ACHMEA DUTCH RETAIL PROPERTY FUND

2023 Annual Report

achmea

Real Estate

MISSION

The Achmea Dutch Retail Property Fund aims for a stable and sustainable return from retail real estate. The starting point for generating a stable return is to provide relevant and future-proof retail venues for its tenants.

The Fund has a strong focus on the best high street locations and dominant convenience centres. The Fund is mindful of the sources of income. Important in this respect is to connect with urban dynamics by explicitly focusing on function and branch expansion, as well as further tenant diversification. In this way, our retail investments remain robust and relevant, now and in the future. The Fund aims to operate as sustainably as possible in order to contribute to the ESG targets set in the portfolio plan.

Investors

The Achmea Dutch Retail Property Fund invests for institutional investors, such a pension funds, insurers and charities.

GRESB
★★★★★ 2023

IJburg, Amsterdam

Contents

Manager: Achmea Real Estate (ARE)
Fund Manager: Peter Koppers
Director Investment Management: Casper Hesp

FRONT PAGE PHOTO: Grote Marktstraat, The Hague

1. About Achmea Dutch Retail Property Fund

The Achmea Dutch Retail Property Fund is a core investment fund offering investors access to the Dutch retail real estate market. The Fund is targeting a portfolio focusing on the strongest high street locations in the G9 and dominant convenience centres.

In 2022, the Fund has experienced a significant growth by acquiring two retail portfolios. In 2023, there was a strong emphasis on asset management, yielding outstanding operational performance. Also leverage and the redemption queue were reduced significantly. The Fund presently holds a well-diversified portfolio (99% fit-to-strategy) with a positive outlook. The 2024 strategic guidelines remain largely unchanged from previous years. The focus will be on executing the strategy through performance-driven and sustainable investments in the core portfolio.

The Fund aims for a carbon-neutral portfolio by 2050. The CRREM standards are the guiding principle in this regard. The ambition is to get ahead of this standard and achieve 'Paris Proof' by 2040. Measures and actions have been defined using a new CO_2 roadmap which is completed in 2023. In line with the CO_2 reduction goals, the Fund has set sharp goals for energy labels. The ambition is to grow the percentage of A-labels to 92.5% in 2026 (currently 90.3%).

89 PROPERTIES

- 73 in G9 highstreet locations
- 14 in convenience centres and supermarkets
- 2 in other retail locations

14 INVESTORS

€868.9 MILLION
GROSS ASSET VALUE

OUTPERFORMANCE IN 2023

- Total return 2023 (ADRPF): 2.2%*
- Total return MSCI-retail benchmark: 1.1%*

TOP 5 LARGEST TENANTS

1. The Sting - Network of Brands	6.6%
2. Koninklijke Ahold Delhaize	6.2%
3. ITX Fashion	4.9%
4. Jumbo Group Holding	4.3%
4. Spaces/IWG	3.9%

STRONG OPERATING INDICATORS

- 96.8% occupancy rate
- 4.3 years Walt
- Like-for-like rental income growth +8.5%

GRESB 5-STAR ★★★★★
89 POINTS

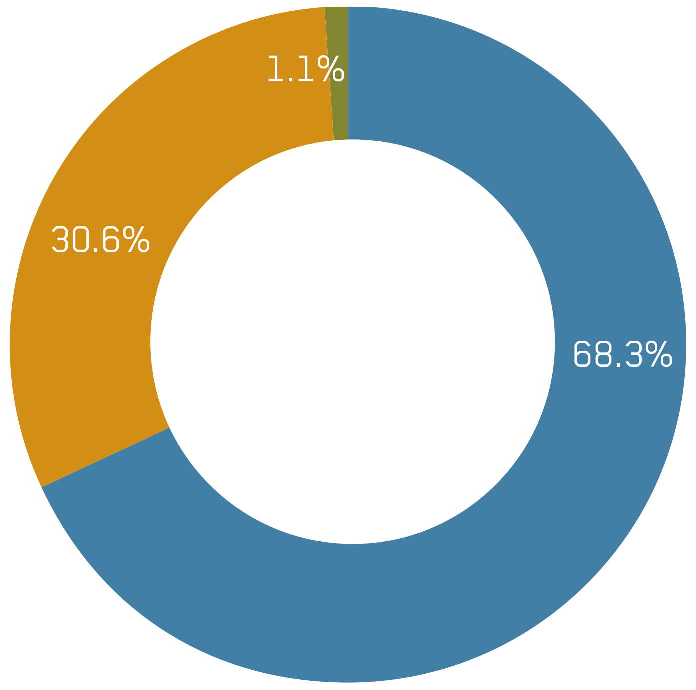
Energy label A or higher 90.3%
GPR building label 100%

* All assets

KEY CHARACTERISTICS

- Invest in the winning segments of the Dutch retail property market
- Stable dividend and long-term value growth
- Focus on sustainable assets and renewable energy
- Outperformance relative to the MSCI Retail Benchmark
- Managed by a dedicated fund team

PORTFOLIO COMPOSITION BY SEGMENT



PORTFOLIO ACHMEA DUTCH RETAIL PROPERTY FUND BY SEGMENT

2. Highlights 2023 & key figures

JANUARY: The Fund signs a new lease contract with international retail TK Maxx for a unit of 1,700 m² in Utrecht

SEPTEMBER: Start of redevelopment shopping centre Amstelplein in Uithoorn

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

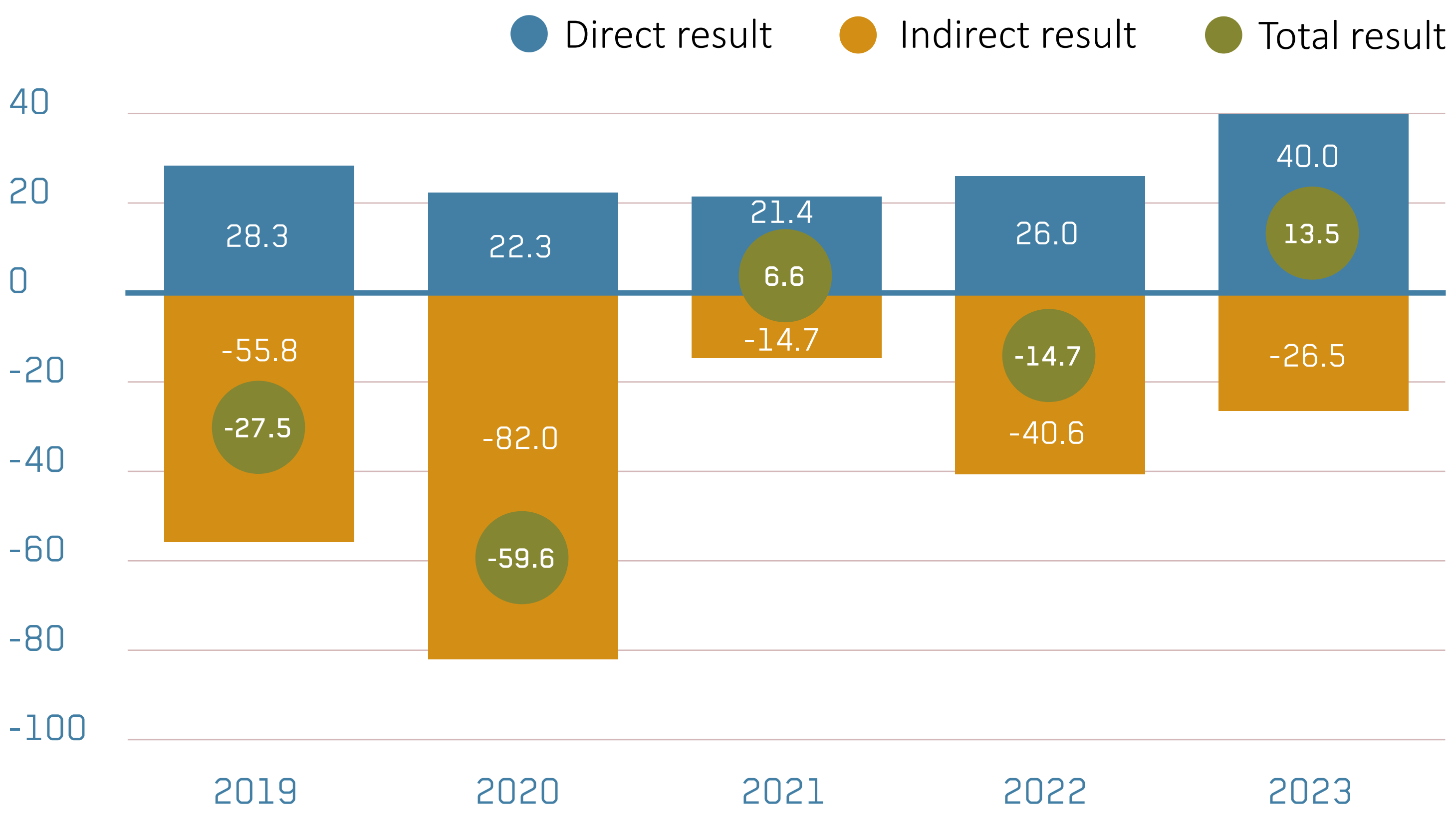
JULY: The Fund receives two mandates (totalling €117m) from a Dutch insurer.

GRESB
★★★★★ 2023

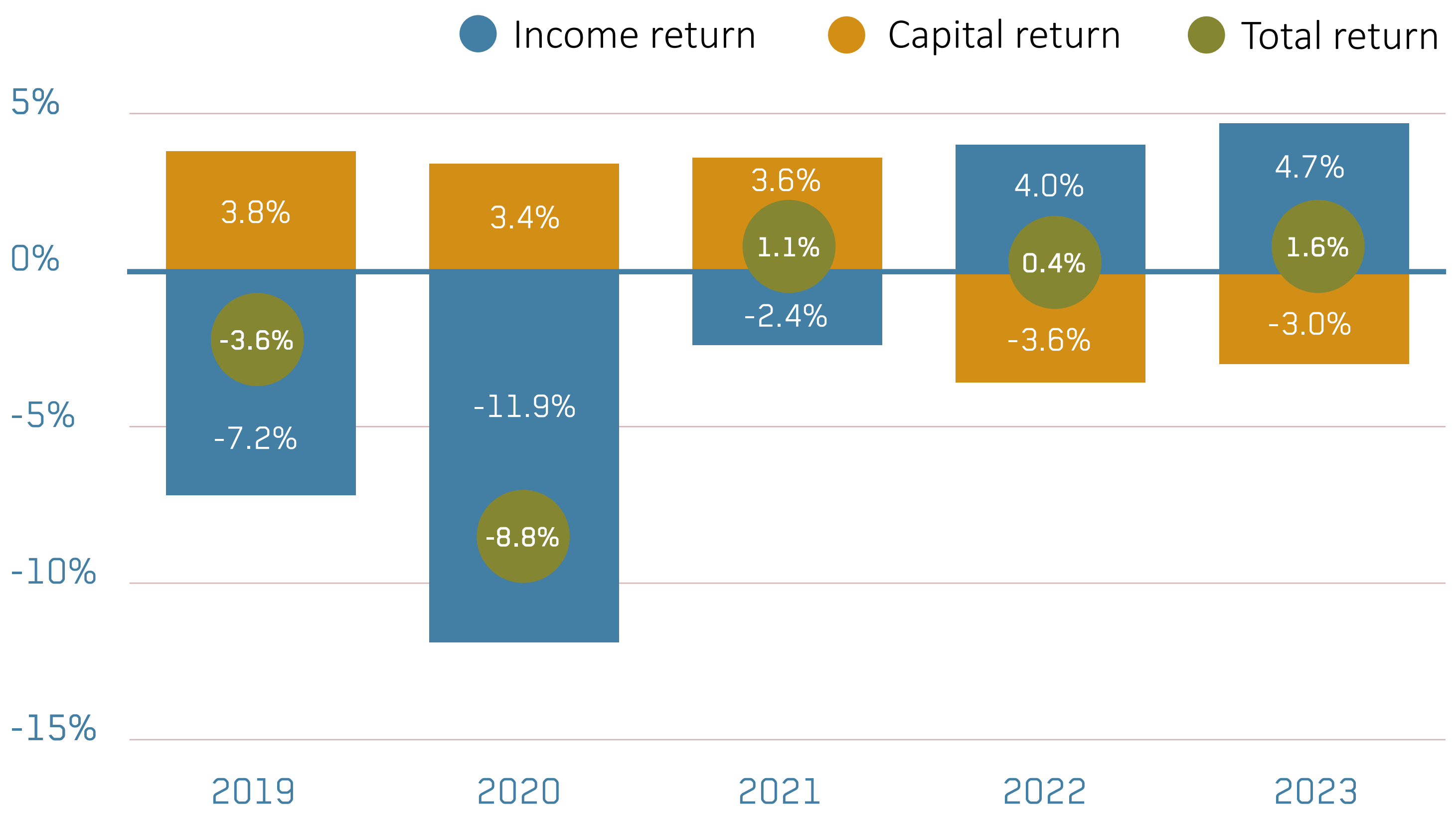
OCTOBER: Disclosure GRESB score of 89 points and a top-5 position in the peer group (Netherlands/Retail/Core).

DECEMBER: Long term extension of two lease contracts with The Sting (Costes & Cotton Club) in Rotterdam

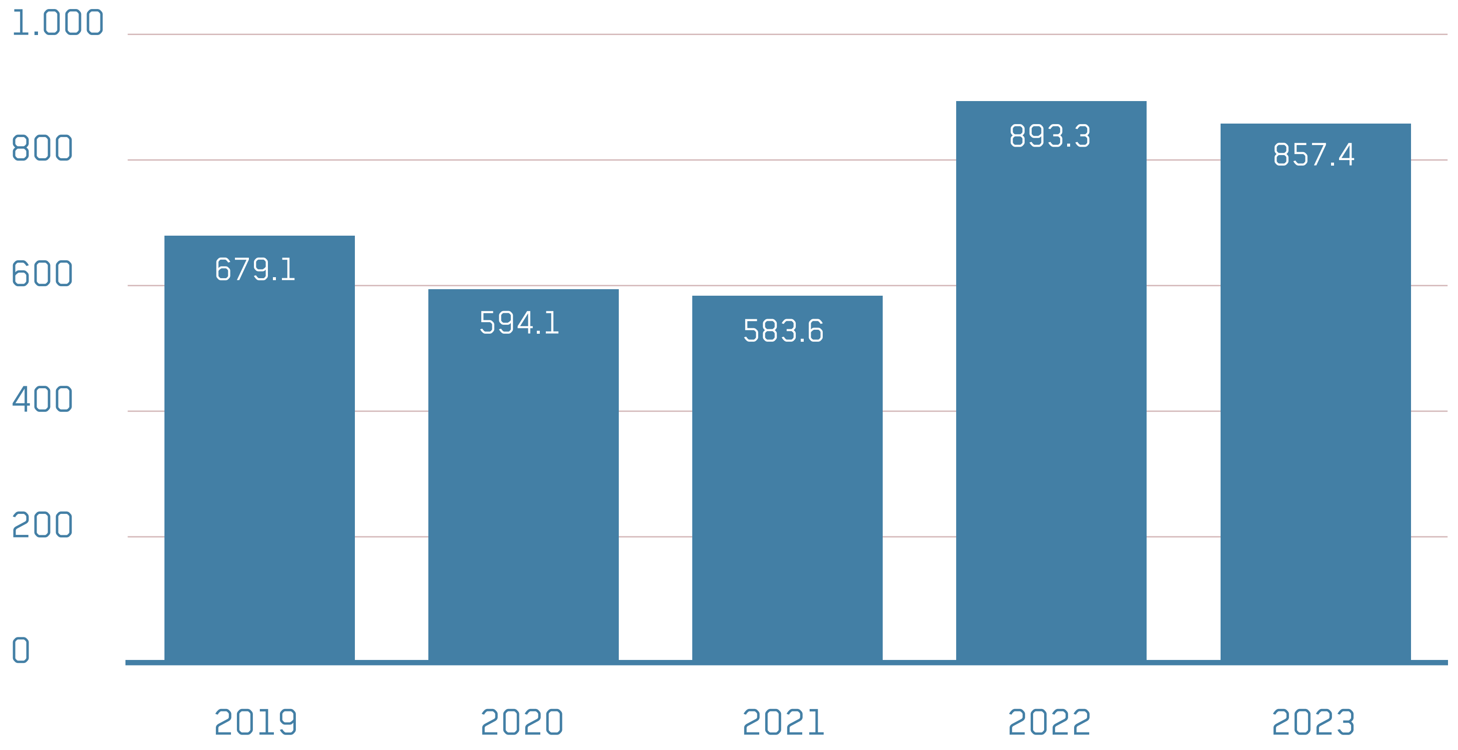
TOTAL RESULT (AMOUNTS X €MILLION)



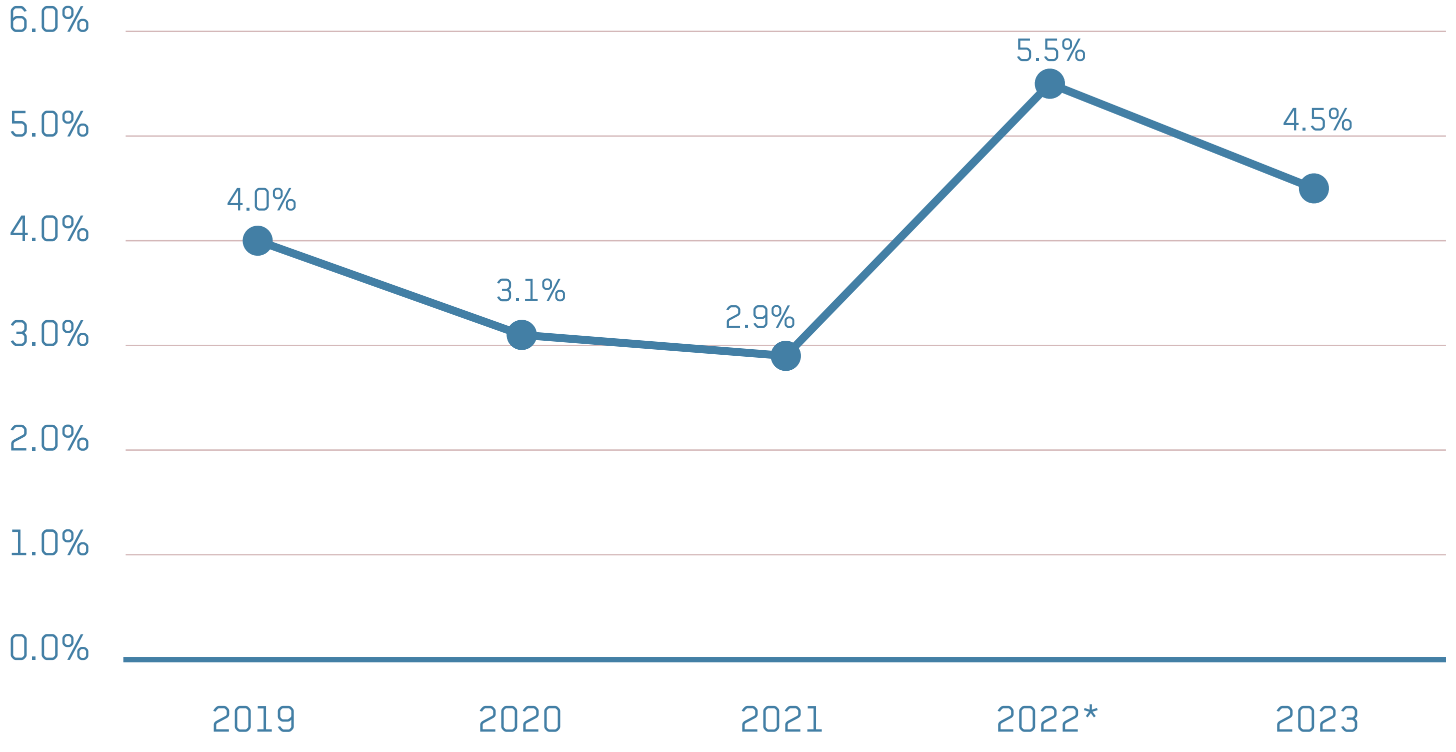
FINANCIAL RETURN



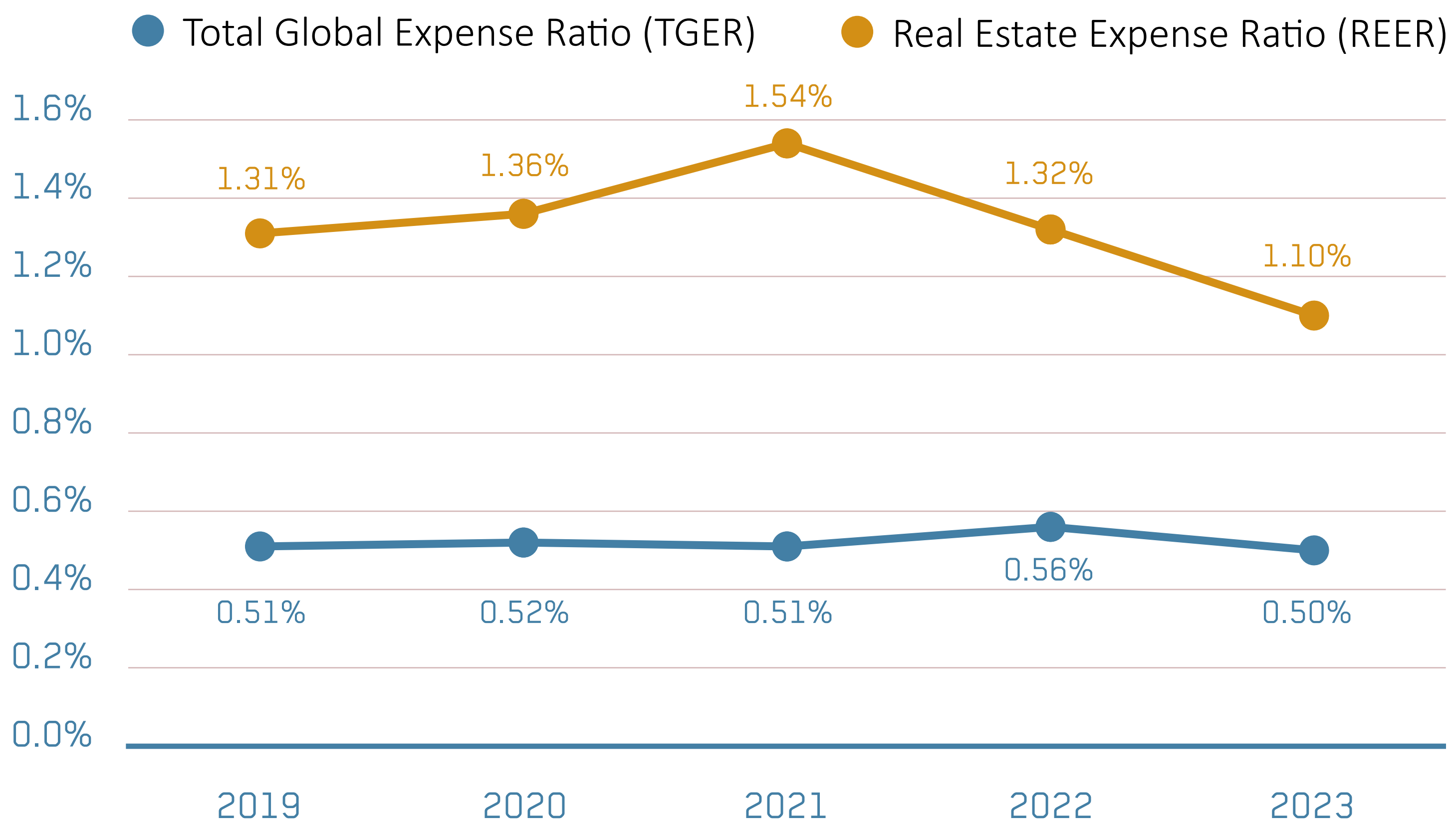
INREV NAV (AMOUNTS X €MILLION)



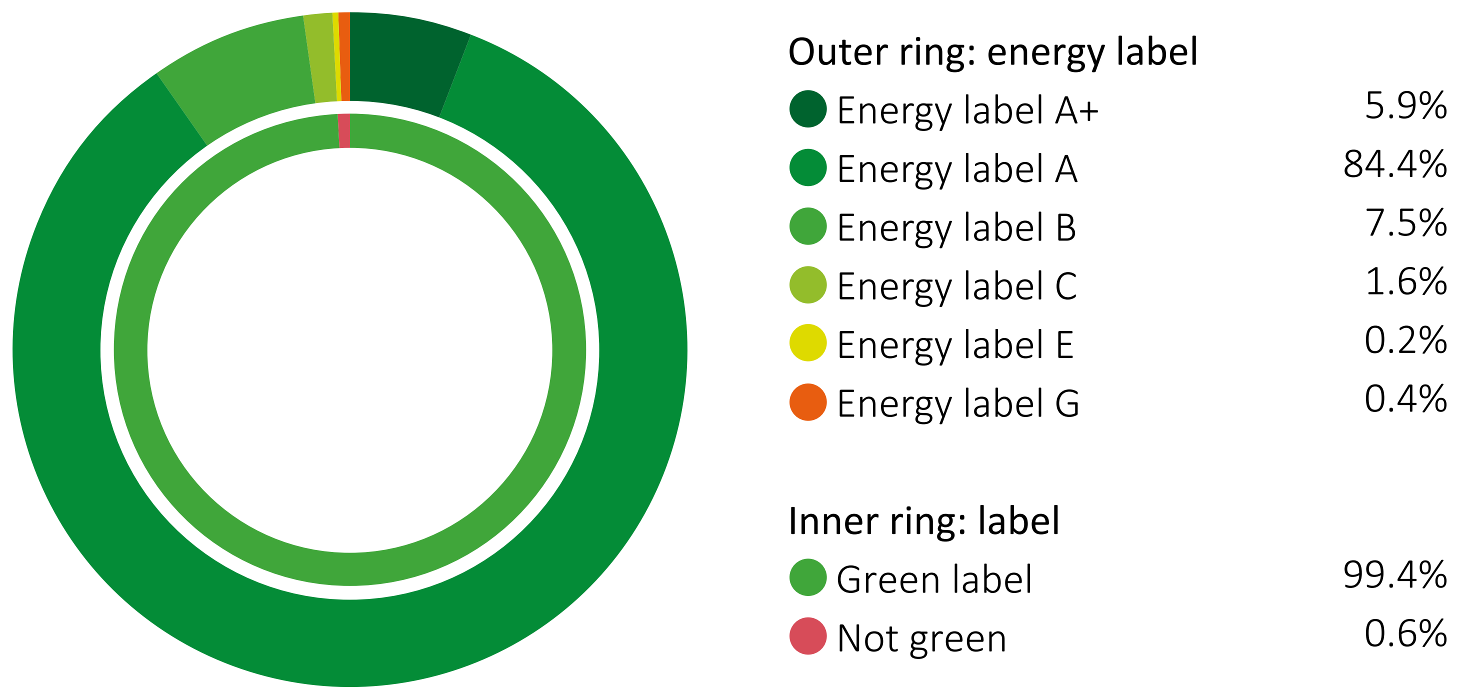
DIVIDEND YIELD (BASED ON INREV NAV AS OF 1 JANUARY)



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



ENERGY LABELS



* 2022: FBI to FGR transition, one-off additional dividend paid.

3. Manager's Report

LOOKING BACK WITH THE MANAGER

STRONG PERFORMANCE IN A CHANGING ECONOMIC ENVIRONMENT

Reflecting on the performance of the Achmea Dutch Retail Property Fund in the dynamic Dutch retail market, Peter Koppers, the Fund Manager, is pleased to share a narrative of strategic achievements and forward-thinking initiatives.

Over the past year, our commitment to delivering stable and sustainable returns for our investors has been the cornerstone of our philosophy. This commitment has translated into a resilient portfolio that has weathered the dynamics and complexities of the (retail) property landscape. While other sectors have underperformed, total returns for retail property have remained positive. An attractive valuation and strong operating performance underpin a relatively high income yield, which has been an important contributor to performance and has been able to capture rising interest rates in 2023. Not all segments of the retail property market performed well. In smaller cities and less attractive areas, vacancy rates have risen and rents have been under pressure. A focused strategy and strong execution is vital to create the resilience we seek for our investors.

STRATEGIC DECISIONS ARE YIELDING POSITIVE RESULTS

One of the key strategic decisions that contributed to the current performance is our focus on prime highstreet locations (G9) and dominant convenience centers. These carefully selected positions not only capitalise on the inherent attractiveness of busy locations, but also contribute to the relevance and strength of our retail investments.

Kalverstraat 226-230, Amsterdam

This deliberate approach ensured that the Fund remained positioned as a reliable choice in the competitive Dutch retail real estate fund market.

Our understanding of (diverse) income sources has been instrumental in navigating the challenges of the retail sector. By actively engaging with urban dynamics and placing emphasis on functional and branch expansion, we have not only safeguarded our Fund against market uncertainties but have also demonstrated adaptability in response to evolving trends. Tenant diversification has further enhanced the resilience of our portfolio, positioning us as a dynamic player capable of navigating the complications of the retail sector.

As a retail investor who aims to be proactive and stay ahead of trends, we notice a difference between successful, future-ready retailers and those not keeping up with innovation. Thriving in a dynamic economy demands a commitment to innovation and adaptability. Leading retailers employ cutting-edge technologies like AI analytics and personalized customer experiences for a competitive edge. They excel in agile supply chain management and seamless omnichannel strategies to meet evolving consumer demands. Prioritizing sustainability and social responsibility resonates with conscious consumers. These retailers go beyond products, emphasizing immersive in-store and online experiences to build brand loyalty. Continuously evolving strategies enable them to navigate economic fluctuations and capitalize on emerging trends, establishing themselves as retail marketplace leaders.

WORKING TOWARDS THE ESG GOALS

In our pursuit of sustainability, the Achmea Dutch Retail Property Fund has not only met but exceeded the ESG targets outlined in our portfolio plan. For example, the target for 90% energy labels A set for 2025 was already met at the end of 2023. By contributing to CO_2 reduction, enhancing the living environment, prioritizing tenant satisfaction, we have established a robust foundation for sustainable success.

OUTLOOK

In the short term, the retail market faces challenging economic indicators and rising interest rates. However, by the end of 2024, a positive shift is expected. Factors such as significant wage growth and stabilised prices will boost purchasing power. This will not only benefit existing retailers, but also encourages expansion. Major cities, with their larger consumer base and favourable demographics, are positioned for a faster recovery. They will play a key role in driving retail growth. Neighbourhood shopping centres, which focus on essential goods, will continue to perform as robustly as they have in recent years. In summary, provided certain conditions are met, the outlook for the retail sector is stable in the short term, with a promising upturn expected in the medium term.

As I look back at the performance of the Achmea Dutch Retail Property Fund, it is not just a reflection of financial achievements but a testament to our strategic vision. Moving forward, we remain committed to navigating the challenges of the Dutch retail real estate market with the same diligence and foresight that have characterized our journey thus far.

Amsterdam, 25 April 2024

Peter Koppers Fund Manager
Casper Hesp Director Investment Management

Peter Koppers (MSc, MSRE) has been Fund Manager of the Achmea Dutch Retail Property Fund since 2019. He joined Achmea Real Estate in 2012. Previously, Peter held the role of Portfolio Manager Separate Accounts and investment analyst. Peter previously worked as a Senior Analyst at MSCI (2009-2012).

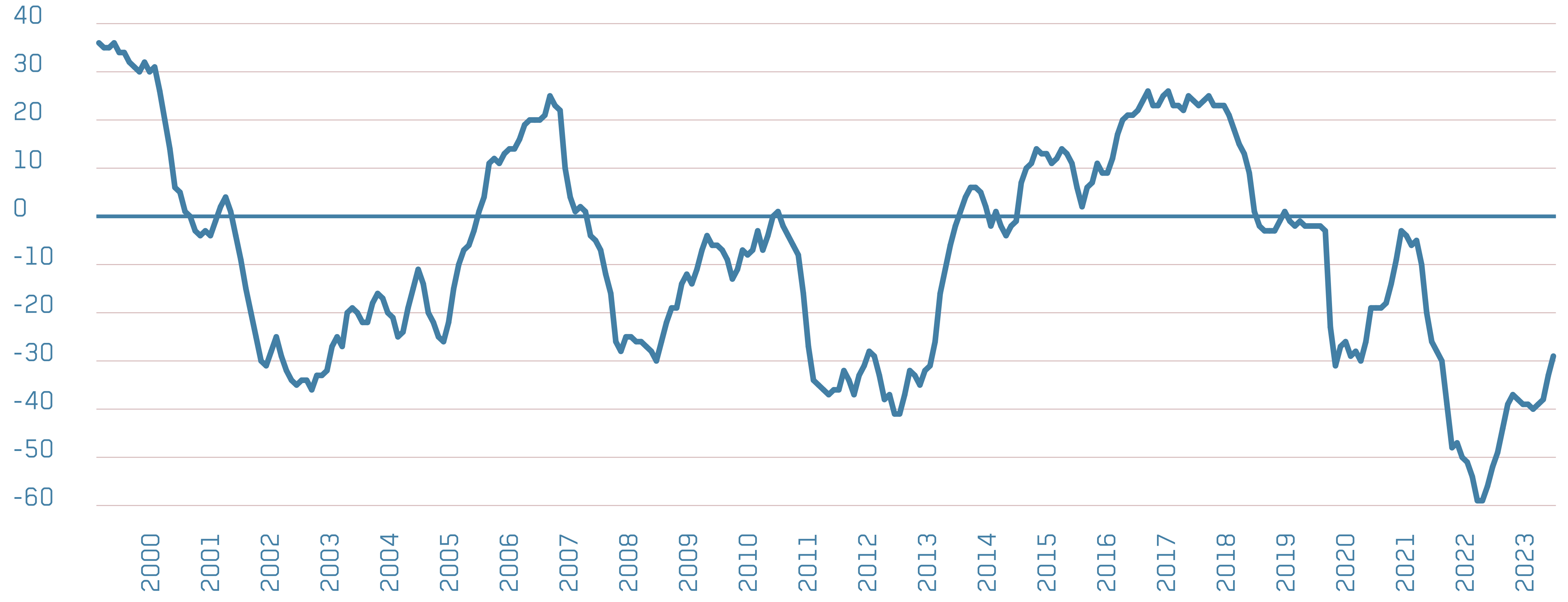
Casper Hesp (MSc, RBA) has been responsible as Director for the Investment Management department of Achmea Real Estate since 2019. Previously, Casper was Head of Portfolio Management (2014-2019). Casper previously worked at INREV (European trade association for non-listed real estate vehicles) as Director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

MARKET TRENDS

ECONOMIC DEVELOPMENTS

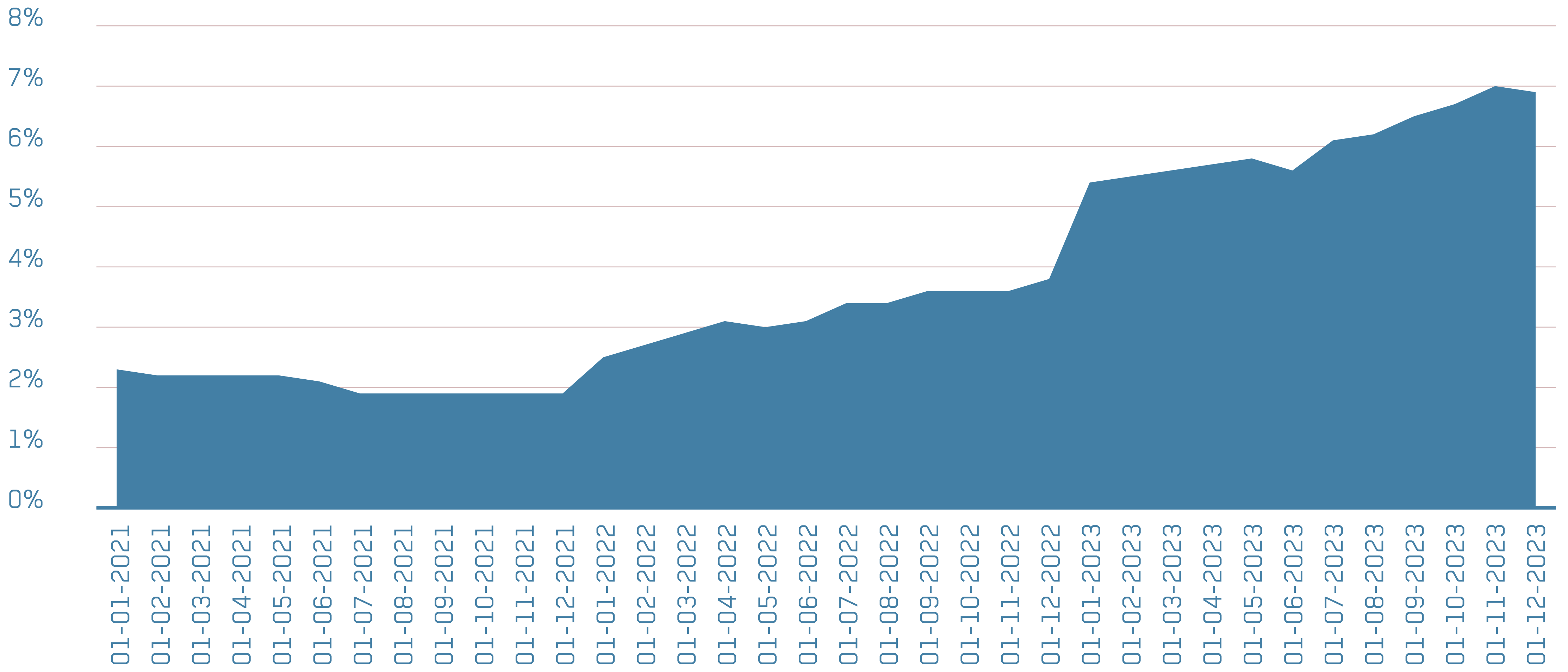
2023 was the year in which the long-expected rise in bankruptcies materialised. According to the Central Bureau of Statistics (CBS), the number of bankruptcies rose by more than 50%. The retail sector was not spared.
A number of well-known retailers filed for bankruptcy or sought financial support from their shareholders. However, this did not lead to a substantial increase in vacancy rates, which will be discussed later. Often a relaunch is possible or stores are acquired. Despite falling retail sales volumes, the value of retail sales rose by 3.2% year-on-year in November. Consumer confidence rose during the year and wage growth was the strongest in decades. However, developments in the capital markets were less favourable. The European Central Bank raised key interest rates substantially in an attempt to curb the rising inflation. These higher interest rates meant that less capital was available for property and financing costs rose.

CONSUMER CONFIDENCE (BALANCE OF POSITIVE AND NEGATIVE RESPONSES)



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

WAGE GROWTH

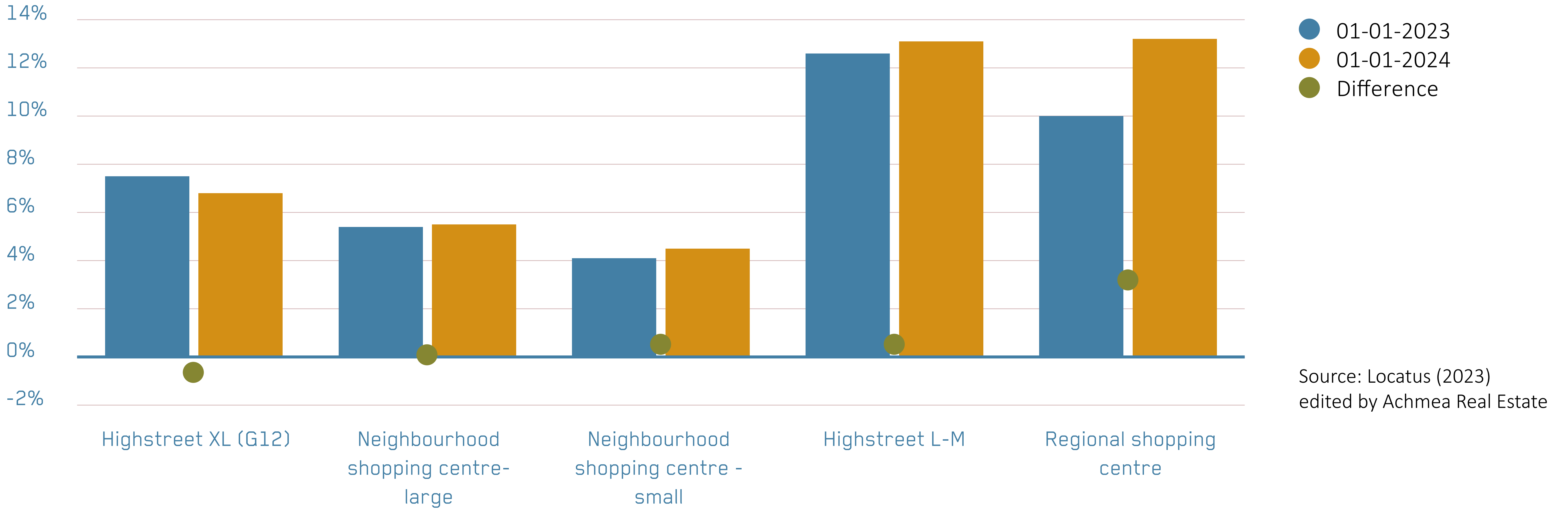


Source: CBS (2023), edited by Achmea Real Estate

RETAIL OCCUPIER MARKET

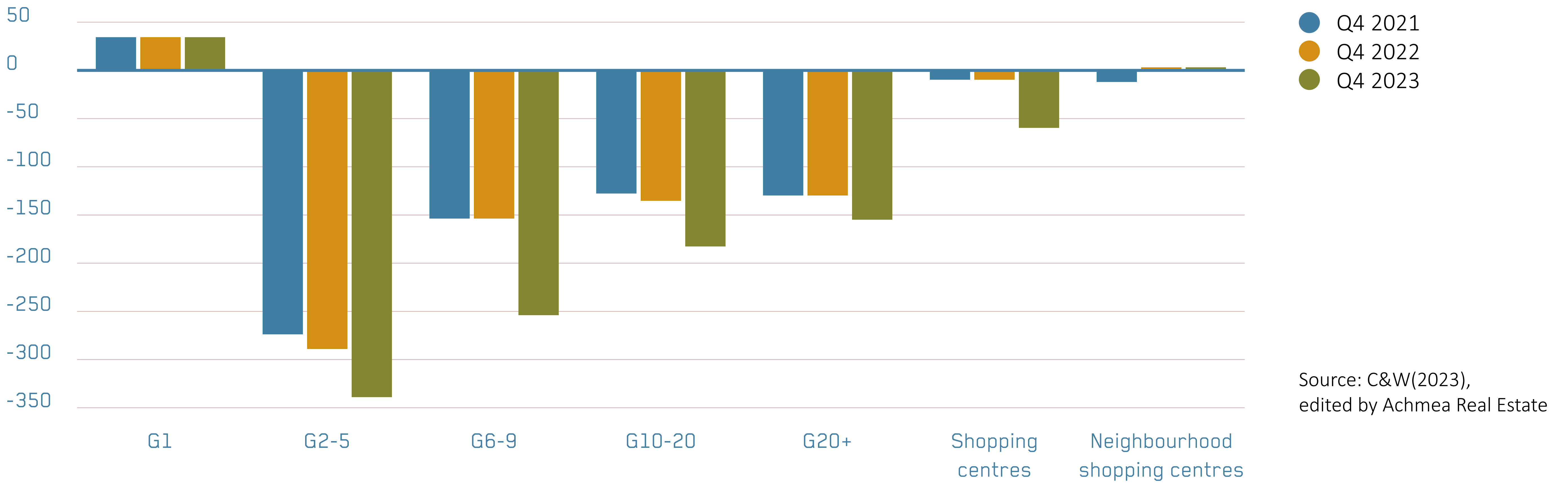
The occupier market was very dynamic as a result of economic developments. The number of bankruptcies increased, but the impact on vacancy rates remained limited. At the end of the year, the average vacancy rate in the Netherlands rose for the first time in several quarters and reached 6.2%. However, a closer look at the underlying numbers shows that vacancy rates in the high street shopping areas are actually falling. This applies both to vacancy levels expressed in terms of the number of units and to vacancy levels expressed in terms of floor space. These expanding retailers improve the tenant mix and give the shopping areas a desired boost. The impact on rental levels, however, was limited, as there is sufficient supply to absorb the new demand. Consequently, top rents stabilised at the end of the year in almost all markets. A comparison of prime rents with the long-term average for the period 2010 to 2023 shows that, with the exception of Amsterdam and the district shopping centres, prime rents are lower in all segments. With rents stabilising in almost all markets, we may have reached the bottom.

VACANCY PER TYPE OF SHOPPING AREA



Source: Locatus (2023) edited by Achmea Real Estate

PRIME RENTS VERSUS LONG TERM AVERAGE (IN €/M²/YEAR, 2010-2023)

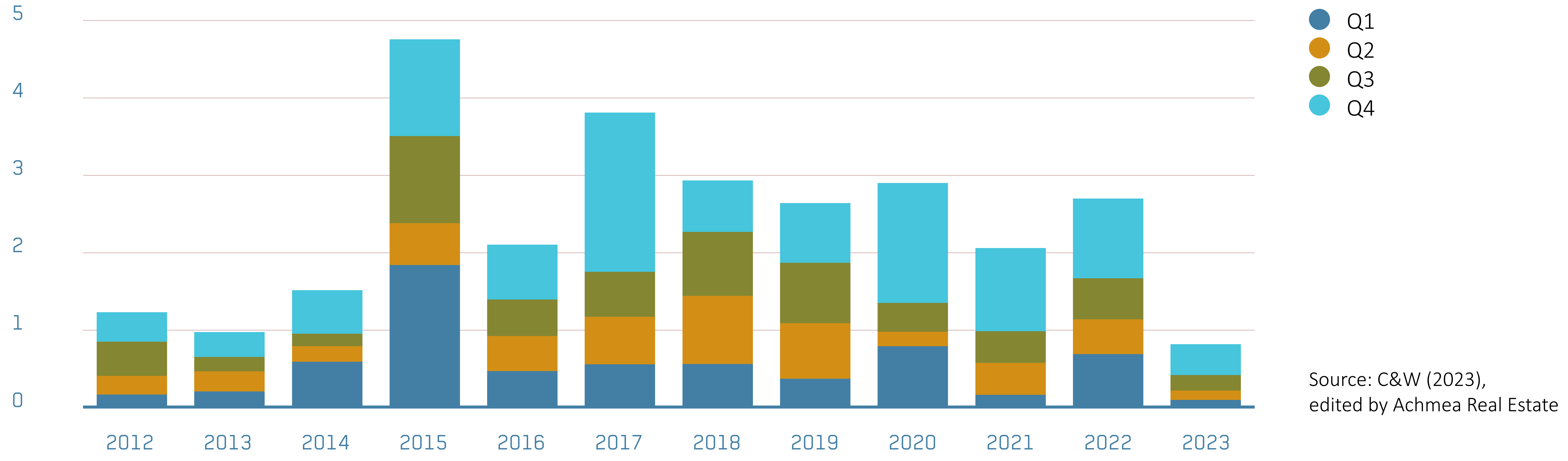


Source: C&W(2023), edited by Achmea Real Estate

INVESTMENT MARKET

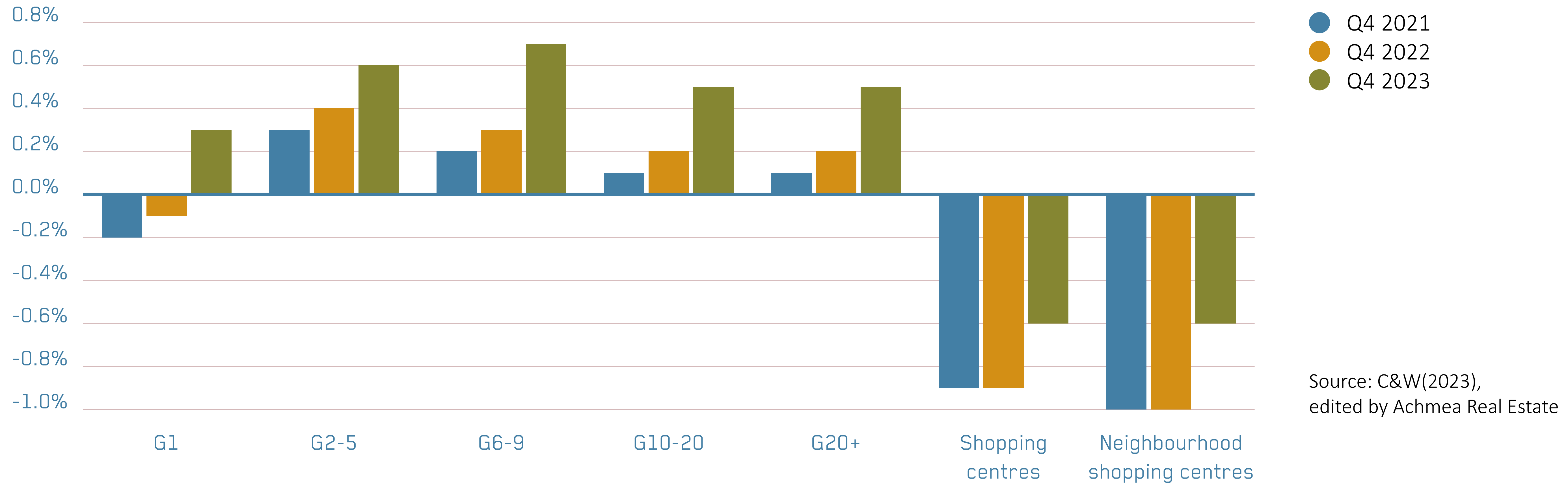
Investment volumes picked up during the year, in particular in the fourth quarter. According to preliminary figures from Real Capital Analytics/MSCI, the volume of retail property investment in 2023 was over €822 million, 70% lower than the volume in 2022. The limited activity is mainly due to development in the capital market. Due to the higher interest rates, there is less capital available and financing costs are higher. In addition, initial yields tend to increase when interest rates rise. As a result, the property market has been devalued and very few transactions have taken place. The values of retail properties were already corrected and other sectors were hit much harder by the higher rates and lack of liquidity. Consequently, retail real estate was one of the best performing sectors in 2023. The decline in the number of transactions does not reflect a further shift away from retail. On the contrary, retail seems to have regained popularity in the fourth quarter. In the fourth quarter, prime yields still rose by 5 to 15 basis points, with the exception of Eindhoven, where they remained stable. Top initial yields for district shopping centres (SC) and neighbourhood shopping centers (NSC) rose to 6.05 and 5.45% respectively. At this level, prime yields in most core shopping areas are well above the long-term average between 2010 and 2023. For shopping centers and neighborhood shopping centers, top initial yields are still well below the long-term average.

INVESTMENT VOLUME (€BILLIONS)



Source: C&W (2023), edited by Achmea Real Estate

PRIME YIELDS VERSUS LONG TERM AVERAGE



Source: C&W(2023), edited by Achmea Real Estate

OUTLOOK

Inflation is slowly but surely coming under control and with it policy rates seem to have peaked. Economic growth is slightly negative, but there are no signs of a deep recession for the time being. A soft landing is the most likely scenario at the moment, but then nothing else should go wrong. The main question is whether and when central bankers will lower key interest rates again. In any case, more calm in the capital markets will lead to an increase in the number of transactions. This is a good time to enter the market, especially for investors who are less risk averse and not dependent on bank financing. In many city centres, rent levels are well below the long-term average, while initial yields are well above the long-term average. The market may have been due for a correction, but with rising prices, less uncertainty in the retail sector and more stable capital markets, value growth for new acquisitions may be on the horizon. However, retail property must meet strict criteria to perform robust.

Lange voort, Oegstgeest

STRATEGY

The Fund aims to actively respond to the dynamics and structural trends visible in the retail investment market. To be able to continue contributing to the Fund's objectives in the future, three strategic principles have been identified:

- Focus on the best cities
- Focus on food-oriented convenience centres
- Add value through active management

FOCUS ON THE BEST CITIES

The largest shopping cities offer consumers the most comprehensive shopping experience, complemented by cultural, leisure and hospitality facilities in an attractive and often historic decor. These locations are critical for retailers to deliver their brand experience to consumers. In today's dynamic retail landscape, consumers are increasingly looking for more than just products; they crave experiences. This shift in shopping habits is driven by a desire for meaningful engagement and a break from the mundane. Retailers are adapting by transforming spaces into immersive environments that engage the senses.

Experience shopping offers a multi-sensory journey where touch, sight and even smell play a key role. Pop-up installations, interactive displays and curated events now populate stores, turning shopping into an adventure. Consumers relish the opportunity to connect emotionally with brands, creating lasting memories. Retailers who embrace this shift are reaping the rewards. Increased footfall, longer in-store times and greater brand loyalty are boosting revenue. As consumers continue to seek enriching encounters in their shopping journeys, businesses must embrace the experience revolution to thrive in the evolving retail landscape. Those who succeed in creating memorable, interactive spaces will have a lasting connection with their clients.

In an evolving retail landscape, it is not possible to roll out this desired experience across 40-50 cities as was common in the past. Focusing on 10-15 cities is usually enough for retailers to create the experience they are looking for, partly because of the high cost of fit-out for these high quality stores. With a high internet penetration and wide spread habituation of internet shopping in The Netherlands, the rest of the market can be served online. All this leads to a greater focus by consumers and retailers on the largest city and a greater gap between these large cities and medium and smaller cities.

In the wake of these experiential retailers, we see growing demand from non-retail businesses in cities, such as hospitality, leisure and other complementary functions. There is also a growing demand from the (IT) business services sector that prefers city centres to out-of-town locations. These all leads to a high demand for space in city centres, upward pressure on rents and a lower risk for vacancy. It also leads to a fading line between functions and segments. Multifunctional areas are becoming the norm.

In summary, there is no doubt that e-commerce continues to influence the way we shop and spend our leisure time. While a physical store increases online visibility and therefore sales, not every city needs a store for this purpose. As well as being a place to complete a sale, these stores are heavily focused on communicating brand identity and experience to consumers. A store as a statement of the brand is vital for a retailer/manufacturer. Logically, a key part of our strategy is to focus explicitly on the best cities and locations that can meet the needs of the future proof retailer.

FOCUS ON FOOD-ORIENTED CONVENIENCE CENTRES

The Corona pandemic has confirmed the position of convenience centres in investors' allocation mix. Supermarkets and other convenience stores have hardly suffered and the outlook for this segment remains positive for the coming years. On a 3-year basis, convenience centres were the best performing segment within the entire Dutch property sector.

An important factor within convenience centres are the supermarkets which function as anchors. The presence of multiple supermarkets make the convenience centre more appealing to other potential tenants. They see the high foot traffic generated by the supermarkets as an opportunity to capture a large and diverse customer base. Multiple supermarkets attract a wide range of shoppers with different preferences. This diversity can create a bustling environment and cater to a broader customer base. The range of other shops should not be overly dominant and matches the reason for visiting the centre. Examples include a bicycle repair shop, drug store, dry cleaner, household goods shop and a catering outlet with delivery service.

Convenience centres increasingly have space for non-retail functions, such as healthcare, sports and social functions (such as a library). These functions are transforming convenience centres into the physical 'heart' of the district. We consider dominance in the catchment area, strong ties with the local consumers and a future perspective in which the catchment area and spending potential are at least stable, to be important for these centres.

ADD VALUE THROUGH ACTIVE MANAGEMENT

The Fund's investments in the G9 city centres all share the excellent location characteristics associated with city centres: excellent multimodal accessibility (public transport, bicycle, car), high-quality cultural and educational facilities, and a long-standing mix of functions. All of this fits into our total retail concept or experience, where shopping is part of a day out that includes a visit to the cinema or theatre and perhaps a restaurant. As the characteristics of a city centre are also a positive attraction for residents, living in city centres is becoming increasingly popular. The population of central Rotterdam, for example, has increased by more than 18% in the last eight years. Similar growth can be seen in other cities. In the past, office functions were mainly located in monofunctional office locations, but today we see a strong demand for office locations in city centres. Here we find a pleasant and vibrant working environment that encourages creativity and attracts young talent.

In certain sectors, such as information technology, city centre offices are currently the norm. The lack of parking is not perceived as a problem, as cycling and public transport are the means of transport for this target group.

Partnerships
Building strong relationships with our main tenants is key to our active asset management policy. We aim for a partnership, in which we help tenants with accommodation issues, but also take a deeper look at investments, maintenance and sustainability issues.

Mix of functions
According to Achmea Real Estate's philosophy, investment management is a constant search for sustainable future value. Specifically for city-centre retail investments, we see opportunities for upgrading properties by partly repurposing them to functions outside the traditional retail segment. With our highest-and-best-use approach, we examine each component of a property to see which function would generate the highest and most sustainable return for the long term.

A specific initiative within the highest-and-best-use philosophy is the 'Housing-above-Shops programme' that we launched in 2022. As part of this programme, we are looking for opportunities to add housing on upper floor levels. Where core shopping remains, this strategy mainly upgrades the secondary parts of properties. These are often vacant, used for storage, or rented out for minimal rents.

For selected shopping centres, we are working on upgrading and revitalizing the property and/or public realm. Upgrades are appropriate if they improve the functioning of the shopping centre, allow for future-proofing, improve sustainability and the financial business case shows that they will add sustainable value to the Fund.

SECTORAL DISTRIBUTION

The target allocation is 55% for the G9 city centres, and 45% for convenience centres. Convenience centres and supermarkets are presently under-allocated. The acquisition focus is therefore mainly on this segment.

ALLOCATION AND TARGET

KPI	2019	2022	2023	Objective	Range
G9 highstreet locations	51%	68%	68%	55%	50-70%
Convenience centres and supermarkets	18%	30%	31%	45%	30-50%
Other	33%	2%	1%	0%	0-5%

STRATEGIC OBJECTIVES FOR 2024-2026

KPI	Objective
1. Strategy	Focused strategy on the top 9 high street locations (G9) + convenience centres and supermarkets, minimum of 95% fit-to-strategy.
2. Performance	Outperformance against the MSCI NL Retail benchmark (all assets).
3. Target allocation	55%: G9 high street locations (50-70%) 45%: convenience centres and supermarkets (30-50%).
4. Sales	Completion of sales in the planning period (2024-2026) after optimisation to minimise depreciation effects.
5. Mixing of functions	Space for mixture of functions and adding residential units above stores.
6. Target size	Good diversification with a minimum of 60 properties.

OPERATING OBJECTIVES

KPI	Objective
7. Operations	- High occupancy rate of at least 96%. - Focus on retention and extending the weighted average lease term (WALT) with a target of 4.0 years. - Efficient operation of the properties, with long-term operating costs amounting to around 20% of gross income and 2024 target of 22.5%. - Rent value development in line with the MSCI index. - Tenant quality: start and evaluate pilot MSCI INCANS in 2024.
8. Investments in existing portfolio	Investments in revitalization of shopping centres, housing above shops and sustainability in line with the capital expenditure budget (three year target).

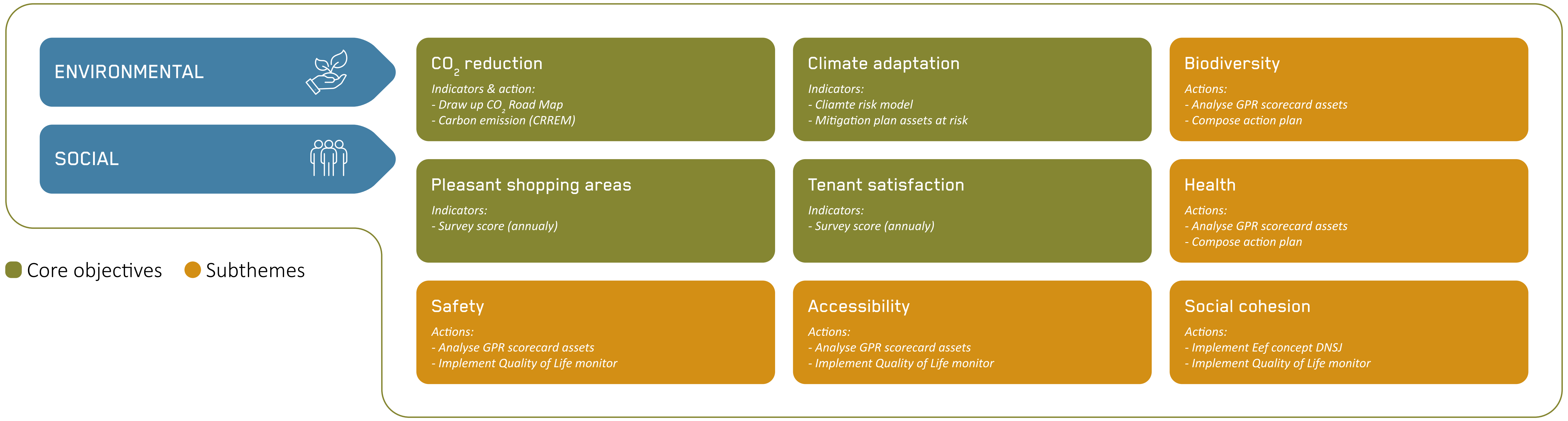
ESG POLICY AND KEY THEMES IN 2023

ESG STRATEGY OF THE FUND

The Fund invests with consideration for people, the environment and society. A number of ESG objectives have been selected for the Fund. These were first formulated in the 2021 portfolio plan and translated into targets and KPIs in subsequent years. In 2023, a new structure was introduced to align the objectives with the sustainability indicators to be reported, which Achmea Real Estate intends to use for the Fund's SFDR Level 2 reporting. The national and international playing field is constantly changing and the Fund wishes to be in line with what the market currently recognizes as best reporting practice. The 'E' and 'S' objectives fall into two categories: mandatory objectives (green) and optional topics (orange). These are shown in the figure below.

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

ENVIRONMENTAL AND SOCIAL GOALS



SUSTAINABILITY OBJECTIVES

KPI	Objective
Sustainability	- Improve energy labels: 100% green label and 92.5% A-label by 2026. - Improve GPR-coverage and score: 100% GPR-coverage. Average score of 7.0.
	- Increase energy data collection in the portfolio by 15% in 2026. - Increase the amount of renewable energy in the portfolio by 15% in 2026. - Reduction of natural gas consumption through the removal of gas installations for at least six retail units (two per year) in 2026. - Improve biodiversity: greening of the owned public space of at least two properties in 2026.
	- Measure tenant satisfaction with an annual survey score. A plan is put in place for any property with a score below 6.5. - Improve social cohesion in our neighbourhoods: Launching two public campaigns per year for shopping centres with a focus on social cohesion.

SFDR ARTICLE 8

Sustainable Finance Disclosure Regulation (SFDR) is a 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.

PORTFOLIO OBJECTIVES TOWARDS CO_2 REDUCTION

An important guide for our CO_2 reduction targets has been the CO_2 emission reduction roadmap, which was fully renewed in 2023. The roadmap sets out a capital expenditures route, plotted over time, of energy consumption and associated CO_2 emissions based on current emissions, for all the properties in the portfolio. The modelling in the roadmap concerns CO_2 emissions from direct energy consumption, focusing on the building-related energy consumption items (based on NTA8800 nationwide calculation methods): gas, electricity and heat consumption for space heating, hot tap water, cooling, auxiliary energy systems and ventilation.

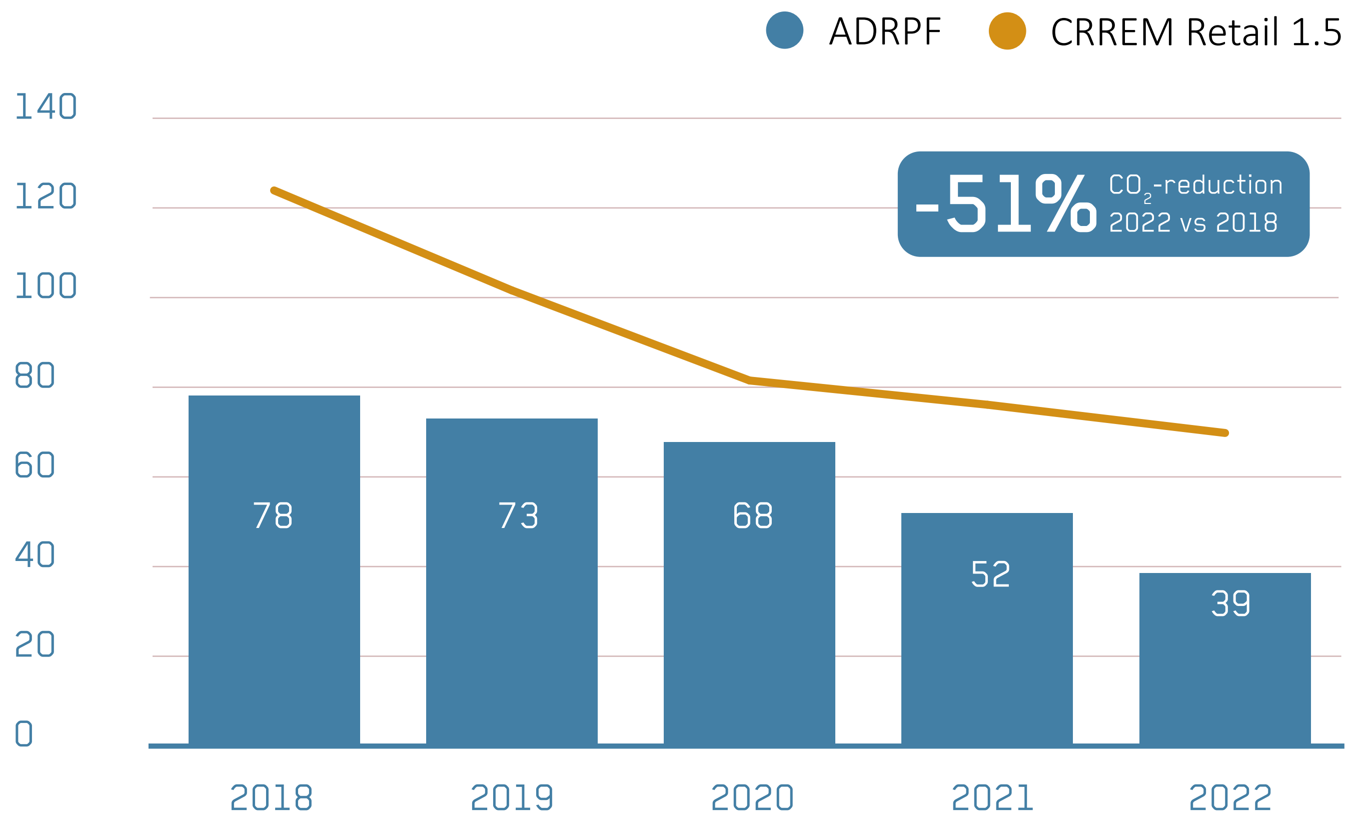
The ambition is to reach the 2050 CRREM norm on a portfolio level in 2040. Progress will be monitored yearly and every three years a recalibration of the roadmap is proposed. In parallel and directly related to these targets, the Fund is focusing on increasing green energy labelling to 100% and improve A-labels to at least 92.5% by 2026.

Currently, the portfolio has CO_2 emissions below the CRREM norm. The average CO_2 emission was 38.5 kg per m^2 in 2022. The increasingly stringent CRREM norm for 2022 was 69.8 kg per m^2.

The percentage of A-energy labels was 90.3% at the end of 2023. In 2023, we have improved the energy label for the following properties:

- Damrak, Amsterdam from energy label C to A
- Nieuwendijk 209, Amsterdam from energy label D to A+
- Leidsestraat, Amsterdam from energy label D to A
- Kalverstraat 184, Amsterdam from energy label D to A+
- Korte Lijnbaan 17-19, Rotterdam from energy label C to A+
- Poelestraat, Groningen from energy label D to C

CO_2 EMISSIONS IN KG PER M^2



Renewable energy

The energy demand of retailers differs significantly from residential energy demand. The need for electricity is higher on average because of the numerous technical installations (cooling, lighting, airlocks, escalators, lifts). By contrast, the need for gas is lower because of lower heating requirements and, for gas consumption, favourable opening hours during the day. Because of the size of the properties and their city-centre location, the heating method is more carbon efficient on average than for other asset classes. Many properties are connected to a heat network (Utrecht, Rotterdam) or are equipped with their own heat and cold storage (WKO) system (Spuimarkt, The Hague). Smaller shops often have a heat pump, because of this system's ability to also cool. Over 60% of the portfolio is already fully gas-free because of these characteristics.

The addition of solar energy is an important measure to achieve the CO_2 reduction targets set out in the portfolio plan. The main focus for CO_2 reduction should therefore be on reducing electricity consumption, combined with the use of renewable energy. The first roll-out of solar panels was completed in 2023 (four properties):

Shopping centre Leyweg, The Hague

- PV panels 240 for common area
- Estimated 85,000 kwh/yr
- CO_2 reduction 39,600 kg/yr

Shopping centre Kerkelanden, Hilversum

- PV panels 160 for common area and 372 for the tenants
- Estimated 187,500 kwh/yr
- CO_2 reduction 88,160 kg/yr

Shopping centre Westerkoog, Koog aan de Zaan
- PV panels 120 for common area and 460 for the tenants
- Estimated 194,500 kwh/yr
- CO_2 reduction 91,400 kg/yr

Shopping centre Lange Voort, Oegstgeest
- PV panels 40 common area and 216 for the tenants
- Estimated 85,000 kwh/yr
- CO_2 reduction 40,300 kg/yr

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. Hence, implementing climate adaptation and mitigation measures is imperative. These measures include fortifying infrastructure against natural disasters, elevating properties in flood-prone areas, and incorporating energy-efficient technologies. Such proactive steps not only mitigate potential damages but also enhance the resilience and long-term value of real estate assets. Ignoring climate risks can lead to significant financial losses, decreased property values, and increased insurance premiums. It also jeopardizes the safety and well-being of occupants. Moreover, adopting climate adaptation measures aligns with global sustainability goals and resonates with environmentally-conscious stakeholders. Investors, tenants, and regulators are increasingly prioritizing eco-friendly, climate-resilient properties.

Portfolio specific climate risks

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

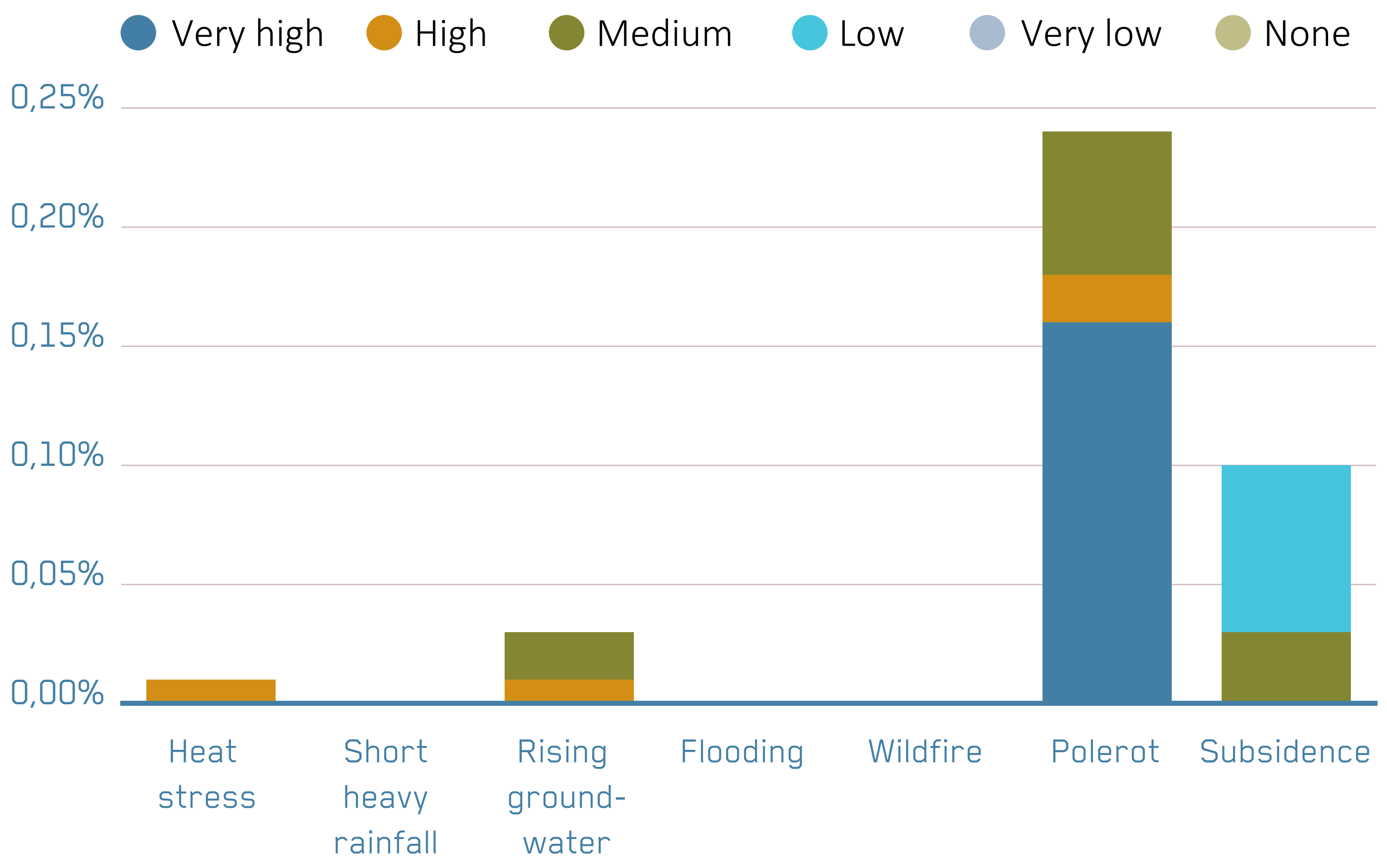
The climate risks for the Fund have been identified. The largest potential losses are the properties with a theoretical high risk of foundation problems (pole rot), followed by the risk of subsidence. A study of the potential risk of pole rot in the portfolio was carried out in 2021-2022. Extensive measures have been taken in the past 10-15 years, especially in the more vulnerable cities such as Rotterdam and Amsterdam. No immediate action is needed at this time. We have chosen to accept and monitor the potential risk.

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 89 points (2022: 90) and was awarded a GRESB 5-star rating. The Fund is ranked 5th (2022: 5th) in the GRESB peer group Netherlands/Retail/Core, which consists of 6 Dutch retail funds.

The Fund's GRESB score is at a very high level, but the GRESB score still fell by 1.1%. It should be noted that the contribution of two retail portfolios in 2022 has changed the composition of the portfolio. This makes comparison with the GRESB score of previous years more difficult. An important subject within the GRESB is the performance indicators section. Compared to last year, the Fund loses points in the peer group comparison for water consumption (-1.30 points) and waste data coverage (-0.67 points).

CLIMATE RISKS OF ADRPF EXPRESSED AS % OF MARKET VALUE



GRESB scores 2023

BUILDING A FUTURE-PROOF AND SUSTAINABLE PORTFOLIO

Sustainable building certificates enable the Fund to show where the Fund is in terms of sustainability at asset level and how far it still has to go. The Fund uses internationally accepted sustainability certificates to measure and assess the overall sustainability of its assets. Certificates such as GPR Building measure criteria that go beyond legislative requirements and provide the Fund with instruments to encourage more responsible tenant behaviour, such as cutting waste and reducing energy consumption.

The Fund uses GPR Building software to measure and assess the overall sustainability of its buildings. GPR Building provides data on the sustainability of healthcare and residential real estate. GPR Building reports on five performance indicators: Energy, Environment, Health, Quality of Use and Future value, and assigns a score for each performance indicator on a scale of 1 to 10. When used on existing buildings, GPR can help to identify quality improvements following sustainability measures.

At the end 2023, the entire portfolio was certified (excluding parking garages). The average score based on the book value of these properties is 7.1 (2022: 7.1).

TENANT SATISFACTION

The annual tenant satisfaction survey (HTO) was conducted in October 2023. The survey was conducted among 443 tenants. A response rate of 31.9% (2022: 21.9%) was achieved.

- General satisfaction Achmea Real Estate: 6.4 (2022: 6.1)
- Quality of shop premises: 6.3 (2022: 6.3)
- Shopping environment: 6.3 (2022: 6.8)

A key focus was the service provided by the external property managers. The individual results were shared with the property managers. Where necessary, outcomes were further individualised to determine quality of individual property managers. Property managers were asked to come up with an action plan to increase customer satisfaction.
A benchmark is available for residential property, but not for commercial property. We are in contact with Customeyes and other investors to set this up, but it is not currently available.


Solar panels, Leyweg-The Hague

PORTFOLIO DEVELOPMENTS

At the end of 2023, the Fund's portfolio (including joint venture, 50% in C.V. Oostpoort Amsterdam) consisted of 89 properties in operation (2022: 89) with a value of €854.0 million.

If the 17 properties in Lijnbaan in Rotterdam are considered in their entirety, this is the Fund's largest concentration. At the end of 2023, 19.4% of the current value of the portfolio was concentrated in the Lijnbaan area. The ten largest asset concentrations collectively represented 65.2% of the fair value of the total portfolio (2022: 65.1%).

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 96.8% and an operating result of 81.1%.

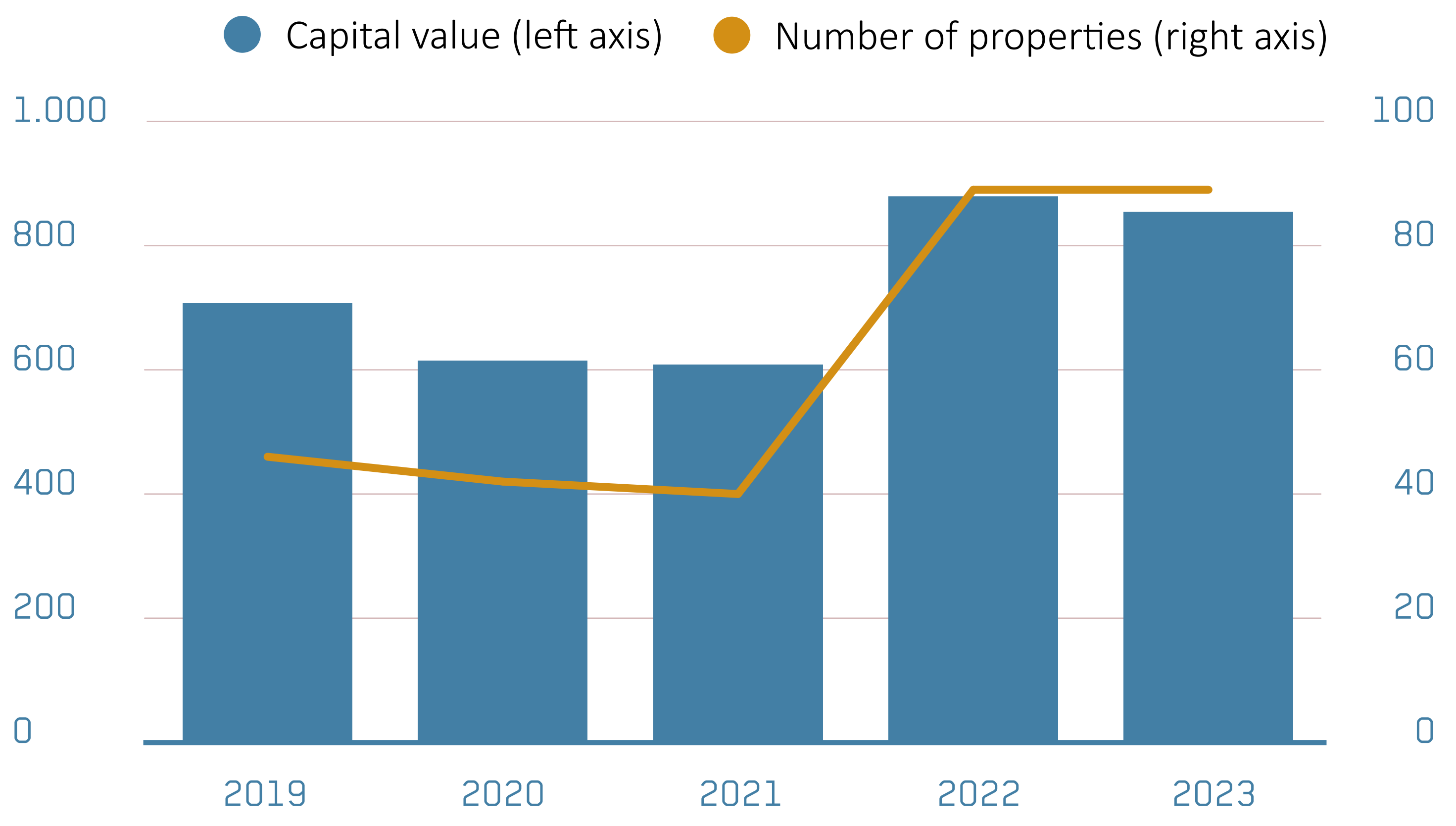
RENT DEVELOPMENTS

The rental income from the portfolio in 2023 was €53.2 million (2022: €35.1 million). On balance, an increase of €18.1 million (51.7%) due to:

- the in-kind purchase of two portfolios on 3 October 2022 (€18.5 million)
- The sale of properties Makado in Beek, Zuidplein and Alexandrium in Rotterdam in 2022 (€-2.9 million)
- The like-for-like rental income of the operating portfolio (€2.5 million, 8.5%)

The rental income of the like-for-like portfolio increased by €2.5 million (8.5%) relative to 2022, as a result of indexations (€2.2 million, 4.7%), contract changes (€-654,000, -2.2%), a decrease in the vacancy level of €215,000 (0.7%) and a decrease in the rent reduction of €752,000 (2.5%). Rent incentives, such as rent-free periods, rent reductions and other payments or contributions to a tenant, amounted to €631,000, 1.1% (2022: €676,000, 1.2%) of the theoretical rent in 2023.

DEVELOPMENT OF CAPITAL VALUE AND NUMBER OF PROPERTIES (AMOUNT X €MILLION)



PORTFOLIO BREAKDOWN BY SEGMENT (AMOUNTS X €1,000)

	Number	Share	Fair value
G9 highstreet locations	73	68.3%	583,075
Convenience centres & supermarkets	14	30.6%	261,165
Other	2	1.1%	9,780
Total	**89**	**100.0%**	**854,020**

TOP 10 LARGEST INVESTMENTS (IN OPERATION)

Property name	Address	City	Theoretical annual rent (x €1,000)
1. Lijnbaan Area & Forum	Lijnbaan	Rotterdam	9,345
2. Spuimarkt I & II	Grote Marktstraat	The Hague	6,025
3. House Modernes	Oudegracht/Lange Viestraat	Utrecht	4,010
4. SC Lange Voort	Lange Voort/Ommevoort	Oegstgeest	3,214
5. SC Oostpoort	Waldenlaan, Oranje Vrijstaatkade	Amsterdam	2,780
6. SC Kerkelanden	Kapittelweg a.o.	Hilversum	2,456
7. Brinkmann complex Grote Markt	Barteljorisstraat a.o.	Haarlem	2,261
8. SC Leyweg	Leyweg 657 - 787	The Hague	2,997
9. SC IJburg	IJburglaan 551 - a.o.	Amsterdam	2,186
10. Kalverstraat	Kalverstraat 42-44	Amsterdam	991

Occupancy rate

Optimising occupancy rates is one of the key tasks within asset management. This is done through a proactive approach to letting the shops and an active approach to customers and the market. The financial occupancy rate at the end of 2023 was 96.8% (2022: 98.4%). The lower occupancy rate was primarily caused by the departure of ZARA in Rotterdam (Beursplein).

Tenant concentration

The top 10 major tenants accounted for 38.7% of the Fund's total rental income in 2023 (2022: 36.4%). The Sting, 6.6% (2022: 6.4%) was the largest tenant in the Fund.

Rental activity

The Fund signed 139 new or renewed leases in 2023 for a total annualised amount of €14.5 million, which was equal to 25.7% of the total theoretical annual rent. Of the renewed leases in 2023, the contract rent was 8.9% above the estimated market rental value.

The average weighted term of the leases at the end of 2023 was 4.3 years (2022: 4.2 years). The five largest new lease contracts of extensions during 2023 were:

1. Cotton Club, Lijnbaan in Rotterdam. Long-term lease extension
2. JD Sports Fashion, Lijnbaan in Rotterdam. Long-term lease extension
3. ITX Nederland, Kalverstraat in Amsterdam. Long-term lease extension
4. Costes, Lijnbaan in Rotterdam. Long-term lease extension
5. TJX Nederland, Oudegracht in Utrecht. New long-term lease contract

Expiry of leases

The terms of leases vary and depend on specific agreements and legal regulations. In 2024, 4.3% of the leases, representing €2.3 million of rental income, are cancellable or renewable in 2024. With regard to retail properties in the G9 highstreet, 14 leases expire with a total annual rental value of €1.6 million. At the convenience centres and supermarkets a total of 23 contracts with an annual rent of €659,000 will expire. In 2024, no leases expire in the other segment.

RENTAL ACTIVITIES (AMOUNTS X €1,000)

Property	Number of leases	Contractual leases (annual basis)	Market rent (annual basis)	m²
New contracts	34	3,142	3,414	9,681
Extended contracts	108	11,364	10,432	31,217
Terminated contracts	43	5,766	4,644	12,460

OPERATING EXPENSES

The operating expenses for 2023 amounted to €10.0 million, an increase of €2.7 million (36.8%) compared to 2022 (€7.3 million). This increase in operating costs was mainly caused by:

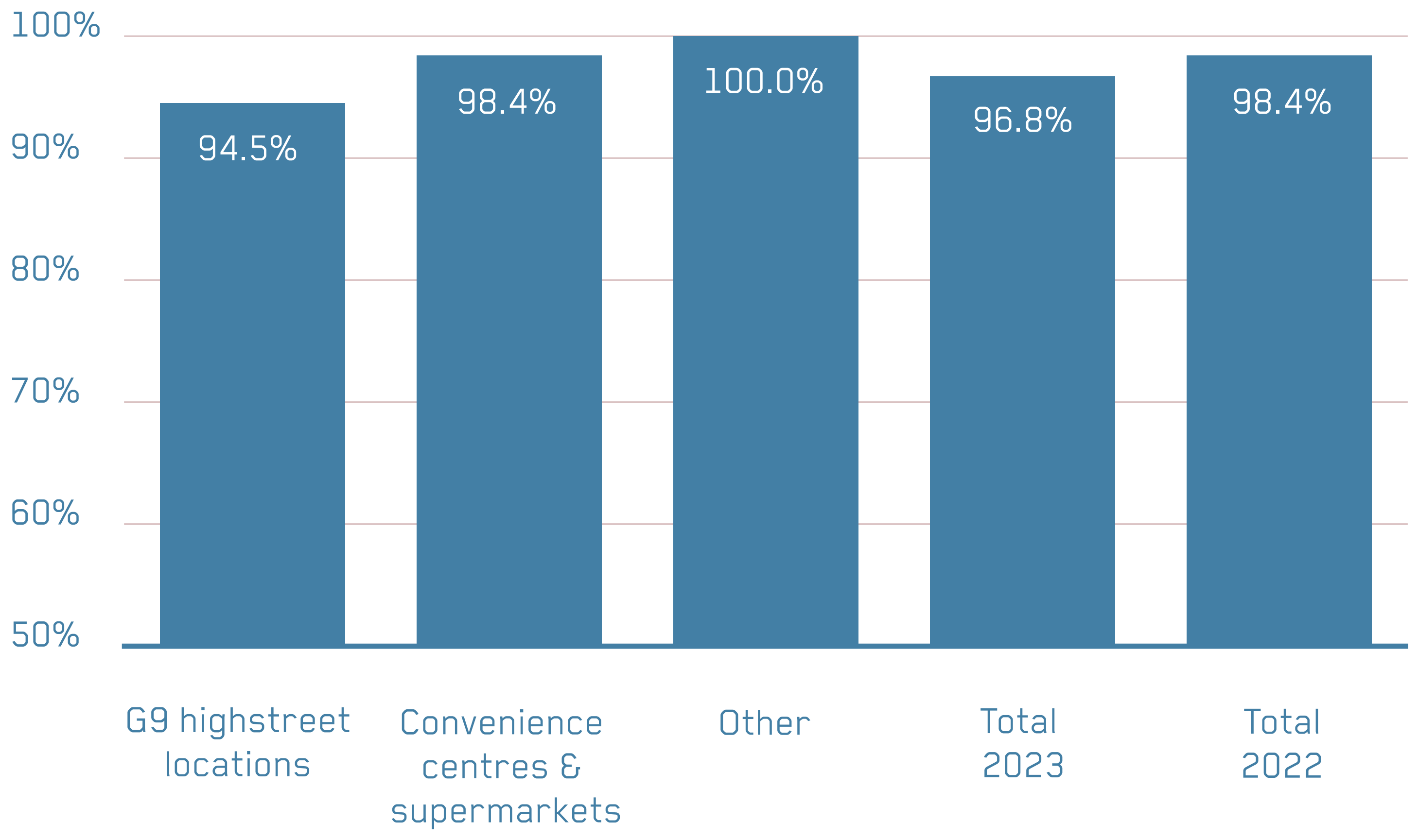
- The sale of the property in Beek and two properties in Rotterdam in 2022 (€-681,000)
- The in-kind purchase of two portfolios on 3 October 2022 (€4.0 million)
- The like-for-like operating expenses (€-607,000)

The like-for-like operating expenses of the operating portfolio decreased due to lower maintenance costs (in several properties), rental costs and Owners' association contributions.

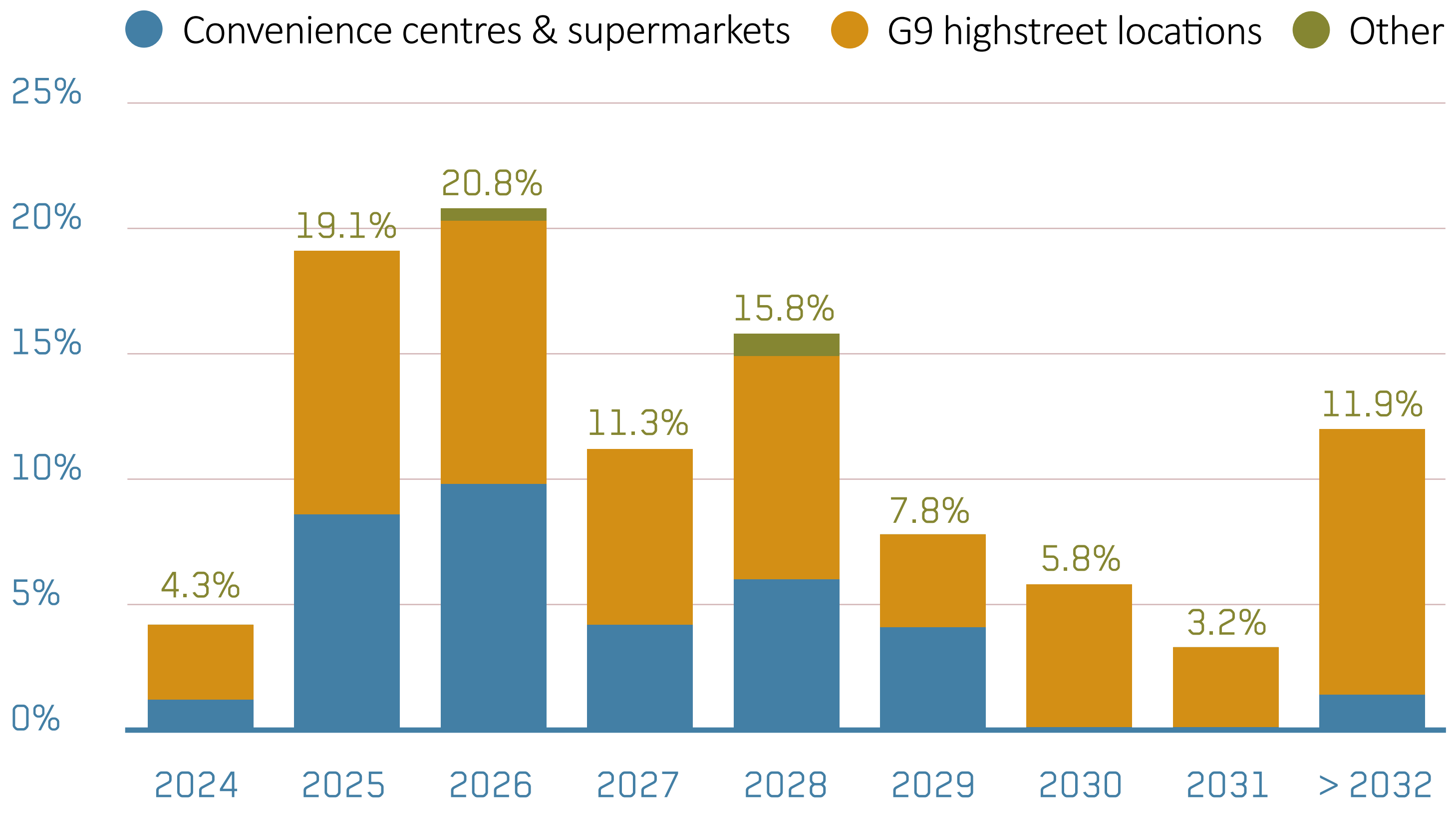
Operating expenses as a percentage of rental income decreased to 18.9% in 2023 (2022: 20.9%). The realisation of operating expenses was well within the budget (23%), with the main contributors being higher rental income, lower vacancy rates and lower rental costs.

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

OCCUPANCY



EXPIRATION OF RENTAL INCOME



FINANCIAL PERFORMANCE 2023

FINANCIAL RETURN

The Fund realised a total return (after fees) of 1.6% in 2023, consisting of a 4.7% income return and -3.0% capital growth. Net rental income, administrative and finance expenses were the main drivers for the income return. The decline in capital growth was primarily driven by uncertainties triggered by the growing political unrest around the world with an impact on financial markets (rising inflation, higher interest rates).

Income return

Net rental income of €44.6 million was €16.8 million higher than in 2022 (€27.8 million), due to higher gross rental income (€18.1 million) and higher other income (€1,1 million), partly offset by higher operating expenses (€2.7 million). The fund operating expenses (€4.6 million) were €1.1 million higher than in 2022 (€3.5 million) due to higher management fee costs, directly driven by the Fund's higher investment size.

The higher net rental income and higher fund operating expenses resulted in an income return of 4.7% (2022: 4.0%).

Capital growth

The Fund realised capital growth of -3.0% (2022: -3.6%). This confirms that the impact of the growing political unrest around the world (rising inflation, higher interest rates) and the uncertainty regarding the falling retail volumes, increase in vacancy rates of the retail market had a significant impact on the valuation of the (rental) retail market.

OUTPERFORMANCE AGAINST MSCI RETAIL BENCHMARK

The Fund measures itself against the MSCI retail benchmark and aims to achieve outperformance in 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 retail benchmark consisted of 530 properties with a total size of €7.2 billion.

The Fund participated with a portfolio consisting of 89 properties with a total capital value of €854 million. All properties were in operation. In 2023, the Fund achieved an outperformance on both Standing Investments (+1.2%) and All Assets (+1.1%) relative to the MSCI benchmark.

RETURN 2023 (AMOUNTS X €1,000)

	Q1 2023	Q2 2023	Q3 2023	Q4 2023	2023
Investments at the beginning of the quarter	879,274	861,560	857,825	858,250	
Investments	3	135	126	893	
Direct result	9,986	10,014	9,711	10,311	40,022
Indirect result	-17,872	-3,620	103	-5,071	-26,460
Total result	**-7,886**	**6,394**	**9,814**	**5,240**	**13,562**
Income return	1.1%	1.2%	1.1%	1.2%	4.7%
Capital growth	-2.0%	-0.4%	0.0%	-0.6%	-3.0%
Total return	**-0.9%**	**0.7%**	**1.1%**	**0.6%**	**1.6%**

PERFORMANCE ALL ASSETS 2023

	Fund	MSCI benchmark
Income return	5.4%	5.3%
Capital growth	-3.1%	-4.0%
Total return	**2.2%**	**1.1%**

PERFORMANCE STANDING INVESTMENTS 2023

	Fund	MSCI benchmark
Income return	5.4%	5.3%
Capital growth	-3.1%	-4.1%
Total return	**2.2%**	**1.0%**

PERFORMANCE 3, 5 AND 10 YEARS - STANDING INVESTMENTS

	Fund	MSCI benchmark
3 years	2.8%	2.2%
5 years	-0.4%	0.4%
10 years	2.0%	2.3%

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 portfolio. 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 1.6% (2022: 2.0%). This return includes an income return of 4.8% and -3.1% from capital return. The distributed income return for 2023 was 4.5% (2023: 4.7%).

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	17.49	16.57	15.78	16.74	20.80
Valuation results (realised and unrealised)	-10.37	-22.86	-9.15	-51.54	-35.26
Fund costs	-1.80	-1.96	-2.52	-2.70	-2.87
Investment result per average outstanding unit	**5.32**	**-8.25**	**4.12**	**-37.50**	**-17.33**

House Modernes, Utrecht

CORPORATE GOVERNANCE

The Achmea Dutch Retail Property 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 Custodian nor the investors are considered to be partners or associates in the Fund, nor are they deemed to cooperate with each other in any way. The investors only enter into an agreement with the Manager and the Custodian and do not enter into an agreement with each other. The investors therefore have no rights and/or obligations towards each other by virtue of their participation in the Fund.

GENERAL

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

THE MANAGER

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

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

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

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

The BC has three voting members (three Management Board members of the Manager). In addition, Risk Management & Compliance and Investment Management (advisory right) have a seat on the BC. (Disposal) investment proposals are drawn up in a fixed format. This ensures that all proposals meet the minimum quality requirements in terms of object analysis, market analysis, financial analysis, ESG analysis, portfolio impact analysis, taxation, laws and regulations and relationship studies. The Risk Management & Compliance Department assesses whether the process has been followed correctly, in accordance with the BC's protocol. Mid 2023 the Risk Management and Compliance function were outsourced for synergy reasons towards Achmea, being the parent company of Achmea Real Estate.

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

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

The Client Council is the body in which (representatives of) clients of Achmea Real Estate are represented. With the adoption of a protocol, the Client Council was established in 2008. It is an advisory body consisting of a minimum of five and a maximum of eight customer representatives. The Client Council monitors compliance with the protocol, which describes, among other things, the tasks and responsibilities of the Client Council. The most important tasks concern (un)solicited advice on acquisitions/reorganisations, mergers or demergers, transfer of shares and change of positioning within Achmea, concerning Achmea Real Estate. In addition, the Client Council has a role in the appointment of a number of members of the Supervisory Board.

ADVISORY BOARD

The Advisory Board of the Achmea Dutch Retail Property Fund is tasked with advising the Manager on the management and general course of affairs concerning the Fund. In addition, the Advisory Board advises the Manager on transactions with a group company or client of the Manager, investments exceeding €37.5 million (as of 1 January 2024: €20 million), the draft portfolio plan, investments outside the investment policy and any contribution in kind. From 1 January 2024, the Advisory Board is also tasked with advising on redevelopments and additional investments exceeding 20% of the value of the individual property concerned and exceeding €10 million. The work of the Advisory Board is laid down in regulations.

The Advisory Board has four regular meetings each year. In addition to the progress of the portfolio objectives, the portfolio plan and the annual report, the agenda of these meetings included the preparation of the Investor Meetings. The Advisory Board took a decision on changes of the Advisory Board Regulations.

In 2023, no additional meetings took place.

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 S.J. Hoenderop
- Sector expert: Ms J. van der Mispel
- On behalf of ineligible investors: Ms K.N. Haasbroek

On behalf of eligible investors:
- Stichting Rabobank Pensioenfonds: Mr C. Doornekamp
- Achmea Pensioen- en Levensverzekeringen N.V.: Mr J. Stevens
- Stichting Pensioenfonds Werk en (re)Integratie: Mr M. Smelter (From 1 February 2024: mr Y. van Haaster)

INVESTOR MEETING

The investors are united in the Investor Meeting, which is held at least once a year in the Netherlands, subject to what is stipulated in this respect in the fund 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.

'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 2021 and 2022, the programme resulted in, among other things, a recalibrated CDD policy and the set-up of the CDD application used to perform and document CDD activities. In 2023, the programme continued aimed at (further) demonstrable control of CDD risks. To this end, a plan of action was drawn up that also included the improvement actions by Internal Audit. In 2023, the improvements in demonstrable control were implemented in accordance with this plan of action.

In order to manage CDD risks, it is necessary to monitor the relationship for as long as the relationship or cooperation continues. To this end, the following activities are carried out:

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

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

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

Privacy

Personal data are processed within Achmea Real Estate on a daily basis. This includes closing mortgages, rent administration, sending mailings to (potential) customers and issuing offers. In order to protect the privacy of all those involved, the processing of personal data is carried out carefully in compliance with personal data protection laws and regulations. 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 retail 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 RETAIL PROPERTY FUND

STRATEGY & RISK APPETITE

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

RISK AREAS

STRATEGIC	OPERATIONAL	FINANCIAL	COMPLIANCE
• Stable and predictable results • External factors • Growth opportunities • Approach to ESG, including climate risk	• Execution of transactions • Quality of property valuations • Control costs • Control of the IT environment • Calamities	• Liquidity • Finance market • Debtor • 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 retail 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 retail 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 retail 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. Some properties in the current property portfolio provide limited scope for energy efficiency improvement due to their unique characteristics. 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 €20 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 department 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.

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 behavior 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 behavior 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 main risks for 2023 are seen as the changing demands and desires (including online shopping) of consumers, which affect the retail landscape, retailers and the use of retail properties. This needs to be addressed in our property investments. These risks could result in lower rent levels and rising vacancy levels. They may also lead to higher debtor levels due to bankruptcies, moratoriums or defaults.

The system of risk management 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%	532	6.41 bps
Financial vacancy rate	1.0%	-545	-6.57 bps
Net initial yield	0.5%	-75,771	

Leidsestraat, Amsterdam

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 unit-holders 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 retail sector, insofar as: • a relationship exists with the retail sector, or • the investment is otherwise consistent with the Fund's investments	The Fund has a limited allocation to residential, office and parking garages linked to investments in retail	✔
Value of individual registered property < 25% of the net asset value at the time of purchase.	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	During 2023, the Fund has not taken 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 1.4% 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 indirect investments concern 50% of participating interests in Oostpoort in Amsterdam (4.6%). The property represents a total invested capital of €38.9 million (4.6% of total net asset value)	✔
The Fund may only raise (temporary) borrowed capital in order: • to bridge the gap until the financing of the purchase can be realised through the issue(s) of units; and • to the extent necessary, facilitate the redemption of units. Up to a maximum of 25% of the fiscal book value of investments (loan-to-value) or up to a maximum of 20% of the fiscal book value of indirect investments. The Fund may enter into agreement whereby a mortgage right on one or more investments is created and other securities are provided.	As at 31 December 2023, the Fund had €0 million in borrowed capital (loan-to-value 0.0%)	✔
Transactions in listed or unlisted financial instruments	No financial instruments are owned, have been sold nor are there plans for the purchase of such instruments	✔
When renting out registered property, no more than 15% of the market rental value of the entire portfolio is rented out to a single tenant. In addition, when registered property is rented out, no more than 30% of the market rental value of the entire portfolio may be let to tenants belonging to one group within the meaning of Section 2:24b of the Dutch Civil Code	The largest tenant in the portfolio represents 4.2% of the total market rental value (Spaces/IWG). The largest group represents 6.9% of the total market rental value (The Sting)	✔

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 Retail Property Fund for the period from 1 July 2023 to 1 July 2027.

Finally, the Investor Meeting approved the Manager to dissolve Achmea Dutch Retail Property Services B.V., including the necessary amendments to the Fund Terms and Conditions for this purpose.

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
- lowering the amount as from which the Advisory Board has to give an advice on investments from €25 million to €20 million
- the possibility for eligible participants to appoint a permanent substitute

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

Amsterdam, 25 April 2024

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


Oostpoort, Amsterdam

4. Statement of the Depositary

CONSIDERING THAT:

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

RESPONSIBILITIES OF THE DEPOSITARY

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

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

STATEMENT OF THE DEPOSITARY

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

MISCELLANEOUS

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

Amsterdam, 25 April 2024

BNP Paribas S.A., Netherlands Branch

THE VALUE OF PARTNERSHIPS

From left to right: Pauline Buurma- Organisatie Rotterdam Centrum,
Leon Timmerman, partner- Cushman & Wakefield, Peter Koppers- Achmea Real Estate

Collaboration 2.0: Discover the Achmea Dutch Retail Property Fund's Approach

The Achmea Dutch Retail Property Fund (ADRPF) has a large portfolio of assets in the centre of Rotterdam. To make this shopping area even more attractive for residents, businesses and visitors, good cooperation is essential. ADRPF has found reliable partners in property manager Cushman & Wakefield and BIZ Rotterdam Centrum.

RENEWED COLLABORATION WITH CUSHMAN & WAKEFIELD

At the beginning of 2023, the Fund reduced its number of property managers from three to one. Leon Timmerman, Retail Lead at Cushman & Wakefield Asset Services: 'It is a very unique and innovative move for Achmea Real Estate to work with one dedicated property manager. It is an honour to have been chosen for this task. Since the start of this new form of partnership, we have also been working with the managers appointed for the other sectors (residential and healthcare) to see how we can develop synergies and help each other. This is very special.' The ADRPF has entered into a long-term agreement with Cushman & Wakefield. The starting point is to create a good basis that will ensure stable cooperation in the long term, give room for targeted investments in people and systems and, as the ultimate goal, more growth for both parties.

Leon: 'Working together in this new way means that we have now moved from a client-contractor relationship to a partnership of equals. The Cushman & Wakefield and Achmea Real Estate teams work together in the office once a month. This ensures shorter lines of communication and increases engagement with the aim of achieving a better outcome together in areas such as ESG and the financial and social performance of the portfolio. I thought it was a really exciting move and it was a challenge to fully house the portfolio. But now there is more visibility, we can move faster and we can act more appropriately. In the end, it all gets easier,' says Leon. The new collaboration is well managed. The teams are supported by a collaboration coach. Last year, she focused on making connections, and this year the theme is concretisation. The level of ambition is high, in line with Leon's view of what the ideal collaboration should look like, and the traditional owner/manager roles are evolving into a more contemporary, equal division of labour that allows you to achieve more together.

THE BENEFITS OF A DEDICATED PROPERTY MANAGER

In the centre of Rotterdam, Cushman & Wakefield manages many properties, both retail and office. They do this for several owners. For an owner (such as ADRPF) it can be exciting to have one manager managing properties for several parties in one area, but of course they keep this well separated.

Do you find yourself in a conflict situation as a manager? Then it is important to discuss it with the owner. Leon says: 'You have to be open, honest and have integrity at all times. No matter who you work with.'

There is a lot of data and information to exchange between Achmea Real Estate and Cushman & Wakefield. To save time and effort, Cushman & Wakefield will start working in the new Achmea Real Estate IT-system in 2024. In this way, everyone will have the same information at all times and data errors and discrepancies will be avoided. In the initial phase of this collaboration, it took extra work to properly merge the administrations, always in parts, but according to Leon it is definitely an improvement that will bring a lot to both partners in the long run. An investment that can only be made after a long period of cooperation. Leon: 'I am confident that this partnership is as sustainable as the ADRPF portfolio.'

BIZ ROTTERDAM CENTRUM PUTS SHOPPING AREA ON THE MAP

Pauline Buurma is managing director at BIZ Rotterdam Centre, which stands for Business Investment Zone. Her team plays a key role in the shopping area and has good and substantive contacts with many stakeholders and the municipality. Pauline says: 'Our main focus is to represent the interests of entrepreneurs and owners. Together we look at how we can enhance the area and also provide support in finding new tenants, for example. The BIZ makes contacts, collects data and always strives to improve the shopping area. They pay close attention to safety, greenery, sustainability, cleaning, marketing and events.'

A striking example is the clean shopping streets in the centre of Rotterdam. You don't see overflowing bins or litter. This is a result of BIZ Rotterdam Centrum's cooperation with the municipality. 'The investment in time and money is paying off. As a result, Lijnbaan is now at level A, which is already very high, but of course we want to get to level A++,' Pauline smiles proudly. A clean environment has a greater impact on the shopping experience than you might think.

ROTTERDAM ROOF DAYS

A big annual event in the centre of Rotterdam is the Roof Days (Rotterdamse Dakendagen). Both Leon and Pauline are impressed by this event. With various cultural activities and facilities, such as a huge roof garden, Rotterdam shows what can be done with the large amount of unused space on top of buildings. For a few days a year, the second layer of the city comes to life. In 2023, this will attract around 200,000 extra visitors to the city. Businesses, of course, also benefit.

COLLABORATION BETWEEN THE BIZ AND ADRPF

For Pauline, the involvement of Achmea Real Estate and the Fund means a lot. After all, the ADRPF owns a lot of properties in the shopping area. Pauline says: 'We share the same values. Not only on the commercial front, but also in our social commitment. For example, together we support charities such as Stichting Jarige Job.' When you complement each other and understand each other, it is much easier to work together.

It is important to set goals together, monitor progress and evaluate results. Pauline: 'Like Cushman & Wakefield, we are in it for the long haul with Achmea Real Estate. With this in mind, it is very pleasing to note that the owners and entrepreneurs have agreed to extend the BIZ by five years from January 2024. The latter, by the way, is not to be underestimated. It was done in a very official way, under the watchful eye of a notary.'

According to Leon, the best thing about working with Achmea Real Estate is that problems are solved together. Nothing is passed on or thrown over the fence, we tackle everything together. This has always been the case and is one of the reasons why Cushman & Wakefield has been entrusted with the management of the entire commercial portfolio. 'The expectation is that our collaboration will only get better and stronger in the new situation,' says Leon.

Rotterdam Roof Days

PETER KOPPERS, FUND MANAGER OF ADRPF: 'IN 2022, ACHMEA MERGED THE THREE RETAIL PORTFOLIOS. THIS COINCIDED VERY WELL WITH OUR COLLABORATION WITH CUSHMAN & WAKEFIELD. ONE FUND, ONE PROPERTY MANAGER. THIS GIVES MORE SPACE AND EVEN MORE OPPORTUNITIES.'

For Cushman & Wakefield, the focus is on efficiency and (even more important) effectiveness. Leon predicts that in five years' time there will also be huge progress in terms of making the whole portfolio more sustainable. And I think we will have made a real leap forward in terms of data by then.' There is still a lot to be gained from linking data sources and predictive analytics,' says Leon. Peter: 'I agree. Sales figures, footfall and shop conversions can give us a lot of information. This is interesting data to bring together. Putting it together in a dashboard gives us a more complete and better picture of the shopping area and allows us to target potential tenants.'

ACHIEVE MORE WITH MEANINGFUL PARTNERSHIPS AND TRUST: ADRPF IN ROTTERDAM PROVES THIS WITH ITS PARTNERSHIP WITH CUSHMAN & WAKEFIELD AND BIZ ROTTERDAM CENTRUM.

ACHMEA DUTCH RETAIL PROPERTY FUND & ROTTERDAM

The ADRPF owns approximately €205 million spread over 35 properties (24,000 sqm) of retail property in the centre of Rotterdam. Most of the properties are located on the (Korte) Lijnbaan. ADRPF's tenants include JD Sports, Snipes, Costes, Cotton Club, Stradivarius, Hunkemöller, Etos, Vans, Taco Bell, Guts & Gusto and Nelson. Much of this portfolio was acquired from Unibail-Rodamco in 2010 and has since been owned by ADRPF. Significant investment has been made in recent years to improve the quality and sustainability of the property portfolio, resulting in a high occupancy rate of 98%.

THE NEXT FIVE YEARS

Pauline has high ambitions for the future. Safety for the public and businesses, innovative shopping concepts and more greenery in the streetscape are all on her agenda. She also wants to bring more events and tourism to the centre. The shopping area is a nice addition for tourists, says Pauline: 'A city with only museums is not a nice city. It is the diversity that complements and strengthens each other. Take the Germans, for example. They love architecture and the beach. Rotterdam in combination with Hoek van Holland is a natural fit. We want to attract this target group to the shopping area.' This involves a lot of things, such as good signage, good public transport, fun events and strong marketing. Pauline has been vigorously advocating to the council for this cause. There are significant benefits to be reaped in this particular area.

PAULINE BUURMA
MANAGING DIRECTOR AT ROTTERDAM CENTRUM

Pauline has been working at Rotterdam Centrum since 2022 and is responsible for the BIZ, which stands for Business Investment Zone. The supervisory board of the BIZ Rotterdam Centrum consists of representatives of owners and entrepreneurs. Together they ensure that the quality of life and safety in the centre are improved and that economic development is strengthened in the long term. The BIZ team consists of four people. They make it possible to implement both large and small improvements. Financially and in terms of content.

LEON TIMMERMAN
PARTNER - HEAD OF RETAIL CUSHMAN & WAKEFIELD

Leon joined Cushman & Wakefield in September 2018. Cushman & Wakefield is a global leader in commercial property professional services. They are proactive in not only managing buildings, but also arranging leasing strategies and making placemaking a reality. In doing so, Cushman & Wakefield ensure good management, optimal returns and tenants occupying spaces that are appropriate, safe and sustainable for them.

Leon's team is responsible for retail properties within the Asset Services (management) department. Leon has worked with Achmea Real Estate for many years and has been managing the entire retail portfolio of the ADRPF since 2023.

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	847,936	873,267
Lease incentives	2	6,084	6,007
Total real estate investments		**854,020**	**879,274**
Holdings	3	0	165
Investments in assiocates		**0**	**165**
Total investments		**854,020**	**879,439**
Current assets			
Accounts receivable	4	2,021	2,976
Prepayments and accrued income	5	1,217	1,156
Cash	6	11,679	18,214
Total current assets		**14,917**	**22,346**
Total assets		**868,937**	**901,785**

CONTINUED (AMOUNTS X €1,000)

	Reference	31-12-2023	31-12-2022
Net Assets			
Investors' contributions		1,118,499	1,109,651
Other reserves		-274,632	-222,340
Undistributed result of the financial year		13,562	-14,663
Total Net Assets	7	**857,429**	**872,648**
Liabilities			
Debts to credit institutions	8	0	18,000
Other liabilities	9	11,508	11,137
Total liabilities		**11,508**	**29,137**
Total net assets and liabilities		**868,937**	**901,785**

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

	Reference	2023	2022
Rental income	10	53,183	35,053
Service charges income		3,543	3,811
Other operating income	11	1,329	254
Income from real estate investments		**58,055**	**39,118**
Service charges costs	12	3,435	3,966
Operating expenses	13	10,040	7,340
		13,475	**11,306**
Operating result from real estate investments		**44,580**	**27,812**
Income from assiocates		0	824
Income from holdings		0	571
Operation result from associates		**0**	**1,395**
Realised changes in the value of real estate investments		0	-6,739
Realised changes in the value of holdings		-18	0
Realised changes in value of investments		**-18**	**-6,739**
Unrealised changes in the value of real estate investments	14	-26,488	-31,977
Unrealised changes in the value of associates		0	1,832
Unrealised changes in the value of holdings	15	46	-3,757
Unrealised changes in value of investments		**-26,442**	**-33,902**

CONTINUED (AMOUNTS X €1,000)

	Reference	2023	2022
Other income	16	42	320
Total operating income		**18,162**	**-11,114**
Management fees	17	3,733	2,964
Depositary charges	18	74	58
Other expenses	19	793	527
Total fund operating expenses		**4,600**	**3,549**
Net result		**13,562**	**-14,663**

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

	Reference	2023	2022
Cash flow from operating activities			
Net result		13,562	-14,663
Realised changes in the value of real estate investments		0	6,739
Unrealised changes in the value of real estate investments		26,488	31,977
Unrealised changes in the value of associates		0	-1,832
Realised changes in the value of holdings		18	0
Unrealised changes in the value of holdings	15	-46	3,757
Income from assiocates		0	-824
Income from holdings		0	-571
Change in receivables and prepayments	4, 5	894	1,412
Change in total liabilities	9	371	1,817
Purchase and investments in investment properties	1, 3	-1,157	-26,006
Sales of investments properties		0	91,128
Lease incentives provided	2	-1,470	-688
Amortisation of lease incentives	2	1,393	1,476
Investments associates		0	-714
Repayment capital		193	10,200
Dividend income from associates		0	1,037
Dividend income from holdings		0	571
Cash flow from operating activities		**40,246**	**104,816**

CONTINUED (AMOUNTS X €1,000)

	Reference	2023	2022
Cash flow from financing activities			
Acquired cash associates		0	1,445
Capital calls		58,500	890
Redemptions		-58,539	-63,949
Payment of interim and final dividend in cash to investors		-28,742	-22,634
Borrowing from credit institutions		0	10,000
Repayments to credit institutions		-18,000	-22,000
Cash flow from financing activities		**-46,781**	**-96,248**
Movement in cash		**-6,535**	**8,568**
Cash flow statement			
Cash as at 1 January		18,214	9,646
Movement in cash		-6,535	9,755
Cash as at 31 December	**6**	**11,679**	**18,214**

NOTES TO THE CONSOLIDATED BALANCE SHEET AND INCOME STATEMENT

GENERAL INFORMATION

The Achmea Dutch Retail Property Fund (the Fund) was established on 30 October 1992. The Fund is based in Amsterdam-Duivendrecht, 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 Custodial Entities are legal owner of all assets of the Fund. The Custodial Entities holds them in accordance with the applicable laws and regulations and the Fund Terms and Conditions. The Manager forms the Board of the Custodial Entities. Stichting Achmea Dutch Retail Property Fund (Custodial Entity I) is registered with the Chamber of Commerce under number 41212009. Vastgoed Bewaarentiteit Retail Property II B.V. (Custodial Entity II) is registered with the Chamber of Commerce 87726017. Vastgoed Bewaarentiteit Retail Property III B.V. (Custodial Entity III) is registered with the Chamber of Commerce 87713969.

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. The Fund has a positive direct result (the balance of rental income less operating expenses and service costs, management costs, other income and expenses and financial income and expenses) and has the ability to raise temporary financing.

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

In doing so, the Fund aims for a return profile which on a multiyear average shows an outperformance in relation to the MSCI real estate index sector retail - 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 associates 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 Retail Property Fund Services B.V., Amsterdam (100% per 18-7-2023 liquidated)
- Achmea Dutch Retail Property Fund Ontwikkeling B.V., Amsterdam (100%)
- Oegstgeest Lange Voort Winkelcentrum Beheer B.V. , Amsterdam (100% from 3-10-2022)
- Oegstgeest Lange Voort Winkelcentrum C.V., Amsterdam (100% from 3-10-2022)
- C.V. Oostpoort Amsterdam, Utrecht (50%, is classified as a joint venture. With the other partner, control is exercised jointly)
- Oostpoort Amsterdam Beheer B.V., Utrecht (50%, is classified as a joint venture. With the other shareholder, control is exercised jointly)

Comparison with previous year

The Fund has implemented a change in accounting policy for the investments that classify as joint venture as of 1 January 2023. The joint ventures C.V. Oostpoort Amsterdam and Oostpoort Amsterdam B.V. will be proportionally consolidated instead of accounted for, using the equity method. After implementing this change in accounting policy readers will have an overview in the investments in and exposure to the direct real estate investments which are now all are presented in one line item.

The change in accounting policy has no effect on the amounts of equity and results, but affects the composition of equity and results. The change in accounting policy affects the presentation in the balance sheet and income statement. Intercompany receivables, payables, results, and transactions are eliminated. The comparative figures have also been adjusted.

The financial impact on the consolidated balance sheet and income statement is shown below. These amounts are expected to remain approximately the same in future years.

CONSOLIDATED BALANCE SHEET AS OF 31 DECEMBER 2022 (AMOUNTS X €1,000)

	Consolidated ADRPF previous year	50% C.V./B.V. Oostpoort Amsterdam and reclass	31-12-2022
Total real estate investments	840.955	38.319	879.274
Investments in assiocates	39.074	-38.909	165
Total investments	**880.029**	**-590**	**879.439**
Total current assets	21.158	1.188	22.346
Total assets	**901.187**	**598**	**901.785**
Total Net Assets	872.648	0	872.648
Total liabilities	28.539	598	29.137
Total net assets and liabilities	**901.187**	**598**	**901.785**

CONSOLIDATED INCOME STATEMENT FOR 2022 (AMOUNTS X € 1,000)

	Consolidated ADRPF previous year	50% C.V./B.V. Oostpoort Amsterdam and reclass	31-12-2022
Income from real estate investments	36.560	2.558	39.118
Operating expenses and service charges	-10.899	-407	-11.306
Operating result from real estate investments	25.661	2.151	27.812
Operation result from associates	3.474	-2.079	1.395
Realised changes in value of investments	-6.739	0	-6.739
Unrealised changes in value of investments	-33.902	0	-33.902
Other income	320	0	320
Total operating income	**-11.186**	**72**	**-11.114**
Total fund operating expenses	**3.477**	**72**	**3.549**
Net result	**-14.663**	**0**	**-14.663**

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.

Holdings
Included under holdings is the units in Stichting GPE in Eindhoven. The units in Stichting GPE is regarded as an investment in equity instruments and is valued at fair value. The fair value is in accordance with the annual report of Stichting GPE being the best approximation of the value of the units.

Unrealised changes in value are recognised in the income statement as unrealised changes in value of holdings. Dividends received are recognised in the income statement accounted for as income from holdings.

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

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

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

Cash

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

Liabilities

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

CAPITAL OF NET ASSETS

Investors' contributions

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

Revaluation reserve

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

The change is charged or credited to the other reserves. The revaluation reserve is formed per individual asset and consists of value changes of the real estate investments with a fair value higher than the historical cost.

This applies to an associates in so far as its assets are not freely distributable.

Other reserves

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

Undistributed result or the financial year

This concerns the result for the financial year.

PRINCIPLES FOR THE DETERMINATION OF THE RESULT

General

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

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

Rental income

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

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

Other operating income

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

Service charges

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

Operating expenses

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

Income from holdings
This refers to the Fund's share of the direct results of the holdings.

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.

Unrealised changes in value of holdings
This relates to changes in the value of holdings 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.

Custody charges
Custody 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.

DISCLOSURE MATERIAL JOINT VENTURES

C.V. Oostpoort Amsterdam
Share of the issued capital: 50%
Share of equity: €38,913,000
Share of result: €2,461,000

C.V. OOSTPOORT AMSTERDAM
BALANCE SHEET AS OF 31 DECEMBER 2023 (AMOUNTS X €1,000)

	31-12-2023	31-12-2022
Total investments	77,210	76,640
Total current assets	2,209	2,427
Total assets	**79,419**	**79,067**
Total capital partners	77,825	77,804
Total liabilities	1,594	1,263
Total capital partners and liabilities	**79,419**	**79,067**

C.V. OOSTPOORT AMSTERDAM
CONSOLIDATED INCOME STATEMENT FOR 2023 (AMOUNTS X €1,000)

	2023	2022
Income from real estate investments	5,465	5,113
Operating expenses and service charges	-926	-814
Operating result from real estate investments	4,539	4,299
Unrealised changes in value of investments	469	6,737
Total operating income	**5,008**	**11,036**
Total fund operating expenses	**85**	**138**
Net result	**4,923**	**10,898**

During 2023, the Fund received €2,350,000 dividends from the joint venture C.V. Oostpoort Amsterdam.

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 credit-worthiness 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.
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	938,403	668,979
Cumulated changes in fair value	-65,136	-104,753
Book value as at 1 January	**873,267**	**564,226**
Changes		
Acquisition two retail portfolios	0	390,136
Acquired through the associate	0	44,209
Investments	1,157	3,355
Disposal	0	-96,682
Value changes	-26,488	-31,977
Total changes	**-25,331**	**309,041**
Accumulated acquisition cost	939,560	938,403
Cumulated changes in fair value	-91,624	-65,136
Book value as at 31 December	**847,936**	**873,267**

The portfolio of properties in operation consists of 89 properties at the end of 2023 (2022: 89 properties).

The fair value prepared by the appraiser has been assessed and determined by the Manager. The external valuations were carried out by CBRE and Colliers. 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% - 8.6%	5.8%	3.5% - 9.1%	5.5%
Discount rate	3.8% - 7.3%	5.4%	3.7% - 6.6%	5.3%

	2023	2022
2. Lease incentives		
Balance as at 1 January	**6,007**	**7,954**
Changes		
Acquired through the associate	0	26
Lease incentives provided	1,470	688
Amortisation	-1,393	-1,476
Sale properties	0	-1,185
Total changes	**77**	**-1,947**
Balance as at 31 December	**6,084**	**6,007**

Of the lease incentives, €1,197,000 have a remaining term of less than 12 months (2022: €1,050,000). In 2023 eight new incentives provided for a cash incentive and a rent-free period.

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

	2023	2022
3. Holdings		
Balance as at 1 January	**165**	**14,122**
Changes		
Repayment capital	-193	-10,200
Unrealised value changes	28	-3,757
Total changes	**-165**	**-13,957**
Book value as at 31 December	**0**	**165**

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

	Processing	Capital interest	Control	Valuation 31-12-2023	AIFMD-remine
Stichting GPE, Eindhoven (liquidated 29-12-2023)	Fair Value	26%	No	0	No

Achmea Dutch Retail Property Fund, through Stichting GPE, held an 8.0% interest in the partnership Heuvel in Eindhoven. Shopping centre Heuvel in Eindhoven was sold on 9 December 2022 and the repayment of capital to owners has been settled.

	31-12-2023	31-12-2022
4. Accounts receivable		
Rent receivables	2,379	4,350
Provision for doubtful rent receivables	-358	-1,374
Rent receivables net of provision for doubtful rent receivables	**2,021**	**2,976**

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	367	984
Between 30 and 60 days	241	980
Between 60 and 90 days	228	219
More than 90 days	1,185	793
	2,021	**2,976**

MOVEMENT IN DOUBTFUL-DEBT PROVISION FOR DEBTORS

	2023	2022
Balance as at 1 January	**1,374**	**1,983**
Acquired through the associates	0	94
Addition to the provision	131	-367
Released	-1,147	-336
Balance as at 31 December	**358**	**1,374**

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

	31-12-2023	31-12-2022
5. Prepayments and accrued income		
Insured loss	0	78
Advance payment managers	22	0
Amounts receivable	1.195	1.078
Balance as at 31 December	**1.217**	**1.156**

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

	31-12-2023	31-12-2022
6. Cash		
Bank accounts Coöperatieve Rabobank U.A.	10,766	17,114
Bank accounts ABN AMRO Bank N.V.	913	1,100
Balance as at 31 December	**11,679**	**18,214**

The cash is at the free disposal of the Fund.

7. NET ASSETS

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

	31-12-2023	31-12-2022
Liabilities		
8. Debts to credit institutions		
Long-term loan NIBC Bank N.V.	18,000	30,000
Balance as at 1 January	**18,000**	**30,000**
Changes	0	10,000
Withdrawal	-18,000	-22,000
Redemptions	**-18,000**	**-12,000**
Balance as at 31 December	**0**	**18,000**

Debts to credit institutions have a maturity of longer than one year. On 1 October 2015, the Fund entered into a credit agreement with NIBC Bank N.V., running from 1 October 2015 to 30 September 2018. On 15 January 2018, a credit agreement was contracted, on 9 March 2018, a credit enhancement agreement was agreed whereby the credit was increased to €60.0 million. On 12 October 2022, a credit extension agreement was contracted with a maturity of 31 December 2025. The amount of credit drawn down amounted to €0 at the end of the financial year. Based on the mutual cancellation facility, this loan is classified as current. The interest rate is determined on the basis of three-month Euribor with an annual margin of 1.75%; in addition, a commitment fee of 35 basis points applies. The financing is explained in more detail under Off-balance sheet assets, schemes and liabilities.

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

	31-12-2023	31-12-2022
9. Other liabilities		
Investments to be paid	0	1,602
Rent received in advance	4,720	4,938
Deposits	2,605	2,079
Turnover tax	513	0
Management fees payable	0	323
Operating costs payable	466	321
Service charges	0	261
Other	3,204	1,613
Balance as at 31 December	**11,508**	**11,137**

Other liabilities include, except for deposits of €2,605,000 (2022: €2,079,000), no debt with a remaining term of more than 12 months.

OFF-BALANCE SHEET ASSETS, ARRANGEMENTS AND LIABILITIES

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 0.44% per million euros of tangible fixed assets, financial fixed assets and cash under management.

For acquiring existing real estate and new developments, Achmea Real Estate charges an one-time acquisition fee to the Fund. The rate for acquiring existing real estate is 0.2% to 1.0% of the purchase amount. The development rate for new construction by Manager's the internal project developer is 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).

Credit facility

On 1 October 2015, the Fund entered into a unsecured credit facility with NIBC Bank N.V. in the amount of €40 million running from 1 October 2015 until mutual termination but no later than 3 years from the effective date being no later than 1 October 2018. On 9 March 2018, a credit enhancement agreement was agreed whereby the credit amount was increased to €60 million. On 12 August 2021, a credit extension agreement was concluded with a maturity of 31 December 2022. On 16 october 2022, a new credit extension agreement was concluded with a maturity of 31 December 2025.

The interest rate is determined on the basis of 3-month Euribor-rate with a surcharge of 1.75% on an annual basis during the term of the facility, in addition a commitment fee of 35 basis points applies to the undrawn part of the facility.

The most important remaining conditions are:
- A maximum debt-to-total asset ratio of 15.0%
- A minimum market value of consolidated fund assets of €275 million
- A minimum interest coverage ratio of 5.0

The last extension of the credit facility includes a right of mortgage the size of the arrangement (€60 million).

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

	2023	2022
10. Rental income		
Retail	48,190	31,179
Residential	622	232
Offices	2,421	2,063
Parking garages	1,115	862
Business premises	742	207
Other	93	510
Total	**53,183**	**35,053**

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	51,107	50,273
• more than one year but not more than five years after the balance sheet date	122,661	118,872
• more than five years after the balance sheet date	48,886	47,544

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
Retail	51,131	1,256	1,685	48,190	2.5%
Residential	684	62	0	622	9.1%
Offices	2,421	0	0	2,421	0.0%
Parking garages	1,123	8	0	1,115	0.7%
Business premises	742	0	0	742	0.0%
Other	94	1	0	93	1.1%
Total	**56,195**	**1,327**	**1,685**	**53,183**	

RENTAL INCOME BREAKDOWN 2022

	Theoretical rent	Vacant properties	Lease incentives (rental discount)	Rental income	Vacancy as % of theoretical rent
Retail	35.683	1.245	3.259	31.179	3.5%
Residential	246	14	0	232	5.7%
Offices	2.063	0	0	2.063	0.0%
Parking garages	865	3	0	862	0.3%
Business premises	207	0	0	207	0.0%
Other	540	30	0	510	5.6%
Total	**39.604**	**1.292**	**3.259**	**35.053**	

	2023	2022
11. Other operating income		
Lease buy-outs	950	76
Other	379	178
Total	**1,329**	**254**

	2023	2022
12. Service charges		
Service charges income (paid by tenants)	3,543	3,811
Service charges for vacant properties	-108	155
Total	**3,435**	**3,966**

	2023	2022
13. Operating expenses		
Maintenance costs	2,051	1,991
Property tax	2,595	1,913
Fixed charges	656	490
Property management fees	1,543	1,069
Rental costs	655	544
Valuation costs	290	204
Marketing costs	133	105
Owners' association contribution	1,349	852
Non-deductible VAT	22	36
Addition to doubtful-debt provision for lease debtors	131	-367
Other	615	503
Total	**10,040**	**7,340**

The costs attributable to vacancy amount to approximately €46,000 (2022 €0.3 million) and consist of taxes, insurance, systematic maintenance, appraisal, management, and service costs for vacant properties.

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

	2023	2022
14. Unrealised changes in the value of real estate investments		
Unrealised gains from real estate investments	3,929	18,384
Unrealised losses from real estate investments	-30,417	-50,361
Total	**-26,488**	**-31,977**

	2023	2022
15. Unrealised changes in the value of holdings		
Unrealised gains from holdings	46	0
Unrealised losses from holdings	0	-3,757
Total	**46**	**-3,757**

	2023	2022
16. Other income		
Fees for the issue and redemptions of units	42	320
Total	**42**	**320**

	2023	2022
17. Management fees		
Management fees	3,733	2,964
Total	**3,733**	**2,964**

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
18. Depositary charges		
Depositary charges	74	58
Total	**74**	**58**

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
19. Other expenses		
Benchmark costs	105	55
Legal and tax consultancy fees	160	96
Auditor's fees	79	73
Costs of AFM supervision	32	16
Fees Advisory Board	50	43
Merger related cost	57	81
Interest charges on short-term loan NIBC Bank N.V.	472	383
Interest charges on bank accounts	0	36
Corporate income tax Achmea Dutch Retail Property Fund Ontwikkeling B.V.	-210	-227
Other	48	-29
Total	**793**	**527**

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	1.64%	1.78%
OCF based on the weighted average GAV	1.61%	1.68%

EVENTS AFTER BALANCE SHEET DATE

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

RELATED PARTY TRANSACTIONS

Identification of related parties

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

Transactions with the Manager

The Fund has outsourced its management to Achmea Real Estate. For this purpose, Achmea Real Estate received a payment of €3,733,000 (2022: €2,964,000). In addition, the Manager received no development fee for 2023 (2022: €0) and no acquisition fee for 2023 (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 personal 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		775,040	798,910
Associates	20	81,632	83,820
Holdings		0	165
Total investments		**856,672**	**882,895**
Current assets			
Accounts receivable		3,135	3,720
Cash		10,452	15,854
Total current assets		**13,587**	**19,574**
Total assets		**870,259**	**902,469**
Net Assets			
Investors' contributions	21	1,118,499	1,109,651
Revaluation reserve	21	-300,841	28,753
Other reserves	21	26,209	-251,093
Undistributed profit of the financial year	21	13,562	-14,663
Total Net Assets		**857,429**	**872,648**
Liabilities			
Other liabilities		12,830	29,821
Total liabilities		**12,830**	**29,821**
Total net assets and liabilities		**870,259**	**902,469**

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

	2023	2022
Result of associates	3,304	2,903
Other result	10,258	-17,566
Result	**13,562**	**-14,663**

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 company 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 subsidiary 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 associate 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
20. Investments in associates		
Balance as at 1 January	**83,820**	**57,691**
Investments	0	22,832
Direct result	3,304	6,685
Dividend income	-5,492	-3,388
Balance as at 31 December	**81,632**	**83,820**

Achmea Dutch Retail Property 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 of result
Achmea Dutch Retail Property Fund Ontwikkeling B.V.	Amsterdam	100%	878	-1
Achmea Dutch Retail Property Fund Services B.V. (liquidated 30-06-2023)	Amsterdam	100%	0	0
Oostpoort Amsterdam C.V.	Utrecht	50%	38,913	2,461
Oostpoort Amsterdam Beheer B.V.	Utrecht	50%	5	-2
Oegstgeest Lange Voort C.V.	Amsterdam	100%	41,819	849
Oegstgeest Lange Voort Winkelcentrum Beheer B.V.	Amsterdam	100%	17	-3
Total			**81,632**	**3,304**

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

21. 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	**1,109,651**	**28,753**	**-251,093**	**-14,663**	**872,648**
Capital calls	67,387	0	0	0	67,387
Redemptions	-58,539	0	0	0	-58,539
Revaluation	0	-2,544	2,544	0	0
Distribution financial year	0	0	-37,629	0	-37,629
Appropriation of profit of the previous financial year	0	0	-14,663	14,663	0
Result for the year	0	0	0	13,562	13,562
Balance as at 31 December 2023	**1,118,499**	**26,209**	**-300,841**	**13,562**	**857,429**

The capital calls relate to payments by investors in the amount €58,500,000 and paid out stock dividend of €8,887,000.

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	**773,682**	**20,795**	**-217,705**	**6,629**	**583,401**
Capital calls	399,918	0	0	0	399,918
Redemptions	-63,949	0	0	0	-63,949
Revaluation	0	7,958	-7,958	0	0
Distribution financial year	0	0	-32,059	0	-32,059
Appropriation of profit of the previous financial year	0	0	6,629	-6,629	0
Result for the year	0	0	0	-14,663	-14,663
Balance as at 31 December 2022	**1,109,651**	**28,753**	**-251,093**	**-14,663**	**872,648**

The capital calls relate to payments by investors in the amount €390,493,000 and paid out stock dividend of €9,425,000.

THE STATEMENT OF COMPREHENSIVE INCOME CAN BE DISCLOSED ALS FOLLOWS

	2023	2022
Consolidated net result	13,562	-14,663
Income and expenditure directly in equity	0	0
Comprehensive income as at 31 December	**13,562**	**-14,663**

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	**13,562**	**-14,663**
Realised changes in value of investments	18	6,739
Unrealised changes in value of investments	26,442	33,902
Minimum to be distributed to Investors	**40,022**	**25,978**
Profit for the financial year already distributed	-29,711	-18,060
To be distributed to Investors	**10,311**	**7,918**
Proposal for distribution to investors in cash	5,993	4,044
Dividend payable to investors in units	4,318	3,874
Distributable to Investors as at 31 December	**10,311**	**7,918**

The proposed cash dividend of €5,993,000 (2022: €4,044,000) and the proposed stock dividend of €4,318,000 (2022: €3,874,000) 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)	857,429	872,648
Number of outstanding units	2,571,840	2,544,784
Net asset value per unit before profit appropriation (in €)	339.39	340.15

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 summarised 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. 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 Retail Property Fund

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

Our opinion

We have audited the financial statements for the financial year ended 31 December 2023 of Achmea Dutch Retail Property Fund.

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

The financial statements comprise:
- the 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 Retail Property Fund (hereinafter referred as: the investment entity) in accordance with the "Wet toezicht accountantsorganisaties" (Wta, Audit firms supervision act), the "Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten" (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore we have complied with the "Verordening gedrags- en beroepsregels accountants" (VGBA, Dutch Code of Ethics).

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

INFORMATION IN SUPPORT OF OUR OPINION

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

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

Our responsibility

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

Our audit response related to fraud risks

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

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

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

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

We addressed the risk related to management override of controls, as this risk is present in all entities. For these risks we have performed procedures among others to evaluate key accounting estimates for management bias that may represent a risk of material misstatement due to fraud, in particular relating to important judgment areas and significant accounting estimates as disclosed in the Notes to the 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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Appendix I. Five-year overview

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

	2023	2022	2021	2020	2019
Number of properties	89	89	40	42	46
Size of investments	854,020	879,439	608,404	615,165	707,340
Net Asset Value (NAV)	857,429	872,648	583,401	592,688	676,388
Gross Asset Value (GAV)	868,937	901,785	622,193	627,333	719,645
Debt to credit institutions	0	18,000	30,000	23,000	30,500
Loan-to-value (LTV)	0.0%	2.0%	4.9%	3.7%	4.3%
Acquisities and investments[1]	1,157	416,319	5,764	21,567	35,912
Divestments and repayment capital	193	96,682	1,608	33,772	39,590
TGER based on the weighted average INREV GAV	0.50%	0.56%	0.51%	0.52%	0.51%
Gross initial yield (based on market rental value)[2]	5.8%	5.5%	6.0%	6.1%	6.0%
Operating expenses as a % of rental income	18.9%	21.6%	26.9%	24.7%	20.3%
Fund's theoretical annual rent	56,443	54,412	41,531	39,583	41,474
Fund's annual contracted rent	54,152	53,530	40,760	38,682	40,441
Average rent per sqm (in €)	334	323	257	262	248
Average weighted term of the leases (in months)	52	50	57	47	43
Change like for like rental income	8.5%	9.2%	-7.5%	-6.0%	0.4%
Occupancy rate	96.8%	98.4%	98.1%	97.7%	97.5%
Rental and other operating income	54,512	35,307	30,507	30,779	37,678
Operating expenses and service charges[3]	-9,932	-7,495	-8,468	-8,020	-8,818
Net operating income	**44,580**	**27,812**	**22,039**	**22,759**	**28,860**

CONTINUED (AMOUNTS X €1,000)

	2023	2022	2021	2020	2019
Total direct result[4]	40,022	25,978	21,354	22,335	28,310
Total indirect resultat[4]	-26,460	-40,641	-14,725	-81,977	-55,799
Total result[4]	**13,562**	**-14,663**	**6,629**	**-59,642**	**-27,489**
Available to investors	40,022	25,978	21,645	20,710	24,397
Already distribued to investors	-29,711	-18,060	-7,646	-11,042	-14,226
Still to be distributed to investors	**10,311**	**7,918**	**13,999**	**9,668**	**10,171**
Financial return					
Income return	4.7%	4.0%	3.6%	3.4%	3.8%
Capital growth	-3.0%	-3.6%	-2.4%	-11.9%	-7.2%
Total return[5]	**1.6%**	**0.4%**	**1.1%**	**-8.8%**	**-3.6%**
Fund return based on MSCI All Assets					
Income return	5.4%	5.0%	4.2%	4.4%	4.7%
Capital growth	-3.1%	-3.4%	-2.7%	-12.2%	-7.3%
Total return[5]	**2.2%**	**1.4%**	**1.4%**	**-8.3%**	**-2.9%**
Benchmark based on MSCI All Assets - Retail					
Income return	5.3%	4.3%	4.5%	4.3%	4.8%
Capital growth	-4.0%	-0.7%	-3.3%	-7.0%	-2.9%
Total return[5]	**1.1%**	**5.0%**	**1.1%**	**-10.9%**	**1.8%**

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

	2023	2022	2021	2020	2019
Fund return based on MSCI Standing Investments					
Income return	5.4%	4.8%	4.6%	4.8%	4.8%
Capital growth	-3.1%	0.0%	-2.9%	-13.5%	-5.2%
Total return[5]	**2.2%**	**4.8%**	**1.6%**	**-9.4%**	**-0.6%**
Benchmark based on MSCI Standing Investments - Retail					
Income return	5.3%	5.1%	4.6%	4.9%	5.0%
Capital growth	-4.1%	-0.2%	-3.4%	-8.5%	-2.4%
Total return[5]	**1.0%**	**4.8%**	**1.1%**	**-4.0%**	**2.5%**
Number of investors	14	16	18	21	21
Number of participation units	2,571,840	2,544,784	1,611,109	1,602,515	1,597,538
Average number of outstanding participation units	2,551,370	1,777,660	1,603,618	1,590,467	1,582,370
Participation unit value before profit appropriation (in €)	333.39	340.15	362.11	365.62	420.40

[1] Purchases and investments in 2023 amounted to €0 and €1.2 million respectively, including associates.
[2] The gross market rent expressed as a percentage of the investment based on weighted average property in operation.
[3] In the annual accounts, the service costs to be charged are shown separately in the profit and loss account. However, for the five-year overview, the service costs are presented under this line in accordance with previous years on a net basis.
[4] The direct and indirect result (in €) do not directly correspond to the income statement.
[5] 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 Retail Property Fund aims to achieve stable and sustainable return from real estate invested with the funds of its investors. With our real estate expertise and our knowledge of the market, we provide suitable accommodation, and offer added value for our tenants and a pleasant shopping experience to consumers.

OBJECTIVE OF THE FUND

The Achmea Dutch Retail Property Fund focuses on the Dutch retail property market. The Fund focuses primarily on properties in dominant shopping centres with a strong 'everyday' character and properties in the centres of the largest shopping cities where 'experience' is the characteristic theme.

INVESTORS

The Achmea Dutch Retail Property Fund invests exclusively for institutional investors, such as pension funds and insurers. The Fund's invested assets of €854.0 million (2022: €880.0 million) is divided among 14 investors (2022: 16 investors).

INVESTMENT OBJECTIVE

The Achmea Dutch Retail Property Funds strives for outperformance relative to the MSCI benchmark for the retail segment on a based on standing investments (SI). This index measures the returns of real estate properties and property portfolios.

The annual index comes out two months after the end of the year. The MSCI benchmark for standing investments covers only refers to properties that have been in operation for a full year and are not in a major renovation phase. This index shows a pure comparison between different real estate markets and is also an appropriate benchmark against market indices of other investment categories. The result based on the MSCI benchmark differs from the financial return according to the financial statements.

The MSCI benchmark reports solely on the basis of the objects, while the financial reporting also takes into account with fund-specific costs and/or returns. For example, interest on cash positions and audit fees. For a comparison at portfolio level, however, the MSCI benchmark provides the most pure comparison.

PRINCIPLES

The Achmea Dutch Retail Property Fund is a fund with a core investment profile that offers investors access to the Dutch retail property market. There are four principles: a stable cash flow, a positive value development, low risk and a sustainable return. In accordance with the Information Memorandum, the Fund may invest up to no more than 25% of the book value of the assets with debt financing.

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. 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 Retail Property Fund. The total number of employees of Achmea Real Estate at year-end is 216 FTEs. Due to the size of the shop portfolio and the committed team, there is extensive expertise in acquiring, (re)development, letting, sales and management of retail real estate available.

The management fee charged by the Manager, in accordance with the Fund Terms and Conditions, charged to the Fund in 2023, amounted to

€3,733,000 (2022: €2,913,000). In addition, the Fund invoiced no development fee (2022: €0) and no acquisition fee (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 Custodial Entities and the Investors[2].

DIVIDEND POLICY

The Achmea Dutch Retail Property 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 Retail Property 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)

Property location	Number	Share	Market value
G9 highstreet locations	73	68.3%	583,075
Convenience centres & supermarkets	14	30.6%	261,165
Other	2	1.1%	9,780
Total	**89**	**100.0%**	**854,020**

TOP TEN PROPERTIES (ALL PROPERTIES IN OPERATION, AMOUNTS X €1,000)

Property name	Adress	City	Segment	% current value in relation to the Fund
Lijnbaan Area & Forum	Lijnbaan	Rotterdam	G9 highstreet	19.4%
Spuimarkt I & II	Grote Marktstraat	The Hague	G9 highstreet	10.3%
House Modernes	Oudegracht / Lange Viestraat	Utrecht	G9 highstreet	7.6%
SC Lange Voort	Lange Voort, Ommevoort	Oegstgeest	Convenience centres and supermarktes	4.7%
SC Oostpoort	Waldenlaan, Oranje Vrijstaatkade	Amsterdam	Convenience centres and supermarktes	4.5%
SC Kerkelanden	Kapittelweg	Hilversum	Convenience centres and supermarktes	4.2%
Brinkmann Passage	Grote Markt, Barteljorisstraat a.o.	Haarlem	G9 highstreet	4.1%
SC Sportveldblok	Leyweg 657 - 787	The Hague	Convenience centres and supermarktes	3.9%
SC IJburg	IJburglaan 551 - a.o.	Amsterdam	Convenience centres and supermarktes	3.8%
Kalverstraat	Kalverstraat 42 - 44	Amsterdam	G9 highstreet	2.7%
Total top 10 properties			**556,685**	**65.2%**
Total operating portfolio			**854,020**	

TOP TEN TENANTS (AMOUNTS X €1,000)

Tenant	Annual rent	% annual rent compared to Fund	Number of leases	Term of leases in years
The Sting - Network of Brands	3,582	6.6%	6	8.0
Koninklijke Ahold Delhaize N.V	3,375	6.2%	13	2.9
ITX Fashion Ltd. (Zara, Bershka, Stradivarius)	2,636	4.9%	4	2.0
Jumbo Group Holdings B.V	2,300	4.3%	5	3.3
Spaces/IWG	2,080	3.9%	1	12.7
JD Sports Fashion Plc.	1,639	3.0%	2	3.6
Cofra Holding AG (C&A)	1,577	2.9%	2	7.4
TJX	1,417	2.6%	2	3.5
A.S. Watson (Kruidvat, ICI Paris, Trekpleister)	1,246	2.3%	10	2.8
D&F (So Low)	1,093	2.0%	3	2.4
Total of top ten tenants	**20,945**	**38.7%**		
Total annual rent operating portfolio	**54,152**			

Appendix IV. Overview of the real estate portfolio

OVERVIEW OF THE REAL ESTATE PORTFOLIO (AMOUNTS X €1,000)

Sector	Property name	Address	City	Segment	Ownership	Year of acquistion	Year of construction	Number of m²	Number of parking spaces	Occupancy rate
Retail		Langestraat 48 - 50	Amersfoort	Other	100.0 %	2018	1910	1,767	0	100.0%
Other	IJburg parking	Daguerrestraat 53 A	Amsterdam	Convenience centres and supermarkets	100.0 %	2006	2003	n/a	144	100.0%
Retail		Damrak 57	Amsterdam	G9 highstreet	100.0 %	2017	1900	478	0	100.0%
Retail		Heiligeweg 1 - 3	Amsterdam	G9 highstreet	100.0 %	2022	1850	7,946	0	100.0%
Retail		Heiligeweg 22 - 26	Amsterdam	G9 highstreet	100.0 %	2022	1860	433	0	100.0%
Retail		Heiligeweg 36	Amsterdam	G9 highstreet	100.0 %	2022	1930	334	0	100.0%
Retail		Heiligeweg 38	Amsterdam	G9 highstreet	100.0 %	2022	1850	1,308	0	100.0%
Retail		Heiligeweg 9	Amsterdam	G9 highstreet	100.0 %	2022	1850	202	0	100.0%
Shopping centre	IJburg	IJburglaan 551 - a.o.	Amsterdam	Convenience centres and supermarkets	100.0 %	2006	2006	8,458	0	100.0%
Retail		Kalverstraat 226 - a.o.	Amsterdam	G9 highstreet	100.0 %	2004	2004	1,197	0	100.0%
Retail		Kalverstraat 42 - 44	Amsterdam	G9 highstreet	100.0 %	2022	1960	794	0	100.0%
Retail		Kalverstraat 128	Amsterdam	G9 highstreet	100.0 %	2022	1900	440	0	100.0%
Retail		Kalverstraat 184	Amsterdam	G9 highstreet	100.0 %	2022	1820	550	0	100.0%
Retail		Leidsestraat 9	Amsterdam	G9 highstreet	100.0 %	2022	1900	5,909	0	100.0%
Retail		Nieuwendijk 204	Amsterdam	G9 highstreet	100.0 %	2022	1900	154	0	100.0%
Retail		Nieuwendijk 209	Amsterdam	G9 highstreet	100.0 %	2022	1850	515	0	100.0%
Shopping centre	Oostpoort	Oranje Vrijstaatkade	Amsterdam	Convenience centres and supermarkets	50.0 %	2014	2014	14,269	0	99.1%
Retail		PC Hooftstraat 111	Amsterdam	G9 highstreet	100.0 %	2022	1877	465	0	100.0%
Other	Oostpoort parking	Polderweg	Amsterdam	Convenience centres and supermarkets	50.0 %	2014	2014	n/a	291	98.6%
Retail		Poelestraat 1	Groningen	G9 highstreet	100.0 %	2022	1925	341	0	0.0%
Retail		Grote Houtstraat 101	Haarlem	G9 highstreet	100.0 %	2004	1800	1,610	0	100.0%
Retail		Grote Houtstraat 16	Haarlem	G9 highstreet	100.0 %	2022	1890	6,624	0	100.0%
Retail		Grote Houtstraat 19	Haarlem	G9 highstreet	100.0 %	2022	1890	432	0	100.0%
Retail		Grote Houtstraat 21	Haarlem	G9 highstreet	100.0 %	2022	1930	111	0	100.0%

OVERVIEW OF THE REAL ESTATE PORTFOLIO (AMOUNTS X €1,000) (CONTINUED)

Sector	Property name	Address	City	Segment	Ownership	Year of acquistion	Year of construction	Number of m²	Number of parking spaces	Occupancy rate
Retail		Grote Houtstraat 36	Haarlem	G9 highstreet	100.0 %	2022	1900	284	0	100.0%
Retail		Grote Houtstraat 69	Haarlem	G9 highstreet	100.0 %	2022	1850	527	0	100.0%
Retail		Grote Houtstraat 83 - 87	Haarlem	G9 highstreet	100.0 %	2004	1870	1,700	0	100.0%
Retail		Grote Markt 1 -15	Haarlem	G9 highstreet	100.0 %	2022	1978	402	0	97.4%
Shopping centre	Kerkelanden	Kapittelweg 103 -309	Hilversum	Convenience centres and supermarkets	100.0 %	2022	2018	2,104	0	100.0%
Shopping centre	Westerkoog	Molenwerf 2 - 38, 36A, 38A	Koog aan de Zaan	Convenience centres and supermarkets	100.0 %	2019	1997	1,735	0	100.0%
Retail		Maastrichter Brugstraat 30 -32	Maastricht	G9 highstreet	100.0 %	2022	1880	104	0	100.0%
Retail		Molenstraat 48 - 50	Nijmegen	Other	100.0 %	2018	1880	1,734	0	100.0%
Shopping centre	Lange Voort	Lange Voort	Oegstgeest	Convenience centres and supermarkets	100.0 %	2018	1967	268	49	100.0%
Retail		Pastoor Vranckenlaan 12	Reuver	Convenience centres and supermarkets	100.0 %	2022	1993	124	80	100.0%
Retail		Beursplein 8	Rotterdam	G9 highstreet	100.0 %	2010	2000	8,659	0	0.0%
Retail		Binnenwegplein 10	Rotterdam	G9 highstreet	100.0 %	2022	1960	5,130	0	100.0%
Retail	Kiosk	Binnenwegplein 35	Rotterdam	G9 highstreet	100.0 %	2022	1900	447	0	100.0%
Retail		Hoogstraat 150	Rotterdam	G9 highstreet	100.0 %	2022	1955	597	0	100.0%
Retail		Hoogstraat 173	Rotterdam	G9 highstreet	100.0 %	2022	1955	114	0	100.0%
Retail		Karel Doormanstraat 290	Rotterdam	G9 highstreet	100.0 %	2017	1956	5,010	0	95.5%
Retail		Karel Doormanstraat 294 - 296	Rotterdam	G9 highstreet	100.0 %	2010	1950	85	0	100.0%
Retail		Karel Doormanstraat 298	Rotterdam	G9 highstreet	100.0 %	2022	1950	352	0	88.0%
Retail		Karel Doormanstraat 300	Rotterdam	G9 highstreet	100.0 %	2022	1950	274	0	100.0%
Retail		Karel Doormanstraat 320 - 322	Rotterdam	G9 highstreet	100.0 %	2010	1950	172	0	100.0%
Retail		Karel Doormanstraat 326	Rotterdam	G9 highstreet	100.0 %	2010	1950	522	0	100.0%
Retail		Karel Doormanstraat 328	Rotterdam	G9 highstreet	100.0 %	2022	1950	221	0	100.0%
Retail		Korte Lijnbaan 10	Rotterdam	G9 highstreet	100.0 %	2022	1950	76	0	100.0%
Retail		Korte Lijnbaan 13	Rotterdam	G9 highstreet	100.0 %	2010	1950	1,933	0	100.0%
Retail		Korte Lijnbaan 17, 19	Rotterdam	G9 highstreet	100.0 %	2022	1950	398	0	100.0%
Retail		Korte Lijnbaan 3, 5, 7	Rotterdam	G9 highstreet	100.0 %	2017	1953	1,364	0	100.0%
Retail		Korte Lijnbaan 4	Rotterdam	G9 highstreet	100.0 %	2022	1950	1,442	0	100.0%
Retail	Forum	Lijnbaan 102	Rotterdam	G9 highstreet	100.0 %	2010	1950	476	0	100.0%
Retail	Forum	Lijnbaan 104	Rotterdam	G9 highstreet	100.0 %	2002	2020	3,548	0	97.7%

OVERVIEW OF THE REAL ESTATE PORTFOLIO (AMOUNTS X €1,000) (CONTINUED)

Sector	Property name	Address	City	Segment	Ownership	Year of acquistion	Year of construction	Number of m²	Number of parking spaces	Occupancy rate
Retail	Forum	Lijnbaan 106	Rotterdam	G9 highstreet	100.0 %	2022	2020	358	0	100.0%
Retail	Forum	Lijnbaan 108 - 110	Rotterdam	G9 highstreet	100.0 %	2022	2020	1,466	0	100.0%
Retail		Lijnbaan 55 a - b	Rotterdam	G9 highstreet	100.0 %	2022	1950	513	0	100.0%
Retail		Lijnbaan 57 - 61	Rotterdam	G9 highstreet	100.0 %	2022	1950	169	0	100.0%
Retail		Lijnbaan 60	Rotterdam	G9 highstreet	100.0 %	2022	1950	645	0	88.3%
Retail		Lijnbaan 65	Rotterdam	G9 highstreet	100.0 %	2022	1950	1,002	0	100.0%
Retail		Lijnbaan 71	Rotterdam	G9 highstreet	100.0 %	2010	1950	703	0	100.0%
Retail		Lijnbaan 72 - 74	Rotterdam	G9 highstreet	100.0 %	2010	1950	789	0	100.0%
Retail		Lijnbaan 76 - 78	Rotterdam	G9 highstreet	100.0 %	2010	1950	1,021	0	100.0%
Retail		Lijnbaan 79 a - b	Rotterdam	G9 highstreet	100.0 %	2022	1960	777	0	100.0%
Retail		Lijnbaan 82	Rotterdam	G9 highstreet	100.0 %	2022	1965	98	0	100.0%
Retail		Lijnbaan 85 - 89	Rotterdam	G9 highstreet	100.0 %	2017	1953	147	0	100.0%
Retail		Lijnbaan 86 - 90	Rotterdam	G9 highstreet	100.0 %	2010	1950	873	0	100.0%
Retail		Lijnbaan 91	Rotterdam	G9 highstreet	100.0 %	2022	1950	351	0	100.0%
Retail	Kiosk	Lijnbaan 98	Rotterdam	G9 highstreet	100.0 %	2022	1950	257	0	100.0%
Retail	Forum	Van Oldenbarneveldtplaats 36a	Rotterdam	G9 highstreet	100.0 %	2018	2020	1,654	0	100.0%
Retail	Spuimarkt	Grote Marktstraat 115 - a.o.	The Hague	G9 highstreet	100.0 %	2022	2007	9,455	0	98.5%
Retail	Spuimarkt	Grote Marktstraat 60 - 170	The Hague	G9 highstreet	100.0 %	2007	2007	482	0	100.0%
Retail		Hoogstraat 10	The Hague	G9 highstreet	100.0 %	2022	1950	245	0	100.0%
Retail		Hoogstraat 19	The Hague	G9 highstreet	100.0 %	2022	1920	202	0	100.0%
Retail		Hoogstraat 29	The Hague	G9 highstreet	100.0 %	2022	1937	271	0	100.0%
Retail		Lange Poten 3	The Hague	G9 highstreet	100.0 %	2022	1900	144	0	100.0%
Shopping centre	Sportveldblok	Leyweg 657 - 787	The Hague	Convenience centres and supermarkets	100.0 %	2002	2002	12,297	0	95.9%
Other	Parking Sportveldblok	Leyweg 791	The Hague	Convenience centres and supermarkets	100.0 %	2002	2002	n/a	578	100.0%
Retail		Noordeinde 12 -14	The Hague	G9 highstreet	100.0 %	2022	1902	230	0	100.0%
Retail		Turfmarkt e.a.	The Hague	G9 highstreet	100.0 %	2022	2016	820	0	86.7%
Shopping centre	Amstelplein	Amstelplein 1	Uithoorn	Convenience centres and supermarkets	100.0 %	2022	1992	886	0	100.0%
Retail		Bakkerstraat 6 - 8	Utrecht	G9 highstreet	100.0 %	2022	1875	598	0	100.0%
Shopping centre	IBB-hof	Ina Boudier-Bakkerlaan 2 - a.o.	Utrecht	Convenience centres and supermarkets	100.0 %	2008	2009	4,188	115	97.4%

OVERVIEW OF THE REAL ESTATE PORTFOLIO (AMOUNTS X €1,000) (CONTINUED)

Sector	Property name	Address	City	Segment	Ownership	Year of acquistion	Year of construction	Number of m²	Number of parking spaces	Occupancy rate
Retail		Lange Elizabethstraat 35	Utrecht	G9 highstreet	100.0 %	2022	1880	1,642	0	100.0%
Shopping centre	House Modernes	Lange Viestraat 2 A - G	Utrecht	G9 highstreet	100.0 %	2012	2021	0	0	100.0%
Retail		Oudegracht 127 - 129	Utrecht	G9 highstreet	100.0 %	2004	1882	2,771	0	100.0%
Retail		Oudegracht 145 - 147	Utrecht	G9 highstreet	100.0 %	2004	1882	13,590	0	100.0%
Retail		Vredenburg 13	Utrecht	G9 highstreet	100.0 %	2022	1900	1,141	0	100.0%
Shopping centre	Zuiderwaard	Plevierenlaan 1 - 39	Vinkeveen	Convenience centres and supermarkets	100.0 %	2017	1970	1,583	0	100.0%
Shopping centre	Holterbroek	Bachplein 14 - 19	Zwolle	Convenience centres and supermarkets	100.0 %	2022	2005	151	0	100.0%
Total number properties:		**89**						**168,205**	**1,257**	**96.8%**

Appendix V. SFDR Level 2

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

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

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

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

ENVIRONMENTAL AND/OR SOCIAL CHARACTERISTICS

Did this financial product have a sustainable investment objective?

☐ Yes	☑ No
☐ It made **sustainable investments with an environmental objective: ___%**	☑ It **promoted Environmental/Social (E/S) characteristics** and while it did not have as its objective a sustainable investment, it had a proportion of 90.3% of sustainable investments
☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy	☐ 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	☑ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
	☐ with a social objective
☐ It made **sustainable investments with a social objective: ___%**	☐ It promoted E/S characteristics, but **did not make any sustainable investments**

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

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

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

The Fund has promoted environmental and social characteristics by investing in future-proof retail 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 an energy label A; 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 pleasant shopping areas. The focus here is on:

3. tenant satisfaction

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 has improved in 2023 from 85.4% at the end of 2022 to 90.3% at the end of 2023. Several properties were improved in terms of sustainability by adding solar panels, improve insulation, installing heat pumps and applying LED-lighting. The Manager is working hard to improve the average energy label of the portfolio and has allocated significant capital expenditures in the period 2023-2025 to achieve this goal. The focus is to achieve a net-zero portfolio in 2050. The roadmap is based on the CRREM norm of 1.5 degrees. Currently the Fund has a carbon emission below the CRREM norm of 1.5 degrees, based on the most recent portfolio consumption data of 2022.

The tenant satisfaction survey is conducted once a year. The average tenant satisfaction score in the categories 'quality of retail area' and 'quality of retail property' was 6.3 and 6.3 (2022: 6.8 and 6.3), respectively. The average "overall" score for 2023 was 6.4 (2022: 6.1). There is no benchmark.

How did the sustainability indicators perform?

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

Indicator			
1. Energy labels:		Year end 2023	Year end 2022
	A(+)+)	90.3%	85.4%
	B	7.5%	7.6%
	C	1.6%	5.7%
	D	-	0.2%
	E	0.2%	0.9%
	F	-	-
	G	0.4%	0.2%
2. The carbon emission per m2 of the portfolio compared to the CRREM norm standard set for the portfolio:	• CRREM 1.5 target 2022: 69.2 kg/m² (2021: 75.4 kg/m²) • Actual CO_2 emissions 2022: 37.4 kg/m² (2021: 56.2 kg/m²)		
3. The average tenant satisfaction score in the category:	• Quality of the retail area: 6.3 (2022: 6.8) • Quality of the retail unit: 6.3 (2022: 6.3) • Average all categories: 6.4 (2022: 6.1)		
4. The GRESB score of the Fund:	• 89 points, 5 stars (2022: 90 points, 5 stars)		

...and compared to previous periods?

See above.

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

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

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

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

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

How were the indicators for adverse impacts on sustainability factors taken into account?
None of the real estate properties in the Fund were involved in the extraction, storage, transport or manufacture of fossil fuels because the Fund only invests in retail real estate.

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 stand.

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 retail properties and these investments were not involved with fossil fuel activities, such as the extraction, storage, transport and manufacture of fossil fuels. Therefore, there is no exposure of the Fund to such activities.

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. In 2023, the share of energy labels A (or higher) increased from 85.4% to 90.3% due to targeted sustainability investments in the existing portfolio. Sustainability budgets have been included in the operating budget for all properties on the basis of a (in 2023) renewed CO_2 roadmap. Various activities will be carried out in the coming years, such as replacing glass, installing insulation, placing solar panels and optimizing lighting and installations.

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.

What were the top investments of this financial product?

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

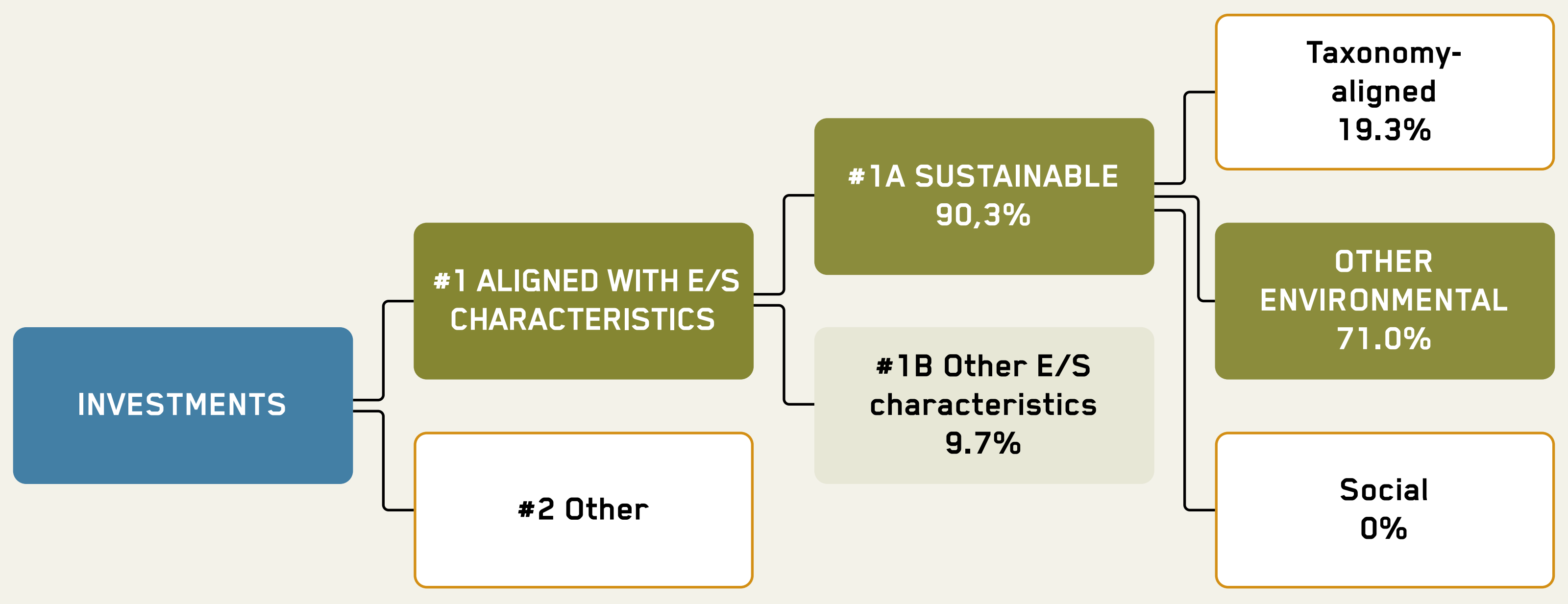
Largest investments	Sector	% Assets*	Country	Energy label
Lange Viestraat, Utrecht	Mixed / Retail	7.7%	Netherlands	A
Grote Marktstraat, The Hague	Retail	6.3%	Netherlands	A
Lange Voort, Oegstgeest	Retail	4.7%	Netherlands	A
Kapittelweg, Hilversum	Retail	4.2%	Netherlands	A
Grote Markt, Haarlem	Retail	4.1%	Netherlands	A
Grote Marktstraat, The Hague	Retail	3.9%	Netherlands	A
Oranje Vrijstaatkade, Amsterdam	Retail	3.7%	Netherlands	A
Leyweg 657 - 787, The Hague	Retail	3.7%	Netherlands	A
IJburglaan 551 - Ea, Amsterdam	Retail	3.5%	Netherlands	A
Kalverstraat 42 - 44, Amsterdam	Retail	2.7%	Netherlands	A

* % of book value Q4-2023

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, 90.3% of the investments qualifies is sustainable (energy label A or higher), cash excluded.

What was the asset allocation?



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

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

The category **#1 Aligned with E/S characteristics** covers:

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

In which economic sectors were the investments made?

The Fund has invested exclusively in the real estate sector.

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

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

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

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

In 2023, 19.3% of the investments of the Fund was aligned with the "climate-mitigation"-criteria of the EU Taxonomy for real estate investments.
The following principles were applied:

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

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

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

Taxonomy-aligned activities are expressed as a share of:

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

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

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

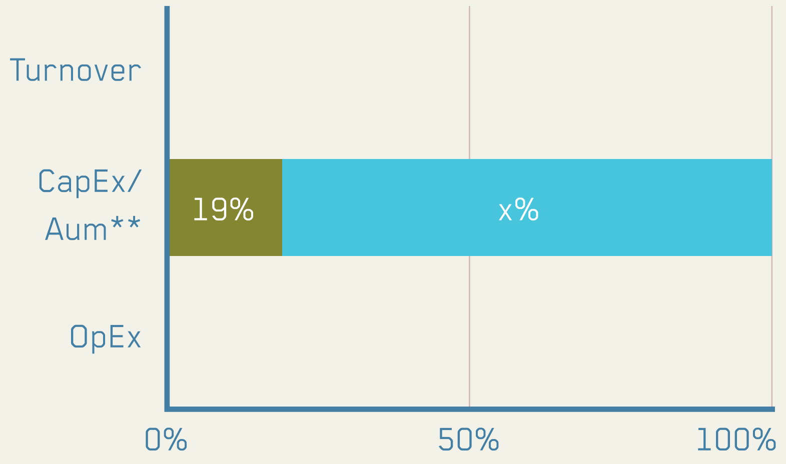
☐ Yes:

☐ In fossil gas ☐ In nuclear energy

☑ No

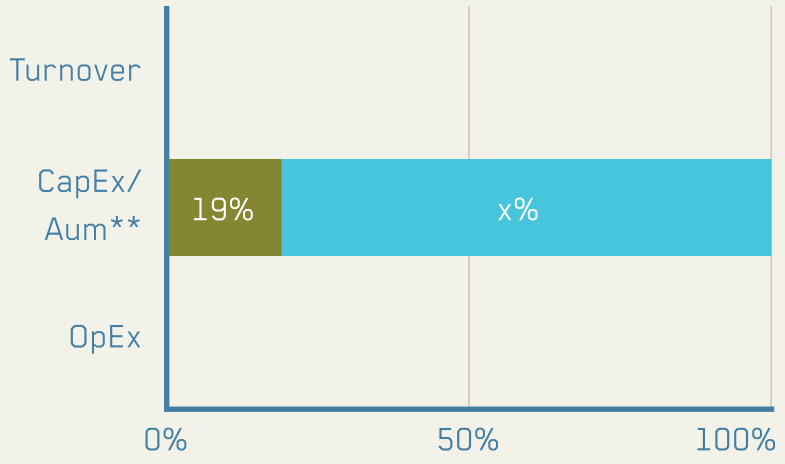
The graphs below show in green the percentage of investments that were aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product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

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.

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 (2023) 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 (90.3% - 19.3% =) 71%.

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.

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

The Fund aims for a carbon-neutral portfolio by 2050. The CRREM standards are the guiding principle in this regard. The ambition is to get ahead of this standard and achieve 'Paris Proof' by 2040. Measures and actions have been defined using a new CO_2 Roadmap which is completed in 2023. In line with the CO_2 reduction goals, the Fund has set sharp goals for energy labels. The ambition is to grow the percentage of A-labels to 92.5% in 2026.

During 2023, several properties were improved in terms of sustainability. On a portfolio level this resulted in an increase of properties with an energy label A from 85.4% to 90.3%. Investments have been made by adding solar panels, improve insulation, installing heat pumps and applying LED-lighting.

Achievements in 2023

Properties with energy label improvements: 6
Number of solar panels added on properties: 1,608 (4 properties)
Number of removed gas installations: 3

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: 23.4%).

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 €1.4 million (2022: €912,000).

INREV NET ASSET VALUE

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

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

	31-12-2023	31-12-2022
Fund NAV	857,429	872,648
Adjusted for:		
To be distributed to investors in cash	0	0
Capitalisation and depreciation of acquisition costs	0	20,672
INREV NAV	**857,429**	**893,320**
Average weighted INREV NAV	**857,070**	**607,681**

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	0	0	58,500	0	**58,500**	47,000
Redemption paid out	-8,574	0	-49,965	0	**-58,539**	-37,063
Distribution of dividend	-7,918	-9,986	-10,015	-9,710	**-37,629**	-10,311
Stockdividend	3,873	1,585	1,605	1,824	**8,887**	n.a.
New investment commitments	0	0	0	0		0
Total outstanding mandates	0	117,000	58,500	58,500		11,500
Outstanding redemptions	-87,621	-87,245	-37,285	-95,838		-58,775
Investors in redemption queue	4	4	3	4		1

INREV Policies	2023	2022
TGER based on the weighted average INREV NAV	0.52%	0.58%
TGER based on the weighted average INREV GAV	0.50%	0.56%
REER based on the weighted average INREV GAV	1.10%	1.32%
INREV NAV	857,429	893,320
Average weighted INREV NAV	857,070	607,681
INREV GAV	868,915	901,187
Average weighted INREV GAV	875,634	626,677

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	1.6%	2.0%
INREV income return	4.8%	4.2%
INREV capital return	-3.1%	-2.2%
INREV distributed income return	4.5%	4.7%

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.

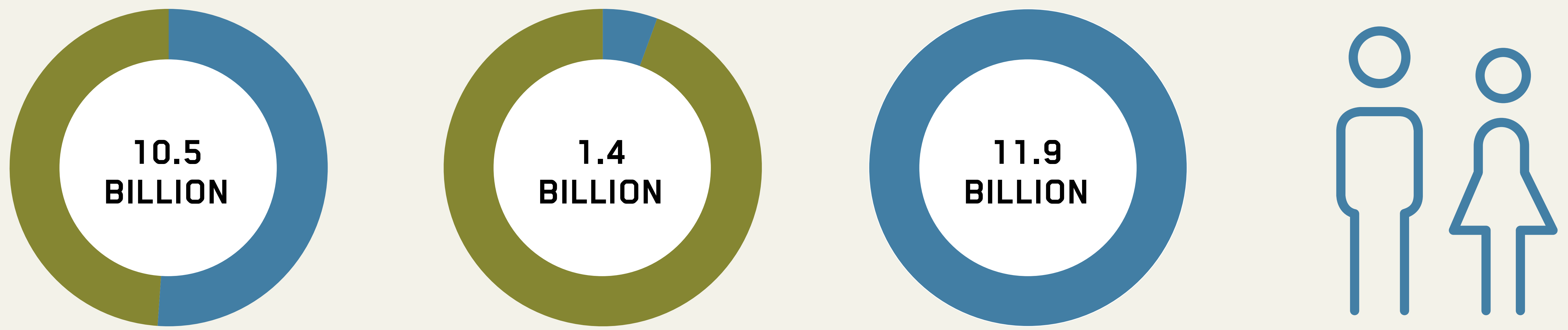
Achmea has therefore drawn up a code of conduct for acting with integrity according to Achmea values and standards.

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	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

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.
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.
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.
Loan-to-value (LTV)	Refers to the ratio of debts to credit institutions to the Total Net Assets of the Fund.
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.

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.
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

achmea

Real Estate