ACHMEA DUTCH RESIDENTIAL FUND

2023 Annual Report

achmea Real Estate

New Brooklyn, Almere

MISSION

The Achmea Dutch Residential Fund (the Fund) seeks a stable and sustainable return from investment properties. The Fund draws on Achmea’s real estate expertise and market knowledge. The starting point is to provide suitable housing and living comfort for its tenants.

The Achmea Dutch Residential Fund aims to build a portfolio of high-quality investment rental properties that can be defined as a portfolio with core characteristics. The fund’s focus is on sustainable operations, which contribute to the financial and ESG objectives formulated together with the investors in the portfolio plan. This will contribute to the living environment and well-being of our residents, as well as to the long-term financial returns of our investors.

Investors

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

GRESB
★★★★★ 2023

Contents

Manager: Achmea Real Estate (ARE)
Fund Manager: Onno Hoff
Director Investment Management: Casper Hesp

FRONT PAGE PHOTO: New Brooklyn, Almere

1. About Achmea Dutch Residential Fund

The Achmea Dutch Residential Fund is a core investment fund offering investors access to the Dutch housing market. The Fund spreads its investments across different housing types, rental segments and promising residential regions.

The Fund focuses mainly on the mid-priced rental segment between €808[1] and €1,300 per month in good locations in strong residential areas and wishes to offer a suitable product for each tenant group. The Fund is working towards a sustainable portfolio, aligning with the UN's Sustainable Development Goals and the ESG strategy that Achmea Real Estate has established for itself and for this Fund.

INVESTMENT COMMITMENTS FROM INVESTORS

At the end of 2023, the Fund had a total of €94.8 million in outstanding investment commitments from five investors. The initial size at the beginning of 2023 was €120.8 million. During 2023, €26.0 million in mandates were called from the Fund's investors. During 2023, €28.3 million was distributed in stock dividends.

6,663 RENTABLE RESIDENTIAL UNITS, €2,102.7 MILLION
- 4,729 multi-family houses
- 1,934 singly-family houses

TENANT SATISFACTION
7.5
BENCHMARK
7.4

€94.8 MILLION
IN INVESTMENT COMMITMENTS

421 RESIDENTIAL UNITS UNDER DEVELOPMENT, €133,9 MILLION
- 392 multi-family houses
- 29 singly-family houses

4.0% RENTAL GROWTH
- Index 3.6%

98.3% OCCUPANCY RATE

19 INVESTORS
- 16 pension funds
- 3 insurers

GRESB 5-STAR ★★★★★
93 POINTS

GPR building label
AVERAGE SCORE 6.9

[1] Price level Portfolio Plan 2024-2026

INVESTMENT MANAGEMENT

At the end of 2023, the Fund has €70.2 million in pipeline commitments (committed and uncommitted) for properties under construction and acquisitions. To cover these obligations, the Fund expects to call €94.8 million in investment commitments from investors in the coming years. In accordance with the Fund's terms and conditions, the calls are distributed to investors with a desire to enter, in proportion to the size of their investment commitments and the sequence of the periods in which the investment commitments have been submitted. The Fund's funding further consists of sales proceeds and stock dividends.

DEVELOPMENT PIPELINE

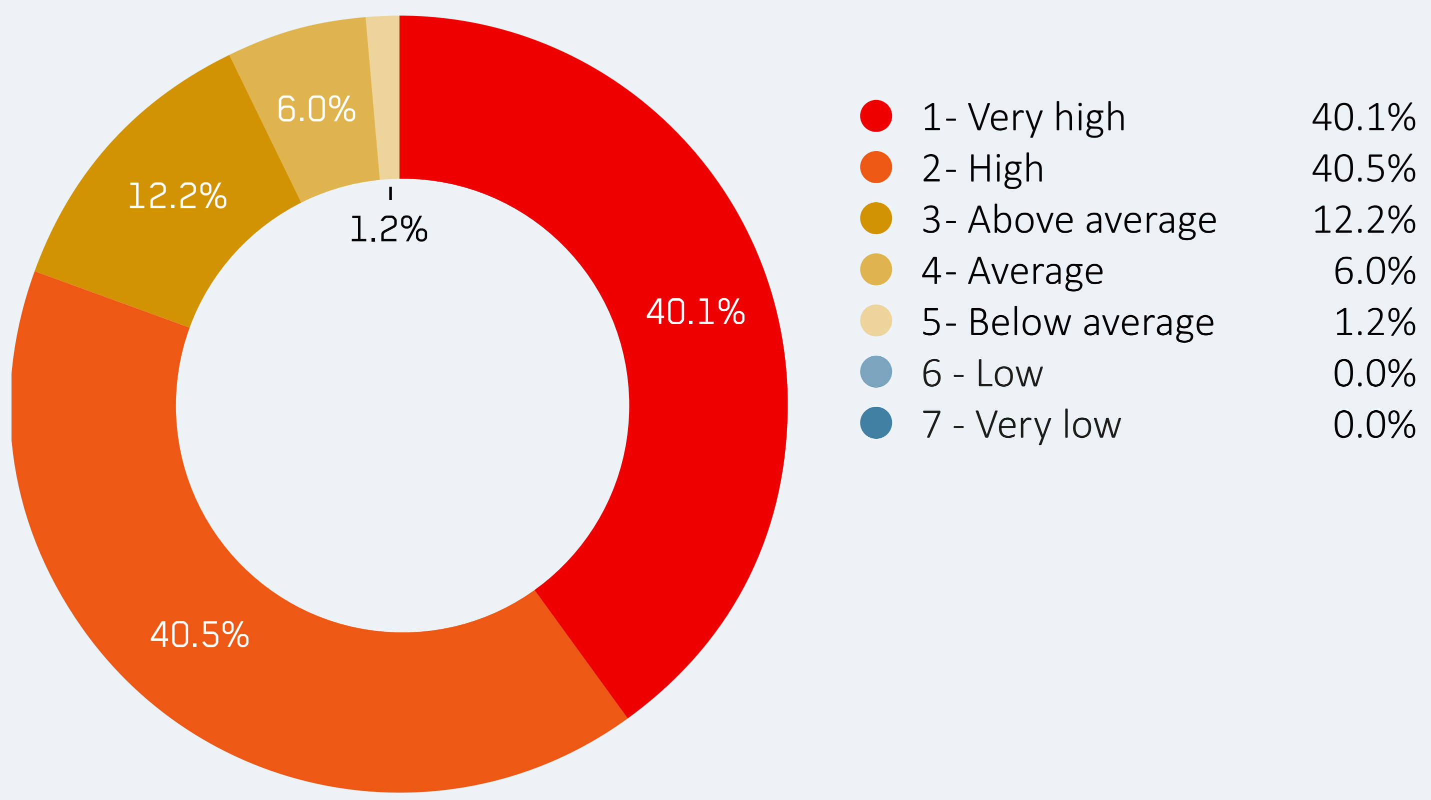
The Fund's development pipeline consists of:

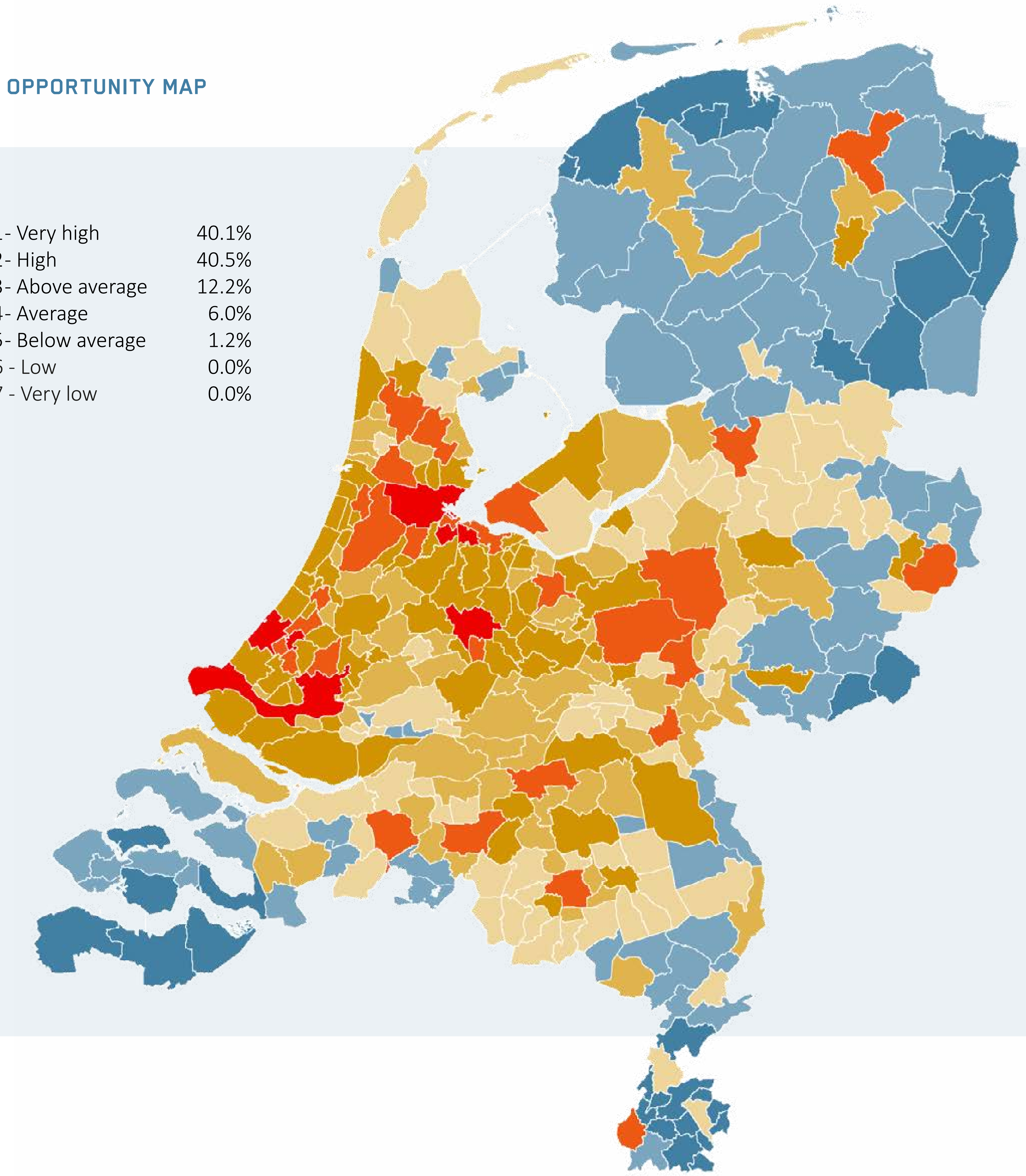
- Nieuwegein, Doorslagzone Tower A, 191 multi-family houses
- Rotterdam, Wielewaal, 29 single-family houses
- Zoetermeer, SAM, 201 multi-family houses

KEY CHARACTERISTICS

- Investing in Dutch affordable residential property
- Focus on sustainability - ESG impact
- Low risk, stable dividend and long-term value growth
- Managed by a dedicated fund team

PORTFOLIO COMPOSITION BY SEGMENT HOUSING OPPORTUNITY MAP





2. Highlights 2023 & key figures

APRIL:
Publication of the Fund's ESG annual overview

JULY:
Delivery of VOC kade Plot 4&5, commercial property units in Amsterdam

OCTOBER:
Disclosure GRESB score of 93 points and a top-4 position in the Dutch peer group and fourth place in the European and Global rankings of non-listed residential funds

OCTOBER:
Celebrating start of construction of project SAM, Zoetermeer (201 apartments)

JUNE

NOVEMBER

APRIL

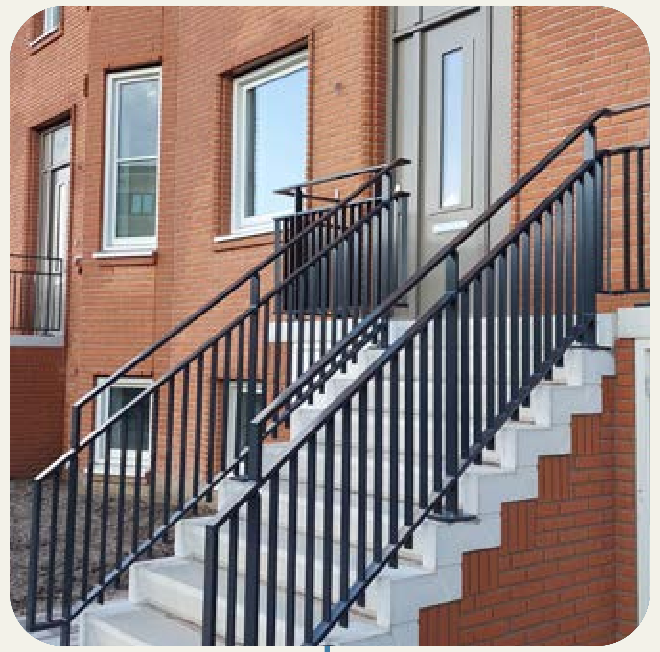
JULY

OKTOBER

JUNE:
Delivery 99 multi-family houses, C.H. Letschertweg Building Section A, Utrecht

JUNE:
The partial delivery of the first 26 multi-family houses in New Brooklyn Block A6-7, Almere

NOVEMBER:
Approval of the Fund's Portfolio Plan 2024-2026

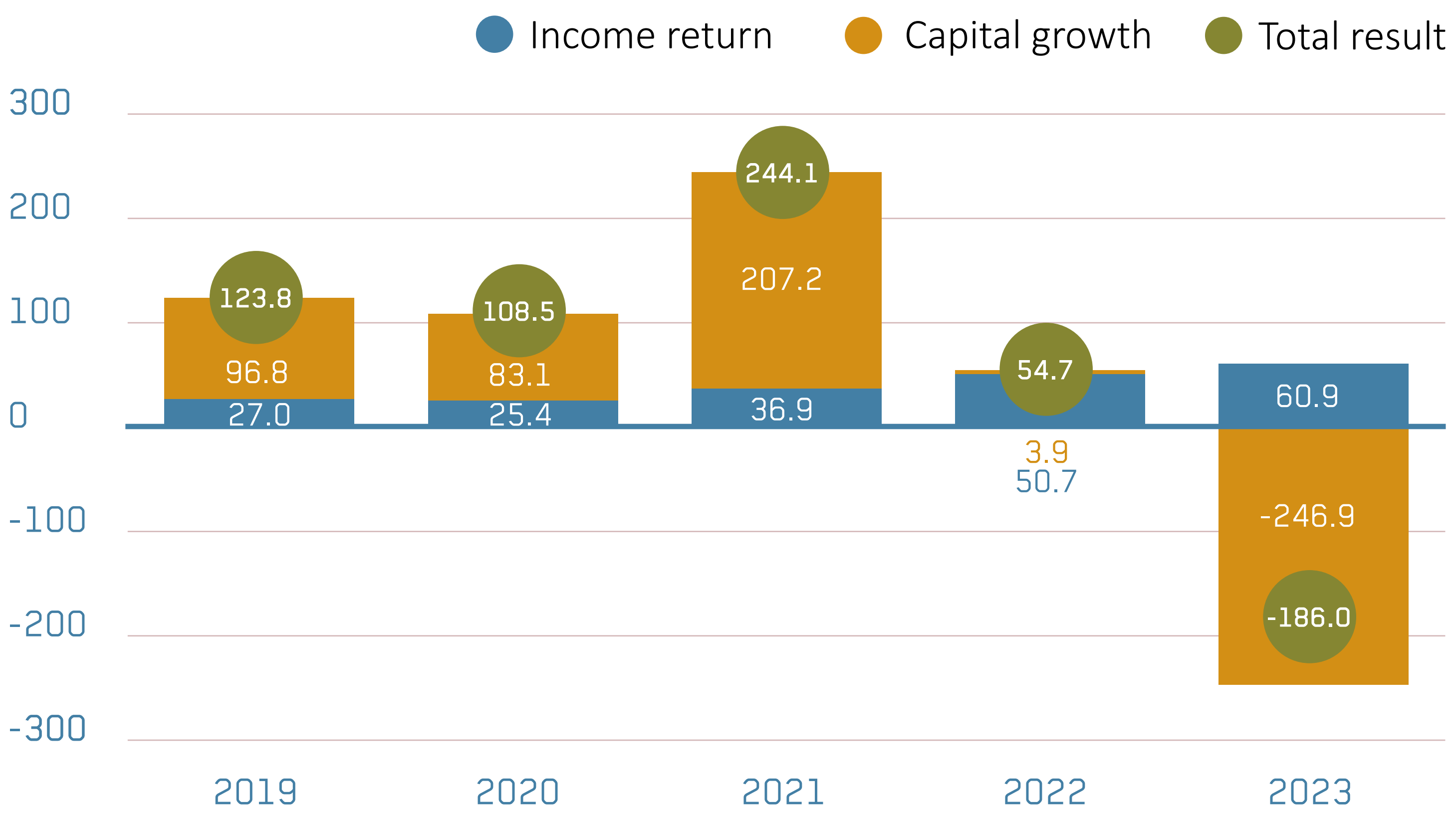


DECEMBER:
The completion of 60 multi-family houses and 375 sqm commercial property units in New Brooklyn Block A6-A7, Almere

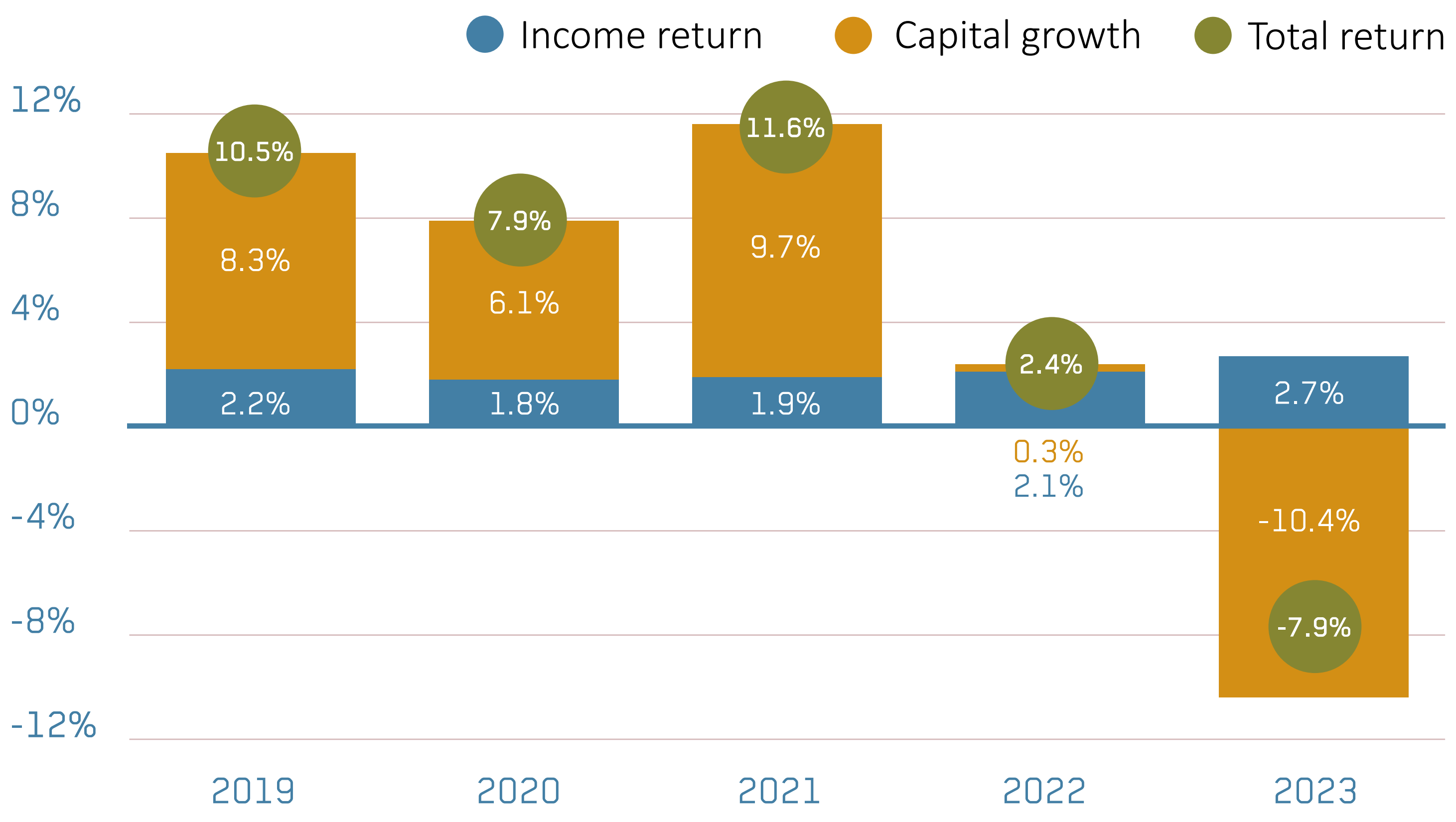
DECEMBER:
Celebrating the highest point of the Fund's residential building 'Vancouver' in project Doorslagzone, Nieuwegein (191 apartments)


Uden, Ploeg (retrofitted towards energy label A in 2023)

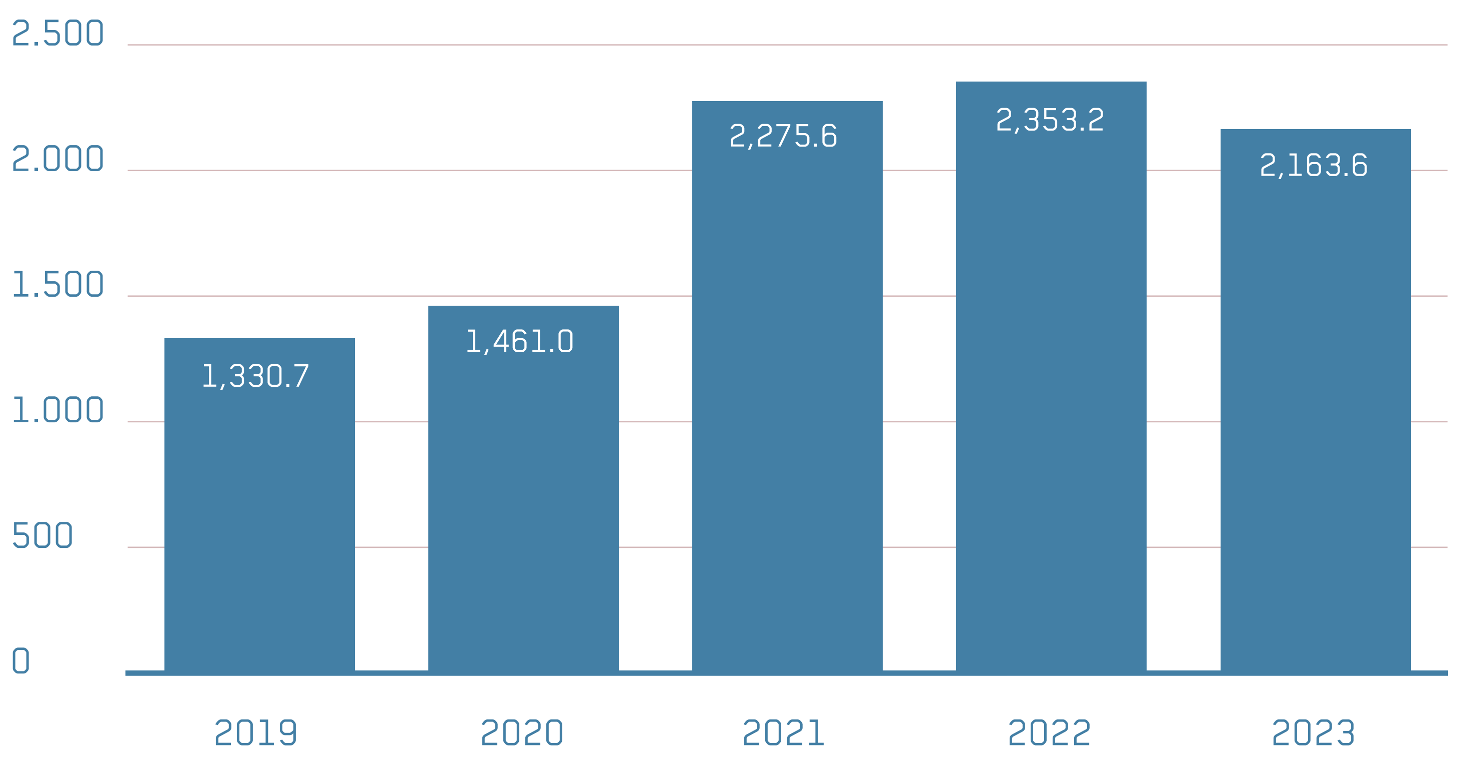
TOTAL RESULT (AMOUNTS X €MILLION)



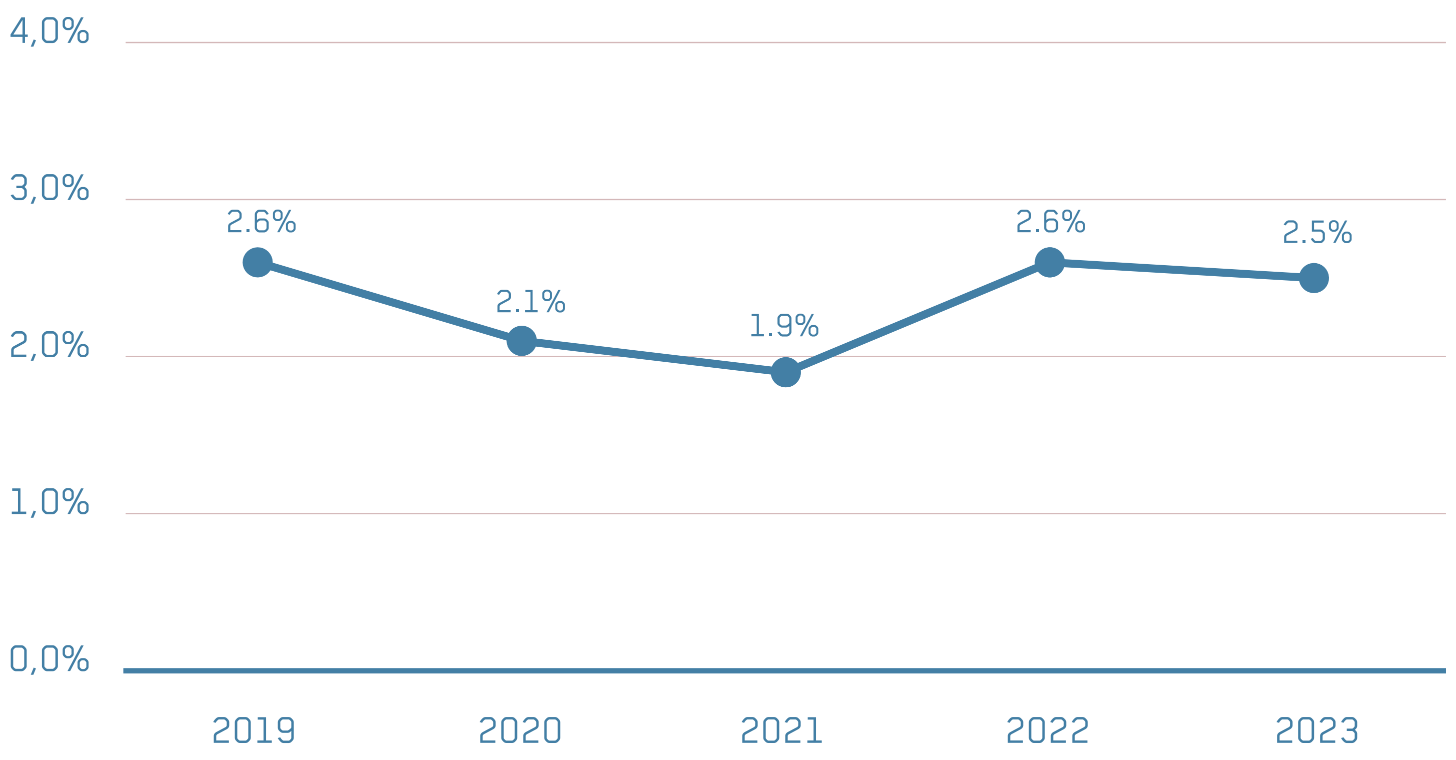
FINANCIAL RETURN



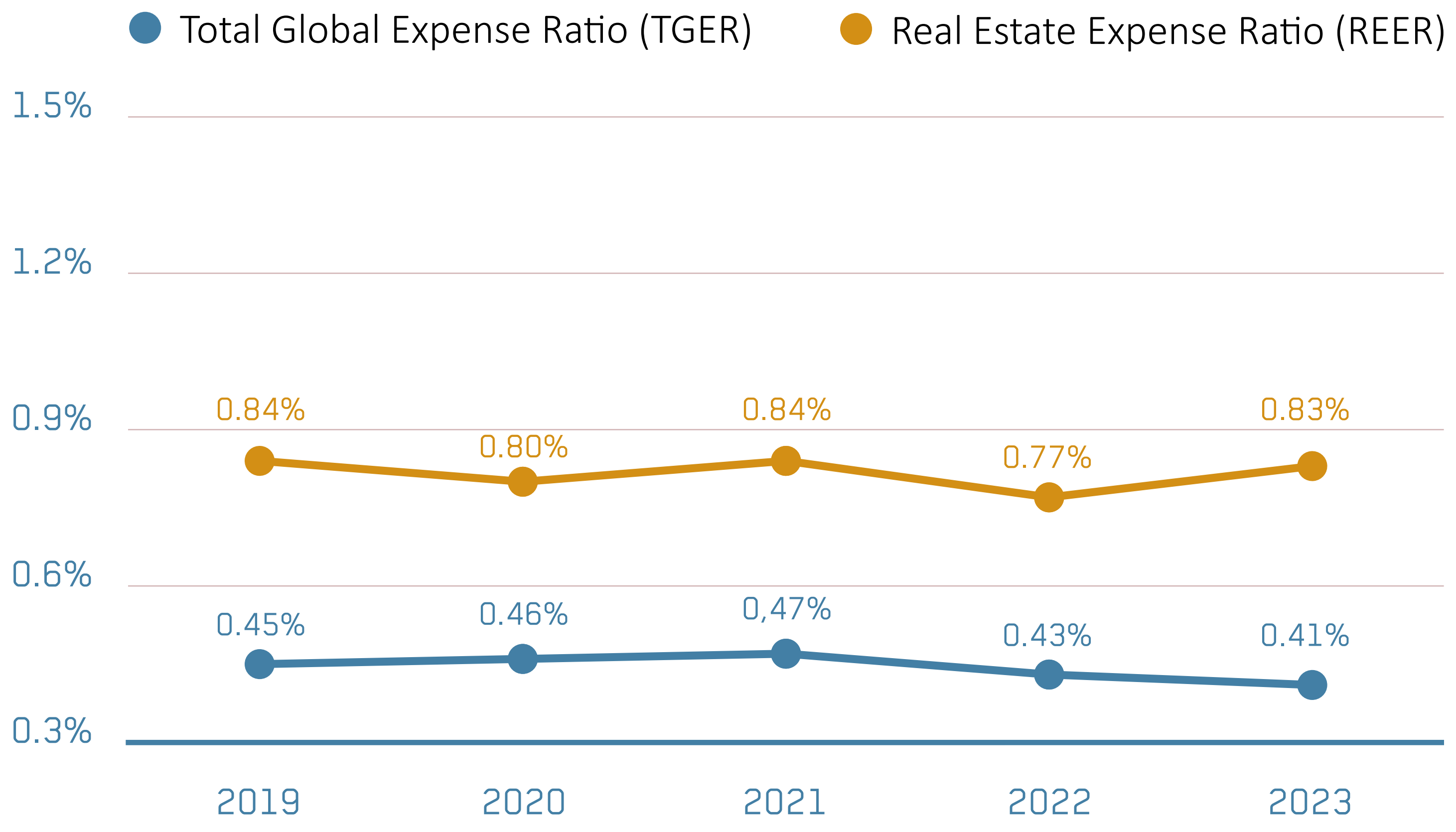
INREV NAV (AMOUNTS X €MILLION)



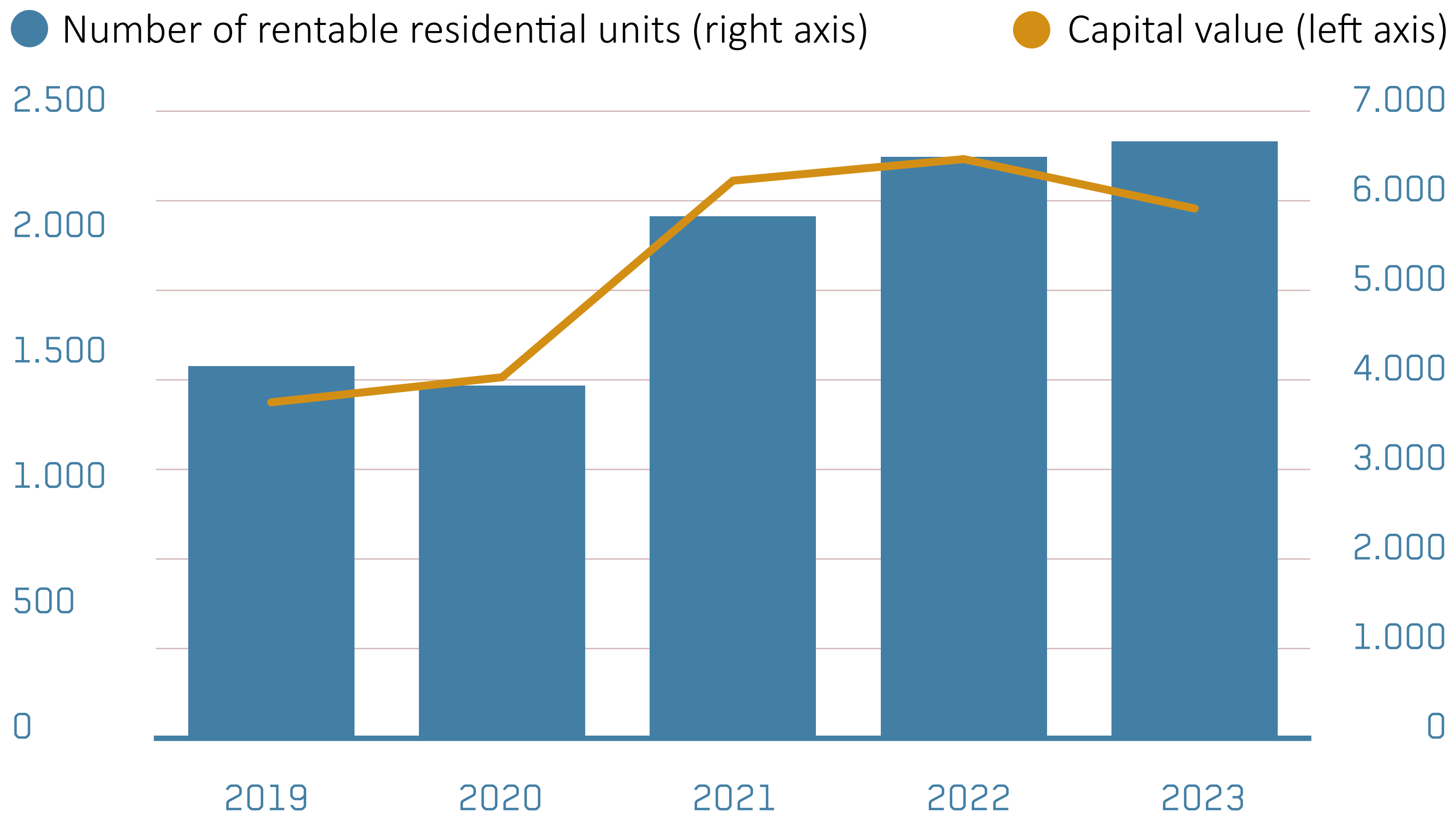
DIVIDEND YIELD (BASED ON INREV NAV AS OF 1 JANUARY)



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



DEVELOPMENT OF INVESTED ASSETS AND NUMBER RENTABLE RESIDENTIAL UNITS (AMOUNTS X €MILLION)



3. Manager's Report

LOOKING BACK WITH THE MANAGER

A DOUBLE-FACED YEAR

2023 began as 2022 ended. The real estate investment market in the Netherlands and surrounding countries was in free fall from the fall of 2022, leading to an unprecedented rapid depreciation of residential real estate in the first half of 2023. The second half of the year showed some recovery, but still overall negative growth remains at the end of the year. Raised capital market interest rates, aimed at curbing inflation in the eurozone, led to a reallocation of investment allocations and return expectations among institutional investors, as well as rising financing costs for development and construction companies. As a result, transactions in the market came toa virtual standstill. This obviously affected the Fund's capital growth performance in 2023.

The Fund posted a negative result compared to last year due to write-downs on underlying assets. The high interest rates increased investors' yield requirements and this had a depreciating effect on property valuations during the year. In addition, the housing market in the Netherlands in the first quarter faced an increased transfer tax from 8% to 10.4%. This effect was also reflected in the assessed value of investment properties.

Nevertheless, while the investment market was struggling, the user market showed a completely different face. The shortage in the housing market has led to long lines of interested consumers when it comes to renting. The Fund has benefited from this with operating results that are among the best in the past decade.

We see similar signs in the owner-occupier market. Where higher mortgage interest rates initially led to a decrease in prices and the number of transactions, affordability and consumer confidence improved as the months passed, supported by high wage increases in the Dutch collective agreements.

CREATING LIQUIDITY IN A STRUGGLING MARKET

The Fund did not make any purchases in 2023 due to the lack of new mandates. The development pipeline is adequately covered by existing commitments from investors. Projects under construction added 185 apartments to the portfolio in 2023. With an average rent of €1,192 and 100% energy label A, these fit seamlessly into the strategy. Completions in the mid-range rental segment are also planned for 2024 and 2025 when the development pipeline tends to produce new deliveries.

In order to generate liquidity in the Fund, sales were pursued in 2023. In the fourth quarter, agreement was reached on the sale of the land position in Beilen and the sale of 35 premium rental apartments on Gustav Mahlerlaan in Amsterdam. This improves the Fund's financial and operational risk position and provides funds to repay part of the redemption queue. The total amount of redemptions increased slightly in 2023 to €73 million (2 subscribers), but is limited compared to some of the Fund's peers. As a result of the hold/sell analysis carried out in the autumn of 2023, the Fund has selected new sales for around €60 million. This will improve the risk/return profile of the portolio and at the same time gives room to further reduce redemptions, carefully considering the timing of sales in relation to market developments. Finally, it has been agreed with our investors that the Fund can be more active in its acquisition strategy.

The use of leverage can be considered to take advantage of market opportunities to more actively implement the ESG strategy. This could include earlier entry into the development process, where the design of the housing product and the desired guarantees from chain partners are part of the approach. In this way, the Fund continues to work towards an attractive market position for investors, developers and municipalities alike.

WORKING TOWARDS THE ESG GOALS

In addition to these ongoing activities, the Fund has been working on other projects in line with its strategy. As a result, the Fund is well on track to meet its CO_2 targets. Based on the latest emissions data, the Fund has achieved a 52% reduction compared to the 1990 base year of the Dutch Climate Convention. As a result, the Fund is already close to achieving its 2030 target of -55%. The Fund's GRESB score of 93 points reflects its quality in this area. In the 2024-2026 portfolio plan, ESG indicators have been thoroughly reviewed to set targets for 2024. The multi-year program to upgrade C-rated homes to energy label A-rated homes continued. All four properties scheduled for 2023 have been accepted by the occupants to be made more sustainable in exchange for a modest rent increase. This will further reduce the Fund's sustainability risk profile. In the coming year, several properties are scheduled to be made more sustainable. Over the past year the Fund rented out

PERFORMANCE UNDER PRESSURE

As mentioned above, the market came under severe pressure in 2023 due to falling property valuations. The Fund was also affected by this and recorded negative capital growth in all four quarters.

In terms of the MSCI residential benchmark, the Fund clearly underperformed All Assets and Standing Investments over the full year 2023. This can mainly be traced back to a number of recently purchased objects in the operating portfolio and in the pipeline. Due to their size, the relative influence on the fund return is above average. As a result of the falling underlying value, but mainly due to the good net operating result, the income return was almost 20 basis points above the MSCI benchmark.

The Total Gross Expense Ratio (TGER) and Real Estate Expense Ratio (REER) show a stable pattern in 2023. The expense pattern is consistent with a young portfolio and is an important selling point for the Fund. The undertaken investments in making the properties more sustainable ensure that in the longer term there is less risk of high investments or negative consequences from sustainability regulations.

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.

As from 1 january 2024 the liberalization threshold is set at a rental price of €879.66 per month. In addition, the maximum rent increase for liberalized housing will be 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% (4.5% inflation plus 1%), since wage growth (5.8%) exceeded inflation. 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 will be a maximum of 5.8% (equal to average wage growth).

Finally, a ban on temporary leases was introduced in 2023. Around 60% of new leases in the private sector were temporary (with a maximum of 2 years). This is no longer possible in standard rent situations. For institutional funds such as ADRF, there was already little or no temporary leasing, so the impact is zero.

OUTLOOK

The above suggests that regulation is still in flux, but there is certainly room to grow with the announced rent increase percentages. Demand in the occupier market remains strong and affordability has not deteriorated as a result of significant wage increases and falling inflation. Despite the changed interest rate climate and increased regulation, Dutch rental properties therefore remain an attractive investment for institutional investors. An interest rate cut may be on the horizon for 2024, fueling a more attractive investment climate. Besides, the fundamentals for residential properties are still very robust. Scarcity in the housing market leads to a structural demand from users. For the upcoming period, we anticipate a sustained high demand for investor-owned rental properties by households and a persistently low vacancy rate for this fund. Rental properties provide a long-term stable income yield with very low vacancy risk, especially in the relatively affordable rental categories. The Fund will continue to focus on sustainable properties in the mid-rent segment above the liberalisation threshold. Both in continuous rejuvenation of the portfolio and in making existing properties more sustainable.

Amsterdam, 25 April 2024

Onno Hoff Fund Manager
Casper Hesp Director Investment Management

Onno Hoff, (ing. MRE) joined Achmea Real Estate as Fund Manager from 1 April 2016. His previously held positions include working as Managing Director Residential and Fund Director at a.s.r. real estate for seven years and before that as Asset Manager at Vesteda for five years. Onno started his career in 1995 at real estate developer Bouwfonds, then worked at developer Heijmans and switched to real estate asset management in 2003.

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

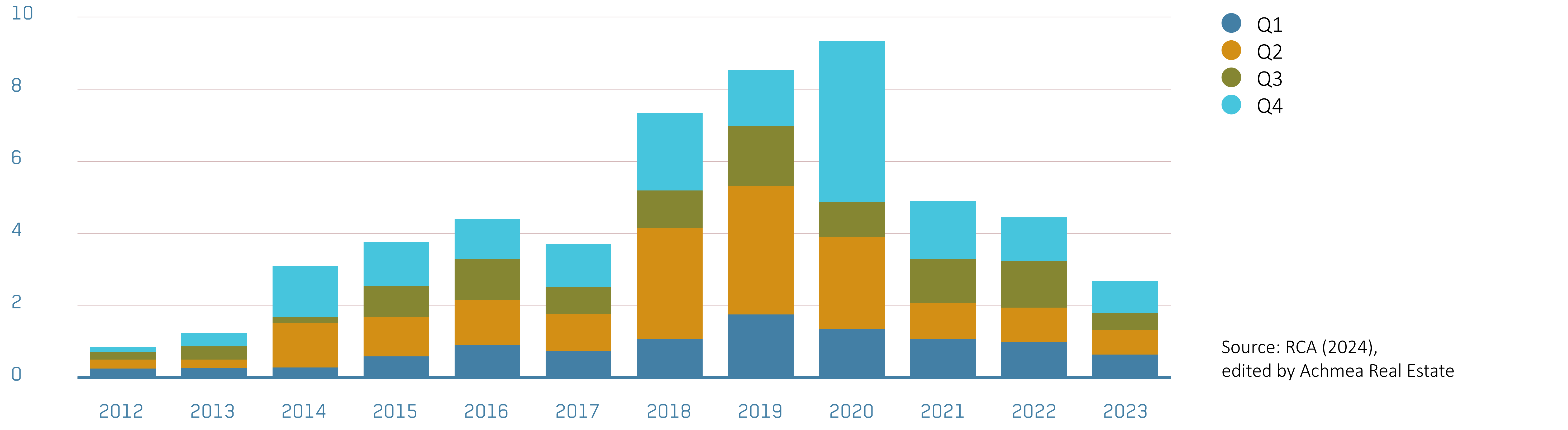
In 2023, the Dutch economy was in a low-cycle phase, with a mild recession in the first three quarters. According to Oxford Economics, the final annual growth rate will be only 0.1%. As a result of the significantly higher price level in 2022, individuals kept a tight grip on their wallets in 2023. Although 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

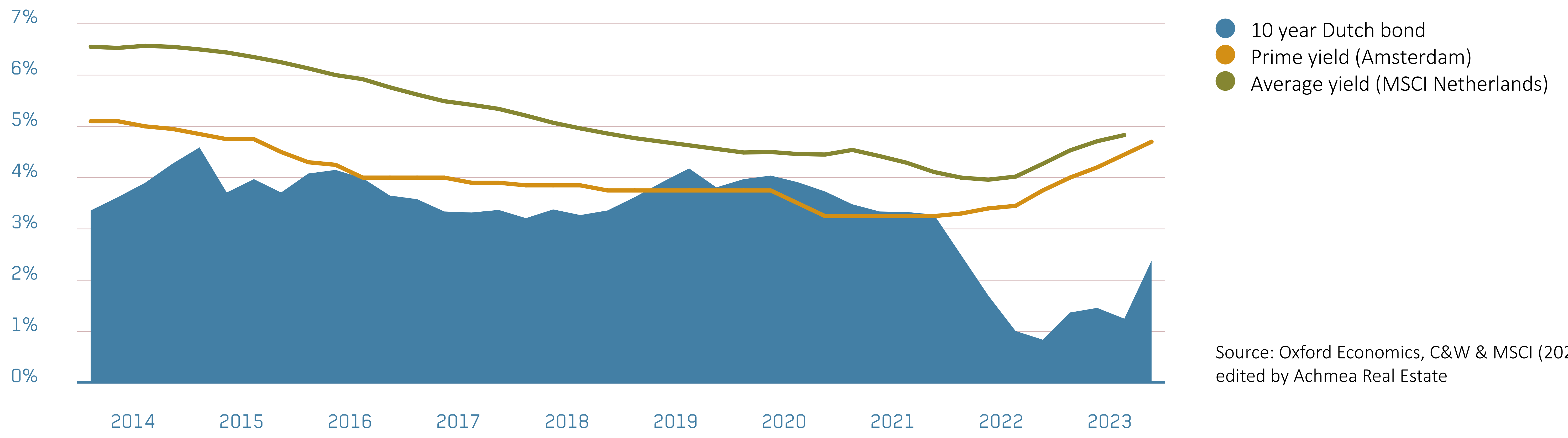
Activity in the rental housing investment market was limited in 2023. The investment volume of around €3 billion was the lowest in 10 years. Due to increased capital market interest rates, institutional investors are over-allocated to real estate, in addition, high interest rates make real estate financing difficult. Tax and rent laws and regulations have also been introduced that make investing in real estate less attractive, especially for private and foreign investors. The number of transactions remained low in 2023 with all quarters showing a decline compared to previous years.

RESIDENTIAL INVESTMENT VOLUME BY QUARTER (X €BILLION)



Source: RCA (2024), edited by Achmea Real Estate

PRIME YIELDS



Source: Oxford Economics, C&W & MSCI (2024), edited by Achmea Real Estate

Due to rapidly rising interest rates, (prime) initial yields rose by about 1 percentage point in 2023, this also caused valuations of residential investment portfolios to fall by more than 10 per cent. By the end of 2023, risk-free interest rates fell again, causing the spread to widen. It is as yet unclear whether this will be enough to speak of a turnaround in the investment market (source: C&W).

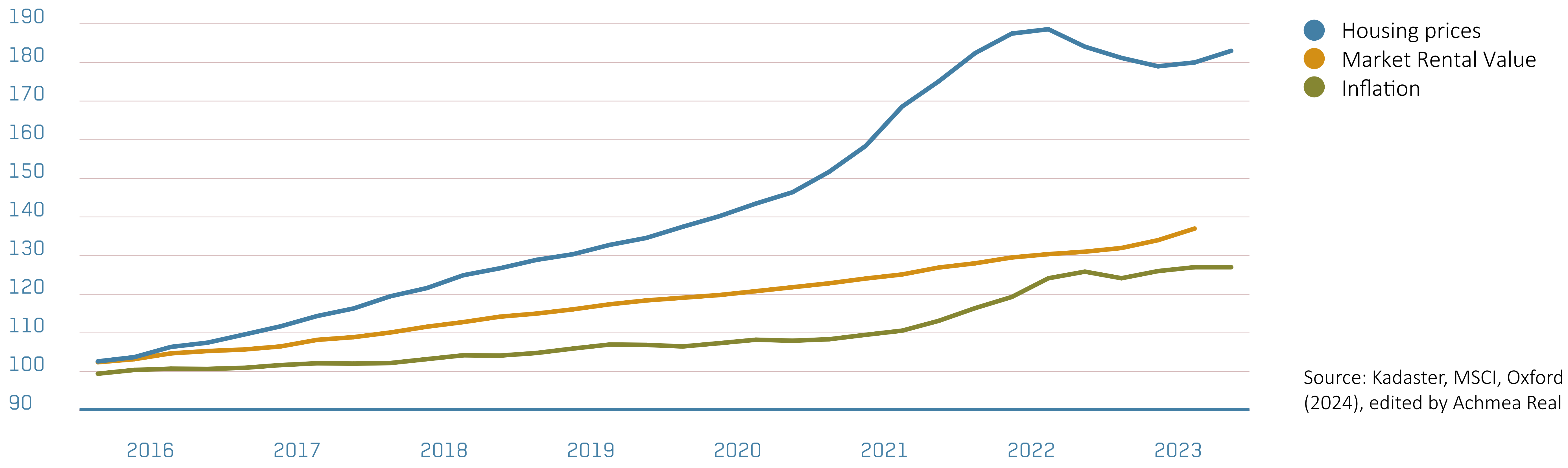
USER MARKET

The severe shortage of rental housing continues in the Netherlands. The financial vacancy rate was 1.2 per cent in the third quarter of 2023, never before has the vacancy rate in the MSCI index been so low. As a result of the low vacancy rate, market rents rose 5.1 per cent from a year earlier. Due to low new construction production, market rents are expected to continue to rise.

House prices in the Netherlands remained relatively stable in 2023. In November, prices were only 0.9 per cent lower than a year earlier (source: Kadaster/CBS). Although rising mortgage interest rates caused prices to fall in the first half of the year, they recovered again after the summer with the main reason being that homebuyers had more to spend due to rising wages. Another reason for the price rise is the tightness in the sales market. Supply continued to decrease, causing the tightness indicator to fall. A potential homebuyer now has a choice of 2.1 houses compared to 2.6 in the previous quarter.

Combined with falling mortgage rates, household confidence in the housing market therefore rose by the end of 2023. The Home Ownership Market Indicator, which shows consumer confidence in the housing market, has shown an upward trend since June 2023. In December, at 81 points, it was at its highest level since September 2022 (100 is 'neutral' on a scale of 0 to 200). House prices are expected to continue rising stably in 2024, supported by relatively soft economic conditions and wage growth.

INDEX OF PURCHASE AND RENTAL PRICES (2015=100)



Source: Kadaster, MSCI, Oxford Economics, (2024), edited by Achmea Real Estate

View from the top floor of 'Vancouver', Nieuwegein (under construction)

STRATEGY

The Fund pursues a core return-risk profile characterized by a high proportion of return through rental income, no or very low leverage (target 0%) and high correlation with inflation and wage development through indexed rental income.

INVESTMENT POLICY

The Fund's core profile is maintained by:

- Focusing on core regions from the Housing Opportunity Map
- Focusing on the mid-market rent segment
- Focusing on the right product-market combinations
- Focusing on portfolio rejuvenation
- Focusing on operating as favourably as possible

Baak van Petten, Amersfoort

REGIONAL DISTRIBUTION

The allocation to regions 1 through 4 will be kept high on the Housing Opportunity Map because the future prospects look good. These regions have also proven to be attractive investment areas in the past. Research shows that this is also where the best opportunities lie in terms of future housing demand and value growth. In terms of new construction expansion, the focus is on opportunity map categories 1 through 4. The Fund sees no opportunities for regions 6 and 7.

Given the historical performance and opportunities in the market (acquisition opportunities and value growth), we intend to continue growing in 2024 and 2025, particularly in regions 3 and 4. This is constrained by existing investment commitments. The goal is to use two-thirds of available resources in regions 3 and 4 and one-third in regions 1 and 2.

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

Region	Range	Current %	Current €
1 - 2	65%-85%	80.6%	1,770.2
3 - 4 - 5	15%-35%	19.4%	425.9
6 - 7	0%	0.0%	0.0
Total		**100.0%**	**2,196.1**

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

SEGMENTATION

The new approach to monitor rental segments, by calculating at the front-door level, emphasizes on affordability and involves annual indexation of the rental boundaries in line with the rise of the liberalization threshold. The measuring of the different rental segments based on affordability aligns the ESG goals which also look at total housing costs (e.g. lower energy costs).

Four rental segments can be distinguished as of 2024. These include the low/social rental segment with a maximum rent price of €879.66, a mid-range (regulated) category ranging from €880 to €1,150 per month, and a high mid-range category with a range of €1,150 to €1,300. Finally, there is a free-market rental category (> €1,300). Setting the threshold at €1,300 for the high mid-range segment was a deliberate choice to align with the average income in the Netherlands (€54,025 as of January 1, 2024) and the upper limit for middle-income households (€61,775) taking into account a "housing cost quote" of 30-35% of the household income.

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

Segment	Range	Current %
Low (social) < €808	< 20%	16%
Mid-rent low €808 - €1,000	30%-50%	12%
Mid-rent high €1,000 - €1,200	15%-30%	38%
Non-regulated > €1,200	< 25%	34%
Total		**100%**

* composition at year end 2023 in 'old' rental segments

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

Segment	Range	Current %
Low (social) < €880	< 20%	18%
Mid-rent low €880 - €1,150	30%-50%	40%
Mid-rent high €1,150 - €1,300	15%-30%	22%
Non-regulated > €1,300	< 25%	20%
Total		**100%**

* composition in 'new' rental segments (Portfolio Plan 2024)

Reducing the proportion of expensive rentals in the portfolio will remain a key focus for the coming period. The goal for 2024 and 2025 will be to continue making acquisitions in the mid-market segment. For this purpose, we apply a minimum dwelling size of 40 m², plus outdoor space. The minimum size and outdoor space can be deviated from for student housing and social rent (i.e. smaller). It is important that additional services or shared indoor and/or outdoor spaces are then offered.

In addition to the aforementioned focus on region and rent, the investment proposition should be well aligned with local market conditions, and efforts should be made to avoid overexposure to the high end of the rental market in order to minimise vacancy risks.

OPERATIONAL OBJECTIVES 2024

In order to get more grip on the Fund's ESG objectives in new real estate developments the Fund discussed a more active acquisition approach during meetings with the Advisory Board this year and also in a Round Table meeting with investors in June 2023. The Fund's ambition to grow with at least €75 million per year, depending on available mandate, remains. The portfolio plan 2024-2026 includes additional new guidelines for the Fund on how to be more active when opportunities arise. Up to 5% of the Fund's capital value may be used for bridge capital to enable acquisition of projects. Any acquisition in this context requires a positive opinion from the Advisory Board.

Active steering through asset management should lead to a favourable gross-to-net ratio and attractive direct returns. The Fund historically shows better performance on Standing Investments than the benchmark over a period up till 10 years. To this end, the 2023 Fund targets an occupancy rate of at least 98% and an operating result of at least 77% were met. Furthermore, a net initial yield of 3.3%-3.5% and after deducting fund fees, a dividend yield of 3% is expected by 2024.

As for the environmental part a refined CO_2 roadmap will be compiled in 2024 to replace the current 2021 version. This will provide more insight into which properties can be made even more sustainable as from 2026. Affordability is among the social objectives. Through the purchase of mid-range rental properties and the reduction of energy costs, but also through the aforementioned anticipation of a new rental segmentation that will provide a better insight into affordability by linking rent to income and housing costs. Other targets being worked on in concrete terms include attention to heat stress and renting to key workers. Finally, the Fund focuses on good governance. It ensures compliance with guidelines and legislation.

STRATEGIC OBJECTIVES FOR 2024-2026

KPI	Standard	Objective
1. Acquisitions	Unconditional approval by the Investment Committee	At least €75 million per year, depending on available mandate
2. Rental distribution	< €880 €880 - €1,150 €1,150 - €1,300 > €1,300	< 20% 20%-50% 15%-30% < 25%
3. Regional breakdown	Opportunities map 1 - 2 Opportunities map 3 - 4 - 5 Opportunities map 6 - 7	65%-85% 15%-35% 0%
4. Development plots	Purchases, other than Turn Key, may account for up to 5% of fund capital value	At least €10 million in 2024
5. Sales	Sales stock (tender & individually) €161 million	€50 million sales proceeds in 2024

OPERATIONAL OBJECTIVES 2024

KPI	Standard	Objective
Operations	Net rental income as a percentage of gross rental income	Minimum 77%
	Financial occupancy rate	Minimum 98%
Stable income return	Net Operating Income (fullyear, operating portfolio only) as % of invested capital	Minimum 3.4%
Investments	Retrofitting towards energy label A	Investment proposals for four properties (Haarlem, Eindhoven, Tilburg and Oosterhout)

ESG POLICY AND KEY THEMES IN 2023

ESG STRATEGY OF THE FUND

The ADRF's ESG strategy is to achieve stable returns through investments in residential properties and simultaneously creating a measurable social and environmental impact. These objectives stem from opportunities the Fund sees to help solve or mitigate several social problems through its residential portfolio. The ADRF has chosen three key impact goals around three UN SDG's for this purpose:

1. Taking action against climate change (SDG 13)
2. Paying attention to tenants' well-being (SDG 3)
3. Increasing inclusiveness in the real-estate market (SDG 11)

In 2022, a process was launched, in consultation with the Advisory Board, to draw up an impact strategy for the Fund. For this purpose, we have used definitions from INREV and frameworks from IRIS+ and IMP to describe the Fund's environmental, social and financial goals, in coordination with internal and external stakeholders. It also describes how the impact goals and associated KPIs are measured and monitored. The Fund's ESG Impact Framework, including KPIs, method of measurement and current scores, is used to inform about and monitor the Fund's objectives.

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.

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.

PV panels as a collective power plant in New Brooklyn, Almere

CO_2 ROADMAP TOWARDS PARIS PROOF

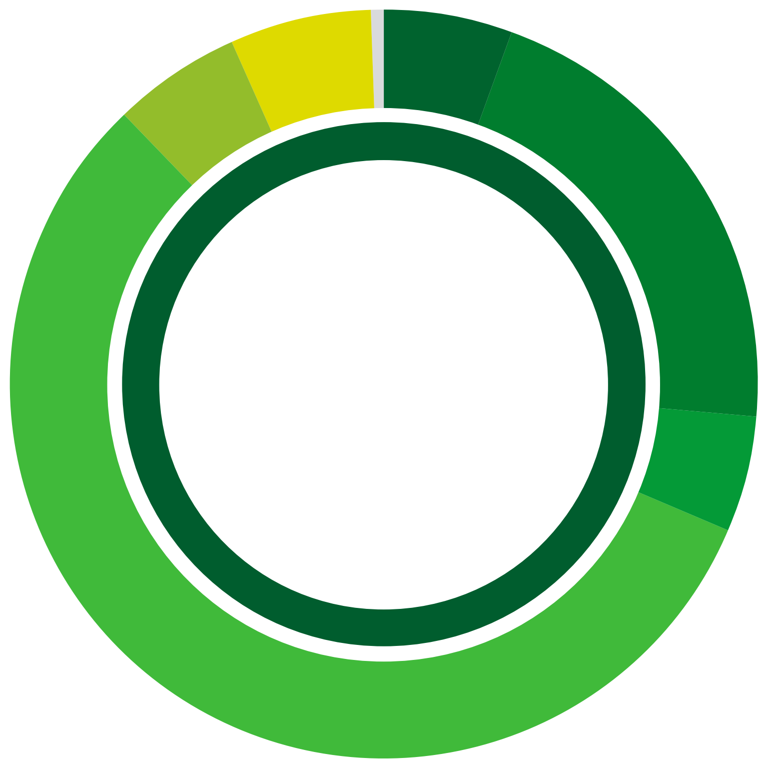
Based on the Fund's CO_2 roadmap a target and ambition have been set. The target is to reach 100% CO_2 reduction in 2045. Progress on the seeded portfolio is monitored annually, and newly built properties are added to the monitoring dashboard after a full year of operation, allowing us to recalibrate the weighted portfolio target and monitor progress. In order to start implementing the roadmap towards 2030 and beyond, we plan to update the roadmap in 2024. This will not only allow us to update the model data, but the new roadmap will also include the ability to perform scenario analysis on different levels of sustainability measures. This will allow us to better assess the investment case beyond 2026 and present this to our investors.

During 2023, the following properties were retrofitted and improved their energy label which will also reduce carbon emissions:

- Turfvaert, Kaatsheuvel, 27 single-family homes, from label C to label A
- Zilverlinde, Den Bosch, 34 single-family homes, from label C to label A
- Ploeg, Uden, 32 single-family homes, from label C to label A
- Annastraat, Boxtel, 52 single-family homes, from label C to label A

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 targets of the Dutch Climate Agreement and the CREEM 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 -52% compared to the base year of 1990. This brings the Fund very close to the 2030 target of -55%.

ENERGY LABELS



Outer ring: energy label	
Energy label A+++	5.6%
Energy label A++	20.9%
Energy label A+	5.2%
Energy label A	56.4%
Energy label B	5.4%
Energy label C	6.1%
No energy label	0.4%

Inner ring: label	
Green label	100.0%
Not green	0.0%

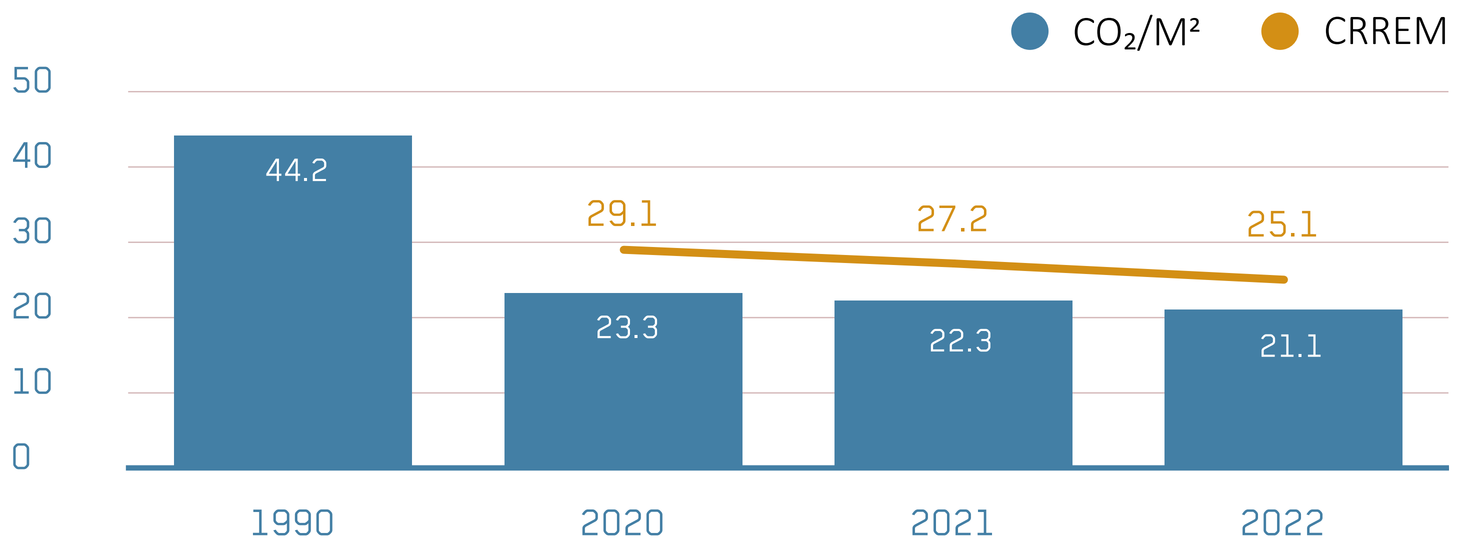
TOTAL EMISSIONS (KG CO_2 PER M²)

TOTAL EMISSIONS (KG CO_2 PER M²)
21.1

DATA COVERAGE 2022
68.8%

TARGET: -55% IN 2030 (VS. 1990)
-52%

TARGET: -100% IN 2050 (VS. 1990)
-52%



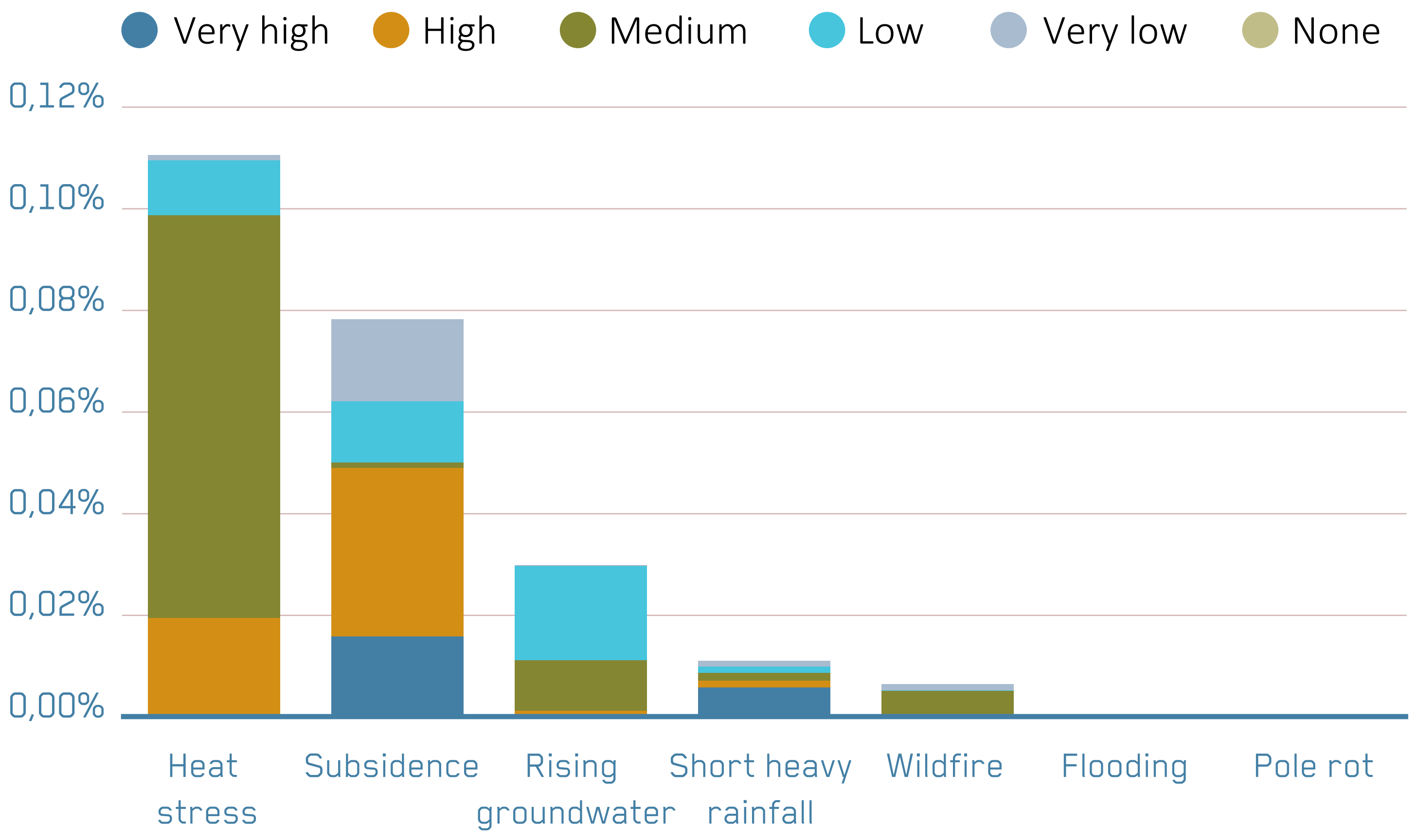
CLIMATE CHANGE

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.

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 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.

CLIMATE RISKS OF ADRF EXPRESSED AS % OF MARKET VALUE



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.

BUILDING A FUTURE-PROOF AND SUSTAINABLE PORTFOLIO

Sustainable Fund

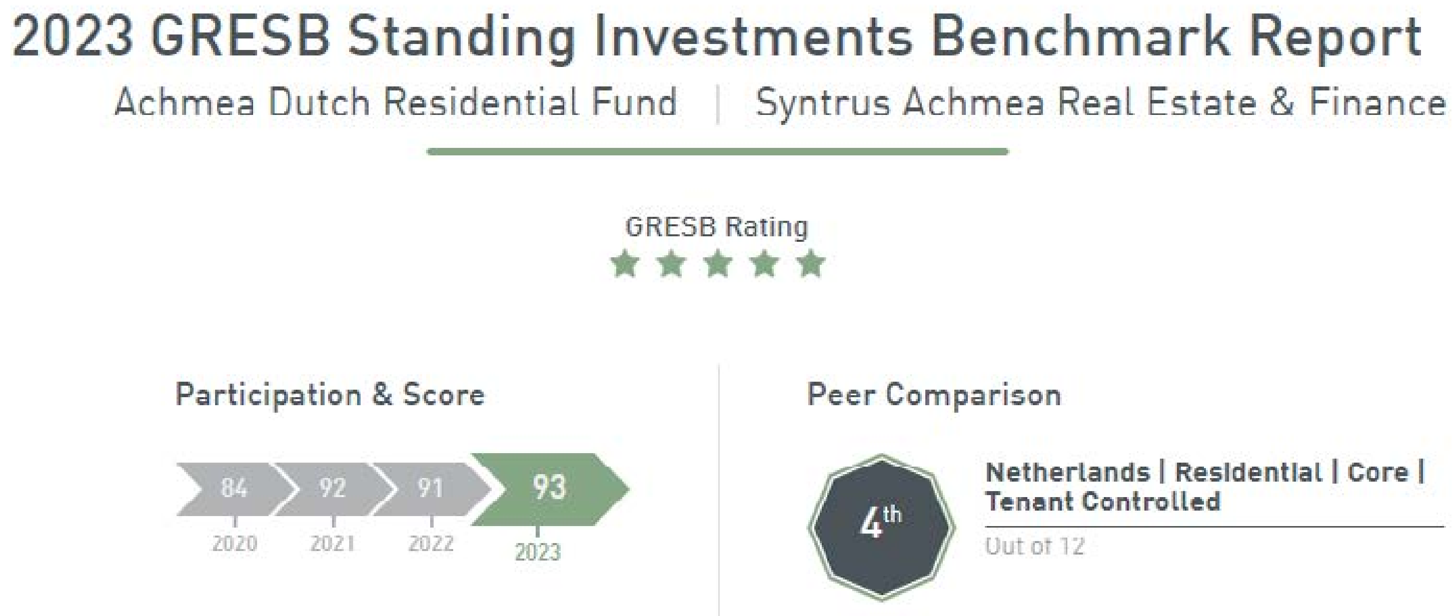
The Fund's goal for 2023 was a continued improvement of its sustainability performance and its GRESB score to obtain a 5-star rating. In 2023, the Fund achieved an overall GRESB score of 93 points (2022: 91) and was awarded a GRESB 5-star rating. The Fund is ranked fourth in the GRESB peer group Netherlands/Residential/Core/Tenant Controlled, which consists of 12 Dutch residential funds. The fund was also ranked fourth out of all 157 residential funds in Europe and fourth out of all 162 non-listed residential funds worldwide. This shows how high the standard is in the Netherlands.

For 2023, we have again focused on improving the performance indicators (data on consumption of energy/heat, water and waste streams), as this is where the greatest improvement is possible. For energy and greenhouse gases (CO_2), the score is higher than last year. For water and waste, the score is almost the same.

The Fund's GRESB score is at a very high level. Improvement is possible in the performance Indicators section by collecting more data on water consumption, achieving year-on-year savings and generation of renewable energy in buildings. Improvements in water use data are more difficult to achieve. Not all water companies can yet provide data and it is more difficult to manage savings (like-for-like) than energy.

In particular, we are currently working on installing more PV panels with gross production meters that can show consumption and making properties more sustainable to improve the like-for-like score. The new CO_2 roadmap should give the Fund good insight into the actions needed in the coming years to achieve further savings.

GRESB scores 2023



BUILDING A FUTURE-PROOF AND SUSTAINABLE PORTFOLIO

Sustainable buildings

Sustainable building certificates allow the Fund to show where it stands in terms of sustainability at the asset level. 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.

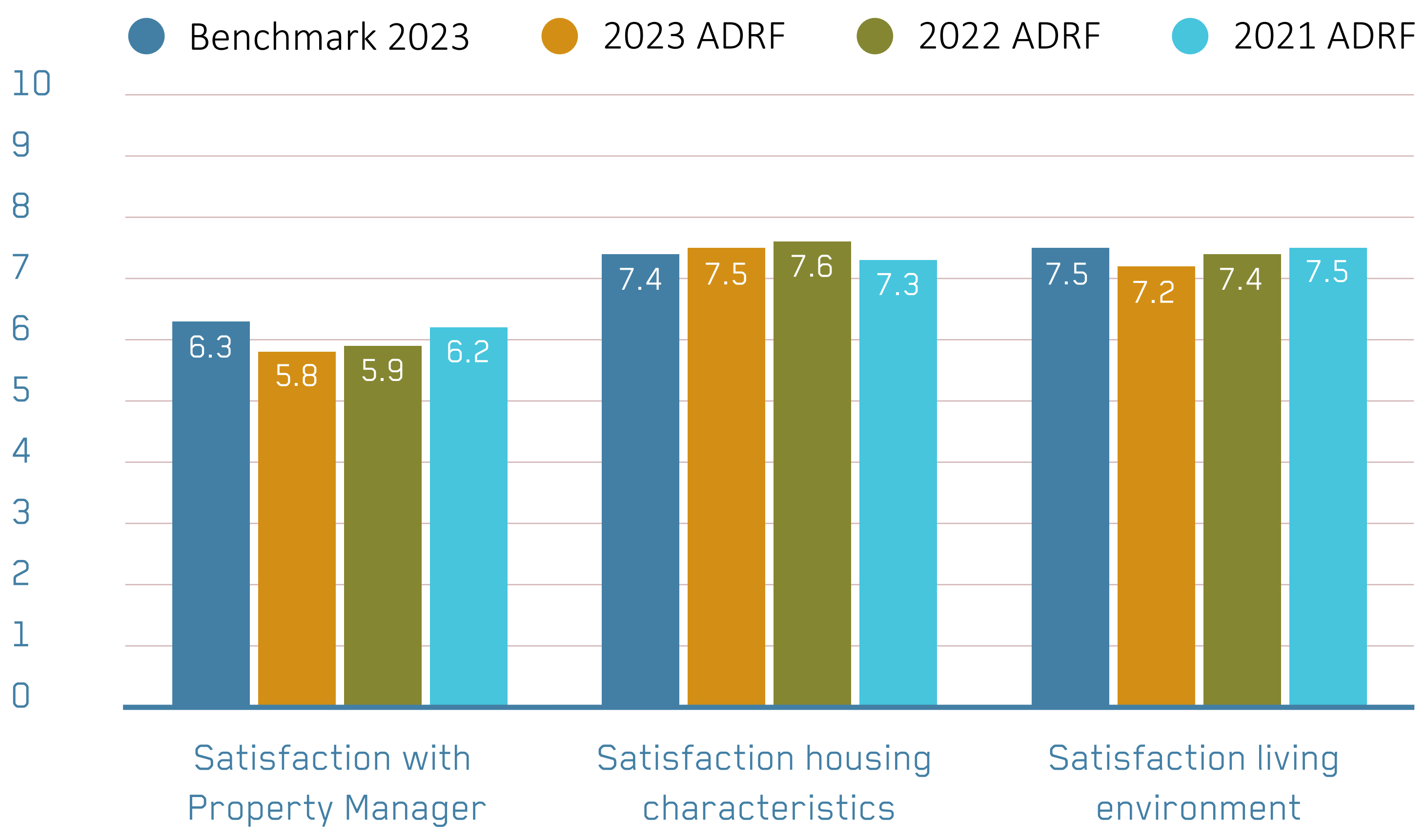
GPR Building reports on five performance indicators: Energy, Environment, Health, Quality of Use and Future value, and assigns a score for each performance indicator on a scale of 1 to 10. When used on existing buildings, GPR can help to identify quality improvements following sustainability measures. In 2023, the Fund's plan was to achieve an average GPR score higher than 7.5 for all new build assets (with a coverage of 100%) by the end of 2023. In 2023, the Fund had GPR labels for 100% of the standing assets in the portfolio, with an average score of 6.9 (and for the component 'health' 7.3). For the coming years, the Fund will focus on improving the five GPR performance indicators to gain a higher average GPR label score.

TENANT SATISFACTION

The annual tenant satisfaction survey was conducted in September 2023. Twelve institutional housing investors participated in the benchmark. The survey increased and was conducted among 82,861 tenants (+16,772), with a response rate of 37.7% (2022: 41.6%). With a score of 38.7%, Achmea's response rate is higher than the benchmark but lower than last year's score (42.7%).

Achmea Dutch Residential Fund tenants rated housing characteristics and living environment almost the same as last year and higher and slightly lower than the benchmark. The score on satisfaction with the external Property Manager was lower. In 2023, we began developing improvement plans with our property managers to increase satisfaction. We will continue this in 2024.

TENANT SATISFACTION




The Fund donated rain barrels to the tenants of retrofitted homes in Kaatsheuvel

PORTFOLIO DEVELOPMENTS

At the end of 2023, the Fund's portfolio consisted of 125 properties in operation (2022: 120) with a value of €2,102.7 million. The Fund has a pipeline of three projects under development amounting to €49.3 million. The property portfolio holds three land positions (€14.4 million). In total this amounts to €2,166.5 million assets under management. After completion of the projects under construction (outstanding commitments €70.2 million), the Fund will have a size of €2,236.6 million. This does not take into account new purchases, sales and revaluations.

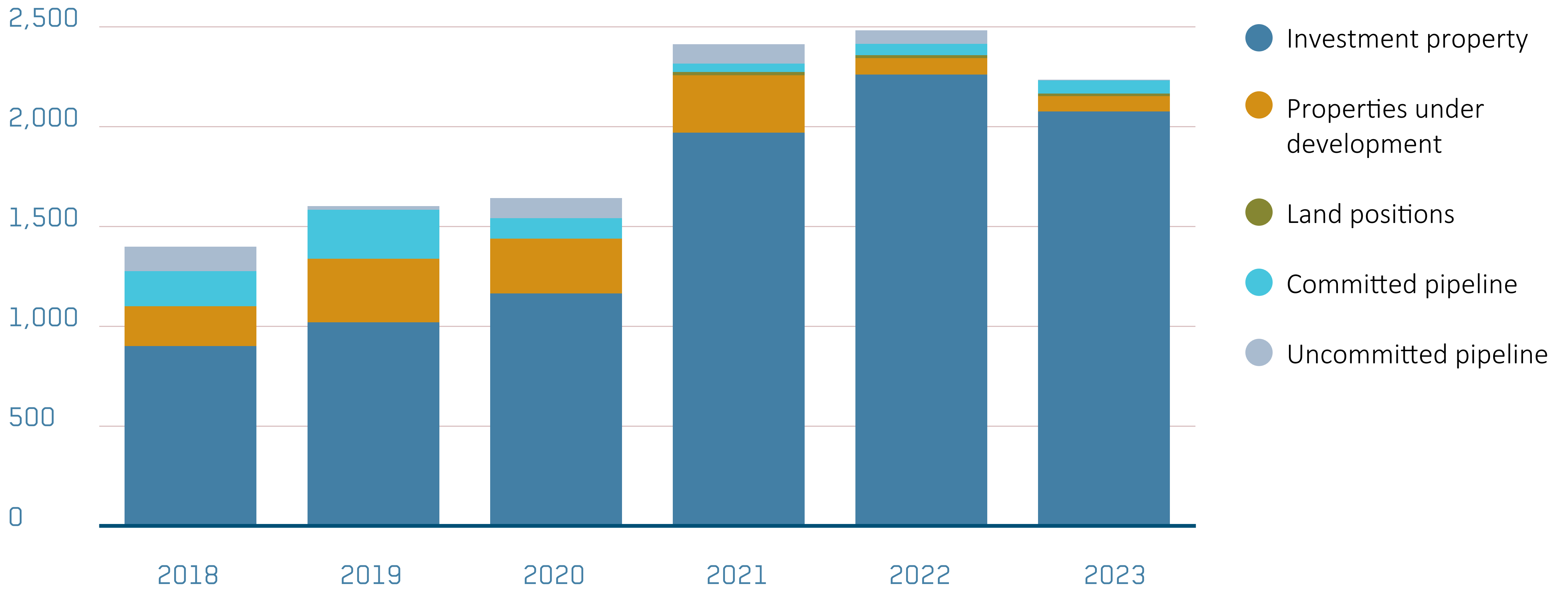
Currently, 55.1% of the Fund's portfolio (measured by average rent per building) consists of properties with rents up to €1,200. 44.9% of the portfolio have a rent above €1,200 per month. If looked at on single unit level a total of 66% of the 6,663 dwellings has a rent price of less than €1,200 per month.

The Fund aims to spread its investments over the most attractive regions (opportunity map regions 1 - 4) and has drawn up and implemented an active purchase and sale programme for this purpose. Over 80% of the Fund's assets are situated in region 1 and 2. This includes the four major cities and several other large cities in the Randstad area.

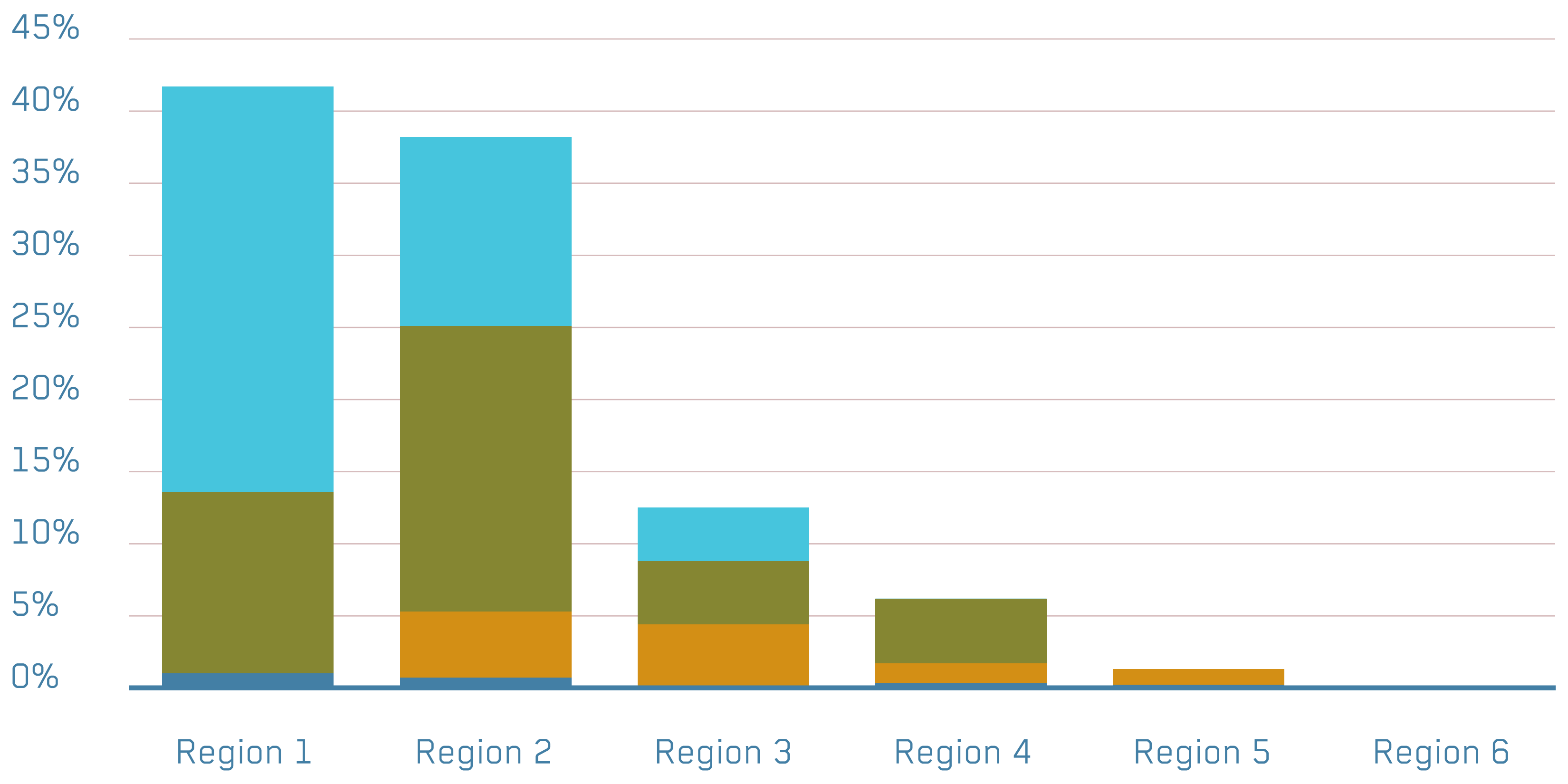
The largest five properties are located in the opportunity map regions 1 - 2 and represent a value of €367.8 million at the end of 2023. The relative share of the top five properties in the operating portfolio was 17.5% (2022: 18.3%).

27.2% of the portfolio consists of single-family homes. In 2023, 185 multi-family homes were added to the portfolio due to the completion of 'New Brooklyn' in Almere and C.H. Letschertweg Building Section A, in Utrecht.

RESIDENTIAL PORTFOLIO BY CONSTRUCTION PHASE
(AMOUNTS X €MILLION)



RESIDENTIAL PORTFOLIO BY PREFERRED REGION AND RENTAL SEGMENT*
(INCLUDING PROJECTS UNDER DEVELOPMENT)



* Excluding 137 student residences Yours in Leiden and 467 student residences Lammenschans (Block E and F) initiate.

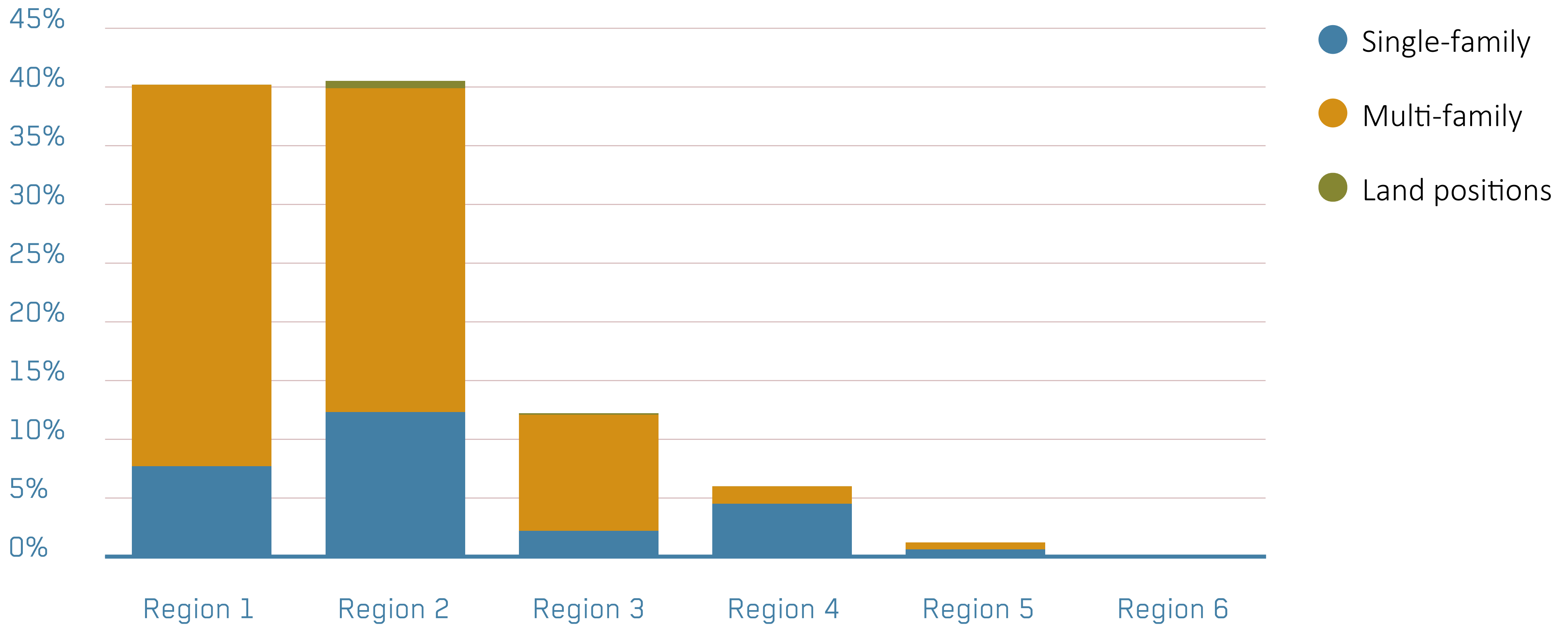
The pipeline of properties under development consists mainly of multi-family houses; the share of apartment buildings is expected to grow in the coming years. By housing type, there is no specific preference when possible acquisitions are assesed. The location should fit the product and the target group.

1.9% of the total value of the investment portfolio consists of retail and offices. The retail shops in Eindhoven, in The David in Amsterdam and in Lorentz in Leiden and the offices in Westbeat, VOC-kade in Amsterdam, Bakermat in Eindhoven and Lorenz in Leiden form a physical part of the residential properties there.

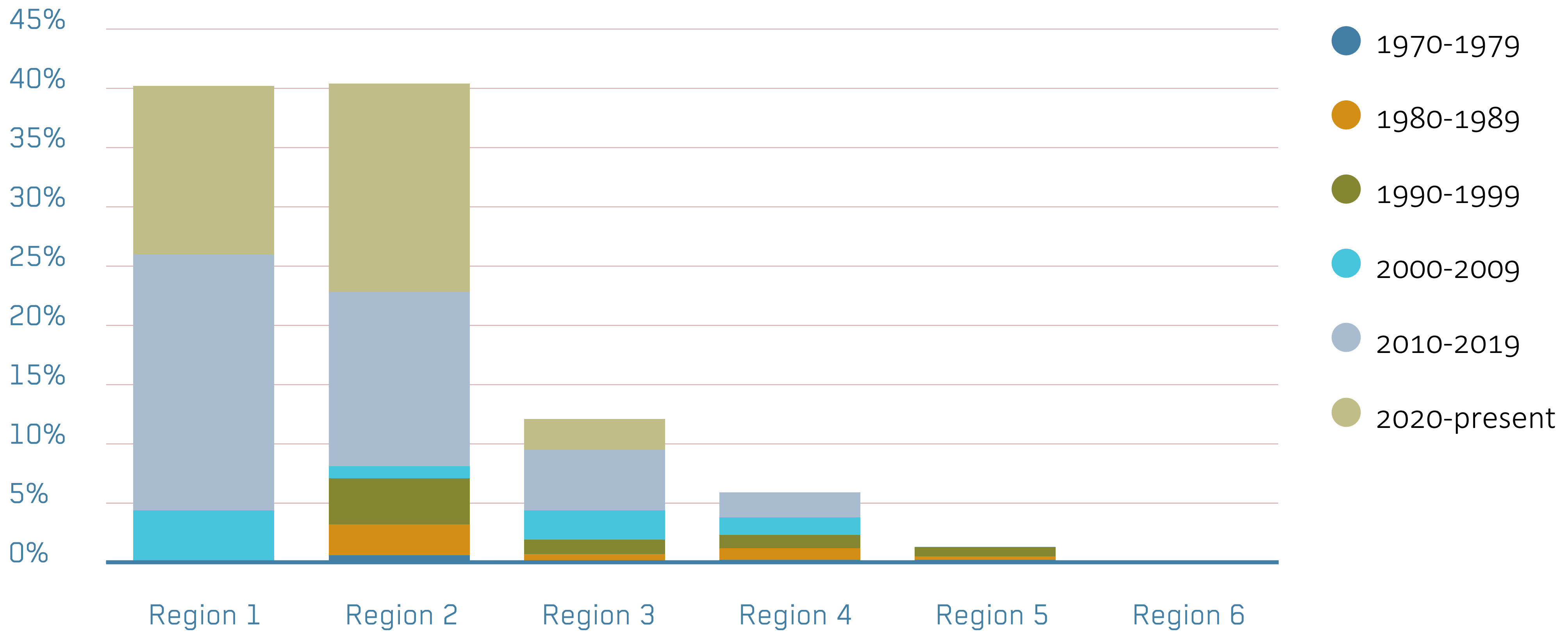
Age

Despite the addition of new properties to the portfolio and divestments in 2023, the weighted average age of the portfolio was slightly higher than at year-end 2022 (10.1 years in 2023 versus 9.3 years in 2022).

RESIDENTIAL PORTFOLIO BY PREFERRED REGION AND TYPOLOGY
(INCLUDING PROJECTS UNDER DEVELOPMENT)



RESIDENTIAL PORTFOLIO BY PREFERRED REGION AND AGE
(INCLUDING PROJECTS UNDER DEVELOPMENT)



INVESTMENTS

The Fund invested €401,000 in existing and €71.7 million in three (partial) completed projects (185 homes), which have been added to the portfolio.

Investments/deliveries in 2023

C.H. Letschertweg Building Section A, Utrecht

Segment: multi-family houses
Number of residential units: 99
Rental range: €873 - €1,337
Delivery date: June 2023

VOC kade Plot 4&5, Amsterdam

Segment: commercial property units
Delivery date: July 2023

New Brooklyn Block A6-A7, Almere

Segment: multi-family houses (and 375 m² commercial property units)
Number of residential units: 86
Rental range: €724 - €1,450
Delivery date: June and December 2023

Properties added in the pipeline in 2023

Doorslagzone Tower A, Nieuwegein

Segment: multi-family houses
Number of residential units: 191
Expected rental range: €800 - € 1,500
Expected delivery date: Q2 2025

Wielewaal, Rotterdam

Segment: multi-family houses
Number of residential units: 29
Expected rental range: €1,075
Expected delivery date: Q1 2024

SAM, Zoetermeer

Segment: multi-family houses
Number of residential units: 201
Expected rental range: €800 - €1,300
Expected delivery date: Q4 2025

DIVESTMENTS

The Fund aims to renew part of the portfolio annually in order to rejuvenate the portfolio on a constant basis. Properties that ultimately no longer meet the requirements of the Fund’s hold/sell analysis are eligible for sale. Divestment decisions are carried out in two ways: sales of single units to individuals (individual sales) or the sale of a portfolio to professional investors (by tender). The total net result on sales amounted to €584,000. In 2023, eight individual dwellings and a land position in Beilen from the portfolio were sold with a book value of €2.5 million.

Property	City	Number of residential units
Broekstukken	Eelde	1
Woonallianz	Eindhoven	3
Brederolaan	Etten-Leur	1
Schoolpad	Haren	1
Melde	Kampen	1
Woonallianz	Voorschoten	1

LAND POSITIONS

Development of land positions is expected to take at least until 2025 or later. The lead time of spatial planning procedures and construction preparation are determinants of progress. In addition to the investment restrictions in the fund conditions, the following conditions apply to the land positions to be developed:

- The product is tailored to the desired target group, focusing on combinations of functions in urban areas (stimulating encounters, experiences and efficient use of space)
- The projects are located in opportunity map region 1 - 4
- The investment volume is ideally at least €10 million
- The investment contributes to the portfolio return
- The dwellings have a high level of sustainability (gas-free and preferably energy-neutral, BENG, etc.)

In developing the pipeline, the main focus is on product and sustainability.

Amstelveen – J.C. van Hattumweg/De Scheg (North Holland)

The land position is part of the future housing location "De Scheg"; Amstelveen's last major new housing development. It involves a total of approximately 1,400 homes divided between the subareas West, Midden (Centre) and Oost (East). The land position, measuring 15,639 m², is part of the Midden subarea, for which a global urban development plan has been drawn up. Indicatively, about 50 houses have been drawn on the position, the majority of which consists of single-family houses in the rental segment and a small part of housing lots intended for more expensive owner-occupied homes. The zoning plan for Midden went into procedure at the end of 2023. The land position was acquired by property developer Blauwhoed, with whom contractual agreements were made regarding the development of the homes and an exit fee of €0.1 million excluding VAT if the developer did not exercise the development right.

Wilnis – Marickenland/De Maricken II (Utrecht)

"Marickenland" concerns the land position, measuring 94,600 m², which was jointly acquired by the Fund and property developer Blauwhoed on an equal basis. The land position is part of the "De Maricken II" housing development site. The area, measuring approximately 50 hectares, was zoned for residential purposes in 2011, with municipal approval still pending. According to the current zoning plan, a maximum of 978 homes can be realized, of which 500 homes have already been realized in the "De Maricken I" subarea. The remaining capacity of 478 homes can be filled in the "De Maricken II" subarea. The landowners with positions in "De Maricken II" have entered into consultations with the municipality to increase the remaining capacity of 478 homes to 600 to a maximum of 650 homes. The College of Mayor & Aldermen has expressed its willingness to put this plan into procedure under the condition that the landowners in the area enter into an agreement with the municipality. This sets out the spatial, programmatic and financial preconditions for the development. This agreement was concluded in the fourth quarter of 2023.

In 2010, the Fund and Blauwhoed mutually entered into a cooperation agreement for the purpose of developing the land position for joint account and risk. In connection with the expiration of that agreement, the parties entered into consultation about a renewed cooperation. In 2023 this has led to a restructuring of the cooperation that is laid down in a Letter of Intent (LOI) that will be further defined contracts no later than the second quarter of 2024.

The new cooperation is based on the following main agreements:

1. Sale of land position Marickenland to area developer Blauwhoed/BPD
2. Liquidation of assets and dissolution of current cooperation vehicle Fund/Blauwhoed
3. Purchase of 75 building-ready lots by ADRF for the realisation of residential investments
4. Development agreement Fund with Blauwhoed on housing development

The 75 single-family homes for the Fund consist of 45 regulated mid-rent homes and 30 homes free sector rental.

Rijswijk – Gespo (South Holland)

The zoning plan phase has been completed; in March 2017, the anterior agreement with the municipality of Rijswijk was adopted and in April 2021, the zoning plan was declared irrevocable. On 6 April 2022, approval was obtained from all four owners for the continuation of the plan elaboration of the Gespo site. Further plan elaboration consists of work required to prepare investment proposals for the four owners. In October 2023 the sketch design was approved by the municipality of Rijswijk. Following the development team has started work on the preliminary design which is expected to be completed in March 2024. In October 2023 the tendering process for the selection of an executing party also started. Eight renowned parties were selected to participate in a preselection procedure.
Early December 2023 three parties were selected to take part in the final selection procedure which will start in March 2024 based on the preliminary design which is to be finalized and approved by the municipality.
The executing party to be selected will be bound to the realisation of the project based on a LOI. Based on the signed LOI the investment proposals will be presented to the four owners in the third quarter of 2024.
Adjustment of the anterior agreements with the municipality will also be included in further elaboration of these agreements for the realisation of the project.

TOP 10 LARGEST INVESTMENTS (IN OPERATION)

Property name	Address	City	Theoretical annual rent (x €1,000)
De Flora, De Fortuin, De Parel	Oostenburgermiddenstraat, Willem Parelstraat	Amsterdam	€3,453
De Admiraal, De Bloem, De Mark, De Warmoes	Jan Kiststraat, VOC-kade, Oostenburgermiddenstraat	Amsterdam	€2,950
Bakermat	Boschdijk & Johannes van der Waalsweg	Eindhoven	€3,182
Westbeat	Lelylaan	Amsterdam	€2,781
The David	David Ricardostraat	Amsterdam	€2,731
Plaza West	Menno Simonszplein	Haarlem	€2,528
Lorentz	Stationsplein	Leiden	€2,414
Kortenaerkade	Kortenaerkade	The Hague	€2,541
KEA Science	Park Carolina MacGillavrylaan	Amsterdam	€2,286
Lammenschans	Sigmaplantsoen	Leiden	€2,338

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 the operating result was 78.9%.

RENT DEVELOPMENTS

The rental income for 2023 amounted to €87.8 million. On balance, this represents an increase of €8.5 million (10.7%) compared to 2022 (€79.3 million) because of:

- The completion of C.H. Letschertweg Building Section A in Utrecht, Oostenburg in Amsterdam, New Brooklyn in Almere and Bakermat in Eindhoven in 2022 and 2023 (€5.6 million)
- The sale of individual dwellings in 2023 and 2022 (€-25,000)
- The like-for-like rental income of the operating portfolio (€2.9 million)

The Fund aims to let all properties at market rental levels. Rental income growth follows from completions of housing projects and the annual rent increase. The Fund aims to achieve a justified rent after rent increase for current tenants. Like-for-like rental income amounted to €2.9 million (4.0%) as a result of indexations (€2.6 million, 3.6%), contract changes (-0.2%), rental discount (0.3%) and decreased vacancy (0.3%).

At the end of 2023, the average monthly rent was €1,172 per month (2022: €1,129 per month). The single-family houses and multi-family houses completed in 2023 are let at an average monthly rent of:

- C.H. Letschertweg Building Section A in Utrecht €1,155
- New Brooklyn (A6-A7) in Almere €1,222

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.

TOP FIVE VACANCY BY THE END OF Q4 2023

Property name	City	Initial vacancy	Total vacancy	Dwellings available	Occupancy rate
Herenweg	Heemstede	no	€143,000	3	93.8%
Parkstad, Block H and K1	Rotterdam	no	€99,000	3	95.7%
Westbeat	Amsterdam	no	€77,000	1	97.2%
Kortenaerkade	The Hague	no	€59,000	2	97.7%
Molenwerf	Amsterdam	no	€52,000	1	96.7%

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.

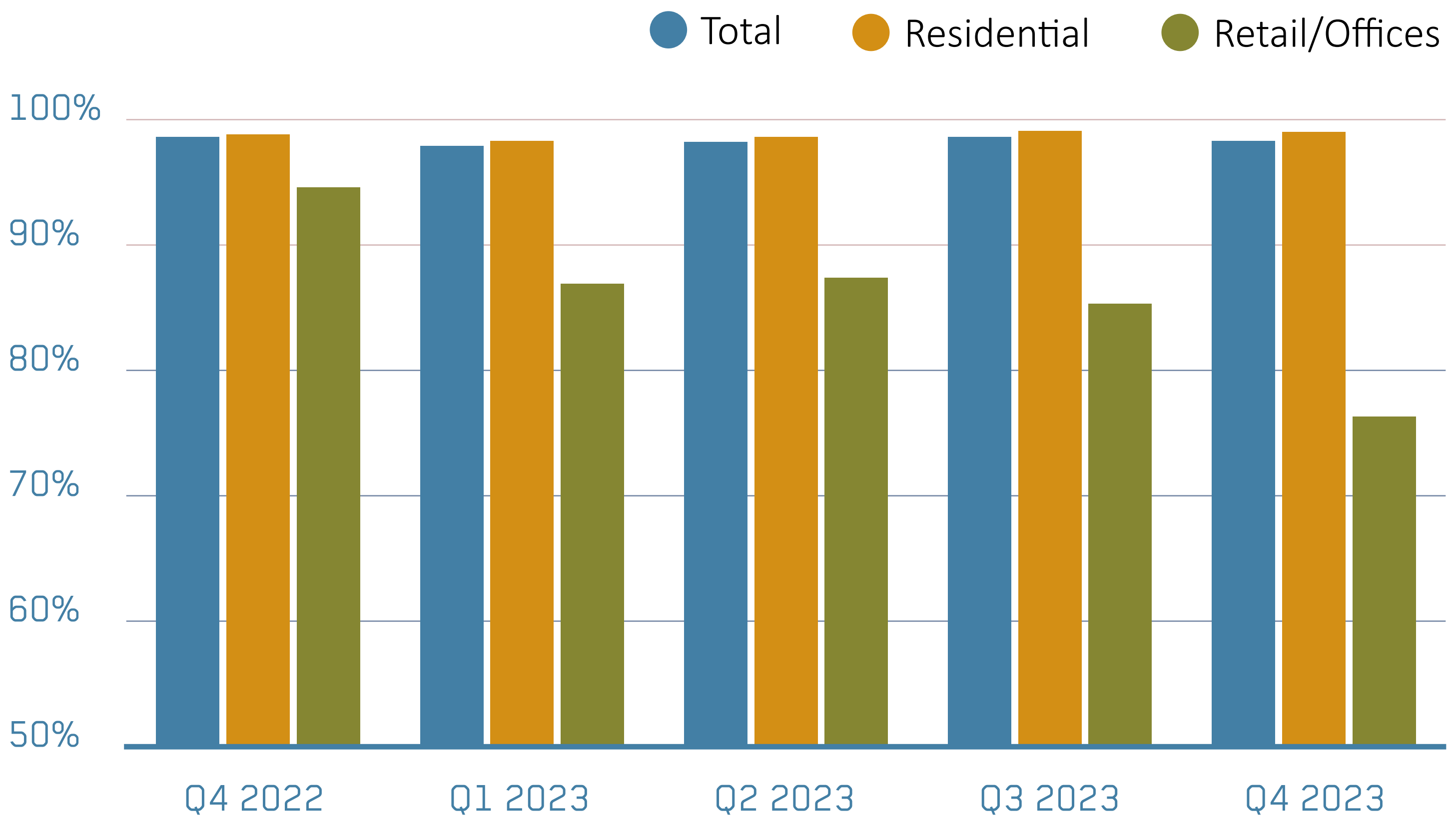
The foregoing has led to a lack of clarity and uncertainty as to whether CPI+ clauses in leases for deregulated rental properties will ultimately be upheld by the highest courts. Rulings by higher courts should eventually provide more clarity. Achmea Real Estate participates in an IVBN working group 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.

Occupancy rate

Optimising occupancy is one of the main tasks within asset management. This is done through a proactive approach in letting the properties and an active customer and market approach. The total financial occupancy rate at the end of 2023 was 98.3% (2022: 98.6%), composed of retail and office 76.3% (2022: 94.6%) and residential 99.0% (2022: 98.8%).

The occupancy rate in recently completed new construction projects (< 12 months) was 99.8% at the end of 2023. Excluding completions in the last 12 months, the occupancy rate at year-end 2023 was 98.2% (2022: 98.6%). In 2023, the target overall occupancy rate was 98.0% or more.

OCCUPANCY RATE



	Q4 2022	Q1 2023	Q2 2023	Q3 2023	Q4 2023
Total	98.6%	97.9%	98.2%	98.6%	98.3%
Residential	98.8%	98.3%	98.6%	99.1%	99.0%
Retail/Offices	94.6%	86.9%	87.4%	85.3%	76.3%

This includes operational vacancy (existing portfolio) and initial vacancy (new-build properties). Despite the large number of newly built homes in 2023, the target was met. All newly built homes were fully let at completion.

To provide more insight, the Fund's occupancy rate is divided by rental segment based on only lettable housing units. This breakdown is shown in the figure above.

The Fund's tenant turnover is calculated on the basis of the terminated leases in 2023. The movements are calculated against the total number of lettable residential units at the end of 2023, increased by the homes sold in 2023. The turnover rate based on 461 terminated leases was 7.7% over 2023 (2022: 359; 6.3%).

Rental activities commercial space and parking spaces

For these assets, the aim is to achieve leases with relatively long maturities and rent indexation that is at least inflation-following in the long run. The Fund has 11 commercial leases and 11 parking space renewed in 2023 totalling €316,000 in annualised rent, which is equal to 0.4% of total annual theoretical gross rental income. One new incentive was provided for a rent free-period in 2023.

RENTALS (AMOUNTS X €1,000)

	Number of leases	Contractual rent (annual basis)	Market rent (annual basis)	m²
Extended contracts	24	316	309	1,118
Terminated contracts	5	431	344	1,925
Subsitution	1	31	38	150

OPERATING EXPENSES

The operating expenses for 2023 amounted to €18.6 million, a decrease of €276,000 (-1.5%) compared to 2022 (€18.8 million). The decrease was mainly caused by:

- The like-for-like operating expenses (€128,000)
- The completion of C.H. Letschertweg Building Section A in Utrecht, Oostenburg in Amsterdam, New Brooklyn in Almere and Bakermat in Eindhoven in 2022 and 2023 (€-296,000 including penalty for exceeding construction time Oostenburg Amsterdam (credit to Fund: €624.000))
- The development of properties (€-86,000)
- The sale of individual dwellings in 2022 and in 2023 (€-22,000)

Operating expenses as a percentage of rental income in 2023 (21.1%) decreased by 2.6% compared to the same period in 2022 (23.7%). The rental income increased(+ 10.7%) while operating expenses (2023 €18.6 million and 2022 €18.8 million) remained almost the same. The operating expenses are lower than budget level (23%) by the end of 2023.

Property management has been outsourced to two external property managers. These property managers are under the direct supervision of the asset manager.

FINANCIAL PERFORMANCE 2023

FINANCIAL RETURN

The Fund realised a total return of -7.9% in 2023, consisting of a 2.7% income return and -10.4% capital growth. Net rental income and fund operating 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 €69.5 million was €8.9 million higher than in 2022 (€60.6 million). The deviation to 2022 was due to higher gross rental income (€8.4 million), higher other operating income (€362,000) and lower operating expenses (€276,000), partly offset by higher service charge expenses (€170,000). Fund operating expenses (€8.8 million) were €1.2 million lower than in 2022 (€10.0 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 2.7% (2022: 2.1%).

Capital growth

The Fund realised capital growth of -10.4% compared with 2022 of 0.3%. 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.

RETURN 2023 (AMOUNTS X €1,000)

	Q1 2023	Q2 2023	Q3 2023	Q4 2023	2023
Investments at the beginning of the quarter	2,356,909	2,228,502	2,180,702	2,180,435	
Investments	4,548	15,472	29,023	15,507	
Direct result	14,812	13,736	15,559	16,792	60,899
Indirect result	-132,189	-58,201	-27,645	-28,886	-246,921
Total result	**-117,377**	**-44,465**	**-12,086**	**-12,094**	**-186,022**
Income return	0.6%	0.6%	0.7%	0.8%	2.7%
Capital growth	-5.6%	-2.6%	-1.3%	-1.3%	-10.4%
Total return	**-5.0%**	**-2.0%**	**-0.5%**	**-0.6%**	**-7.9%**

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. After completion of a property, the property is valued based on a market value cost-to-buyer (Dutch: kosten koper), while during the development phase this is done based on a market value deed-in-hand, taking into account the time value of money and the time factor. This negative adjustment is due to accounting treatment.

PROPERTY PERFORMANCE - MSCI ANNUAL INDEX

The Fund monitors its performance relative to the MSCI Residential benchmark, with the objective of outperforming it. The MSCI annual benchmark is composed of 91 property portfolios consisting of 3,873 properties with total invested assets of €72.0 billion. The MSCI residential benchmark consisted of 2,385 properties with a total size of €42.8 billion.

The Fund participated with a portfolio consisting of 131 properties with a total capital value of €2.2 billion. Of these, 124 properties are in operation. In 2023, the Fund achieved underperformance on both Standing Investments (-1.6%) and All Assets (-1.6%) relative to the MSCI benchmark (2022: +2.3% and +1.3%). On 1, 3, and 5-year averages, the Fund underperformed on Standing Investments and on All Assets.

PERFORMANCE ALL ASSETS 2023

	Fund	MSCI benchmark
Income return	3.3%	3.1%
Capital growth	-10.5%	-8.8%
Total return	**-7.5%**	**-5.9%**

PERFORMANCE 3, 5 AND 10 YEARS - ALL ASSETS

	Fund	MSCI benchmark
3 years	2.3%	3.3%
5 years	5.3%	6.3%
10 years	8.6%	9.7%

PERFORMANCE STANDING INVESTMENTS 2023

	Fund	MSCI benchmark
Income return	3.4%	3.3%
Capital growth	-10.3%	-8.6%
Total return	**-7.2%**	**-5.6%**

PERFORMANCE 3, 5 AND 10 YEARS - STANDING INVESTMENTS

	Fund	MSCI benchmark
3 years	3.0%	3.5%
5 years	6.5%	6.1%
10 years	8.9%	9.3%

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 -7.9% (2022: 2.4%). This return includes an income return of 2.8% and -10.4% from capital return. The distributed income return for 2023 was 2.6% (2022: 2.5%).

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	38.81	34.71	27.08	19.70	21.94
Valuation results (realised and unrealised)	-137.57	2.26	123.42	51.72	65.85
Fund costs	-4.88	-5.73	-5.10	-3.90	-3.85
Investment result per average outstanding unit	**-103.64**	**31.24**	**145.41**	**67.52**	**84.21**


Festive handover to tenants in Rijnvliet, Utrecht

CORPORATE GOVERNANCE

The Achmea Dutch Residential Fund is a mutual fund under Dutch tax law that operates under the regime of a fiscally transparent fund. 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 Custodians 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 Custodians 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 Custodians 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 authorized 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 Residential 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 €37.5 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. Among the items on the agenda in these meetings last year were the progress of the portfolio objectives, the portfolio plan, the annual report, an explanation of the allocation policy, the development of the new acquisition strategy, note on housing costs in relation to energy demand before and after sustainability and the preparation of the Investor Meetings. The Advisory Board took a decision on changes of the Advisory Board Regulations.

In 2023, one additional meeting took place in addition to the regular meetings. This meeting was dedicated to discussing possible improvements in the acquisition strategy for portfolio plan 2024-2026.

The Advisory Board issued one opinion in 2023 on 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 C.G.J.W. Martens
- Sector expert: Mr P.A. Hendrikse
- On behalf of ineligible investors: Ms K.N. Haasbroek

On behalf of eligible investors:
- Stichting BPF voor het Beroepsvervoer over de Weg: Mr J. Stevens
- Stichting Pensioenfonds Werk en (re)Integratie: Mr M. Smelter (From 1 February 2024: mr. Y. van Haaster)
- Achmea Schadeverzekeringen N.V.: Mr A.R.K. Grot

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 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.

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.

'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

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. 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. To improve verifiable control, the privacy project was launched in 2021.

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 residential 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 RESIDENTIAL 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 residential 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 residential 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 residential 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 exceeding €37.5 million, redevelopments and additional investments exceeding 20% of the value of an individual property and exceeding €10 million and investments outside the Investment Policy and any contribution in kind 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%	878	3.98 bps
Financial vacancy rate	1.0%	-895	-4.06 bps
Net initial yield	0.5%	-264,767	


Residents day 2023 at Van Cranenburghlaan in Wassenaar

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 residential sector, or • the investment is otherwise consistent with the Fund's investments.	The Fund invests on a limited basis in stores and offices related to residential properties (end of 2023: 1.9%)	✔
Value of individual registered property at the time of purchase < 25% of the net asset value.	During 2023, the Fund has not made any purchases or investment that exceeded this limit	✔
Individual registered property at the time of purchase < €75 million. If located in G4 (Amsterdam, Rotterdam, The Hague and Utrecht) < €150 million	During 2023, the Fund did not take any purchase decisions involving an investment exceeding this limit	✔
Invested exclusively in registered property in the Netherlands	The Fund has no foreign properties in its portfolio	✔
Bank balances maximum 5% of the net asset value	Bank balances as at 31 December 2023 amounted to 0.2% 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 had no indirect investments as at 31 December 2023	✔
Maximum 25% borrowed capital	The Fund had no borrowed capital as at 31 December 2023	✔
Transactions in listed or unlisted financial instruments are permitted	No financial instruments are owned, have been sold nor are there plans for the purchase of 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.

This Investor Meeting also approved the reappointment of Ms K.N. Haasbroek as independent representative of the ineligible participants of the Advisory Board Achmea Dutch Residential Fund for the period from 1 July 2023 to 1 July 2027.

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 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
- the possibility for eligible participants to appoint a permanent substitute

Finally, the Investor Meeting approved the reappointment of Mr C.J.G.W. Martens as Chairman of the Advisory Board Achmea Dutch Residential 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 Residential 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 i nconsistent 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

MEET UP WITH ADVISORY BOARD MEMBERS CHARLIE MARTENS AND PIETER HENDRIKSE

The interplay between Manager and Advisory Board

The Achmea Dutch Residential Fund (ADRF) has been investing in good, sustainable rental housing for years and now has a strong portfolio on one side and satisfied tenants on the other. To ensure the Fund's governance and portfolio strategy, investments and strategic issues are discussed with members of the Advisory Board. This Advisory Board, which brings together years of experience and expertise, consults, analyses and advises. In the presence of Onno Hoff, Fund Manager of the ADRF, Chairman Charlie Martens and Sector Expert Pieter Hendrikse talk about their roles on the Advisory Board and their views on the housing market.

THE ADVISORY BOARD'S ROLE

The Advisory Board is independent of the Manager, Achmea Real Estate. On the Advisory Board, three of the six members have no connection with Achmea or the fund's participants. They were asked to serve because of their extensive experience in risk management and the real estate industry. They are specialists with expert knowledge, content and market sense. The other three participants are the three largest investors in the Fund. That makes this governance structure unique in the market.

The members closely follow all developments in the market, thus giving the ADRF comfort and security. It is an interplay that creates room for investors to act responsibly. In doing so, the board contributes to the ADRF's objectives and helps the Fund to be continuously sharp. At the same time, there are also formal tasks to be performed within the framework of the Fund Terms and Conditions.

THE ADVISORY BOARD HAS A HUGE RESPONSIBILITY

The interaction with representatives of the major participants sometimes means that, in practice, a non-positive opinion results in the non-proceedings of that for which an opinion was requested. Charlie Martens says: 'That makes our role very serious and gives us quite a lot of pressure. But we feel that there is good interaction because we engage with each other on both a professional and substantive level.'

Until 2020, the Fund had a Supervisory Board. Unlike a Supervisory Board, whose focus is partly on transcending organisational issues and where there were no seats for investors, the Advisory Board zooms in 100% on the content of the portfolio. It deals with the housing market, the composition of the portfolio and the impact of the Fund's financial and social direction. With investors joining the Advisory Board, much more alignment has been created.

WITH INVESTORS JOINING THE ADVISORY BOARD, MUCH MORE ALIGNMENT HAS BEEN CREATED.

Onno Hoff: 'Previously, the agenda of our meetings with the Supervisory Board consisted mainly of formalities that were sometimes also fund-transcending. Now there is more time for discussions about the market and about the Fund's content and strategy. I find that much more valuable.'

Charlie Martens: 'And don't forget, we also have an eye on the organisation, quality and safeguarding functions that are necessary for the overall performance of the ADRF. We are about knowing and feeling in that overall context where we need to operate in terms of content.'

HOUSING MARKET CHALLENGES

The Netherlands is still far from expanding. This places a responsibility on the housing market. Looking at the past 50 years, the population is getting older on average, family compositions have changed and our living pattern has changed. All major changes that have consequences for welfare, care, infrastructure and the housing market.

The plan of the outgoing government, but also in most political programmes, is to build 1 million homes in nine years. 'That is a serious task if we compare it with growth city Almere, where we met for this interview today,' says Pieter Hendrikse. 'That city has been around for 48 years now and built some 90,000 homes. Buy and rent together. So the current government's ambitious plan means that we have to build eleven times more houses than the city of Almere and do it about five and a half times faster than the city of Almere.'

For the ADRF, the housing task is a huge responsibility and at the same time an opportunity to build the Netherlands with the right partners. The value, return and income of the investment are almost assured and secured. This makes housing investment one of the most secure and valuable investments for years to come. Also from a social perspective.

COLLABORATION, TRANSPARENCY AND TRUST

Raised barriers, such as high construction costs or high land prices, are reasons not to do so. Government regulation is also often cited as a limiting factor. And yet there are plenty of good reasons to do just that. At the moment, dependence on the direction of the central government seems very high. But looking at a lower level, it is more advisable, for instance, to intensify the relationship with an alderman, with whom you have to switch in order to build. His views on private land price and rent are decisive for the success of housing investments within municipalities. In this, we still often see municipalities working from old thinking patterns and rules. While there is much to be gained for them. After all, a municipality then not only grows in size, but it also means beautiful and important growth for tax revenues, local bustle, culture, community and society. You create all that by building housing. Hendrikse on this: 'Just look at what Almere eventually became within 48 years. It is now one of the largest cities in the Netherlands with a great diversity of residential environments. It wouldn't have been that without a long-term vision and the collaborations between the government and the market.'

Martens: 'To be honest, the law on ownership is the most absolute law in the Netherlands. Therefore, I don't expect land prices to suddenly drop tremendously. We have to look for it in different solutions. You can find opportunities in the existing stock by sharing or splitting houses. Here too, cooperation is necessary. Whatever the route to more housing, it is very important to improve and shorten procedures at governments. The longer a procedure runs, the more people are involved, the longer financing costs run and the higher land prices end up being. We should all try to speed up rather than slow down.'

> FOR THE ADRF, THE HOUSING TASK IS A HUGE RESPONSIBILITY AND AT THE SAME TIME AN OPPORTUNITY TO BUILD THE NETHERLANDS WITH THE RIGHT PARTNERS.

Hendrikse: 'Investors are in a similar situation to farmers. Farmers have no long-term perspective at the moment. They don't know where they stand. For investors, almost the same applies. For instance, very suddenly the transfer tax went to a rate above 10 per cent and the continuous stream of adjustments in rent regulation is creating a lot of uncertainty among investors. So how do you still ensure more rental properties? In addition, the housing market faces an uneven playing field when it comes to the tax treatment of existing homes, new homes and land. This makes the realisation of additional housing incredibly complicated. Without collaborations, there will be no steady results.'

WE WILL NOT STOP THIS POPULATION GROWTH

Hendrikse continued: 'We know we have a public housing task. We have to house the people, because there is no more house to settle the people.'

Charlie Martens points out that we in the Netherlands are only wasting time due to lack of expertise and lack of guts to take steps. He calls for a more active stance: 'To bring it back to ADRF, I want to say that we have to show that we do dare to jump. ADRF is just doing very well in terms of social requirements, ESG and financial returns. We must continue to trust each other and take steps to have a fantastic fund that matters in the longer term as well. Fortunately, the current portfolio plan also reflects this 'don't blab on, but clean up' approach. As a true Rotterdammer, I just had to say that', he concludes with a generous smile.

SEEING OPPORTUNITIES AND SEIZING CHANCES

Hendrikse: 'Ultimately, we are all insured for our pensions. That money must sooner or later lead to benefits. For the ADRF, this means investing in real estate in the best possible way. The demand for residential real estate is only growing. So, if we know that there are customers who want to invest in a good ADRF product, we have to make sure that they always have access to the opportunity to invest in residential properties in the Netherlands for a certain return. And with few Dutch real estate funds left, that opportunity is there. ADRF could play a leading role in building and living in the Netherlands, because we know that this is what the capital is looking for and what the seeking tenant is looking for is a reliable lessor like ADRF.'

Can the ADRF do this with the new financial reality? 'As long as the potential in collaborations is sought more and smarter and trust is expressed in each other, the answer is: yes. ADRF is an incredibly good club. They build good houses and have satisfied tenants. I hope we can collaborate a lot more with municipalities and corporations,' says Charlie Martens.

Pieter Hendrikse added: "Investors, by the way, have increasingly started to learn that it is not just about finance. Social return is not something that is easy to express in a number but does make a lot of impact. And with ESG, SFDR and the United Nations targets, that is what is being asked of us. That's the noble thing about investing.' Incidentally, he also shares his personal views on pension funds making returns mainly across borders. 'If we look at the capital there is in the Netherlands and what responsibility we have to provide a good social return with that money, it is illogical that there are pension funds that, despite this social return demand, still invest a lot across borders. There could be enough capital in the Netherlands to provide social care for all residents.'

WE CAN LEARN FROM PAST EXPERIENCE

Residential areas built in the 1970s have spacious houses with a front garden, a pavement, a parking space, a lawn and a children's play area. This provides social cohesion in a neighbourhood. Nowadays, land is expensive so high-rise buildings are quickly chosen, there are few parking spaces and no thought is given to facilities for greenery or for children. The reason is that money is divided into separate streams of money. Each party manages its own money, and the lack of collaborations means they ignore the joint social impact we so need.

The Netherlands has solved housing shortages twice before. After World War II and in the 1990s (when the 'VINEX' districts made their advance). The Netherlands can do it and now faces the same task. Although the government provided financial support back then, it is also true now that it has to move together with the market. Transparent collaborations create the best chance of success. For the ADRF, this could mean going to the government and the market together with a few other funds. Not talking about what cannot be done, but removing bottlenecks to focus on opportunities.

By working together and looking for space, the ADRF can make a difference. The expertise internally at Achmea Real Estate combined with the expertise of the Advisory Board will prove this in the future. Both Charlie Martens and Pieter Hendrikse believe the Fund can do this. They find it incredibly interesting, valuable and stimulating to contribute with their knowledge and clearly have a lot of fun and confidence in this cooperation.

BY WORKING TOGETHER AND LOOKING FOR SPACE, THE ADRF CAN MAKE A DIFFERENCE.

CHARLIE MARTENS
CHAIRMAN ADVISORY BOARD

Charlie Martens started his career as a Corporate Lawyer and soon discovered that his interest lay in real estate development. He made the career switch to commercial property developer at Nationale Nederlanden VastGoed after eight years. He later found his challenges as Fund Manager and Director of Development at Amvest, was Managing Director at Ballast Nedam Ontwikkelings-maatschappij and held various administrative positions. At De Stroomversnelling, a non-profit organisation, he was Chairman of the core team and his focus was on making post-war social housing more sustainable into comfortable and energy-generating homes, and he also became a member of the Residential Building Expert Team of the RVO (Dutch Government Agency for Enterprising Holland).

In 2015, Martens was asked to become an external specialist on the Supervisory Board of all Achmea Real Estate property funds. From 2022, he is Chairman of the Advisory Board for sec the ADRF. His experience, knowledge and critical thinking skills make him a valuable addition to the independent board.

PIETER HENDRIKSE
SECTOR EXPERT ADVISORY BOARD

Pieter Hendrikse started as an in-house Lawyer at asset manager MN, where he discovered his interest in real estate investments. At ING Real Estate, he developed property funds for investors who no longer wanted to do it themselves. Everything used to be done under one roof. Building homes, managing them and insuring them. Hendrikse and his team took that work out of investors' hands. Starting in the Netherlands, later also in Europe and Asia. For CBRE Investment Management, he operated all over the world for institutional investors. In 2003, he was one of the founding fathers of INREV. His passion for spatial planning in the Netherlands made him want to 'just' work in the Netherlands again after 15 years. He became CEO Netherlands of JLL's real estate business in 2017 and aims for JLL to evolve from a real estate broker to a more holistic environmental advisor. From just moving bricks, to promoting the importance of the wider common obligation as leaders in real estate.

A man with a broad view, knowledge and vision of real estate. He was, by his own admission, honourably chosen to take a seat on Achmea's Advisory Board. Despite his full-time job at JLL, he believes that it is important to be an independent expert with 30 years of experience and an independent mindset when asked to contribute to the good of Achmea.

5. FINANCIAL STATEMENTS

5. Financial statements

CONSOLIDATED 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	2,101,743	2,261,251
Lease incentives	2	957	1,130
Properties under development	3	49,324	81,025
Land positions	4	14,445	13,503
Total real estate investments		**2,166,469**	**2,356,909**
Current assets			
Accounts receivable	5	793	1,129
Prepayments and accrued income	6	409	2,127
Cash	7	4,213	6,177
Total current assets		**5,415**	**9,433**
Total assets		**2,171,884**	**2,366,342**

CONTINUED (AMOUNTS X €1,000)

	Reference	31-12-2023	31-12-2022
Net Assets			
Investors' contributions		1,257,170	1,202,856
Other reserves		1,092,483	1,095,633
Undistributed result of the financial year		-186,022	54,681
Total Net Assets	8	**2,163,631**	**2,353,170**
Liabilities			
Other liabilities	9	8,253	13,172
Total liabilities		**8,253**	**13,172**
Total net assets and liabilities		**2,171,884**	**2,366,342**

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

	Reference	2023	2022
Rental income	10	87,751	79,296
Service charges income		3,283	2,234
Other operating income		547	185
Income from real estate investments		**91,581**	**81,715**
Service charges costs	11	3,495	2,276
Operating expenses	12	18,551	18,827
		22,046	**21,103**
Operating result from real estate investments		**69,535**	**60,612**
Realised changes in the value of real estate investments	13	584	929
Realised changes in the value of investments		**584**	**929**
Unrealised changes in the value of real estate investments	14	-247,505	3,019
Unrealised changes in the value of investments		**-247,505**	**3,019**
Other income	15	130	146
Total operating income		**-177,256**	**64,706**
Management fees	16	8,351	9,296
Depositary charges	17	133	142
Other expenses	18	282	587
Total fund operating expenses		**8,766**	**10,025**
Net result		**-186,022**	**54,681**

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

	Reference	2023	2022
Cash flow from operating activities			
Net result		-186,022	54,681
Realised changes in the value of real estate investments	13	-584	-929
Unrealised changes in the value of real estate investments	14	247,505	-3,019
Change in receivables and prepayments	5, 6	2,054	-1,958
Change in total liabilities	9	-4,919	-2,837
Purchase and investments in investment properties	1, 3	-59,016	-84,785
Investments in land positions	4	-717	-419
Sales of investments properties	13	3,079	5,759
Lease incentives provided	2	-83	-218
Amortisation of lease incentives	2	256	202
Cash flow from operating activities		**1,553**	**-33,523**
Cash flow from financing activities			
Capital calls	20	26,000	260,400
Redemptions	20	0	-224,854
Payment of interim and final dividend in cash to investors	20	-29,517	-12,644
Cash flow from financing activities		**-3,517**	**22,902**
Movement in cash		**-1,964**	**-10,621**
Cash flow statement			
Cash as at 1 January		6,177	16,798
Movement in cash		-1,964	-10,621
Cash as at 31 December	**7**	**4,213**	**6,177**

NOTES TO THE CONSOLIDATED BALANCE SHEET AND INCOME STATEMENT

GENERAL INFORMATION

The Achmea Dutch Residential Fund (the Fund) was established by notarial deed on 30 October 1992. 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 Board of the Custodians is formed by the Manager. The Stichting Bewaarder Achmea Dutch Residential Fund is registered with the Chamber of Commerce under number 41212008. Stichting Bewaarder Achmea Dutch Value Added Developments is registered with the Chamber of Commerce 34305719 and Stichting Bewaarder Achmea Dutch Value Added Investments is registered with the Chamber of Commerce under number 34305721.

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 residential sector. The properties in which an investment have been or will be made may be developed or redeveloped in the interests of the Fund.

The Fund aims for a return profile which on a multiyear average shows an outperformance in relation to the MSCI real estate index sector residential - standing investments.

Reporting period

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

Fiscal position

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 assump¬tions, 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.

Consolidation
The Fund is included in the consolidation together with its group companies and other legal entities over which the Fund may exercise influence control or over which it has central management. Group companies are legal entities in which the Fund may exercise directly or indirectly a dominant control by virtue of the fact that the Fund holds the majority of the voting rights or can in any other way control the financial and operational activities. This also taken account of potential voting rights which can be exercised directly exercisable at the balance sheet date.

The financial data of the group companies and other legal entities and companies included in the consolidation are eliminating the mutual relationships and transactions. Where there is an interest in a joint venture (50% interests), then the relevant interest is proportionally consolidated. A joint venture exists if, as a result of an agreement to agreement to cooperate, control is exercised jointly by the investors.

The results of newly acquired group companies and other legal entities and companies included in the consolidation are consolidated from the acquisition date. On that date, the assets, provisions and liabilities are measured at their fair value.

The results of disposed participating interests are included in the consolidation up to the time at which the group link is severed. Accounting principles for group companies and other legal included in the consolidation have, where necessary, been amended to ensure consistency with the prevailing accounting policies of the group.
The companies included in the consolidation are:
- Achmea Dutch Residential Fund Ontwikkeling B.V., Amsterdam (100%)
- Grondontwikkeling Beilen B.V., Amsterdam (50%, sold 28-11-2023)
- Marickenland C.V., Rotterdam (50%)
- Marickenland Beheer B.V., Rotterdam (50%)
- Stichting EOI Beheer Plaza West, Amsterdam (50%)

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.

Undivided ownership
The Fund has a number of real estate investments which involve undivided ownership together with one or more investors. These investments are proportionally included in the financial statements. Intercompany receivables, payables, results and transactions are eliminated.

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.

Land positions

Land and land held to be developed and added to the investment property portfolio are classified as land positions. Acquisitions are initially accounted for at cost including transaction costs. Land positions are subsequently measured at fair value.

Valuation of land positions

The valuation method is based on the residual value method and if this is not possible, valuation is based on agricultural value. The residual value method is based on the most optimal (future) use of a land (object), whereby it is assumed that this is the best possible interpretation allowed planologically and/or legally. By means of the rental value capitalisation on method (and/or if possible the comparative method) the value, assuming an optimal infill of the object, is then determined. This value is then reduced by all the estimated costs that would have to be incurred to achieve the intended use (including transfer tax, financing costs, notary fees and cadastral rights). The value is discounted to the reference date. The discounting is done on the basis of a separately determined discount rate. In determining the value, account was taken of the specific risks that the owner runs during the remaining development period of development period of the property.

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 recognised 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.

Realised changes in the value of real estate investments
Realised changes in the value of real estate investments are calculated as the difference between the gross sales revenue less the carrying amount, selling costs and any capitalised lease incentives at the time of sale and delivery of the property to the buyer.

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 or the last known book value prior to the sale) 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.
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.

FINANCIAL RISKS (CONTINUED)

Risk	Possible impact	Control
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 CONSOLIDATED BALANCE SHEET AS AT 31 DECEMBER 2023 (AMOUNTS X €1,000)

	2023	2022
Assets		
1. Investment property		
Accumulated acquisition cost	1,702,409	1,429,125
Cumulated changes in fair value	558,842	540,264
Book value as at 1 January	**2,261,251**	**1,969,389**
Changes		
Investments	401	753
Disposal	-1,979	-4,830
Value changes	-229,630	8,063
Transfer from properties under development	71,700	287,876
Total changes	**-159,508**	**291,862**
Accumulated acquisition cost	1,777,904	1,702,409
Cumulated changes in fair value	323,839	558,842
Book value as at 31 December	**2,101,743**	**2,261,251**

The portfolio of properties in operation consists of 125 properties at the end of 2023 (2022: 120 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, MVGM, 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	3.9% - 10.0%	4.8%	3.3% - 10.1%	4.1%
Discount rate	4.7% - 8.1%	6.2%	4.4% - 8.7%	5.4%
Vacant value rate	63.5% - 91.9%	76.2%	68.8% - 94.3%	82.0%

	2023	2022
2. Lease incentives		
Balance as at 1 January	**1,130**	**1,114**
Changes		
Lease incentives provided	83	218
Amortisation	-256	-202
Total changes	**-173**	**16**
Balance as at 31 December	**957**	**1,130**

Of the lease incentives, €207,000 have a remaining term of less than 12 months (2022: €217,000). In 2023 one new incentive provided for a rent-free period.

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

	2023	2022
3. Properties under development		
Accumulated acquisition cost	84,459	263,501
Cumulated changes in fair value	-3,434	22,794
Book value as at 1 January	**81,025**	**286,295**
Changes		
Investments	58,615	84,032
Value changes	-18,616	-1,426
Transfer to investment property	-71,700	-287,876
Total changes	**-31,701**	**-205,270**
Accumulated acquisition cost	67,071	84,459
Cumulated changes in fair value	-17,747	-3,434
Book value as at 31 December	**49,324**	**81,025**

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

The external valuations were carried out by Cushman & Wakefield and Colliers. 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	4.5% - 4.7%	4.7%	3.8% - 5.4%	4.0%
Discount rate	4.8% - 5.7%	5.3%	4.6% - 5.6%	5.1%
Vacant value rate	73.1% - 84.8%	80.1%	81.6% - 91.2%	83.7%

	2023	2022
4. Land positions		
Accumulated acquisition cost	16,603	16,198
Cumulated changes in fair value	-3,100	504
Book value as at 1 January	**13,503**	**16,702**
Changes		
Investments	717	419
Disposal	-516	0
Value changes	741	-3,618
Total changes	**942**	**-3,199**
Accumulated acquisition cost	16,852	16,603
Cumulated changes in fair value	-2,407	-3,100
Book value as at 31 December	**14,445**	**13,503**

The land positions consists of three properties at the end of 2023 (2022: four properties).

The external valuations were carried out by Colliers. Each property is externally valued once a year. Land positions are valued using the rental value capitalisation method and the residual value method.

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

	31-12-2023	31-12-2022
5. Accounts receivable		
Rent receivables	1,422	1,892
Provision for doubtful rent receivables	-629	-763
Rent receivables net of provision for doubtful rent receivables	**793**	**1,129**

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	465	566
Between 30 and 60 days	168	278
Between 60 and 90 days	72	93
More than 90 days	88	192
	793	**1,129**

MOVEMENT IN DOUBTFUL-DEBT PROVISION FOR DEBTORS

	2023	2022
Balance as at 1 January	**763**	**509**
Addition to the provision	52	337
Released	-186	-83
Balance as at 31 December	**629**	**763**

	31-12-2023	31-12-2022
6. Prepayments and accrued income		
Turnover tax	0	2.022
Insured loss	54	101
Advance payment managers	20	0
Asset management fees receivable	182	0
Amounts receivable	153	4
Balance as at 31 December	**409**	**2.127**

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.	4,115	6,163
Bank accounts ABN AMRO Bank N.V.	98	14
Balance as at 31 December	**4,213**	**6,177**

The cash is at the free disposal of the Fund.

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

8. Net Assets

For an explanation of Total Net Assets, please refer to the notes to Total Net Assets of the separate balance sheet of these financial statements.

	31-12-2023	31-12-2022
Liabilities		
9. Other liabilities		
Investments to be paid	684	4,883
Rent received in advance	1,596	1,304
Deposits	3,245	3,161
Asset management fees payable	0	68
Operating costs payable	280	292
Service charges	650	1,088
Dividend tax payable	30	30
Turnover tax	42	0
Other	1,726	2,346
Balance as at 31 December	**8,253**	**13,172**

Other liabilities include, except for deposits of €3,245,000 (2022: €3,161,000), 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
Sam, Zoetermeer	41,192	119
Doorslagzone Tower A, Nieuwegein	23,217	37,963
Wielwaal, Rotterdam	170	5,954
New Brooklyn Blok A1-3-5, Almere	0	8,897
De Admiraal, De Bloem, De Mark, De Warmoes, Amsterdam	0	2,522
C.H. Letschertweg (Building section A), Utrecht	0	1,325
Total	**64,579**	**56,780**

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 0.38% 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 CONSOLIDATED INCOME STATEMENT FOR 2023 (AMOUNTS X €1,000)

	2023	2022
10. Rental income		
Residential	81,042	72,978
Retail	1,161	1,759
Offices	1,345	1,323
Parking garages	880	792
Business premises	3,305	2,423
Other	18	21
Total	**87,751**	**79,296**

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	5,907	6,088
• more than one year but not more than five years after the balance sheet date	19,964	21,289
• more than five years after the balance sheet date	10,259	14,176

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.

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

RENTAL INCOME BREAKDOWN 2023

	Theoretical rent	Vacant properties	Lease incentives (rental discount)	Rental income	Vacancy as % of theoretical rent
Residential	82,099	793	264	81,042	1.0%
Retail	1,330	169	0	1,161	12.7%
Offices	1,381	36	0	1,345	2.6%
Parking garages	1,242	362	0	880	29.1%
Business premises	3,720	415	0	3,305	11.2%
Other	39	21	0	18	54.0%
Total	**89,811**	**1,796**	**264**	**87,751**	

RENTAL INCOME BREAKDOWN 2022

	Theoretical rent	Vacant properties	Lease incentives (rental discount)	Rental income	Vacancy as % of theoretical rent
Residential	74,462	1,026	457	72,979	1.4%
Retail	1,768	9	0	1,759	0.5%
Offices	1,323	0	0	1,323	0.0%
Parking garages	1,108	316	0	792	28.5%
Business premises	2,525	102	0	2,423	4.0%
Other	193	173	0	20	89.6%
Total	**81,379**	**1,626**	**457**	**79,296**	

	2023	2022
11. Service charges		
Service charges income (paid by tenants)	3,283	2,234
Service charges for vacant properties	212	42
Total	**3,495**	**2,276**

	2023	2022
12. Operating expenses		
Maintenance costs	7,235	6,291
Property tax	2,024	2,014
Fixed charges	1,406	1,739
Property management fees	2,127	1,706
Rental costs	1,055	916
Valuation costs	277	295
Marketing costs	331	1,119
Owners' association contribution	2,191	2,294
Non-deductible VAT	2,111	1,879
Addition to doubtful-debt provision for lease debtors	52	337
Other	-258	237
Total	**18,551**	**18,827**

The costs attributable to vacancy amount to approximately €0.4 million (2022 €0.2 million) and consist of taxes, insurance, systematic maintenance, appraisal, management, and service costs for vacant properties.

The other expenses are including penalty for exceeding construction time Oostenburg Amsterdam (credit Fund: €624.000).

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

	2023	2022
13. Realised changes in the value of real estate investments		
Realised gains from real estate investments	595	1,056
Realised losses from real estate investments	-11	-127
Total	**584**	**929**
Sales price	3,135	5,845
Book value	-2,495	-4,830
Sales costs	-56	-86
Total	**584**	**929**

	2023	2022
14. Unrealised changes in the value of real estate investments		
Unrealised gains from real estate investments	6,248	34,345
Unrealised losses from real estate investments	-253,753	-31,326
Total	**-247,505**	**3,019**

	2023	2022
15. Other income		
Fees for the issue and redemptions of units	130	146
Total	**130**	**146**

	2023	2022
16. Management fees		
Management fees	8,351	9,296
Total	**8,351**	**9,296**

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

	2023	2022
17. Depositary charges		
Depositary charges	133	142
Total	**133**	**142**

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

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

	2023	2022
18. Other expenses		
Benchmark costs	169	137
Legal and tax consultancy fees	177	23
Auditor's fees	91	87
Costs of AFM supervision	95	61
Fees Advisory Board	50	43
Interest charges on bank accounts	-325	81
Other	25	155
Total	**282**	**587**

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	1.24%	1.21%
OCF based on the weighted average GAV	1.24%	1.21%

EVENTS AFTER BALANCE SHEET DATE

On January 11, 2024, the purchase agreement was signed for the sale of Intermezzo (35 apartments) in Amsterdam. The sales price (including compensation for deferred delivery) was €17.7 million (book value at 31 December 2023: €22.3 million). The delivery took place on January 11, 2024.

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 For this purpose, Achmea Real Estate received a payment of €8,351,000 (2022: €9,296,000). In addition, the Manager received a development fee of €1,714,000 (2022: €2,273,000) and an acquisition fee of €0 (2022: €0) to the Fund.

Management and staff of Achmea Real Estate (trade name of Syntrus Achmea Real Estate & Finance B.V.) 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.

COMPANY FINANCIAL STATEMENTS 2023

COMPANY 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		2,164,458	2,354,373
Associates	19	1,809	2,425
Total investments		**2,166,267**	**2,356,798**
Current assets			
Accounts receivable		2,609	3,209
Cash		3,864	5,921
Total current assets		**6,473**	**9,130**
Total assets		**2,172,740**	**2,365,928**
Net Assets			
Investors' contributions	20	1,257,170	1,202,856
Revaluation reserve	20	425,481	577,069
Other reserves	20	667,002	518,454
Undistributed result of the financial year	20	-186,022	54,681
Total Net Assets		**2,163,631**	**2,353,060**
Liabilities			
Other liabilities		9,109	12,758
Total liabilities		**9,109**	**12,758**
Total Net assets and liabilities		**2,172,740**	**2,365,818**

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

	2023	2022
Result from associates	-129	-51
Other result	-185,893	54,732
Net result	**-186,022**	**54,681**

NOTES TO THE COMPANY FINANCIAL STATEMENTS

GENERAL PRINCIPLES FOR THE PREPARATION OF THE COMPANY FINANCIAL STATEMENTS

The company financial statements have been prepared in accordance with the provisions of Part 9, Book 2, of the Dutch Civil Code and the distinct statements contained in the Guidelines for Annual Reporting issued by the Raad voor de Jaarverslaggeving.

Insofar as items in the balance sheet and income statement are not explained in more detail below, reference is made to the notes to the consolidated balance sheet and income statement.

Since the Fund's financial data are included in the consolidated financial statements, the separate income statement shows the result from associates as a separate item (Section 402 of Book 2 of the Dutch Civil Code, Title 9).

Associates

Associates where significant influence can be exercised on business and financial policy are valued in accordance with the equity method on the basis of the net asset value as of 31 December. Changes in the net asset value compared to the previous financial year are accounted for in the income statement under profit of associates and unrealised changes in value of associates. For unrealised changes in value above historical cost, a revaluation reserve is formed from the other reserves insofar as the equity of the associate is not freely distributable.

If the valuation of an associate according to its net asset value is negative, it is valued at zero, If and to the extent that the Fund fully or partially guarantees the debts of the associate this situation, or has the firm intention of enabling the subsidiary to pay its debts, a provision will be formed for this purpose.The initial valuation of purchased associate is based on the fair value of the identifiable assets andliabilities at the time of acquisition.

Cash flow statement

Pursuant to Accounting Standards of the Raad van de Jaarverslaggeving 360-106, the Fund is exempt from preparing a statement of cash flows by reference to the consolidated statement of cash flows.

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

	2023	2022
19. Investments in associates		
Balance as at 1 January	**2,425**	**2,476**
Investments	0	1
Disposals	-487	-1
Direct result	-129	-51
Balance as at 31 December	**1,809**	**2,425**

Achmea Dutch Residential Fund heads the group and has the following capital interests:

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

Name	Domicile	Share of the issued capital	Share of Equity	Share ofresult
Achmea Dutch Residential Fund Ontwikkeling B.V.	Amsterdam	100%	0	0
Achmea Dutch Residential Fund Services B.V. (liquidated 22-06-2022)	Amsterdam	100%	0	0
Stichting EOI Beheer Plaza West	Amsterdam	50%	1	0
Grondontwikkeling Beilen B.V. (sold 28-11-2023)	Amsterdam	50%	0	0
Marickenland C.V.	Rotterdam	50%	1,805	-128
Marickenland Beheer B.V.	Rotterdam	50%	3	-1
Total			**1,809**	**-129**

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

20. Net Assets

MOVEMENT IN THE TOTAL NET ASSETS FOR 2023

	Investors' contributions	Revaluation reserve	Other reserves	Undistributed result for the financial year	Total
Balance as at 1 January 2023	**1,202,856**	**577,069**	**518,564**	**54,681**	**2,353,170**
Capital calls	54,314	0	0	0	54,314
Revaluation	0	-151,588	151,588	0	0
Distribution financial year	0	0	-57,831	0	-57,831
Appropriation of profit of the previous financial year	0	0	54,681	-54,681	0
Result for the year	0	0	0	-186,022	-186,022
Balance as at 31 December 2023	**1,257,170**	**425,481**	**667,002**	**-186,022**	**2,163,631**

The capital calls relate to payments by investors in the amount €26,000,000 and paid out stock dividend of €28,314,000.

MOVEMENT IN THE TOTAL NET ASSETS FOR 2022

	Investors' contributions	Revaluation reserve	Other reserves	Undistributed result for the financial year	Total
Balance as at 1 January 2022	**1,121,406**	**567,840**	**342,215**	**244,126**	**2,275,587**
Capital calls	306,304	0	0	0	306,304
Redemptions	-224,854	0	0	0	-224,854
Revaluation	0	9,229	-9,229	0	0
Distribution financial year	0	0	-58,548	0	-58,548
Appropriation of profit of the previous financial year	0	0	244,126	-244,126	0
Result for the year	0	0	0	54,681	54,681
Balance as at 31 December 2022	**1,202,856**	**577,069**	**518,564**	**54,681**	**2,353,170**

The capital calls relate to payments by investors in the amount €260,400,000 and paid out stock dividend of €45,904,000.

THE STATEMENT OF COMPREHENSIVE INCOME CAN BE DISCLOSED ALS FOLLOWS

	2023	2022
Consolidated net result	-186,022	54,681
Income and expenditure directly in equity	0	0
Comprehensive income as at 31 December	**-186,022**	**54,681**

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	**-186,022**	**54,681**
Realised changes in the value of investments	-584	-929
Unrealised changes in the value of investments	247,505	-3,019
Minimum to be distributed to Investors	**60,899**	**50,733**
Profit for the financial year already distributed	-44,107	-37,010
To be distributed to Investors	**16,792**	**13,723**
Proposal for distribution to investors in cash	9,259	6,738
Dividend payable to investors in units	7,533	6,985
Distributable to Investors as at 31 December	**16,792**	**13,723**

The proposed cash dividend of €9,259,000 (2022: €6,738,000) and the proposed stock dividend of €7,533,000 (2022: €6,985,000) 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)	2,163,631	2,353,170
Number of outstanding units	1,814,560	1,770,650
Net asset value per unit before profit appropriation (in €)	1,192,37	1,328,99

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

TRANSACTIONS WITH RELATED PARTIES

For these notes, please refer to the notes to the consolidated financial statements.

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 Residential 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 Residential Fund.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of Achmea Dutch Residential 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 consolidated and company balance sheet as of 31 December 2023;
- the consolidated and company 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 Residential 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 performed the following procedures:

- We obtained an understanding on the internal controls relating to the acquisition and divestment process; and
- We reviewed the backtesting procedures performed by the Manager with respect to divestments over the year.

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 consolidated 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 consolidated 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

Appendix I. Five-year overview

ACHMEA DUTCH RESIDENTIAL FUND (AMOUNTS X €1,000)

	2023	2022	2021	2020	2019
Number of properties[1]	131	130	129	102	126
Size of investments	2,166,469	2,356,909	2,273,500	1,438,828	1,338,563
Net Asset Value (NAV)	2,163,631	2,353,170	2,275,587	1,461,039	1,330,301
Gross Asset Value (GAV)	2,171,884	2,366,342	2,291,596	1,473,187	1,347,202
Purchases and investments[2]	59,733	85,204	631,190	145,096	215,000
Divestments	2,495	4,830	3,114	126,100	72,842
TGER based on the weighted average INREV GAV	0.41%	0.43%	0.47%	0.46%	0.45%
Gross initial yield (based on market rental value)[3]	4.8%	4.1%	4.1%	4.5%	4.7%
Operating expenses as a % of rental income	21.1%	23.7%	26.4%	26.9%	24.5%
Fund's theoretical annual rent	93,132	87,258	75,639	48,772	44,293
Fund's annual contractual rent	91,551	85,934	73,286	44,146	43,456
Change like-for-like rental income	4.0%	12.5%	2.8%	2.3%	2.4%
Occupancy rate	98.3%	98.6%	97.1%	91.4%	98.1%
Residential sector					
Fund's theoretical annual rent	90,100	84,410	73,393	47,908	43,523
Fund's annual contractual rent	89,237	83,374	71,268	43,734	42,702
Average monthly rent per unit	1,172	1,129	1,102	1,059	984
Number of rentable residential units	6,663	6,486	5,823	3,933	4,149

CONTINUED (AMOUNTS X €1,000)

	2023	2022	2021	2020	2019
Offices/Retail sector					
Fund's theoretical annual rent	3,032	2,848	2,246	814	770
Fund's annual contractual rent	2,314	2,560	2,018	412	754
Average rent per sqm (in €)	213	202	196	163	167
Number of sqm (VVO)	14,250	13,329	11,444	5,288	4,614
Rental and other operating income	88,298	79,480	61,342	43,141	42,102
Operating costs and service costs[4]	-18,763	-18,868	-16,242	-11,620	-10,355
Direct result from real estate investments	**69,535**	**60,612**	**45,100**	**31,521**	**31,747**
Total direct result[5]	60,899	50,733	36,908	25,398	27,004
Total indirect result[5]	-246,921	3,948	207,218	83,138	96,826
Total investment result[5]	**-186,022**	**54,681**	**244,126**	**108,536**	**123,830**
Available to investors	60,899	50,733	37,005	25,639	27,545
Already distributed to investors	-44,107	-37,010	-15,463	-13,999	-13,583
Still to be distributed to investors	**16,792**	**13,723**	**21,542**	**11,640**	**13,962**

CONTINUED (AMOUNTS X €1,000)

	2023	2022	2021	2020	2019
Financial return					
Income return	2.7%	2.1%	1.9%	1.8%	2.2%
Capital return	-10.4%	0.3%	9.7%	6.1%	8.3%
Total return[6]	**-7.9%**	**2.4%**	**11.7%**	**7.9%**	**10.6%**
Fund return based on MSCI All Assets					
Income return	3.3%	2.6%	2.4%	2.3%	2.7%
Capital return	-10.5%	0.3%	9.8%	6.2%	8.5%
Total return[6]	**-7.5%**	**2.9%**	**12.3%**	**8.7%**	**11.4%**
Benchmark based on MSCI All Assets - Residential					
Income return	3.1%	2.6%	2.9%	2.9%	3.2%
Capital return	-8.8%	-1.0%	12.2%	5.3%	10.1%
Total return[6]	**-5.9%**	**1.6%**	**15.4%**	**8.3%**	**13.6%**
Fund return based on MSCI Standing Investments					
Income return	3.4%	2.9%	3.0%	3.2%	3.6%
Capital return	-10.3%	1.2%	9.8%	7.4%	9.4%
Total return[6]	**-7.2%**	**4.1%**	**13.1%**	**10.8%**	**13.3%**

CONTINUED (AMOUNTS X €1,000)

	2023	2022	2021	2020	2019
Benchmark based on MSCI Standing Investments - Residential					
Income return	3.3%	2.8%	3.1%	3.2%	3.4%
Capital return	-8.6%	-0.9%	11.8%	4.5%	9.1%
Total return[6]	**-5.6%**	**1.9%**	**15.2%**	**7.8%**	**12.7%**
Number of investors	19	19	19	18	18
Number of outstanding units	1,814,560	1,770,650	1,710,619	1,622,304	1,564,929
Average number of outstanding units	1,794,821	1,750,401	1,678,921	1,607,476	1,470,434
Unit value before profit appropriation (in €)	1,192.37	1,328.99	1,330.28	899.51	848.55

[1] Including 125 properties at the end of 2023 (2022: 120 properties) in operation.
[2] Purchases and investments in 2023 amounted to €0 million and €59.7 million respectively, including participations.
[3] The gross market rent expressed as a percentage of the investment based on weighted average property in operation.
[4] In the annual accounts, the service costs to be charged are shown separately in the profit and loss account. However, for the five-year statement, the service costs are presented under this line in accordance with previous years on a net basis.
[5] The direct and indirect result (in €) do not directly correspond to the income statement.
[6] In some cases, the percentages do not add up correctly. This is caused by the calculation method according to MSCI (time-weighted).

Appendix II. Profile of the Fund

OUR MISSION

The Achmea Dutch Residential Fund invests in residential property, aiming to provide its investors with an attractive financial return at a limited risk. By focusing on sustainability, the portfolio 'greens' and increasingly contributes to the sustainability goals of its investors. With our real estate expertise and knowledge of the market, we provide suitable housing and offer added value to our tenants.

PURPOSE OF THE FUND

The Achmea Dutch Residential Fund focuses primarily on the mid-priced rental segment (up to €1,150 per month) at good core locations (regions 1 to 4) in strong market areas and wishes to offer a suitable product for each target group. A 'core' investment profile is pursued for the residential portfolio. A property portfolio that meets this profile is characterised by a stable direct return, positive value development and a high correlation with inflation trends through indexed rental income.

The Fund works towards a sustainable portfolio, aligning with the UN Sustainable Development Goals and the ESG strategy that Achmea Real Estate has drawn up for itself and its client portfolios. The ESG strategy is set out in the portfolio plan.

The target is for 95% of the portfolio to have an energy label A or better by 2026. By 2030, carbon emissions should be 55% lower than in 1990 and 100% by 2050. The ambition is to be climate neutral by 2045.

INVESTORS

The Achmea Dutch Residential Fund invests exclusively for institutional investors, such as pension funds, banks and insurers. The Fund's invested capital of €2,163.6 million (2022: €2,353.2 million) is divided among 19 investors (2022: 19 investors).

INVESTMENT OBJECTIVE

The Achmea Dutch Residential Fund aims to outperform the MSCI real estate index for the residential segment on an All Assets basis. The MSCI annual index measures returns on real estate properties and real estate portfolios. The annual index is published two months after the end of the year. The MSCI standing investments (SI) real estate index only covers properties that have been in operation for a full year and are not in a major renovation phase, have been purchased, sold or are being priced out.

This MSCI real estate index shows a pure comparison between different real estate markets and is also a suitable benchmark against market indices of other investment categories. The performance based on the MSCI real estate index differs from the Fund's performance in the financial statements. MSCI reports solely on a property basis, while the financial reporting also takes into account Fund-specific costs and/or returns. For example, interest on cash positions and audit fees.

PRINCIPLES

The Achmea Dutch Residential Fund is a core investment fund offering investors access to the Dutch residential market. Four principles are central to this: stable cash flows, value development, low risk and flexibility.

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 POSITION OF THE FUND

Corporate income tax

The Fund is a mutual fund and is considered transparent for tax purposes. 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 in depending on their own tax regime.

Dividend tax

The Fund is not subject to dividend tax. 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 Residential Fund. With a total managed residential portfolio of €8.2 billion, spread across approximately 540 properties spread across the Netherlands, Achmea Real Estate is one of the largest residential investors in the Netherlands. Due to the size of its residential portfolio, it has extensive expertise in developing, acquiring and managing residential real estate.

The management fee charged by the Manager to the Fund in 2023, in accordance with the Fund Terms and Conditions, amounted to €8.4 million (2022: €9.3 million). In addition, the Fund was invoiced a development fee of €1.7 million (2022: €2.3 million) and an acquisition fee of €0 (2022: €0).

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 Custodians and the Investors[2].

DIVIDEND POLICY

The Achmea Dutch Residential Fund applies the principle of being allowed to pay dividends in cash or in the form of units at the end of each quarter. 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 key features of the Achmea Dutch Residential Fund are set out in detail in the Fund's Information Memorandum. This Information Memorandum was last updated as of 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	2,102.700
Property under development	49,324
Land positions	14,445
Total	**2,166.469**

PORTFOLIO BY TYPE (INCLUDING PROJECTS UNDER DEVELOPMENT, EXCLUDING LAND POSITIONS) (AMOUNTS X €1,000)

	Number of m²	Number	Market value
Residential	0	7,084	2,181,673
Retail	3,495	0	11,165
Offices	10,755	0	29,260
Total	**14,250**	**7,084**	**2,222,098**

PORTFOLIO BY RESIDENTIAL TYPE (INCLUDING PROJECTS UNDER DEVELOPMENT, EXCLUDING LAND POSITIONS) (AMOUNTS X €1,000)

	Number	Market value
Single-family homes	1,963	597,807
Multi-family homes	5,121	1,583,866
Total	**7,084**	**2,181,673**

PORTFOLIO BY RESIDENTIAL SEGMENT (INCLUDING PROJECTS UNDER DEVELOPMENT, EXCLUDING LAND POSITIONS) (AMOUNTS X €1,000)

	Number	Market value
Region 1 - very high	2,593	881,177
Region 2 - high	2,925	876,577
Region 3 - above average	951	265,288
Region 4 - average	488	131,326
Region 5 - below average	127	27,305
Total	**7,084**	**2,181,673**

Appendix IV. Overview of the real estate portfolio

OVERVIEW OF INVESTMENT PROPERTIES (AMOUNTS X €1,000)

Sector	Property name	Address	City	Region	Year of acquisition	Year of construction	Ownership situation (land) = participation percentage	m² commercial units and other	Residential homes	Number of parking spaces	Occupancy rate	Total theoretical annual rent as at 31-12-2023
Single-family		Waterlelie 24	Abcoude	3	2016	1988	100.0%	0	13	0	100.0%	171
Multi-family	Schelphoek-Brughuis	Compagniestraat	Alkmaar	2	2012	2013	100.0%	0	66	66	100.0%	924
Single-family	Homeruskwartier	Artemissingel	Almere	2	2012	2013	100.0%	0	70	0	100.0%	921
Single-family		Azorenweg 38 - 56	Almere	2	2013	2003	100.0%	0	10	0	100.0%	136
Single-family	Azorenweg	Azorenweg 58	Almere	2	2014	2003	100.0%	0	8	0	100.0%	113
Single-family	Columbus	Leif Erikssonstraat 15 - 85	Almere	2	2012	2012	100.0%	0	36	0	100.0%	452
Single-family	New Brooklyn	Oekrainestraat 304 - 332	Almere	2	2020	2022	100.0%	0	37	0	100.0%	541
Multi-family	Almere Buiten	Rio de Janeiroplein 11	Almere	2	2008	2009	100.0%	0	58	53	100.0%	767
Multi-family	New Brooklyn	Albaniestraat 33 - 83	Almere	2	2021	2023	100.0%	0	86	0	100.0%	1,261
Single-family	Vathorst - Laakse Beemd	Baak van Petten 1 - 25	Amersfoort	2	2015	2013	100.0%	0	20	0	100.0%	316
Single-family		Duikererf 11 - and others	Amersfoort	2	2015	1989	100.0%	0	28	0	100.0%	366
Multi-family	Klaasje Zevenster	Klaasje Zevenster 285 - 509	Amstelveen	2	2018	2021	100.0%	0	89	115	99.0%	1.585
Multi-family		Runmoolen 29 - 95	Amstelveen	2	2005	1989	100.0%	50	34	0	100.0%	585
Multi-family	KEA Science Park	Carolina MacGillavrylaan	Amsterdam	1	2014	2016	100.0%	0	152	76	100.0%	2.286
Multi-family	The David	David Ricardostraat 2	Amsterdam	1	2017	2020	100.0%	0	182	100	99.6%	2.731
Retail	The David	David Ricardostraat 2 - 4	Amsterdam		2017	2020	100.0%	575	0	0	100.0%	141
Single-family	Emerald	Eerstegeluk 17 - 79, Daalwijkdreef	Amsterdam	1	2015	2016	100.0%	0	100	0	100.0%	1.440
Multi-family	Intermezzo	Gustav Mahlerlaan 533	Amsterdam	1	2018	2018	100.0%	0	35	0	95.4%	815
Multi-family	De Banne	IJdoornlaan 1501 - 1689	Amsterdam	1	2011	2013	100.0%	0	50	50	100.0%	682
Multi-family	Oostenburg, VOC-kade block 4	Jan Kiststraat 25 - 201	Amsterdam	1	2019	2021	100.0%	0	171	14	99.7%	2.950
Offices	VOC-Kade	Jan Kiststraat 25 201	Amsterdam		2019	2022	100.0%	1,844	0	0	21.3%	473
Multi-family	Westerhoek	Molenwerf	Amsterdam	1	2013	2014	50.0%	1	93	154	96.7%	1.608
Multi-family	Blue & Green	Osdorper Ban + Garage 953	Amsterdam	1	2006	2007	100.0%	0	50	50	100.0%	736

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

Sector	Property name	Address	City	Region	Year of acquisition	Year of construction	Ownership situation (land) = participation percentage	m² commercial units and other	Residential homes	Number of parking spaces	Occupancy rate	Total theoretical annual rent as at 31-12-2023
Offices	West Beat	Rijnlandlaan 5 - 197, Lelylaan	Amsterdam		2018	2020	100.0%	3,885	0	10	73.9%	679
Multi-family	West Beat	Rijnlandlaan 5 - 197, Lelylaan	Amsterdam	1	2018	2020	100.0%	0	150	109	97.2%	2.781
Multi-family	Villa Mokum Block 2	Spaklerweg, Amstelvlietstraat 8 - 230	Amsterdam	1	2012	2014	100.0%	28	119	0	100.0%	910
Multi-family	VOC-Kade	Willem Parelstraat 15 423	Amsterdam	1	2019	2022	100.0%	0	274	10	99.9%	3.453
Multi-family	Heart and Soul, Gebouw Smith	Bijlmerdreef 564 - and others	Amsterdam-Zuidoost	1	2010	2011	100.0%	963	80	80	100.0%	1.309
Single-family		Hollaenderstraat 5 - 45, Lavendelstraat 52 - and others	Apeldoorn	2	2015	2011	100.0%	0	38	0	100.0%	505
Single-family	Amefa	Lavendelstraat	Apeldoorn	2	2013	2014	100.0%	0	12	12	100.0%	180
Single-family	Kloosterveste	Gildestraat	Assen	3	2015	2016	100.0%	0	14	0	100.0%	180
Single-family	Ceram	Ceram 40	Barneveld	3	2012	2006	100.0%	0	30	0	100.0%	362
Single-family	Het Eiland van Berkel	Oosterscheldestraat	Berkel en Rodenrijs	2	2013	2014	100.0%	0	48	0	100.0%	710
Single-family		Oogstvelden 1	Best	4	2000	2000	100.0%	0	14	5	100.0%	187
Single-family	Fase II, Heivelden	Oogstvelden 42 - 68	Best	4	2001	2001	100.0%	0	14	5	100.0%	198
Multi-family	Heivelden	Rendierhei 25	Best	4	2001	2002	100.0%	0	32	32	100.0%	409
Single-family	De Tuinen-Oost	Heenvlietsingel	Bleiswijk	2	2011	2014	100.0%	0	72	0	100.0%	1.029
Single-family	Weideveld	Klaproos	Bodegraven	4	2017	2018	100.0%	0	50	0	100.0%	675
Single-family		Annastraat 200 - and others	Boxtel	4	1993	1988	100.0%	0	52	7	100.0%	615
Multi-family		Jupiterlaan 32	Breda	2	2013	1994	100.0%	0	40	40	100.0%	457
Single-family	Waterdonken West	Maasdijk 224 - 248	Breda	2	2011	2013	100.0%	0	32	0	100.0%	434
Single-family	Buitenhof	L. Sillevishof 1 - and others	Culemborg	4	2011	2012	100.0%	0	46	0	100.0%	591
Multi-family	Amber - Poptahof	Taj Mahalplaats 1	Delft	2	2010	2012	100.0%	262	26	34	100.0%	401
Single-family	Zilverlinde	Zilverlinde 33 - 87	Den Bosch	2	2015	1988	100.0%	0	34	34	96.9%	477
Multi-family	Dr. J.C. Boswijklaan	Dr. J.C. Boswijklaan	Den Dolder	3	2014	2015	100.0%	0	30	36	100.0%	394
Single-family	Look West	Woudseweg	Den Hoorn	3	2013	2014	100.0%	0	37	0	100.0%	545
Multi-family	Winkelcentrum Calluna- Callunaplein	Diderna 12 - 42	Dieren	5	1997	1997	100.0%	0	16	0	93.6%	169
Single-family	Wijnbergen	De Ketting	Doetinchem	4	2016	2017	100.0%	0	22	0	100.0%	289
Single-family	Breekenhof Section 5a	Berenklauw	Driel	4	2012	2013	100.0%	0	23	0	100.0%	282

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

Sector	Property name	Address	City	Region	Year of acquisition	Year of construction	Ownership situation (land) = participation percentage	m² commercial units and other	Residential homes	Number of parking spaces	Occupancy rate	Total theoretical annual rent as at 31-12-2023
Single-family		Koningin Emmastraat 3 - 17	Drunen	4	2013	1992	100.0%	0	8	8	100.0%	94
Single-family	Kernhem (Scherf 9)	Aamsveen 2 - 14	Ede	2	2016	2017	100.0%	0	8	0	100.0%	112
Single-family	Kernhem (Scherf 20)	Bakkeveen	Ede	2	2014	2015	100.0%	0	23	0	100.0%	310
Multi-family		De Rungraaf 2 - 53	Eindhoven	2	2015	1992	100.0%	0	50	51	99.1%	651
Single-family		Gelaarsde Kat 92 - and others	Eindhoven	2	2015	1994	100.0%	0	33	33	100.0%	488
Single-family		Gerretsonlaan 20	Eindhoven	2	2013	1992	100.0%	0	24	24	100.0%	337
Offices	Bakermat	Hoek Marconilaan, Boschdijk & Johannes van der Waalsweg	Eindhoven		2019	2022	100.0%	962	0	0	0.0%	135
Multi-family	Bakermat	Hoek Marcon ilaan, Boschdijk & Johannes van der Waalsweg	Eindhoven	2	2019	2022	100.0%	0	235	125	99.3%	3.182
Retail		Hoogstraat 1 - 5	Eindhoven		2015	1992	100.0%	1,403	0	0	89.8%	202
Multi-family		Kruisberg 1 - 95	Etten-Leur	5	1998	1999	100.0%	0	48	28	97.8%	546
Single-family	Boschkens West	Boschring	Goirle	4	2016	2017	100.0%	0	38	0	100.0%	498
Single-family	Reitdiep	Tuikwerd 97 -121	Groningen	2	2019	2020	100.0%	0	13	2	100.0%	218
Multi-family	Schalkstad	Calfornieplein	Haarlem	2	2019	2022	100.0%	0	120	0	99.1%	1.616
Single-family		Marjoleinpad 2	Haarlem	2	2013	1989	100.0%	0	36	2	100.0%	445
Multi-family	Plaza West	Menno Simonszplein	Haarlem	2	2018	2022	100.0%	0	153	123	99.3%	2.528
Multi-family		J. van Nassaupark 60 - 77	Harderwijk	3	2013	2001	100.0%	0	18	18	100.0%	193
Multi-family	Dichterskwartier	Simon Vestdijkstraat 1 - 135	Harderwijk	3	2007	2008	100.0%	0	66	2	100.0%	894
Multi-family	Herenweg	Burgemeester van Lennepweg 39-205	Heemstede	3	2012	2015	100.0%	745	77	117	93.8%	2.297
Multi-family	Suytkade	Dortmunderkade 113 - 172, Kanaalboulevard	Helmond	3	2017	2019	100.0%	0	60	70	99.4%	719
Multi-family		Kasteel Noord 101 - 149	Helmond	3	1997	1997	100.0%	0	49	49	97.7%	579
Single-family	Turfvaert	Turfvaert 1 - 53	Kaatsheuvel	5	2015	1987	100.0%	0	27	3	100.0%	278
Multi-family	Vijverstaete	Hoge Park 1 - 30	Krimpen aan den IJssel	4	2016	2007	100.0%	100	28	28	100.0%	381
Multi-family	Meerkoet	Landgoed Nederhoven 45 - 71	Krimpen aan den IJssel	4	2016	2007	100.0%	0	27	53	96.9%	367
Multi-family	Mensinge	Burgemeester Postweg 69 - and others	Landsmeer	3	2011	2012	100.0%	0	20	21	99.6%	318
Single-family		Akkermanwei 2 - 64	Leeuwarden	4	2015	1990	100.0%	0	32	32	100.0%	404
Multi-family	Rijnbocht Chrispijn	Dinkelstraat 3 - 85, Hoge Rijndijk, Utrechtse Jaagpad	Leiden	2	2013	2016	100.0%	483	44	59	98.7%	695
Multi-family	Yours 1	Omegaplantsoen 4	Leiden	2	2013	2015	100.0%	0	137	19	100.0%	629

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

Sector	Property name	Address	City	Region	Year of acquisition	Year of construction	Ownership situation (land) = participation percentage	m² commercial units and other	Residential homes	Number of parking spaces	Occupancy rate	Total theoretical annual rent as at 31-12-2023
Multi-family	Lammenschans	Sigmaplantsoen 99	Leiden	2	2017	2019	100.0%	0	467	66	100.0%	2.338
Offices	Lorentz	Stationsplein 41	Leiden		2015	2020	100.0%	4,064	0	88	100.0%	839
Retail	Lorentz	Stationsplein 41	Leiden		2015	2020	100.0%	1,517	0	11	97.6%	564
Multi-family	Lorentz	Stationsplein 41	Leiden	2	2015	2020	100.0%	0	167	66	98.8%	2.414
Single-family		Besmerstraat 3	Maastricht	2	1996	1997	100.0%	0	44	24	100.0%	502
Multi-family		De Bongerd 2	Nijkerk	3	2013	1993	100.0%	0	26	24	100.0%	334
Multi-family	Weezenhof	Weezenhof 32 - 36	Nijmegen	2	2015	1974	100.0%	0	88	0	100.0%	747
Multi-family	Scholeneiland	Vuurdoornerf 1 - 29, Sint Nicolaaslaan	Odijk	3	2013	2014	100.0%	0	43	63	99.7%	584
Multi-family	Houthaven	Houtwolplantsoen 180 - 244	Oosterhout	4	1993	1994	100.0%	0	33	0	100.0%	386
Single-family		Willem Dreeslaan 67	Oosterhout	4	2013	1990	100.0%	0	20	19	100.0%	235
Multi-family	Nieuw Crooswijk	Boezemlaan 50 - 52	Rotterdam	1	2011	2013	100.0%	0	63	63	97.6%	897
Single-family	De Entree	De Josselin de Jonglaan	Rotterdam	1	2013	2014	100.0%	0	59	0	100.0%	830
Single-family	Parkstad, Block H en K1	Laan op Zuid	Rotterdam	1	2016	2020	100.0%	0	137	121	95.7%	2.305
Single-family	Pascalkwartier	Simone de Beauvoirstraat 10 - and others	Rotterdam	1	2011	2011	100.0%	0	36	0	100.0%	528
Multi-family	Kortenaerkade	Kortenaerkade	The Hague	1	2015	2016	100.0%	0	149	94	97.7%	2.541
Single-family	Morgenzonlaan	Morgenzonlaan	The Hague	1	2012	2013	100.0%	0	71	34	99.5%	922
Single-family	Vermeerkwartier	Parallelweg 310 - 330, Mijtensstraat	The Hague	1	2016	2017	100.0%	0	41	0	100.0%	539
Multi-family	Monarch III, Tower B	Prinses Beatrixlaan	The Hague	1	2016	2019	100.0%	407	122	70	99.2%	2.056
Multi-family	Lamgroen/Spui	Spui 300 - 450	The Hague	1	2013	2015	100.0%	279	72	75	100.0%	1.150
Single-family	Klipperplein	Klipperplein 1 - 35	Tilburg	2	2015	1988	100.0%	0	50	0	100.0%	565
Multi-family		Lombardijenlaan 397	Tilburg	2	1996	1997	100.0%	0	26	0	96.2%	289
Multi-family		Lombardijenlaan 44	Tilburg	2	2005	1997	100.0%	0	21	21	100.0%	219
Single-family		Renesselaan 25 - 63	Tilburg	2	2017	2020	100.0%	0	36	38	100.0%	494
Single-family	Stadsrand Dalem	Rhenoystraat 1	Tilburg	2	2019	2020	100.0%	0	24	24	100.0%	323
Single-family	Stadsrand Dalem	Soerendonklaan 1	Tilburg	2	2017	2019	100.0%	0	18	16	100.0%	233
Single-family		Ploeg 6 - 83	Uden	4	2015	1989	100.0%	0	32	32	100.0%	432
Multi-family	Doorslagzone Tower A	C.H. Letschertweg	Utrecht	1	2020	2023	100.0%	0	99	118	100.0%	1.372

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

Sector	Property name	Address	City	Region	Year of acquisition	Year of construction	Ownership situation (land) = participation percentage	m² commercial units and other	Residential homes	Number of parking spaces	Occupancy rate	Total theoretical annual rent as at 31-12-2023
Multi-family		Ina Boudier-Bakkerlaan 8 - 118	Utrecht	1	2008	2009	100.0%	0	49	49	100.0%	786
Multi-family		Van Cranenburchlaan 38	Wassenaar	2	2015	1992	100.0%	0	35	0	100.0%	403
Multi-family	Burano	Mahoniehout 6	Zaandam	2	2019	2022	100.0%	384	144	93	97.8%	2.295
Multi-family	Terra Verde II	Adigestroom 168	Zoetermeer	3	2005	2006	100.0%	0	36	36	98.6%	483
Multi-family	Nuova Campagna	Amazonestroom 70	Zoetermeer	3	2007	2009	100.0%	0	37	37	100.0%	556
Single-family		Bordeauxstraat 2 - and others	Zoetermeer	3	2000	1985	100.0%	0	30	0	96.7%	406
Single-family	De Weezenlanden	Assendorperstraat	Zwolle	2	2017	2020	100.0%	0	60	60	100.0%	825
Multi-family	De Weezenlanden	Luttenbergstraat 11 - 69, Assendorperstraat	Zwolle	2	2017	2020	100.0%	0	30	30	100.0%	395
Multi-family	Ittersumerlanden	Vrijheid 1 - 99	Zwolle	2	1992	1993	100.0%	0	50	0	97.6%	628
Number of properties		**112**						**17,951**	**6,482**	**3,331**	**98.3%**	**90,752**

OVERVIEW OF THE PROPERTIES SALE-OUT STATUS (AMOUNTS X €1,000)

Sector	Property name	Address	City	Region	Year of acquisition	Year of construction	Ownership situation (land) = participation percentage	Number of m²	Residential homes	Number of parking spaces	Occupancy rate	Total theoretical annual rent as at 31-12-2022
Multi-family	IJburg Block 12b	Talbotstraat 33 - and others	Amsterdam	1	2007	2008	100.0%	0	46	38	95.9%	795
Single-family	Woonallianz	Boskriekoord 1	Diemen	2	2000	1984	100.0%	0	34	0	100.0%	526
Single-family		Rietveldstraat 6 - 28	Dongen	5	2015	1992	100.0%	0	5	0	100.0%	54
Single-family		Broekstukken 39	Eelde	4	2013	1991	100.0%	0	13	0	100.0%	134
Single-family	Woonallianz	Cluselaan 2	Eindhoven	2	2000	1991	100.0%	0	4	0	74.4%	59
Single-family		Brederolaan 59	Etten-Leur	5	2005	1972	100.0%	0	14	2	100.0%	137
Single-family		Brederolaan 60 - 106	Etten-Leur	5	1993	1972	100.0%	0	6	0	100.0%	58
Multi-family		Schoolpad 1 - 49	Haren	2	2015	1992	100.0%	0	6	0	100.0%	56
Single-family		Melde 7	Kampen	4	2005	1973	100.0%	0	16	1	100.0%	155
Single-family		Zegge 23	Kampen	4	1994	1972	100.0%	0	15	1	100.0%	140
Single-family		Brittenburg 1	Leiderdorp	3	1994	1965	100.0%	0	2	1	100.0%	23
Single-family		Weefsterstraat 1 - 33	Roermond	5	2008	1991	100.0%	0	11	0	100.0%	130
Single-family	Woonallianz	Achter de Lindehoeve 1	Voorschoten	3	2000	1989	100.0%	0	9	0	100.0%	113
Number of properties		**13**						**0**	**181**	**43**	**98.0%**	**2,380**

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

Municipality	Project name	Region	Land in hectares	Single-family homes	Multi-family homes	Commercial property sqm	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, arrangements and liabilitie	Uncommitted
Nieuwegein	Doorslagzone Toren A	2	0	0	191	175	Q3-2022	Q2-2025	66,043	63,231	36,097	-7,128	28,969	27,134	23,217	3,917
Rotterdam	Wielewaal	1	0	29	0	0	Q3-2022	Q1-2024	10,110	9,990	9,820	-1,058	8,762	170	170	0
Zoetermeer	SAM	3	0	0	201	302	Q3-2023	Q4-2025	65,668	63,924	21,154	-9,561	11,593	42,770	42,192	1,578
Amstelveen	Legmeerpolder/J.C. v. Hattumweg	2	1.59	0	0	0	n.t.b.	n.t.b.	2,156	2,156	2,156	724	2,880	0	0	0
Rijswijk	Gespo-terrein	2	1.74	0	0	0	n.t.b.	n.t.b.	12,491	12,491	12,491	-2,936	9,555	0	0	0
Wilnis	Marickenland	3	4.73	0	0	0	n.t.b.	n.t.b.	2,297	2,297	2,206	-196	2,010	91	0	91
Total			**8.06**	**29**	**392**	**477**			**158,765**	**154,089**	**83,924**	**-20,155**	**63,769**	**70,165**	**65,579**	**5,586**

The obligations (the expected costs to be incurred until completion) are 100% covered by the related investment commitments.

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 lay down 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 Residential 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:** ___%
- [x] No
  - [x] It **promoted Environmental/Social (E/S) characteristics** and while it did not have as its objective a sustainable investment, it had a proportion of 88.1% of sustainable investments
    - [ ] with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
    - [x] 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 during the reporting period by investing in future-proof residential 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 at least energy label A, with the exception of residential properties to be sold as individual units; 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. housing affordability.

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 Fund's performance on energy label A increased during 2023 from 83.5% at the beginning of the year to 88.1% at the end of 2023. This was due to project-based sustainability renovation in four properties, according to our carbon reduction roadmap, as well as the delivery of new homes.

These efforts also influence the CRREM results that were measured by our carbon dashboard. The Fund had a carbon emission result of 21.1 kg/m² CO_2, which is below the CRREM norm base 1.5 degrees, based on the most recent portfolio consumption data of 2022.

The tenant satisfaction survey is conducted once a year. The score on 'housing' characteristics in 2023 for the Fund was 7.5, where the benchmark scored 7.4.

The Fund aims to increase the proportion of affordable housing in its portfolio. In 2023, no new acquisitions were made in this segment.

How did the sustainability indicators perform?

The sustainability performance of the Fund in 2023 has been measured by the following sustainability indicators:

Indicator		2023
1. The distribution of the energy labels in the portfolio	Green energy labels (A-B-C) Energy label A or higher	100% 88.1%
2. Carbon emissions per m2 of the portfolio compared to the CRREM standard set 1.5°C for the portfolio	Fund's emission (2022) CRREM norm standard 1.5 °C	21.1 kg/m² CO_2 25.1 kg/m² CO_2
3. The percentage of affordable rental properties in the portfolio (maximum of €1,200 per month)	End of year 2023 Objective	55.1% > 75%
4. Tenant satisfaction with 'housing' characteristics	Fund Benchmark	7.5 7.4
5. GRESB score	GRESB Rating Score Average score peergroup NL	5-star 93 90

...and compared to previous periods?

Indicator		2022
1. The distribution of the energy labels in the portfolio	Green energy labels (A-B-C) Energy label A or higher	100% 83.5%
2. Carbon emissions per m2 of the portfolio compared to the CRREM standard set 1.5⁰C for the portfolio	Fund's emission (2021) CRREM norm standard 1.5 ⁰C	22.3 kg/m² CO_2 27.2 kg/m² CO_2
3. The percentage of affordable rental properties in the portfolio (maximum of €1,200 per month)	End of year Objective	67.1% > 75%
4. Tenant satisfaction with 'housing' characteristics	Fund Benchmark	7.5 7.4
5. GRESB score	GRESB Rating Score Average score peergroup NL	5-star 91 86

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 contribute 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. For example when assets are being retrofitted and made more sustainable.

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 EU 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 residential real estate.

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.

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 residential properties and these investments re 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 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 or retrofitted the energy label was part of the investment decision making process.

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
De Flora-De Fortuin-De Parel, Amsterdam	Residential	4.3%	Netherlands
VOC kade, Amsterdam	Residential	3.7%	Netherlands
De Bakermat, Eindhoven	Residential	3.4%	Netherlands
West Beat, Amsterdam	Residential	3.2%	Netherlands
The David, Amsterdam	Residential	2.9%	Netherlands
Plaza West, Haarlem	Residential	2.8%	Netherlands
Lorentz, Leiden	Residential	2.7%	Netherlands
Kortenaerkade, The Hague	Residential	2.7%	Netherlands
KEA Science Park, Amsterdam	Residential	2.6%	Netherlands
Lammenschans, Leiden	Residential	2.5%	Netherlands

What was the proportion of sustainability-related investments?

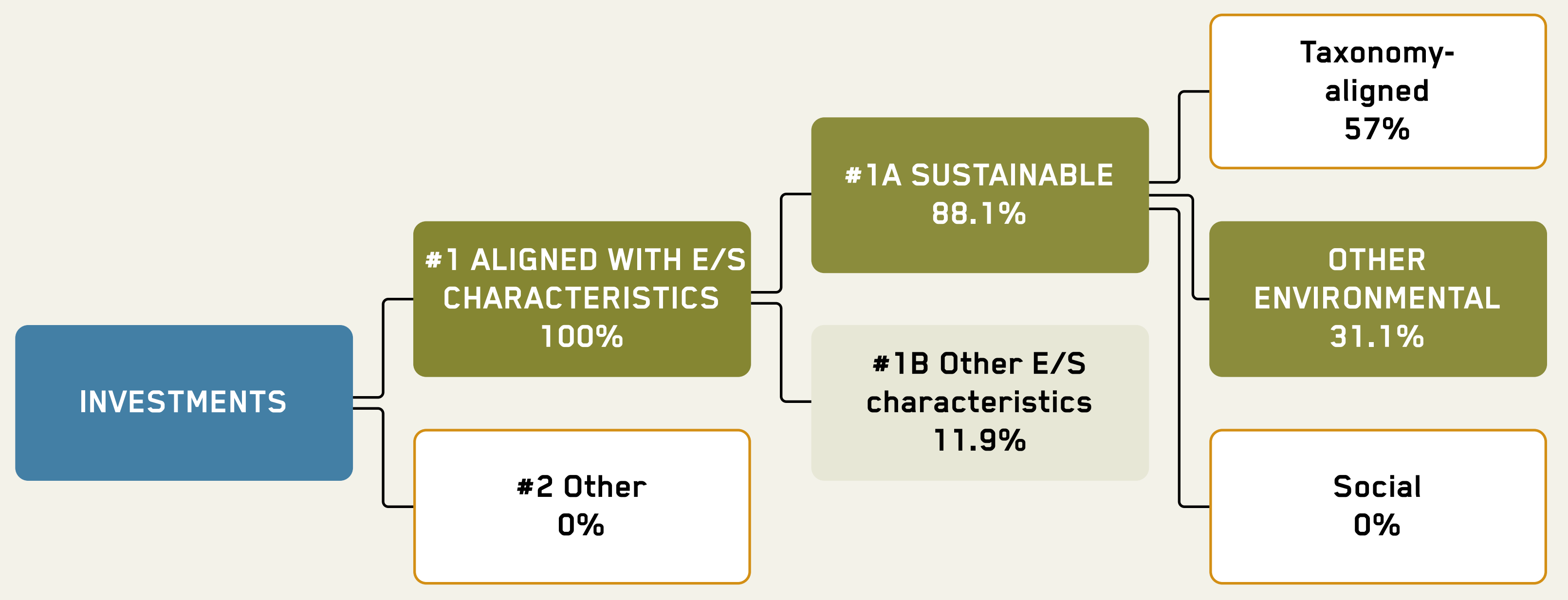
The investments of the Fund consist solely of real estate properties. The entire portfolio meets the promoted environmental and social characteristics througout 2023. In addition, 88.1% of the investments qualifies is sustainable (energy label A or higher), cash excluded.

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.

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

In 2023, 57% 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 January 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).

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.

As shown on the previous page, 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 percentages should therefore be seen as a provisional starting point, based on the currently available information.

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

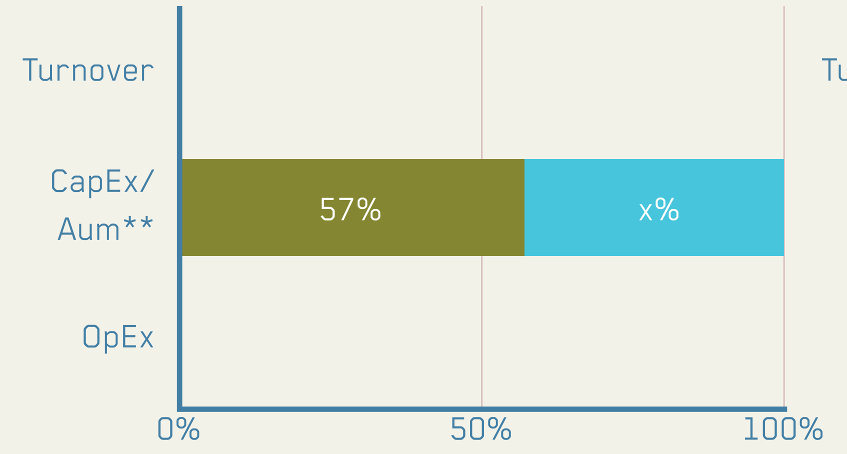
☐ Yes:

☐ In fossil gas ☐ In nuclear energy

☑ No

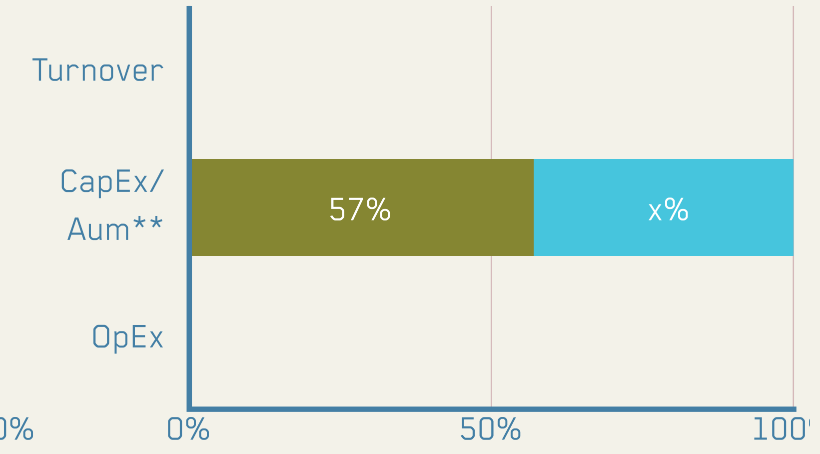
The graphs below show in green the percentage of investments that were aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product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

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



- Taxonomy-aligned: Fossil gas
- Taxonomy-aligned: Nuclear
- Taxonomy-aligned (no gas and nuclear)
- Non Taxonomy-aligned

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



- Taxonomy-aligned: Fossil gas
- Taxonomy-aligned: Nuclear
- Taxonomy-aligned (no gas and nuclear)
- Non Taxonomy-aligned

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.

[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.

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

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 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 (88.1% - 57% =) 31.1%.

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.

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

A carbon reduction roadmap has been developed in 2021 and is being implemented in the following years. Following the completion of the first phase of the roadmap, achieving a 100% energy label A rating through sustainable insulation investments, the Fund will continue to improve carbon reduction from 2026 by focusing on heating systems, amongst others. To this end, we will update the Fund's carbon roadmap in 2024. This new roadmap will have the ability to perform scenario analyses for a number of possible technical measurements for each asset, allowing the Fund to estimate the best schedule on its way to net zero in 2045.

In 2023 the Fund retrofitted 145 singles-family homes from energy label C to label A. As a result we expect less carbon emmission in these properties and a higher tenant satisfaction.

This will improve the Fund’s score on sustainable investments and decreases its carbon footprint.

Besides the four properties which were preservedin 2023, prepration has been made for the preservation of four other properties during 2024/2025. This preparation includes drafting a renovation plan with a construction company, writing the investment proposal and informing the tenants.

In ‘New Brooklyn’, Almere, we leased 60 apartments, which were preferentially allocated to home seekers with key occupations such as health care workers, firefighters, teachers and police officers. The purpose of this action was to give these key workers a better chance of a housing career in Almere and to support the high demand for these professions. 20 Of these apartments were actually rented by key workers, so the original social objective was achieved.

Furthermore, the residents of object ‘Hazenbosch’ in Den Dolder had a desire to create a jeu-de-boules court on an unused car park. The Fund welcomed and fully funded this great initiative, which has a positive influence on social cohesion and tenant satisfaction.

A tenant satisfaction survey was conducted last year by Customeyes. Together with our external property managers, we analyzed the results and comments from tenants and discussed improvements at an asset level. In 2023, we conducted a social impact monitor pilot for the total portfolio and analyzed three specific properties. The results will be used to further develop the use of this social impact monitor. The aim of our social impact monitor is to determine whether an investment in a neighbourhood delivers a social impact for the residents. The instrument was launched in 2022 and is still in a startup phase.

The Fund will publish an 2023 ESG annual report in April 2024. This will give more insight in the ESG objectives and include several examples of the Fund's environmental, social and good governance initiatives.

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 portfolio are both managed and appraised by the same organisation (2022: 5.3%).

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 €1.8 million (2022: €1.5 million).

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	2,163,631	2,338,995
Adjusted for:		
To be distributed to investors in cash	0	0
Capitalisation and depreciation of acquisition costs	0	0
INREV NAV	**2,163,631**	**2,353,170**
Average weighted INREV NAV	**2,213,549**	**2,388,270**

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	6,000	0	14,000	6,000	**26,000**	0
Redemption paid out	0	0	0	0	**0**	0
Distribution of dividend	-13,723	-14,812	-13,736	-15,560	**-57,831**	-16,795
Stockdividend	6,986	7,126	6,631	7,571	**28,314**	n.a.
New investment commitments	0	0	0	0		0
Total outstanding mandates	114,800	114,800	100,800	94,800		94,800
Outstanding redemptions	-50,000	-50,000	-50,000	-73,189		-73,189
Investors in redemption queue	1	1	1	2		2

INREV Policies	2023	2022
TGER based on the weighted average INREV NAV	0.41%	0.43%
TGER based on the weighted average INREV GAV	0.41%	0.43%
REER based on the weighted average INREV GAV	0.83%	0.77%
INREV NAV	2,163,631	2,353,170
Average weighted INREV NAV	2,213,549	2.388.270
INREV GAV	2,171,884	2,366,342
Average weighted INREV GAV	2,223,430	2,397,566

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	-7.9%	2.4%
INREV income return	2.8%	2.1%
INREV capital return	-10.4%	0.3%
INREV distributed income return	2.6%	2.5%

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.

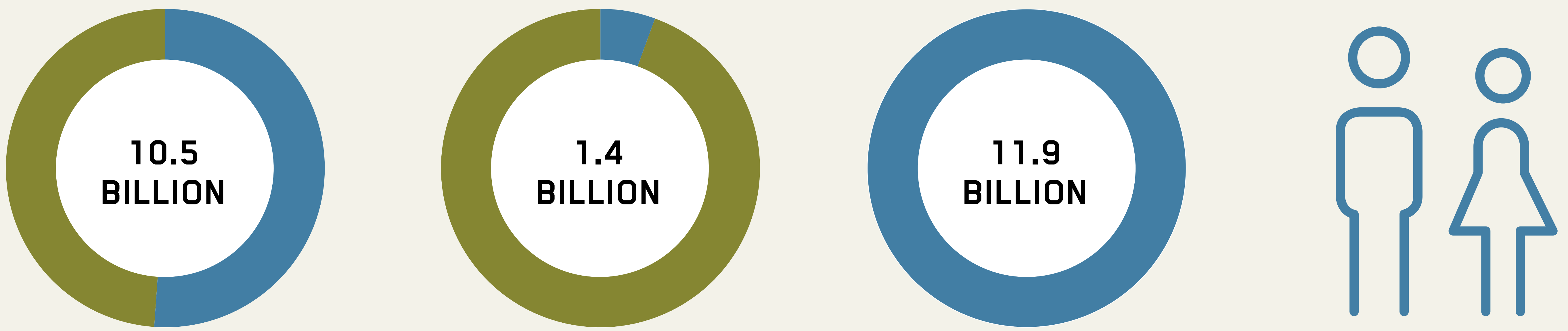
Achmea has therefore drawn up a code of conduct for acting with integrity according to Achmea values and standards.

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)



DUTCH REAL ESTATE

Residential	8.2 bn
Retail	0.9 bn
Healthcare	0.8 bn
Offices	0.1 bn
Other	0.5 bn

INTERNATIONAL REAL ESTATE

Europe	0.7 bn
North-America	0.5 bn
Asia	0.2 bn

TOTAL

216 FTE

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 For	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

Average monthly rent	Total theoretical monthly rent of housing units divided by the total number of housing units.
Benchmark (MSCI)	Financial 'yardstick' to measure portfolio performance against the relevant market against which the performance of the investments can be measured against. For Dutch real estate, the benchmark is the MSCI. The MSCI real estate index has two variants: one for all properties, including purchases, sales and redevelopments ('all assets') and one for objects that were in operation during the financial year ('standing investments'). The Fund uses the MSCI real estate index standing investments as a benchmark.
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 financial total return is calculated by dividing the net income from investments by the Total Net Assets per quarter after profit distribution. Net income consists of the balance of rental income less operating expenses and service charges, the management costs, other income and expenses and financial income and expenses. For the fund return based on MSCI standing investments, the direct return is calculated over the average value of the investment properties that have been in operation throughout the financial year.
Empty value ratio	The empty value ratio represents the ratio in which the market value in rental value is set against the vacant value. The vacant value is the private sale value free of rent and use.
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)	The indirect return as part of the financial total return is calculated by dividing the indirect return by the average Total Net Assets per quarter after profit distribution. The indirect result consists of changes in value resulting from periodic valuations and the sales result in case of dispositions. For fund returns based on of MSCI standing investments, the indirect return is calculated on the average value of the properties that have been in operation throughout the financial year been in operation.
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 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.
Invested assets	Properties in operation, lease incentives, properties under development and associates.
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.
Movement rate terminated contracts	Number of terminations (terminations and sales in let condition) relative to to the total number of properties at the end of the period (plus units sold within the consideration period).
MSCI	MSCI is a provider of the real estate index and real estate benchmarks since 1995 for Dutch real estate.
MSCI All assets	MSCI All assets concerns all properties which were part of the portfolio during a year, including properies which were bought, sold or under development.
MSCI Standing investments	MSCI Standing investments concerns all properties which were part of the portfolio during a year, excluding properies which were bought, sold or under development during the year.
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.

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