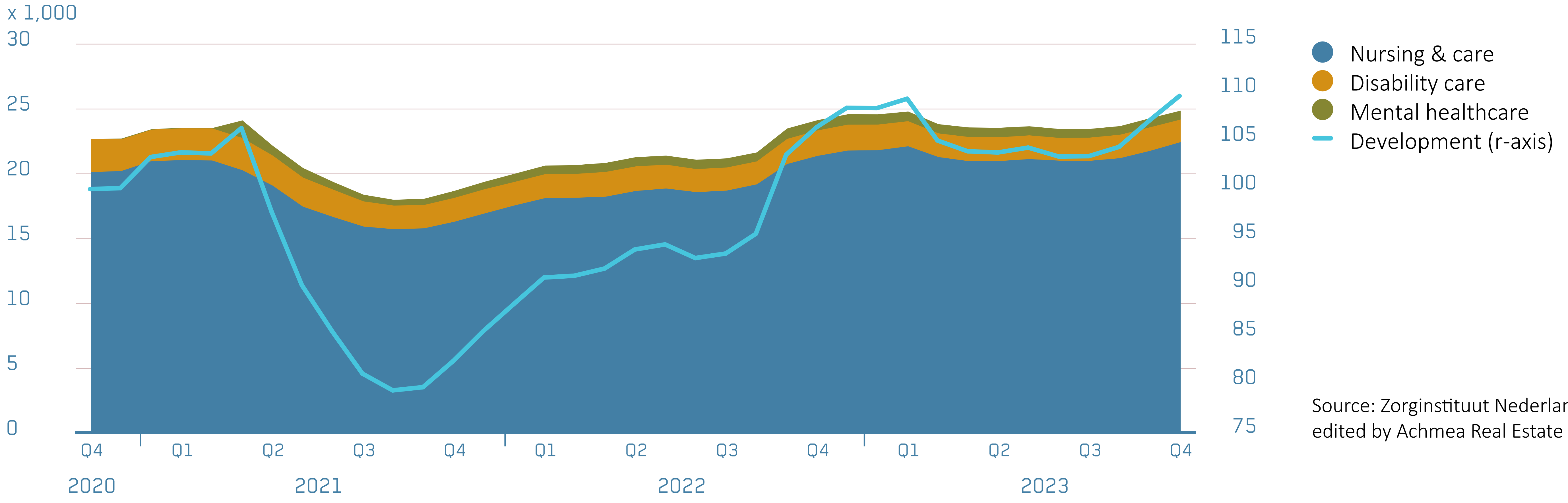
Many healthcare institutions continue to be under financial pressure due to increased costs, particularly in the area of personnel, in recent years.

There is a social and political awareness that the healthcare system needs to undergo structural changes in order to remain high quality and affordable in the future. Well-designed and affordable care real estate concepts, aimed at enabling people to live at home for as long as possible, can make a significant contribution to these necessary changes.

OUTLOOK

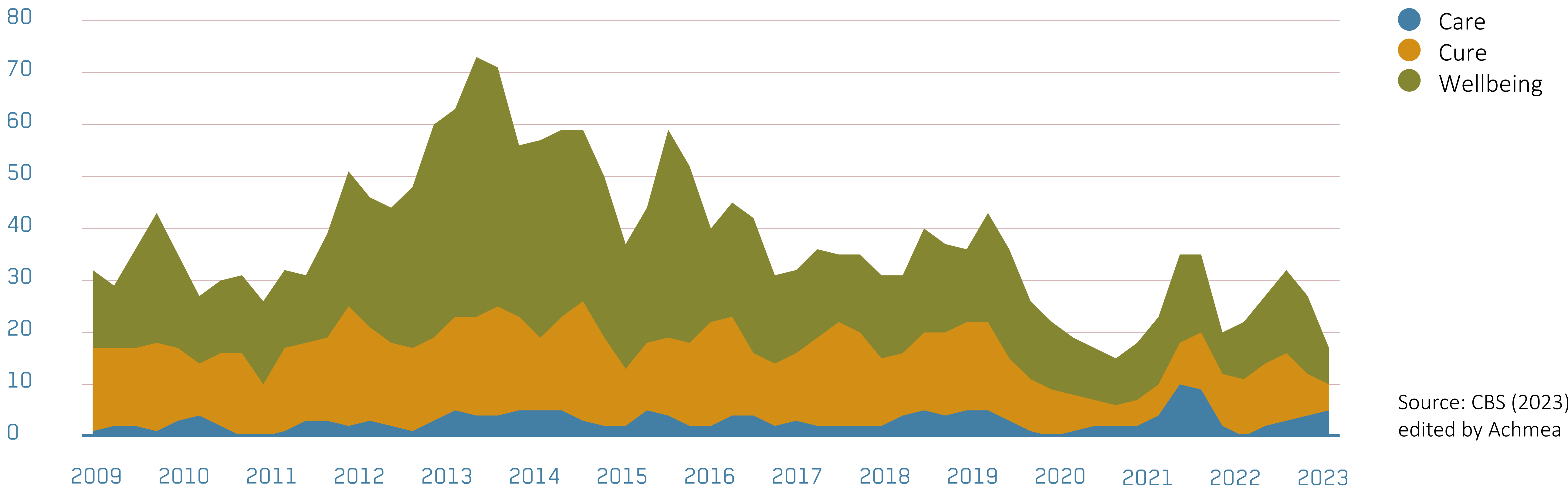
If expectations for interest rates and inflation in 2024 are similar to those at the end of 2023, the investment market in 2024 will be able to build on the recovery that started in the second half of 2023. Competition for quality healthcare assets is expected to remain high, partly due to their limited availability on the market.

WAITING FOR LOND-TERM CARE HOUSING (Q3 2022 = 100)



Source: Zorginstituut Nederland (2023), edited by Achmea Real Estate

HEALTHCARE BANKTRUPTCIES (2 QUARTER MOVING AVERAGE)



Source: CBS (2023), edited by Achmea Real Estate

STRATEGY

INVESTMENT POLICY

Growth is not an end in itself. The aim is to continuously improve the distribution across buildings, tenants, segments and regions so as to make returns more predictable and stable. Liquidity opportunities for investors are also stable and the Fund remains at the forefront of the increasingly competitive market for healthcare real estate. Being significant in size also ensures that the Fund is seen as a logical partner for healthcare institutions and investors to work with, now and in the future.

SEGMENTATION

The Fund focuses on the growth segments within the Dutch healthcare real estate market and on care real estate in particular. In the early years, the Fund made many acquisitions in the lifetime homes segment. As this category did not receive much attention at the time, it was possible to buy at attractive yields. This area has become more competitive in recent years, partly due to the entry of foreign investors, and yields have shifted towards those of regular homes. Lifetime homes will continue to be an important part of the portfolio. Besides making these homes last a lifetime in line with the Buildings Decree, for example, there is also a strong focus on lifetime homes with a good concept and both services and care in the vicinity.
As the Fund grows in size, it will make more and more acquisitions in the other categories. This will be done not only from the perspective of risk diversification and with the aim of achieving a higher fund return, but will also be in line with healthcare trends. The current segmentation remains unchanged in this portfolio plan although we will show a split in the residential care. Part of it is financed through the NHC and part of it is paid by the patient as part of the trend of the split between care and living *(het scheiden van wonen en zorg).*

COMPOSITION OF PORTFOLIO PER SEGMENT* (AMOUNTS X €MILLION)

Segment	Standard weighting	Range	Current %	Current €
Lifetime homes	35%	25%-55%	39.1%	292.6
Residential care	35%	25%-55%	43.3%	324.4
> *WLZ Intramuraal NHC*			*25.4%*	*190.6*
> *WLZ Scheiden wonen en zorg*			*17.9%*	*133.8*
Primary care centres	20%	10%-30%	11.7%	87.7
Secondary and other healthcare real estate	10%	0%-20%	5.9%	44.3
Total			**100.0%**	**749.0**

* Includes projects under development based on book value and costs expected to be incurred until completion.

REGIONAL DISTRIBUTION

Although the Fund aims to spread its investments across the most attractive regions, it does not want to deprive care customers in regions with population decline from access to good care. The Fund focuses on regions where demand for healthcare and residential care is strong. The Fund uses Achmea Real Estate's opportunity maps for this purpose. Several opportunity maps have been drawn up. The opportunity map for the nonsubsidised rental housing sector is a tool to determine how attractive a municipality is for the rental of homes in the nonsubsidised sector. The attractiveness of a municipality is determined on the basis of three pillars:

1. the relationship between supply and demand
2. the average property value
3. the expected growth of the market in the next decade

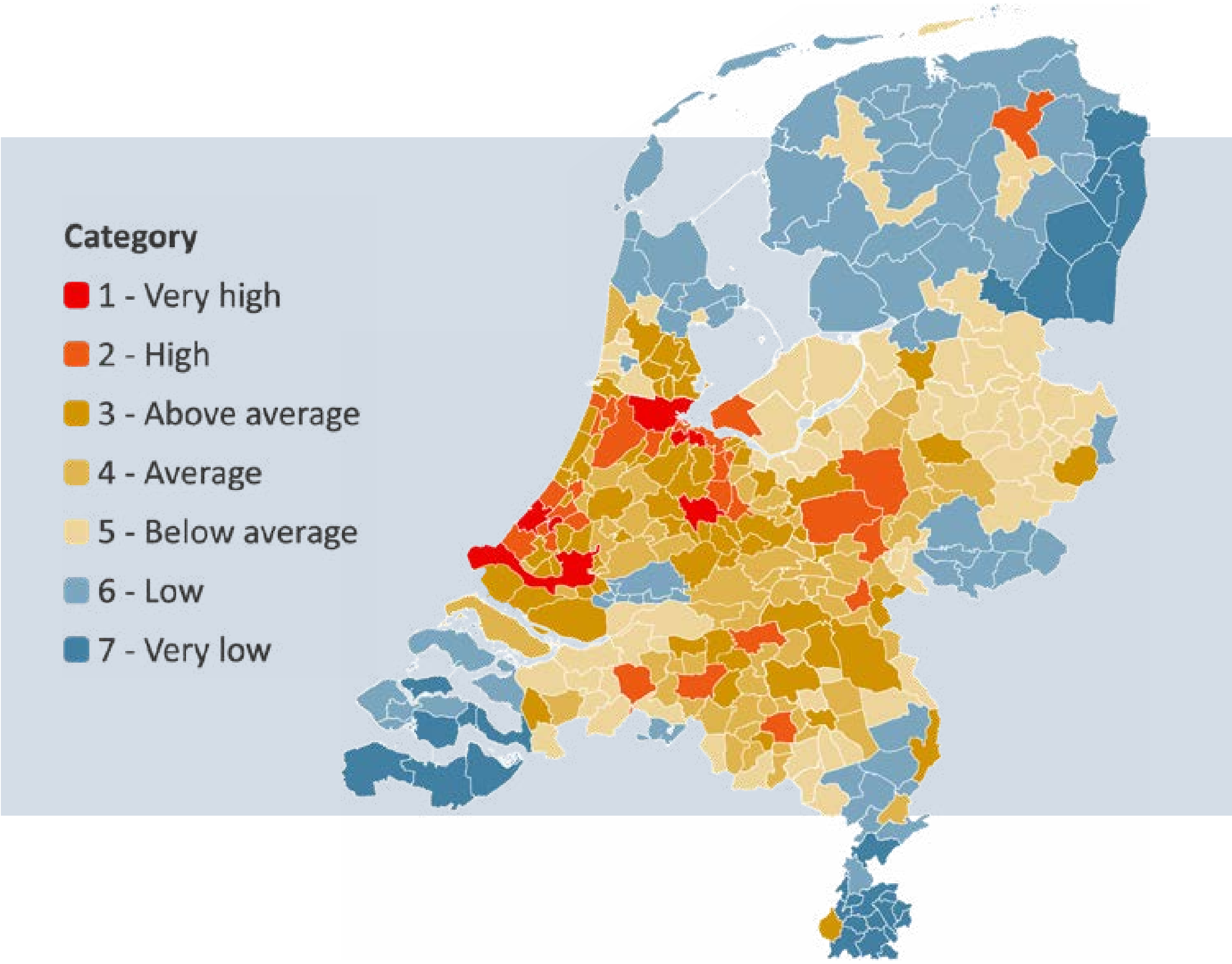
Within these variables, 'the market' reflects the size of the potential target group. The expected growth considers not only the municipality, but also its migration region because people also move between municipalities.

COMPOSITION OF PORTFOLIO PER REGION* (AMOUNTS X €MILLION)

Region	Objective	Range	Current %	Current €
Region 1	50%	25%-55%	38.7%	289.8
Regions 2 - 3 - 4	40%	25%-55%	54.0%	404.2
Regions 5 - 6 - 7	10%	10%-30%	7.3%	55.0
Total			**100.0%**	**749.0**

* Includes projects under development based on book value and costs expected to be incurred until completion.

OPPORTUNITY MAPS: LIFETIME HOMES



OUTLOOK

In order for the Fund to grow to its target size of at least €900 million in the planning period, approximately €150 million of healthcare properties will need to be acquired between now and the end of the planperiod. There is currently insufficient committed mandate to fully accommodate the growth target, but several investors are interested in investing in the Fund. At the same time, this is an excellent opportunity for existing investors to increase their mandate.

There is scope for acquisitions in all segments. As residential care and nursing homes are both within their preferred ranges, we can focus more on health centres and secondary care or other care. For an acquisition to take place, the Achmea Real Estate Investment Committee must approve the acquisition proposal. Investments above €20 million also require the approval of the Advisory Board. Due to the Fund's desire to invest participants' outstanding mandates in the relatively short term, the objective is for half of the acquisitions to be existing properties and half to be new developments.

Operating the real estate portfolio is aimed at achieving a stable financial and social return at acceptable risks. The Fund thus aims for an occupancy rate of ≥97% and an operating result of ≥80%. To achieve the desired stability and the inflation-linked nature of the return, the Fund aims to have relatively long-term leases with rent indexation that is at least inflation-linked. This results in an expected direct return from the operating portfolio (as a percentage of the book value) between 4.0% and 5.0%, 10 years IRR ≥ 7%.

Energy labels, CO_2 reduction, GPR scores and even good GRESB scores seem commonplace today and can almost be seen as hygiene factors. Distinguishing based on the E of ESG is becoming much more difficult and at the same time it is important not to lose focus. The main issue today is the S of ESG, which explains why the Fund is working on an impact framework and a quality of life monitor to measure and report on the social impact of the Fund.

STRATEGIC OBJECTIVES FOR 2024-2026

KPI	Standard	Objective
1. Size	Real estate investments plus pipeline	At least €900 million by the end of 2024
2. Acquisitions	Unconditional approval by the Investment Committee	At least €100 million per year
3. Segmentation	Lifetime homes Residential care Primary care centres Secondary and other	Between 25%-55% Between 25%-55% Between 10%-30% Between 0%-20%
4. Regional breakdown	Opportunities map 1 (major four cities) Opportunities map 2 - 3 - 4 Opportunities map 5 - 6 - 7	Between 25%-55% Between 25%-55% Maximum 20%
5. Tenant Distribution	Percentage of the Fund's total annual rent	Maximum of 10% for each tenant or group of tenants
6. Future value	Construction year of acquisitions	Construction or redevelopment in or after 2010 or with a plan to renovate or redevelop

OPERATING OBJECTIVES 2024

KPI	Standard	Objective
7. Sustainability	Energy label	At least 95% of the portfolio, with the exception of listed building, must have an energy label A. The rest of the properties have a label C or higher.
	GPR score for new acquisitions	At least 7.5 on average Energy, health, quality of use minimum 7.0 other sub-scores at least 6.0.
	CO_2 reduction	Achieve 2050 CRREM goal on portfolio level in 2040 with 2035 as ambition.
	Social targets	Implement quality-of-life monitor in 2024 and define targets. Implement Impact Framework.

OPERATING OBJECTIVES 2024

KPI	Standard	Objective
8. Operations	Net rental income as a percentage of gross rental income	Minimum 80%
	Financial occupancy rate	Minimum 97%
9. Stable income return	Gross Income return on the operating portfolio (as a percentage of the current book value)	Between 4.0% and 5.0%
	10 years IRR	≥ 7.0%

ESG POLICY AND KEY THEMES IN 2023

The Fund opts for sustainable investments with financial and social returns. A proper ESG (Environmental, Social and Governance) policy is indispensable for this purpose. Like the other Achmea Real Estate funds, the Fund invests with consideration for people, the environment and society. The ESG policy is a major part of the fund strategy. By pursuing this policy, the Fund works for investors (and their clients) to create a healthy financial basis and an attractive living environment.

ESG STRATEGY ACHMEA REAL ESTATE

Achmea Real Estate recently renewed its ESG strategy where it opts for investments with high social value and an appropriate financial return. This allows us to create a healthy income for our institutional clients (and their clients) for now, the near future and in the longer term – in a sustainable, attractive living environment. Our asset management contributes towards a sustainable future.

The ESG strategy applies both to the real estate portfolios and the organisation itself. The ESG strategy establishes a corporate impact framework, with strategic objectives and action points around E, S and G. As part of the strategy we contribute to the following five United Nations Goals.

ESG STRATEGY OF THE FUND

A number of ESG objectives have been selected for the Fund. These were first formulated in the 2019 portfolio plan and translated into targets and KPIs in subsequent years. Last year, a new structure was introduced in this portfolio plan to align the objectives with the sustainability indicators, which Achmea Real Estate intends to use for the Fund's SFDR Level 2 reporting. The national and international playing field is constantly changing and the Fund wishes to be in line with what the market currently recognises as best reporting practice. The 'E' and 'S' objectives fall into two categories: mandatory objectives (blue) and optional topics (orange). These are shown in the chart below.

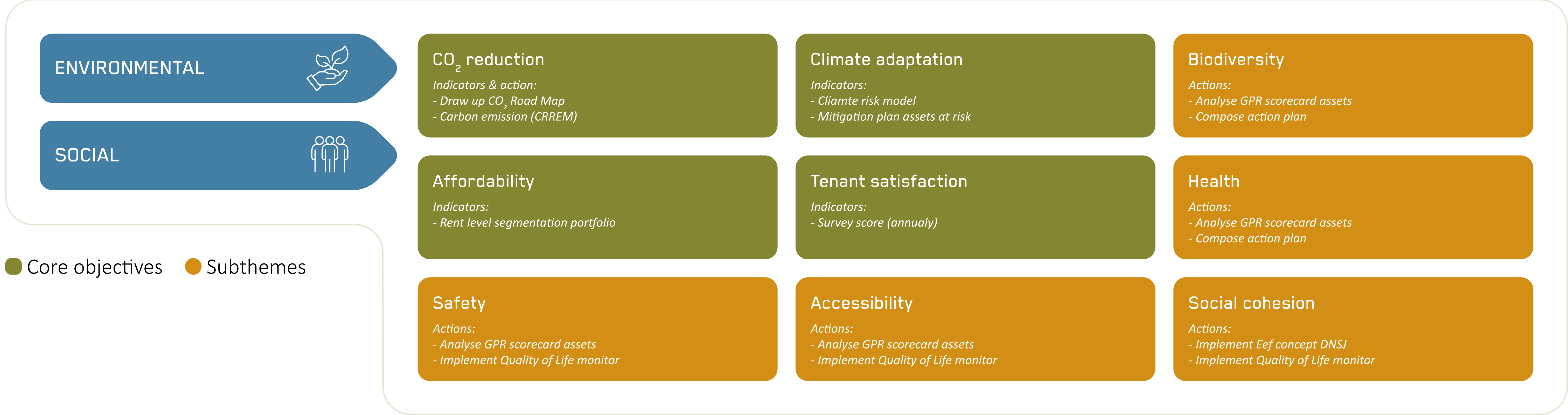
The Fund has been working actively for a number of years to achieve the goals set for the core objectives. The Fund will continue to do so. In addition to these core objectives. These include reducing CO_2 emissions, identifying climate risks, and developing initiatives that help improve tenant satisfaction. The Fund will continue to develop other activities that contribute to its social and financial return.

Although some of these activities cannot be translated directly into a financial contribution, they reduce tenant and other risks in the portfolio and will improve the financial performance of the properties over time. Examples include attention to landscaping, indoor climate and security. The market is looking for metrics to quantify the softer social contributions as returns or outcomes. As the Fund is part of this search, it will continue to work on pilot projects and small initiatives to achieve measurable results.

SFDR ARTICLE 8

Sustainable Finance Disclosure Regulation (SFDR) is a pivotal framework established by the European Union to enhance transparency and sustainability within financial markets. It mandates investment firms to disclose the environmental and social impacts of their investments, ensuring investors are well-informed about the sustainability aspects of their portfolios. SFDR classifies Funds into three categories: Article 6, Article 8, and Article 9. Each category signifies a different level of sustainability focus.

ENVIRONMENTAL AND SOCIAL GOALS



The Fund is classified as article 8. An Article 8 fund is a fund that promotes environmental or social characteristics while aiming for financial returns.

These funds do not necessarily have a primary goal of sustainable investing, but they integrate environmental, social, and governance (ESG) factors into their investment process.

Article 8 funds represent a significant step towards responsible investing, demonstrating a commitment to sustainability without exclusively focusing on it. They appeal to investors seeking a balance between financial performance and positive environmental and social outcomes.

Choosing an Article 8 fund allows investors to align their portfolios with their values, contributing to a more sustainable and socially responsible financial ecosystem. It signifies a conscientious approach to investment, supporting companies and projects that prioritize ESG considerations.
By opting for Article 8 funds, investors play a crucial role in driving positive change, encouraging sustainable practices within the corporate world, and contributing to a more environmentally and socially conscious global economy.

CO_2 ROADMAP TOWARDS PARIS PROOF

Based on the new CO_2 roadmap a target and ambition have been set. The target is to reach the 2050 CRREM norm on a portfolio level in 2040 with an ambition to reach this in 2035. Progress will be monitored yearly and every three years new acquisitions will be analysed and added to the monitoring dashboard which allows us to recalibrate the weighted portfolio target and monitor progress.

We've chosen to use the CRREM targets and pathways because they are the most accurate for healthcare buildings. See also www.crrem.org for more details on CRREM.)

For mixed-use buildings, we've used a tailor-made CRREM target based on percentage of square metres per function. The weighted 2050 target for the portfolio included in the initial scope is 86.3 kWh/m² floor area (GO), while the consumption at the time of making the roadmap was 129.3 kWh/m² floor area (GO). Progress will be measured annually and set against the CRREM target for that year.

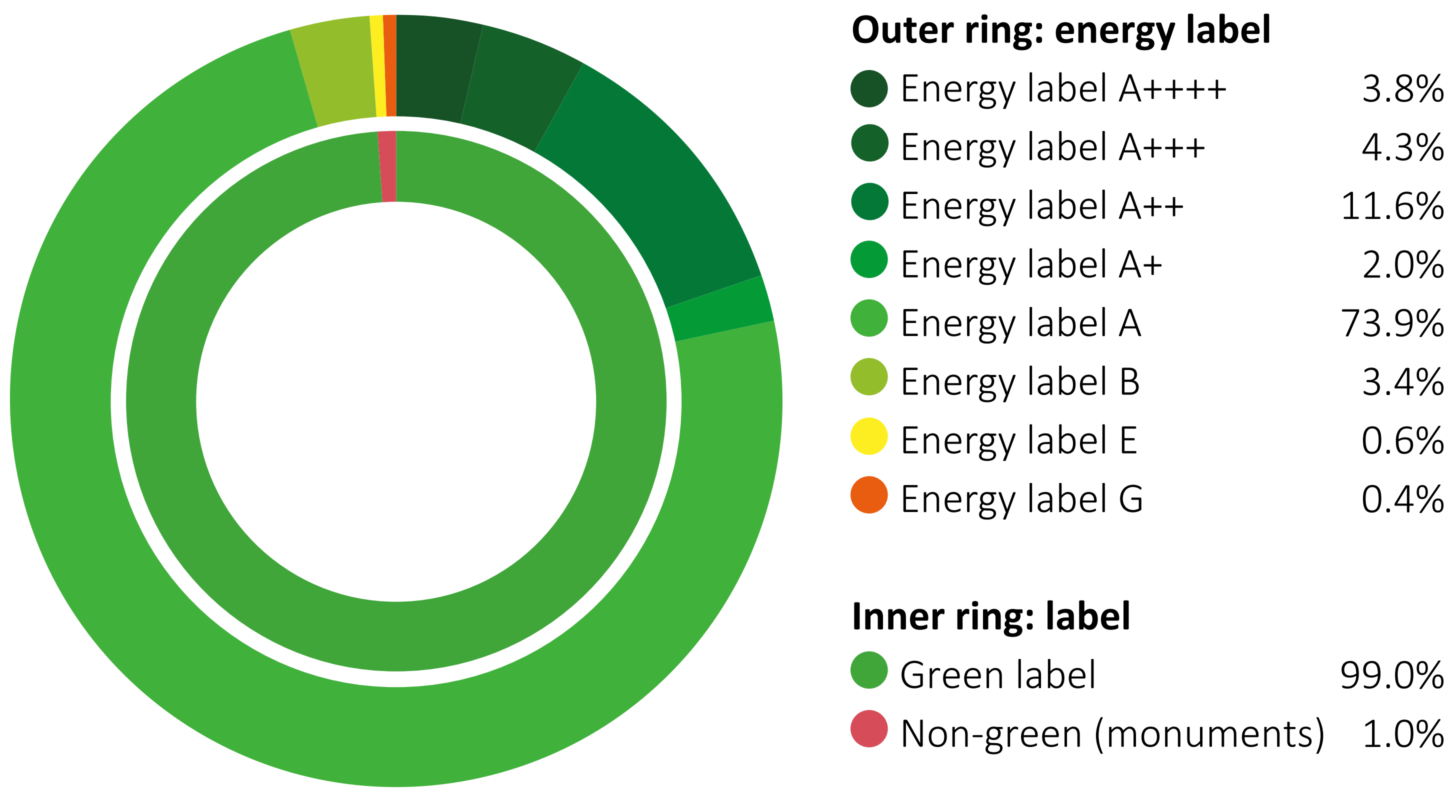
We expect to spend an additional €50 million to achieve our target. On average, €2.5 million per year is expected to be invested in sustainability. In most cases, there will be significant savings for tenants. As the Fund is making the investments and the savings are mainly for the tenant, we intend to renegotiate higher rents or lease extensions. This will offset some of the investment costs. In addition, we expect an increase in the value of the properties as they are more sustainable and will have a higher market rent. We expect this to have a neutral or slightly positive impact on the IRR and the value of the Fund.

We use an annual CO_2 dashboard for monitoring and reporting. This tool provides insight into the Fund's energy consumption and CO_2 emissions and compares them with the CRREM pathways. Using data from the annual GRESB survey, the Fund made a clear contribution in 2023 by reducing total CO_2 emissions to an overall score of 50% compared to the base year of 2017. With this it has outperformed the target of -25% in 2025 by means of goal as well as timing.

CLIMATE CHANGE

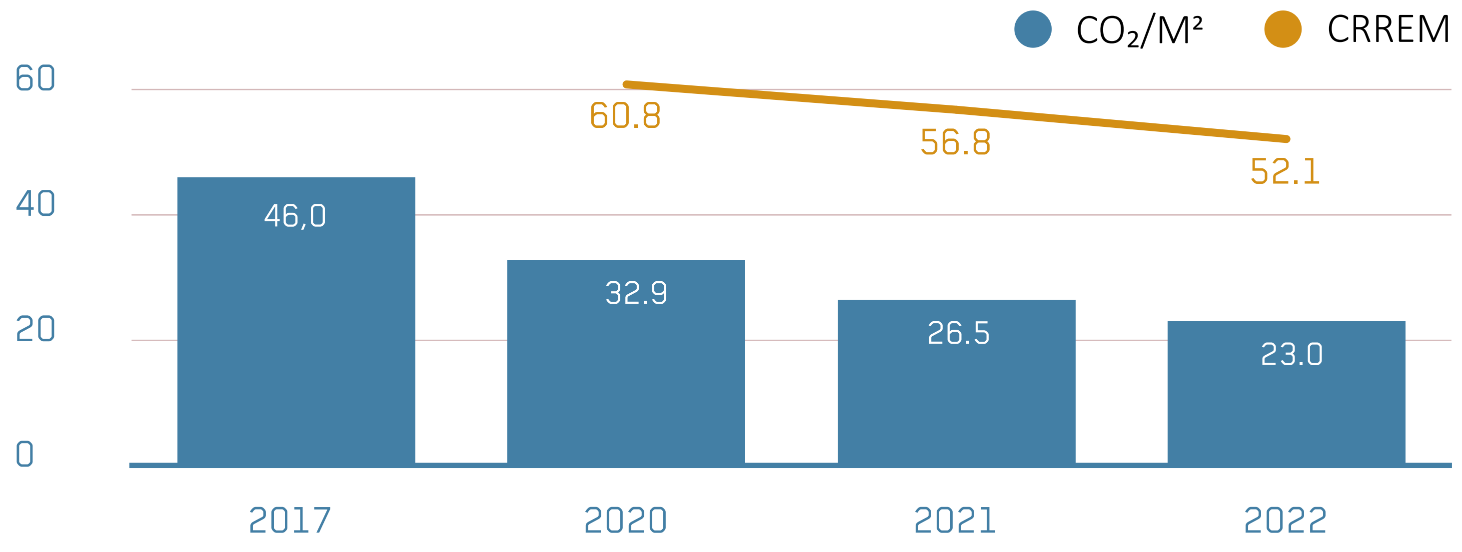
Climate risk is a pressing concern in today's world. With rising global temperatures, extreme weather events, and shifting climate patterns, real estate investments are increasingly vulnerable. Responding to climate change is usually presented in terms of two main approaches: reducing and stabilizing the levels of heat-trapping GHGs in the atmosphere (climate change mitigation) or adapting to the climate change already taking place (climate change adaptation) and increasing climate change resilience.

ENERGY LABELS



TOTAL EMISSIONS (KG CO_2 PER M²)

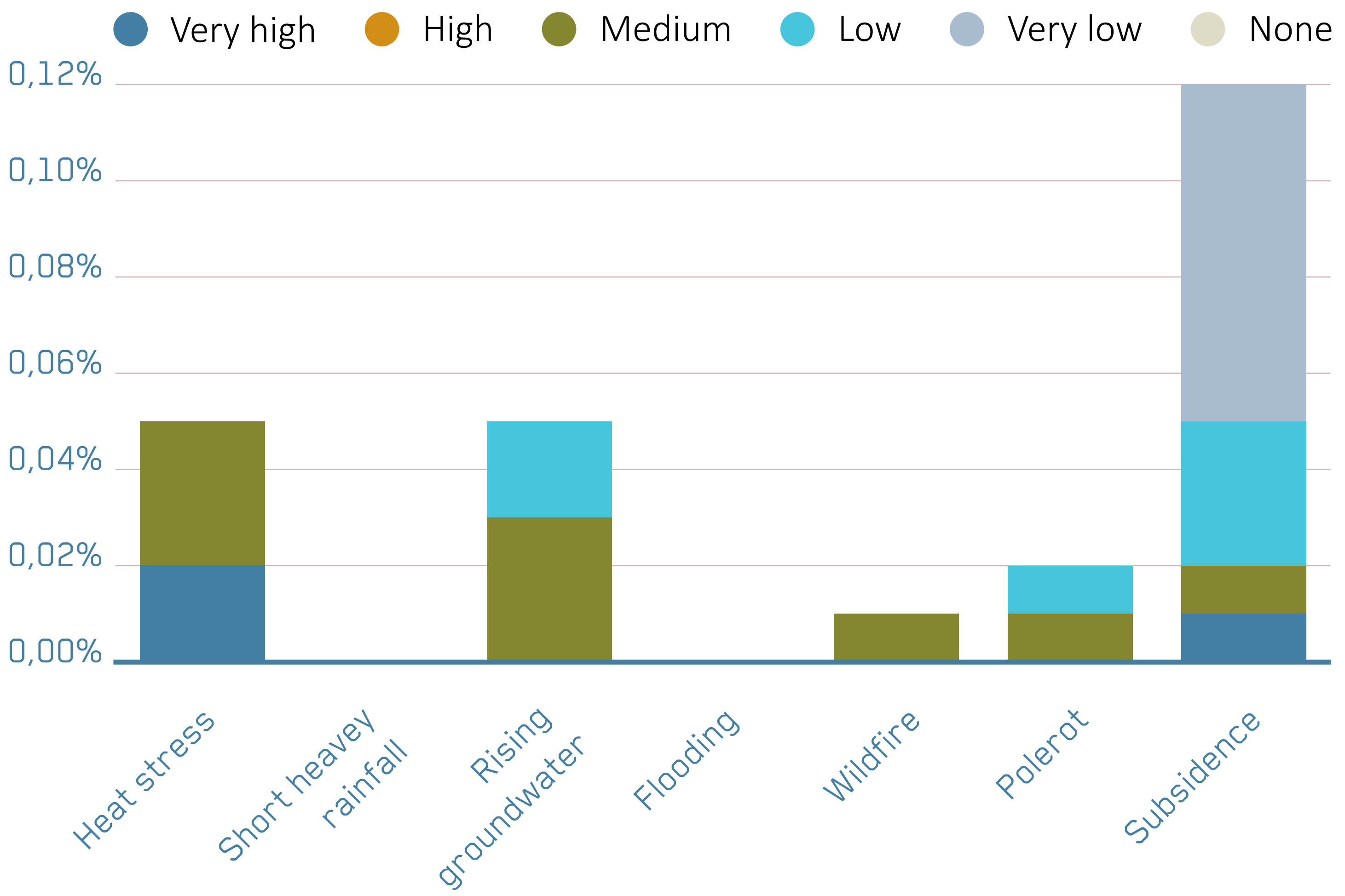
TOTAL EMISSIONS (KG CO_2 PER M²)	DATA COVERAGE 2022	TARGET: -25% IN 2025 (VS. 2017)
23.0	93.0%	-50.0%



Portfolio specific climate risks
Climate change creates two types of risks for property portfolios: transition and physical climate risks. Transition risks are those associated with limiting the causes of climate change ('mitigating'). Physical climate risks are those of the changing climate we are already facing, and our adaptation to them. Achmea Real Estate focuses on both aspects. By developing sustainable real estate and making existing real estate more sustainable, we help mitigate climate risks to prevent the worst climate change and to meet the Paris Agreement. But we have taken a further step in identifying physical climate risks and making a first determination of their extent. As a framework, we use the IPCC's Fifth Assessment Report (AR5) (2014), based on which the Royal Netherlands Meteorological Institute (KNMI) has developed four climate scenarios for the Netherlands.

The climate risks for the Fund have been identified. The largest potential losses are the properties with a high risk of heat stress, followed by the risk of subsidence. We have chosen to accept and monitor those risk. The climate risks of the Fund expressed as % of market value:

THE CLIMATE RISKS OF THE FUND EXPRESSED AS % OF MARKET VALUE



BUILDING A FUTURE-PROOF AND SUSTAINABLE PORTFOLIO

Sustainable fund
The Fund's goal for 2023 was a continued improvement of its sustainability performance and its GRESB score to obtain a 5- star rating. In 2023, the Fund achieved an overall GRESB score of 94 points (2022: 93) and was awarded a GRESB 5-star rating. The Fund was ranked first by GRESB in the Western Europe/Health Care/Core/Tenant Controlled peer group, which consists of 13 healthcare real estate funds. The efforts of the Asset Management Team, the Board of Directors and the Fund Manager in personally requesting missing consumption data from healthcare facilities were the main reason for the Fund's higher score. At the same time, the number of connections through which the consumption data can be read out automatically has been increased.

The Fund's GRESB score is at a high level. There is still room for improvement, particularly in the area of performance indicators, through the collection of more consumption data, the achievement of year-on-year savings and the generation of renewable energy in the buildings. The CO_2 roadmap has given the Fund good insight into the actions needed in the coming years to achieve these savings.

GRESB scores 2023

Sustainable buildings
Sustainable building certificates allow the Fund to show where it stands in terms of sustainability at the asset level and how far it still has to go. The Fund assesses the overall sustainability of a property every three years. This is outsourced to an external party and GPR Building software is used for this purpose. GPR Building certificates are recognised in the Netherlands and by GRESB and measure criteria that go beyond legal requirements and provide the Fund with tools to encourage more responsible behaviour by tenants, such as reducing waste and energy consumption.

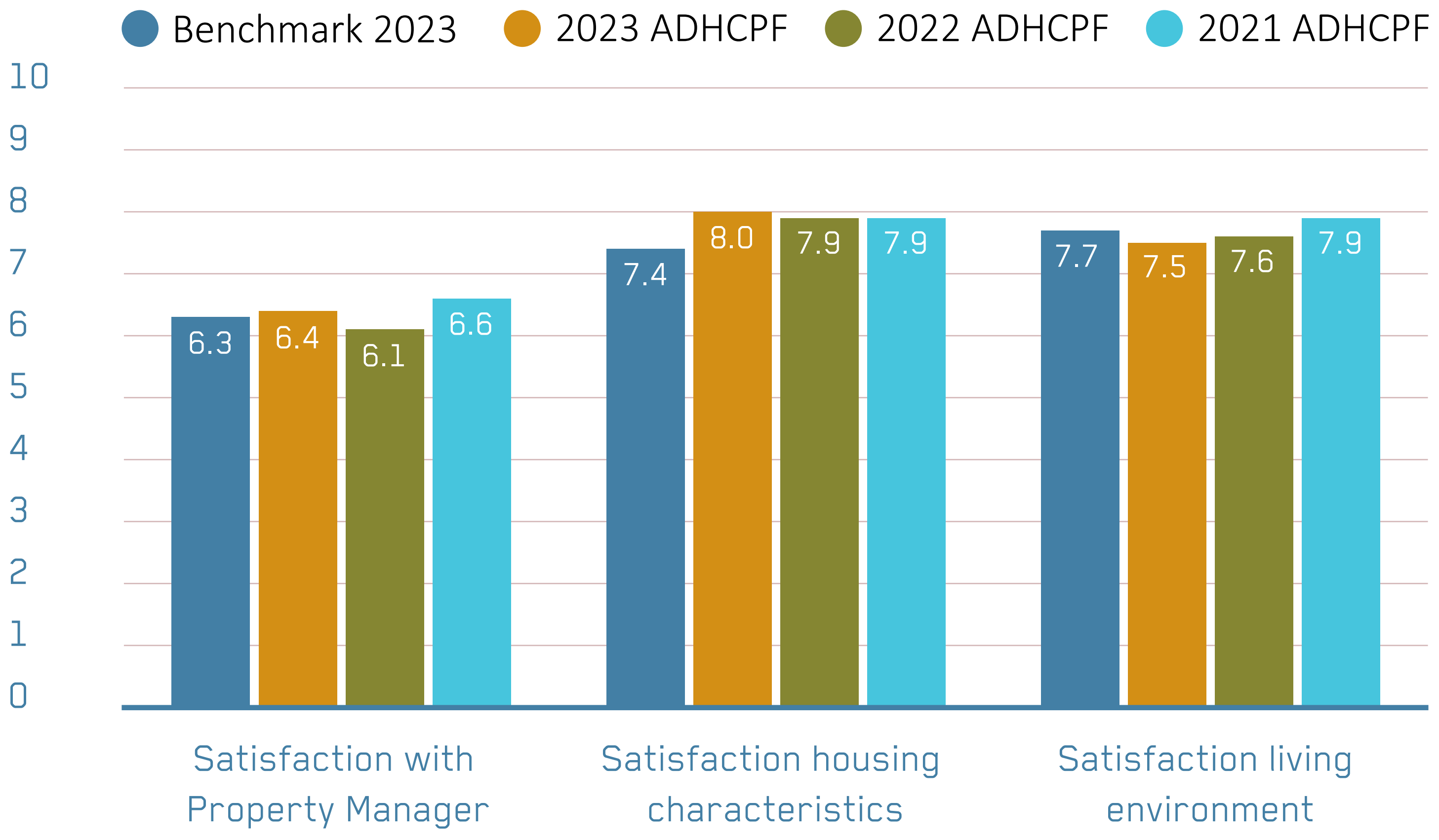
GPR Building provides data on the sustainability of healthcare and residential real estate. GPR Building reports on five performance indicators: Energy, Environment, Health, Quality of Use and Future value, and assigns a score for each performance indicator on a scale of 1 to 10. When used on existing buildings, GPR can help to identify quality improvements following sustainability measures. In 2023, the Fund's plan was to achieve a GPR score for new acquisitions at least 7.5 on average energy, health, quality of use minimum 7.0 other sub-scores at least 6.0. In 2023, the Fund had GPR labels for 100% of the standing assets in the portfolio, with an average score of 7.1. For the coming years, the Fund will focus on improving the five GPR performance indicators to gain a higher average GPR label score.

Impact framework
It is clear that the Fund is having an impact. It is measured using a variety of tools. A clear impact framework with objectives and a coherent way of measuring these objectives however was not yet available. This is why we have started to develop an impact framework. This impact framework has been set up in the same way as the Achmea Dutch Residential Fund. Together with the GRREY Company we have defined the fundamentals of the impact framework for the Fund. The output of the interviews with stakeholders has been used in two workshops to define the impact strategy and actions required to finalise the impact strategy. As a result, we expect to have an impact framework in 2024 that will contribute to a deeper understanding of the Fund's impact.

TENANT SATISFACTION

The tenant satisfaction survey was carried out again this year. A total of 358 tenants were asked to participate in the tenant satisfaction survey. At 41.6%, the response rate is slightly higher when compared with last year. Although our score of 6.8 in 2023 as real estate investment manager was a tenth lower than in 2022, we remain slightly ahead of the benchmark. Satisfaction with the home and living environment was high, satisfaction with the Property Manager increased from 6.1 to 6.4. On the one hand, we see an improvement here compared to the service charge settlement and the score is also better than the benchmark. On the other hand, the scores for dealing with complaints and following up repairs have fallen and in some cases are below the benchmark. The Manager has therefore drawn up an improvement plan which will be monitored in 2024.

TENANT SATISFACTION




Laying of foundation for Maestro, The Hague

PORTFOLIO DEVELOPMENTS

At the end of 2023, the Fund's portfolio consisted of 67 properties in operation (2022: 65) with a value of €651.0 million. The Fund has a pipeline of three projects under development amounting to €11.8 million. In total this amounts to €662.8 million assets under management. After completion of the projects under construction (outstanding commitments 86.2 million), the Fund will have a size of €749.0 million. This does not take into account new purchases, sales and revaluations.

INVESTMENTS AND DIVESTMENTS

The Fund invested €614,000 in existing and €8.0 million in two acquisitions, which have been added to the portfolio. No objects were sold in 2023.

Investments/deliveries in 2023

Het Korhoenhuis, Hoogeveen
Segment: private residential care
Number of units: 22
Theoretical annual rent: €196,000
Delivery date: 16 March 2023

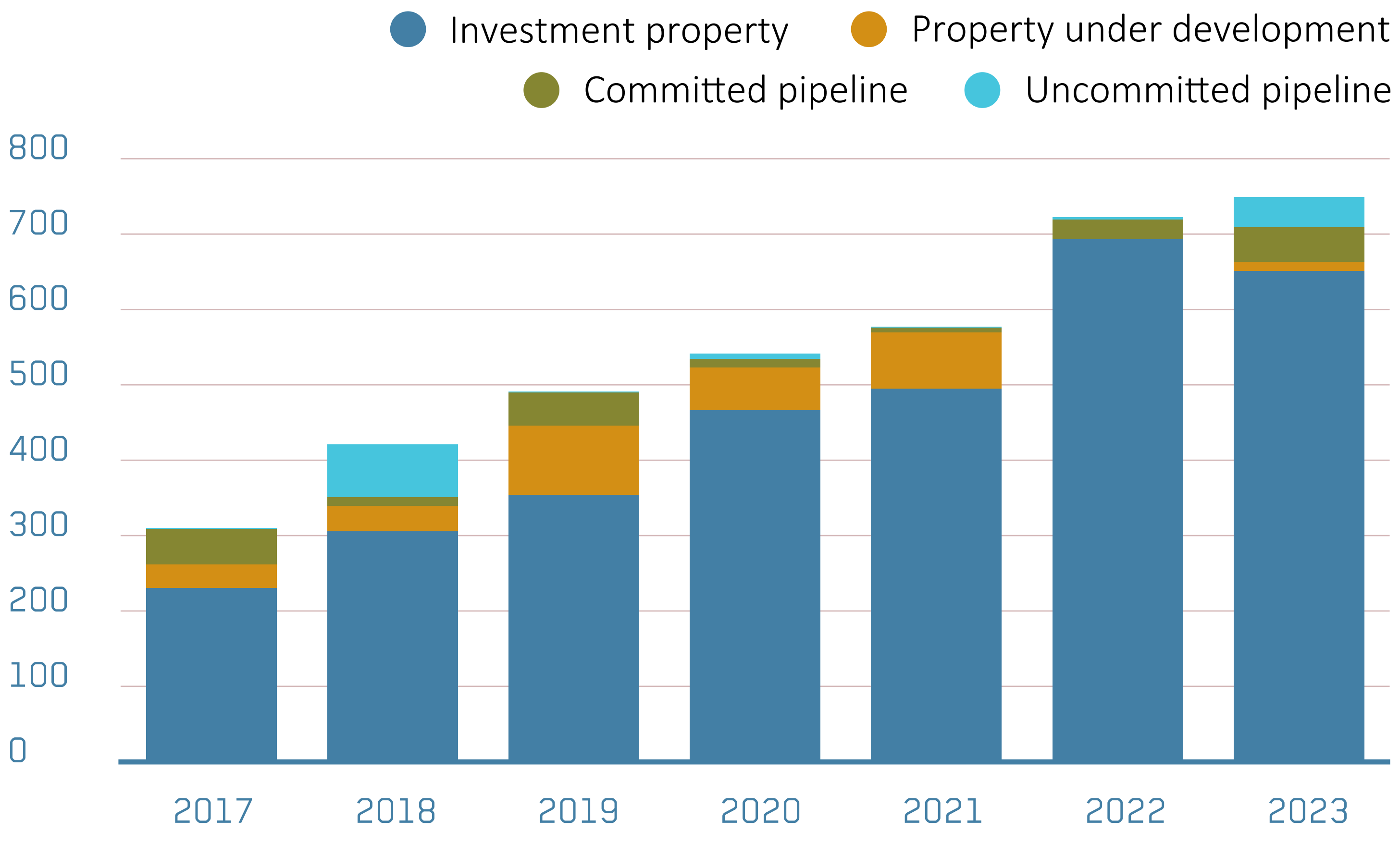
Het Stalkaarsenhuis, Gorinchem
Segment: private residential care
Number of units: 22
Theoretical annual rent: €196,000
Delivery date: 29 June 2023

Properties added in the pipeline in 2023

Maestro, Block D, The Hague
Segment: residential care
Number of units: 136 and 167 m² commercial units
Expected theoretical annual rent: €1.5 million
Expected delivery date: Q4 2025

Hof van Jacob, Haarlem
Segment: life time homes
Number of units: 103 and 2.371 m² commercial units (physio, pharmacy and PG)
Expected theoretical annual rent: €1.3 million
Expected delivery date: Q1 2027

REAL ESTATE PORTFOLIO (AMOUNTS X €MILLION)



TOP 10 LARGEST INVESTMENTS (IN OPERATION)

Property name	Address	City	Theoretical annual rent (x €1,000)
De Makroon	Nieuwe Passeerdersstraat	Amsterdam	€3,622
Sint Jacob	Plantage Middenlaan	Amsterdam	€2,728
De Reigers	Backershagen	Rotterdam	€2,110
Klaasje Zevenster	Klaasje Zevensterstraat	Amstelveen	€1,679
Campagne	Médoclaan	Maastricht	€1,966
Overvecht - NPD - Section B	Brailledreef	Utrecht	€1,514
Zaans Medisch Centrum	Koningin Julianaplein	Zaandam	€2,178
SassemBourg	Jan van Brabantweg	Sassenheim	€1,792
Westhovenplein	Westhovenplein	The Hague	€1,253
Gezondheidscentrum	Chopinstraat	Bunschoten	€991

De Slinge, Assen
Segment: residential care
Number of units: 176
Expected theoretical annual rent: €2.0 million
Expected delivery date: Q4 2026

CORE REGIONS

The Fund's strategy focuses on the best locations for senior living and healthcare investments in the Netherlands. The Fund's primary concern is always the quality of the asset and its location, rather than a primary focus on cash flow, for instance. This geographical focus is mainly determined by demographics, the economy and the healthcare real estate market.

OPERATING

The operation of the property portfolio is aimed at achieving stable financial and social returns at acceptable risks. At the end of 2023, the occupancy rate was 98.3% and an operating result of 80.4%.

RENT DEVELOPMENTS

The rental income from the portfolio in 2023 was €35.0 million (2022: €27.3 million). On balance, an increase of €7.7 million (28.3%) due to:

- The purchase of the property in property in Enschede and the portfolio Dagelijks Leven in 2022 and in 2023 the properties in Hoogeveen and Gorinchem (€5.2 million)
- The completion of Sint Jacob in Amsterdam and Eimerssingel in Arnhem in 2022 (€1.2 million)
- The like-for-like rental income of the portfolio (€1.3 million)

Like-for-like rental income increased by €1.3 million (5.6%) as a result of indexations (€1.1 million, 4.7%), decreased vacancy (€140,000, 0.6%), contract changes (€-137,000, -0.6%) and an increase in lease incentives (€213,000, 0.9%).

Although the Fund applies the indexation options for the annual rent increase, the affordability of the rent is also considered by taking account of the market rent value in the rent increase. By keeping homes in the affordable segment, the Fund creates social value.

Lease clause development

The rent increase clause has come under discussion following publication in various media. An Amsterdam professor first questioned the mark-up that lessors are allowed to charge and the surcharge in 2022, which could violate consumer protection as conceived by the European Union. The Unfair Contract Terms Directive was drafted in 1993 with the idea that consumers often have a weaker bargaining position than the companies they make deals with. That law should protect them against 'small print' in contracts. In 2023, an Amsterdam subdistrict court ruled that the rent provision in a real estate investor's contract did not contain a 'clear and transparent explanation' of under what circumstances the lessor deploys the mark-up. Thus, the tenant is at the mercy of the lessors 'arbitrariness', both the inflation adjustment and the surcharge are thus unfair according to the Amsterdam subdistrict court. The rent increase has not previously been tested by judges against this guideline.

Commercial and regulated leases are not in scope of the consumer protection. The case concerns clauses that allow rent to be increased by more than inflation (CPI+). Such clauses have been used by (almost) all (institutional) investors for many years. Judges of the courts of Amsterdam and Rotterdam have ex officio challenged and annulled rent increase clauses in various rent disputes, however, lessors are expected to appeal this. Until a judgment is final, it is not certain whether the clause is unfair or not. In mid-January 2024, preliminary questions on the rent indexation clause were submitted to the Supreme Court by the court in Amsterdam. Once these questions are answered, more clarity will emerge on the validity of the rent increase with surcharge clause and the possible consequences for real estate investors. The Supreme Court's ruling is expected to be at least several months away. The foregoing has led to a lack of clarity and uncertainty as to whether CPI+ clauses in leases for deregulated rental properties will ultimately be upheld by the highest courts. Rulings by higher courts should eventually provide more clarity. Achmea Real Estate participates in an IVBN working group on the rent increase clause in which trends in jurisprudence, consequences and possible actions and solutions in a general sense are discussed, taking into account competition rules. In cooperation with specialised lawyers, we prepare for possible discussions on CPI+ clauses in court. We aim to keep the number of proceedings and discussions on CPI+ clauses in court low and are therefore currently reluctant to initiate legal proceedings against tenants. For new leases to be concluded, we will apply a new CPI+1% rent modification clause for the deregulated housing.

Tenant concentration

The Fund pursues tenant diversification. The objective is that no single tenant (or tenants belonging to the same organisational group) represents more than 10% of the Fund's annual rent. With the recent purchase of the Dagelijks Leven portfolio, this one group of tenants represents 17.3% of the Fund's annual rent.

With the purchase of the Dagelijks Leven portfolio in 2022, we deviated from this target. This was done for several reasons.

These include the size of the portfolio, the relatively low risk in relation to recent construction costs, the low rent, the alternative use by other care operators and a positive business case from the care operator. The target remains 10% for now and we aim to achieve this by adding sufficient new acquisitions to the portfolio.

At the end of 2023, the Fund's ten largest tenants accounted for 46.0% of the annual rental income. With the growth of the Fund, this percentage is expected to decrease in the coming years.

Occupancy rate

Optimising the occupancy rate is one of the most important tasks of asset management. This is done by taking a proactive approach to renting out the homes and actively approaching the customer and the market.
The financial occupancy rate at the end of 2023 was 98.3% (2022: 98.0%). The increase in occupancy was mainly caused by additions of completed healthcare properties and acquisitions to the operational portfolio.
To provide more detailed information, the occupancy rate of the Fund is divided into segments. This breakdown is shown below.

The initial vacancy rate at the end of 2023 was 1.7% (2022: 1.9%) and without the completions in the last 12 months, the occupancy rate was 98.3% (2022: 96.6%).

The financial occupancy target for 2023 was ≥ 97.0% of rental income. This portfolio target was achieved.

Rental activities of commercial space and parking spaces

The aim is to achieve a portfolio with relatively long terms and a rent indexation that is in line with inflation. The Fund concluded 8 leases and 87 contract renewals in 2023 for a total annual rent of €1.8 million, equal to 5.0% of the total theoretical annual rent. 33 new incentives were provided for rent-free periods in 2023.

RENTAL ACTIVITIES (AMOUNTS X €1,000)

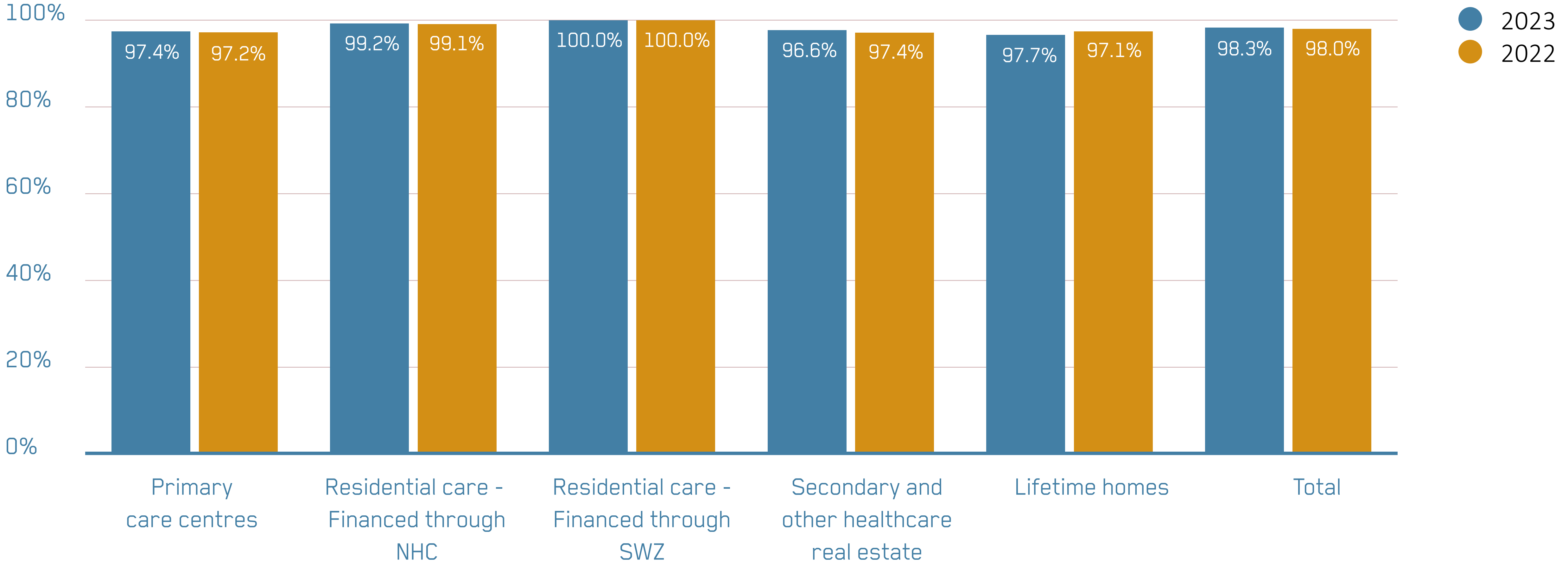
	Number of leases	Contractual rent (annual basis)	Market rent (annual basis)	m²
New contracts	8	664	494	11,085
Extended contracts	87	1,193	1,419	8,680
Terminated contracts	26	626	540	3,666
Total	**121**	**2,483**	**2,453**	**23,431**

Expiry of leases

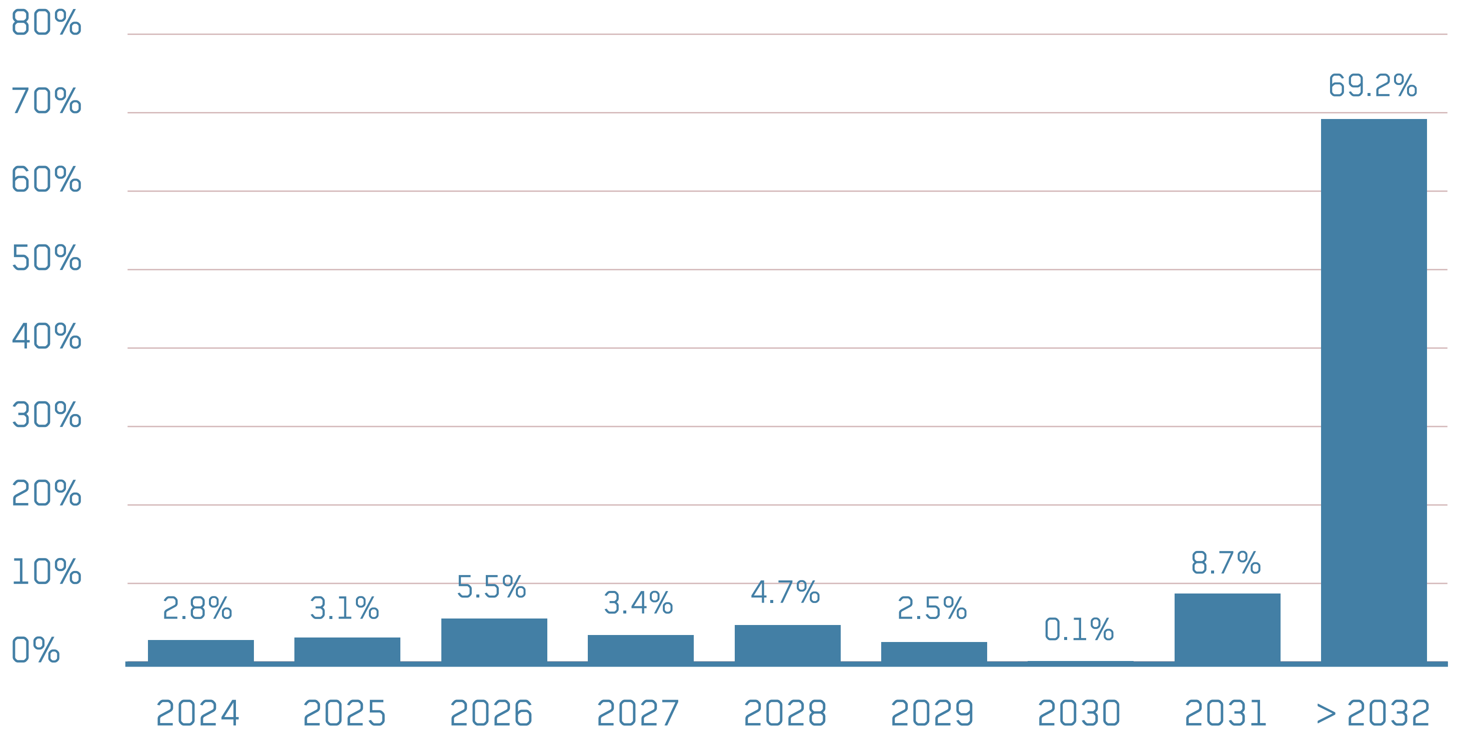
Close relationships with tenants enable the Fund to propose lease extensions at the right time. The Fund takes into account lease endings for master leases and anticipates this to attract new tenants. Expiry dates are not currently a significant issue for the weighted average term of the lease contracts of the Fund at the end of 2023 was 10.3 years (2022: 11.1 years).

This is the tenant's first opportunity to terminate the lease. Tenancy agreements are not included in this calculation because tenants can give immediate notice of termination and these agreements have no term. In 2024, 31 leases and 44 parking contracts with commercial parties will expire, mainly in De Makroon and De Nieuwe Sint Jacob properties.
It is expected that these parking contracts will be tacitly extended after the expiry date. The rental value of these leases is €775,000 per year (2.8%).

OCCUPANCY RATE



EXPIRATION OF RENTAL INCOME



OPERATING EXPENSES

The operating expenses for 2023 amounted to €6.8 million, an increase of €1.4 million (27.0%) compared to 2022 (€5.4 million). This increase in operating costs was mainly caused by:

- The purchase of 31 properties in 2022 and two properties in 2023 (€593,000)
- The completion of Sint Jacob in Amsterdam and Eimerssingel in Arnhem (€233,000)
- The like-for-like operating expenses (€558,000)

Property management has been outsourced to two external property managers. These property managers are carefully selected and under the asset manager's direct supervision.

Operating costs as a percentage of rental income reached 19.6% in 2023 (2022: 19.8%). Like-for-like operating expenses increased by €558,000 due to rental costs (including renovation work to make De Buurt, Utrecht ready for rental), higher bad debts write-offs (Makroon, Amsterdam), higher property management fees and a decrease in other expenses. The demand for maintenance increases as existing buildings are added and the average age of the properties in the portfolio increases (11.0 years). For this reason, the gross net range has been set at 80.0%.

Klaasje Zevenster, Amstelveen

FINANCIAL PERFORMANCE 2023

FINANCIAL RETURN

The Fund realised a total return of -4.1% in 2023, consisting of a 3.9% income return and -7.8% capital growth. Net rental income, administrative and finance expenses were the main drivers for the income return. The decline in capital growth was primarily driven by uncertainties triggered by the growing political unrest around the world with an impact on financial markets (rising inflation, higher interest rates).

Income return

Net rental income of €28.4 million was €6.1 million higher than in 2022 (€22.3 million). The deviation to 2023 was due to higher gross rental income (€7.7 million) and partly offset by lower other operating income (€92,000), higher service charges (€62,000) and operating expenses (€1.5 million). Fund operating expenses (€3.5 million) were €164,000 lower than in 2022 (€3.7 million) due to lower management fee costs, directly driven by the Fund's lower average investments.

The higher net rental income and lower fund operating expenses resulted in an income return of 3.9% (2022: 3.1%).

Capital growth

The Fund realised capital growth of -7.8% compared with 2022 of -3.4%. This confirms that the capital market rent levels in combination with high inflation, the increase in transfer tax and the uncertainty regarding the potential regulation of the residential market had a significant impact on the valuation of the (rental) housing market.

Increased interest rates are making it more difficult for buyers to raise finance, resulting in lower bids than before. Mortgage rates also rose in the owner-occupied market, causing prices to fall. The value of vacant properties fell, affecting valuation parameters negatively.

RETURN 2023 (AMOUNTS X €1,000)

	Q1 2023	Q2 2023	Q3 2023	Q4 2023	2023
Investments at the beginning of the quarter	693,275	678,996	669,559	663,834	
Investments	6,283	4,480	132	12,864	
Direct result	6,373	6,111	6,345	7,717	26,546
Indirect result	-21,198	-13,985	-5,928	-13,921	-55,032
Total result	**-14,825**	**-7,874**	**417**	**-6,204**	**-28,486**
Income return	0.9%	0.9%	1.0%	1.1%	3.9%
Capital growth	-3.0%	-2.0%	-0.9%	-2.1%	-7.8%
Total return	**-2.1%**	**-1.2%**	**0.1%**	**-0.9%**	**-4.1%**

PROPERTY PERFORMANCE - MSCI ANNUAL INDEX

Together with the MSCI but also the IVBN, work was done on the MSCI benchmark in 2020 so that it can also be published for Healthcare. However, in 2023 it was not yet representative enough to compare the Fund against. In the coming years, additional investors will be sought to increase the validity of the benchmark.

INREV RETURNS

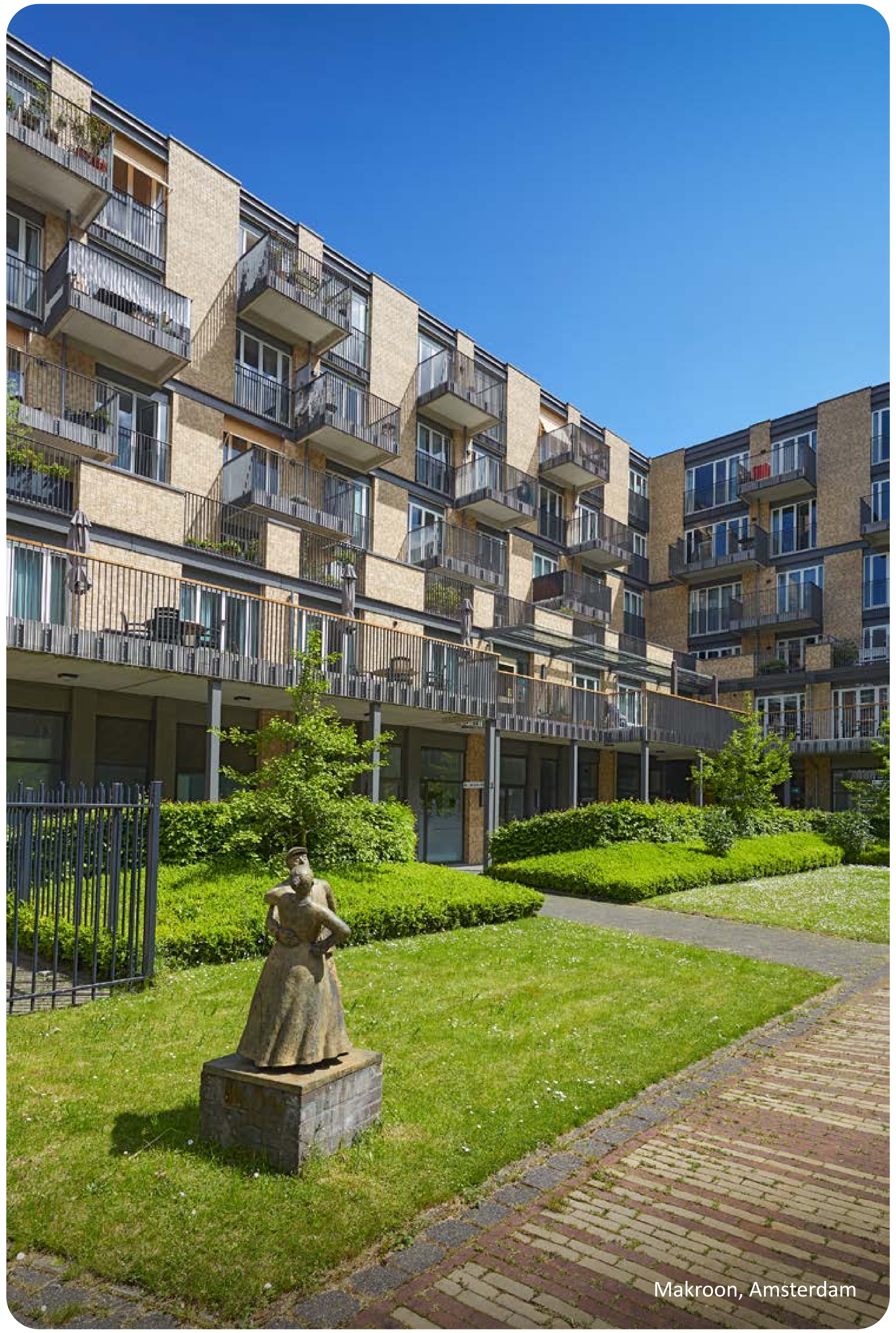
The Fund return (INREV) and property return (MSCI) are different performance indicators. The Fund return is calculated according to the INREV Guidelines as a percentage of the net asset value (INREV NAV) and the property return is calculated according to the MSCI methodology as a percentage of the value of the investment properties. For example, INREV includes cash, fee costs and administrative costs in the calculation of the income return (INREV). Furthermore, the amortisation of acquisition costs is treated differently by INREV and MSCI.

The total Fund return for 2023, based on INREV guidelines, was -4.1% (2022: -0.3%). This return includes an income return of 3.9% and -8.1% from capital return. The distributed income return for 2023 was 3.5% (2022: 2.9%).

INVESTMENT RESULT PER AVERAGE OUTSTANDING UNIT

The investment result per average outstanding unit over the last 5 years can be summarised as follows:

Amounts x €1	2023	2022	2021	2020	2019
Income from investments and other income	148.17	78.64	46.44	44.90	46.97
Valuation results (realised and unrealised)	-101.96	-56.62	54.68	15.64	100.69
Fund costs	6.56	-8.09	-7.64	-7.81	-7.28
Investment result per average outstanding unit	**52.77**	**13.93**	**93.48**	**52.73**	**139.83**


Makroon, Amsterdam

CORPORATE GOVERNANCE

Until 1 January 2024 the Achmea Dutch Health Care Property Fund was a mutual fund under Dutch tax law that operated under the regime of a fiscal investment institution (Dutch: fiscale beleggingsinstelling, fbi) as referred to in Article 28 of the 1969 Corporation Tax Act. On 1 January 2024, the Fund's status as a fiscal investment institution was terminated. From 1 January 2024 the Fund is a mutual fund under Dutch tax law that operates under the regime of a fiscally transparant fund for corporation tax and dividend tax purposes. The Fund is managed by Achmea Real Estate.

LEGAL STRUCTURE

The Fund is an investment fund as referred to in Article 1:1 Wft. The Fund is not a partnership, general partnership or limited partnership, but is a sui generis construction based on contractual arrangements between the Manager, the Custodian and the investors. Accordingly, the Conditions do not create a partnership, general partnership, limited partnership, public company or a silent partnership under Dutch law and therefore neither the Manager, the Custodian nor the investors are considered to be partners or associates in the Fund, nor are they deemed to cooperate with each other in any way. The investors only enter into an agreement with the Manager and the Custodian and do not enter into an agreement with each other. The investors therefore have no rights and/or obligations towards each other by virtue of their participation in the Fund.

GENERAL

The governance of the Achmea Real Estate real estate funds is set up in such a way that balanced decisionmaking can take place involving all stakeholders.

THE MANAGER

The Manager, Achmea Real Estate (trade name of Syntrus Achmea Real Estate & Finance B.V.), is the manager of a number of real estate funds and the entities performing (re)development activities on behalf of some of those funds. Furthermore, in individual cases Achmea Real Estate acts as manager for institutional investors with regard to direct and indirect investments in real estate. Decisionmaking by the Manager is structured by granting delegated powers not only to the Management Board, which is authorised under the Articles of Association, but also to the senior management, based on their position and role. These powers are laid down in the powers of attorney regulations. General principles here are the four-eyes principle, separation of functions and stratification of powers.

The Supervisory Board consists of four members and is composed of a balanced diversity of professional backgrounds and competences. The Board has three committees: the Audit & Risk Committee, the Nomination & Remuneration Committee and the Real Estate Committee. Periodically in the meeting of the Audit & Risk Committee, the CEO, the Finance Director, the Risk Management & Compliance Manager and the Compliance Officer report on risks and risk- and compliance-related topics, such as internal control, progress in the follow-up of issues and incidents, and reports following internal and external audits and investigations. Achmea Group's internal audit department attends these meetings.

The Manager has a number of internal bodies that directly or indirectly influence the management and policy of the funds.

The purpose of the Investment Committee (BC) is to review investment and divestment proposals and approve or reject proposals for both the portfolios of the alternative investment institutions of which Achmea is the manager and the clients' discretionary portfolios.

The BC has three voting members (three Management Board members of the Manager). In addition, Risk Management & Compliance and Investment Management (advisory right) have a seat on the BC. (Disposal) investment proposals are drawn up in a fixed format. This ensures that all proposals meet the minimum quality requirements in terms of object analysis, market analysis, financial analysis, ESG analysis, portfolio impact analysis, taxation, laws and regulations and relationship studies.

The Risk Management & Compliance Department assesses whether the process has been followed correctly, in accordance with the BC's protocol. Mid 2023 the Risk Management and Compliance function were outsourced for synergy reasons towards Achmea, being the parent company of Achmea Real Estate.

The Allocation Committee (ALC) advises the Investment Committee on the allocation of contributed projects based on the project specific characteristics, the portfolio composition of the clients/funds with an expansion need, as well as the qualitative and quantitative wishes of the clients/funds. All in accordance with the ALC's protocol. The aim is to meet the expansion needs of all clients with an expansion need proportionally by the end of the year. The ALC's advice is fed into the BC for decisionmaking. An annual investigation is conducted by Risk Management & Compliance into how allocation has taken place. This is reported to the Customer Council.

Besides the bodies mentioned, the controllers also play an important role in the governance of and at the funds. The controllers are there to strengthen the checks and balances in the first line and report to the Director of Finance. They are situated within the real estate column to function as close as possible to the day-to-day business within these departments.

The Client Council is the body in which (representatives of) clients of Achmea Real Estate are represented. With the adoption of a protocol, the Client Council was established in 2008. It is an advisory body consisting of a minimum of five and a maximum of eight customer representatives.
The Client Council monitors compliance with the protocol, which describes, among other things, the tasks and responsibilities of the Client Council.

The most important tasks concern (un)solicited advice on acquisitions/reorganisations, mergers or demergers, transfer of shares and change of positioning within Achmea, concerning Achmea Real Estate. In addition, the Client Council has a role in the appointment of a number of members of the Supervisory Board.

ADVISORY BOARD

The Advisory Board of the Achmea Dutch Health Care Property Fund is tasked with advising the Manager on the management and general course of affairs concerning the Fund. In addition, the Advisory Board advises the Manager on transactions with a group company or client of the Manager, investments exceeding €25 million (as of 1 January 2024: €20 million), the draft portfolio plan, investments outside the investment policy and any contribution in kind. From 1 January 2024, the Advisory Board is also tasked with advising on redevelopments and additional investments exceeding 20% of the value of the individual property concerned and exceeding €10 million. The work of the Advisory Board is laid down in regulations.

The Advisory Board has four regular meetings each year. At these meetings, besides the progress of the portfolio objectives, the portfolio plan and the annual report, the agenda included the status of the acquisitions, the evaluation and preparation of the Investor Meetings, and the evaluation of a property tour. The Advisory Board took a decision on changes of the Advisory Board Regulations and the bid to guide the establishment of an ESG impact framework for the Fund.

In 2023, two additional meetings took place concerning two purchase proposals. The Advisory Board issued three opinions in 2023 on two purchase proposals and the portfolio plan 2024-2026.

At the end of 2023, the Advisory Board consisted of the maximum number of six members:

Independent members:
- Chairman: Mr S.J. Hoenderop
- Sector expert: Mr K. Erends
- On behalf of ineligible investors: Mr A.C. van Esterik

On behalf of eligible investors:
- Stichting Rabobank Pensioenfonds: Mr C. Doornekamp
- Stichting BPF voor de Detailhandel: Mr T.R. Heijdendael
- Stichting Pensioenfonds Werk en (re)Integratie: Mr M. Smelter (1 February 2024: Mr Y. van Haaster)

INVESTOR MEETING

The investors are united in the Investor Meeting, which is held at least once a year in the Netherlands, subject to what is stipulated in this respect in the Fund Terms and Conditions. The Manager appoints the chairman of the Investor Meeting. The agenda for the Investor Meeting is drawn up by the Chairman. This agenda shall in any case include the following items:
- Explanation by the Manager of its report on the course of business in the previous financial year
- Explanation by the Manager of its plans for the current financial year (including the plans within the framework of the investment policy)
- Explanation by the Advisory Board of its report
- The approval of the annual report
- Discharging the Manager and the Custodians for the performance of their duties over the previous financial year

The main powers of the Investor Meeting are to adopt the portfolio plan, approve the annual report, amend the Fund Terms and Conditions, appoint the independent members of the Advisory Board and dissolve the Fund.

INDEPENDENT RISK MANAGEMENT

Achmea Real Estate applies the ‘Three lines of defence’ principle, in accordance with the Achmea Risk Management Framework. Risk control and risk management are set up in accordance with this principle.

1. The first line is primarily responsible for the correct, complete, timely and reliable conduct of business within the Manager and underlying funds. In doing so, line management is also responsible for risk management within these operations.
2. The Risk Management and Compliance departments form the independent second line and are responsible for drawing up the (internal) policy frameworks for the management of risks and the continuous monitoring of compliance for the benefit of the Management Board. Risk Management and Compliance both assess the risks and control measures in a continuous monitoring process and report thereon to the Management Board, senior management, the Audit & Risk Committee of Achmea Real Estate.
3. From an independent position, the third line periodically assesses the effectiveness of the internal control taken by the first and second line. The internal audit department reports to the management of Achmea and the Executive Board of Achmea.

In order to keep its own risk management and reputation at the highest possible level, as well as to remain as closely in tune as possible with the needs of its customers, Achmea Real Estate periodically evaluates the quality of its risk management framework, process and reports. In doing so, alignment is sought with themes of importance to Achmea Real Estate and its customers, such as those addressed by De Nederlandsche Bank (DNB) and the Dutch Authority for the Financial Markets (AFM) in the relevant year.

'THREE LINES OF DEFENCE'-PRINCIPLE

LINES OF DEFENCE	ORGANISATION	RESPONSIBILITY
First line of defence	• Line management	Managing and accounting for the operational risks
Second lineof defence	Risk Management: • Operational Risk • Financial Risk • Compliance • Information Security	Identifying, monitoring, advising and reporting on risk management from an independent position
Third line	• Internal Audit	Judging the effectiveness of the internal control and functioning of the first and second lines from an independent position

Recent topics dealt with within Achmea Real Estate include those listed below.

Customer Due Diligence (CDD)
It is important for Achmea Real Estate to have a good insight into the relationships it does business with, thereby fulfilling a broader social interest, namely preventing money laundering and terrorist financing.

As a result of internally identified shortcomings, the Customer Due Diligence (CDD) programme was launched in 2020 to ensure that Achmea Real Estate is compliant with CDD laws and regulations. In 2021 and 2022, the programme resulted in, among other things, a recalibrated CDD policy and the set-up of the CDD application used to perform and document CDD activities. In 2023, the programme continued aimed at (further) demonstrable control of CDD risks. To this end, a plan of action was drawn up that also included the improvement actions by Internal Audit. In 2023, the improvements in demonstrable control were implemented in accordance with this plan of action.
In order to manage CDD risks, it is necessary to monitor the relationship for as long as the relationship or cooperation continues.

To this end, the following activities are carried out:
- Conducting a relationship survey before the start of service provision
- Carrying out transaction monitoring on (incoming) payments
- Conducting a Pep and Sanctions list screening when entering a new relationship of existing relationships
- Conducting a periodic and 'Event Driven' review of existing relationships
- Sanctions screening on outgoing payments

Compliance is tested by Achmea Real Estate on the basis of the CDD Control Framework. In this framework, key controls have been defined within the theme 'Know your Client' on the basis of which it is tested whether Achmea Real Estate has its internal control in order to comply with CDD laws and regulations.

In 2022, the Netherlands Authority for the Financial Markets (AFM) launched an investigation at Achmea Real Estate under the Money Laundering and Terrorist Financing (Prevention) Act (Wwft) with the aim of gaining insight into the reporting of unusual transactions by Achmea Real Estate to the Financial Intelligence Unit (FIU) in 2018 through 2022. In addition, the AFM launched an investigation into Achmea's compliance with the Wwft and Sanctions Act in mid-August 2023. The information requests from the AFM were answered by Achmea Real Estate in a timely manner. The AFM may impose an enforcement measure. Both investigations are ongoing.

Privacy
Personal data are processed within Achmea Real Estate on a daily basis. This includes closing mortgages, rent administration, sending mailings to (potential) customers and issuing offers. In order to protect the privacy of all those involved, the processing of personal data is carried out carefully in compliance with personal data protection laws and regulations. To improve verifiable control, the privacy project was launched in 2021.

Compliance is tested by Achmea Real Estate on the basis of the Privacy Control Framework and the key controls defined therein. Two points of improvement are related to cookie compliance and data retention will be completed in 2024.

ISAE 3402
Annually, Risk Management and Compliance assess whether the ISAE control matrix is still sufficiently in line with Achmea Real Estate's activities and clients' requirements. For 2023, an unqualified assurance report has been issued by the independent external auditor accompanying the ISAE 3402 Type II report, testing the design, existence and effective operation of the control measures for the processes outsourced to Achmea Real Estate.

RISK MANAGEMENT

Risk management and the related control system are an integral part of the Manager's operations and the reports aim to ensure with a reasonable degree of certainty that the risks to which the Fund is exposed are adequately identified and managed within the framework of a conservative risk profile.

STRATEGY AND RISK APPETITE

In implementing the strategy, investing in health care properties, risks are inevitable. However, from a strategic perspective, the risk appetite is conservative. The focus is on generating long term stable and sustainable returns from property. Operational risks are minimized as the operational processes are in line with best practices. When the Manager is aware of the possibility of causing irreversible damage to people or the environment, it will take further measures to investigate the cause and effects of such damage.

Risk areas

On the right is a description of the main risks to which the Fund, in implementing its strategy, is exposed. In addition to these strategic risks, a description of the main financial, operational and compliance risks is also provided.

STRATEGIC RISKS

The strategic risks relate to achieving long-term stable and predictable results, timely anticipate external factors and ensuring that the growth opportunities within the defined segments and regions are not restricted.

RISK MANAGEMENT WITHIN ACHMEA DUTCH HEALTH CARE PROPERTY FUND

STRATEGY & RISK APPETITE

POLICIES AND PROCEDURES
(Corporate governance, Code of Conduct and related regulations)

RISK AREAS

STRATEGIC	OPERATIONAL	FINANCIAL	COMPLIANCE
• Stable and predictable results • External factors • Growth opportunities • Approach to ESG, including climate risk	• Execution of transactions • Quality of property valuations • Control costs • Control of the IT environment • Calamities	• Liquidity • Finance market • Debtor • Bankruptcy of developers • Reporting	• Tax laws and regulations • Laws and regulations • Integrity • Outsourcing • Third parties and conflicts of interest

RISK AND CONTROL FRAMEWORK

MONITORING & AUDITING

Stable and predictable results

The objective of the Fund's strategy is to generate long-term stable and predictable results. There is an overall strategic risk that the choices of segment, regions, relative size and timing of investments do not lead to stable and predictable results. To mitigate this risk, the Fund invests only in the best healthcare properties in the defined segments and in the selected regions. In addition, the Manager has a careful acquisition process, in which it must be clear from each property how the property fits into the portfolio and what its contribution to results will be in the long term. The current property portfolio is screened periodically by the hold/sell analysis and properties that no longer fit the Fund profile are sold if possible.

External factors

A strategic risk is that the Fund cannot adequately respond to external factors. There is an inherent risk that the choice of a segment, region, relative size and timing of investments is influenced by external factors such as change in consumer spending, inflation, rental regulations and licensing policy or a pandemic. This can affect the expected rental and price developments and demand for healthcare properties, and thus the value development of investments. In the annual strategy sessions and by monitoring developments in the interim, the possible external changes are closely monitored and this enables the Fund to react quickly and appropriately.

Growth opportunities

The Fund aims to realise an attractive return for its investors and has the ambition to grow the property portfolio. There is a risk that limited availability of suitable healthcare real estate may hinder growth. This risk is an explicit part of the strategy discussions and portfolio plan developed by the Manager. The strategy is reviewed annually by the Manager and set out in a portfolio plan. The Fund's growth objective and the provision of a sustainable return are translated into an investment policy and investment guidelines. The portfolio plan is approved by the Investor Meeting. The quarterly reports and Investor Calls describe the progress in implementing the strategy, the portfolio plan, meeting investment restrictions, operating targets and potential market changes, and the Manager accounts for the events that took place during the quarter.

Approach to ESG, including climate risk

The Fund's approach to ESG and, among other things, its contribution to reducing greenhouse gas emissions will be scrutinized by investors. These activities will become a key investment consideration, if not already the case. Achmea considers climate risk to be a key risk and aims to continuously improve the energy efficiency of its property portfolio. If, over time, tenants show increasing interest in the most sustainable properties and investors shift their focus to real estate companies that own a larger proportion of sustainable properties, Achmea may be at a strategic disadvantage. In this scenario, asset valuations may develop less favourably compared with other assets with superior sustainability performance characteristics.

Finally, physical climate-related risks also exist. These physical risks can cause the loss of value of certain properties as a result of damage caused by climate change. For example, due to extreme precipitation, natural fires or flooding. The risks mentioned above may lead to reputational damage, an inability to attract new investors or lenders, the loss of existing investors or lenders, corrective measures and/or fines from regulators, and/or higher operational costs. Control measures to mitigate these risks include a proactive investor or tenant, and a broader investor approach whereby dialogue and new action plans in the area of sustainability are key. The Fund aims to involve tenants in some of these plans and, if possible, the sustainability managers of tenant companies as a means of fast-forwarding Achmea's energy-efficiency programs and gathering data collectively.

OPERATIONAL RISKS

Operational risks are risks arising from potentially inadequate processes or (external) events. The main operational risks for the Fund relate to transaction execution, quality of property valuations, cost control, IT environment control and calamities.

Execution of transactions

Various risks can occur in transactions, such as risks arising from transactions and (external) events, incorrect execution of a (dis) investment analysis, concentration risk, development risk and risks that, due to the nature and location and/or quality of the tenant, a property cannot or cannot be let at the pre-estimated rent (resulting in vacancy) or that the rent cannot be collected.

Possible consequences of not fully managing these risks are: incorrect assessment of the return-risk profile, late (dis)investment, undesired over-representation in a type of product, tenant, rental segment or region, a negative effect on (future) net rental income, among other things as a result of vacancy and related service costs that cannot be passed on, and unexpected negative changes in value, resulting in a lower (than expected) direct and indirect result.

The Manager has careful acquisition and divestment procedures in place to mitigate the above risks, consisting of:

- an annual hold/sell analysis on the portfolio
- to mitigate concentration risk, the investment policy is grafted onto a model portfolio in which an effort is made to achieve a mix of investments with a focal point in regions, type of products and spread of rental income, the return-risk ratio of which is considered to be the most desirable for the Fund; prior to an acquisition, the adequacy of the mix is assessed
- newly to be built properties are purchased on a turnkey basis, or are developed in a segregated (profit-taxed) property development subsidiary; as a result, the development risk lies with the selling party or the (external) developer
- execution of a comprehensive due diligence to assess financial, commercial, legal, construction and tax aspects based on a due diligence checklist

- involvement of various disciplines in acquisitions and divestments
- (standard) format for (dis)investment proposals
- authorisation procedure for investments in existing properties greater than 20% of book value requiring approval of the Investment Committee and (dis)investments above €20 million and redevelopments and additional investments exceeding 20% of the value of the individual property concerned and exceeding €10 million require advice from the Advisory Board.

Quality of property valuations

There is an inherent risk that the properties in the Fund's portfolio have been incorrectly valued. This could lead to lower indirect result, reputational damage and possible claims due to wrongly raised expectations among stakeholders. This risk is mitigated as all property valuations are prepared in accordance with an internal valuation policy and carried out by reputable independent external appraisers, who are changed periodically (triennially). The valuations are commissioned by the independent Valuations Department and in accordance with an established procedure that incorporates the checks and balances relevant to this process. The results are analysed quarterly and substantiation is required for major or special changes.

Control costs

An unexpected increase in operating costs, overhead or having to make unexpected additional investments could potentially lead to an incorrect assessment of the return risk profile, and lower direct and indirect results. The Fund therefore has extensive procedures for budgeting and maintenance forecasting. In addition, there are authorisation procedures when entering into maintenance and investment commitments and reports (realisation - budget analysis) are prepared and discussed on a periodic basis within the Fund Team.

Control of the IT environment

Proper control of the IT and business continuity risks associated with the business processes and the operation and security of the internal IT infrastructure are essential for the Fund. The impact of not fully managing IT risks is the inability to report internally or externally on time or incorrectly, loss of relevant information (including personal data), unauthorised access to information (including personal data) by third parties and reputational damage. This risk is mitigated because the Manager has internal procedures focusing on logical access, backup and recovery procedures, periodic checks by external experts, digitisation of key documents, and hiring external knowledge and experience for continuous updating of IT developments.

Business continuity management is the policy that ensures that the continuity of the Fund is guaranteed by the measures taken and periodic testing of the operating effectiveness of these procedures. By monitoring IT controls, holding annual disaster drills and periodically placing the topic on the agenda of various consultations, awareness is created and employees understand the importance of information security and following the information security policy.

Calamity risk

The calamity risk is the risk that a calamity results in very extensive damage to one or more properties with the potential consequences of loss of rent, lower direct and indirect results, and claims and legal proceedings from tenants. The Fund is insured on terms customary in the industry against damage to the property, responsibility and loss of rent during the period in which the property is rebuilt and leased.

FINANCIAL RISKS

The main financial risks relate to the liquidity of the Fund, the funding market, debtors, developer bankruptcy and financial reporting.

Liquidity risk

Liquidity risk is the risk that insufficient funds are available for day-to-day payment obligations. The potential impact is to suffer reputational damage or to incur additional financing costs, which may lead to lower direct results. Accounting & Cash Management monitors cash flows and, in cooperation with other departments, prepares monthly cash flow forecasts. The principles of the cash flow policy are laid down in the cash management statute, which is periodically approved by the Manager. Based on the cash flow forecasts and the long-term fund strategy, the Manager monitors the Fund's capital position. If necessary, plans are adjusted accordingly.

Financing market risk

Financing market risk includes funding risk. Financing risk relates to the risk that insufficient or unfavourable conditions are met by investors and (long-term) borrowed capital has to be raised; resulting in insufficient financing scope for investments, forced divestment of real estate, or higher funding costs, potentially leading to lower direct and indirect results and reputational damage. The Manager monitors on the basis of internal periodic financial reports, which show that pipeline commitments are hedged with unconditional entry commitments and/or temporary financings (maximum 25% loan capital).

Debtor risk

The debtor risk relates to the loss of rental income due to defaults and bankruptcies, resulting in lower than expected direct and indirect results. To mitigate the default risk, the Manager screens tenants upon entering into leases for their creditworthiness and assesses their ability to meet their obligations.

Debtor consultations take place with the external manager on a quarterly basis, during which decisions are also made on provisions for doubtful debtors. The Manager monitors the debtor statements on a monthly basis. If arrears occur, the risk is mitigated through a step-by-step plan.

Developer bankruptcy risk
This is the risk of developers and/or contractors going bankrupt during the development of a property for the Fund. A bankruptcy prior to construction limits the speed of portfolio construction. A bankruptcy during construction may affect the construction lead time and the amount of total costs to get the project delivered. The Manager monitors the key financial figures of developers and construction companies with whom agreements are signed. Paying in construction instalments limits financial losses. Taking out insurance to limit consequential losses is a third mitigating measure taken.

Reporting risk
Reporting risk relates to the impact of incorrect, incomplete or untimely information available on internal decisionmaking processes, or those of external parties (including investors, regulators and other stakeholders), which can lead to reputational damage and possible claims as a result of unjustified expectations among stakeholders. The Manager has implemented a sound system of internal control measures and administrative-organisational measures. This results in important checks and balances with regard to financial reporting such as:

- involvement of various disciplines in the preparation of reports and (dis) investment proposals
- budgeting, quarterly updated forecasts and numerical analyses
- valuation procedures (independent external appraisers who are changed periodically, internal IRR analyses and accepted valuation guidelines)
- quarterly reports detailing the progress of portfolio plans and operational activities
- instructions regarding valuation principles, reporting dates, as well as internal training on reporting
- monitoring of issues by the second line (Risk Management & Compliance) and Internal Audit of Achmea
- periodic property manager consultation and discussion of the results of the external audit with the Manager

COMPLIANCE RISKS

Compliance risks are risks associated with non-compliance or insufficient compliance with tax and legal laws and regulations, or acting non-independently, with the potential consequences of reputational damage, tax and legal claims and proceedings, loss of tax status, loss of AIFMD license and consequently lower direct and indirect results. The proper management of compliance risks is elementary for the Fund given the traditionally common behavioural risk in the real estate sector.

Tax laws and regulations
Tax risks relate to non-compliance or insufficient compliance with tax laws and regulations, incorrect estimation of tax exposure or non-integrity, with the potential consequences of reputational damage, tax claims and proceedings and, as a result, lower direct and indirect results. Internal control measures and administrative-organisational measures have been implemented in various tax areas. Internal procedures include:

- review by internal and, where necessary, external tax specialists of contractual agreements
- attendance of relevant professional courses by employees of the Manager
- careful analysis of tax risks in the case of (dis)investments (sales and transfer tax and the like)

Laws and regulations
The Manager must comply with various legal regulations. Failure to comply with existing and new laws and regulations may result in a warning, fine or, in extreme cases, revocation of the AIFMD license. This may affect the ISAE 3402 type II statement and cause reputational damage and claims and legal proceedings, resulting in higher costs and lower direct results. The Manager has a Risk Management department and a Compliance department that monitors compliance with laws and regulations. The AIFMD standards framework includes key controls. The Risk Management and Compliance department periodically monitor whether the controls are followed by the first line.

In addition, new laws and regulations as well as changes are closely monitored by the Risk Management department and the Compliance department and the Legal department. Important changes are announced to the departments concerned through meetings and workshops.

Integrity risk
The risk that the integrity of the Fund or the financial system will be affected as a result of non-integrated, unethical behaviour by the Manager, employees, or management, in the context of laws and regulations, societal and standards set by the Fund. Acting unethically, doing business with unethical partners and fraud may result in financial and/or reputational damage to the Manager, the Fund and its investors. Various measures within the primary processes, pre-screening of business partners, pre-employment screening in respect of employees, the code of conduct, as well as continuous attention to behaviour and culture reduce the likelihood of this risk.

Outsourcing risk
Outsourcing risk is the risk of harming the continuity, integrity and/or quality of the outsourced activities. The risks associated with outsourcing relate to (see Achmea Policy on Outsourcing):

- reputation risk
- operational risk
- legal and/or compliance risk
- concentration risk

In order to manage the risks, conditions are contractually defined by the Manager and elaborated in a Service Level Agreement. This stipulates that the administrative organisation must account annually for the control of the processes and the entire service provision by means of an ISAE 3402 type II report. This report describes management objectives and control measures for all processes performed by the implementing organisation.

In addition, going through different stages of the outsourcing cycle (analysis stage: preparing a contract; initiative stage: signing a contract; management stage: managing of a contract; evaluation phase: updating a contract) structures a controlled outsourcing relationship.

Third parties and conflicts of interest

Insufficient knowledge of tenants, vendors, buyers or parties acting on behalf of the Fund carries the risk of doing business with individuals who damage the Fund's reputation. In addition, conflicts of interest of and between employees and third parties may also entail reputational damage, claims and legal proceedings, resulting in higher costs that may reduce the direct result. As part of the due diligence process, third parties are screened in accordance with an internal customer due diligence policy.

RISK AND CONTROL FRAMEWORK

The integrated risk and control framework is divided into four risk areas: strategic, operational, financial and compliance risks. The framework then indicates the probability of a risk occurring and its potential impact. Finally, for each risk, an owner is appointed who is responsible for the application of control measures. The Risk Management and Compliance departments carry out an annual analysis of the potential risks for achieving the strategic and other objectives. Every quarter, an update is given to the investors on the progress of the control measures based on a dashboard of any improvement measures.

MONITORING

In 2023, another review of the control measures put in place within the Manager took place. Incident reporting procedures are also in place at the Manager.

MAIN RISKS OF THE PAST YEAR

The biggest risk last year was the continued uncertainty in the financial markets due to rising inflation and the associated increase in interest rates. This led to investor caution and a decline in consumer confidence.

The consequences for the Fund were falling property values and the risk of redemptions. This was exacerbated by government plans to further regulate the rental market.

The risk of delays and cost increases due to lengthy planning procedures and rising construction costs decreased as the Fund had fewer projects in the pipeline. A strong rental market minimised rental risk and initial vacancies.

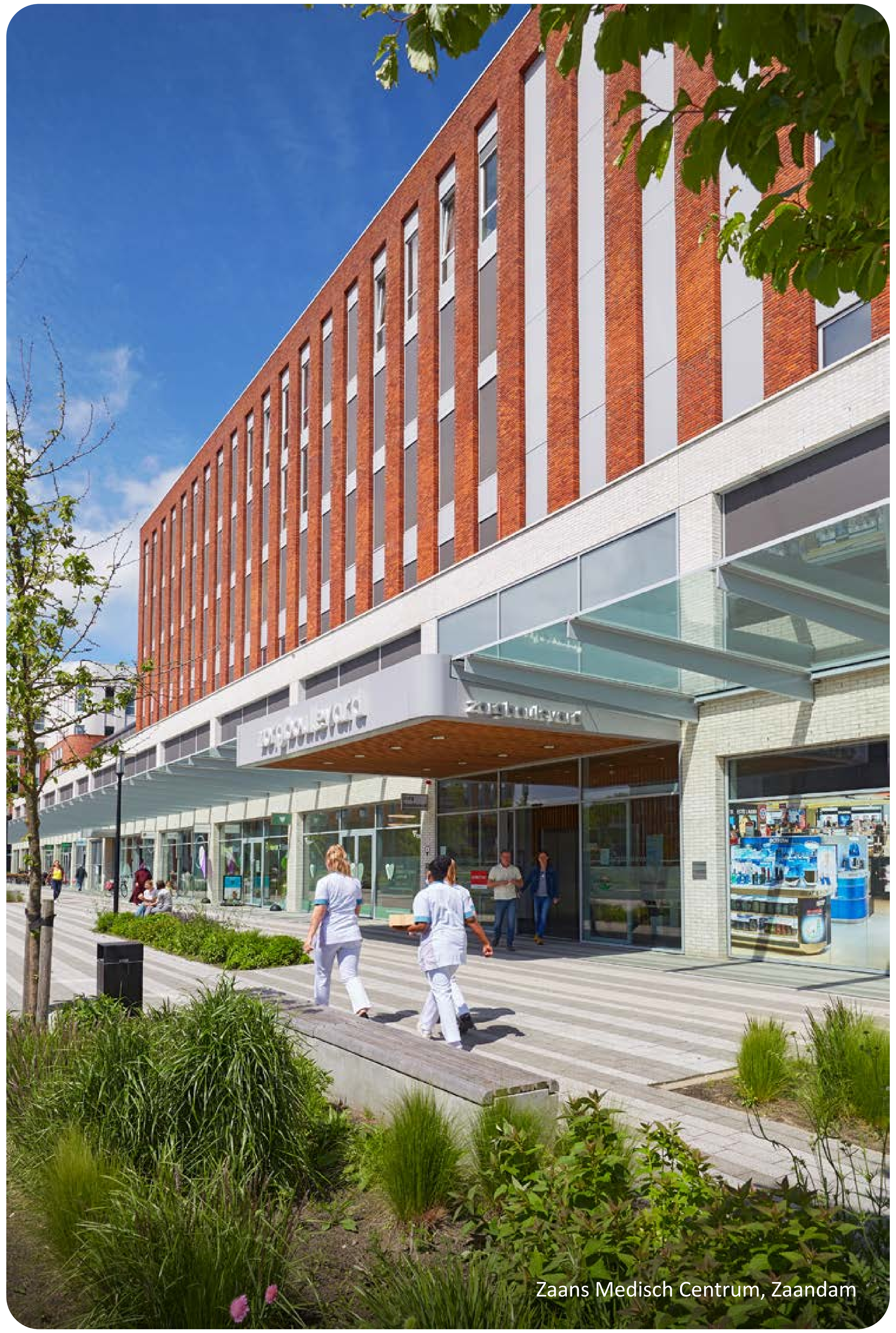
The risk management system has not changed.

SENSITIVITY ANALYSIS

The table below shows the effect on the Total Net Assets and result of the Fund if rental income, financial vacancy and net initial yield were to change.

SENSITIVITY ANALYSIS

Variables	Sensitivity to increase with	Estimated impact on direct or indirect annual result 2023 in €1,000	Effect on income return
Rental income	1.0%	350	5.57 bps
Financial vacancy rate	1.0%	-358	-5.69 bps
Net initial yield	0.5%	-73,798	


Zaans Medisch Centrum, Zaandam

INVESTMENT RESTRICTIONS

INVESTMENT RESTRICTIONS FOR THE FUND

The table shows all the restrictions stated in the fund documentation, as well as the status with regard to these restrictions, and whether the Fund remains compliant with the applicable conditions and restrictions.

The risk profile of the Fund

The investment portfolio's risk profile, the investment policy pursued, the sector in which the money of investors is invested through the Fund, and the applicable investment restrictions are appropriate for a fund with a core investment strategy.

INVESTMENT RESTRICTIONS

Restriction	Status	Conclusion
Maximum of 20% of the net asset value in other sectors than the residential sector, insofar as: • a relationship exists with the healthcare sector, or • the investment is otherwise consistent with the Fund's investments.	The Fund was exclusively invested in healthcare real estate in 2023. Investments in other sectors are irrelevant	✔
Individual registered property on the purchase date < €75 million.	During 2023, the Fund made no acquisitions involving an investment that exceeded this limit	✔
Invest exclusively in registered property in the Netherlands	The Fund has no foreign properties in its portfolio	✔
Bank balances up to 5% of the net asset value	Bank balances as at 31 December 2023 amounted to 1.7% of the net asset value	✔
A maximum of 15% of the net asset value is invested in indirect investments a maximum of 10% of the net asset value in a single indirect investment	The Fund has no indirect investments as at 31 December 2023	✔
Maximum of 25% borrowed capital	The Fund has no borrowed capital as at 31 December 2023	✔
Transactions in listed and unlisted financial instruments	No financial instruments are held, none have been sold, and there are no plans to purchase such instruments	✔

DECISIONS OF THE INVESTOR MEETING

Two Investor Meetings were held during the year.

At the Investor Meeting on 20 April 2023, the 2022 annual report was approved and the Manager and Custodians were discharged from liability for the performance of their duties in the previous financial year.

At the Investor Meeting on 23 November 2023, the 2024-2026 portfolio plan was approved, which, in addition to the portfolio strategy and objectives, describes market developments and trends, the ESG strategy, asset management and investment management.

This Investor Meeting also decided to approve the amendments to the Fund Terms and Conditions converting the Fund from a fiscal investment institution (Dutch: fiscale beleggingsinstelling, fbi) to a fiscally transparent fund on joint account as of 1 January 2024, subject to the AFM having no comments on the proposed amendments.

In addition, the meeting approved the Manager to dissolve Achmea Dutch Health Care Property Services B.V., including the necessary amendments to the Fund Terms and Conditions for this purpose.

On 23 November 2023, the Investors also approved the submitted amendments to the Advisory Board Regulations with effect from 1 January 2024 and the necessary amendments to the Fund Terms and Conditions for this purpose.

The amendments concern:
- adding an advisory task in which the Advisory Board is asked for advice on redevelopments and additional investments exceeding 20% of the value of an individual property and exceeding €10 million
- lowering the amount as from which the Advisory Board has to give an advice on investments from €25 million to €20 million
- the possibility for eligible participants to appoint a permanent substitute

Finally, the Investor Meeting approved the reappointment of of Mr S.J. Hoenderop as Chairman of the Advisory Board Achmea Dutch Health Care Property Fund for the period from 1 July 2024 to 1 July 2028.

Amsterdam, 25 April 2024

Board of Directors Syntrus Achmea Real Estate & Finance B.V.
Ms M.A.H.G. Hendrickx, Director Finance, interim chairman of the Board
Mr B. van der Gijp, Director Real Estate, member of the Board

4. Statement of the Depositary

CONSIDERING THAT:

- BNP Paribas S.A., Netherlands Branch is appointed to act as depositary Achmea Dutch Health Care Property Fund ("the Fund") in accordance with subsection 21(1) of the Directive 2011/61EU (the "AIFM Directive");
- Such appointment and the mutual rights and obligations of Achmea Real Estate (the Manager), title holder and depositary of the Fund are agreed upon in the depositary agreement dated 29-01-2014, between such parties, including the schedules to that agreement ("the agreement");
- The depositary delivers this statement to the Manager in relation to the activities of the Manager [and the title holder] and this statement refers to the year ended 31 December 2023 (the relevant year hereafter referred to as "the period").

RESPONSIBILITIES OF THE DEPOSITARY

The Depositary acts as a depositary within the meaning of the AIFM Directive (the "AIFMD") and shall provide the services in accordance with the AIFMD, EU implementing regulation, relevant Dutch laws and the policy rules issued by the European Securities and Markets Authority (ESMA) or the Dutch Authority for Financial Markets (AFM). The responsibilities of the Depositary are described in the agreement and include, in addition to the Safekeeping, Recordkeeping and Ownership Verification (as described in article 21(8) AIFMD), also a number of monitoring and supervisory responsibilities as defined by article 21(7) and 21(9) of the AIFM Directive, namely:

- Cash flow monitoring, including the identification of significant and inconsistent cash flows and the reconciliation of cash flows with the administration of the Fund
- Ensuring that the sale, issue, re-purchase, redemption, cancellation of units or shares of the Fund and valuation are carried out in accordance with the applicable national law and the fund rules or instruments of incorporation
- Ensuring that investment transactions of the Fund are timely settled;
- Monitor and check that the total result of the Fund is allocated in accordance with the applicable national law and the fund rules or instruments of incorporation
- Monitor and check that the Alternative Investment Fund Manager ("AIFM") performs its investment management duties within the fund rules or instruments of incorporation

STATEMENT OF THE DEPOSITARY

We have carried out such activities during the period as we consider necessary to discharge our responsibilities as depositary of the Fund. Based on the information available to us and the explanations provided by the Manager we did not uncover any information indicating that the Manager has not carried out its activities, in scope of the monitoring and oversight duties of the depositary, in accordance to the applicable laws, fund rules and instruments of incorporation.

MISCELLANEOUS

No rights can be derived from this statement, other than the rights resulting from laws and regulation mentioned above. This statement does not create, and does not intend to create, any right for a person or an entity that is not a party to the agreement.

Amsterdam, 25 April 2024

BNP Paribas S.A., Netherlands Branch

STORY OF TENANTS DEBUURT, UTRECHT

From left to right: Daniëlle Breure- Achmea Real Estate, Jeremy Mahulete- tenant,
Geert-Jan van Dijken- Foundation On the Move Sportvrienden. Not shown in this picture: Nicole Methorst- Reinaerde.

DeBuurt, a pleasant place for meeting, development and relaxation

DeBuurt, the project of the Achmea Dutch Health Care Property Fund which AM developed and construction of which started in mid-2019, promises Utrecht residents a pleasant place for meeting, development and relaxation on a former industrial part of Overvecht. That social idea is completely in line with the vision of the Fund. The Fund bought the middle residential block 'Birim' in 2018, then only on paper. At the end of 2020, the property was completed and the first residents could move in.

The sustainable building "Birim" has 4 floors of housing with a total of 118 apartments for starters, move-up, seniors and people with care needs. There is an inner garden for residents and commercial spaces in the plinth. Unique is the Superplint, a high hall with a surface area of 1,395 m^2 that is extremely suitable for many different activities.

Now that the building is fully leased, it's good to take a look at how the tenants are doing. Geert-Jan van Dijken of On The Move Sportvrienden foundation, Nicole Methorst of care facility Reinaerde, resident Jeremy Mahulete and Daniëlle Breure of Achmea Real Estate tell their stories.

Foundation On The Move Sports Friends can be found in the Superplint. Since 2010, they have been focusing on young people for whom the threshold to a sports club is too high. Geert-Jan, co-owner: "We were looking for a place where young people from the region could not only exercise, but also develop themselves by participating in sports, games and events. This reinforces our motto: for and by young people. Through the Utrecht network they came across the Superplint. At first, the space seemed a bit too big and too expensive for the foundation. Enterprising and ambitious as they are, they came up with a new project plan: Younity. So they took the plunge and in November 2022 they received the key to the huge space. The fact that the Fund had already estimated the rental income for the Superplint to be low at the time of the acquisition helped to round off the business case.

Since the end of 2022, residents with mild intellectual disabilities have been living on the top floor through Reinaerde. Nicole, specialist supervisor: 'We had to close two locations in the region. As an institution, you usually have to look for new suitable locations yourself, but now we have been offered this. And a new building in such a beautiful location! It was almost like a gift. It is a very desirable location, as you can see from the waiting list. There are now about 50 people on it.

Clients (we'll call them residents in the following) who need help that includes assisted living don't always end up in such a nice, new, spacious building. Nicole used to work at a site in a residential area where three attached terraced houses were converted into one family home.

IT IS A VERY DESIRABLE LOCATION, AS YOU CAN SEE FROM THE WAITING LIST. THERE ARE NOW ABOUT 50 PEOPLE ON IT.


Jeremy Mahulete, tenant Reinoutdreef

In such a house, the residents have one bedroom, a common living room and share a small bathroom. 'At the new location, everyone has their own apartment/studio with their own kitchen and bathroom. They can also choose to socialise with others in one of three luxurious living rooms. All in a safe environment on the same floor'.

VIEW OF THE OVERVECHT SKYLINE

Resident Jeremy, from Utrecht, said: 'The location, public transport and amenities here are fantastic! And we have the best view of all on the 5th floor. Shopping centre Overvecht, which is the largest shopping centre in the region after Hoog Catharijne, is just across the road. The residents of Reinaerde can get there safely and independently. Daniëlle, Asset Manager at Achmea Real Estate: The municipality is currently making plans to upgrade the shopping centre, which should make everyone feel welcome in a renewed mixed neighbourhood. Where people like to shop, work, meet and live. Because of the development of these new buildings, Achmea has been asked to help think about the renewal of the shopping centre and the surrounding area. This is very good. Not just to know what's going on, but to be able to respond even better.

Daniëlle Breure, Asset Manager Achmea Real Estate

UNWARRANTED BAD IMAGE OF OVERVECHT

The city of Utrecht is investing a lot to turn the negative image of the neighbourhood into a positive one. Well-known ambassadors, such as professional footballer Yaakoubi, are also helping. Yaakoubi grew up in Overvecht and wants to show that you can go far with ambition. He has a foundation that helps young people in the neighbourhood (and their parents) with their development.

From their own experience, Geert-Jan and Nicole do not see a negative image. According to them, connection, diversity and involvement are central. The solidarity in the neighbourhood is enormous. An outsider sees it differently than the residents themselves. Unfortunately, my bike was stolen here, but I don't notice any nuisance or crime. I feel very safe here," says Jeremy.

Choosing a building in Overvecht was easy for On The Move. They wanted a spacious building in Utrecht where they could offer many different sports, that was centrally located and easily accessible. This building has all that. For them, Overvecht is a place with a future.

Daniëlle: 'Maybe investors are a bit sceptical about a project in Overvecht, but when you see what this building, this facility, means for the rest of the area, we can say that it has worked out quite well. This is an example for future projects here.

LIVING IN REINAERDE ON REINOUTDREEF IS FANTASTIC FOR JEREMY. SPACE, VIEWS, SHOPS AND PUBLIC TRANSPORT. IT IS THE IDEAL PLACE FOR HIM.

CONNECTING WITH NEIGHBOURS AND THE NEIGHBOURHOOD

For Geert-Jan and Nicole, contact with the neighbours is very important. Nicole says: "We haven't really managed to invest the time yet. The first year was mainly about getting used to the place and making sure our residents were comfortable. But it is high on the to-do list. It's good to make the connection so that we can do something for each other. At the time, the other residents were very supportive of the idea of hosting people from Ukraine on a temporary basis. She hopes to be able to arrange this for her own residents.

Foundation On The Move has already had good contact with the neighbours since the renovation. There will soon be a lot of bustle in their huge space. But Geert-Jan is not afraid of being a nuisance. Based on sound measurements, they have soundproofed certain parts of the Superplint. This gives them a comfortable feeling for their activities. Jeremy supports the insulation: "With the windows closed, I don't even hear the noise from the street. It's really incredibly well insulated. All tenants have access to a community app. Whether it's a technical problem, borrowing a drill or a noise nuisance, neighbours can contact each other quickly and easily via the app.

LIVING IN THE NEIGHBOURHOOD

Living in Reinaerde on Reinoutdreef is fantastic for Jeremy. Space, views, shops and public transport. It is the ideal place for him. Jeremy sits on the local customer council for Reinoutdreef and is Vice-chairman of Reinaerde's own central customer council. He also has a day job at UOV.

He cleans buses for Syntus and Arriva, for example. He would like to extend this to more hours, but the customer councils also take up a lot of time. He doesn't mind because he thinks it's important to get involved. He has even come up with a great idea to bring neighbours together. Jeremy: "I see an opportunity during the European Football Championship to watch a game together with snacks and drinks. It's a good, informal way to get to know each other, isn't it?

THIS IS JUST THE BEGINNING

The residents and staff of Reinaerde are very happy in this place. They hope to live and work here for a long time to come. In the coming year, they will be looking for more connections with the people in the building and in the neighbourhood. I want to see how we can use the communal courtyard garden. Just like the other residents. That would make it even more fun," says Jeremy.

On The Move rented the Superplint shell-state. There were two doors, some concrete slabs, but no walls or electricity. They had to work hard and today, more than a year later, the huge hall can be used for basketball, tennis, climbing, kickboxing, music, dancing and networking.

But it is more than just a sports hall. Stacked containers have been used to create separate units, making it a great place for meetings or team-building afternoons. Geert-Jan: 'Nice to know: we built as much as possible in a circular way and took things from everywhere. For example, the sports floor is made of old shoes, isn't that funny?

2024 is going to be an exciting year for them. They will really open in June and expect 2,000 young people to come every week to play sports. Besides," says Geert-Jan, "so much is possible here. What can't be done here? We have plans, but we are always open to other initiatives. Everyone is welcome. We hope to make a difference and the future will tell.

Geert-Jan van Dijken, co-founder foundation On The Move Sportvrienden

Achmea doesn't stop here either. Recently, the last room in the building was rented to a housing association. They are setting up their municipal office in the basement,' says Daniëlle. After that, Achmea will continue to focus on tenant satisfaction and maintenance of the building. And, of course, thinking with the municipality about the future development of the area. Involvement is very important. This building is just a good start,' she adds quickly.

THE COLLABORATION WITH ACHMEA REAL ESTATE

Nicole's main contact is with the property manager, vb&t. This works very well. Geert-Jan finds Achmea a good partner. "We have rented this space without any amenities, so there is still a lot to be done. They think along with us and invest in the future. I can always reach out to them and that's a nice idea when you start a 15-year cooperation.

The commitment of these tenants is clear from the outset. That bodes well for the future and for the other tenants. The vision of making a social contribution to the Overvecht neighbourhood is exactly what the developer and the Fund had in mind when the DeBuurt plan was conceived and developed.

> THE VISION OF MAKING A SOCIAL CONTRIBUTION TO THE OVERVECHT NEIGHBOURHOOD IS EXACTLY WHAT THE DEVELOPER AND THE FUND HAD IN MIND WHEN THE DEBUURT PLAN WAS CONCEIVED AND DEVELOPED.

YOUNITY UTRECHT, THE SPORTS AND CULTURAL VENUE IN THE UTRECHT REGION

Younity Utrecht should be a safe place for young people where they can play sports, develop (culturally) and meet each other free of charge. This is the mission of Foundation On The Move, sports friends who rent the Superplint. To organise this, you need resources, money, staff and volunteers. The foundation does not want to be dependent on subsidies and therefore thought of adding an extra function to this location. By organising events and renting out units, they earn money to pay the rent, energy bills and to employ young people. This is what they are doing with the 'Younity Utrecht' project, which is also the name of the sports/cultural building.
www.onthemovesportvrienden.nl/younity-utrecht/

FINE LIVING THROUGH REINAERDE CARE INSTITUTION

Reinaerde Nursing Home rents the entire 5th floor of the building, where 12 apartments, 12 residential studios and 3 spacious communal living rooms have been created. Reinaerde is an institution that provides care and support to people with all kinds of disabilities. At the moment it accommodates clients with mild mental disabilities. These residents do not need as much care, but they do need extra support in their daily lives. They live in their own flats with a degree of independence, but have someone nearby day and night to help them if they need assistance. www.reinaerde.nl/zorg/reinoutdreef/

JEREMY, AN ENTERPRISING MAN WITH A MILD DISABILITY

Jeremy Mahulete has ADHD and ASD (autism spectrum disorder). But in a slightly different way. He is a chaotic autistic person, he says, and now has extra help to get more structure. He laughs and says: "My house isn't that tidy because I'm not very good at it. He also receives psycho-education. This helps him to stay calm in difficult situations. To relax, he plays in a band called "Blue Sparks" and performs regularly. He participates fully in life, despite his limitations.

5. FINANCIAL STATEMENTS

DeBuurt, Utrecht (eventspace before Unity)

5. Financial statements

BALANCE SHEET AS OF 31 DECEMBER 2023 BEFORE PROFIT APPROPRIATION (AMOUNTS X €1,000)

	Reference	31-12-2023	31-12-2022
Assets			
Non-current assets			
Investment property	1	650,276	692,760
Lease incentives	2	789	515
Properties under development	3	11,782	0
Total investments in real estate		**662,847**	**693,275**
Associates	4	12	15
Investments in associates		**12**	**15**
Total investments		**662,859**	**693,290**
Current assets			
Accounts receivable	5	754	460
Prepayments and accrued income	6	348	756
Cash	7	11,110	14,919
Total current assets		**12,212**	**16,135**
Total assets		**675,071**	**709,425**

CONTINUED (AMOUNTS X €1,000)

	Reference	31-12-2023	31-12-2022
Net Assets			
Investors' contributions	8	639,637	622,324
Revaluation reserve	8	70,994	102,180
Other reserves	8	-12,005	-13,155
Undistributed result of the financial year	8	-28,486	-6,379
Total Net Assets		**670,140**	**704,970**
Liabilities			
Other liabilities	9	4,931	4,455
Total liabilities		**4,931**	**4,455**
Total net assets and liabilities		**675,071**	**709,425**

INCOME STATEMENT FOR 2023 (AMOUNTS X €1,000)

	Reference	2023	2022
Rental income	10	34,964	27,251
Service charges income		3,040	1,742
Other operating income		437	529
Income from real estate investments		**38,441**	**29,522**
Service charges costs	11	3,156	1,796
Operating expenses	12	6,845	5,388
		10,001	**7,184**
Operating result from real estate investments		**28,440**	**22,338**
Income from associates	13	-3	-1
Operating result from associates		**-3**	**-1**
Unrealised changes in the value of real estate investments	14	-55,032	-25,934
Unrealised changes in value of investments		**-55,032**	**-25,934**
Other income	15	1,651	924
Total operating income		**-24,944**	**-2,673**
Management fees	16	3,440	3,271
Depositary charges	17	61	54
Other expenses	18	41	381
Total fund operating expenses		**3,542**	**3,706**
Net result after tax		**-28,486**	**-6,379**

CASH FLOW STATEMENT FOR 2023 (AMOUNTS X €1,000)

	Reference	2023	2022
Cash flow from operating activities			
Net result after tax		-28,486	-6,379
Unrealised changes in the value of real estate investments	14	55,032	25,934
Income result from associates	13	3	1
Change in receivables and prepayments	5, 6	114	-757
Change in total liabilities	9	476	-31
Purchase and investments in investment properties	1, 3	-24,330	-149,544
Investments in assiociates	4	-3	0
Disposal of assiociates	4	3	0
Lease incentives provided	2	-559	-196
Amortisation of lease incentives	2	285	63
Cash flow from operating activities		**2,535**	**-130,909**
Cash flow from financing activities			
Capital calls	8	167,500	163,008
Redemptions	8	-162,651	-21,853
Payment of interim and final dividend in cash to investors	8	-11,193	-4,946
Cash flow from financing activities		**-6,344**	**136,209**
Movement in cash		**-3,809**	**5,300**
Cash flow statement			
Cash as at 1 January		14,919	9,619
Movement in cash		-3,809	5,300
Cash as at 31 December	**7**	**11,110**	**14,919**

NOTES TO THE BALANCE SHEET AND INCOME STATEMENT

GENERAL INFORMATION

The Achmea Dutch Health Care Property Fund (the Fund) was established by notarial deed on 4 April 2008. The Fund is based in Amsterdam, MediArena 5-8. The Fund does not employ any staff. The Fund is a contractual investment fund (beleggingsfonds) within the meaning of article 1:1 of the Dutch Financial Supervision Act (Wet op het financieel toezicht) and is a fund for joint account (fonds voor gemene rekening).

The management activities of the Fund are carried out by Achmea Real Estate (the Manager). Achmea Real Estate is the trade name of Syntrus Achmea Real Estate & Finance B.V. External property managers carry out the property management.

The Stichting Achmea Dutch Health Care Property Fund (Custodian) is the legal owner of all assets of the Fund. The Custodian holds them in accordance with the applicable laws and regulations and the Fund Terms and Conditions. The Manager forms the Board of the Custodian. The Custodian is registered with the Chamber of Commerce under number 34298935.

To implement the Alternative Investment Fund Managers Directive (EU-AIFMD Directive 2011/61/EU), the Manager has appointed BNP Paribas S.A. as the AIFMD Depositary of the funds it manages in 2014.

The financial statements are presented in euros, rounded to the nearest thousand unless otherwise indicated. References are included in the balance sheet, income statement and cash flow statement. These references refer to the notes.

The financial statements were prepared on the basis of the going concern assumption. At the end of 2023, the Fund has investment commitments regarding assets under development. The Fund has a positive operating result and has the ability to call for investment commitments.

The financial statements were approved at the Investor Meeting on 25 April 2024.

Objective
The Fund aims to achieve long-term capital appreciation as well as income for its investors by investing in registered property in the healthcare property sector. With the same objective in mind, the Fund plans to develop or redevelop registered property in the care sector if possible within the criteria for fiscal investment institutions. The Fund aims to achieve a return of at least 7% per annum based on a ten-year average. This target return is also the benchmark against which the Fund's returns can be compared.

Reporting period
The financial year runs from 1 January to 31 December.

Fiscal position
Until 1 January 2024, the Fund was a fund on joint account under Dutch tax law that operates under the regime of a fiscal investment institution as defined in Article 28 of the Dutch Corporation Tax Act 1969 and is subject to corporation tax at a rate of 0%. To the Fund Manager's knowledge, the Fund has complied with these requirements of a fiscal investment institution over 2023.

From 1 January 2024, the Fund is a mutual fund, of which the certificates of participation are considered to be non-marketable be qualified within the meaning of Article 2(3) of the Corporation Tax Act 1969, as a result of which the Fund qualifies as fiscally transparent for the purposes of corporate income tax and dividend tax.

The tax results of the associates may be liable for corporate income tax.

Related parties
Related parties to the Fund are those persons or entities, or parties related to such persons or entities, who exercise significant influence over the Fund. Significant transactions with related parties are disclosed concerning their nature, size and other information relevant to the understanding of the disclosure within the financial statements.

PRINCIPLES FOR THE VALUATION OF ASSETS AND LIABILITIES

Estimates
To apply the principles and rules for preparing the financial statements, the Manager must form an opinion on various matters and make estimates that may be essential for the amounts stated in the financial statements. If it is necessary to provide the insight required by Section 2:362(1) of the Dutch Civil Code, the nature of these judgements and estimates, including the associated assumptions, is included in the notes to the relevant real estate in operation and under development items of the financial statements.

The estimates and underlying assumptions are reviewed continuously by the Manager. Revisions to accounting estimates are recognised in the period when the estimates are revised and in future periods are affected.

Applied standards
The financial statements have been drawn up in accordance with the statutory provisions of Title 9 Book 2 of the Dutch Civil Code and the firmly pronouncements of the Raad voor de Jaarverslaggeving.

General notes
The assets and liabilities are generally valued at the acquisition price or fair value. If no specific valuation basis is stated, valuation is at acquisition price.

An asset is recognised in the balance sheet when it is probable that future economic benefits will flow to the Fund, and its value can be measured reliably. Furthermore, assets and liabilities will no longer be included in the balance sheet from the moment that they do not comply with the probability conditions of the future economic benefits and reliability of the determination of the value.

If a transaction results in all future economic benefits and all the risks associated with an asset or liability being transferred to a third party, the asset or liability is not shown in the balance sheet. Furthermore, assets and liabilities are no longer recognised in the balance sheet from the moment when the conditions of the probability of the future benefits and reliability of the determination of the value are no longer met.

Comparison with previous year
The accounting principles used to value assets and liabilities and determine the result are unchanged compared to the previous year.

Investment property
Investment properties are properties that are held for investment purposes to generate rental income and value growth. Purchases are initially recognised at cost, including transaction costs. Investment properties are subsequently valued at fair value.

Unrealised changes in value are recognised in the income statement. For unrealised changes in value, to the extent that the fair value exceeds the historical cost, a revaluation reserve is formed for the difference between the fair value and the historical cost. The change is charged or credited to the other reserves. Subsequent investments on the property are only capitalised if it is likely that the expenditure will result in increased revenue in the future, and the expenditure can be measured reliable.

All other repair and maintenance costs are charged to the income statement in the period in which the work is done.

Fair value is the property's value in an active market, taking into account the condition of the property, its location and other specific features (market value). When investment property is sold, the difference between the sale proceeds and the book value (being the last appraised value), the sales costs and any capitalised lease incentives at the time of sale are recognised in the income statement under realised changes in the value of investment properties.

Valuation of investment property
The market value is determined by external appraisers according to the generally accepted appraisal standards as prescribed by the Netherlands Register of Real Estate Appraisers (NRVT). NRVT uses the market value concept. This is the estimated amount for which a property should exchange on the value reference date between a willing buyer and a willing seller in an arm's length transaction after proper marketing. The parties had each acted knowledgeably, prudently, and without compulsion.

The valuation methods endorsed and accepted by NRVT are the present value method or discounted cash flow method (DCF method) and the conventional method (rental value capitalisation method). The DCF method is generally considered the leading method for determining the market value. This method is based on the future expected cash flows for a minimum period of ten years, a discount rate represents the current market and the uncertainty of the amount and period, and an assumption of the residual value in the last year.

The parameters used in the DCF method are partially determined by current lease contracts, other relevant contracts and external factors such as economic developments and recent market rents for comparable properties in similar locations and condition. Possible vacancies and lease incentives are also considered. The expected rental growth is based on indexing agreements and expected economic developments, taking into account the specific characteristics of the property concerned. The valuations are carried out by external appraisers with recognised professional qualifications (Dutch Register of Real Estate Appraisers, NRVT registered). Every three years the properties are changed from one appraiser to another.

Lease incentives
Rent-free periods and investments made by the Fund or allowances granted to tenants (lease incentives) are amortised on a straight-line basis over the term of the leases charged or credit of rental income. To avoid double counting when determining the fair value of investments properties, the capitalised lease incentives are corrected to the results of the valuations. This means that the assessed value is equal to the sum of the book value of the investment properties and the book value of the lease incentives.

Properties under development
Projects developed to be added to the investment portfolio are classified as development property during the development. The cost price consists of costs directly related to the project (such as costs of land and premises, contractor, architect, consultants and insurance). No internal development, indirect, or interest costs are allocated to the projects. Investment property developments are subsequently valued at fair value.

Properties are deemed to be no longer under development once the first transfer has taken place after the developer of the Fund has completed the property. Projects with partial deliveries are included in their entirety in the valuation process. A change in value is attributed proportionally to the completed part and the part still under development at year-end.

Valuation of properties under development
The appraiser uses the most recent NRVT guidelines to prepare the valuation report and determine the fair value on the reference date. The valuation method is based on the DCF method. The value based on an NRVT valuation is established by calculating the present value of all net cash flows over at least ten years. The valuation is based on the property's value after completion of the development activities, less the remaining costs for the completion of the property and an adjustment for proceeds and risks.
The value is discounted to the reference date.

Associates
Associates in which significant influence on the business and financial policy can be exercised, are valued according to the equity method on the basis of the net asset value as of 31 December. Changes in the net asset value compared with the previous financial year are accounted separately in the income statement under income from associates and unrealised changes in equity of associates. For unrealised changes in equity above historical cost, a revaluation reserve is formed from other reserves insofar as the capital of the associate is not freely distributable. If the valuation of an associate according to the net asset value is negative, it is valued at zero.
If and insofar as the Fund fully or partially guarantees the debts of the participation, or has the firm intention of enabling the participation to pay its debts, a provision is made for this purpose.

The initial measurement of purchased associates is based on the fair value of the identifiable assets and liabilities at the time of acquisition. For the subsequent valuation, principles are applied to these financial statements based on the values at the initial valuation.

Financial Instruments
Financial instruments include current assets, cash and liabilities. Financial instruments are recognised initially at fair value. After initial recognition, financial instruments are measured as described below.

Current assets
Receivables are initially recognised at the fair value of the consideration and are subsequently measured at amortised cost. If there are no premiums or discounts and no transaction costs, the amortised cost is equal to the nominal value of the receivables. Provisions for bad debts are deducted from the book value of the receivable. A provision for impairment of receivables is recognised if it has been objectively established that the Fund is at risk of not being able to collect all of the amount due.

To this end, the degree of collectability at the individual tenant level is determined every quarter. Indicators for bad debts include significant financial difficulties of a debtor, the size of bank guarantees received and non-compliance with payment conditions. The change in provisions is recognised in the income statement under operating expenses. If receivables are uncollectible, they are written off against the provision. If it later transpires that written-off receivables can still be collected, the amounts collected are credited to the operating costs in the income statement.

Cash
Cash consists of bank balances and deposits not repayable on demand with a maturity of less than 12 months. Bank overdrafts are included in other liabilities. Cash is valued at its nominal value.

Liabilities
Liabilities are initially recognised at fair value and subsequently valued at amortised cost.

CAPITAL OF NET ASSETS

Investors' contributions
The investors' contribution consists of the capital contributed by investors less withdrawals as a result of redemptions.

Revaluation reserve
The revaluation reserve is the legal reserve on account of unrealised value adjustments to the real estate investments and associates. Unrealised changes in value are recognised in the income statement. For unrealised changes in value, to the extent that the fair value exceeds the historical cost, a revaluation reserve is formed for the difference between the fair value and the historical cost.

The change is charged or credited to the other reserves. The revaluation reserve is formed per individual asset and consists of value changes of the real estate investments with a fair value higher than the historical cost. This applies to an associates in so far as its assets are not freely distributable.

Other reserves
The other reserves consist of the accumulated undistributed result from the past and unrealised changes in value of real estate investments with a fair value lower than historical cost.

Undistributed result or the financial year
This concerns the result for the financial year.

PRINCIPLES FOR THE DETERMINATION OF THE RESULT

General
The result is determined as the difference between the net realisable value of the services provided and the costs and other charges during the year.
Income from transactions is recognised in the year in which it is realised.
The result is also determined taking into account the processing of unrealised value changes of real estate investments valued at fair value.

Revenue is recognised in the income statement when an increase in the economic potential, associated with an increase in an asset or a decrease in liability, has occurred, the extent of which can be reliably determined.

Costs are recognised when a reduction in the economic potential, associated with a decrease in an asset or an increase in a liability, has occurred, the extent of which can be reliably determined.

Rental income
Investment properties are exclusively let on operating leases. Rental income from investment property is recognised in the income statement on a straight-line basis over the lease term. The recognised rental income consists of the theoretical rental income less any financial vacancies and lease incentives.

Lease incentives granted are amortised as an integral part of the total rental income. Rental income does not include amounts charged to tenants as service charges.

Other operating income
This includes other operating income attributable to the reporting period, such as VAT compensation received from tenants, surrender of lease contracts by tenants and indemnities concerning rental guarantees. These are recorded when the contract is established.

Service charges
Service charges are recognised as gross amounts in the income statement and as gross amounts in the notes because the Fund acts as a principal. Service costs relate to gas, water and electricity, cleaning, security and the like, which may be charged to tenants under the lease terms. Service costs not charged on include charges in the case of vacant premises or other uncollectible service costs due to contractual limitations or service costs not recoverable from tenants. The service costs of properties with vacancies are presented as service costs instead of operating costs.

Operating expenses
This includes the operating expenses attributable to the reporting period. These include maintenance, insurance, management and valuation costs. No provision is made for (major) maintenance. The costs are charged directly to the income statement in the year of execution.

Income from associates
This concerns the Fund's share in the results of the associates.

Unrealised changes in the value of real estate investments
This concerns changes in value (the difference between the book value as of 1 January, purchase price, and book value as of 31 December) of the investment properties in the financial year.

Other income
This includes fees for the issue and redemptions of units.

Management fees
This includes the asset management fee for the Manager attributable to the reporting period.

Depositary charges
Depositary fees include the fees of the AIFMD Depositary.

Other expenses
Other costs include tax and legal advice costs, audit fees and other Fund related costs. The other costs also include interest income and expenses. They are recognised in the period to which they relate, taking into account the effective interest rate of the item concerned.

PRINCIPLES FOR THE CASH FLOW STATEMENT

Cash flow statement
The cash flow statement is prepared based on the indirect method. The cash in the cash flow statement consists of the funds available for investment. Investments, disposals, interest receipts and expenses are included in the cash flow from investment activities. Investors' deposits and withdrawals and dividends paid are included in the cash flow from financing activities.

Financial risk management
The investment activities of the Fund involve financial risks. The main financial risks concern the Fund's liquidity, the funding market, debtors, bankruptcy, valuation and financial reporting.

FINANCIAL RISKS

Risk	Possible impact	Control
Liquidity risk: The risk that the Fund will not have sufficient liquidity to meet its liabilities.	This may result in the Fund not being able to meet its obligations or in Investors not being able to withdraw within a foreseeable time. This can lead to additional costs, resulting in a poor rating for the Fund and dissatisfied investors.	The Fund will not enter into any commitments not covered by unconditional investment commitments. Accounting & Cash Management monitors cash flows and prepares monthly cash flow forecasts in cooperation with other departments. The principles of the cash flow policy are laid down in the cash management statute that the Manager periodically approves. The Fund may temporarily use loan capital if necessary.
Financial market risk: The risk of investors entering or financing being obtained on unfavourable terms.	Insufficient financing space for investments, forced sale of real estate or higher financing costs, potentially leading to lower direct and indirect profits.	Based on internal periodic financial reports, the internal monitoring showing whether the pipeline commitments are covered by unconditional entry commitments or temporary funding (maximum 25% borrowed capital).
Debtor risk: The risk that a contracting partner of the Fund does not or cannot meet its material obligations.	Loss of rental income due to defaults and bankruptcies resulting in a financial loss to the Fund.	When entering into contracts with third parties, these (buyers, tenants) are checked for creditworthiness and their ability to fulfil their obligations is assessed. In addition, the Manager has active debtor management. A step-by-step plan is used to mitigate the risk if a backlog occurs.
Bankruptcy risk: The risk of developers orcontractors going bankrupt during the development of a property for the Fund.	A bankruptcy prior to construction limits the speed of portfolio construction. Bankruptcy during construction may affect the construction lead time and the total cost of completing the project.	The Manager monitors the financial key figures of property developers with which agreements are made. Paying after the partial completion of projects may limit the financial loss. Taking out insurance to limit consequential damage is a third mitigating measure that has been taken.

FINANCIAL RISKS

Risk	Possible impact	Control
Valuation risk: The risk that the valuation of the properties in the portfolio is incorrect.	This may lead to a lower or higher indirect result and a lower or higher valuation of the value of the issue, resulting in incorrect information for investors and incorrect determination of the value of the issue upon entry or exit.	Valuations are carried out by reputable independent external appraisers, who are changed periodically. These valuations are commissioned by the independent Valuations Department and carried out in accordance with a set procedure in which the checks and balances relevant to this process are built in. The results are analysed quarterly, and recent rental and/or market data explain major or unusual changes.
Reporting risk: The risk of incorrect,incomplete or untimely information on internal decisionmaking processesor those of external parties (including investors and supervisors).	This can lead to reputational damage and possible claims resulting from wrongly evoked expectations on the part of Investors.	The Manager has implemented a sound system of internal control and administrative-organisational measures. These result in important checks and balances with respect to financial reporting, such as: • Involvement of various disciplines in the preparation of reports and (dis)investment proposals; • budgeting and quarterly numerical analysis of realised results; • valuation procedures • quarterly reports detailing the progress of portfolio plans and operational activities • Instructions on accounting policies, reporting dates and internal reporting training • Monitoring of issues by second line (Risk Management & Compliance) and Internal Audit of Achmea.

NOTES TO THE BALANCE SHEET AS AT 31 DECEMBER 2023 (AMOUNTS X €1,000)

	2023	2022
Assets		
1. Investment property		
Accumulated acquisition cost	613,076	417,562
Cumulated changes in fair value	79,684	77,242
Book value as at 1 January	**692,760**	**494,804**
Changes		
Investments	615	520
Acquisitions	8,060	133,419
Value changes	-51,159	-18,906
Transfer from properties under development	0	82,923
Total changes	**-42,484**	**197,956**
Accumulated acquisition cost	621,750	613,076
Cumulated changes in fair value	28,526	79,684
Book value as at 31 December	**650,276**	**692,760**

The portfolio of properties in operation consists of 67 properties at the end of 2023 (2022: 65 properties).

The fair value prepared by the appraiser has been assessed and determined by the Manager. The external valuations were carried out by Cushman & Wakefield, CBRE, Colliers and Capital Value. Each property is externally valued once per quarter. The capitalisation method and the present value method or the discounted cash flow method (DCF method) are used to value the properties in operation.

The most important non-observable variables for investment properties are:

	31-12-2023		31-12-2022	
	Range	Weighted average	Range	Weighted average
Gross initial yield	4.5% - 8.2%	5.6%	4.0% - 7.9%	5.1%
Discount rate	5.0% - 8.9%	6.3%	4.4% - 9.2%	6.0%

	2023	2022
2. Lease incentives		
Balance as at 1 January	**515**	**382**
Changes		
Lease incentives provided	559	196
Amortisation	-285	-63
Total changes	**274**	**133**
Balance as at 31 December	**789**	**515**

Of the lease incentives, €252,000 have a remaining term of less than 12 months (2022: €66,000). In 2023 33 new incentives were provided as rent-free period. The new incentives were mostly related to the in 2022 acquired Dagelijks Leven portfolio.

NOTES TO THE BALANCE SHEET AS AT 31 DECEMBER 2023 (AMOUNTS X €1,000)

	2023	2022
3. Properties under development		
Accumulated acquisition cost	8,646	54,615
Cumulated changes in fair value	-8,646	19,731
Book value as at 1 January	**0**	**74,346**
Changes		
Investments	15,655	15,605
Value changes	-3,873	-7,028
Transfer to investment property	0	-82,923
Total changes	**11,782**	**-74,346**
Accumulated acquisition cost	24,301	8,646
Cumulated changes in fair value	-12,519	-8,646
Book value as at 31 December	**11,782**	**0**

The property under development portfolio consists of three properties at the end of 2023 (2022: one property).

The external valuations were carried out by Cushman & Wakefield. Projects under development are first valued externally after the start of construction or if the Manager sees reason to have an external valuation carried out earlier, for example if the period between the purchase of the property and the start of construction is too long. The changes in value are accounted for in the relevant quarter. The fair value prepared by the appraiser has been assessed and determined by the Manager. The valuation technique used for properties under development is based on the rental value capitalisation method and the discounted cash flow method (DCF method).

The most important non-observable variables for real estate under development are:

	31-12-2023		31-12-2022	
	Range	Weighted average	Range	Weighted average
Gross initial yield	5.7% - 5.8%	5.8%	5.1%	5.1%
Discount rate	5.0%	5.0%	4.8%	4.8%

	2023	2022
4. Associates		
Balance as at 1 January	**15**	**16**
Changes		
Investments	3	0
Disposal	-3	0
Movements in net asset value current year	-3	-1
Total changes	**-3**	**-1**
Balance as at 31 December	**12**	**15**

NOTES TO THE BALANCE SHEET AS AT 31 DECEMBER 2023 (AMOUNTS X €1,000)

LIST OF CAPITAL INTERESTS (AMOUNTS X €1,000)

	Processing	Capital interest	Control	Valuation 31-12-2023	AIFMD-regime
Achmea Dutch Health Care Property Fund Ontwikkeling B.V., Amsterdam[1, 2]	NVM	100%	Yes	12	No
Achmea Dutch Health Care Property Fund Services B.V., Amsterdam (liquidated 21-12-2023)[2]	NVM	100%	Yes	0	No

[1] NVM: Equity method based on the net asset value.
[2] Since no activities have been started and the participating interests are of negligible importance, no consolidation has taken place based on Section 407, subsection 1a, Part 9, Book 2 of the Dutch Civil Code.

	31-12-2023	31-12-2022
5. Accounts receivable		
Rent receivables	820	553
Provision for doubtful rent receivables	-66	-93
Rent receivables net of provision for doubtful rent receivables	**754**	**460**

As in 2022, the receivables do not include any debts with more than 12 months remaining.

AGING ANALYSIS RENTAL RECEIVABLES (NET OF PROVISION FOR DOUBTFUL RENTAL RECEIVABLES)

	31-12-2023	31-12-2022
Up to 30 days	481	177
Between 30 and 60 days	62	18
Between 60 and 90 days	30	112
More than 90 days	181	153
	754	**460**

MOVEMENT IN DOUBTFUL-DEBT PROVISION FOR DEBTORS

	2023	2022
Balance as at 1 January	**93**	**258**
Addition to the provision	66	-163
Released	-93	-2
Balance as at 31 December	**66**	**93**

	31-12-2023	31-12-2022
6. Prepayments and accrued income		
Value added tax	0	451
Insured loss	11	0
Advance payment managers	47	0
Asset management fees receivable	42	0
Service charges	223	0
Amounts receivable	25	305
Balance as at 31 December	**348**	**756**

As in 2022, accruals do not include any accruals with a remaining term of more than 12 months.

	31-12-2023	31-12-2022
7. Cash		
Bank accounts Coöperatieve Rabobank U.A.	11,110	14,919
Balance as at 31 December	**11,110**	**14,919**

The cash is at the free disposal of the Fund.

NOTES TO THE BALANCE SHEET AS AT 31 DECEMBER 2023 (AMOUNTS X €1,000)

8. Net Assets

THE TOTAL NET ASSETS FOR 2023 CAN BE DEFINED AS FOLLOWS

	Investors' contributions	Revaluation reserve	Other reserves	Undistributed result for the financial year	Total
Balance as at 1 January 2023	**622,324**	**102,180**	**-13,155**	**-6,379**	**704,970**
Capital calls	179,964	0	0	0	179,964
Redemptions	-162,651	0	0	0	-162,651
Revaluation	0	-31,186	31,186	0	0
Distribution financial year	0	0	-23,657	0	-23,657
Appropriation of profit of the previous financial year	0	0	-6,379	6,379	0
Result for the year	0	0	0	-28,486	-28,486
Balance as at 31 December 2023	**639,637**	**70,994**	**-12,005**	**-28,486**	**670,140**

The capital calls relate to payments by investors in the amount €167,500,000 and paid out stock dividend of €12,464,000.

THE TOTAL NET ASSETS FOR 2022 CAN BE DEFINED AS FOLLOWS

	Investors' contributions	Revaluation reserve	Other reserves	Undistributed result for the financial year	Total
Balance as at 1 January 2022	**467,592**	**104,652**	**-35,908**	**38,803**	**575,139**
Capital calls	176,585	0	0	0	176,585
Redemptions	-21,853	0	0	0	-21,853
Revaluation	0	-2,472	2,472	0	0
Distribution financial year	0	0	-18,522	0	-18,522
Appropriation of profit of the previous financial year	0	0	38,803	-38,803	0
Result for the year	0	0	0	-6,379	-6,379
Balance as at 31 December 2022	**622,324**	**102,180**	**-13,155**	**-6,379**	**704,970**

The capital calls relate to payments by investors in the amount €163,008,000 and paid out stock dividend of €13,577,000.

THE STATEMENT OF COMPREHENSIVE INCOME CAN BE DISCLOSED ALS FOLLOWS

	2023	2022
Net result after tax	-28,486	-6,379
Income and expenditure directly in equity	0	0
Comprehensive income as at 31 December	**-28,486**	**-6,379**

PROPOSAL FOR PROFIT APPROPRIATION

It is proposed to the Investor Meeting to distribute the result of the financial year as follows:

PROPOSED PROFIT APPROPRIATION (AMOUNTS X €1,000)

	2023	2022
Result financial year	-28,486	-6,379
Unrealised changes in value of investments	55,032	25,935
Minimum to be distributed to Investors	**26,546**	**19,556**
Profit for the financial year already distributed	-12,484	-8,383
To be distributed to Investors	**14,062**	**11,173**
Proposal for distribution to investors in cash	6,954	4,336
Dividend payable to investors in units	7,108	6,837
Distributable to Investors as at 31 December	**14,062**	**11,173**

The proposed cash dividend of €6,954,000 (2022: €4,336,000) and the proposed stock dividend of €7,108,000 (2022: €6,837,000) have not yet been recognised in the balance sheet as at 31 December.

	31-12-2023	31-12-2022
Net asset value (x €1,000)	670,140	704,970
Number of outstanding units	549,469	535,289
Net asset value per unit before profit appropriation (in €)	1,219,61	1,316,99

Net asset value means visible equity, defined in these financial statements as Total Net Assets.

NOTES TO THE BALANCE SHEET AS AT 31 DECEMBER 2023 (AMOUNTS X €1,000)

	31-12-2023	31-12-2022
Liabilities		
9. Other liabilities		
Investments to be paid	246	65
Rent received in advance	2,428	1,873
Deposits	1,685	1,509
Operating costs payable	314	274
Turnover tax	83	0
Asset management fees payable	0	161
Service charges	0	281
Other	175	292
Balance as at 31 December	**4,931**	**4,455**

Other liabilities include, except for deposits of €1,685,000 (2022: €1,509,000), no debt with a remaining term of more than 12 months.

OFF-BALANCE SHEET ASSETS, ARRANGEMENTS AND LIABILITIES

Investment liabilities for assets under development

COMMITMENTS ENTERED INTO AS AT 31 DECEMBER 2023 (AMOUNTS X €1,000)

	31-12-2023	31-12-2022
Maestro, Block D, The Hague	22,730	25,978
De Slinge, Assen	23,492	0
Hof van Jacob, Haarlem	14	0
Total	**46,236**	**25,978**

Agreement with the Manager

The Fund has an agreement with the Manager for an indefinite period, The agreement will end in the event of the dissolution, voluntary resignation or bankruptcy of the Manager, or a resolution passed by a qualified majority of the Investor Meeting.

The annual fee paid to the Manager is 0.50% per million euros of tangible fixed assets (property, plant and equipment), financial fixed assets and cash under management.

For acquiring existing real estate and new developments, Achmea Real Estate charges an one-off acquisition fee to the Fund. The rate for acquiring existing real estate is 0.2% to 1.0% of the purchase amount. The acquisition and development rate for new construction by external project developers is 1.0% to 2.0% of the overall construction costs.

The development rate for new construction by the Manager's internal project developer is 5.0% to 6.0% of the overall construction costs and will be charged upon completion.

Agreement with the AIFMD Depositary

To implement the Alternative Investment Fund Managers Directive (EU-AIFMD Directive 2011/61/EU), the Manager Achmea Real Estate appointed BNP Paribas S.A. as Depositary of the funds it manages in 2014.

The agreement is entered into for a period of at least three years, There is a notice period of six months. The Manager has not yet terminated the agreement and therefore the agreement will continue on the same terms, after the expiry of the three-year period, until six months after actual termination.

The AIFMD Depositary has the following three core tasks according to law (Article 21 AIFMD):

- Monitoring the Fund's cash flows
- Registering assets and determining ownership of assets of the Fund
- Monitoring of procedures

BNP Paribas S.A. performs the role of the Depositary from 1 July 2014.

The AIFMD Depositary has explicitly accepted in the agreement the liability under Article 21-12 AIFMD and is liable under this Article for the services provided, The AIFMD Depositary is also liable for any other loss if the AIFMD Depositary intentionally or culpably fails to fulfil its obligations under this Directive.

The AIFMD Depositary is not liable if it can prove that the loss resulted from an external event beyond its reasonable control, the consequences of which were unavoidable despite all efforts to the contrary.

The fee for BNP Paribas S.A. consists of a fixed fee of €20,000 and a variable annual fee calculated quarterly at 0.4 basis points over the value of the assets (financial instruments, cash and other assets real estate investments).

NOTES TO THE INCOME STATEMENT FOR 2023 (AMOUNTS X €1,000)

	2023	2022
10. Rental income		
Primary care centres	6,176	5,366
Residential care	15,093	9,704
Lifetime homes	10,926	9,700
Secondary and other healthcare real estate	2,769	2,481
Total	**34,964**	**27,251**

The distribution of future cash flows from leases (excluding participations) is as follows:

	31-12-2023	31-12-2022
• no more than one year after the balance sheet date	27,685	26,115
• more than one year but not more than five years after the balance sheet date	100,864	96,215
• more than five years after the balance sheet date	160,783	169,676

This concerns only the rental flows of the commercial property. Homes have a rental contract for an indefinite period. A tenancy agreement can be terminated by the tenant each month.

RENTAL INCOME BREAKDOWN 2023

	Theoretical rent	Vacant properties	Lease incentives (rental discount)	Rental income	Vacancy as % of theoretical rent
Primary care centres	6,298	122	0	6,176	1.9%
Residential care	15,526	107	326	15,093	0.7%
Lifetime homes	11,390	464	0	10,926	4.1%
Secondary and other healthcare real estate	2,850	81	0	2,769	2.8%
Total	**36,064**	**774**	**326**	**34,964**	

RENTAL INCOME BREAKDOWN 2022

	Theoretical rent	Vacant properties	Lease incentives (rental discount)	Rental income	Vacancy as % of theoretical rent
Primary care centres	6,147	405	376	5,366	6.6%
Residential care	10,051	347	0	9,704	3.5%
Lifetime homes	9,882	182	0	9,700	1.8%
Secondary and other healthcare real estate	2,512	31	0	2,481	1.2%
Total	**28,592**	**965**	**376**	**27,251**	

NOTES TO THE INCOME STATEMENT FOR 2023 (AMOUNTS X €1,000)

	2023	2022
11. Service charges		
Service charges income (paid by tenants)	3,040	1,742
Service charges for vacant properties	116	54
Total	**3,156**	**1,796**

	2023	2022
12. Operating expenses		
Maintenance costs	2,156	1,963
Property tax	580	405
Fixed charges	474	363
Property management fees	1,401	999
Rental costs	342	84
Valuation costs	176	127
Marketing costs	18	191
Owners' association contribution	707	644
Non-deductible VAT	839	592
Addition to doubtful-debt provision for lease debtors	66	-163
Other	86	183
Total	**6,845**	**5,388**

The costs attributable to vacancy amount to approximately €210,000 (2022 €173,000) and consist of taxes, insurance, systematic maintenance, appraisal, management, and service costs for vacant properties.

	2023	2022
13. Income from associates		
Unrealised losses of associates	-3	-1
Total	**-3**	**-1**

	2023	2022
14. Unrealised changes in the value of real estate investments		
Unrealised gains from real estate investments	774	7,508
Unrealised losses from real estate investments	-55,806	-33,442
Total	**-55,032**	**-25,934**

	2023	2022
15. Other income		
Fees for the issue and redemptions of units	1,651	924
Total	**1,651**	**924**

	2023	2022
16. Management fees		
Management fees	3,440	3,271
Total	**3,440**	**3,271**

This concerns management fees charged to the Fund by the Manager. Management fees are further disclosed under off-balance sheet assets, arrangements and liabilities.

NOTES TO THE INCOME STATEMENT FOR 2023 (AMOUNTS X €1,000)

	2023	2022
17. Depositary charges		
Depositary charges	61	54
Total	**61**	**54**

This concerns the costs charged by the AIFMD Depositary. The depositary costs are further disclosed under off-balance sheet assets, arrangements and liabilities.

	2023	2022
18. Other expenses		
Benchmark costs	132	103
Legal and tax consultancy fees	81	33
Auditor's fees	39	37
Costs of AFM supervision	26	17
Fees Advisory Board	50	38
Interest charges on bank accounts	-367	47
Other	80	106
Total	**41**	**381**

The auditor’s fees relate exclusively to fees for auditing the financial statements for the relevant financial year, irrespective of whether the work was already carried out during the financial year.

ONGOING CHARGES FIGURE (OCF)

	2023	2022
OCF based on the weighted average NAV	1.63%	1.47%
OCF based on the weighted average GAV	1.57%	1.44%

EVENTS AFTER BALANCE SHEET DATE

No events have taken place after balance sheet date that affect the financial statements.

RELATED PARTY TRANSACTIONS

Identification of related parties

The Manager and its Management Board and their immediate family members (spouse or registered partner and own children), the members of the Advisory Board and their immediate family members (spouse or registered partner and own children) are considered to be related parties by the Fund. The Fund also considers the shareholder of the Manager and the group companies affiliated with it to be a related party. Finally, the investors are also considered to be related parties.

Transactions with the Manager

The Fund has outsourced its asset management to Achmea Real Estate (trade name of Syntrus Achmea Real Estate & Finance B.V.). For this purpose, Achmea Real Estate received a payment of €3,440,000 (2022: €3,271,000). In addition, the Manager received a development fee of €0 (2022: €865,000) and an acquisition fee of €0 (2022: €335,000) to the Fund.

Management and staff of Achmea Real Estate participate in Stichting Pensioenfonds Achmea. The members of the Management Board of Achmea Real Estate and their immediate family members have no other person interests in the investments of the Fund.

Remuneration of the Manager

The total remuneration of the Management Board and staff of the Manager can be specified as follows:

REMUNERATION OF THE MANAGER AS AT 31 DECEMBER 2023 (AMOUNTS X €1,000)

	Variable	Fixed	Total	FTEs*
Executive Board	TBD	721	721	3.0
Staff who have a significant influence on the risk profile of the entity	TBD	2,164	2,164	12.0
Other	TBD	27,792	27,792	354.5
Total	**TBD**	**30,677**	**30,677**	**369.5**

* This concerns an average number of FTEs (excluding external staf) in 2023.

The remunerations relate to activities for the management of the Fund and activities for the management of other entities for which Syntrus Achmea Real Estate & Finance B.V. acts as Manager. Since the information for allocation is not immediately available, the awards have not been allocated individually to the Fund and the other entities. The variable remuneration for 2023, which may be paid out in 2024, is not yet known. The Manager receives no result-dependent remuneration.

Transactions with members of the Advisory Board

The members of the Advisory Board and their immediate families have no personal interest in the investments of the Fund.

Transactions with Achmea B.V. and affiliated group companies

The Fund maintains bank accounts with Coöperatieve Rabobank U.A. Coöperatieve Rabobank U.A. is a shareholder of Achmea. The real estate investments are insured with Achmea Schadeverzekeringen N.V. Periodically (once every three years) the insurance portfolio is assessed for market conformity. A screening took place in 2023. The outcome of the screening was that the premiums and conditions are in line with the market.

Employees

During the year 2023, as in 2022, there were no fund employees.

Other

No real estate transactions took place with Investors during the financial year.

Other

No real estate transactions took place with Investors during the financial year.

Amsterdam, 25 April 2024

Syntrus Achmea Real Estate & Finance B.V.
Ms M.A.H.G. Hendrickx, Director Finance, interim chairman of the Board
Mr B. van der Gijp, Director Real Estate, member of the Board

6. Other information

REGULATORY PROVISIONS ON THE APPROPRIATION OF PROFIT

Articles 18.1 to 18.3 from the Fund Terms and Conditions can be summarized as follows: The Fund applies the principle of being able to pay dividends after the end of each quarter in cash or in units. As far as possible, the Fund will make an interim profit distribution on the valuation date in units, provided that the issuance of the relevant units takes place on the interim payment date. This interim profit distribution will be calculated on the basis of the distributable result in the period from January through March of the year in question, April through June of the relevant year, July through September of the relevant year, October through December of the relevant year. The result from sales is not distributed but added to the Fund's reserves. The number of units issued in the form of an interim profit distribution is determined on the basis of the value of the units as calculated on the valuation date after the valuation date after deduction of the interim profit distribution.

If the total amount of interim profit distributions made by the Fund during a financial year, exceeds the distributable result as laid down in the approved annual report in the relevant financial year, then over-issued units will be withdrawn by the relevant notice from the Manager without consideration shall be withdrawn. If the distributions have been made in cash, then the investors concerned shall be obliged at the first request of the Manager to return to the Fund the excess amounts paid to the investors.

INDEPENDENT AUDITOR'S REPORT

To: the Investor Meeting and the Manager of Achmea Dutch Health Care Property Fund

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS 2023 INCLUDED IN THE ANNUAL REPORT

Our opinion
We have audited the financial statements for the financial year ended 31 December 2023 of Achmea Dutch Health Care Property Fund.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of Achmea Dutch Health Care Property Fund as at 31 December 2023 and of its result for 2023 in accordance with Part 9 of Book 2 of the Dutch Civil Code.

The financial statements comprise:
- the balance sheet as of 31 December 2023;
- the income statement for 2023; and
- 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 Achmea Dutch Health Care Property Fund (hereinafter referred as: the investment entity) 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 investment entity and its environment and the components of the system of internal control, including the risk assessment process and the Manager'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 Manager's report for the Manager's risk assessment.

We evaluated the design and relevant aspects of the system of internal control and in particular the fraud risk assessment, as well as the code of conduct, whistle blower procedures and incident registration of the Manager. We evaluated the design and the implementation of internal controls designed to mitigate fraud risks. Specifically with regard to real estate transactions, we obtained an understanding on the internal controls relating to the acquisition and divestment process.

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 in close co-operation with our forensic specialists. 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.

We addressed the risk related to management override of controls, as this risk is present in all entities. 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 the Notes to the balance sheet and profit and loss account in 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.

When identifying and assessing fraud risks we presumed that there are risks of fraud in revenue recognition. We designed and performed our audit procedures relating to revenue recognition responsive to this presumed fraud risk.

In order to respond to the identified risk in relation to the valuation of investment properties (including properties under development), we specifically engaged our internal real estate specialists in assessing the valuation method and auditing the valuation for a sample of investment properties (including the assumptions and estimations made within the valuation). Moreover, for a sample we have verified the accuracy of the input data, which are relevant for the valuation.

We considered available information and made enquiries of relevant management and officers at the Manager.

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 the Manager, reading minutes, inspection of internal audit and compliance reports and performing substantive tests of details of classes of transactions, account balances or disclosures.

We also inspected lawyers' letters and correspondence of the Manager with the 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 'General information' in the Notes to the balance sheet and profit and loss account in the financial statements, the financial statements have been prepared on a going concern basis. When preparing the financial statements, the Manager made a specific assessment of the investment entities' ability to continue as a going concern and to continue its operations for the foreseeable future. We discussed and evaluated the specific assessment with the Manager exercising professional judgment and maintaining professional skepticism.

We considered whether the Manager'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 investment entities' 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.

Based on our procedures performed, we did not identify material uncertainties about going concern. 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 an investment entity 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 Manager 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 Manager for the financial statements
The Manager is responsible for the preparation and fair presentation of the financial statements in accordance with Part 9 of Book 2 of the Dutch Civil Code. Furthermore, the Manager is responsible for such internal control as the Manager 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 Manager is responsible for assessing the investment entities' ability to continue as a going concern. Based on the financial reporting framework mentioned, the Manager should prepare the financial statements using the going concern basis of accounting unless the Manager either intends to liquidate the investment entity or to cease operations, or has no realistic alternative but to do so. The Manager should disclose events and circumstances that may cast significant doubt on the investment entities' 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 investment entities' internal control
- Evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Manager
- 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 Manager 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.

The Hague, 25 April 2024

Ernst & Young Accountants LLP
Signed by M.J. Knijnenburg

APPENDICES

Impression Hof van Jacob, Haarlem

Appendix I. Five-year overview

ACHMEA DUTCH HEALTH CARE PROPERTY FUND (AMOUNTS X €1,000)

	2023	2022	2021	2020	2019
Number of properties	70	66	34	33	31
Size of investments	662,859	693,290	569,548	523,182	445,771
Net Asset Value (NAV)	670,140	704,970	575,139	537,930	441,964
Gross Asset Value (GAV)	675,071	709,425	579,626	543,298	448,741
Purchases and investments[1]	24,330	150,116	34,472	79,399	74,401
TGER based on the weighted average INREV GAV	0.54%	0.60%	0.59%	0.62%	0.65%
Gross initial yield (based on market rental value)[2]	5.6%	5.1%	5.1%	4.9%	5.2%
Operating expenses as a % of rental income	19.6%	19.8%	20.3%	20.1%	16.1%
Fund's theoretical annual rent	36,926	34,555	24,762	23,738	18,811
Fund's actual contracted rent	36,287	33,866	23,852	23,256	18,449
Change like for like rental income	5.6%	3.3%	-1.1%	4.0%	2.2%
Occupancy rate	98.3%	98.0%	96.8%	98.6%	98.9%
Rental an other operating income	35,401	27,781	24,107	21,009	17,583
Operating expenses and service charges[3]	-6,961	-5,442	-4,852	-4,157	-2,752
Net operating income	**28,440**	**22,339**	**19,255**	**16,852**	**14,831**
Total direct result[4]	26,546	19,556	16,107	14,256	12,604
Total indirect result[4]	-55,032	-25,934	22,696	6,011	32,422
Total result[4]	**-28,486**	**-6,378**	**38,803**	**20,267**	**45,026**

CONTINUED (AMOUNTS X €1,000)

	2023	2022	2021	2020	2019
Available to investors	26,546	19,556	18,014	16,355	12,604
Already distributed to investors	-12,484	-8,383	-7,875	-6,963	-6,320
Still to be distributed to investors	**14,062**	**11,173**	**10,139**	**9,392**	**6,284**
Financial return					
Income return	3.9%	3.1%	3.0%	2.8%	3.3%
Capital return	-7.8%	-3.4%	4.1%	1.3%	8.7%
Total return	**-4.1%**	**-0.3%**	**7.2%**	**4.1%**	**12.0%**
Financial return from properties in operation					
Income return	4.0%	3.4%	4.1%	3.6%	3.9%
Capital return	-7.2%	-2.6%	3.4%	2.4%	5.2%
Total return	**-3.5%**	**0.8%**	**7.6%**	**6.0%**	**9.1%**
Maturity return					
10 year historical IRR	4.7%	6.7%	8.2%	9.1%	9.4%
Number of investors	18	21	20	17	17
Number of outstanding units	549,469	535,288	420,843	408,670	340,016
Average number of outstanding units	539,759	458,028	415,118	384,330	322,009
Unit value before profit appropriation (in €)	1,219.61	1,316.99	1,366.63	1,307.45	1,296.93

[1] Purchases and investments in 2023 amounted to €8.0 million and €16.3 million respectively.
[2] The gross market rent expressed as a percentage of the investment based on weighted average property in operation.
[3] In the annual accounts, the service costs to be charged are shown separately in the profit and loss account. However, for the five-year overview, the service costs are presented under this line in accordance with previous years on a net basis.
[4] The direct and indirect result (in €) do not directly correspond to the income statement.

Appendix II. Profile of the Fund

OUR MISSION

The Achmea Dutch Health Care Property Fund invests in health care real estate and aims to achieve a sustainable return for its investors at a limited risk. The Fund aims to be the logical partner for investors, care institutions and residents to invest, live and work in comfortable, safe, sustainable, well-spread and profitable care real estate.

The Fund uses the property expertise and market knowledge of the Manager to respond to, on the one hand, the reforms in the healthcare markets and, on the other, the increasing ageing of the population and the individualisation of healthcare needs in society. The Fund invests in health-care real estate, which it partly develops itself. The Fund thus contributes to specific residential and care facilities tailored to the target groups. By properly aligning the property and the care component, the Fund creates added value in a financial and social sense.

PURPOSE OF THE FUND

The Achmea Dutch Health Care Property Fund aims to achieve an attractive financial return for its investors. The Fund invests in Dutch healthcare real estate and thus responds to the increasing and changing demand for care. The aim is to provide high-quality healthcare real estate that meets the needs of residents and care providers and ensures that the care is future-proof. It offers residents and staff a safe, pleasant, modern working and living environment that is easy to adapt to changing care needs.

[1] This is a structure that is not included as such in Dutch (corporate) law.

The Fund takes over the real estate matters for healthcare institutions so that they can focus on providing care, and we offer their staff a suitable and pleasant working environment. Residents can live longer and in comfort in their familiar surroundings. By combining care functions in one building, based on the demand for care in the area, we help place various care services within reach for all.

INVESTORS

The Achmea Dutch Health Care Property Fund invests primarily for institutional investors, such as pension funds, insurers and charities. The Fund's invested assets at the end of 2023 amount to €670.1 million (2022: €705.0 million) was raised by 18 investors (2022: 21 investors). During 2023 one investor existing pledged additional mandate. No capital has yet been called from this investor.

INVESTMENT OBJECTIVE

The Achmea Dutch Health Care Property Fund invests in health care real estate and aims to achieve a sustainable return for its investors at a limited risk. The Fund started in 2008 and is still under construction. The Fund aims to purchase at least €100 million annually to grow to at least €900 million by the end of 2024. In the absence of a specific benchmark for healthcare real estate, the Fund aims to achieve a maturity return (IRR) of at least 7% over ten years. Historically, this target with an IRR of 4.7% (2022: 6.7%) was amply achieved.

BASIC PRINCIPLES

The Achmea Dutch Health Care Property Fund is a core investment fund that offers institutional investors access to the Dutch healthcare property market. Four principles are central to this: stable cash flow, low risk, value increase and flexibility. In accordance with the fund documentation, the Fund may finance up to 25% of the book value of the assets with debt financing. At the end of 2023, no loan capital was used to finance assets.

In accordance with the Information Memorandum, the Fund can finance up to no more than 25% of the book value of the assets with debt financing. At the end of 2023, no debt financing has been used to finance assets.

TAX STRUCTURE

Corporate income tax

The Fund is a mutual fund and is considered transparent for tax purposes from 1 January 2024. The assets, liabilities, and results are allocated to the investors in the Fund pro rata to their duration and participation for corporation tax purposes. The Fund is not itself taxable, but the results are (potentially) taxed among the investors depending on their own tax regime.

Dividend tax

The Fund is not subject to dividend tax from 1 January 2024. No dividend tax is withheld on dividends to be distributed.

Turnover tax

On the basis of its activities the Fund is a taxpayer for VAT purposes. Depending on these activities, the Fund may deduct all or part of the VAT charged to the Fund. In some cases, this input VAT is not deductible at all. The asset-management fee charged to the Fund is currently exempt from VAT.

Real estate transfer tax and other taxes

Generally, the acquisition of Dutch real estate is subject to Dutch real estate transfer tax levied on the purchase price or the fair market value, if higher. Other (annual) taxes may also be levied, such as landlord's tax and local taxes levied by municipalities in which the real estate is located.

THE MANAGER

Achmea Real Estate is the Manager of the Achmea Dutch Health Care Property Fund. Achmea Real Estate has a multidisciplinary healthcare real estate team specialising in assisting external property developers and acquiring and managing healthcare real estate. The risk profile, investment restrictions and guidelines, and the wishes of the residents and the care institution are central to this. The asset management fee charged to the Fund by the Manager in accordance with the Fund Terms and Conditions is 0.5% of the average invested capital and mounts to €3,440,000 in 2023 (2022: €3,271,000). The development fee was €0 (2022: €865,000) and the acquisition fee amounted to €0 (2022: €335,000).

FUND STRUCTURE

The Fund is an investment institution as referred to in Section 1:1 of the Wft (and therefore also an Alternative Investment Fund as referred to in the AIFMD). The legal structure is that of a mutual fund, a sui generis structure[1] based on contractual agreements between the Manager, the Custodian and the Investors[2].

DIVIDEND POLICY

The Achmea Dutch Health Care Fund applies the principle of being allowed to pay dividends in cash or in the form of units at the end of each quarter from 1 January 2024. To the extent possible, the Fund makes an interim profit distribution on the Valuation Date in the form of units, provided that the issue of the relevant units takes place on the Interim Payment Date.

This interim profit distribution is calculated using the Distributable Result in the period from January to March of the relevant year, April to June of the relevant year, July to September of the relevant year and October to December of the relevant year. The result from sales is not distributed but added to the Fund's reserves. The number of units issued in the form of an interim profit distribution is determined on the basis of the unit value as calculated on the Valuation Date after deduction of the interim profit distribution.

If the total amount of the interim profit distributions made by the Fund during a financial year, exceeds the Distributable Profit as recorded in the approved Annual Report in the relevant financial year, then over-issued units will be cancelled pro rata by the relevant communication of the Manager without consideration. If cash distributions have been made, the relevant investors shall be obliged to return to the Fund the overpayments made to such investors upon the Manager's first request.

PRODUCT FEATURES

All the key features of the Achmea Dutch Health Care Property Fund are set out in detail in the Fund's Information Memorandum. This Information Memorandum was last amended on 1 January 2024.

[1] This is a structure that is not included as such in Dutch (corporate) law.
[2] a party that, according to the Investor Register, is entitled to one or more units.

Appendix III. Composition of the property portfolio

INVESTMENT PROPERTIES (AMOUNTS X €1,000)

	Market value
Properties in operation	651,065
Property under development	11,782
Total	**662,847**

CARE PORTFOLIO BY SEGMENT (INCLUDING PROJECTS UNDER DEVELOPMENT) (AMOUNTS X € 1,000)

	%	Market value
Lifetime homes	39.1	292,604
Residential care		
> Financed through NHC	25.4	190,556
> Financed through SWZ	17.9	133,850
Primary care centres	11.7	87,691
Secondary and other healthcare real estate	5.9	44,328
Total	**100.0**	**749,029**

CARE PORTFOLIO BY OPPORTUNITY MAP SEGMENT (INCLUDING PROJECTS UNDER DEVELOPMENT) (AMOUNTS X €1,000)

	%	Market value
Region 1	38.7	289,789
Region 2 - 4	54.0	404,210
Region 5 - 7	7.3	55,030
Total	**100.0**	**749,029**

TOP TEN TENANTS (AMOUNTS X €1,000)

Tenant	City	Annual rent	% annual rent compared to Fund	Number of leases	Term of rental contracts in years
Dagelijks Leven Zorg	Different locations	6,267	17.3%	32	13.6
Woonbron Zorgzaam Wonen	Rotterdam	2,110	5.8%	2	9.4
Stichting Sevagram Zorgcentra	Maastricht	1,966	5.4%	1	14.5
Saffier	The Hague	1,254	3.4%	1	11.7
ZIO Vastgoed Beheer B.V.	Maastricht	1,201	3.3%	8	10.7
Revalidatiehotel Recura B.V.	Zaandam	898	2.5%	1	8.0
September	Arnhem, Zevenaar, Velp, Witmarsum	897	2.5%	5	13.3
Stichting Amstelring Groep	Amsterdam	859	2.4%	12	14.9
ActiVite	Sassenheim	646	1.8%	4	11.7
Stichting Brentano Amstelveen	Amstelveen	583	1.6%	4	8.5
Total top 10 tenants		**16,681**	**46.0%**		
Total annual rent operating portfolio		**36,287**	**100.0%**		

Appendix IV. Overview of the real estate portfolio

OVERVIEW OF PROPERTIES IN OPERATION (AMOUNTS X €1,000)

Sector	Property name	Address	City	Year of acquisition	Year of construction	Lettable area (in m²)	Residential care homes	Lifetime homes	Number of parking spaces	Occupancy rate	Total theoretical annual rent as at 31-12-2023
Healthcare	Centrum Oosterwal	Comeniusstraat 3	Alkmaar	2019	2010	2,672	0	0	90	100.0%	577
Healthcare	Klaasje Zevenster	Klaasje Zevensterstraat	Amstelveen	2016	2017	3,250	52	88	49	99.3%	1,679
Healthcare	Bezaanjachtplein Cordaan	IJdoornlaan 1*	Amsterdam	2011	2014	2,173	36	0	10	100.0%	374
Healthcare	Kloek	Lutmastraat	Amsterdam	2018	1920	1,852	36	0	0	100.0%	588
Healthcare	De Makroon	Nieuwe Passeerdersstraat 2*	Amsterdam	2013	2015	4,898	40	134	179	97.1%	3,622
Healthcare	Sint Jacob	Plantage Middenstraat 52	Amsterdam	2017	2022	5,120	36	111	75	96.2%	2,728
Healthcare	Head Office	Kanaal Zuid 145	Apeldoorn	2022	2019	1,012	0	0	0	100.0%	196
Healthcare	Villa Paasberg	Da Costastraat 5	Arnhem	2017	2017	1,495	24	0	10	100.0%	275
Healthcare		Vogelwikkestraat 6	Arnhem	2021	2022	2,672	44	0	18	100.0%	440
Healthcare	De Slinge	Slinge 1**	Assen	2023	n.a.	n.a.	n.a.	0	0	100.0%	195
Healthcare	Het Warandehuis	Kometenlaan 38	Bergen op Zoom	2022	2021	1,040	22	0	0	100.0%	196
Healthcare	Het Zanddonkhuis	Zanddonk 1	Beuningen	2022	2019	910	22	0	0	100.0%	196
Healthcare	Het Snijdelhuis	Kievitstraat	Boskoop	2022	2021	1,040	22	0	0	100.0%	196
Healthcare	Het Langenlindenhuis	Bosscheweg 113	Boxtel	2022	1930	1,054	22	0	0	100.0%	196
Healthcare	MC Scala Medica	Chopinstraat 1 - 20	Bunschoten	2016	2017	3,440	0	32	0	100.0%	991
Healthcare	Het Leijgraafhuis	Hertog Karellaan 38	Cuijk	2022	2020	1,040	22	0	0	100.0%	196
Healthcare	Het Heiakkerhuis	Patrijs 35	Deurne	2022	2021	1,040	22	0	0	100.0%	196
Healthcare	Het Biesemhuis	Grote Biesem	Doesburg	2022	2019	1,040	22	0	0	100.0%	196
Healthcare	Het Wikenhuis	Alferhof 88	Drachten	2022	2020	973	22	0	0	100.0%	196
Healthcare	Het Revelsanthuis	Revelsant 16	Emmeloord	2022	2021	1,122	22	0	0	100.0%	196
Healthcare	Het Emmerdennenhuis	Ravelijn 104	Emmen	2022	2020	1,040	22	0	0	100.0%	196
Healthcare	Het Ravelijnhuis	Ravelijn 106	Emmen	2022	2020	1,040	22	0	0	100.0%	196

OVERVIEW OF PROPERTIES IN OPERATION (AMOUNTS X €1,000) (CONTINUED)

Sector	Property name	Address	City	Year of acquisition	Year of construction	Lettable area (in m²)	Residential care homes	Lifetime homes	Number of parking spaces	Occupancy rate	Total theoretical annual rent as at 31-12-2023
Healthcare	Wesseler-Nering	Het Ieunenberg 950 - 982, Wesseler-Nering 60	Enschede	2022	2012	2,801	0	14	35	99.1%	607
Healthcare	Het Boomgaardhuis	Frederik Hendrikstraat 5	Geldermalsen	2022	2021	965	22	0	0	100.0%	196
Healthcare	Het Rijssenbeekhuis	Rijssenbeeklaan 5	Gennep	2022	2020	1,040	22	0	0	100.0%	196
Healthcare	MC De Flair	Lange Wagenstraat 55	Gilze	2018	1986	2,928	0	0	85	93.6%	390
Healthcare	Het Stalkaarsenhuis	Stalkaarsen 3	Gorinchem	2023	2020	1,040	22	0	0	100.0%	196
Healthcare	Het Zevenheuvelenhuis	Zevenheuvelenweg 14	Groesbeek	2022	1993	1,058	22	0	0	100.0%	196
Healthcare	Schalkstad	Californiëplein	Haarlem	2019	2021	2,022	36	0	0	100.0%	294
Healthcare	Het Greidenhuis	Wulpstraat 49	Heerenveen	2022	2020	1,040	22	0	0	100.0%	196
Healthcare	Het Icarushuis	Callistolaan 2	Heerhugowaard	2022	2020	1,040	22	0	0	100.0%	196
Healthcare	MC Dudokpark	Hoge Naarderweg 3	Hilversum	2016	2012	2,872	0	0	16	88.0%	467
Healthcare	Het Korhoenhuis	Korhoenlaan 5	Hoogeveen	2023	2021	1,040	22	0	0	100.0%	196
Healthcare	Het Blaauwhofhuis	Ulohôf 30	Joure	2022	2021	1,040	22	0	0	100.0%	196
Healthcare	MC Zeehos	Zeehosplein 1	Katwijk	2011	2013	4,792	0	0	0	100.0%	849
Healthcare	Het Mijnwerkershuis	Heistraat 76	Kerkrade	2022	2021	1,040	22	0	0	100.0%	196
Healthcare	Elisabeth Park	Kloosterlaan 37a-c	Lage Vuursche	2020	2018	3,220	49	0	41	100.0%	570
Healthcare	Noordvliet	Soendastraat 2	Leeuwarden	2012	2012	1,723	0	0	24	100.0%	232
Healthcare	Het Vandermolenhuis	Zutphenseweg 6	Lochem	2022	2020	927	22	0	0	100.0%	196
Healthcare	Zorgboulevard Caberg	Clavecymbelstraat 53 and others	Maastricht	2019	2011	931	0	0	0	100.0%	207
Healthcare	GZC Maastricht Oost	Marconistraat 1 - 3	Maastricht	2019	2011	596	0	0	0	100.0%	124
Healthcare	Campagne	Médoclaan 66	Maastricht	2018	2018	15,577	210	0	106	100.0%	1,966
Healthcare	GZC Severen	Severenstraat 4	Maastricht	2019	2010	232	0	0	0	100.0%	48
Healthcare	Zorgpark Scharn	Vijverdalseweg 2 - 4	Maastricht	2019	2014	3,538	0	0	46	100.0%	821
Healthcare	MC Zorgplein Zuid	Ratelaar 35 - 42	Nieuwegein	2018	2014	3,837	0	0	0	94.1%	723
Healthcare	Het Carmelhuis	Carmelstraat 31	Oldenzaal	2022	2005	1,040	22	0	0	100.0%	196
Healthcare	Het Oosterhuis	Wrongel	Oosterwolde	2022	2021	1,040	22	0	0	100.0%	196
Healthcare	De Reigers	Backershagen 1	Rotterdam	2011	2013	686	22	154	78	100.0%	2,110

OVERVIEW OF PROPERTIES IN OPERATION (AMOUNTS X €1,000) (CONTINUED)

Sector	Property name	Address	City	Year of acquisition	Year of construction	Lettable area (in m²)	Residential care homes	Lifetime homes	Number of parking spaces	Occupancy rate	Total theoretical annual rent as at 31-12-2023
Healthcare	SassemBourg	Jan van Brabantweg	Sassenheim	2020	2015	6,713	26	73	67	93.9%	1,792
Healthcare	Het Vlisthuis	Jan Lutmastraat 42	Schoonhoven	2022	2021	1,041	22	0	0	100.0%	196
Healthcare	Het Siterhuis	Breitnerstraat 2	Sittard	2022	2021	1,041	22	0	0	100.0%	196
Healthcare	Het Roufshuis	Breitnerstraat 4	Sittard	2022	2021	1,041	21	0	0	100.0%	196
Healthcare	Het Hoevehuis	Händellaan 6	Terneuzen	2022	2020	1,041	21	0	0	100.0%	196
Healthcare	Eden	Adriaan Vlackstraat 3*	The Hague	2020	2011	3,516	30	0	16	100.0%	600
Healthcare		Westhovenplein	The Hague	2016	2020	6,803	119	0	0	100.0%	1,253
Healthcare	DeBuurt	Brailledreef*	Utrecht	2018	2020	3,918	24	94	109	97.2%	1,514
Healthcare	Het Hovenhuis	Hovenstraat 10	Varsseveld	2022	1925	1,152	22	0	0	100.0%	196
Healthcare	Villa Saesveldt	Arnhemsestraatweg 354	Velp	2017	1870	777	14	0	6	100.0%	160
Healthcare	Buitenlust	Buitenlust 1 - 35	Venray	2021	2012	4,337	0	0	0	95.9%	884
Healthcare	Het Antoniushuis	Oostsingel 3A	Venray	2022	2019	1,041	21	0	0	100.0%	196
Healthcare	Het Hyacintenhuis	Hyacinthenlaan 3	Vlissingen	2022	2021	935	21	0	0	100.0%	196
Healthcare	Het Beekdalhuis	Dasselaarshoek 1	Wierden	2022	2020	1,041	21	0	0	100.0%	196
Healthcare		Arumerweg 53	Witmarsum	2017	1900	2,394	26	0	0	100.0%	250
Healthcare	MC Iepenhof	Iepenhof 1	Woerden	2019	2015	1,470	0	0	0	100.0%	351
Healthcare	Zorgboulevard	Koningin Julianaplein*	Zaandam	2016	2017	9,055	0	0	0	95.4%	2,178
Healthcare		Molenstraat 42	Zevenaar	2017	1932	1,203	18	0	12	100.0%	212
Healthcare	Buitensingel	Buitensingel 62 - 64	Zutphen	2011	2011	1,275	20	0	0	100.0%	247
Healthcare	Norenburgerstraat	Norenburgerstraat 6	Zutphen	2011	2011	1,774	27	0	0	100.0%	336
Number of properties		**67**				**149,556**	**1,556**	**700**	**1,072**	**98.3%**	**36,926**

* Ground lease, not bought out in perpetuity.

** De Slinge involves the demolition-new construction of an intramural care complex spread over two construction phases. The demolition and realization will take place in two phases. This allows current residents to continue living in the existing building during the demolition and construction work. After completion of Phase 1, the current residents will move to the new section, so that Phase 2 can then be started.

PROPERTIES UNDER DEVELOPMENT AS AT 31 DECEMBER 2023 (AMOUNTS X €1,000)

Municipality	Project name	Care units	Commercial property m² care	Start of construction	Expected completion	Investment budget	Investment budget to be capitalised	Cumulative investment costs	Cumulative revaluations	Book value	Expected costs to be incurred until completion	Off-balance sheet assets, arrange-ments and liabilitie	Uncommitted
The Hague	Maestro, Block D	136	167	Q4 2022	Q4 2025	38,984	37,666	12,007	-9,418	2,588	25,660	22,730	2,930
Haarlem	Hof van Jacob	103	2,371	Q2 2024	Q1 2027	37,183	36,190	69	0	69	36,121	14	36,107
Assen	De Slinge	176	0	Q4 2023	Q3 2026	38,088	36,627	12,225	-3,101	9,125	24,401	23,492	909
Total		**415**	**2,538**			**114,255**	**110,483**	**24,301**	**-12,519**	**11,782**	**86,182**	**46,236**	**39,946**

Appendix V. SFDR Level 2

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

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Product name: Achmea Dutch Healthcare Property Fund
Legal entity identifier: Not applicable

ENVIRONMENTAL AND/OR SOCIAL CHARACTERISTICS

Did this financial product have a sustainable investment objective?

☐ *Yes*

- ☐ It made **sustainable investments with an environmental objective:** ___%
  - ☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy
  - ☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
- ☐ It made **sustainable investments with a social objective:** ___%

☑ *No*

- ☑ It **promoted Environmental/Social (E/S) characteristics** and while it did not have as its objective a sustainable investment, it had a proportion of 95% of sustainable investments
  - ☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
  - ☑ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
  - ☐ with a social objective
- ☐ It promoted E/S characteristics, but **did not make any sustainable investments**

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

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

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

The Fund has promoted environmental and social characteristics by investing in future-proof healthcare real estate where financial and social returns go hand in hand. The Fund specifically focused on properties that are future-proof from an environmental perspective by:

1. Aiming for as much real estate as possible in the portfolio with green energy labels (A-B-C), with the exception of listed buildings; and
2. Achieving a reduction in carbon emissions.

From a social perspective, the Fund focused on real estate that is attractive and contributes optimally to quality of life. The focus here is on:

3. Tenant satisfaction; and
4. The healthcare theme by acquiring real estate for use as lifetime homes, residential care or primary and secondary healthcare centres.

The Fund also focused on high-quality property and sustainable portfolio management. Efforts are thus made to continuously improve the sustainability policy and sustainability performance of the real estate portfolios compared to similar real estate portfolios in the market through the Global Real Estate Sustainability Benchmark (GRESB). Although this is not a reference benchmark as defined in European legislation, this assessment is used to achieve and attain the environmental and social characteristics promoted by the Fund. The promoted characteristics are pursued in terms of energy labels, carbon emissions, tenant satisfaction, healthcare segments and GRESB score. The share of sustainable energy labels (A and above) is currently around 95%. Measured over 2023, average carbon emissions of 23.0 kg/m² were well below the CRREM standard over 2023 (52.1 kg/m²). By making properties that are in exploitation phase more sustainable and acquiring new sustainable projects, the share of sustainable energy labels is expected to increase further and, in addition, carbon emissions will remain below the CRREM standard. The distribution across different healthcare segments is within the targets set out in the portfolio plan. The tenant satisfaction survey is conducted once a year. The average tenant satisfaction score in the category 'satisfaction with housing' for the Fund was 8.0, where the benchmark scored 7.4.

How did the sustainability indicators perform?

Indicator		2023
1. The distribution of the energy labels in the portfolio	Green energy labels (A-B-C) Energy label A or higher	100% 96.6
2. Carbon emissions per m² of the portfolio compared to the CRREM standard set 1.5ºC for the portfolio	Fund's emission (2022) CRREM norm standard 1.5 ºC	23.0 kg/m² CO_2 52.1 kg/m² CO_2
3. The average tenant satisfaction score in the category 'satisfaction with housing'	Fund Benchmark	8.0 7.4
4. The distribution of properties across the different healthcare real estate segments:	Lifetime housing, inpatient residential care primary care centres, secondary care and other	39.1% 43.3% 11.7% 5.9%
5. GRESB score	GRESB Rating Score	5-star 94

...and compared to previous periods?

Indicator		2022
1. The distribution of the energy labels in the portfolio (excluding listed buildings)	Green energy labels (A-B-C) Energy label A or higher	100% 96.6
2. Carbon emissions per m² of the portfolio compared to the CRREM standard set 1.5ºC for the portfolio	Fund's emission (2021) CRREM norm standard 1.5 ºC	26.5 kg/m² CO_2 56.8 kg/m² CO_2
3. The average tenant satisfaction score in the category 'satisfaction with housing'	Fund Benchmark	7.9 7.4
4. The distribution of properties across the different healthcare real estate segments:	Lifetime housing, inpatient residential care primary care centres, secondary care and other	39.0% 41.9% 12.8% 6.2%
5. GRESB score	GRESB Rating Score	5-star 93

What were the objectives of the sustainable investments that the financial product partially made and how did the sustainable investment contribute to such objectives?
Real estate in which the Fund has invested contributes to an environmental objective by being energy efficient and causing low carbon emissions. In that case limited natural resources are required and this contributes to the mitigation of climate change. This is determined for each real estate property in the Fund based on the energy label. When a real estate property has energy label A or higher, it contributes to the objective to mitigate climate change. Within the Fund, the energy label is examined when purchasing the real estate property, but also throughout the investment period.

How did the sustainable investments that the financial product partially made not cause significant harm to any environmental or social sustainable investment objective?
Besides aiming for some of the properties in the portfolio to contribute to a sustainable investment objective, it must be ensured that properties do not harm other sustainability topics. Real estate can have adverse impacts on the climate, particularly as a result of energy consumption. For this reason the adverse impacts of real estate properties on the climate have been examined to determine if the real estate property is sustainable. This is determined using the indicators for adverse impacts on sustainability factors.

The EU Taxonomy sets out a "do not significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific Union criteria.

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

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

How were the indicators for adverse impacts on sustainability factors taken into account?
None of the real estate properties in the Fund were involved in the extraction, storage, transport or manufacture of fossil fuels because the Fund only invests in healthcare real estate. In addition to the energy label requirement, the legal threshold for properties built after December 2020 is that the maximum primary energy consumption must be equal to or lower than the BENG2 (Nearly zero-energy buildings) standard. The carbon emissions of real estate are strongly related to energy efficiency and this is also limited in this way.

Were sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:
These international norms mainly apply to equity investment in companies. As the Fund invests in real estate properties, the investments are not aligned with these international standards.

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

The legislation has defined principal adverse impacts of real estate mainly in the form of environmental indicators. The two most important adverse impacts are energy efficiency (measured based on energy labels for real estate built until 2020 and the BENG2 norm for real estate built after 2020) and the exposure to fossil fuel activities.

The real estate in which the Fund invests are healthcare properties and these investments are not involved in fossil fuel activities, such as the extraction, storage, transport and manufacture of fossil fuels. Therefore, there was no exposure of the Fund to such activities in the past year.

Energy efficiency is one of the most important sustainability topics is on the basis of which the real estate in the portfolio is selected and managed. New real estate properties must comply with the BENG2 standard based on applicable legislation. For existing real estate to be purchased the energy label was part of the investment decisionmaking process. In the past year, several new-build properties were acquired. These properties fully comply with the BENG standards set for this purpose.

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

Asset allocation describes the share of investments in specific assets.

With regard to existing real estate in the portfolio, it has been made clear how properties are made more sustainable, with the exception of the listed buildings. In 2022 a start was made with a carbon emission reduction road map and this road map was finalized in 2023. It will be the guidance for further sustainability plans in the near future. Carbon emissions and energy consumption have been taken into account in this way, for all purchases made during 2023.

What were the top investments of this financial product?

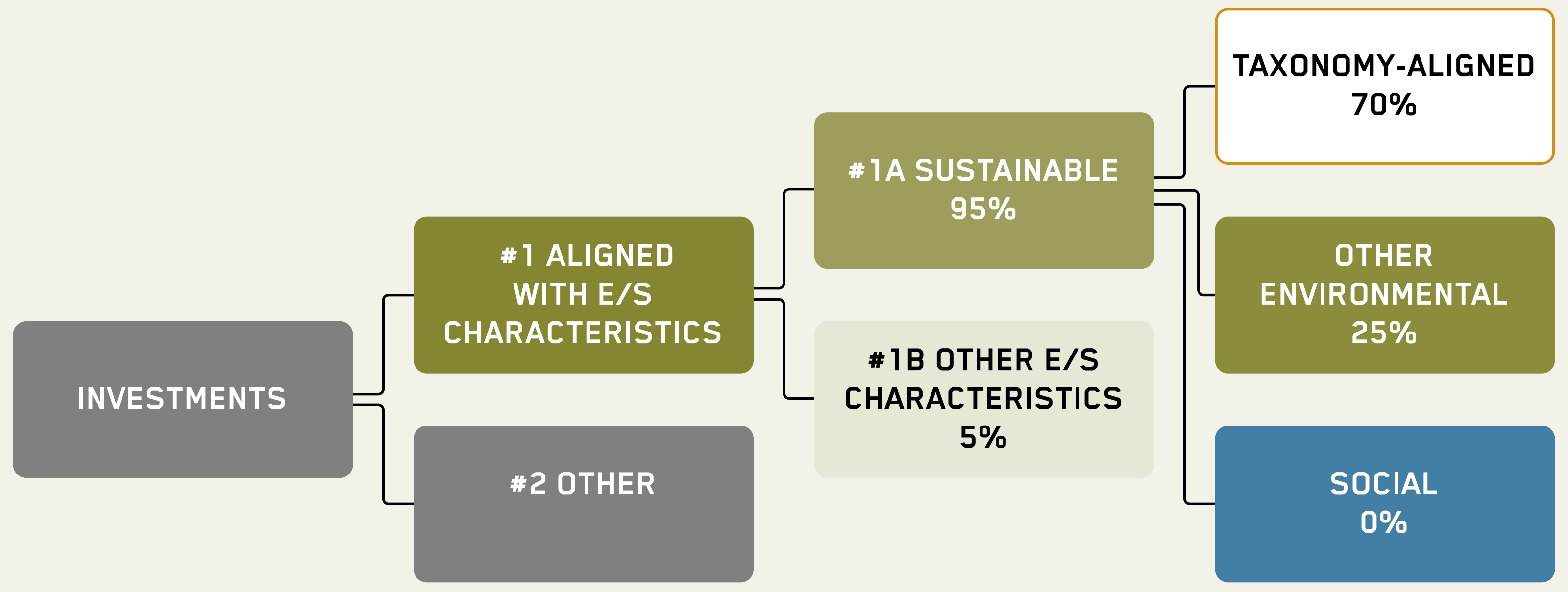
The top-10 largest investments of the Fund at the end of 2023 were as follows:

Property name	Sector	% Assets	Country
Dagelijks Leven Zorg	Healthcare	17.3%	Netherlands
Woonbron Zorgzaam Wonen	Healthcare	5.8%	Netherlands
Stichting Sevagram Zorgcentra	Healthcare	5.4%	Netherlands
Saffier	Healthcare	3.4%	Netherlands
ZIO Vastgoed Beheer B.V.	Healthcare	3.3%	Netherlands
Revalidatiehotel Recura B.V.	Healthcare	2.5%	Netherlands
September	Healthcare	2.5%	Netherlands
Stichting Amstelring Groep	Healthcare	2.4%	Netherlands
ActiVite	Healthcare	1.8%	Netherlands
Stichting Brentano Amstelveen	Healthcare	1.6%	Netherlands

What was the proportion of sustainability-related investments?

The investments of the Fund consist solely of real estate properties. The entire portfolio met the promoted environmental and social characteristics throughout 2023. In addition, 95% of the investments qualified as sustainable. Cash is excluded from this overview.

What was the asset allocation?



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2 Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:
- The sub-category **#1A Sustainable** covers environmentally and socially sustainable investments.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

In which economic sectors were the investments made?

The Fund has invested exclusively in the real estate sector.

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

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

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

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

In 2023, 70% of the investments of the Fund was aligned with the "climate-mitigation"-criteria of the EU Taxonomy for real estate investments.
The following principles were applied:

1. Solely energy efficient buildings can be aligned with the EU Taxonomy.
   - Buildings for which the 'environmental permit' (licence required before start building) was issued before Januari 1st, 2021 are considered energy efficient if they dispose of an energy label A or higher.
   - For buildings for which the 'environmental permit' was issued after that date, the performance of the building with regards to the BENG2 standard, must be 10% below that standard.
2. Objects that, based on their location, are not subject to high or very high climate risks (determined on the basis of the Climate Impact Atlas: "Klimaateffectatlas") and / or, if they are subject to such high or very high risks, an adaptation plan for those objects has been drawn up that will be implemented in the next five years, can be aligned with the EU Taxonomy.
3. At reporting date, the Climate Impact Atlas-maps do not yet cover all climate risks identified by the EU Taxonomy and not all data is yet complete, but this data is currently seen as the best practice in the real estate investment market to use as a basis for climate and vulnerability assessments of buildings.
4. In 2024, the maps from the Climate Effect Atlas will be further expanded. Also the maps are expected to be updated with the data from the IPCC6-rapport (the "Intergovernmental Panel on Climate Change 6 report", which is in 2023 by the Dutch metrological institute "KNMI" converted to the "KNMI'23-climate scenario's").
   The specific characteristics of the buildings will also be added to the climate risk analysis in the coming years.
5. Additional requirements apply to objects with larger-scale energy consumption (e.g. central block heating).

As shown here, the data will be refined in the coming years. Also the trend towards applying sustainability measures in the portfolio will be continued.

All this results in the expectation that the percentages may change in the coming years. The precentages should therefore be seen as a provisional starting point, based on the currently available information.

Taxonomy-aligned activities are expressed as a share of:
- **turnover** reflecting the share of revenue from green activities of investee companies.
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

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

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

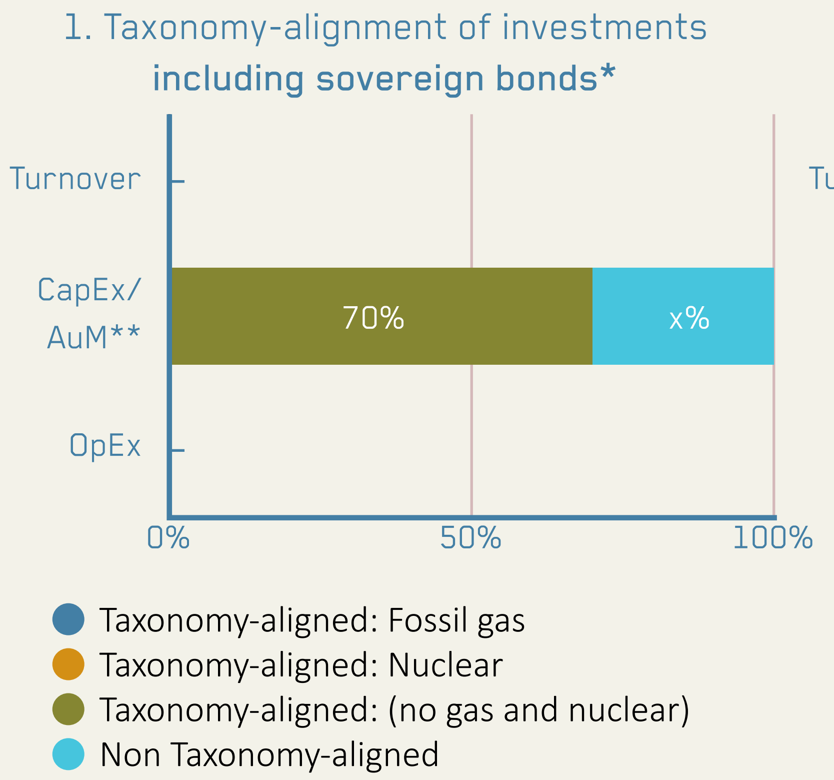
Did the financial product invest in fossil gas and/or nuclear energy related activities complying with the EU Taxonomy[1]?

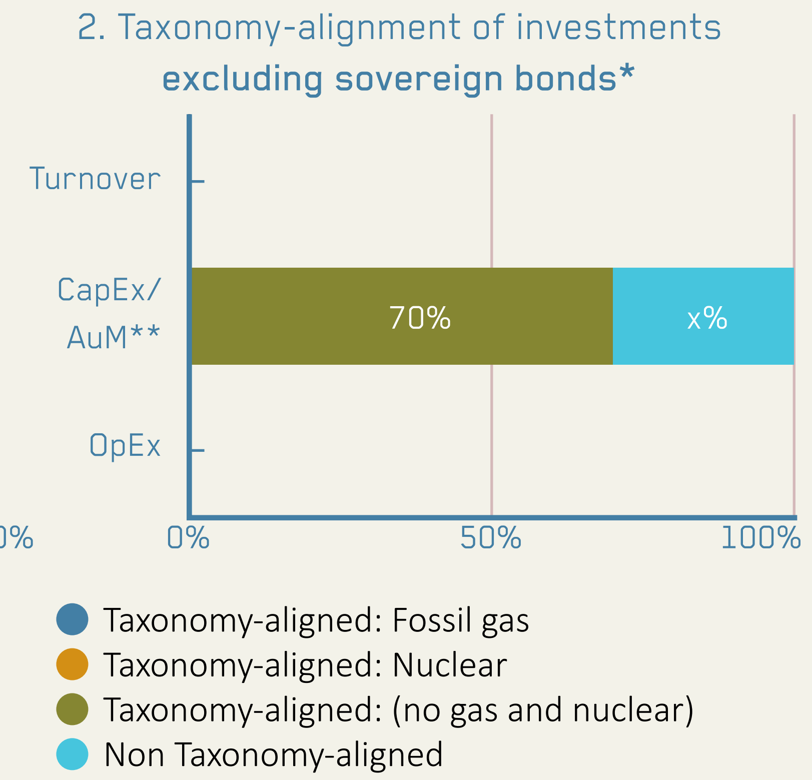
☐ Yes:

☐ In fossil gas ☐ In nuclear energy

☑ No

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





This graph represents x% of the total investments.

* For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures.
** The current consensus in the real estate investment market is that the fair value of the investments (fair value Assets under Management) can be used to determine the percentages.

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

Within the EU Taxonomy framework, the acquisition and ownership of real estate does not qualify as transitional or enabling activities. For that reason, the share of investments made in transitional and enabling activities was 0%.

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

Over reporting year 2022 no percentage of EU Taxonomy alignment was disclosed. The results of the calculations are published in this report for the first time.

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

Real estate properties that do not meet the EU Taxonomy criteria, but that do meet the criteria for sustainable investments with an environmental objective, are a sustainable investment with an environmental objective in economic activities that are not aligned with the EU Taxonomy. The share of sustainable investments with an environmental objective that is not aligned with the EU Taxonomy is (95% - 70% =) 25%.

What was the share of socially sustainable investments?

Not applicable, no investments that qualify as social sustainable investments have been made by the Fund.

What investments were included under "other", what was their purpose and were there any minimum environmental or social safeguards?

All investments by the Fund have complied with the environmental or social characteristics. This means that no investments are included under "other" investments that do not comply with the environmental and social characteristics.

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

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

A carbon emission reduction roadmap has been developed and is being implemented with the aim of having as much real estate properties with green labels as possible in the Fund.

In line with this, the carbon emissions of the assets in the portfolio were or will be monitored, as well as evaluated against applicable CRREM standards. Tenant satisfaction of the residential properties was examined last year by a tenant satisfaction survey. Besides that, initiatives were put in place to create more interaction between residents in several properties, by launching an active community platform (eef).

The Fund participates annually in the GRESB. Data was supplied to GRESB for this purpose. The results were announced in October 2023 and the Fund was number one in its European peer group with a score of 94 points, 5 stars.

How did this financial product perform compared to the reference benchmark?

The sustainability performance of the portfolio is measured by and compared with the sustainability benchmark GRESB. This is not a reference benchmark within the meaning of European legislation. Therefore, the reference benchmark questions are not applicable.

How does the reference benchmark differ from a broad market index?
Not applicable.

How did this financial product perform with regard to the sustainability indicators to determine the alignment of the reference benchmark with the environmental or social characteristics promoted?
Not applicable.

How did this financial product perform compared with the reference benchmark?
Not applicable.

How did this financial product perform compared with the broad market index?
Not applicable.

Appendix VI. INREV

Since its establishment in 2002, the Manager has been a member of INREV. During its existence, INREV has drawn up various guidelines and recommendations that have been integrated into the periodically updated "INREV Guidelines". On the INREV website (www.inrev.org) you can download these guidelines.

Through the INREV self-assessment tools, the Manager has assessed the extent to which the Fund complies with the applicable guidelines and recommendations.

DEGREE OF COMPLIANCE

Overall compliance with the INREV Guidelines: 98%. INREV launched revised and also some new guidelines in 2023, which will be in effect as from 1 January 2024. We have updated the INREV assessments as from Q4 2023. The overall assessment score is displayed below.

PROPERTY VALUATION

The Property Valuation Guidelines require an explanation of the extent to which external appraisers perform other services for the Fund in addition to valuation work. None of the properties in the portfolio are both managed and valued by the same organisation (2022: 0%). property Valuation.

AGREEMENT WITH PROPERTY MANAGERS

The annual property management fees are for the number of properties managed and/or a fee based on the theoretical rent for commercial real estate. Management costs for 2023 amounted to €1.2 million (2022: €730,000).

INREV NET ASSET VALUE

The frequency of NAV calculation is not included in the fund documentation. The Fund will report the Fund NAV and the INREV NAV in the quarterly report. The Fund also meets all INREV guidelines regarding the INREV Net Asset Value.

INREV NET ASSET VALUE (NAV) (AMOUNTS X €1,000)

	31-12-2023	31-12-2022
Fund NAV	670,140	704,970
Adjusted for:		
To be distributed to investors in cash	0	0
Capitalisation and depreciation of acquisition costs	1,597	3,946
INREV NAV	**671,737**	**708,916**
Average weighted INREV NAV	**685,071**	**634,542**

Casper Hesp (ARE), keynote speaker at the INREV Investment Intentions seminar 2023

Acquisition costs are capitalised for calculating INREV NAV and amortised over five years.

INVESTOR COMMITMENTS AND CAPITAL INVESTED (AMOUNTS X €1,000)

	Q1 2023	Q2 2023	Q3 2023	Q4 2023	Total	Q1 2024
Capital call	30,000	0	14,000	123,500	**167,500**	0
Redemption paid out	-32,232	0	-11,000	-119,419	**-162,651**	0
Distribution of dividend	0	-9,218	-1,956	-12,484	**-23,658**	-7,719
Stockdividend	0	4,784	1,027	6,653	**12,464**	n.a.
New investment commitments	0	4,300	0	0		0
Total outstanding mandates	251,500	255,800	241,800	118,300		118,300
Outstanding redemptions	0	-11,000	-119,419	-10,012		-10,012
Investors in redemption queue	0	1	1	1		1

INREV Policies	2023	2022
TGER based on the weighted average INREV NAV	0.54%	0.60%
TGER based on the weighted average INREV GAV	0.54%	0.60%
REER based on the weighted average INREV GAV	1.07%	1.04%
INREV NAV	671,737	708,916
Average weighted INREV NAV	685,071	634,542
INREV GAV	675,071	709,425
Average weighted INREV GAV	693,087	635,656

TER = Total Expense Ratio
REER = Real Estate Expense Ratio
For a more detailed explanation of these terms, see the glossary in Annex IX..

INREV Performance Measurement	2023	2022
INREV total return	-4.4%	-0,3%
INREV income return	3.9%	3.1%
INREV capital return	-8.1%	-3.4%
INREV distributed income return	3.5%	2.9%

Appendix VII. Profile of the Manager

Achmea Real Estate has been an investment manager specialising in real estate for over sixty years. We create sustainable value for our clients, contribute optimally to a healthy living environment and are at the heart of society with our real estate portfolio. In close cooperation with the other divisions of Achmea, we strive for a society in which people live together sustainably.

FOR MORE THAN 30 INSTITUTIONAL CLIENTS

Achmea Real Estate purchases and (re)develops real estate on behalf of more than thirty pension funds and other institutional investors. They participate in one of our real estate funds or have their own portfolio through a separate account. We cooperate with strategic partners including municipalities, developers, housing corporations and care institutions and keep an eye on new trends and developments. We actively manage our clients' real estate portfolios. This ensures a better return, both socially and financially.

SHAPING A SUSTAINABLE FUTURE WITH REAL ESTATE

Our vision is that investment management should contribute to a sustainable future. Our mission is to invest in real estate with high social value and an appropriate financial return. In doing so, we work for our institutional clients (and their customers) to ensure a good income for now, the near future and the longer term. In a sustainable, attractive living environment. Achmea Real Estate is part of the Achmea Group, one of the largest financial service providers in the Netherlands. We manage approximately €12 billion in residential, retail and healthcare real estate investments. We have 216 employees.

ESG STRATEGY: SETTING THE BAR AS HIGH AS POSSIBLE

We set the bar for ESG as high as possible. We aim to have the greatest possible impact. Our managed real estate funds and portfolios are among the world's best performers in terms of sustainability, according to the Global Real Estate Sustainability Benchmark. We are continuously taking concrete action on ESG. By 2030, all buildings in our portfolios must be A-rated, and we aim to reduce material-related CO_2 emissions in future investments. To this end, we are experimenting with bio-based materials in construction. For new acquisitions, we apply an average 'GPR Gebouw' of 7.5 or higher. Finally, we map climate risks for all our buildings. And we will draw up adaptation plans by the end of 2025.

Read more in our ESG Strategy

GOVERNANCE, RISK AND COMPLIANCE: HIGH STANDARDS

We apply the highest standards in our governance, risk and compliance management. Although we are not listed on the stock exchange, we voluntarily comply with the Dutch Corporate Governance Code. To identify risks for our properties, we work within the framework of the COSO ERM 2017 model. This allows us to see the relationships between risks to determine whether we have them under control. An external auditor assesses the key measures arising from this model on an annual basis. This is based on ISAE 3402. We also carry out regular self-assessments to ensure that our policies are in line with the latest laws and regulations.

WHOLLY OWNED SUBSIDIARY OF ACHMEA B.V.

Achmea Real Estate is a trade name of Syntrus Achmea Real Estate & Finance B.V., a wholly owned subsidiary of Achmea B.V. In 2015, the Netherlands Authority for the Financial Markets ('Autoriteit Financiële Markten', AFM) granted Syntrus Achmea a licence under the Alternative Investment Fund Managers Directive. We are a Dutch asset manager specialising in investing in direct and indirect real estate for the account and risk of third parties.

RISK MANAGEMENT AND INTERNAL CONTROL

Syntrus Achmea has a Supervisory Board and is subject to external supervision by the AFM. Among other things, the supervisory directors ensure that the interests of all parties involved in the organisation are addressed in a balanced way. The Audit & Risk Committee is commissioned by the Supervisory Board to oversee risk management and internal controls. The committee also assesses whether we devote sufficient resources and attention to an effective and efficient system of risk management. The committee meets at least four times a year and reports to the Supervisory Board.

OATH OR PROMISE FOR THE FINANCIAL SECTOR

Achmea wants to lead the way with its own rules of conduct, but also by anticipating existing and new regulations. For example, Achmea has chosen to have all its employees take the oath or promise for the financial sector, because this fits Achmea's identity. Active management on integrity promotion, preventing integrity violations and fraud control limit the negative consequences for trust, returns and the cost of claims.

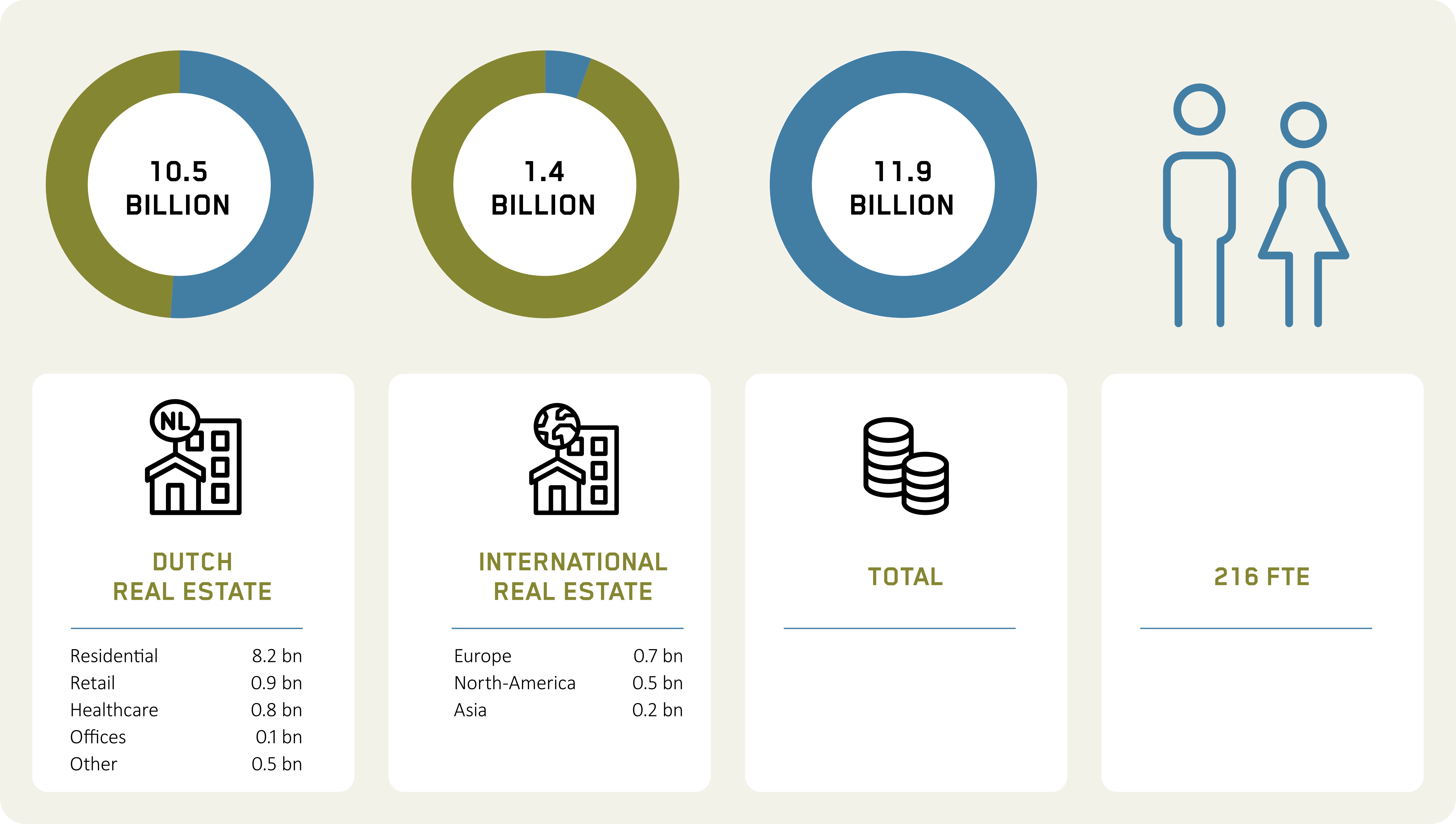
Achmea has therefore drawn up a code of conduct for acting with integrity according to Achmea values and standards.

The Achmea code of conduct can be found here.

ANNOUNCEMENT OF THE ODV-STRATEGY

In mid-2022, Achmea's Retirement Services strategy was recalibrated, and a decision was made to operate from four new clusters in 2023 and onwards: Mortgages & Financial Services, Real Estate, Pensions and Institutional Investments. With this change, we will be even more responsive to our clients' needs. To this end, we are preparing to split Syntrus Achmea Real Estate & Finance B.V. into the two entities Achmea Mortgages Funds and Achmea Real Estate. The restructuring requires a new AIFMD authorisation for the mortgage loan activities, which is currently under review at AFM. We aim to complete the split in the first half of 2024.

AUM & FTE - ACHMEA REAL ESTATE (AMOUNTS IN € PER 31 DECEMBER 2023)



Appendix VIII. Human Resources

FORMATION

In 2023, Syntrus Achmea's staff (internal and external employees) was structured as follows:

AVERAGE NUMBER OF FTEs* IN 2023

FTEs per business unit	Internal	External	Total
Mortgages	134.2	34.7	168.9
Finance & Operations	102.9	21.8	124.7
Client services	29.7	0.9	30.5
Real Estate	102.7	9.2	111.9
Total	**369.5**	**66.6**	**436.0**

Of the total number of FTEs at year-end 2023, 35.3% were women and 64.7% were men.
* A full-time employment contract is 34 hours per week.

REMUNERATION POLICY

The remuneration policy applies to the entire Achmea Group in the Netherlands, of which Syntrus Achmea is part. This means that all business units have the same guidelines and decision-making structure. Achmea's supervision of them is also consistent.

The remuneration policy stems from Achmea's identity, which centres on the client's interests. Achmea strives for a policy that is controlled, has no excesses or undesirable incentives, and is simple in design.

Achmea also made limited use of variable compensation in 2023, based on the premise that it supports stakeholder interests and can be applied in a risk-adjusted manner. The variable remuneration structure should never encourage additional risk-taking or maximising short-term returns for the individual. For this reason, Achmea applies risk adjustment in variable remuneration.

This means that achieving the targets must align with the organisation's strategy, long-term objectives and core values. There is also a malus and clawback policy.

In 2023, Syntrus Achmea employed no natural persons who receive a total annual remuneration of €1 million or more.

The following maximum percentages of variable remuneration apply at Syntrus Achmea/Achmea:

Category	On target	For outperformance
Division Chairman	15%	20%
Other board members and senior management	respectively 15% and 10%	respectively 20% and 15%
Collective labour agreement personnel	20%	20%

At Syntrus Achmea/Achmea, a maximum of three elements count towards the variable remuneration: an Achmea part, a Syntrus Achmea part and an individual part.

The breakdown is as follows:

Category	Achmea part	Syntrus Achmea part	Individual part
Collective labor agreement employees	20%	30%	50%
Executive Board members and senior management	30%	30%	40%

EMPLOYEE REMUNERATION

The total employee benefits of Syntrus Achmea amounted to €49.1 million in 2023 (2022: €57.7 million). During 2023, an average of 369.5 internal employees worked at Syntrus Achmea (2022: 438 internal employees). The variable remuneration charged in 2023 amounted to €1.2 million (2022: €1.8 million).

CULTURE AND EMPLOYEE ENGAGEMENT

Achmea reformulated its values in 2022: enthusiastic, contemporary, ambitious, proud and decisive (in Dutch: BEATS – bevlogen, eigentijds, ambitieus, trots and slagvaardig). After Achmea introduced these new values, we translated them to the mortgage and real estate business in 2023, choosing 'contemporary' and 'decisive' as the most appropriate values. In the mortgage business, decisiveness is reflected, for example, in the management organisation: a significant part of the work has been transferred to a partner organisation. In the real estate business, decisive efforts are being made to implement an integrated IT system, in which the organisation is working with external real estate managers. The real estate business has gained its own market presence under the trade name Achmea Real Estate. ESG, in particular, is the distinguishing contemporary factor here. We are now working on a leadership programme based on these Achmea values that will be introduced in 2024.

We conducted another employee engagement survey (MBO) in 2023. As a key talking point at various levels in the organisation, the outcomes form the basis for discussions on strategic personnel planning and leadership. New themes and questions in the survey do not always allow comparison with previous outcomes. The scores for the six goals are:

Enthusiasm	: 7.3 (2022: no measurement)
Customer interest	: 7.8 (2022: 7.9)
Leadership	: 7.0 (2022: no measurement)
Employment practices	: 7.6 (2022: 7.8)
Vitality	: 7.1 (2022: 6.8)
Inclusion	: 7.7 (2022: no measurement)

Three of the six themes in the survey are new. We are pleased about the increase in the vitality score, which is also reflected in reduced sickness absence. We have measured inclusion for the first time and see a good score, which we aim to improve with the leadership programme planned in 2024.

ORGANISATIONAL DEVELOPMENTS

In mid-2022, Achmea's Old Age Provision strategy was reviewed, and a decision was made to operate from four new clusters in 2023: Mortgages & Financial Services, Real Estate, Pensions, and Institutional Investments. This change will enable us to be even more responsive to our clients' needs. To this end, we are preparing to divide Syntrus Achmea into the Achmea Mortgages and Achmea Real Estate business units. Achmea Mortgages will form the Mortgages & Financial Services cluster with Achmea Bank and Centraal Beheer Financiële Diensten, while Achmea Real Estate will become an independent cluster. To enable this division, the mortgage activities require a new AIFMD authorisation, the application for which was submitted in the second quarter of 2023. We aim to complete the division in the second quarter of 2024. As several associated organisational changes were already implemented in 2023, the transition to the four new clusters is gradually taking shape. The main organisational changes implemented relate to:

- the division of activities into mortgages and real estate, particularly in the organisational Finance & Operations and Clients 'columns'. Examples of these organisational changes include splitting up investor relations (as from 1 January 2023) and cash management (as from 1 April 2023). The colleagues concerned generally already worked entirely for either mortgages or real estate. The movement described is thus a logical precursor to the split.
- complaints handling, formerly part of Mortgage Operations, has been transferred to Centraal Beheer as from 13 March 2023. This means that all client and/or intermediary complaints are now handled centrally within Achmea. This is in line with the Achmea Complaints Policy.
- the move of the Risk & Compliance department (second line) to Achmea Risk Management and Achmea Compliance. This move happened as from 1 July 2023. The employees concerned will continue to work for either mortgages or real estate.

STRATEGIC WORKFORCE MANAGEMENT

In 2023, an integrated plan was made for strategic personnel planning in respect of the OARP (old-age retirement provision) chain within Achmea, of which the mortgage and real estate business is part. This includes topics such as management information, fleet review, succession planning, recruitment strategy and learning.

THIS IS HOW WE WORK

Achmea embraces modern work flexibility, empowering its employees to achieve a healthy work-life balance. With a forward-thinking approach, the company supports a hybrid work model, enabling staff to seamlessly work from home or the office. This adaptability fosters employee well-being and enhances overall productivity.

Appendix IX. Glossary

Committed pipeline	The committed pipeline concerns properties for which the purchase agreement is contractual.
Corporate Governance	How a company is run and how it deals with the various interests of customers, shareholders, employees and society as a whole.
Current value	The current value of a property at the end of the year (the external appraisal value after deduction of capitalised lease incentives). This is the amount for which this property is expected to be sold, i.e. sold to the highest bidder after the best possible preparation, marketing and a market offer in the usual way, less any costs still to be incurred (costs borne by the buyer) in relation to this transaction. The current value is also used to reflect the value of the units in the investor register. This value is based on the current value at the end of the financial year of the properties in the property funds.
Direct return/ Income return (IR)	The direct return as part of the total financial return is calculated by dividing the net income of the investments by the average value of the investment properties per quarter. Net income consists of the balance of rental income less operating costs and service costs, management costs, other income and expenses and financial income and expenses.
Financial vacancy rate	According to external appraisers, the number of units or the number of square metres times the last known market rent according to external appraisers on the basis of which the vacancy is processed in the records.
Gross initial yield	The gross initial rent expressed as a percentage of the investment.
Indirect return/Capital Growth (CG)	As part of the total financial return, the indirect return is calculated by dividing the indirect result by the average value of the investment properties per quarter. The indirect result consists of changes in value due to periodic valuations, and the sales result in the case of disposals.
INREV	INREV is the European association for investors in unlisted real estate. A leading platform for sharing knowledge about the unlisted real estate sector. INREV's aim is to increase transparency, improve professionalism and best practice in the sector, making making this asset class more accessible and attractive to investors.
INREV capital return	The INREV capital return is calculated by dividing the total of movements in paid-in capital less Net Investment Income by the Fund NAV adjusted for weighted average movements in paid-in capital.
INREV distributed income return	The INREV distributed income return is calculated by dividing the total stock dividend paid during the year by the Fund NAV adjusted for weighted average changes in paid-in capital.
INREV GAV (INREV Gross Asset Value)	The GAV is the current value of the property, other investments and receivables and cash of the Fund.
INREV income return	The INREV income return is calculated by dividing Net Investment Income by Fund NAV, adjusted for weighted average changes in paid-in capital.
INREV NAV (INREV Net Asset Value)	For the calculation of the INREV NAV, the Fund NAV is adjusted for the dividend to be paid to investors in cash and acquisition costs are capitalized and amortised over five years.
INREV total return	The INREV total return is the total of the INREV income return and INREV capital return.
Intramural or residential care	Healthcare provided during an uninterrupted stay of more than 24 hours in a healthcare institution, such as a hospital, nursing home, care home or institution for the mentally handicapped. The care offered may consist of supervision, care or treatment.
Lease incentives	Concessions agreed with tenants, such as rent-free periods, installation packages, or help with relocation costs. These costs are capitalised and subsequently amortised over the term of the contract.
Like-for-like operating costs	The like-for-like operating costs provide insight into the operating costs of properties in operation throughout the year in both 2023 and 2022.
Like-for-like portfolio	The like-for-like portfolio relates to those properties in operation throughout the year in both 2023 and 2022.
Like-for-like rental income	The like-for-like rental income provides insight into the rental income of properties that are in operation throughout the year in both 2023 and 2022.
Market rent	According to the external manager's statement, rental value can be achieved in the market at that time, assuming optimal marketing and letting to the highest-bidding candidate.
Net initial return	The net initial yield is calculated as rental income after deduction of financial vacancy and rental discounts minus operating costs, divided by the property's value in operation.
Net Investment Income	Net Investment Income is calculated by subtracting the total rental income, dividend income and interest income from operating expenses and fund expenses.

Occupancy rate	The occupancy rate is expressed as a percentage, i.e. the theoretical annual rent minus the financial vacancy, i.e. the vacancy valued at market rent, divided by the theoretical annual rent. All parameters at the end of the period.
OCF (Ongoing Charges Figure)	In December 2014, the Dutch Accounting Standards Board recommended in its Guideline 615 that an Ongoing Charges Figure (OCF) be included in the notes to the financial statements. The OCF is determined by dividing all the relevant costs of the Fund by the mean intrinsic value. Relevant costs do not include transaction costs or interest paid. If the Fund has invested more than 10% of its capital in one or more other investment entities, the costs of the other entities are included in the OCF. The calculation of the mean intrinsic value is based on the number of calculation moments of the intrinsic value during the year.
Operating expenses	All expenditures that incurs as a result of performing normal business operations, such as maintenance, property management and fixed property costs.
Performance	The result achieved on investments in a given period expressed as a return (see Direct return, Indirect return and Total return). Project size For commercial properties, the project size is expressed in square metres, and for residential properties, the number of residential units.
REER (Real Estate Expense Ratio)	The annual property operating costs of the Fund and is calculated as follows: the property operating costs divided by the weighted average INREV GAV.
Rental income	The theoretical rental income less the financial vacancy and rental discounts.
Return risk profile	The subjective relationship between the assessed risk of operating the property during the operating period and the assumed reference level for the operating risk of common properties in the sector concerned. In case of an existing higher or lower risk, a risk premium or risk reduction is applied to the minimum return requirement corresponding to the relevant reference level, with a correction factor selected in such a way that the set minimum return requirement can reasonably be deemed to be met in a worst-case scenario.
Revaluation reserve	The revaluation reserve is formed per individual asset and consists of value changes of the real estate investments with a fair value higher than the historical cost.
Segmentation of property types	Real estate is divided into the following types: retail, offices, residential, industrial and mixed/other. A property falls into the sector 'other' if it is a separate property (split and valued separately) that cannot be placed under the categories of shops, offices, residential or commercial premises.
TGER (Total Global Expense Ratio)	The TGER (Total Global Expense Ratio) indicates the Fund's annual operating expenses and is calculated as follows: Asset Management Fee and Fund Expenses divided by the weighted average INREV NAV.
Theoretical rent	The theoretically possible rent at full rental of the property. This consists of the invoiced rent and the gross market rental value of the vacant units/objects during the year.
Total Return (TR)	The total financial return is calculated by dividing the total result by the average value of the investment properties per quarter. The total result consists of the sum of the direct and indirect results.
Uncommitted pipeline	The uncommitted pipeline concerns properties for which the internal Investment Committee of Achmea Real Estate has given its approval, but for which there is not yet a definitive purchase agreement.
Weighted average INREV NAV and GAV	The weighted average INREV NAV and GAV are calculated as a weighted average based on the reporting frequency of the Fund.
Wet langdurige zorg (WLZ)	The WLZ is a law that regulates heavy, intensive care for frail elderly people, people with disabilities and people with mental health conditions.

ABOUT ACHMEA REAL ESTATE

WHO ARE WE?

- We are a specialist asset manager in real estate
- We manage €11.9 billion in residential, retail, healthcare real estate and offices
- We work for more than 30 clients, pension funds and other institutional investors
- We are part of Achmea Group
- We operate in the Netherlands, Europe, North America and Asia
- We employ 216 people

WHAT IS OUR MISSION?

- We opt for sustainable investments. By doing so, we offer our stakeholders a healthy financial future in an attractive living environment
- Financial and social returns go hand in hand

HOW DO WE WORK?

- We realise transparent, well-considered and substantiated business cases
- We connect from the conviction that synergy leads to the best result
- We innovate: our innovations contribute to a sustainable living environment
- We improve: reflection and self-knowledge are essential for continuous adaptation
- We maintain the highest standards in governance, compliance and risk management

ACHMEAREALESTATE.NL

achmea

Real Estate