

Annual report 2021

Bouwinvest
Dutch Institutional
Residential Fund N.V.



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The Fund at a glance

Real Value for Life

Real Value for Life – that’s what drives us. Our real estate investment management contributes to sustainable, liveable, accessible urban environments and to improving pension benefits.

But we can’t do that alone. Together with our partners we are helping to give shape to the city of the future. In this way, Bouwinvest invests in what society needs and we create a stable return for our shareholders.

The Fund’s strategy

 <p>Quality High-quality (sub)urban living</p>	 <p>Affordability Affordable homes</p>	 <p>Sustainability Sustainable and responsible investments</p>
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The Fund’s key strategic objectives

- | | | |
|---|--|---|
| <ul style="list-style-type: none"> • Lifecycle-proof and high-quality apartments and family homes • Holland Metropole Alliance + Zwolle/Arnhem/Nijmegen | <ul style="list-style-type: none"> • Mid-rental segment • Moderate rent increase | <ul style="list-style-type: none"> • Sustainable buildings, investments and operations • Reducing environmental impact • Stakeholder engagement • Sustainable stewardship |
|---|--|---|

The Fund’s strategic actions



The Fund’s financial, social and environmental return 2021

Total return

11.1%

Average occupancy rate

97.8%

NAV IFRS

€ 7,681 MILLION

Transactions

€153 MILLION

Investments

€285 MILLION

Divestments

€0 MILLION

Funding

€356 MILLION

GRESB 5-star



Paris Proof

end of **2045**
& increase climate resilience of the portfolio

Tenant satisfaction

SCORE **7.3**

Stakeholder engagement

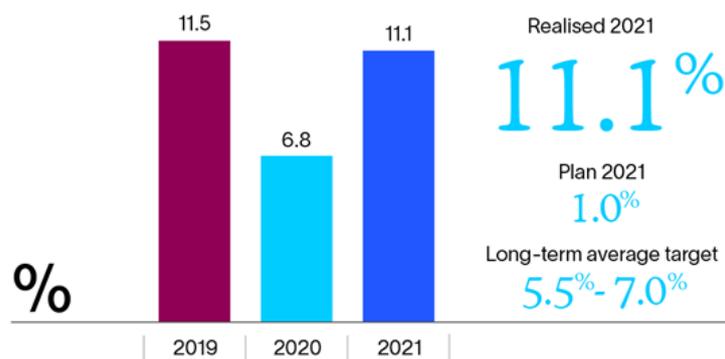
ACTIVE ENGAGEMENT
WITH OUR COMMUNITY

Stable long-term pension benefits with limited environmental impact

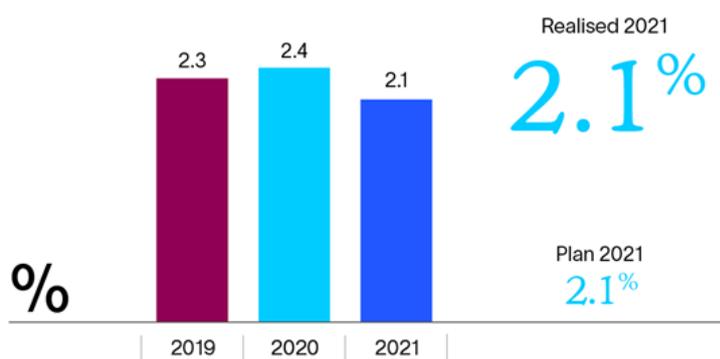
Healthy, safe and affordable places where people want to live – now and in the future

The Fund's contribution to Real Value for Life

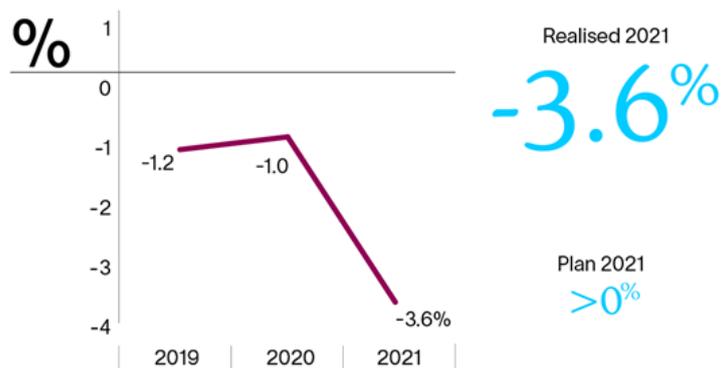
Fund return



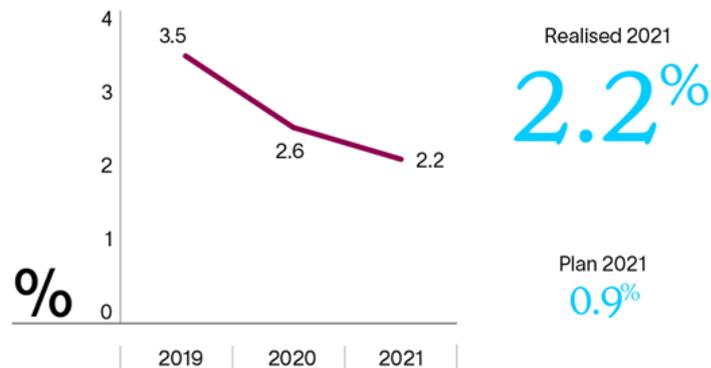
Fund income return



Relative performance MSCI



Like-for-like rental income



Acquisitions (x € MILLION)

Realised 2021
€ 153
 Plan 2021
 € 225

Investments (x € MILLION)

Realised 2021
€ 285
 Plan 2021
 € 416

Occupancy rate

Realised 2021
97.8%
 Plan 2021
 98.1%

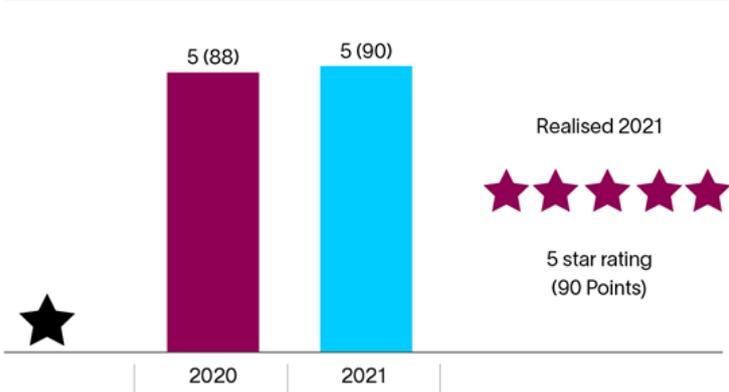
Divestments (x € MILLION)

Realised 2021
€ 0
 Plan 2021
 € 150

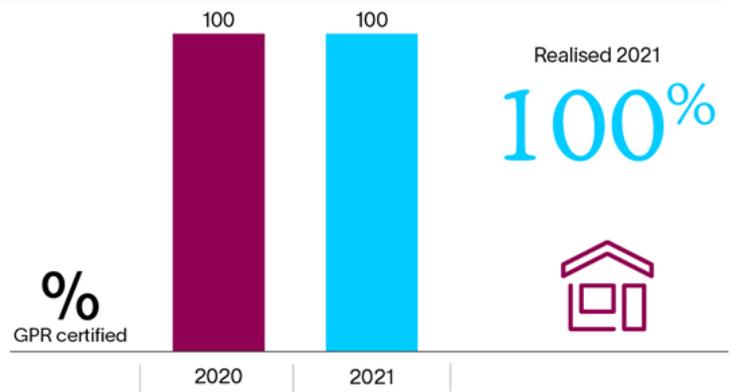
Core regions

Realised 2021
99.6%
 Plan 2021
 >80%

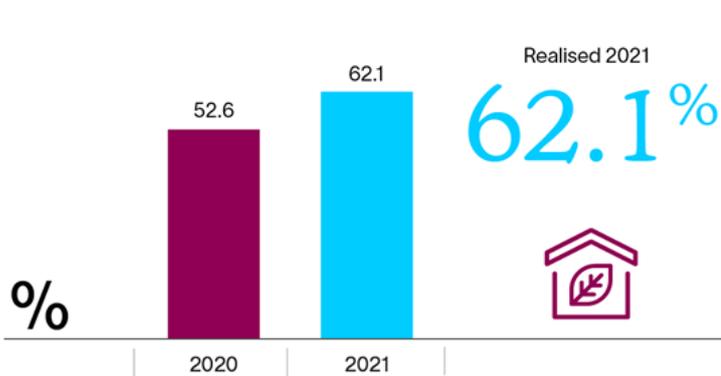
GRESB star rating (score)



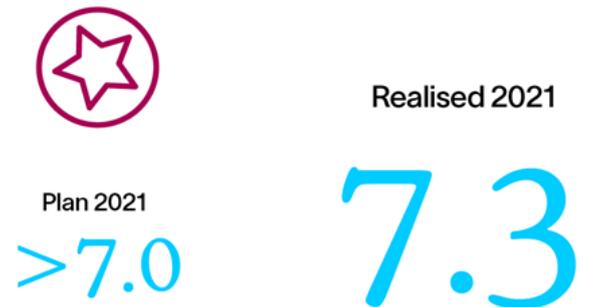
GPR building label



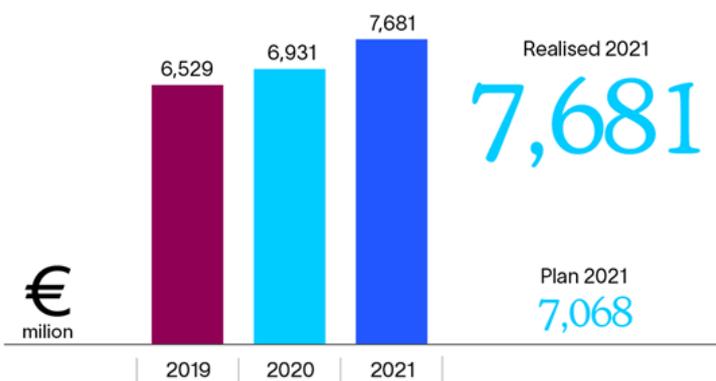
Energy label (A)



Tenant satisfaction (score)



NAV (x € MILLION)



Dividend paid per share



Issued capital (x € MILLION)



Key performance over five years

All amounts in € thousands, unless otherwise stated

	2021	2020	2019	2018	2017
Statement of financial position					
Total assets	7,838,349	7,080,958	6,699,661	5,793,075	4,783,924
Total shareholders' equity	7,681,103	6,931,287	6,529,288	5,761,761	4,751,642
Total debt from credit institutions	-	-	-	-	-
Performance per share					
Dividends (in €)	102.56	110.50	97.29	94.99	90.82
Net earnings (in €)	532.49	314.40	489.06	665.23	508.28
Net asset value IFRS (in €, at year-end)	5,301.91	4,875.16	4,671.54	4,280.93	3,710.00
Net asset value INREV (in €, at year-end)	5,311.69	4,879.63	4,675.53	4,286.07	3,714.31
Result					
Net result	766,056	442,538	671,208	878,013	637,610
Total Global Expense Ratio after tax (TGER)	0.53%	0.52%	0.53%	0.54%	0.53%
Real Estate Expense Ratio (REER)	0.89%	0.92%	0.99%	1.00%	1.26%
Distributable result	147,007	157,361	135,413	125,372	113,930
Pay-out ratio	100%	100%	100%	100%	100%
Fund return					
Income return	2.1%	2.4%	2.3%	2.5%	2.7%
Capital growth	8.9%	4.4%	9.1%	15.4%	12.6%
Total Fund return	11.1%	6.8%	11.5%	18.2%	15.6%
Portfolio figures					
Investment property	7,098,313	6,369,668	6,209,139	5,185,923	4,143,094
Investment property under construction	639,153	453,085	388,303	558,704	463,040
Gross initial yield	3.7%	3.9%	3.9%	4.1%	4.6%
Total number of residential units	18,134	17,760	18,227	17,174	16,172
Average monthly rent per unit (in €)	1,160	1,130	1,104	1,055	1,020
Financial occupancy rate (average)	97.8%	98.4%	97.9%	97.5%	97.8%
Sustainability (A, B or C label)	100.0%	100.0%	100.0%	98.0%	94.6%
Property performance (all properties)					
Income return	2.7%	2.8%	2.8%	3.1%	3.3%
Capital growth	8.9%	4.4%	9.3%	15.6%	13.0%
Total property return	11.8%	7.3%	12.4%	19.1%	16.7%
MSCI (Netherlands Property Index) residential real estate (all properties)					
Income return	2.9%	2.9%	3.2%	3.4%	3.8%
Capital growth	12.2%	5.3%	10.1%	14.7%	12.6%
Total return MSCI (NPI)	15.4%	8.3%	13.6%	18.6%	16.9%

Message from the Director

Dutch Residential Investments

Like 2020, last year was dominated by the Covid-19 pandemic and government measures and restrictions, including several full and partial lockdowns, aimed at containing the spread of the virus. Despite this, the Dutch economy proved remarkably resilient last year, with most experts agreeing that GDP would increase by around 4% in 2021 after contracting by 3.6% in 2020, and cautiously optimistic on the outlook for the coming years. This was partly due to the continued government support for the sectors hardest hit by the outbreak, plus the fact that most public and private sector organisations that were able to, had already switched to remote working or hybrid models. And despite initial delays, the subsequent rapid roll-out of the vaccine programme led to a sharp dip in the number of hospital admissions and absenteeism rates. Unemployment also failed to rise as much as initially feared and the biggest threat to the labour market turned out to be the rising shortage of personnel in a number of important sectors, including the construction industry. More worrying was the sudden rise in inflation in 2021. If this continues, it could have a negative impact on both consumer confidence and consumer spending in 2022. And the surge in Covid-19 infections in late 2021, largely driven by the new Omicron variant, could endanger the recovery of the Dutch economy if the outbreak is prolonged and the government imposes further lockdowns.

Residential real estate market

The Covid-19 pandemic had little impact on the Dutch housing market last year. Once again, the huge demand for homes and the lag in the production of new housing stock increased the shortage of homes. In 2021, this shortage had risen to around 280,000 homes or 3.5% of the housing stock and this is expected to rise to a peak of 316,000 homes in 2025. The scarcity, low interest rates and favourable lending conditions once again pushed up house prices, putting home ownership beyond the reach of a growing number of households. The biggest shortage on the housing market is in the (affordable) mid-rental segment, where most of these people are looking for homes. This segment is crucial for mobility in the housing market, as it provides an alternative for people living in social housing who earn above the maximum income level, freeing up social housing for lower income groups. The shortage of smaller, lifecycle-proof homes is also stifling mobility among 65+ households, many of whom would free up larger homes for families.

Many national and local government efforts to improve the affordability of homes are proving counterproductive. For instance, the removal of transfer tax (stamp duty) for first time buyers simply encouraged people to bid more for homes, which pushed up prices even further. Raising the transfer tax for investors in rental homes, on the other hand, made it more difficult for investors to acquire projects at prices that meet the financial targets of their clients, mostly pension funds and insurance firms. And it is still not clear what impact the (temporary) maximisation of rent increases in the liberalised rental sector will have in the long term. On the sustainability front, the government did introduce stricter requirements for homes, but is still focused on energy labels, rather than the energy use of tenants, which is a better measure of long-term sustainability. All in all, these measures are making it more difficult for institutional investors to achieve their targeted returns. Despite this, the demand for Dutch residential real estate is as strong as ever, and the competition from international investors is becoming even more fierce.

"The demand for Dutch residential real estate is as strong as ever."



Michiel de Bruine
Director Dutch Residential Investments



The Residential Fund's achievements in 2021

The Residential Fund absorbed the impact of the higher transfer tax fairly quickly and managed to once again record solid returns. The value increases in Amsterdam are slowing and last year the Fund concentrated its acquisition efforts in the wider Holland Metropole region, where demand will remain the strongest in the years to come. We also constantly monitored legislative changes and kept clients updated on any potential impact on the Fund or its portfolio. While we support measures aimed at combatting excesses in the liberalised rental sector, Bouwinvest is concerned that some measures will reduce interest from institutional investors. After all, their capital is needed to address the growing shortfall in homes. We continued our lobbying efforts for realistic and constructive legalisation, both as Bouwinvest and via the IVBN (Association of Institutional Property Investors in the Netherlands).

Last year, the Fund also devoted a great deal of attention to the rental of homes in the higher rental segment, where vacancies had risen, partly due to the departure of many expats following Brexit and the Covid-19 outbreak. Thanks to our active marketing efforts and a pick-up in the market for these homes, these vacancies have now been reduced to a minimum. And we also spent a good deal of time dealing with tenants who found themselves in financial difficulties. In most cases, we reached tailor-made agreements and payment plans with individual tenants. Despite these problems, the Fund closed the year with very low rent in arrears. Last year, we also devoted a great deal of attention to tenants services, including the opening of a tenants contact point and a new portal, all of which led to a clear improvement in our tenant satisfaction score.

The Fund made solid progress on all of its strategic pillars in 2021. In terms of quality, despite Covid-19-related construction delays in some projects and in deal making for new projects, the Fund acquired five new-build projects in the Holland Metropole region (one project in The Hague, one in Rijswijk, one in Hoofddorp and two in Rotterdam), for a total of € 153 million and added five projects to the portfolio (90 houses and 342 apartments). On the affordability front, 252 or around 70% of the homes we acquired were in the affordable mid-rental segment. We also made a start on the appropriate income-based allocation of homes. On the sustainability front, we retained our GRESB five-star rating and once again improved our overall score. We also continued with our efforts to Paris proof the portfolio, upgrading a number of projects and adding solar panels where possible. We also completed our Paris Proof roadmap and came up with custom-made plans for around 150 projects. Bouwinvest also appointed a Paris Proof programme manager.

As already stated, despite the increase in transfer tax the Fund recorded solid returns in 2021. The income return came in on target at 2.1%. Due to the growing shortage of homes, especially in the mid-rental segment, vacant values and investment values increased enormously in 2021, resulting in capital growth of 8.9%, way above the forecast at the start of the year. This resulted in a very satisfying total return of 11.1%. The Fund's NAV stood at € 7,681 million at year end. Very importantly, the Fund attracted two new investors and top-up investment from an existing client for a total of € 356.5 million in 2021, a clear sign of their trust in the Fund and its strategy. Another significant achievement was the modernisation of the Terms and Conditions of the Fund.

Outlook for the market and the Fund

The Dutch residential real estate market once again proved very resilient in the face of several crises, including the Covid-19 pandemic, the massive and growing shortages on the housing market and the problems in the construction sector. The outlook remains positive in terms of valuations and returns, especially in the Holland Metropole region. At the same time, we have to recognise that not everyone is emerging from this crisis unscathed. Affordable rental and owner-occupier homes are now beyond the reach of even more people than before the crisis and we find this unacceptable. So we will be intensifying our efforts to provide affordable, high-quality homes for as many people as we can the years ahead, as we look to achieve the right balance of financial and social returns. Of course, it will be a major challenge to meet this huge and ever-growing demand for homes, especially in the mid-rental segment. Cooperation with national and local governments will be crucial on this front. The energy transition will be another major challenge as we move forward. The Fund is already making progress on making its

own contribution to this effort by boosting the climate resilience of its portfolio and making it Paris Proof before 2045. We have always been and still are in this for the long haul and we are very confident about the future of the Dutch residential market.

All that remains is for me to thank our clients for their continued trust in us and our strategy. And of course I would like to thank our team for their flexibility and hard work helping our tenants. And for their professionalism and collaboration, which helped us to anticipate and respond to developments quickly and effectively. It is thanks to them that we emerged so strongly from another dynamic year.

Michiel de Bruine
Director Dutch Residential Investments

Report of the Executive Board of Directors

Market environment

Key macro developments

After the challenging year 2020 and a steep decline in economic activity, the year 2021 showed strong economic recovery overall. Despite positive expectations due to a successful vaccination programme, the year ended somewhat disappointing with a strict lockdown. December 2021 saw a fifth wave of Covid-19 infections and a subsequent lockdown in the Netherlands, which was a clear demonstration that the Covid-19 crisis is not yet under control.

The key events and developments for the Dutch economy can be summarised as follows:

- The Covid-19 pandemic continued to dominate the Dutch economy in 2021. Following the controlled lockdown initiated by the government, measures were eased over the summer and resulted in an increase in economic activity. However, new waves of Covid-19 variants flared up again during the last quarter of the year and once again resulted in new social restrictions, despite the availability of vaccines.
- Dutch economic growth increased by 4.6% in 2021, with significant fluctuations during the course of the year. The economy contracted in Q1 due to the lockdown, but the remaining quarters saw a strong recovery. New contingency measures in Q4 prevented higher GDP growth. International trade and consumer spending were the major drivers of economic growth. By the end of the year, house prices were more than 20% higher than twelve months before, the highest year-on-year increase this century.
- During the second half of the year, the energy crisis escalated, resulting in record high inflation rates with a record level of 5.7% in December 2021. This resulted in average inflation of 2.6% for 2021 as a whole. Energy prices increased by 60% year-on-year and remain volatile. Opposing views on the duration of this inflationary period are resulting in different policies by central banks with regards to raising interest rates. The ECB did not announce any interest rate shifts in 2021. Interest rates on 10-year Dutch government bonds were relatively stable and ended the year 20 basis points higher at -0.32%.
- In 2021, consumer confidence recovered strongly from the negative impact of the Covid-19 pandemic. However, the energy crisis resulted in a heavy decline in consumer confidence later in the year. On the other hand, producer confidence ended the year at the highest level for the past 15 years, despite challenges in the supply chain market and high inflation rates.
- The situation on the labour market tightened during the year, with shortages becoming visible in a wide range of industries.
- Financial governmental support kept the number of bankruptcies at record low levels. Unemployment rates had fallen well below 3% by the end of the year.
- A new cabinet was formed in the last weeks of the year after a record formation period. The new cabinet consists of the same four coalition partners as the previous one and will face the task of resolving a number of major challenges. Besides the Covid-19 pandemic, major focus points will be the climate and nitrogen crisis and the housing market. Furthermore, more funding will be allocated to education, justice and security.
- The Russian invasion of Ukraine and rapidly escalating events in late February and in March 2022 are a significant tragedy for the people and causing disruption to business and economic activity in the region and worldwide.

	2022 forecast	2021	2020
GDP	3.5%	4.6%	(3.8)%
Consumer spending	6.5%	3.8%	(6.6)%
Consumer price index (CPI)*	3.3%	2.6%	1.3%
Government bond yields, long-term	0.1%	(0.2)%	(0.3)%
Unemployment rate*	3.5%	3.2%	3.8%

*Average number over the year

Source: Oxford Economics (4 February 2022)

More detailed information can be found in Bouwinvest's [Market Outlook 2022-2024](#).

Market update 2021

Public policies

Cabinet formation and plans

In January, the third cabinet led by Prime Minister Mark Rutte collapsed, and Dutch parliamentary elections were held on March 17. After a record formation period of 299 days, a 'Rutte-IV' cabinet was established in December. The coalition of four parties (VVD/D66/CDA/CU) reflects the composition of the previous cabinet. The cabinet will face the challenge of dealing with a number major issues. Besides the Covid-19 crisis, the main focus points will be the climate and the nitrogen emissions crisis, plus the housing market. Furthermore, the government is planning to allocate more funding to education, justice and security.

The new government reintroduced the position of Minister of Housing and Spatial Planning (filled by former Health Minister Hugo de Jonge). The goal for the coming cabinet period is to build around 100,000 new homes per year (with at least two-thirds in the affordable category). These will be built primarily in the 14 designated urban areas in the government's NOVI programme. An annual sum of € 7.5 billion will be allocated to infrastructure around new housing developments. The government is also planning to abolish the landlord levy ('verhuurdersheffing') for social rental housing.

As of 1 January 2021, the real estate transfer tax (RETT) for property acquisitions increased to 8%, for residential as well as for commercial real estate. To put a further brake on record house price increases, the transfer tax for investors will be increased to 9% as of 2023. Further measures include stopping the € 100,000 tax exempt gift (for house purchase purposes). In 2021, a number of local authorities also introduced initiatives, such as the halt on buy-to-let within the existing housing market.

Covid-19

In 2021, the caretaker cabinet focused for the most part on fighting the Covid-19 pandemic and finding a balance between limiting the spread of the disease and keeping the economy and companies healthy. Despite the continued roll-out of the vaccination programme, lockdown measures came and went in 2021, which had a major impact on the (non-essential) retail and hotel and leisure segments. While most restrictions were lifted in the course of the third quarter, November and December in particular once again saw heavy restrictions for retailers.

The Dutch government implemented a set of emergency measures to mitigate the financial burden placed on companies by the Covid-19 outbreak. The initial plan was to end most of these measures from 1 October 2021 onwards. However, following the emergence of the new Omicron variant and the reintroduced lockdown, financial measures were extended. It is notable that although the companies affected have complained that the restrictions have led to a substantial reduction of their financial buffers, 2021 still saw the lowest rate of bankruptcies for many years.

Occupier market

In 2021, the owner-occupier market remained tight, as the number of homes put up for sale continued to decline while demand remained high. The prices for owner-occupied homes rose strongly and are still rising, mainly driven by the housing shortage and low mortgage interest rates. This is being further fuelled by bidding wars (80% of the bids are above the asking price), which increasingly involved buy-to-let investors. On a national level, the average house price increased substantially by 20.4% year-on-year and stood at € 396,800 in December 2021 (data CBS). As a result, the number of homes that are affordable for first-time buyers and low/middle-income households is shrinking rapidly. Consequently, these groups have to look for alternatives (e.g. rent) or remain unable to buy. The new cabinet has ambitious plans to stimulate the development of 100,000 houses a year in the coming 10 years, with a specific focus on developing affordable homes.

Another development on the owner-occupier market is that more and more local authorities are implementing measures for certain neighbourhoods or whole cities to discourage or prevent investors from buying homes in the owner-occupier market and subsequently renting them out. Local authorities are implementing these measures mainly in areas where buy-to-let investors have been responsible for a large part of the sales from the buyer-side, which means they are competing with regular households.

In February, outgoing Minister of the Interior and Kingdom Relations Kajsa Ollongren announced that rents in the regulated sector would not be increased in 2021. As of May 2021, landlords are allowed to increase rents in the liberalised sector by a maximum of 1% above inflation. This measure applies for three years. In addition, the outgoing cabinet wanted to maximise the impact of 'WOZ' (Real Estate Value Act) value in the WWS points system to 33%. This measure is not yet in force. The number of WWS points determines if a home can be rented out in the regulated or non-regulated sector.

Investment market

Investor appetite remained strong in almost all real estate sectors and the overall investment volume totalled € 18.2 billion, just short of the € 19.0 billion in the previous year. This despite the negative effects of the increase in the real estate transfer tax from 1 January 2021, which spurred many investors to close their deals in Q4 2020 and led to subdued transaction volumes in the first half of 2021. Investment volumes in Dutch residential real estate therefore declined, but thanks to a stable demand, yields declined further in the second half of 2021, especially outside of the G4 cities.

In 2021, approximately € 3.2 billion was invested in the Dutch residential market (source: JLL). This was a 45% drop when compared with 2020. The majority of this volume consisted of investments in new-build rental homes. The transfer tax does not apply to new-build developments, as a result of which more parties were looking for investment opportunities in this segment of the market. Approximately 60% of the total invested volume consisted of investments in the Randstad conurbation (45% in the five biggest cities). Prime net initial yield for residential investments decreased from 3.10% in 2020 to 2.85% at year-end 2021.

Investor key factors	2022 forecast	2021	2020
Prime net initial yields	↓	2.9%	3.1%
Investment volumes (€ bln)	↑	3.2	7.0

Sources: JLL, Bouwinvest Research & Strategic Advisory

Market outlook 2022-2024

In November 2021, Bouwinvest published its [Real Estate Market Outlook 2022-2024](#). In this document, you will find more detailed insight into macro trends, real estate market conditions and expectations for the years ahead.

Residential market

Market trends

Megatrends

The Fund's strategic pillars and objectives



Fund strategy

Fund characteristics

Long-term investor	Core investment style	Robust governance structure	Investment structure for indefinite period of time	Reports in accordance with INREV standards
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Strategic pillars

Quality



Strategic objectives

Lifecycle-proof and high-quality apartments and family homes

Holland Metropole Alliance + Zwolle/Arnhem/Nijmegen

Performance indicator

- Segmentation
- Targeted acquisitions
- Targeted divestments
- Age
- Financial occupancy

- Holland Metropole Alliance + Zwolle/Arnhem/Nijmegen

Affordability



Mid-rental segment

Moderate rent increase

- Invest in affordable real estate
- Focus on the liberalised segment

- Price level

Sustainability



Sustainable buildings, investments and operations

Reducing environmental impact

Stakeholder engagement

Sustainable stewardship

- GRESB rating and scoring
- GPR coverage

- Green energy label
- Average energy performance
- Reduction energy consumption
- Reduction GHG emissions

- Client satisfaction
- Tenant satisfaction
- Rental contracts with sustainability clause

- AED coverage
- Construction sites with Considerate Constructors' Scheme

Active asset management

Living environment



- Having a keen eye for the best places to invest
- Creating safe and healthy communities (in which people care and share)
- Facilitating sustainable mobility (near public transport, shared cars, bikes etc.)

- Creating affordable, liveable and sustainable neighbourhoods

Portfolio



- Continuously optimising the portfolio
- Conducting regular hold/sell analyses
- Making targeted acquisitions

- Divesting assets that do not meet investment criteria
- Keeping the Fund's homes affordable

Assets



- Continuously investing in assets to keep them up-to-date and fit for the future
- Optimising the Fund's income return
- Optimising the Fund's occupancy rate through targeted marketing
- Reducing the tendency to relocate by providing high-quality homes

- Adding quality for specific target groups (i.e. lifecycle-proof homes for the elderly)
- Performing well-timed and good maintenance
- Renovating/investing in the Fund's assets
- Making the Fund's assets Paris Proof
- Creating healthy and smart buildings
- Innovating (convenience services)

Tenants



- Optimising contacts with the Fund's tenants
- Providing a self-service portal for tenants
- Using a client monitoring system to optimise services

- Optimising interactions between tenants and property managers
- Continuously optimising processes

Investment objectives

5-year average Fund return	Total Fund return 2021		Target	Realised 2021	
Target 5.5%-7.0%	Target 1.0%	Net asset value of invested capital year-end 2021			
Realised 2021	Realised 2021		€ 7,068 M	€ 7,681 M	
			Targeted signed transactions 2021	€ 225 M	€ 153 M
			Targeted investments 2021	€ 416 M	€ 285 M
		Targeted divestments 2021	€ 150 M	€ 0 M	
12.6%	11.1%				

Investment restrictions

Invested in single investment property	Invested in non-core (non-residential) property	No investments will have a material adverse effect on the Fund's diversification guidelines	Value of investments to pre-finance acquisitions must never exceed 10% of the total value of the Fund's investment portfolio
Target <5%	Target <10 %	Target 0	Target <10%
Realised 2021	Realised 2021	Realised 2021	Realised 2021
2.5%	0.9%	0	8.4%

Diversification guidelines

	Target	Realised 2021	Invested in the Fund's core regions	Energy label A, B or C (green)
Invested in Randstad conurbation	<90%	86.2%	Target >80%	Target >98%
Family homes	>25%	34.4%	Realised 2021	Realised 2021
Liberalised segment	>75%	94.0%		
			99.6%	100%

Performance on strategy

Portfolio characteristics

- Total property value: € 7,737 million (18,134 homes and 3.124 under construction) at year-end 2021;
- Total Fund return: 11.1% (Fund income return: 2.1%);
- Occupancy rate: 97.8%;
- Rental segments: 94.0% in liberalised rental sector;
- Core regions: 99.6% of all properties are located in core regions;
- GRESB 5-star rating (90 points);
- GPR building sustainability certificates: 100%, average score 6.5;
- Green energy label (A/B/C): 100% (A label: 62.1%).

Performance on quality

Focus on the optimisation of the portfolio

The Fund's primary focus is on the optimisation of its portfolio. Last year, the Fund managed to make five high-quality acquisitions, with even greater focus on strategic fit and the right product/market combinations, with a view to meeting the needs of the various target groups. In addition, all of these acquisitions were in the Holland Metropole region (G4 cities and Eindhoven), which the Fund believes offers the best chance to future-proof and enhance the quality of its portfolio. From a quality, return and timing perspective the Fund made no divestments in 2021.

The Fund also optimised its portfolio through investments in its standing portfolio. These included investments in the sustainability of the Fund's assets and the upgrading of properties through the installation of new, modern bathrooms and kitchens, as well as the enhancement of green areas and other amenities for the Fund's tenants.

Lifecycle-proof and high-quality apartments

In addition to the much-discussed quantitative mismatch (supply lagging demand), the Netherlands is faced with a growing qualitative mismatch. For one, a new generation of young people (starters and young professionals) is entering the housing market and the vast majority have little choice but to enter the rental market. The majority of these young people are looking for (smaller) apartments in the big cities. At the same time, the 65+ target group is also changing and becoming increasingly diverse in terms of their housing needs and requirements.

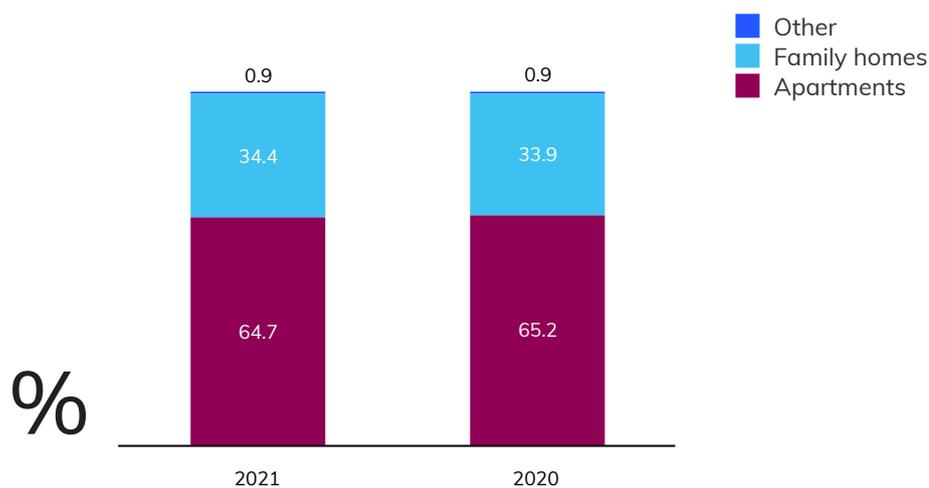
Bouwinvest closely monitors the trends among the above-mentioned target groups to gain a better understanding of their very different housing needs. This gives Bouwinvest the insight it needs to respond even more effectively to the needs of these target groups and in turn realise even more future-proof homes for a wide range of potential tenants. This is why the Fund focuses on lifecycle-proof and high-quality apartments for starters, young professionals and seniors (one-person and two-person households).

Major segments

To meet its own diversification guidelines, the Fund strives for a healthy balance of houses and apartments.

In 2021, the Fund bought both family homes and apartments. Due to the Fund's focus on inner-city areas and the fact that apartment complexes are almost always larger than projects involving houses, the proportion of apartments will continue to grow for the foreseeable future.

Portfolio composition by type of property based on market value



Investments and divestments

Acquisitions

Although 2021 was another year dominated by Covid-19, it had little impact on the Dutch housing market in general. Bouwinvest did see, however, that it did slow down deal-making processes, so it took longer to reach final agreements. This was mainly due to rising construction costs and the shortage of skilled workers. Acquisitions eventually totalled around € 153 million in 2021, below the Fund's original target of € 225 million. The Fund acquired a total of 342 apartments and 90 family homes, 252 of which were in the affordable segment (58%). All of the properties the Fund acquired have an energy index of 0.2 or lower and all have a minimum GPR score of above 7.5.

Apart from the purchase price, market vendors appreciate matters such as reliability, vigour and expertise. It is also very important to stand out in terms of deal security, efficiency, rapid (legal) structuring and decision making. All these aspects played a role in achieving these results. The Fund financed the acquisitions from existing commitments, the commitments of new shareholders and the top-up commitments from existing shareholders. All of the properties the Fund acquired in 2021 were located in the Holland Metropole region.

The Shareholders' Committee has approved two related party transactions: the purchase of the 30 family homes in Tudorpark, Hoofddorp, and the purchase of 54 apartments in Rijswijk. These transactions were regarded as a related-party transaction, as Bouwinvest Development B.V. sold a ground position in Stadshagen, Zwolle, to a development company and in return the development company sold (yet to be developed) residential units in Hoofddorp and Rijswijk to the Fund.

On the investment side, we realised € 285 million instead of the planned € 416 million. This was a result of the delay in some new acquisitions and a delay in the process of the municipality of Amsterdam to supply the Fund with proposals for the buy-off of the land lease in Amsterdam. This also resulted in a delay in capital calls for new commitment holders.

Properties added to the portfolio in 2021

In 2021, the Fund added a total of 299 apartments and 75 houses to its portfolio. See below for a list of the new properties in the portfolio.

Property	City	No. of residential units
Duinzicht	Zwolle	43
Little C-A1 The Burton	Rotterdam	83
Little C-A3 The Clark	Rotterdam	58
Little C-A4 The Hammond	Rotterdam	68
Simon Stevin	Ede	90
Wetering	Zwolle	32

Properties added to the pipeline in 2021

Diepeveen



Location

Rotterdam

Segment

Apartments

Number of residential units

90 apartments

Expected rental bandwidth

€ 978 - € 1,160

Reijsendaal



Location

Rotterdam

Segment

Family homes

Number of residential units

60 family homes

Expected rental bandwidth

€ 1,302 - € 1,533

Buitenpoort



Location

Rijswijk

Segment

Apartments

Number of residential units

54 apartments

Expected rental bandwidth

€ 852 - € 1,119

Tudorpark fase III



Location

Hoofddorp

Segment

Family homes

Number of residential units

30 family homes

Expected rental bandwidth

€ 950 - € 1.260

Binck City Park



Location

The Hague

Segment

Apartments

Number of residential units

198 apartments

Expected rental bandwidth

€ 838 - € 1.230

Divestments 2021

In the 2021-2023 Fund Plan, the Fund included a three-year disposal estimate of € 450 million. The decision to sell residential complexes is largely driven by the returns they are expected to generate over the next ten years. Factors in any decision to sell include the location, the product/market combination, the potential to increase the rents and the local rental market. For

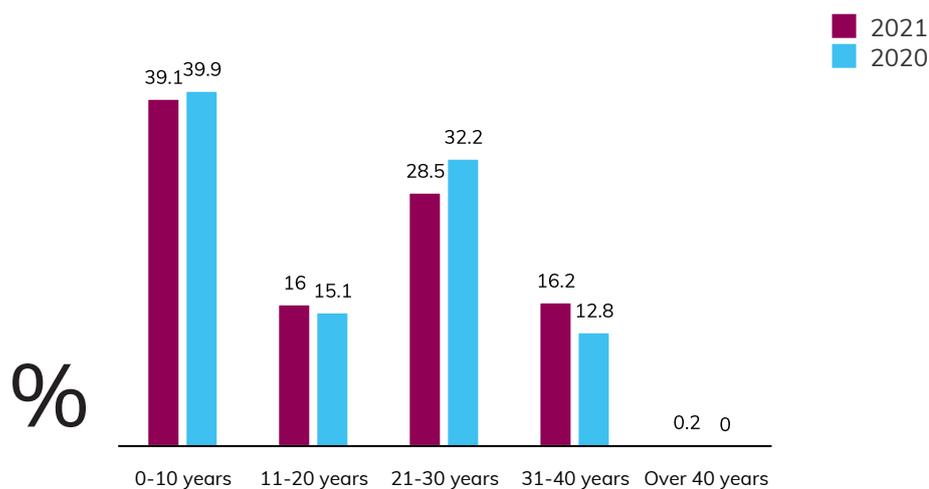
reasons of timing and because returns are expected to be more positive, the Fund decided to postpone any divestments. For this reason, the Fund made no divestments in 2021.

Age

Despite the addition of new properties to the portfolio in 2021, and because the Fund did not make any divestments, the weighted average age of the portfolio increased slightly compared with year-end 2020 (18.2 years in 2021 versus 17.3 years in 2020).

With a pipeline of around € 567 million and a divestment plan of around € 175 million per year for the coming years, the weighted average age of the portfolio is expected to decline in the future. The age of the portfolio is not a target in itself, as a number of factors determine whether a property meets the Fund's risk/return standards and strategic criteria.

Allocation of investment property by age as a percentage of market value



Financial occupancy

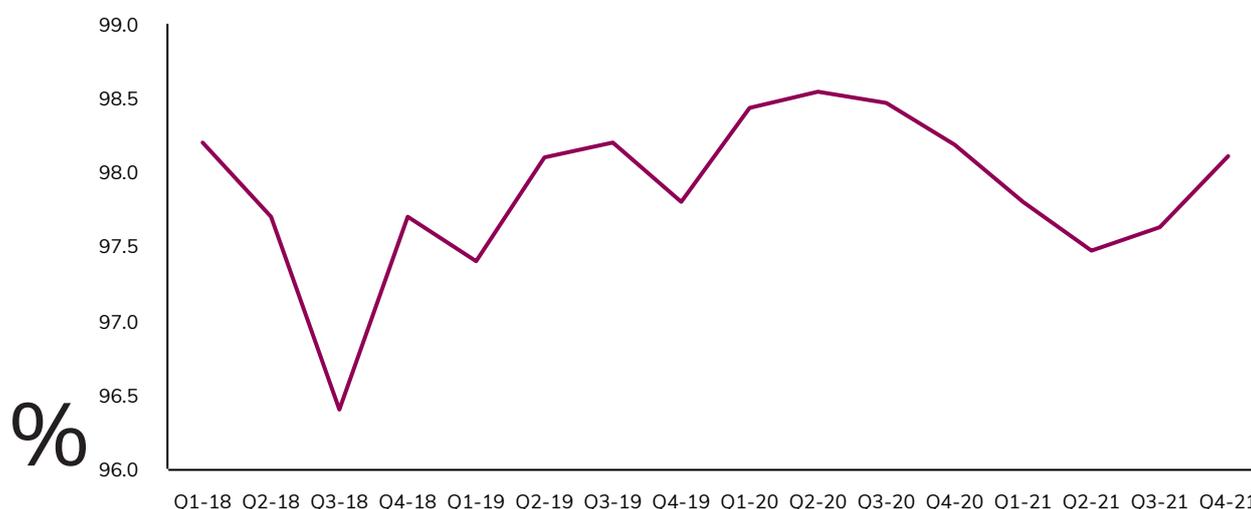
A key element of Bouwinvest's active asset management is its aim to achieve an optimal fit with tenants' needs by engaging with (potential) tenants and adapting both new and existing homes to the evolving housing desires identified by Bouwinvest's marketing and asset management teams. Bouwinvest has therefore divided the tenant population of the Fund's portfolio into six specific customer segments. These segments differ significantly and are based on lifestyle, housing ambition and housing preferences.

Furthermore, the Fund devotes a great deal of time and energy to online lead generation. Potential tenants are increasingly turning to the internet as their (first) search engine for rental homes. On the basis of the customer journeys Bouwinvest mapped out for the Fund's target groups, the rental process for all new-build projects is now fully digitalised and the customer journey is further simplified and now fully transparent, both for Bouwinvest and for its (potential) tenants.

The Fund is convinced that this approach, combined with high-quality housing products in the best locations, is the main reason that virtually all new properties added to the portfolio were fully let before completion. Even amidst the Covid-19 crisis, thanks to the quality of the properties the Fund had on offer and the Fund's fully automated letting process, all of its new properties were fully let shortly after completion.

The Fund did notice an increasing pressure on the occupancy rate of homes in the higher rental segment in 2021. This was partly due to the fact that many expats returned to their home countries. Thanks to new and extensive marketing campaigns and as a result of the slow but steady return of expats back to the Netherlands, the Fund saw a pick-up in rentals in this segment in the second half of 2021. The Fund ended the year with a very satisfying overall financial occupancy rate of 97.8%.

Financial occupancy rate



Core regions

The Fund has a clear core region strategy, with a specific focus on the Holland Metropole region - the urban and suburban regions of Amsterdam, The Hague, Rotterdam, Utrecht and Eindhoven – and to a somewhat lesser extent the cities of Zwolle, Arnhem and Nijmegen. The Fund invests in Dutch rental properties located in areas with the strongest social, demographic, economic and real estate market prospects. These local housing markets offer the best medium to long-term investment foundation for the mid-market housing and liberalised rental sectors. Almost 100% of the Fund's investments are currently in these defined core regions.

Holland Metropole region

Due to the structural lag in the supply of new-build properties, combined with the persistent high demand for homes in both the private and institutional markets, the pressure on the housing market is actually increasing and spreading to peripheral municipalities close to the larger cities. This is why the Fund has chosen to concentrate its acquisition efforts in certain focus areas within its core regions. In 2021, the Fund once again focused on investing in the Holland Metropole region. This is where the pressure on the housing market is the most pronounced due to economic and demographic developments. It is also the region where the Fund sees the best investment opportunities. In the future, the Fund will continue to focus on acquisitions in this region, as it offers the best opportunities to optimise its portfolio and add long-term value to the Fund. At the same time, assets in these regions and focus areas need to be close to excellent infrastructure and located within vibrant areas that meet

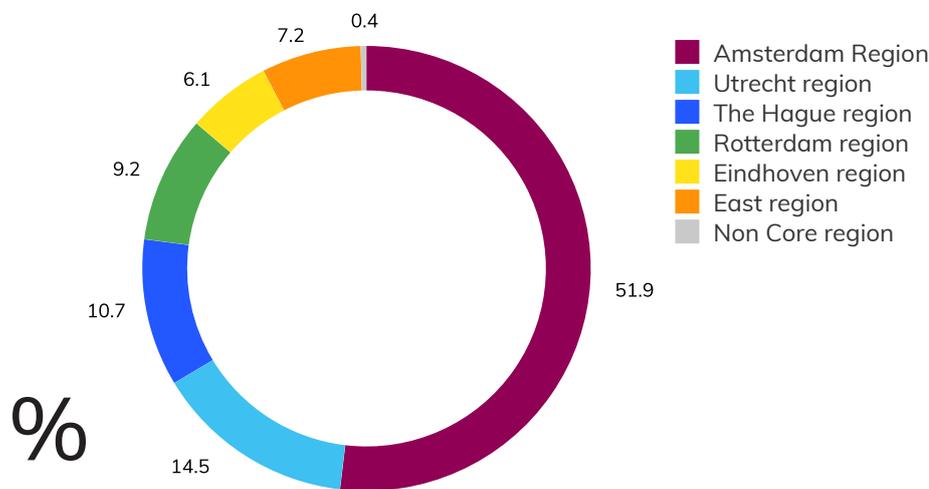
the needs of current and future tenants. This is especially true for increasingly popular (suburban) locations serving the larger cities.

The Bouwinvest Research & Strategic Advisory department (R&SA) periodically determines the core regions for the Residential Fund, and the most recent update took place in 2021. These updates are based on objective data and are conducted in close cooperation with the Fund's management. The Fund uses the core region model for both tactical and strategic purposes. On a tactical level, the model forms a guideline for acquisitions and divestments. This model is also an important input parameter in the risk-return form: the higher a municipality scores as a core region, the lower the risk and investment hurdle. The core region model also supports strategic decision making, and gives the Fund a clear focus.

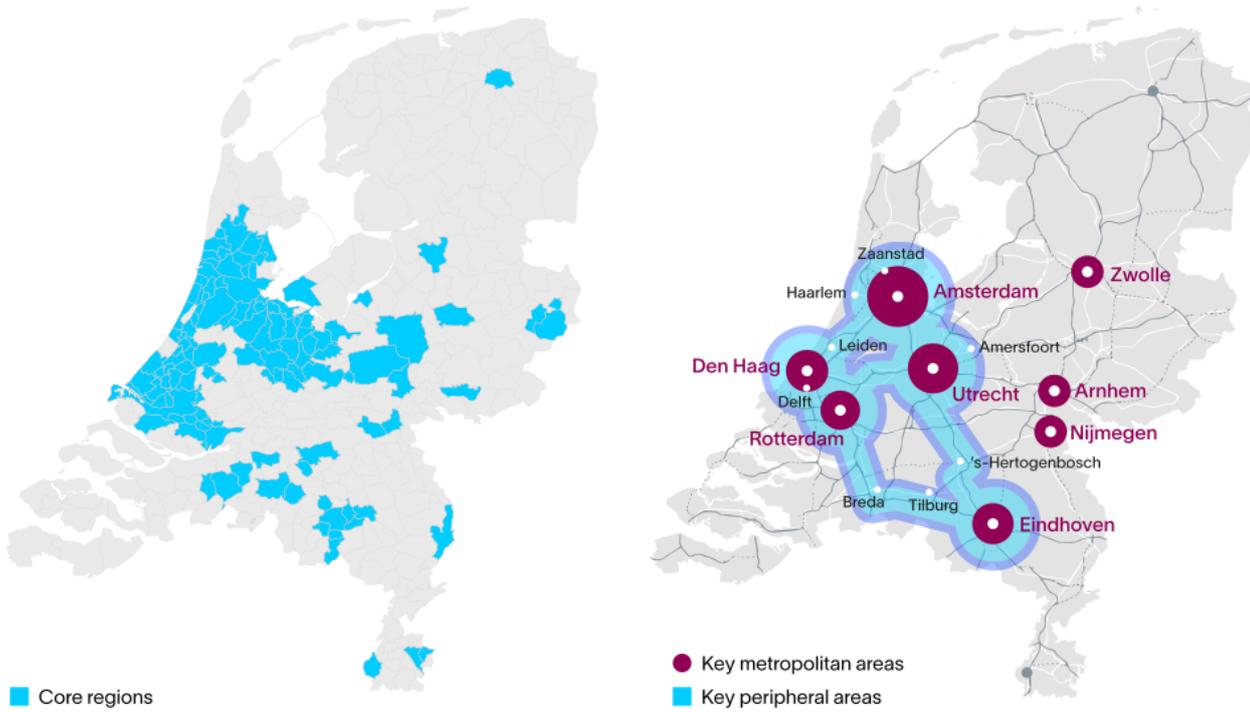
The plan is to have at least 80% of the total value of the portfolio concentrated in residential real estate in these core regions. Due to revaluations, together with the acquisitions the Fund made in 2021, 99.6% of the portfolio value was located in these core regions, while 92.4% of the portfolio was located in the Holland Metropole region.

As the entire investment pipeline is located in the Fund's core regions, this percentage will increase slightly in the near future. In addition, the Fund has a guideline that a maximum of 90% can be invested in the Randstad conurbation. This now stands at 86.2%.

Allocation of investment property by core region based on market value



Core regions and focus Holland Metropole region



Performance on affordability

Investing in affordable real estate

The Fund is heavily involved in the ongoing national debate on affordable housing and has looked at what can be done with the current housing stock. One of the measures taken to keep the current housing stock affordable was to moderate the Fund's annual rent increase. After limiting the rent increases by the Fund to inflation plus 0.5% in 2019 and inflation plus 1.0% in 2020, the Government decided to cap rent increases in 2021 and the following two years at inflation plus 1%. This is in line with the strategy of the Fund on this matter.

With this investment objective in mind, the Fund's ambition is to have at least 60% of the total acquisition pipeline consist of homes in the affordable mid-rental segment category (€ 753 to € 1,013). In 2021, 58% of all acquisitions was in the affordable mid-rental segment.

Also in 2021, the Fund reached both standard and tailor-made rent deferral arrangements, in some cases related to Covid-19, with a small group of tenants across its portfolio. This had virtually no impact on the rental income.

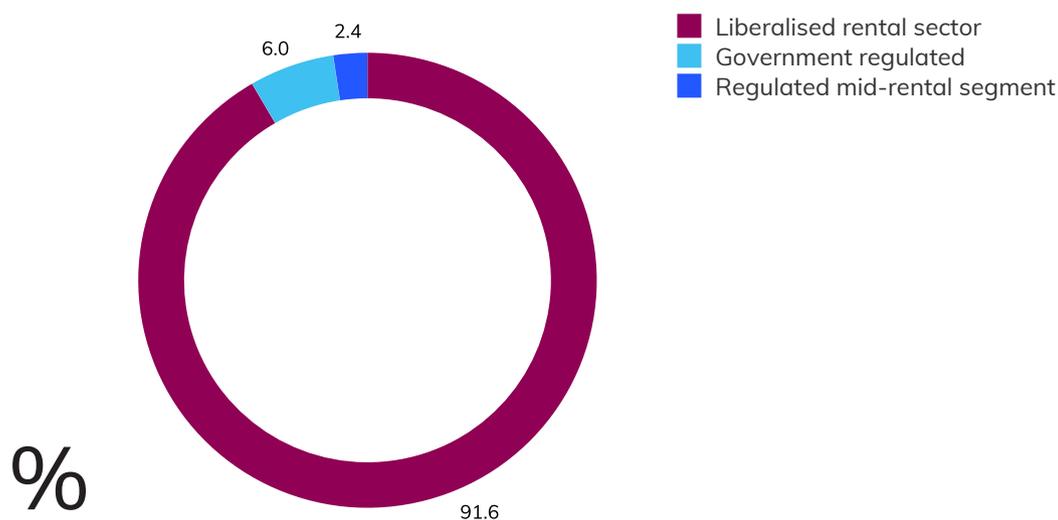
The Fund devoted a lot of attention to staying in close contact with the local authorities to increase reciprocal understanding between local authorities and institutional investors. In 2021, the Fund rounded off a position paper including thoughts on the residential market and providing possible solutions in terms of how the Fund could contribute to solving the problem. The Fund hopes this approach will help to avoid further regulatory measures from local governments and the Dutch national government, which could severely weaken the residential investment climate. Only when local authorities, housing corporations, institutional investors and project developers are prepared to join forces, will the Fund be able to develop a structural solution to the serious shortage of mid-rental segment properties in urban areas. Any excessive regulation is likely to hamper institutional investments and slow down the construction of much-needed new homes.

The Fund also noted that an increasing number of investors are taking this issue of affordability seriously and are looking to invest in 'impactful' residential projects. Given that the biggest challenge is to increase the supply of affordable homes, the Fund believes the best way to maximise its positive societal impact is to invest in more affordable mid-rental segment homes. This is why the Fund now focuses even more explicitly on affordable mid-rental segment homes when considering or making acquisitions.

Focus on liberalised rental sector

The Fund sees the liberalised sector (rents of € 753 and above) as particularly interesting, as demand is set to increase, while supply is lagging, especially in the Holland Metropole region. With more than 90% of its properties in the liberalised segment, the Fund's focus continues to be on this segment.

Allocation of investment property by type of rent based on rental contract



In the graph above, the mid-rental segment for liberalised properties was added with special agreements related to the likes of the rental level and rent increases.

The following five cities account for almost 90% of the rents above € 1,500: Amsterdam (64%), Rotterdam (7%), Utrecht (7%), Diemen (6%) and The Hague (5%).

Price level

Around 62% of the current portfolio has a monthly rent under € 1,250. Despite the Covid-19 crisis, house prices continued to rise in 2021 and individuals, couples and families who no longer qualify for government-regulated rental housing are still finding it difficult to buy homes due to high house prices and a growing lack of affordable supply, especially in the Holland Metropole region. In addition to this, the rental market gives tenants greater flexibility. The Fund's sharpened focus on affordable housing in the mid-rental segment has given it a solid portfolio of prime properties perfect for this target group.

Allocation of investment property by price level based on rental income



Performance on sustainability

Highlights performance on sustainability 2021

- Improved GRESB score by two points (total 90 points) and obtained a GRESB 5-star rating for the second time;
- 100% of investments have GPR Building certificates, with an average score of 6.48 for the total portfolio;
- 100% green label portfolio, with an average NZEB2 score (Net-Zero-Energy-Building) of 161.7, average energy index of 1.02 (62.1% A label);
- Total of approx. 16,427 kWp solar power installed;
- 5.4% like-for-like reduction in energy consumption; 9.3% decrease in GHG emissions;
- 4,415 (25.0%) rental contracts with a sustainability clause;
- 82.1% of construction sites are registered under the Considerate Constructors (Bewuste Bouwer) scheme;
- 252 homes acquired in the mid-rental segment (€ 753 - €1,013);
- Coverage of 100% AEDs within six minutes walking distance;
- Signed DGBC Paris Proof commitment to become net-zero carbon before 2045; implemented Paris Proof roadmap in 2020.

Focus on sustainability

The built environment consumes around 40% of the world's energy and accounts for up to 30% of the world's annual GHG emissions. Additionally, the building industry is a large user of raw materials. As a global real estate investor, Bouwinvest feels it is part of its responsibility to contribute to a CO₂-neutral, sustainable, circular, resilient and healthy living environment, and to enhance stakeholder value by investing in sustainable real estate. Bouwinvest is convinced that its approach reduces risk, increases client returns and makes its real estate assets and portfolios more attractive.

Environmental, social and governance (ESG) factors will continue to play a major role in the Fund's investment strategy. The Fund is targeting a net-zero carbon, nearly energy-neutral and resilient portfolio before 2045 (approx. 40 kWh/m per year).

The Fund has set out clear targets for the reduction of its environmental footprint and improving its positive social impact. This will include an analysis of asset-level climate risks, including a plan of how to mitigate these risks.

To make a start, the Fund has formulated the following Paris Proof objectives for the mid term:

- 2021-2030: A year-on-year 5% reduction in GHG emissions for the total portfolio (general and tenant consumption);
- 2030: The portfolio has an average energy label A (NZEB2 <160 and energy index <1.0);
- 2030: 50% of the Fund's homes are natural gas free.

In addition, the Fund devotes attention to the Dutch policy position on transitioning towards a circular economy in 2050, with the focus on the use (and reuse) of resources. The real estate industry needs to be transformed into a circular ecosystem. The Fund is committed to circular building projects.

The Fund also performed data-driven analysis related to physical climate risks, such as heat stress, flooding, heavy rainfall and drought. For the total portfolio, the Fund analysed what the impact of those risks is on its assets based on location. In 2022, the Fund will continue to analyse these risks based on asset characteristics and focus on how it can mitigate the risks.

The Fund supports the United Nations Sustainable Development Goals (SDGs). The Fund actively supports four SDGs, as presented below.

Sustainable development goals

7 AFFORDABLE AND CLEAN ENERGY



Installation of renewable energy

8 DECENT WORK AND ECONOMIC GROWTH



Considerate constructor scheme for construction projects

11 SUSTAINABLE CITIES AND COMMUNITIES



Above average sustainable portfolio

13 CLIMATE ACTION



Climate adaptation

Highly sustainable Fund

For 2021, the Fund's goal was to continue to improve its sustainability performance and to improve its GRESB score to retain a 5-star rating, which is the highest rating. The Fund succeeded in retaining its GRESB 5-star rating, which puts it among the top 20% worldwide. The Fund also increased its overall score by two points, taking its total score to 90 points from 88 points in 2020. This resulted in a peer comparison position of 6th out of 10 in 2021 from 4th out of 9 in 2020.

The higher GRESB score was primarily the result of improvements in performance indicators. To retain its GRESB 5-star rating, the Fund will continue to increase its focus on performance indicators and maintain its focus on Policy & Disclosure, Stakeholder Engagement, Monitoring & EMS.

GRESB scores 2021



Investing in sustainable real estate

Sustainable buildings and investments

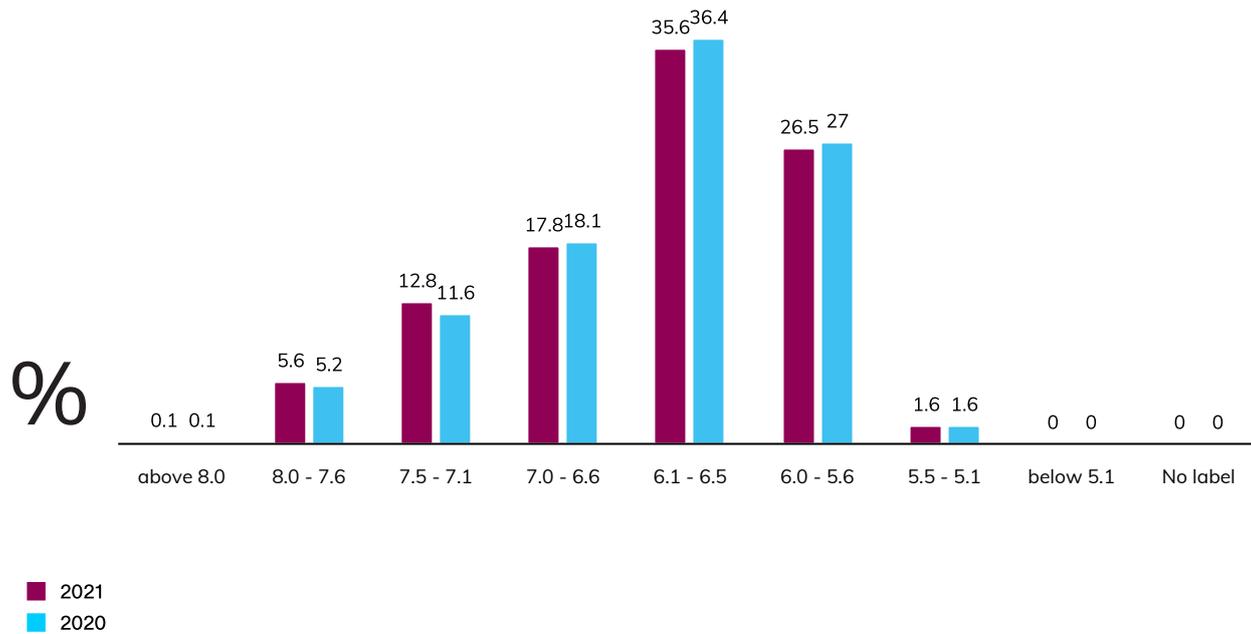
Sustainable building certificates show how the Fund performs in terms of sustainability at asset level and what further efforts it needs to make. The Fund uses internationally accepted sustainability certificates to measure and assess the overall sustainability of its assets. Benchmarks help the Fund to make informed business decisions to mitigate environmental, social and governance risks and enhance its long-term returns. 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. The GPR 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 makes it very easy to identify potential quality improvements following sustainability-related measures. This in turn makes it very easy to compare various scenarios and the outcome of any measures, which enables the Fund to choose the most (cost) effective measures, both in terms of sustainability and the long-term return on investment.

The Fund aimed to achieve an average GPR score of at least 6.4 (with a coverage of 100%) by the end of 2021. By year-end 2021, 100% of the portfolio had received a GPR label, with an average score of 6.48 (2020: 6.46).

For the coming years, the Fund will focus on improvements to get a higher average score related to the GPR labels. The ambition is that all new-build properties the Fund acquires will have to have a minimum energy performance coefficient of 0.2 (BENG proof) and a GPR score of 8.0.

GPR scores (% of lettable floor space)

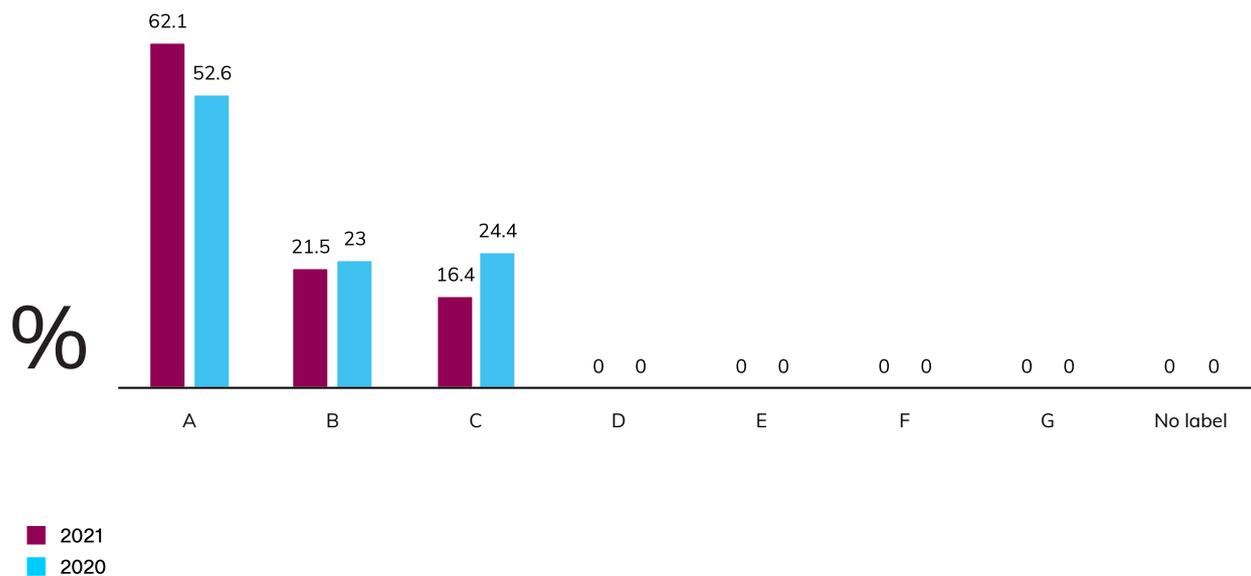


Green portfolio

The Fund's target was to have energy label A or better for 50% for the portfolio at the end of 2021. The Fund met this target in 2021, and had a 100% green portfolio, as all assets had an energy label A, B or C. The distribution of energy labels in the portfolio is shown below. Investment properties under construction are excluded from this overview. The Fund expects all these properties to receive an energy label A upon delivery.

In the Fund Plan 2022-2024 The Fund redefined its targets to 75% in 2024 to the effect that it was aiming to receive energy label A for at least 75% of the portfolio (NZEB2 150). The Fund will also continue to invest in its standing portfolio to reduce NZEB2 levels to a minimum of 150 and achieve a minimum average GPR score of 6.5 in 2024.

Distribution of energy labels by floor space (m²) in %



Environmental impact

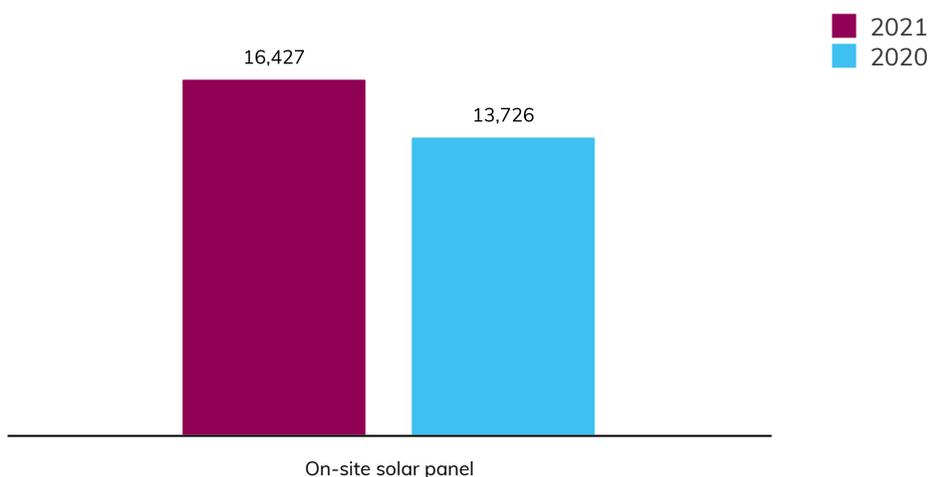
Bouwinvest committed itself to the Paris Proof commitment of the DGBC. To become net-zero carbon (Paris Proof) before 2045, the company drew up a roadmap for the Fund. In 2021, the Fund implemented the technologies, measures and costs related to the implementation in its strategic maintenance plan for the coming years.

Energy consumption and GHG emissions

In 2021, as well as in 2020, the Fund had to deal with the Covid-19 outbreak, which resulted in a decrease in electricity consumption of 3.8% (2020: 4.5%) and 5.4% lower total energy consumption (2020: 4.3%), both on a like-for-like basis. GHG emissions declined by 9.3% due to the lower use of natural gas. Both the energy reductions and the lower GHG emissions are for common areas. The Fund purchases renewable electricity for common areas, while property managers are required to deliver energy-efficient alternatives for repairs and replacements based on the Total Cost of Ownership (TCO) approach.

The Fund recalculated the targets related to energy reduction. For the coming years, the target for energy reduction is on average 4% per year to bring the target into line with (international) climate goals (reduction of 95% in CO emissions in 2050 compared with 1990).

On-site solar panels (kWp)



Renewable energy production

The Fund has increased the generation of solar power, both for new properties and existing apartments and houses. The Fund almost achieved its goal for 2021 and has included more ambitious goals in its Fund Plan for 2022-2024. The goal in 2021 was to focus on the installation of more than 16,500 kWp of solar panels by the end of 2021. Starting last year, the Fund is fitting all existing apartment buildings and houses with solar power.

The Fund also retained the target for renewable energy generated by solar panels to 21,000 kWp by the end of 2024.

In 2021, the Fund recalculated its targets for the reduction of its environmental impact in the period 2022-2024. So far, the Fund is well on track to achieve the following goals:

- Renewable energy: increase of renewable energy by 27% to 21.0 MWp;
- Energy consumption: average annual reduction of 4% as from 2021;
- GHG emissions: average annual reduction of 4% as from 2021;
- Water use: average annual reduction 2%;
- Waste: Increase recycling percentage.

Enhancing stakeholder value

Bouwinvest does its utmost to optimise long-term alliances with all of its stakeholders. It has methods and means in place to understand, meet and respond to its stakeholders needs and to engage with the issues that its stakeholders find important. In addition to this, Bouwinvest takes an active approach to raising environmental, social and governance awareness throughout the real estate industry, partly through membership of various real estate sector organisations, such as the Association of Institutional Property Investors in the Netherlands (IVBN) and the Dutch Green Building Council.

Improving client services and communications

Bouwinvest keeps its clients up to date on the Fund's activities and performance as well as the Dutch real estate market and important topics such as developments with regard to ESG developments (e.g. climate risk, regulation and involvement of the public side to the residential market). In 2021, apart from formal meetings such as the Annual Meetings of Shareholders, Advisory Committee meetings and quarterly conference calls to discuss the quarterly reports, Bouwinvest organised a (virtual) property tour and two separate client meetings on the topics of 'climate risk' and 'regulation of the residential market'. Moreover, Bouwinvest kept its clients updated via press releases and the 'Real Value for Life' newsletter.

In early 2021, Bouwinvest conducted a client survey among its investors resulting in a score of 7.1 (out of 10) for client satisfaction. This survey provided us with a lot of valuable feedback. One of the outcomes was that the Fund documentation needed to be updated. In a constructive dialogue with all shareholders, the Fund modernised its full set of fund documentation in 2021. Having made improvements in - among other things - liquidity, more say for the Advisory Committee and modern liability clauses, the Fund's terms and conditions are now completely up to date. The new terms and conditions were formally adopted at the General Meeting of Shareholders on 14 September 2021. The new Fund documentation came into effect on 1 January 2022.

These and other actions will help Bouwinvest improve its client services and communications. Bouwinvest's ultimate aim is to achieve a steady long-term client satisfaction score of 7.5 (out of 10). In the second half of 2022, the organisation will conduct another client satisfaction survey to check if the various improvement initiatives have indeed improved client satisfaction.

Tenant engagement

The Fund has made the satisfaction of its tenants a major priority for the coming years, as an integral part of its wider ambition: to be more client-centric in its approach to all its stakeholders. The Fund wants to continue to improve the quality and efficiency of its processes, to optimise its contacts with its tenants and to take a more proactive approach to how to provide its services.

In 2021, the Fund again devoted a great deal of attention to the customer journey, including how to engage and communicate with its tenants. Obviously, 2021 was a very difficult year for many people following the continuation of the Covid-19 pandemic, as this created an enormous amount of uncertainty, as did government restrictions introduced to combat the spread of the virus.

In 2021, it was again necessary to reach tailor-made payment arrangements (rent deferrals) with the relatively small number of tenants who, in some cases related to Covid-19, found themselves in financial difficulties. This had virtually no impact on the rental income.

As part of continuous efforts to improve the Fund's services, the rental process was further optimised and digitalised in 2021, making it easy and simple for potential tenants to sign up online and sign their contracts digitally. The Fund also rolled out its 'Living with Bouwinvest' tenant portal and a client monitoring system. Tenants will be able to use this portal for the likes of repair requests, online payments, changes in personal details and the filing of complaints, whenever and wherever they see fit. This means tenants now have a single access point for all their queries and comments.

The Bouwinvest client monitoring system is fully up and running, and provides a full 360-degree client view, so the Fund knows what its tenants need and how it can optimise its services. This will enable the Fund to monitor all interactions with its tenants, including those between tenants and property managers. This will in turn give the Fund the information it needs to measure the performance of its property managers and agree new performance targets. It will also make it easier for the Fund to measure the impact of any improvement measures it takes based on the feedback from its tenant satisfaction surveys. On another front, the new system makes it easier to track any payment arrangement the Fund reaches with its tenants.

The Fund's tenants are pivotal stakeholders and in recent years the Fund has made a good deal of progress in terms of truly engaging and getting to know its tenants. In 2021, the Fund once again conducted an annual tenant satisfaction survey. Over 37% of the sample group of approximately 8,200 randomly selected tenants filled in the survey. The result was an overall score of 7.3, which meets the target of >7.0. Although the score equals the previous year's score, the industry benchmark score went down by 0.1% to an overall score of 7.1. Overall, the Residential Fund ended second out of ten participants in the benchmark. The Fund will use the results of the survey and the suggestions provided by its tenants to draw up and implement improvement actions and to improve its services.

Green rental contracts

As a part of its drive to continue to improve its current sustainability levels in the long term, the Fund believes it needs to address the 'user effect'. By adding a separate appendix to the dos and don'ts for the use of its homes, the Fund wants to accelerate the realisation of its sustainability goals and ambitions. The Fund strongly believes that engaging its tenants in its efforts to increase the sustainability of its portfolio will make the Fund far more successful in the long run.

The target for 2021 was to have a sustainability clause included in 20% of all rental contracts. By the end of 2021, the Fund was well on track, as 25.0% of all rental contracts now have a sustainability clause.

Sustainable stewardship

Bouwinvest takes an active approach to raising environmental, social and governance awareness throughout the real estate industry. Bouwinvest encourages its partners to enhance their sustainability performance. Bouwinvest focuses on health & safety at construction sites, active participation (memberships) in industry associations and community programmes. To further improve the climate for real estate investments, Bouwinvest is an active member of boards and committees of sector, industry and cross-disciplinary networks such as NEPROM, IVBN, Holland Metropole, DGBC, INREV and the ULI.

The Fund's target is to have more than 75% of its construction sites registered under the Considerate Constructors (Bewuste Bouwer) scheme by the end of 2021. At the end of 2021, the Fund achieved its target, as 82.1% of its construction sites were registered with the scheme. This ensures that contractors deal with the concerns of local residents and address safety and environmental issues during the construction phase.

AED

Bouwinvest was the first company in the Dutch real estate investment sector to contribute to the establishment of a national AED (automatic external defibrillator) network, which it is estimated could save up to 2,500 lives every year in the Netherlands. The use of an AED offers the highest probability of survival within the first six minutes after a heart attack.

The Fund's target was for all its tenants and communities to have an AED available within six minutes walking distance by the end of 2021. The Fund achieved this target by the end of 2021. The Fund is also planning to install AEDs at all new assets it adds to its portfolio.

Financial performance

Fund return

The Fund realised a total return of 11.1% in 2021, consisting of a 2.1% income return and 8.9% capital growth. Net rental income, administrative and finance expenses were the main drivers for the income return. Capital growth was primarily driven by the ongoing demand for homes, the shortage of homes and the high levels of investor interest in this sector.

The total fund return ended above target. The Fund's income return ended on target and capital growth 10.0 %-points above target. The strong demand and lagging supply keep pushing vacant values upwards. These results confirm that the impact of Covid-19 on the (rental) housing market has so far been limited due to the strong fundamentals of the Dutch housing market.

Fund performance	2021 Actual	Plan	2020 Actual
Income return	2.1%	2.1%	2.4%
Capital growth	8.9%	-1.1%	4.4%
Fund performance	11.1%	1.0%	6.8%

Income return

Net rental income of € 186.4 million was € 0.6 million higher than the plan of € 185.8 million (2020: € 194.6 million). The most significant driver of the deviation from plan were higher gross rental income (€ 1.1 million) and higher other income (€ 0.3 million), partly offset by higher property operating expenses (€ 0.7 million) and higher service charge expenses (€ 0.1 million).

Administrative expenses (€ 37.5 million) were € 1.3 million higher than plan (€ 36.2 million) due to higher management fee costs, directly driven by the Fund's higher than planned average NAV. Finance expenses totalled € 4.2 million, almost on plan (€ 4.4 million).

The higher net rental income and higher administrative expenses resulted in an income return of 2.1%, the same as the plan.

Capital growth

The Fund realised capital growth of 8.9% compared with a plan of -1.1%. This figure confirms that the impact of Covid-19 on the (rental) housing market has so far been limited.

Property performance

The total property return for 2021 came in at 11.8%, consisting of a 2.7% income return and 8.9% capital growth. The Fund showed an underperformance of 3.6 %-points versus the MSCI Netherlands Index (all properties). The underperformance was largely driven by the capital growth which was 3.3 %-points lower than the benchmark's capital growth of 12.2%. In addition, the income return was 0.2 %-points lower than the benchmark's income return of 2.9%.

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

Property performance	2021 Actual	2021 MSCI	2020 Actual
Income return	2.7%	2.9%	2.8%
Capital growth	8.9%	12.2%	4.4%
Property performance	11.8%	15.4%	7.3%

UpTown Apartments

Rotterdam
The Netherlands



Shareholder information

Introduction

This section covers the financial management policies, activities and performance of the Fund over 2021, followed by the Fund's overall governance and structure. The section concludes with more details about the fund manager.

Financial management

Results

Income Statement summary (all amounts in € thousands)	2021	2020	Change	in %
Revenues	257,762	264,642	(6,880)	-3%
Operating expenses	(71,404)	(70,001)	(1,403)	2%
Net rental income	186,358	194,641	(8,283)	-4%
Net valuation gain / (loss)	621,405	264,521	356,884	135%
Result on disposal	-	22,858	(22,858)	100%
Administrative expenses	(37,522)	(34,989)	(2,533)	7%
Finance expenses	(4,175)	(4,478)	303	-7%
Income taxes	(10)	(15)	5	-33%
Result for the year	766,056	442,538	323,518	73%
Financial occupancy	97.8%	98.4%		
REER	0.89%	0.92%		
TGER	0.53%	0.52%		

In 2021, the full-year result increased to € 766.1 million from € 442.5 million in 2020 (73%). The increase of € 323.5 million was mainly driven by the higher valuations of the investment properties.

Revenues of € 257.8 million were € 6.9 million lower than 2020 (€ 264.6 million) driven by lower other income (€ 14.0 million) due to a one-off settlement in 2020, partly offset by higher gross rental income (€ 7.1 million) due to investments made in the course of the year. The occupancy rate declined by 0.6 %-points to 97.8% compared with 2020 (98.4%).

Operating expenses of € 71.4 million were € 1.4 million higher than 2020 (€ 70.0 million). This increase was primarily driven by higher maintenance costs (€ 1.6 million), and higher letting and lease renewal fees (€ 1.1 million). The addition to the provision for bad debtors in 2021 (€ 0.2 million) was € 0.7 million lower than in 2020 (€ 1.0 million) due to less uncertainty regarding rent deferrals and lower overall outstanding tenant receivables. Despite the increase in operating expenses, the REER fell to 0.89% in 2021 from 0.92% in 2020 as a result of the higher average NAV.

Administrative expenses, consisting primarily of the management fee, increased to € 37.5 million (2020: € 35.0 million). The increase of € 2.5 million was primarily due to higher management fees (€ 2.0 million) resulting from higher NAV. The finance result fell by just € 0.3 million to € 4.2 million as a result of continued negative interest rates. As a result of the higher average GAV, the TGER just increased to 0.53% in 2021 from 0.52% in 2020.

Dividend

As a result of the Fund's fiscal investment institution (FII) status, Bouwinvest will distribute all of the distributable result to the shareholders through four quarterly interim dividend payments and one final dividend payment.

The Executive Board of Directors proposes to pay a dividend of € 147.8 million for 2021 (2020: € 157.4 million), which corresponds to a pay-out ratio of 100%. It is proposed that the dividend will be paid in cash, within the constraints imposed by the company's fiscal investment institution (FII) status. Of this total dividend, 76% was paid out in the course of 2021. The fourth

instalment was paid on 15 February 2022. The rest of the distribution over 2021 will be paid in one final instalment following the adoption of the financial statements in the Annual General Meeting of shareholders on 6 April 2022.

Performance per share	2021	2,020
Dividends (in €)	102.56	110.50
Net earnings (in €)	532.49	314.40
Net asset value IFRS (in €, at year-end)	5,301.91	4,875.16
Net asset value INREV (in €, at year-end)	5,311.69	4,879.63

Funding

According to the funding policy, the Fund is allowed to have an unsecured pipeline, which is capped at 5% of the Fund's NAV with a maximum of € 300 million (as of 1 January 2022: € 370 million). At the end of 2021, the funding for the acquisition pipeline was completely secured.

In 2021, the Fund managed to make € 131.3 million in capital calls and welcomed nine new clients, bringing the total number of clients to 32 (2020:23). The total amount of committed new capital was € 356.5 million. One transfer of shares took place for an amount of € 400.0 million. The shares were fully taken over from the anchor investor by three existing shareholders.

Shareholder	Number of shares at year-end 2021	Shareholder	Number of shares at year-end 2021
Shareholder A	1,039,824	Shareholder K	12,896
Shareholder B	136,330	Shareholder L	10,746
Shareholder C	40,882	Shareholder M	10,264
Shareholder D	31,070	Shareholder N	9,392
Shareholder E	26,733	Shareholder O	8,939
Shareholder F	20,685	Shareholder P	8,651
Shareholder G	19,598	Shareholder Q	8,065
Shareholder H	18,537	Shareholder R	5,866
Shareholder I	17,596	Shareholder S	5,825
Shareholder J	13,486	Shareholder T	2,319
		Shareholder U	1,039
		Total	1,448,743

Leverage

Leverage policy: In line with the Fund's Information Memorandum, it is allowed to incur debt up to a maximum of 3% of the Net Asset Value, to bridge any temporary liquidity constraints and accommodate distributions to shareholders and redemptions of shares.

In 2021, the Fund was financed solely with equity and did not use any loan capital for liquidity management purposes.

Treasury management

Treasury policy: For treasury management purposes, the Fund acted in accordance with Bouwinvest's treasury policy in 2021, to manage the Fund's liquidity and financial risks. The main objectives of the treasury management activities were to secure shareholders' dividend pay-out, ensure other obligations could be met and to manage the Fund's cash position.

At year-end 2021, the Fund had € 92.0 million (2020: € 248.5 million) freely available in cash.

In 2021, the Fund's cash position declined by € 156.5 million compared with year-end 2020. In 2021, the Fund paid out € 147.5 million in dividend to its shareholders.

Interest rate and currency exposure

Interest and currency policy: As the Fund had no external loans and borrowings, nor any foreign currency exposure, the Fund had no exposure to interest rate risks or currency exposure risks. The interest rate risk related to bank balances is limited for the Residential Fund.

In 2021, the Fund's bank balances were affected by negative interest rate developments.

Tax

FII regime: The Fund qualifies as a fiscal investment institution (FII) under Dutch law and as such is subject to corporate tax at a rate of zero percent. Being an FII, the Fund is obliged to distribute its entire fiscal result annually. In 2021, the Fund complied with FII requirements.

Furthermore, the Fund met its obligations related to value added tax, transfer tax and other applicable taxes in their entirety in 2021.

Fund governance

Bouwinvest Dutch Institutional Residential Fund N.V. (the Fund) was established in 2010. The Fund has a governance structure that ensures effective and efficient management, combined with proper checks and balances. The Fund's governance structure consists of a General Meeting of Shareholders, a Shareholders' Committee and an Executive Board of Directors.

The Fund is governed by a robust framework with systems and processes to manage risks appropriately. Safeguarding the interests of its investors, integrity and transparency, the Fund fosters the following governance principles:

- The compliance function is independent;
- Conflicts of interests are avoided and managed through compliance with Bouwinvest's conflicts of interest policy;
- Robust checks and balances through established framework with lines of defence;
- Focus on process management: ISAE 3402 type II certified;
- Compliant with AIFMD;
- An independent depositary function has been installed.

Rules and principles governing day-to-day business:

- Best-in-class system for valuation of assets;
- Elaborate approval process for all real estate investments;
- Transparency and integrity integrated in daily business conduct;
- Code of conduct;
- Transparent and open shareholder communication.

Structure of the Fund

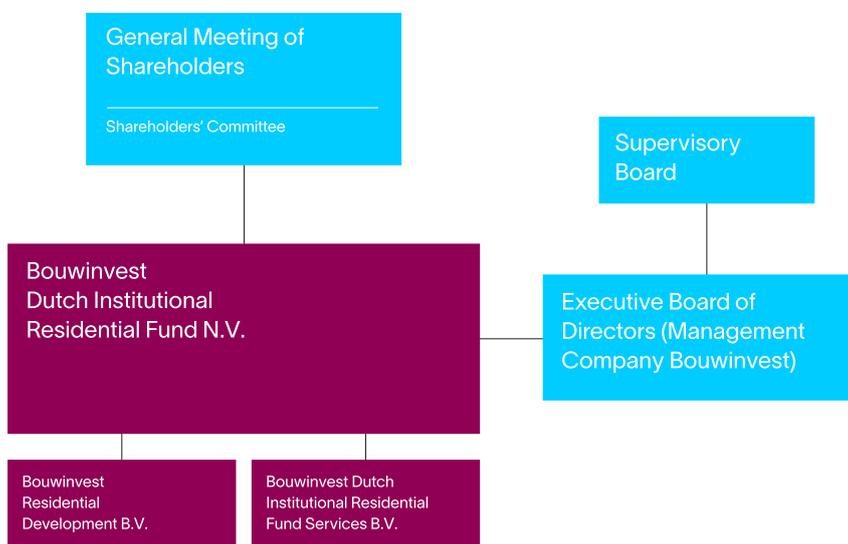
The Fund is structured as an investment company with variable capital, as defined in article 2:76a of the Dutch Civil Code, with its corporate seat in Amsterdam, the Netherlands. It is a fiscal investment institution (FII) within the meaning of Article 28 of the Dutch Corporate Income Tax Act 1969. Bouwinvest Real Estate Investors B.V. ('Bouwinvest') is the Fund's sole Statutory Director and management company pursuant to the management agreement. The management company has a licence within

the meaning of Article 2:65 of the Dutch Financial Supervision Act and is subject to supervision of the Dutch Financial Markets Authority (AFM).

Subsidiaries

The Fund has two taxable subsidiaries, Bouwinvest Dutch Institutional Residential Fund Services B.V., which renders services that are ancillary to the Fund’s renting activities, and Bouwinvest Residential Development B.V., which pursues development activities that are ancillary to the Fund’s investment portfolio. Such activities are placed in these taxable subsidiaries to ensure the Fund’s compliance with the criteria of the FII regime.

Fund governance bodies



Shareholders' Committee

The Shareholders' Committee comprises a maximum of five shareholders: one representative from each of the four shareholders with the largest individual commitments and one member to represent the collective interests of all other shareholders. Each eligible shareholder shall appoint a member of the Shareholders' Committee for a period of one year running from the Annual General Meeting. With the new Terms & Conditions coming into effect as of 1 January 2022, the Shareholders' Committee will be renamed Advisory Committee.

Role of the Shareholders' Committee

The role of the Shareholders' Committee is to approve certain specified resolutions by the management company and to be consulted with regard to certain resolutions specified in the Terms and Conditions.

General Meeting of Shareholders

Shareholders of the Residential Fund must be professional institutional investors within the meaning of section 1:1 of the Dutch Financial Markets Supervision Act (FMSA). General Meetings of Shareholders are held at least once a year to discuss the annual report, adopt the financial statements and discharge the Statutory Director of the Fund for its management. Shareholder approval is required for the Fund Plan and for other resolutions pursuant to the Fund Documents.

Anchor investor

As at this annual report's publication date, bpfBOUW held the majority of the shares in the Residential Fund.

Governance matrix

The voting rights of the General Meeting of Shareholders and the Shareholders' Committee are shown in the governance matrix.

	General Meeting of Shareholders		Shareholders' Committee	
	Simple majority vote (> 50%)	Double majority vote	Approval rights	Consultation rights
Amendment of the strategy of the Fund		X		X
Liquidation, conversion, merger, demerger of the Fund		X		X
Dismissal and replacement of the management company		X		X
Amendment of the management fee of the Fund		X		X
Conflict of interest on the basis of the Dutch Civil Code		X		X
Investments within the hurdle rate bandwidth as specified in the Fund Plan			X	
Related party transaction			X	
Amendment or termination of the Fund Documents	X			X
Adoption of the Fund Plan	X			X
Deviation from the valuation methodology of the Fund as set out in the Valuation Manual	X			X
Investments outside the hurdle rate bandwidth as specified in the Fund Plan	X			X
Change of control (of the management company)				X
Appointment, suspension and dismissal of managing directors of the Fund (with due observance to the rights mentioned under 3. here above).	X			X
Amendment to the Articles of Association of the Fund	X			
Adoption of the Accounts of the Fund	X			
Information rights on the basis of the Dutch Civil Code	X			
Authorising the Executive Board of Directors to purchase own shares	X			
Reducing the capital of the Fund	X			
Extending the five month term with regard to approval of the Accounts	X			
Providing the Executive Board of Directors with the authority to amend the Articles of Association of the Fund	X			
Appointing a representative in the event of a conflict of interest	X			
Requesting to investigate the Accounts and the withdrawal thereof	X			
Approval of an applicant shareholder to become a shareholder of the Fund	X			

Manager of the Fund

Bouwinvest is the fund manager of the Fund and as such is responsible for portfolio management and risk management. Bouwinvest, on behalf of the Fund, conducts the business activities related to the entire real estate investment process to achieve the Fund's investment objectives. Bouwinvest believes responsible business practices are a vital element in achieving the targeted return on investment. Bouwinvest is structured as a private limited liability company. bpfBOUW holds 100% of the shares in Bouwinvest.

Executive Board of Directors

Bouwinvest's Executive Board of Directors consists of the Chief Executive Officer, also Statutory Director, the Chief Financial & Risk Officer, also Statutory Director, the Chief Client Officer, the Chief Investment Officer Dutch Investments and the Chief Client Investment Officer International Investments. The Statutory Directors are appointed by the Bouwinvest General Meeting of Shareholders following nomination by Bouwinvest's Supervisory Board. The Executive Board of Directors is governed by Dutch law, as well as a set of regulations that also outline its tasks and responsibilities.

Supervisory Board

Bouwinvest has an independent Supervisory Board with a minimum of three and a maximum of five members. The Supervisory Board currently has four members. The maximum term of office is four years, with the possibility of reappointment for an additional four years. The role of the Supervisory Board is to supervise the policies of the Executive Board of Directors and the general affairs of the company and its related business. The Supervisory Board is responsible for the quality of its own performance. The members of the Supervisory Board are appointed by the Bouwinvest General Meeting of Shareholders. In carrying out its duties, the Supervisory Board is guided by the interests of Bouwinvest and its related business.

Policies, rules and regulations

Corporate Governance Code

Although the Dutch Corporate Governance Code does not directly apply to Bouwinvest as it is an unlisted company, the Executive Board of Directors endorses the best practices of the Code in as far as these are applicable to Bouwinvest and practical.

Code of Conduct

Bouwinvest has drawn up a Code of Conduct that applies to all its employees and which includes additional rules that specifically apply to the Executive Board of Directors and Supervisory Board with respect to conflicts of interest and investments. The Code of Conduct deals with issues such as ethical behaviour, conflicts of interest, compliance with laws and (internal and external) regulations, responsible investment, health and safety, as well as our business partners. Bouwinvest has also instituted a whistleblower policy to deal with the reporting and investigation of unethical behaviour. All employees receive code of conduct training.

Conflicts of Interest policy

Bouwinvest has a Conflicts of Interest policy. The purpose of this policy is to ensure that no material conflicts of interest occur that are damaging for investors in the Fund, the Fund or Bouwinvest. The policy also describes how Bouwinvest should act with respect to the allocation of different investment opportunities over the respective funds and clients. The policy is intended to supplement but not replace any applicable Dutch laws governing conflicts of interest. In 2021, there were no conflicts of interest as referred to in the Bouwinvest Conflicts of Interest Policy, either between the members of the Executive Board of Directors, the management company, the Fund and/or other funds managed by the management company.

Funds managed by Bouwinvest

Bouwinvest manages the following alternative investment funds:

- Bouwinvest Dutch Institutional Residential Fund N.V.
- Bouwinvest Dutch Institutional Retail Fund N.V.
- Bouwinvest Dutch Institutional Office Fund N.V.

Bouwinvest has separate mandates from bpfBOUW for the management of international real estate investments in Europe, North America and the Asia-Pacific region, hotel properties through Bouwinvest Dutch Institutional Hotel Fund N.V. and healthcare properties through Bouwinvest Dutch Institutional Healthcare Fund N.V.

Bouwinvest aims for the highest level of transparency in its communications on its financial situation, strategy, plans and other information relevant to its existing and potential investors and other stakeholders. In addition to this annual report, the management company reports on a quarterly basis on the status of the Fund and organises quarterly conference calls to discuss the developments within the Fund with its shareholders. Furthermore, Bouwinvest organises General Meetings of Shareholders twice a year, together with Shareholders' Committee meetings to discuss and approve the Fund plan and annual report. All information and documents related to the Fund are available for shareholders via the Bouwinvest Investor Portal.

Shareholders' calendar

15 February 2022	Payment interim dividend fourth quarter 2021
9 March 2022	Advisory Committee
6 April 2022	General Meeting of Shareholders
26 April 2022	Payment of final dividend 2021
18 May 2022	Payment interim dividend first quarter 2022
15 June 2022	Advisory Committee
18 August 2022	Payment interim dividend second quarter 2022
14 September 2022	Advisory Committee
9 November 2022	Advisory Committee
18 November 2022	Payment interim dividend third quarter 2022
7 December 2022	General Meeting of Shareholders
15 February 2023	Payment interim dividend fourth quarter 2022

Breezicht Family homes

Zwolle
The Netherlands



Risk management

Bouwinvest Real Estate Investors aims to operate on the basis of a healthy balance between risk and return and strives to take risks in a conscious and sustainable manner. Integrated Risk Management is a key mechanism to meet this goal by providing the means to identify, assess and understand various types of risk inherent in all Bouwinvest services/products, activities, processes and systems.

To support Integrated Risk Management and to ensure that the fund remains within its risk profile and consequently its risk appetite, Bouwinvest set up a Risk Management Framework that enables it to address the fund-specific risks that may prevent the Fund from achieving its objectives. This consists of a balanced set of control measures and fund-specific key risk indicators and limit setting (including early warning limits) for the Fund's risk taxonomy.

As manager of the Fund, Bouwinvest Real Estate Investors is responsible for the management of the risks in the Fund. Details regarding the risk management system applied to the Fund are elaborated on in the Bouwinvest Real Estate Investors' 2021 annual report.

Risks in the portfolio are monitored closely and the following events and risks were noteworthy in 2021:

Market risk

Within the area of market risk, no material risks occurred in 2021.

Credit risk

Within the area of credit risk, no material risks occurred in 2021.

Liquidity risk

Within the area of liquidity risk, no material risks occurred in 2021.

Business risk

Business environment risk

Possible rental market regulation changes

The cabinet is looking to maximise the 'WOZ' (Real Estate Value Act) value in the housing valuation system to 33%. This last measure is not yet in force. The WOZ value plays a significant role in the home valuation system in terms of points. If the WOZ value is higher, the home will be assigned a higher valuation in points. If the restriction were to apply, the impact on the portfolio is expected to be marginal.

Other potential plans include:

- The regulation of rental levels on the basis of the housing valuation system.
- The regulation of rental levels on the basis of a percentage of the 'WOZ' (Real Estate Value Act) value.

Following the reintroduction of a Minister of Housing and Spatial Planning, market parties are hoping that this will lead to a more effective and better aligned longer-term plan to solve the housing shortage. The new government has the following intentions. A goal to build around 100,000 new homes per year (with at least two-thirds of these in the affordable category). These will be built primarily in the 14 designated urban areas in the government's NOVI programme. An annual sum of € 7.5 billion will be allocated to infrastructure around new housing developments. Furthermore, the landlord levy ('verhuurdersheffing') for social rental housing will be abolished. To slow down record house price increases, the transfer tax for investors will be increased to

9% from 8% as of 2023 and the € 100,000 tax-exempt gift (for house purchase purposes) will be abolished as of 2024. The measures come on top of initiatives at local government level, such as the halt on buy-to-let within the existing housing market.

FII regime

In 2021, the Dutch Ministry of Finance started the evaluation of the Fiscal Investment Institution (FII) regime that was announced in 2020. This evaluation should be finalised in 2022. Bouwinvest is taking into account the possibility that this evaluation will lead to a change of law as a result of which the Fund might no longer apply the FII regime. Bouwinvest has mitigated this risk by anticipating and preparing a restructuring of the Fund into the legal form of a so-called closed Fund for Mutual Account (FMA). Given its fiscal transparency, the closed FMA prevents double taxation for investors and is therefore the most appropriate alternative for an FII. Future amendments to the Dutch tax transparency rules, which are expected to be announced in 2022, should not alter this conclusion.

In the course of 2022, Bouwinvest will decide whether to propose a restructuring of the Fund to the Shareholders' Meeting and, if so, by which date such restructuring must be effected. Bouwinvest will take into account all uncertainties, including the future of the FII regime and the impact on all investors, when taking such a decision.

ESG risk

Last year was another year with exceptional weather conditions, and as such a reminder of the need to deal with climate change and related risks. In line with the recommendations from the Task Force on Climate Financial Disclosures (TCFD), the Fund recognises two main risks related to climate change:

- Physical risks directly affecting the Fund's real estate and/or tenants (heat stress, pluvial flood, subsidence and coastal / river flood)
- Transition risks, or risks related to the adaptation of the Fund's real estate to future climate changes (an environment in which greenhouse gases should be minimised to limit future temperature rises to 2°C or less).

Core elements of the recommended disclosures include the organisation's governance related to climate risks, the strategy, the risk management and resulting metrics and targets.

Within Bouwinvest, the Sustainability & Innovation department is dedicated to advising the Executive Board of Directors on preparing the management organisation and the Fund for the necessary steps and related changes. These climate risks affect a large number of risks within Bouwinvest's risk taxonomy, and Bouwinvest will adapt its risk taxonomy to incorporate climate risk where necessary. As an example of recent initiatives, the Fund has started a pilot for the next phase of identifying physical climate risks. The purpose of the pilot is to identify the net risk of all four physical climate risks based on both geographical location and building characteristics. The Fund is aiming to perform the same analysis for the total portfolio in 2022.

Operational risk

Within the area of operational risk, no material risks occurred in 2021.

Compliance risk

Within the area of compliance risk, no material risks occurred in 2021.

Early 2022, Bouwinvest was notified of a data breach from a software supplier that is used by Bouwinvest's property managers. Bouwinvest has notified the appropriate authorities and informed its tenants about the data breach and possible consequences. The data breach was the result of a cyberattack. The software supplier is investigating the attack.

Outlook

Residential occupier market

The Netherlands is faced with a substantial and growing shortage of homes, especially in the Holland Metropole region. This shortage, together with persistent low interest rates and favourable lending conditions, is fuelling the continuing rise in house prices. This is putting the owner-occupier market beyond the reach of a growing number of people, mainly first-time buyers and middle-income households. The mid-rental segment (with monthly rents between € 753 and € 1,013, price level 2021) is vital to the mobility in the housing market. High-quality mid-rental segment homes can prompt tenants living in homes that are too cheap for their income to move from social housing to the liberalised rental sector, which would free up homes for low-income households. This means investing in mid-rental segment homes can have a positive social impact.

Residential investor market

In recent years, annual real estate investment volumes have averaged between € 18 billion and € 20 billion. This continued in 2021 when, despite the Covid-19 crisis, the investment volume came in at € 18.2 billion. At the same time, initial yields have either contracted or remained stable and relatively low in almost all real estate segments. This indicates that investor interest in real estate has remained high.

Overall, in this persistent low interest environment, the yield spread of real estate compared to bonds still provides interesting investment opportunities. Bouwinvest therefore expects investor interest to remain substantial for growth sectors, specific opportunities and for core properties. Bouwinvest will closely monitor inflation and potential impact on interest rates.

Residential real estate has accounted for one of the biggest shares of Dutch real estate investment volumes since 2018. The demand for residential investments remained stable during the Covid-19 crisis, while the demand of investment opportunities declined. Investor interest in residential real estate is expected to remain strong in the coming years, driven by high demand on the occupier front.

The Russian invasion of Ukraine and rapidly escalating events in late February and in March 2022 are a significant tragedy for the people and is causing disruption to business and economic activity in the region and worldwide. This qualifies as a non-adjusting subsequent event. These events and the related market uncertainty could have an adverse impact on the Fund, including but not limited to the fair value of its investments and/or cash flows. At this moment it is not possible to provide an estimate of the financial impact of this crisis worldwide and on the Fund. The Fund screens periodically its existing business relationships, including sanction lists where required. In respect to Russia and Belarus no determination of direct breaches of any current sanction rules were noted nor any material matters that affect the going concern of the Fund. The Fund will continue to monitor market conditions as information becomes available and evaluate potential impact, if any, on the value of the Fund's real estate investments and its operations going forward.

Residential Fund plan

The Residential Fund has a clearly defined strategy of controlled growth and optimisation based on the three pillars of quality, sustainability and affordability. The Fund firmly believes that the residential sector will continue to offer good long-term investment opportunities in core regions with strong economic and demographic fundamentals. The Fund's plan is to increase its invested capital to € 9,133 million by year-end 2024. The Fund will achieve this through positive revaluations, targeted acquisitions of high-quality assets, investments to keep its assets up-to-date and fit-for-purpose and the divestment of assets that no longer meet the Fund's strategic requirements. The optimisation of the Fund's portfolio covers a whole range of aspects, from improving the overall quality of the assets, making them more sustainable, increasing the number of affordable homes, maintaining the high occupancy rate, improving tenant satisfaction and introducing innovations in the Fund's homes and in the services the Fund provides.

Bouwinvest believes that it can only generate long-term stable financial returns for its investors if it takes the societal impact into account in decisions it takes. The Fund's focus is on the city of the future and it aims to create real value for life by investing for the long term in a responsible manner. The Fund wants to invest in thriving urban and suburban areas that are attractive now and will continue to be so in the future. Liveable cities are inclusive places, where people can live, work, recreate and spend their time. The Fund wants its portfolio to reflect that inclusiveness, which is why it is looking to increase the number of affordable, mid-rental segment homes in its portfolio. In addition, the Fund aims to reduce the environmental impact of its portfolio, striving for a net-zero carbon, nearly energy-neutral and climate-resilient Paris Proof portfolio before 2045.

The pandemic will leave its mark on the real estate markets. Many developments that had already been initiated before the pandemic accelerated during the crisis. At the same time, the Fund is convinced that once Covid-19 measures are lifted, people will want to travel and meet each other again. With its long-term investment scope, the Fund focuses on adding value for its investors, tenants and stakeholders by continuing to invest in attractive living and working environments.

Amsterdam, 21 March 2022

Bouwinvest Real Estate Investors B.V.

Dick van Hal, Chief Executive Officer and Statutory Director
Rianne Vedder, Chief Financial & Risk Officer and Statutory Director
Mark Siezen, Chief Client Officer
Allard van Spaandonk, Chief Investment Officer Dutch Investments
Stephen Tross, Chief Investment Officer International Investments

Financial statements

Consolidated statement of comprehensive income

All amounts in € thousands, unless otherwise stated

	Note	2021	2020
Gross rental income	6	250,405	243,307
Service charge income	6	6,808	6,706
Other income		549	14,629
Revenues		257,762	264,642
Service charge expenses		(7,212)	(6,988)
Property operating expenses	7	(64,192)	(63,013)
		(71,404)	(70,001)
Net rental income		186,358	194,641
Result on disposal of investment property		-	22,858
Positive fair value adjustments completed investment property	12	595,771	237,707
Negative fair value adjustments completed investment property	12	(5,203)	(8,126)
Fair value adjustments on investment property under construction	13	30,837	34,940
Net valuation gain (loss)		621,405	264,521
Administrative expenses	8	(37,522)	(34,989)
Result before finance result		770,241	447,031
Finance expenses	9	(4,175)	(4,478)
Net finance result		(4,175)	(4,478)
Result before tax		766,066	442,553
Income taxes	10	(10)	(15)
Result for the year		766,056	442,538
Items that will not be reclassified subsequently to comprehensive income		-	-
Items that may be reclassified subsequently to comprehensive income		-	-
Total comprehensive income for the year, net of tax		766,056	442,538
Net result attributable to shareholders		766,056	442,538
Total comprehensive income attributable to shareholders		766,056	442,538
Earnings per share (€)			
From continuing operations			
Basic	19	532	314
Diluted	19	532	314

Consolidated statement of financial position

Before appropriation of result, all amounts in € thousands

As at 31 December	Note	2021	2020
Assets			
Non-current assets			
Investment property	12	7,098,313	6,369,668
Investment property under construction	13	639,153	453,085
Total non-current assets		7,737,466	6,822,753
Current assets			
Trade and other current receivables	14	8,869	9,726
Cash and cash equivalents	15	92,014	248,479
Total current assets		100,883	258,205
Total assets		7,838,349	7,080,958
Equity and liabilities			
Equity attributable to the owners of the Fund			
Issued capital		1,448,743	1,421,755
Share premium		2,646,300	2,541,988
Revaluation reserve		3,225,033	2,613,110
Retained earnings		(405,029)	(88,104)
Net result for the year		766,056	442,538
Total equity	16	7,681,103	6,931,287
Liabilities			
Non-current lease liabilities	17	128,081	117,190
Current trade and other payables	18	29,165	32,481
Total liabilities		157,246	149,671
Total equity and liabilities		7,838,349	7,080,958

Consolidated statement of changes in equity

For 2021, before appropriation of profit, all amounts in € thousands

	Issued capital	Share premium	Revaluation reserve*	Retained earnings	Net result for the year	Total equity
Balance at 1 January 2021	1,421,755	2,541,988	2,613,110	(88,104)	442,538	6,931,287
Comprehensive income						
Net result	-	-	-	-	766,056	766,056
Total comprehensive income	-	-	-	-	766,056	766,056
Other movements						
Issued shares	26,988	104,312	-	-	-	131,300
Appropriation of result	-	-	-	442,538	(442,538)	-
Dividends paid	-	-	-	(147,540)	-	(147,540)
Movement revaluation reserve	-	-	611,923	(611,923)	-	-
Total other movements	26,988	104,312	611,923	(316,925)	(442,538)	(16,240)
Balance at 31 December 2021	1,448,743	2,646,300	3,225,033	(405,029)	766,056	7,681,103

* See explanation dividend restrictions in Note 16.

For 2020, before appropriation of profit, all amounts in € thousands

	Issued capital	Share premium	Revaluation reserve*	Retained earnings	Net result for the year	Total equity
Balance at 1 January 2020	1,397,674	2,451,069	2,439,856	(430,518)	671,208	6,529,289
Comprehensive income						
Net result	-	-	-	-	442,538	442,538
Total comprehensive income	-	-	-	-	442,538	442,538
Other movements						
Issued shares	24,081	90,919	-	-	-	115,000
Appropriation of result	-	-	-	671,208	(671,208)	-
Dividends paid	-	-	-	(155,540)	-	(155,540)
Movement revaluation reserve	-	-	173,254	(173,254)	-	-
Total other movements	24,081	90,919	173,254	342,414	(671,208)	(40,540)
Balance at 31 December 2020	1,421,755	2,541,988	2,613,110	(88,104)	442,538	6,931,287

* See explanation dividend restrictions in Note 16.

Consolidated statement of cash flows

All amounts in € thousands

	Note	2021	2020
Operating activities			
Net result		766,056	442,538
Adjustments for:			
Valuation movements		(621,405)	(264,521)
Result on disposal of investment property		-	(22,858)
Net finance result		4,175	4,478
Movements in working capital		(2,458)	(31,232)
Cash flow generated from operating activities		146,368	128,405
Interest paid		(1,855)	(2,270)
Cash flow from operating activities		144,513	126,135
Investment activities			
Proceeds from disposal of investment property		-	282,270
Payments of investment property		(6,923)	(13,623)
Payments of investment property under construction		(277,815)	(205,951)
Cash flow from investment activities		(284,738)	62,696
Finance activities			
Proceeds from the issue of share capital		131,300	115,000
Dividends paid		(147,540)	(155,540)
Cash flow from finance activities		(16,240)	(40,540)
Net increase/(decrease) in cash and cash equivalents		(156,465)	148,291
Cash and cash equivalents at beginning of year		248,479	100,188
Cash and cash equivalents at end of year	15	92,014	248,479

Notes to the consolidated financial statements

All amounts in € thousands, unless otherwise stated

1 General information

The Residential Fund (Chamber of Commerce number 34366452) is a public limited liability company incorporated under the laws of the Netherlands, with its corporate seat in Amsterdam, the Netherlands. The Fund was formed for the purpose of providing shareholders with a rate of return by acquiring, managing, adding value to and disposing of a diversified real estate portfolio through investments in residential real estate in the Netherlands.

The Fund owns two taxable subsidiaries, Bouwinvest Residential Development B.V. (Chamber of Commerce number 70315809) and Bouwinvest Dutch Institutional Residential Fund Services B.V. (Chamber of Commerce number 67492711). These subsidiaries perform activities that might go beyond mere 'investing'. By having these activities performed by these subsidiaries the Fund remains compliant with the investment criteria of the Fiscal Investment Institution-regime. Bouwinvest Residential Development B.V. (Residential Development) performs development activities for the investment portfolio of the Fund while Bouwinvest Dutch Institutional Residential Fund Services B.V. (Residential Fund Services) renders services that are ancillary to the renting activities of the Fund.

The Fund's active portfolio management is supported by the supply of (re)developed properties by Residential Development and third parties.

Bouwinvest is the manager and Statutory Director of the Residential Fund. The Statutory Director will present the annual report to the Annual General Meeting of shareholders on 6 April 2022, and will request the approval of the financial statements.

2 Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied unless otherwise stated.

The Fund's functional and presentation currency is the euro. All amounts are in thousands of euros, unless otherwise stated. The financial year 2021 was a normal calendar year from 1 January to 31 December 2021.

2.1 Basis of preparation

Statement of compliance

The consolidated financial statements of the Fund have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union.

The Company financial statements of the Fund are included in the consolidated financial statements and are prepared in accordance with the legal requirements of Part 9, Book 2, of the Dutch Civil Code. These financial statements have been prepared in accordance with the provision of Article 2:362 subsections 8 and 9, of the Dutch Civil Code, under which the Company financial statements may be prepared in accordance with accounting policies as adopted in the consolidated financial statements.

Statement of comprehensive income

The Fund presents its statement of comprehensive income by nature of expenses.

Application of new and revised International Financial Reporting Standards (IFRS)

In 2021, the Fund adopted the new IFRS standards, amendments to IFRS and the interpretations that are mandatory for accounting periods that begin on or after 1 January 2021:

- Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 Interest Rate Benchmark Reform – Phase 2
- Amendment to IFRS 16 Leases: COVID-19-Related Rent Concessions beyond 30 June 2021 (applicable for annual periods beginning on or after 1 April 2021 but not yet endorsed in the EU)

These standards, amendments and interpretations do not have a significant impact on the disclosures in the Fund's financial statements.

New and amended standards and interpretations in issue but not yet effective

At the date of authorisation of these financial statements, the Fund has not applied the following new and revised IFRS Standards that have been issued but are not yet effective and in some cases had not yet been adopted by the European Union:

- Amendments to IAS 16 Property, Plant and Equipment: Proceeds before Intended Use (applicable for annual periods beginning on or after 1 January 2022)
- Amendments to IAS 37 Provisions, Contingent Liabilities and Contingent Assets: Onerous Contracts – Cost of Fulfilling a Contract (applicable for annual periods beginning on or after 1 January 2022)
- Amendments to IFRS 3 Business Combinations: Reference to the Conceptual Framework (applicable for annual periods beginning on or after 1 January 2022)
- Annual Improvements to IFRS Standards 2018–2020 (applicable for annual periods beginning on or after 1 January 2022)
- IFRS 17 Insurance Contracts (applicable for annual periods beginning on or after 1 January 2023)
- Amendments to IFRS 4 Insurance Contracts – Extension of the Temporary Exemption from Applying IFRS 9 (applicable for annual periods beginning on or after 1 January 2023, but not yet endorsed in the EU)
- Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current (applicable for annual periods beginning on or after 1 January 2023, but not yet endorsed in the EU)
- Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2: Disclosure of Accounting Policies (applicable for annual periods beginning on or after 1 January 2023, but not yet endorsed in the EU)
- Amendments to IAS 8 Accounting policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates (applicable for annual periods beginning on or after 1 January 2023, but not yet endorsed in the EU)
- Amendments to IAS 12 Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction (applicable for annual periods beginning on or after 1 January 2023, but not yet endorsed in the EU)

The Fund is monitoring these regulatory changes.

Preparation of the financial statements

The consolidated financial statements have been prepared on a historical cost basis, except for investment property and investment property under construction, which are measured at fair value as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for assets. The principal accounting policies are set out below.

The preparation of financial statements in accordance with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Fund's accounting policies. Changes in assumptions may have a significant impact on the financial statements in the period the assumptions changed. Management believes that the underlying assumptions are appropriate. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in Note 4.

2.2 Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company and its subsidiaries. Control is achieved when the Company: has power over the investee; is exposed, or has rights, to variable returns from its involvement with the investee; and has the ability to use its power to affect its returns.

The following entities are included in the consolidated financial statements:

- Bouwinvest Residential Development B.V. (100%), established 15 December 2017
- Bouwinvest Dutch Institutional Residential Fund Services B.V. (100%), established 15 December 2016

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Company has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including:

- the size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Company, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of comprehensive income from the date the Company gains control until the date when the Company ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

2.3 Investment property

Investment property is initially measured at its cost, including related transaction costs such as advisory costs, notary costs, transfer taxes and borrowing costs. Borrowing costs incurred for the purpose of acquiring, constructing or producing a qualifying investment property are capitalised as part of its cost. Borrowing costs are capitalised while acquisition or construction is actively underway and cease once the asset is substantially complete, or suspended if the development of the asset is suspended.

After initial recognition, investment property is stated at fair value. Fair value is based on active market prices, adjusted, if necessary, for any difference in the nature, location or condition of the specific asset.

In line with the Practice Statements, as incorporated in the Royal Institute of Chartered Surveyors Appraisal and Valuation Standards ('the Red Book'), valuations are performed as of the financial position date by professional valuation experts who hold recognised and relevant professional qualifications and have recent experience in the location and category of the investment property being valued. These valuations form the basis for the carrying amounts in the financial statements. Investment property that is being redeveloped for continuing use as an investment property or for which the market has become less active continues to be measured at fair value.

The fair value of investment property reflects, among other things, rental income from current leases and assumptions about rental income from future leases in the light of current market conditions, including vacancy and rental incentives. The fair value also reflects, on a similar basis, any cash outflows that could be expected in respect of the property. Some of those outflows are recognised as a liability, including lease liabilities in respect of leasehold land classified as investment property; others, including contingent rent payments, are not recognised in the financial statements.

Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Fund and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognised.

If a valuation obtained for a property held under a lease is net of all payments expected to be made, any related lease liability recognised separately in the statement of financial position is added back to arrive at the carrying value of the investment property for accounting purposes.

The fair value of investment property does not reflect future capital expenditure that will improve or enhance the property and does not reflect the related future benefits from this future expenditure other than those a rational market participant would take into account when determining the value of the property.

Gains and losses arising from changes in fair values are included in the statement of comprehensive income in the year in which they arise. Investment properties are derecognised either when they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Gains and losses on disposal of investment properties are recognised in the statement of comprehensive income in the year of disposal.

The right-of-use component of land leases is included as an integral part of the Investment property. The accounting principles for land leases are disclosed in more detail in note 2.5 Leases.

Investment property under construction or being developed for future use as investment property is presented under 'Investment property under construction'.

Net result on the sale of investment property

Proceeds from the sale of investment properties are recognised when the control of the property is transferred to the purchaser. The profits or losses on the sale of investment properties are identified as the difference between the net proceeds of the sale and the carrying value of the investment properties in the Fund's most recently published statement of financial position.

2.4 Investment property under construction

Investment property under construction for future use as investment property is stated at fair value.

In line with the valuation procedure, valuations are performed as of the financial position date by external professional valuation experts using the special assumption 'as-if completed'. This assumes that on the valuation date the project has been developed, delivered and leased. The 'as-if completed' valuation from the external appraiser serves as an input value to arrive at the valuation for investment property under construction. The external valuation 'as-if completed' is subsequently discounted from the expected completion date to the valuation date. This is also done for the remaining development costs to complete the project.

Fair value measurement on investment property under construction is only applied if the fair value is considered to be reliably measurable. If the Fund determines that the fair value of an investment property under construction is not reliably determinable when construction is incomplete, it shall measure that investment under construction at cost until either its fair value becomes reliably determinable or construction is completed.

It may sometimes be difficult to determine the fair value of the investment property under construction reliably. In order to evaluate whether the fair value of an investment under construction can be determined reliably, management considers, among other things, the following factors:

- The provisions of the construction contract
- The stage of completion
- Project/ property characteristics: standard (typical for the market) or non-standard
- The level of reliability of cash inflows after completion
- The development risk specific to the property
- Past experience with similar construction projects
- Pre-let percentage
- Status of construction permits

After the first instalment for the project under construction, an external valuation expert values the project each quarter. Gains and losses arising from changes in fair values are included in the statement of comprehensive income in the year in which they arise.

Investment property is not developed within the Residential Fund but via external parties or within Bouwinvest Development B.V. or Bouwinvest Residential Development B.V. When entering into the contract, the rental risk is transferred to the Fund; the remaining risks remain with the developer. The paid instalments are therefore recognised as investment property under construction.

The right-of-use component of land leases is included as an integral part of the Investment property under construction. The accounting principles for land leases are disclosed in more detail in note 2.5 Leases.

2.5 Leases

The Fund shall assess at the inception of a contract whether the contract is, or contains, a lease. A lease contract conveys the right to control the use of an identified asset owned by another party for a period of time in exchange for a consideration. The economic benefits deriving from that asset are transferred to the Fund. Where the Fund is a lessee, the Fund recognises a right-of-use asset and a lease liability.

The Fund recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

The Fund leases properties that meet the definition of investment property. These right-of-use assets are presented as part of the line item 'Investment property' in the statement of financial position.

The lease liability is the primary basis for the accounting of the right-of-use asset. At inception, the right-of-use asset comprises the lease liability plus any direct costs of obtaining the lease, less any incentives provided by the lessor. After initial recognition, the Fund measures the right-of-use asset applying a cost model. For leases, the Fund applies the fair value model in IAS 40.

The accounting principles for lease liabilities are disclosed in more detail in note 2.10 Non-current lease liabilities.

2.6 Financial instruments

Financial assets and financial liabilities are recognised in the Fund's statement of financial position when the Fund becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value, except for trade receivables that do not have a significant financing component which are measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Financial assets

Financial assets are classified at initial recognition, and subsequently measured at amortised cost, fair value through other comprehensive income, or fair value through profit or loss. The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Fund's business model for managing them.

The Fund determines the classification of its financial assets at initial recognition. At initial recognition, financial assets are measured at fair value, plus, in the case of investments not at fair value through profit or loss, directly attributable transaction costs. With the exception of trade receivables that do not contain a significant financing component, the Fund initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. As the Fund's rent and other trade receivables do not contain a significant financing component, they are measured at the transaction price determined under IFRS 15.

Financial assets are derecognised only when the contractual rights to the cash flows from the financial asset expire or the Fund transfers substantially all risks and rewards of ownership.

Financial assets recognised in the statement of financial position as trade and other receivables. They are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less loss allowance.

The Fund recognises an allowance for expected credit losses (ECLs) for all debt instrument except those held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

For rent and other trade receivables and contract assets, the Fund applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date (i.e., a loss allowance for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default). The Fund has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. Impaired debts are derecognised when they are assessed as uncollectible.

In determining the expected credit losses the Fund takes into account any recent payment behaviours and future expectations of likely default events (i.e. not making payment on the due date) based on individual customer credit ratings, actual or expected insolvency filings or company voluntary arrangements, likely deferrals of payments due and those tenants expected to be offered a period of rent free as a result of temporary closures imposed in order to limit the spread of Covid-19 and market expectations and trends in the wider macro-economic environment in which our customers operate. These assessments are made on a customer by customer basis.

If in a subsequent period the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed, to the extent that the carrying value of the asset does not exceed its amortised cost at the reversal date. Any subsequent reversal of an impairment loss is recognised in the statement of comprehensive income.

Financial liabilities

The Fund's financial liabilities comprise trade and other payables. All financial liabilities are recognised initially at fair value and net of directly attributable transaction costs. The Fund determines the classification of its financial liabilities at initial recognition.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expired.

Financial liabilities included in trade and other payables are initially recognised at fair value and subsequently at amortised cost. The fair value of a non-interest bearing liability is its discounted repayment amount. If the due date of the liability is less than one year, discounting is omitted.

2.7 Prepayments

Prepayments are stated at cost less any accumulated impairment losses.

2.8 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts.

2.9 Issued capital

Shares are classified as equity when there is no obligation to transfer cash or other assets. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

2.10 Non-current lease liabilities

At initial recognition, a lease liability is measured at the present value of the lease payments in the lease, including any renewal options where it is reasonably certain the Fund will exercise the option and the lease payments due after exercising the option can be estimated.

Lease payments are discounted using the rate implicit in the lease. If this rate cannot be estimated, the Fund's incremental borrowing rate for borrowings secured by a similar asset and for a similar term as the lease is used. Lease payments include fixed payments and variable payments that depend on an index or rate including any renewal options included in the determination of the term of the lease.

After initial recognition, the Fund measures the lease liability by:

- increasing the carrying amount to reflect interest on the lease liability;
- reducing the carrying amount to reflect the lease payments made; and
- remeasuring the carrying amount to reflect any reassessment or lease modifications.

For land lease contracts, the Fund takes into account a perpetual view, even when the land lease contracts have a continuous character. Continuous contracts may include a potential break option, however this break option is considered theoretical, as the land lease is highly interlinked with the investment property. Breaking the lease destroys the value of the property. Therefore, the lease term for continuous contracts is also considered perpetual.

The Amsterdam municipality offers the possibility of converting continuous residential land lease contracts to perpetual contracts. In 2020, the Fund decided to make use of this option and has re-assessed the expected future cash flows accordingly.

2.11 Current trade and other payables

Trade and other payables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method.

Tenant deposits

The Fund obtains deposits from tenants as a guarantee for the return of the property at the end of the lease term in a specified good condition or for the lease payments for a period ranging from one to 12 months. Such deposits are treated as financial assets in accordance with IFRS 9 and they are initially recognised at fair value. The deposit is subsequently measured at amortised cost.

Tenant deposits are classified as current liabilities unless the Fund has an unconditional right to defer settlement of the deposit for at least 12 months after the date of the statement of financial position.

2.12 Dividend distribution

An FII is obliged to distribute its distributable profit annually within eight (8) months after the end of the relevant fiscal year ('doorstootverplichting'). The distributable profit generally only includes current income (dividends, interest and rental income). The (realised and unrealised) gains on securities and the realised gains on all other investments (including real estate), which are added to a so-called reinvestment reserve ('herbeleggingsreserve'), are not included in the distributable profit.

2.13 Rental income

Rental income from investment property leased out under operating leases is recognised in the statement of comprehensive income on a straight-line basis over the term of the lease. Rent incentives granted by the Fund to its tenants are recognised as an integral part of the total rental income. The rent incentives are included in investment property.

Incentives to enter into rental agreements are spread evenly over the rental term, even if the payments are not made on such a basis. The rental term is the non-cancellable period of the rental agreement, together with any further term for which the tenant has the option to continue the rental agreement, when, at the inception of the rental agreement it is reasonably certain that the tenant will exercise this option.

Premiums received to terminate rental agreement are recognised in the statement of comprehensive income.

2.14 Service charges, property operating expenses and administrative expenses

In the case of service contracts with third parties, service charges are recovered from tenants. Service charges in respect of vacant property are expensed. These mainly relate to gas, water, electricity, cleaning and security.

Property operating expenses comprise those costs that are directly attributable to the operation of properties, net of costs charged to tenants. These mainly relate to tax, insurance, leasehold, maintenance and professional fees. These are expensed as incurred. Administrative expenses are expenses that are not directly attributable to the operation of properties (including charged management costs not directly related to properties, office overheads, advice, valuation and audit fees, listing costs and marketing and promotion costs).

Service charges for which the Fund acts as a principal are presented in the statement of comprehensive income. Therefore, for those property investments for which the Fund is in full control of the service charges, the service charges invoiced to tenants and the corresponding expenses are shown separately on an accrual basis.

2.15 Other income

This is income attributable to the year that cannot be classified under any of the other categories.

2.16 Finance income and expenses

The finance result consists of interest income and expenses and is recognised in the statement of comprehensive income. Interest is recognised in the statement of comprehensive income as it accrues.

2.17 Cash flow statement

Cash flows are stated according to the indirect method.

The acquisitions of investment properties are disclosed as cash flows from investment activities, as this reflects the Fund's business activities most appropriately.

Cash and cash equivalents comprise cash on hand, demand deposits, short-term deposits with banks with original maturities of three months or less and short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

2.18 Earnings per share

The Fund presents basic and diluted earnings per share (EPS) for its ordinary share capital. The earnings per ordinary share are calculated by dividing the profit or loss attributable to the Fund's shareholders by the weighted average number of issued ordinary shares during the reporting period. In calculating the diluted earnings per share, the profit or loss attributable to the Fund's shareholders and the weighted average number of issued ordinary shares during the reporting period are adjusted for all potential dilutive effects on the ordinary shares.

2.19 Income taxes

Based on its status as an FII, the Fund is subject to Dutch corporate income tax at a rate of 0%. See Note 10. The subsidiaries of the fund are subject to Dutch corporate income tax at a rate of 15% - 25%.

3 Financial risk management

3.1 Financial risk factors

The Fund is exposed during or at the end of the reporting period to financial risk. To manage various types of financial risk a risk management governance and framework are in place, in order to identify, assess, monitor and understand the financial risks to which the Fund is exposed and to ensure they remain within the risk appetite of the Fund. Financial risk comprises market risk, credit risk and liquidity risk.

Market risk

Market risk is the risk of changes in the value of assets under management due to fluctuations in the financial markets. Within a real estate alternative investment fund typical factors possibly influencing the volatility in the performance (NAV) of the Fund, are changes in yields (external valuations), and rental and occupancy rate levels. The concentration of these risks are mitigated by the Fund's diversification strategy on among others asset, tenant and geographical level. The sensitivity of the investment portfolio to changes in yields and rental rates is presented in the sensitivity analysis included in note 12.

Credit risk

Credit risk is defined as the risk that a counterparty defaults on contractual or other agreed obligations (including furnished credits, loans, receivables, pledges and rental obligations). When entering into a contract with a tenant, the Fund checks their credit rating, while throughout the term of the contract the Fund keeps a close watch on the accounts receivable. Rents are in general also payable in advance and part of the rent payable is secured by means of bank guarantees or guarantee deposits. There are no significant credit risk concentrations.

The credit risk relating to the receivables is maximised to € 4.0 million in 2021 (2020: € 2.7 million) and the receivables are closely monitored.

Deposits refundable to tenants may be withheld by the Fund in part or in whole if receivables due from the tenant are not settled or in case of other breaches of contract. These deposits (cash collateral) are a mitigating factor regarding the credit risk exposures.

Counterparty Credit Risk is defined as the risk that the counterparty (to a transaction) defaults before the final settlement of the cash flows (associated with the transaction) has taken place (breaching delivery versus payment). This risk also includes banking credit positions and received guarantees.

It is our policy to enter into financial transactions only with financial institutions with a credit rating of at least A (Standard & Poor's). Given the credit rating limits, as required by policy, and the adherence by these counterparties to these limits, the Fund does not expect any defaults. Currently, the Fund makes use of services of a single banking institution for all its cash accounts, which means that a counterparty credit risk concentration is applicable. Due to our policies and monitoring activities on the credit rating, as described above, the concentration risk is managed.

Liquidity risk

Liquidity risk is defined as the inability to have timely access to sufficient (cash) liquidity to meet obligations or withdrawal, due to unfavourable market circumstances or inadequate cash planning, being forced to sell assets under unfavourable conditions. Prudent liquidity risk management implies maintaining sufficient (cash) liquidity. The Finance department manages the liquidity positions within predefined limit and is reported on a monthly basis. The amounts are disclosed in the notes to the consolidated statement of financial position.

3.2 Fair value estimation

For financial purposes fair value measurements are categorised into level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.
- Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3 inputs are unobservable inputs for the asset or liability.

The carrying amount reduced by the impairment provision of trades receivable and trades payable approximates their fair value. All other Statement of financial position items are short-term and therefore not adjusted to their fair value.

3.3 Capital management

The Fund's objectives when managing capital are to safeguard the Fund's ability to maintain its going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. Funding is secured by its shareholders through capital calls for which estimations are made each year. No external funding will be obtained.

The Fund distributes the fiscal profit annually to its shareholders as required by tax law. Reference is made to Note 10. In order to maintain or adjust its capital structure, the Fund may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, buy back shares from shareholders or sell assets to reduce debt.

4 Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and adjusted for current market conditions and other factors.

4.1 Critical accounting estimates and assumptions

Management based its assumptions and estimates on circumstances and information available when the consolidated financial statements were prepared. The resulting accounting estimates will, by definition, seldom be exactly the same as the related actual results. The estimates, assumptions and management judgements that carry a significant risk of material adjustments to the carrying amounts of assets and liabilities within the next financial year are outlined below.

Principal assumptions underlying management's estimation of fair value property portfolio

The valuation of the investment property portfolio (including investment property under construction) is determined in accordance with the Fund's valuation principles. All investments are measured at fair value and based on active market prices, adjusted if necessary for any difference in nature, location or condition of the specific asset.

Current economic developments and uncertainties influence the valuation of our investment properties. The methods and significant assumptions applied in determining the fair value of our investment properties are mainly due to (i) active market prices, (ii) the influence of so-called rent-free periods and vacancy rates, (iii) the discount rates and (iv) assumed trends in rents.

These market values are based on valuations by independent external valuation experts. The valuation is based on an open market value, supported by market evidence in which assets can be exchanged between a knowledgeable willing buyer and a knowledgeable willing seller in an arm's length transaction at the date of the valuation, in accordance with the guidelines of MSCI Netherlands Property Index.

The valuations are based on a discounted cash flow (DCF) analysis of each property combined – where necessary – with valuations based on market evidence. The DCF analyses are adjusted to existing lease agreements, in order to cover the full period of existing lease agreements. The DCF analyses are based on calculations of the future rental revenue in accordance with the terms in existing lease agreements and estimations of the rental values when the agreements expire. The starting point for the estimation of the discount rate is the nominal interest rate for 10-year Dutch government bonds. This rate should be increased in accordance with the risks involved in property investments. The whole investment property portfolio is appraised on a quarterly basis by independent external appraisers.

5 Core regions

A spread by core regions is applied in the analysis of the valuation of the investment property portfolio. The Fund has invested in the following core regions: Randstad (Amsterdam, Utrecht, Rotterdam and The Hague), Mid East (Apeldoorn, Arnhem, Nijmegen and Zwolle) and Brabantstad (Breda, Eindhoven, Den Bosch and Tilburg).

The valuation of the completed investment properties per core region for the year ended 31 December is as follows:

Property valuation as at 31 December	2021	2020
Region		
Randstad	6,136,238	5,556,914
Mid East	509,073	401,455
Brabantstad	425,222	389,479
Non-core regions	27,780	21,820
Total	7,098,313	6,369,668

6 Gross rental income and service charge income

	2021	2020
Theoretical rent	256,783	247,945
Incentives	(615)	(689)
Vacancies	(5,763)	(3,949)
Total gross rental income	250,405	243,307

The Fund leases its property investments in the form of non-cancellable operating leases. The nature of the theoretical rent has an indefinite duration because there are no fixed contract periods. Service charge income amounted to € 6.8 million (2020: € 6.7 million) receivable from tenants for the services utilities, caretakers, etc. when the Fund acts as a principal.

7 Property operating expenses

	2021	2020
Taxes	9,510	9,317
Insurance	821	554
Maintenance	30,085	28,526
Valuation fees	436	510
Property management fees	4,456	4,586
Promotion and marketing	159	247
Letting and lease renewal fees	6,913	5,851
Addition to provision for bad debts	245	966
Owners associations	2,566	3,021
Non reclaimable VAT	8,425	8,848
Other operating expenses	576	587
Total property operating expenses	64,192	63,013

In 2021, € 0.8 million (2020: € 0.2 million) of the maintenance expenses related to unlet properties.

The rental process for all new-build projects is fully digitalised and automated in 2021 in order to attract new tenants, resulting in higher letting and lease renewal fees.

The Other operating expenses consist mainly of exploitation costs of real estate managers and also include costs for tenant due diligence.

8 Administrative expenses

	2021	2020
Management fee Bouwinvest	35,208	33,239
Audit fees	53	48
Marketing fees	317	251
Other administrative expenses	1,935	1,297
Legal fees	9	154
Total administrative expenses	37,522	34,989

Where administrative expenses relate directly to the operation of the property portfolio, they are charged to operating expenses. Where administrative expenses relate directly to the development of the property portfolio, they are capitalised.

The Other administrative expenses consist of regulators' costs and costs for sustainability development. The increase of € 0.6 million compared to 2020 relates to higher regulators' costs € 0.1 million and higher costs for sustainability (€ 0.3 million smoke detectors, € 0.2 million various costs related to advice and certificates)

9 Finance expenses

	2021	2020
Finance expenses on bank balances	1,256	1,677
Interest on lease liabilities	2,919	2,801
Total finance expenses	4,175	4,478

The Fund had no external loans and borrowings during 2021. The Fund was subject to the negative interest rate development for its bank balances.

10 Income taxes

FII Status

The Fund has opted for the status of Fiscal Investment Institution (FII). Although an FII is not transparent for tax purposes the FII regime is based on the principle of tax transparency. This transparency is effectively realised by the fact that an FII is subject to Dutch corporate income tax at a rate of 0% in combination with the so-called distribution obligation (for more information see the distribution obligation section below). As a result any benefits derived from a shareholding in an FII are taxable at shareholder level only.

To benefit from the FII regime, the Fund must meet certain requirements regarding, inter alia, the aforementioned obligation to distribute its profits, its activities, its leverage and its shareholders. These requirements are outlined in greater detail below.

Distribution obligation

Because of the fiscal transparency principle, an FII must distribute 100% of its taxable profits within eight months after the end of the relevant fiscal year, with the exception of certain specific items. In practice, the company-only net rental income and net finance income, is distributed annually. Capital gains, either realised or unrealised, do not need to be distributed. Unrealised capital gains do not constitute taxable income whereas realised capital gains are added to a so-called reinvestment reserve. Part of the management costs need to be charged against the reinvestment reserve. If and to the extent that realised gains are

added to the reinvestment reserve, such gains are treated as capital for dividend withholding tax purposes, rather than distributable profits (for more information see the dividend withholding tax section).

Activity rules

An FII is obliged to be engaged exclusively in passive investment activities, i.e. it may not (partly) conduct an active trade or business. Whether an activity is characterised as a passive investment activity or as a business activity for Dutch tax purposes depends on all relevant facts and circumstances.

Real estate development is not regarded as a 'passive' investment activity. However, development activities for the FII's own portfolio are specifically permitted. These activities should be carried out by a subsidiary which is subject to tax at the common corporate tax rate (2021: 15% - 25%). Improvements to existing properties do not qualify as development activities provided that the capital expenditure is less than 30% of the value of the property as determined by the Dutch Valuation of Immovable Property Act ('Wet Waardering onroerende zaken') prior to the improvements.

In addition activities that are ancillary to the Fund's passive investment activities (renting out of the Fund's real property) are under conditions permitted, provided that they are also carried out by a taxable subsidiary of the Fund.

The Fund avails of both a taxable subsidiary for development activities and a taxable subsidiary for auxiliary services.

Leverage restrictions

An FII may finance its investments with debt up to a maximum of 60% of the fiscal book value of the real estate property, plus 20% of the fiscal book value of all other investments.

Shareholder test

As the Fund is subject to supervision of the AFM due to Bouwinvest's AIFMD license as an alternative investment fund manager, the Fund is subject to the shareholder requirements for regulated FIIs. The shareholder requirements for regulated FIIs stipulate that:

- A single corporate entity which is subject to any form of profit tax, not being a regulated FII or an UCITS, or an entity whose profits are taxed in the hands of its participants, i.e. a tax transparent entity, may not own 45% or more of the shares together with such affiliated entities.
- A single individual may not own an interest of 25% or more.

Furthermore, all FIIs must meet the condition that their shares are not owned for 25% or more by Dutch resident entities through the interposition of non-Dutch entities which have a capital divided into shares or mutual funds.

The Fund met the requirements of an FII in 2021. The effective tax rate was 0% (2020: 0%).

Legislation FII status

In 2021, the Dutch Ministry of Finance started the evaluation of the Fiscal Investment Institution (FII) regime that was announced in 2020. This evaluation should be finalised in 2022. Bouwinvest is taking into account the possibility that this evaluation will lead to a change of law as a result of which the Fund might no longer apply the respective regime. Therefore Bouwinvest anticipates a restructuring of the Fund into the legal form of a so-called closed Fund for Mutual Account (FMA).

Given its fiscal transparency, the closed FMA prevents double taxation for investors and is therefore the most appropriate alternative for an FII. Future amendments to the Dutch tax transparency rules, which are expected to be announced in 2022, should not alter this conclusion. In the course of 2022, Bouwinvest will decide whether to propose a restructuring of the Fund

to the Shareholders' Meeting and, if so, by which date such restructuring must be effected. Bouwinvest will take into account all uncertainties, including the future of the FII-regime and the impact on all investors, when taking such a decision.

Dividend withholding tax

Profit distributions by the Fund are subject to Dutch dividend withholding tax at the statutory rate of 15%. However, distributions made from the tax free reinvestment reserve are not subject to Dutch dividend withholding tax, provided that this is properly formalised.

11 Employee benefits expense

The Residential Fund has no employees.

12 Investment property

	2021	2020
At the beginning of the year	6,369,668	6,209,139
Investments	6,923	12,634
Transfers to investment property under construction	-	(19,167)
Transfers from investment property under construction	121,913	196,327
Total transfers to/from investment property under construction	121,913	177,160
Disposals	-	(259,412)
Net gain (loss) from fair value adjustments on investment property (like-for-like)	560,067	200,124
Net gain (loss) from fair value adjustments on investment property	30,501	29,457
In profit or loss	590,568	229,581
In other comprehensive income	-	-
Transfers out of level 3	-	-
Movement of right of use ground leases	9,241	566
Total investment property (level 3) at the end of the year	7,098,313	6,369,668

The Fund's investment properties are valued by independent external appraisers on a quarterly basis. On 31 December 2021, these properties were revalued by independent professionally qualified valuation experts with experience in the locations and categories of the investment properties valued (level 3). The carrying values of investment property as at 31 December 2021, and 31 December 2020, are based on the valuations reported by the external valuation experts. In estimating the fair value of the properties, the highest and best use of the properties is their current use. There was no change to the valuation technique during the year and there were no transfers between levels 2 and 3 during the year.

The right of use of land is included as an integrated part of the Investment property. To compare the externally appraised values of the Investment property the lease liabilities are deducted from the investment property value.

	2021	2020
Investment property	7,098,313	6,369,668
Less: lease liabilities	(106,274)	(94,789)
Valuation as per valuation report	6,992,039	6,274,879

The specifications of acquisitions, other capital expenditures and disposals are set out below.

Investments	2021	2020
Randstad	6,037	12,314
Mid East	1,121	248
Brabantstad	(282)	64
Non-core regions	47	8
Total investments and transfer from investment property under construction	6,922	12,634

The negative investment in Brabantstad is caused by the release of an accrual.

Disposals	2021	2020
Randstad	-	(139,664)
Mid East	-	(11,672)
Brabantstad	-	(81,145)
Non-core regions	-	(26,931)
Total disposals	-	(259,412)

The significant assumptions with regard to the valuations are set out below.

2021	Randstad	Mid East	Brabantstad	Non-core regions	Total
Current average rent (€/unit)	1,197	998	1,003	845	1,160
Market rent (€/unit)	1,284	1,031	1,065	908	1,240
Gross initial yield	3.6%	4.1%	4.0%	4.4%	3.7%
Net initial yield	2.6%	3.0%	3.1%	3.6%	2.7%
Current vacancy rate (no rental units)	1.5%	0.3%	0.8%	0.8%	1.4%
Current financial vacancy rate	2.5%	0.7%	1.1%	0.5%	2.2%
Long-term growth rental rate	2.4%	2.3%	2.2%	2.4%	2.4%
Risk free (NRVT)					-0.2%

2020	Randstad	Mid East	Brabantstad	Non-core regions	Total
Current average rent (€/unit)	1,166	965	971	827	1,130
Market rent (€/unit)	1,237	991	1,010	891	1,195
Gross initial yield	3.8%	4.5%	4.2%	5.5%	3.9%
Net initial yield	2.8%	3.4%	3.3%	4.2%	2.9%
Current vacancy rate (no rental units)	1.4%	0.8%	0.4%	0.0%	1.2%
Current financial vacancy rate	1.8%	1.0%	0.6%	0.2%	1.6%
Long-term growth rental rate	2.3%	2.3%	2.1%	2.5%	2.3%
Risk free (NRVT)					0.1%

The valuation of the investment properties took into account a vacancy period ranging from one (1) to three (3) months. There are no significant rental incentives.

The net valuation gain (loss) for the year included a positive fair value adjustment of € 595.8 million (2020: € 237.7 million) relating to investment properties that were measured at fair value at the end of the reporting period.

Sensitivity analysis

The appraisal of the portfolio implies a net initial yield of 2.7% (2020: 2.9%). If the yields used for the appraisals of investment properties on 31 December 2021 had been 100 basis points higher (2020: 100 basis points higher) than was the case at that time, the value of the investments would have been 27.1% lower (2020: 26% lower). In this situation, the Fund's shareholders' equity would have been € 1,886 million lower (2020 € 1,623 million lower).

The table below presents the sensitivity of the valuation to changes in the most significant assumptions.

	2021		2020	
Change rental rates	-5%	5%	-5%	5%
Value of the investment property change	(348,569)	348,569	(312,711)	312,711

	2021		2020	
Change net initial yield	- 25 bps	+ 25 bps	- 25 bps	+ 25 bps
Value of the investment property change	712,350	(591,474)	600,641	(503,862)

13 Investment property under construction

	2021	2020
At the beginning of the year	453,085	388,303
Investments	277,815	206,940
Transfers to investment property	(121,913)	(196,327)
Transfers from investment property	-	19,167
Total transfers to/from investment property	(121,913)	(177,160)
Net gain (loss) from fair value adjustments on investment property under construction	30,837	34,940
In profit or loss	30,837	34,940
In other comprehensive income	-	-
Transfers out of level 3	-	-
Movement of right of use ground leases	(671)	62
At the end of the year	639,153	453,085

The right of use of land is included as an integrated part of the investment property under construction. To compare the externally appraised values of the Investment property under construction the lease liabilities are deducted from the investment property value.

	2021	2020
Investment property	639,153	453,085
Less: lease liabilities	(21,807)	(22,401)
Valuation as per internal valuation	617,346	430,684

The investment property under construction relates to acquisitions and is being developed by third parties. For a list of the investment properties under construction and investment commitments, see Note 21.

The net valuation gain (loss) for the year included a positive fair value adjustment of € 39.9 million (2020: € 49.8 million) relating to investment properties under construction that are measured at fair value at the end of the reporting period.

The as if completed value of the investment property under construction is determined by independent external valuation experts.

The specifications of investments in investment property under construction are set out below.

Investments	2021	2020
Randstad	234,680	169,029
Mid East	14,624	24,044
Brabantstad	28,512	13,867
Non-core regions	-	-
Total investments	277,815	206,940

The significant assumptions with regard to the valuations are set out below.

2021	Randstad	Mid East	Brabantstad	Total
Gross initial yield	4.0%	4.2%	3.7%	4.0%
Net initial yield	3.4%	3.5%	3.1%	3.3%
Long-term growth rental rate	2.5%	2.5%	2.6%	2.5%
Average 10-year inflation rate (NRVT)	-0.2%	-0.2%	-0.2%	-0.2%
Estimated average development profit on completion	9.6%	8.5%	11.3%	9.8%
Estimated average percentage of completion	62.8%	46.6%	80.8%	64.7%
Construction costs (€/m ²)	4,799	3,846	4,215	4,712

2020	Randstad	Mid East	Brabantstad	Total
Gross initial yield	4.1%	4.2%	3.9%	4.1%
Net initial yield	3.5%	3.6%	3.3%	3.5%
Long-term growth rental rate	2.2%	2.5%	2.5%	2.3%
Average 10-year inflation rate (NRVT)	0.1%	0.1%	0.1%	0.1%
Estimated average development profit on completion	10.4%	9.4%	2.6%	9.4%
Estimated average percentage of completion	58.0%	87.0%	61.5%	60.5%
Construction costs (€/m ²)	4,919	2,665	4,147	4,537

14 Trade and other current receivables

	2021	2020
Trade receivables	1,324	1,293
VAT receivables	418	1,227
Other receivables	7,127	7,206
Balance as at 31 December	8,869	9,726

The other receivables contain half of a one-off settlement (€ 7.0 million). The Fund received ample guarantees from the counterparty.

15 Cash and cash equivalents

	2021	2020
Bank balances	92,014	248,479
Balance as at 31 December	92,014	248,479

The bank balances of € 92 million are freely available to the Fund as at 31 December 2021.

16 Equity attributable to shareholders of Bouwinvest Dutch Institutional Residential Fund N.V.

For 2021, before appropriation of profit

	Issued capital	Share premium	Revaluation reserve*	Retained earnings	Net result for the year	Total equity
Balance at 1 January 2021	1,421,755	2,541,988	2,613,110	(88,104)	442,538	6,931,287
Comprehensive income						
Net result	-	-	-	-	766,056	766,056
Total comprehensive income	-	-	-	-	766,056	766,056
Other movements						
Issued shares	26,988	104,312	-	-	-	131,300
Appropriation of result	-	-	-	442,538	(442,538)	-
Dividends paid	-	-	-	(147,540)	-	(147,540)
Movement revaluation reserve	-	-	611,923	(611,923)	-	-
Total other movements	26,988	104,312	611,923	(316,925)	(442,538)	(16,240)
Balance at 31 December 2021	1,448,743	2,646,300	3,225,033	(405,029)	766,056	7,681,103

* See explanation dividend restrictions in this Note.

For 2020 before appropriation of profit

	Issued capital	Share premium	Revaluation reserve*	Retained earnings	Net result for the year	Total equity
Balance at 1 January 2020	1,397,674	2,451,069	2,439,856	(430,518)	671,208	6,529,289
Comprehensive income						
Net result	-	-	-	-	442,538	442,538
Total comprehensive income	-	-	-	-	442,538	442,538
Other movements						
Issued shares	24,081	90,919	-	-	-	115,000
Appropriation of result	-	-	-	671,208	(671,208)	-
Dividends paid	-	-	-	(155,540)	-	(155,540)
Movement revaluation reserve	-	-	173,254	(173,254)	-	-
Total other movements	24,081	90,919	173,254	342,414	(671,208)	(40,540)
Balance at 31 December 2020	1,421,755	2,541,988	2,613,110	(88,104)	442,538	6,931,287

* See explanation dividend restrictions in this Note.

Dividend restrictions

The Residential Fund is subject to legal restrictions regarding the amount of dividends it can pay to its shareholders. Dutch Law stipulates that dividends can only be paid up to an amount equal to the excess of the Fund's own funds over the sum of the paid-up capital, statutory reserves and reserves required by law.

The revaluation reserve, being a legal reserve, cannot be freely distributed. Dividends are all payments from the free reserves. The free reserves consist of the share premium and retained earnings. Dividend will consist partly of profits and other payments.

In order to further align the processing of the distributable dividends with Dutch Law and taking into account the Fund's FI status, the distributable dividends are made from retained earnings insofar as the retained earnings – being the total amount of retained earnings and result for the year – are not negative. The remaining amount of legally required distributable dividends is subsequently made from the share premium. Any residual negative retained earnings is supplemented from the share premium.

	Number of shares in fully paid up equivalents	Paid-up share capital	Share premium	Total share capital and share premium
Opening balance at 1 January 2021	1,421,755	1,421,755	2,541,988	3,963,743
Dividends paid	-	-	-	-
Issued shares	26,988	26,988	104,312	131,300
Balance at 31 December 2021	1,448,743	1,448,743	2,646,300	4,095,043
Opening balance at 1 January 2020	1,397,674	1,397,674	2,451,069	3,848,743
Dividends paid	-	-	-	-
Issued shares	24,081	24,081	90,919	115,000
Balance at 31 December 2020	1,421,755	1,421,755	2,541,988	3,963,743

Issued capital

The authorised capital consists of five (5) million shares each with a nominal value of € 1,000. As at 31 December 2021, a total of 1,448,743 shares had been issued and fully paid up.

Share premium

The share premium reserve consists of capital paid on shares in excess of the nominal value. At the establishment of the Fund, the shareholder bpfBOUW contributed an investment property portfolio under legal title of share premium.

Revaluation reserve

The revaluation reserve relates to the revaluation of the property investments. The (unrealised) positive or negative difference between the cumulative increase or decrease in the fair value of the investment property owned at the end of the year has been included in the revaluation reserve. The revaluation reserve as at year-end 2021 was determined at the individual property level.

17 Non-current lease liabilities

	2021	2020
Opening balance at 1 January 2021	117,190	114,355
Interest	3,513	3,391
Lease payments	(1,192)	(1,184)
Other movements	8,570	628
Balance at 31 December 2021	128,081	117,190

The average discount rate used for discounting the lease payments is 3%.

The value of the lease liability assumes the estimated redemption amount for the transition to perpetual leasehold in 2022. The final determination of the redemption amount is currently under discussion with the city of Amsterdam. Factors in that discussion are possible rebates for AB1994 contracts and for buildings with a sales restriction. This discussion is expected to be finalised in 2022.

Land lease obligations undiscounted	2021	2020
Year 1	114,579	114,954
Year 2	-	-
Year 3-5	-	-
Year > 5	14,918	27,910
Total land lease obligations	129,497	142,864

18 Current trade and other payables

	2021	2020
Trade payables	6,807	3,750
Rent invoiced in advance	2,379	2,642
Tenant deposits	15,185	14,654
VAT payable	30	-
Other payables	4,764	11,435
Balance as at 31 December	29,165	32,481

The other payables relate to invoices yet to be received for maintenance of and investments in the portfolio.

19 Earnings per share

Basic earnings per share are calculated by dividing the net profit attributable to shareholders by the weighted average number of ordinary shares outstanding during the year.

	2021	2020
Net result attributable to shareholders	766,056	442,538
Weighted average number of ordinary shares	1,438,623	1,407,574
Basic earnings (€ per share)	532.49	314.40

The Fund has no potentially dilutive ordinary shares. Therefore, the diluted earnings per share are the same as the basic earnings per share.

Members of the Supervisory Board and Executive Board of Directors of Bouwinvest do not have any material interest in the Fund's voting shares and do not have options on shares. The Fund has not granted any loans to the members of the Bouwinvest Supervisory Board and Executive Board of Directors.

The members of the Supervisory Board and Executive Board of Directors of Bouwinvest held no personal interest in the Fund's investments in 2021.

23 Management fee

Bouwinvest is the manager and the Statutory Director of the Fund. The management fee paid for the year 2021 amounted to € 35.2 million (2020: € 33.2 million).

In consideration of the management activities with respect to the Fund, Bouwinvest receives an annual management fee equal to 0.50% (exclusive of VAT) of the Fund's net asset value in accordance with the valuation methods of the Fund. The management fee is payable quarterly in advance.

During the reporting period, the manager, Bouwinvest, is responsible for five funds of which the Residential Fund, Office Fund and Retail Fund are subject to the supervision of the Dutch Financial Markets Authority (AFM). Bouwinvest also has a separate mandate from bpfBOUW for the management of international real estate investments and manages Bouwinvest Development B.V. The remuneration cannot be explicitly allocated per fund and is therefore not available. The remuneration, in line with Article 22 of the AIFMD, is disclosed in the 2021 annual report of Bouwinvest Real Estate Investors B.V.

24 Audit fees

The table below shows the fees charged over the year 2021 by Deloitte Accountants B.V. and the Deloitte Network in respect of activities for the Residential Fund.

	2021	2020
Audit of the financial statements	42	40
Other audit engagements	11	8
Tax advisory services	-	-
Other non-audit services	-	-
Total fees	53	48

25 Subsequent events

In January 2022, three Dutch pension funds committed for a total of € 237.5 million.

In February 2022 shares were issued for a total of € 51.7 million.

In March 2022, the Fund completed an acquisition of € 54 million.

In January 2022 the Utrecht Tree Foundation reported a suspicion of bribery to the authorities. This in relation to a transaction that took place in 2019 in which Bouwinvest Dutch Institutional Residential Fund N.V. was involved as end buyer (Rachmaninoffhuis te Utrecht). The reported suspicion is being assessed and reviewed by the National Office for Serious Fraud, Environmental Crime and Asset Confiscation. At the moment, it is unclear if this will lead to a formal investigation.

The Russian invasion of Ukraine and rapidly escalating events in late February and in March 2022 are a significant tragedy for the people and is causing disruption to business and economic activity in the region and worldwide. This qualifies as a non-adjusting subsequent event. These events and the related market uncertainty could have an adverse impact on the Fund, including but not limited to the fair value of its investments and/or cash flows. At this moment it is not possible to provide an estimate of the financial impact of this crisis worldwide and on the Fund. The Fund screens its existing business relationships, including sanction lists where required. In respect to Russia and Belarus no determination of direct breaches of any current sanction rules were noted nor any material matters that affect the going concern of the Fund. The Fund will continue to monitor market conditions as information becomes available and evaluate potential impact, if any, on the value of the Fund's real estate investments and its operations going forward.

Company balance sheet

Before appropriation of result, all amounts in € thousands

As at 31 December	Note	2021	2020
Assets			
Non-current assets			
Investment property		7,098,313	6,369,668
Investment property under construction		639,153	453,085
Financial assets	3	291	327
Total non-current assets		7,737,757	6,823,080
Current assets			
Trade and other current receivables		8,710	9,609
Cash and cash equivalents		91,887	248,240
Total current assets		100,597	257,849
Total assets		7,838,354	7,080,929
Equity and liabilities			
Equity attributable to the owners of the Fund			
Issued capital		1,448,743	1,421,755
Share premium		2,646,300	2,541,988
Revaluation reserve		3,225,033	2,613,110
Retained earnings		(405,029)	(88,104)
Net result for the year		766,056	442,538
Total equity	4	7,681,103	6,931,287
Liabilities			
Non-current lease liabilities		128,081	117,190
Current trade and other payables		29,170	32,452
Total liabilities		157,251	149,642
Total equity and liabilities		7,838,354	7,080,929

Company profit and loss account

All amounts in € thousands

	2021	2020
Profit of participation interests after taxes	54	54
Other income and expenses after taxes	766,002	442,484
Result for the year	766,056	442,538

Notes to the company financial statements

All amounts in € thousands, unless otherwise stated

1 Summary of significant accounting policies

1.1 General

The Company financial statements of Bouwinvest Dutch Institutional Residential Fund N.V. (the Fund) and are prepared in accordance with the legal requirements of Part 9, Book 2 of the Dutch Civil Code. These financial statements have been prepared in accordance with the provision of Article 2:362 subsection 8 and 9, of the Dutch Civil Code, under which the Company financial statements may be prepared in accordance with accounting policies as adopted in the consolidated financial statements.

If no other policies are mentioned, the applicable policies are those of the consolidated financial statements. The consolidated financial statements should be consulted for an appropriate interpretation of the Company financial statements.

The notes in the consolidated financial statements also apply to the Company accounts. If amounts in the Company financial statements are not directly traceable to the notes to the consolidated financial statements, additional notes are included in the Company notes.

The consolidated financial statements are prepared in accordance with International Financial Reporting Standards (IFRS) as endorsed by the European Union.

The exemption laid down in Article 402 of Book 2 of the Dutch Civil Code has been applied to the Fund's Company profit and loss account.

1.2 Financial assets

Subsidiaries

Subsidiaries include all entities over which the Fund has the power – directly or indirectly – to control financial and operational policies. Subsidiaries are valued under the net equity method, but not lower than zero.

The equity value is measured by valuation of assets, provisions and liabilities and determination of results based on the accounting policies of the consolidated financial statements.

Recognition of losses

If the share in losses attributable to the Fund exceeds the carrying amount of the net investment (investment and other unsecured receivables), further losses will not be recognised, unless the Fund has provided securities to the associate, committed to liabilities or paid on behalf of the associate. In that case, a provision will be set aside for the excess.

2 Financial risk management

Reference is made to Note 3 of the consolidated financial statements.

3 Financial assets

	2021	2020
As per 1 January	327	321
Acquisitions and capital contributions	-	-
Dividends received	(90)	(48)
Net result for the year	54	54
As per 31 December	291	327

The Fund acquired the shares (100%) of the following subsidiaries:

- Bouwinvest Residential Development B.V., Amsterdam
- Bouwinvest Dutch Institutional Residential Fund Services B.V., Amsterdam

Bouwinvest Residential Development B.V. redevelops investment properties for Bouwinvest Dutch Institutional Residential Fund N.V. Bouwinvest Dutch Institutional Residential Fund Services B.V. renders services that are ancillary to renting activities of the Fund.

4 Equity attributable to shareholders of Bouwinvest Dutch Institutional Residential Fund N.V.

For 2021, before appropriation of profit

	Issued capital	Share premium	Revaluation reserve*	Retained earnings	Net result for the year	Total equity
Balance at 1 January 2021	1,421,755	2,541,988	2,613,110	(88,104)	442,538	6,931,287
Comprehensive income						
Net result	-	-	-	-	766,056	766,056
Total comprehensive income	-	-	-	-	766,056	766,056
Other movements						
Issued shares	26,988	104,312	-	-	-	131,300
Appropriation of result	-	-	-	442,538	(442,538)	-
Dividends paid	-	-	-	(147,540)	-	(147,540)
Movement revaluation reserve	-	-	611,923	(611,923)	-	-
Total other movements	26,988	104,312	611,923	(316,925)	(442,538)	(16,240)
Balance at 31 December 2021	1,448,743	2,646,300	3,225,033	(405,029)	766,056	7,681,103

For 2020, before appropriation of profit

	Issued capital	Share premium	Revaluation reserve*	Retained earnings	Net result for the year	Total equity
Balance at 1 January 2020	1,397,674	2,451,069	2,439,856	(430,518)	671,208	6,529,289
Comprehensive income						
Net result	-	-	-	-	442,538	442,538
Total comprehensive income	-	-	-	-	442,538	442,538
Other movements						
Issued shares	24,081	90,919	-	-	-	115,000
Appropriation of result	-	-	-	671,208	(671,208)	-
Dividends paid	-	-	-	(155,540)	-	(155,540)
Movement revaluation reserve	-	-	173,254	(173,254)	-	-
Total other movements	24,081	90,919	173,254	342,414	(671,208)	(40,540)
Balance at 31 December 2020	1,421,755	2,541,988	2,613,110	(88,104)	442,538	6,931,287

* See explanation dividend restrictions in Note 16 of the consolidated financial statements.

Issued capital

The authorised capital comprises five (5) million shares each with a nominal value of € 1,000. As at 31 December 2021, a total of 1,448,743 shares had been issued and fully paid up.

Share premium

The share premium reserve consists of capital paid on shares in excess of the nominal value. At the establishment of the Fund, the shareholder bpfBOUW contributed an investment property portfolio under legal title of share premium.

Revaluation reserve

The revaluation reserve relates to the revaluation of the property investments. The (unrealised) positive or negative difference between the cumulative increase or decrease in the fair value of the investment property owned at the end of the year has been included in the revaluation reserve. The revaluation reserve as at year-end 2021 was determined at the individual property level.

Appropriation of profit 2020

The Annual General Meeting of shareholders on 14 April 2021 adopted and approved the 2020 financial statements of the Residential Fund. A dividend of € 157.4 million (in cash) has been paid. Of the profit for 2020 amounting to € 442.5 million, € 442.5 million was incorporated in the retained earnings.

Proposal for profit appropriation 2021

The management of the Fund proposes to the General Meeting of shareholders that a dividend of € 147.8 million (in cash) is to be paid. Of the profit for 2021 amounting to € 766.1 million, € 766.1 million will be incorporated in the retained earnings.

5 Employee benefits expense

The Residential Fund has no employees.

6 Remuneration

Reference is made to Note 23 of the consolidated financial statements.

Signing of the Financial Statements

Amsterdam, 21 March 2022

Bouwinvest Real Estate Investors B.V.

Dick van Hal, *Chief Executive Officer and Statutory Director*

Rianne Vedder, *Chief Financial & Risk Officer and Statutory Director*

Mark Siezen, *Chief Client Officer*

Allard van Spaandonk, *Chief Investment Officer Dutch Investments*

Stephen Tross, *Chief Investment Officer International Investments*

Other information

Articles of Association related to the appropriation of profit

Appropriation of profit is provided for in Article 20 of the Articles of Association. This specific article is quoted below.

20.1

The distributable profit shall be at the disposal of the General Meeting for distribution of dividend or to be added to the reserves. If the General Meeting has made a decision about profit distribution not later than immediately prior to or after the adoption of the financial statements, the distributable profit will be added to the reserves.

20.2

Distribution of profits shall take place after the adoption of the financial statements which show that the distribution is permitted.

20.3

The General Meeting may resolve to distribute one or more interim dividends and/or other interim distributions. The Executive Board of Directors may also resolve to distribute one or more interim dividends.

20.4

Dividends shall be payable immediately after they have been declared, unless the General Meeting provides otherwise.

20.5

Distribution to shareholders may be made only to the extent of distributable equity and if an interim dividend is paid, that requirement is met according to an interim financial statement as referred to in Article 2:105 Section 4 of the Dutch Civil Code. The Fund shall deposit the interim financial statements at the offices of the Chamber of Commerce (Commercial Register) within eight days after the date of the decision to make an interim distribution.

20.6

In calculating the appropriation of profits, the shares held by the Fund in its own share capital shall not be taken into account.

Independent auditor's report

To the shareholders of Bouwinvest Dutch Institutional Residential Fund N.V.

Report on the audit of the financial statements 2021 included in the annual report

Our opinion

We have audited the financial statements 2021 of Bouwinvest Dutch Institutional Residential Fund N.V., based in Amsterdam. The financial statements comprise the consolidated financial statements and the company financial statements.

In our opinion:

- The accompanying consolidated financial statements give a true and fair view of the financial position of Bouwinvest Dutch Institutional Residential Fund N.V. as at December 31, 2021, and of its result and its cash flows for 2021 in accordance with International Financial Reporting Standards as adopted by the European Union (EU-IFRS) and with Part 9 of Book 2 of the Dutch Civil Code.
- The accompanying company financial statements give a true and fair view of the financial position of Bouwinvest Dutch Institutional Residential Fund N.V. as at December 31, 2021, and of its result for 2021 in accordance with Part 9 of Book 2 of the Dutch Civil Code.

The consolidated financial statements comprise:

1. The consolidated statement of financial position as at December 31, 2021.
2. The following statements for 2021: the consolidated income statement, the consolidated statements of comprehensive income, changes in equity and cash flows.
3. The notes comprising a summary of the significant accounting policies and other explanatory information.

The company financial statements comprise:

1. The company balance sheet as at December 31, 2021.
2. The company profit and loss account for 2021.
3. 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 Bouwinvest Dutch Institutional Residential Fund N.V. in accordance with the Wet toezicht accountantsorganisaties (Wta, Audit firms supervision act), the Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore, we have complied with the Verordening gedrags- en beroepsregels accountants (VGBA, Dutch Code of Ethics).

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

Materiality

Based on our professional judgement we determined the materiality for the financial statements as a whole at € 77 million. The materiality is based on 1% of total investment property. We have also taken into account misstatements and/or possible misstatements that in our opinion are material for the users of the financial statements for qualitative reasons.

Materiality overview

Materiality level	€ 77 million
Basis for materiality level	1% of total investment property
Threshold for reporting misstatements	€ 3,850 thousand

We agreed with the Executive Board of Directors that misstatements in excess of € 3,850 thousand, which are identified during the audit, would be reported to them, as well as smaller misstatements that in our view must be reported on qualitative grounds.

Scope of the group audit

Bouwinvest Dutch Institutional Residential Fund N.V. is at the head of a group of entities. The financial information of this group is included in the consolidated financial statements of Bouwinvest Dutch Institutional Residential Fund N.V..

Our group audit mainly focused on significant group entities.

We have performed audit procedures ourselves at group entities.

By performing the procedures mentioned above at group entities, together with additional procedures at group level, we have been able to obtain sufficient and appropriate audit evidence about the group's financial information to provide an opinion about the consolidated financial statements.

Audit approach 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 entity and its environment and the components of the system of internal control, including the risk assessment process and the Executive Board of Directors' process for responding to the risks of fraud and monitoring the system of internal control and how the supervisory board exercises oversight, as well as the outcomes. A fraud risk assessment is a visible component of the internal control environment.

We evaluated the design and relevant aspects of the system of internal control and in particular the fraud risk assessment, as well as among others the code of ethics and supporting policies. This includes anti corruption, anti money laundering, gifts and entertainment and whistleblower policy. We evaluated the design of the internal controls implemented to mitigate fraud risks.

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

We identified the following fraud risk and performed the following specific procedures:

Fraud risk	How the fraud risk was addressed in the audit
Executive Board of Directors override of controls	
We presume a risk of material misstatement due to fraud related to the Executive Board of Directors override of controls. The Executive Board of Directors is in a unique position to perpetrate fraud because of the Executive Board of Directors' ability to manipulate accounting records and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively.	<p>Our audit procedures included, among others, the following:</p> <p>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 noncompliance.</p> <p>We considered available information and made inquiries of relevant key personnel focused on risk compliance and finance.</p> <p>We tested the appropriateness of journal entries recorded in the general ledger and other adjustments made in the preparation of the financial statements.</p> <p>We evaluated whether the selection and application of accounting policies by the group, particularly those related to subjective measurements and complex transactions, may be indicative of fraudulent financial reporting.</p> <p>We evaluated whether the judgments and decisions made by the Executive Board of Directors in making the accounting estimates included in the financial statements indicate a possible bias that may represent a risk of material misstatement due to fraud. The Executive Board of Directors' insights, estimates and assumptions that might have a major impact on the financial statements are disclosed in note 4 of the financial statements. We performed a retrospective review of Executive Board of Directors' judgments and assumptions related to significant accounting estimates reflected in prior year financial statements. Valuation of investment property is a significant area to our audit as the valuation is inherently judgmental in nature, due to the use of assumptions that are highly sensitive, any change in assumptions may have a significant effect on the outcome given the relative size of the investment property balance. Reference is made to the section "Our key audit matter".</p>

Audit approach fraud risks compliance with laws and regulations

We assessed the laws and regulations applicable to Bouwinvest Dutch Institutional Residential Fund N.V. via our inquiries with the Executive Board of Directors and other personnel, and our assessment of relevant correspondence.

Non-compliance with applicable laws and regulations potentially have a material effect on amounts and/or disclosures in the financial statements or affect the fundament of the business operations. Given the nature of Bouwinvest Dutch Institutional Residential Fund N.V. and the regulated environment its operates in, there is a risk of non-compliance with regulations, including amongst each other the Alternative Investment Fund Managers Directive (AIFMD), the Wet op het financieel toezicht (Wft), the Wet ter voorkoming van witwassen en het financieren van terrorisme (Wwft).

By nature, we remain alert to indications of (suspected) non-compliance throughout the audit. Finally, we obtained written representations that all known instances of (suspected) fraud or non-compliance with laws and regulations have been disclosed to us.

Our key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements. We have communicated the key audit matters to the Executive Board of Directors. The key audit matters are not a comprehensive reflection of all matters discussed.

These matters were addressed in the context of our audit of the financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How the key audit matter was addressed in the audit
Valuation of investment property	
Refer to notes 4.1, 12 and 13 to the consolidated financial statements.	Our audit procedures included, among others, the following:
As at December 31, 2021 the Company held a portfolio of investment property with a fair value of € 7 billion (December 31, 2020: € 6.4 billion) and investment property under construction of € 639 million (December 31, 2020: € 453 million).	We have gained understanding of the valuation process and tested design and implementation of the Company's relevant controls with respect to the data used in the valuation of the property portfolio.
The portfolio consist of € 7.7 billion residential properties.	We evaluated the competence of the Company's external appraiser, which included consideration of their qualifications and expertise.
At the end of each reporting period, the Executive Board of Directors determines the fair value of its investment property portfolio in accordance with the requirements of IAS 40 and IFRS 13. The Company uses external valuation reports issued by external independent professionally qualified valuers to determine the fair value of its investment property.	In relation to the significant assumptions in the valuation of investment property we have: - determined that the valuation methods as applied by the Executive Board of Directors board, as included in the valuation reports, are appropriate; - challenged the significant assumptions used (such as capitalisation rate, market rental income, market-derived discount rate) against relevant market data. We have involved our internal real estate valuation experts in these assessments.
As the valuation of investment property is inherently judgmental in nature, due to the use of assumptions that are highly sensitive, any change in assumptions may have a significant effect on the outcome given the relative size of the investment property balance. The most significant assumptions and parameters involved, given the sensitivity and impact on the outcome.	Observation We found that, with the (significant) assumptions used in the valuation reports, the valuation of the investment property is valued within a reasonable range.

Report on the other information included in the annual report

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

- Report of the Executive Board of Directors.
- Other Information as required by Part 9 of Book 2 of the Dutch Civil Code.
- Other information comprising of The fund at a glance, Message from the Director Dutch Residential Investments, Other information, INREV valuation principles and Enclosures.

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.

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

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

We have read the other information. Based on our knowledge and understanding obtained through our audit of the financial statements or otherwise, we have considered whether the other information contains material misstatements.

By performing these procedures, we comply with the requirements of Part 9 of Book 2 of the Dutch Civil Code and the Dutch Standard 720. The scope of the procedures performed is substantially less than the scope of those performed in our audit of the financial statements.

The Executive Board of Directors is responsible for the preparation of the other information, including the Report of the Executive Board of Directors in accordance with Part 9 of Book 2 of the Dutch Civil Code, and the other information as required by Part 9 of Book 2 of the Dutch Civil Code.

Description of responsibilities regarding the financial statements

Responsibilities of the Executive Board of Directors for the financial statements

The Executive Board of Directors is responsible for the preparation and fair presentation of the financial statements in accordance with EU-IFRS and Part 9 of Book 2 of the Dutch Civil Code. Furthermore, the Executive Board of Directors is responsible for such internal control as the Executive Board of Directors 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 Executive Board of Directors is responsible for assessing the company's ability to continue as a going concern. Based on the financial reporting frameworks mentioned, the Executive Board of Directors should prepare the financial statements using the going concern basis of accounting unless the Executive Board of Directors either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

The Executive Board of Directors should disclose events and circumstances that may cast significant doubt on the company's ability to continue as a going concern in the financial statements.

Our responsibilities for the audit of the financial statements

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

Our audit has been performed with a high, but not absolute, level of assurance, which means we may not 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 judgement and have maintained professional skepticism throughout the audit, in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements. Our audit included among others:

- Identifying and assessing the risks of material misstatement of the financial statements, whether due to fraud or error, designing and performing audit procedures responsive to those risks, and obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtaining an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Executive Board of Directors.
- Concluding on the appropriateness of the Executive Board of Directors' use of the going concern basis of accounting, and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause a company to cease to continue as a going concern.
- Evaluating the overall presentation, structure and content of the financial statements, including the disclosures.
- Evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Because we are ultimately responsible for the opinion, we are also responsible for directing, supervising and performing the group audit. In this respect we have determined the nature and extent of the audit procedures to be carried out for group entities. Decisive were the size and/or the risk profile of the group entities or operations. On this basis, we selected group entities for which an audit or review had to be carried out on the complete set of financial information or specific items.

We communicate with the Executive Board of Directors 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 identified during our audit.

From the matters communicated with the Executive Board of Directors, we determine the key audit matters: those matters that were of most significance in the audit of the financial statements. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, not communicating the matter is in the public interest.

Amsterdam, March 21, 2022

Deloitte Accountants B.V.

Signed on the original: V.S. Borreman

Assurance report of the independent auditor

To the shareholders of Bouwinvest Dutch Institutional Residential Fund N.V.

Our conclusion

We have reviewed the sustainability information in the accompanying annual report for the year 2021 of Bouwinvest Dutch Institutional Residential Fund N.V. at Amsterdam. A review is aimed at obtaining a limited level of assurance.

Based on our review nothing has come to our attention that causes us to believe that the sustainability information does not present, in all material respects, a reliable and adequate view of:

- the policy and business operations with regard to corporate social responsibility; and
- the thereto related events and achievements for the year 2021

in accordance with the reporting criteria as included in the section 'reporting criteria'.

The sustainability information consists of performance information in the section 'Performance on Sustainability' part of chapter 'Performance on strategy' on page 29-36 of the 2021 Annual Report.

Basis for our conclusion

We conducted our review of the sustainability information in accordance with Dutch law, including Dutch Standard 3000A 'Assurance-opdrachten anders dan opdrachten tot controle of beoordeling van historische financiële informatie (assurance engagements other than audits or reviews of historical financial information)'. This engagement is aimed to obtain limited assurance. Our responsibilities in this regard are further described in the 'Our responsibilities for the review of the sustainability information' section of our report.

We are independent of Bouwinvest Dutch Institutional Residential Fund N.V. in accordance with 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 requirements in The Netherlands. Furthermore we have complied with the 'Verordening gedrags- en beroepsregels accountants' (VGBA, Dutch Code of Ethics).

We believe that the assurance evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Reporting criteria

The sustainability information needs to be read and understood together with the reporting criteria. Bouwinvest Dutch Institutional Residential Fund N.V. is solely responsible for selecting and applying these reporting criteria, taking into account applicable law and regulations related to reporting.

The reporting criteria used for the preparation of the sustainability information are the reporting criteria as included in the section 'reporting of performance indicators' within the 2021 Annual Report.

The absence of an established practice on which to draw, to evaluate and measure non-financial information allows for different, but acceptable, measurement techniques and can affect comparability between entities and over time.

Limitations to the scope of our examination

The sustainability information includes prospective information such as ambitions, strategy, plans, expectations and estimates. Inherent to prospective information, the actual future results are uncertain. We do not provide any assurance on the assumptions and achievability of prospective information in the sustainability information.

The references to external sources or websites in the sustainability information are not part of the sustainability information as reviewed by us. We therefore do not provide assurance on this information. Our conclusion is not modified in respect to these matters.

Responsibilities of the Executive Board of Directors for the sustainability information

The Executive Board of Directors is responsible for the preparation of reliable and adequate sustainability information in accordance with the reporting criteria as included in the section 'reporting criteria', including the identification of stakeholders and the definition of material matters. The choices made by the Executive Board of Directors regarding the scope of the sustainability information and the reporting policy are summarised in the chapter "Hoe Bouwinvest waarde creëert" of the Bouwinvest Real Estate Investors B.V. annual report.

Furthermore, the Executive Board of Directors is also responsible for such internal control as the it determines is necessary to enable the preparation of the sustainability information that is free from material misstatement, whether due to fraud or error.

The supervisory board is responsible for overseeing the reporting process of Bouwinvest Dutch Institutional Residential Fund N.V.

Our responsibilities for the review of the sustainability information

Our responsibility is to plan and perform the review in a manner that allows us to obtain sufficient and appropriate assurance evidence for our conclusion.

Procedures performed to obtain a limited level of assurance are aimed to determine the plausibility of information and vary in nature and timing from, and are less in extent, than for a reasonable assurance engagement. The level of assurance obtained in review is therefore substantially less than the assurance obtained in an audit.

We apply the 'Nadere voorschriften kwaliteitssystemen' (NVKS, Regulations for Quality management systems) and accordingly maintain a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We have exercised professional judgement and have maintained professional scepticism throughout the review, in accordance with the Dutch Standard 3000A, ethical requirements and independence requirements.

Our review included among others:

- Performing an analysis of the external environment and obtaining an understanding of relevant social themes and issues, and the characteristics of the company;
- Evaluating the appropriateness of the reporting criteria used, their consistent application and related disclosures in the sustainability information. This includes the evaluation of the results of the stakeholders' dialogue and the reasonableness of estimates made by the Executive Board of Directors;

- Obtaining an understanding of the reporting processes for the sustainability information, including obtaining a general understanding of internal control relevant to our review ;
- Identifying areas of the sustainability information with a higher risk of misleading or unbalanced information or material misstatements, whether due to fraud or error. Designing and performing further assurance procedures aimed at determining the plausibility of the sustainability information responsive to this risk analysis. These procedures consisted amongst others of:
 - Interviewing the Executive Board of Directors (and/or relevant staff) at corporate (and business/division/cluster/local) level responsible for the sustainability strategy, policy and results;
 - Interviewing relevant staff responsible for providing the information for, carrying out internal control procedures on, and consolidating the data in the sustainability information;
 - Obtaining assurance information that the sustainability information reconciles with underlying records of the company;
 - Reviewing, on a limited test basis, relevant internal and external documentation;
 - Performing an analytical review of the data and trends
 - Evaluating the presentation, structure and content of the sustainability information;
 - Considering whether the sustainability information as a whole, including the disclosures, reflects the purpose of the reporting criteria used.

We communicate with the Executive Board of Directors regarding, among other matters, the planned scope, timing and outcome of the review.

Amsterdam, March 21, 2022

Deloitte Accountants B.V.

Signed on the original: V.S. Borreman

Pontsteiger Apartments

Amsterdam
The Netherlands



INREV

Valuation principles

In order to give investors information on the transition from the Net Asset Value (NAV) according to IFRS to the adjusted NAV based on INREV valuation principles, the Fund reports the adjustments according to the INREV valuation principles. The fundamental assumption underlying the adjusted INREV NAV of the Fund is that it should give a more accurate reflection of the economic value of the Fund and of a participation in the Fund as it would be realised by a participant in a theoretical sale, as of the balance sheet date, assuming an arm's length transaction, a willing buyer/seller and an adequate time to market.

Note	Total	Per share	Actual impact on 2021 figures	Actual impact on 2020 figures
NAV per the IFRS financial statements				
Reclassification of certain IFRS liabilities as components of equity	X	X	Yes	Yes
1 Effect of reclassifying shareholder loans and hybrid capital instruments (including convertible bonds) that represent shareholders long term interests in a vehicle	X	X	N/A	N/A
2 Effect of dividends recorded as a liability which have not been distributed	X	X	N/A	N/A
NAV after reclassification of equity-like interests and dividends not yet distributed	X	X	N/A	N/A
Fair value of assets and liabilities	X	X	N/A	N/A
3 Revaluation to fair value of investment properties	X	X	N/A	N/A
4 Revaluation to fair value of self-constructed or developed investment property	X	X	N/A	N/A
5 Revaluation to fair value of investment property held for sale	X	X	N/A	N/A
6 Revaluation to fair value of property that is leased to tenants under a finance lease	X	X	N/A	N/A
7 Revaluation to fair value of real estate held as inventory	X	X	N/A	N/A
8 Revaluation to fair value of other investments in real assets	X	X	N/A	N/A
9 Revaluation to fair value of indirect investments not consolidated	X	X	N/A	N/A
10 Revaluation to fair value of financial assets and financial liabilities	X	X	N/A	N/A
11 Revaluation to fair value of construction contracts for third parties	X	X	N/A	N/A
12 Set-up costs	X	X	N/A	N/A
13 Acquisition expenses	X	X	Yes	Yes
14 Contractual fees	X	X	N/A	N/A
Effects of the expected manner of settlement of sales/vehicle unwinding	X	X	N/A	N/A
15 Revaluation to fair value of savings of purchaser's costs such as transfer taxes	X	X	N/A	N/A
16 Revaluation to fair value of deferred taxes and tax effect of INREV NAV adjustments	X	X	N/A	N/A
17 Effect of subsidiaries having a negative equity (non-recourse)	X	X	N/A	N/A
Other adjustments	X	X	N/A	N/A
18 Goodwill	X	X	N/A	N/A
19 Non-controlling interest effects of INREV adjustments	X	X	N/A	N/A
INREV NAV	X	X	Yes	Yes

INREV adjustments

All amounts in € thousands, unless otherwise stated

Note	Total 2021	Per share 2021	Total 2020	Per share 2020
NAV as per the financial statements	7,681,103	5,301.91	6,931,287	4,875.16
Reclassification of certain IFRS liabilities as components of equity				
1 Effect of reclassifying shareholder loans and hybrid capital instruments (including convertible bonds) that represent shareholders long term interests in a vehicle	-	-	-	-
2 Effect of dividends recorded as a liability which have not been distributed	-	-	-	-
NAV after reclassification of equity-like interests and dividends not yet distributed	7,681,103	5,301.91	6,931,287	4,875.16
Fair value of assets and liabilities				
3 Revaluation to fair value of investment properties	-	-	-	-
4 Revaluation to fair value of self-constructed or developed investment property	-	-	-	-
5 Revaluation to fair value of investment property held for sale	-	-	-	-
6 Revaluation to fair value of property that is leased to tenants under a finance lease	-	-	-	-
7 Revaluation to fair value of real estate held as inventory	-	-	-	-
8 Revaluation to fair value of other investments in real assets	-	-	-	-
9 Revaluation to fair value of indirect investments not consolidated	-	-	-	-
10 Revaluation to fair value of financial assets and financial liabilities	-	-	-	-
11 Revaluation to fair value of construction contracts for third parties	-	-	-	-
12 Set-up costs	-	-	-	-
13 Acquisition expenses	14,172	9.78	6,351	4.47
14 Contractual fees	-	-	-	-
Effects of the expected manner of settlement of sales/vehicle unwinding				
15 Revaluation to fair value of savings of purchaser's costs such as transfer taxes	-	-	-	-
16 Revaluation to fair value of deferred taxes and tax effect of INREV NAV adjustments	-	-	-	-
17 Effect of subsidiaries having a negative equity (non-recourse)	-	-	-	-
Other adjustments				
18 Goodwill	-	-	-	-
19 Non-controlling interest effects of INREV adjustments	-	-	-	-
INREV NAV	7,695,274	5,311.69	6,937,638	4,879.63
Number of shares issued	1,448,743		1,421,755	
Number of shares issued taking dilution effect into account	1,448,743		1,421,755	
Weighted average INREV NAV	7,148,001		6,749,430	
Weighted average INREV GAV	7,180,961		6,795,446	
Total Global Expense Ratio (NAV)	0.53%		0.53%	
Total Global Expense Ratio (GAV)	0.53%		0.52%	
Real Estate Expense Ratio (GAV)	0.89%		0.92%	

Notes to the INREV adjustments

All amounts in € thousands, unless otherwise stated

1 Effect of reclassifying shareholder loans and hybrid capital instruments (including convertible bonds) that represent shareholders' long-term interest in a vehicle

Investors' capital can take various forms aside from equity – examples include shareholder loans and hybrid capital instruments such as convertible bonds. Some vehicles are structured via a combination of equity participations and shareholder loans.

Shareholder loans and hybrid capital instruments are generally seen as part of the investors' overall interest in the vehicle.

Since investors in the Fund only invest via shares, no adjustment is included.

2 Effect of dividends recorded as a liability that have not been distributed

Under certain circumstances dividends are recorded as a liability but have not yet been legally distributed. For the determination of INREV NAV, these accrued dividends should be reversed to the NAV.

As per 31 December 2021, no dividends are recorded as a liability, so no adjustment is included.

3 Revaluation to fair value of investment property

After initial recognition, investment property is valued at fair value under the fair value option of IAS 40. Therefore no adjustment had to be made as per 31 December 2021.

4 Revaluation to fair value of self-constructed or developed investment property

Development property is investment property under construction and valued at fair value under the fair value option of IAS 40. Therefore no adjustment had to be made as per 31 December 2021.

5 Revaluation to fair value of investment property held for sale

Assets in this category are measured under IFRS at the lower of cost or net realisable value in the financial statements. The adjustment represents the impact on NAV of the revaluation of the property intended for sale, measured at cost, to fair value.

As per 31 December 2021, no properties intended for sale had been presented that are not included in the fair value of investment property.

6 Revaluation to fair value of property that is leased to tenants under a finance lease

Property that is leased to tenants under a finance lease is initially measured on a net investment basis and subsequently re-measured based on an amortisation pattern reflecting a constant rate of return. The adjustment represents the impact on NAV of the revaluation of the finance lease receivable to fair value.

As per 31 December 2021, no adjustment had been made since no property is held that is leased to tenants under a finance lease.

7 Revaluation to fair value of real estate held as inventory

Properties intended for sale and accounted for under IAS 2 (Inventory) are measured at the lower of cost or net realisable value in the financial statements. This adjustment represents the impact on the NAV of the revaluation of such properties to net

realisable value (fair value less disposal costs). This adjustment should be included under the caption 'revaluation to fair value of real estate held as inventory'.

As per 31 December 2021, no adjustment had been made since no property is accounted for under IAS 2 (Inventory).

8 Revaluation to fair value of other investments in real assets

Under IAS16, other investments in real assets are normally accounted for at cost. The adjustment represents the impact on NAV of the revaluation of other investments in real assets to fair value in accordance with the fair value assumptions under IFRS 13.

As per 31 December 2021, no adjustment had been made since the Fund has no investments in real assets.

9 Revaluation to fair value of indirect investments not consolidated

Indirect investments in real estate, such as investments in associations and joint ventures, have different accounting treatments and carrying values under IFRS. Such investments can be valued at cost, fair value or NAV. The adjustment represents the impact on NAV of the revaluation of indirect investments to fair value if not yet accounted for at fair value.

As per 31 December 2021, no adjustment had been made since the Fund has no other indirect investments in real estate.

10 Revaluation to fair value of financial assets and liabilities (including revaluation to fair value of debt obligations)

Financial assets and liabilities such as debt obligations are generally measured at amortised cost, taking into account any impairment when applicable. The adjustment represents the impact on NAV of the revaluation of financial assets and financial liabilities to fair value as determined in accordance with IFRS.

As per 31 December 2021, no adjustment had been made since the financial assets and liabilities accounted for in the Statement of financial position are not materially different from the fair value of the financial assets and liabilities in accordance with the fair value principles of IFRS 13.

11 Revaluation to fair value of construction contracts for third parties

Under IAS11, construction contracts for third parties are normally accounted for based on the stage of completion. The adjustment represents the impact on NAV of the revaluation of construction contracts for third parties to fair value in accordance with the fair value principles of IFRS 13.

As per 31 December 2021, no adjustment had been made since the Fund has no construction contracts of third parties.

Adjustments to reflect the spreading of one-off costs

As described in further detail below, set-up costs and acquisition expenses should be capitalised and amortised. The rationale for these adjustments is to spread these costs over a defined period of time to smooth the effect of the write-off of costs on the vehicle's performance. Furthermore, it is a simple mechanism to spread costs between different investor groups entering or leaving the vehicle's equity at different times.

In practice, there are many other ways in which vehicles address such issues for pricing, valuation, or other purposes. Since the INREV NAV is primarily intended to facilitate comparability between different vehicles, the INREV approach is a simple but

fixed methodology. Please note that these capitalised costs are subject to an impairment test each time the NAV is calculated and therefore should always be recoverable over time.

As the adjustments with respect to set-up costs are separately disclosed in the calculation of a vehicle's INREV NAV, investors can choose how these are taken into account when valuing their holding.

12 Set-up costs

Set-up costs (i.e. establishment expenses) are charged immediately to income after the initial closing date. This adjustment represents the impact on NAV of the capitalisation and amortisation of set-up costs over the first five years of the terms of the Fund. When capitalising and amortising set-up costs, a possible impairment test should be taken into account every time the adjusted NAV is calculated when market circumstances change and it is not to be expected that the capitalised set-up costs can be recovered.

As per 31 December 2021, the set-up costs of the Fund had been amortised, so no adjustment was made as per 31 December 2021.

13 Acquisition expenses

Under the Fair Value model, acquisition expenses of investments under the fair value assumptions according to IFRS may be partly charged to income or equity as fair value changes at the first subsequent measurement date after acquisition. This is when the fair value at the moment of measurement is less than the total amount of the purchase value of the assets and the acquisition expenses.

This adjustment represents the impact on NAV of the capitalisation and amortisation of acquisition expenses over the period from acquisition of the specific asset to five years after initial closing.

When an asset is sold during the amortisation period, the balance of capitalised acquisition expenses is charged to the income statement in the period of sale.

When capitalising and amortising acquisition costs, a possible impairment test should be taken into account every time the adjusted NAV is calculated (when market circumstances change) and it is not expected that the capitalised acquisition costs can be recovered with the sale of units of the Fund.

Most of the acquisitions are realised via a turn-key agreement with a development company. Since these acquisitions can be purchased free of transfer-tax normally the acquisition price is higher than if transfer-taxes is supposed to be paid separately. The valuation methodology is the net valuation after deduction of acquisition costs for a potential buyer. At initial recognition and during the payment of instalments, a part of the revaluation result will include the effect of the difference of the purchase price and the net valuation after deduction of acquisition costs for a potential buyer. This difference is taken into account in the INREV NAV as a separate item in the INREV adjustment with respect to acquisition costs.

14 Contractual fees

A liability represents a present obligation. A fee payable at the end of the lifetime of the Fund or at any other moment during the lifetime of the Fund may not meet the criteria for recognition of a provision or liability in accordance with IFRS at the moment the accounts are prepared.

As per the financial position date, all contractual fees and contingent liabilities are recognised in accordance with IFRS. The Fund did not enter into any other contractual fees or contingent liabilities that are not presented in the accounts as per the financial position date.

15 Revaluation to fair value of savings of purchaser's costs such as transfer taxes

This adjustment represents the positive impact on NAV of the possible reduction of transfer taxes and purchaser's costs for the seller based on the expected sale via the sale of shares. Transfer taxes and purchaser's costs which would be incurred in an asset sale are generally deducted when determining the fair value of the properties. The effect of a possible sale of shares in a property vehicle might be taken into account when determining the deduction of transfer taxes and purchaser's costs (if this lowers the actual transfer tax and/or purchaser's costs to be paid upon sale by the seller).

The Fund has no investment property structured in special vehicles. As per 31 December 2021, no adjustment had been made due to the fact that it is impossible to sell investment property via a share deal. Therefore, there is no possibility of an additional reduction of the transfer tax or purchaser's costs that might lead to a higher sales price.

16 Revaluation to fair value of deferred taxes and tax effect of INREV NAV adjustments

Under IFRS, deferred tax (assets and liabilities) is measured at the nominal statutory tax rate. How the Fund expects to settle deferred tax is not taken into consideration. This adjustment represents the impact on NAV of the deferred tax for assets and liabilities or financial instruments based on the expected settlement. This should be taken into consideration when tax structures have been applied to reduce tax on capital gains or allowances.

When goodwill is included in the Statement of financial position as a result of a deferred tax liability that is eliminated as a result of the above-mentioned adjustment, the goodwill related to this deferred tax will be excluded from NAV.

The Fund has the status of a fiscal investment institution (0% corporate tax rate). Therefore, no adjustment has been made, as the Fund is exempt from corporate tax payments.

17 Effect of subsidiaries having a negative equity (non-recourse)

The adjustment represents the positive impact on the NAV of the partial or full reversal of the negative equity of the specific subsidiary. If the vehicle has granted shareholder loans to the subsidiary, these should be taken into account.

As per 31 December 2021, no adjustment had been made since the Fund has no subsidiaries with a negative equity.

18 Goodwill

Upon the acquisition of an entity that is determined to be a business combination, goodwill may arise as a result of a purchase price allocation exercise. A major component of such goodwill in property vehicles often reflects the difference between the full recognition of deferred tax, purchaser's costs or similar items in the IFRS accounts (which does not generally take account of the likely or intended method of subsequent exit), and the economic value attributed to such items in the actual purchase price. Except where such components of goodwill have already been written off in the NAV as determined under IFRS, they should be written off in the INREV NAV.

As per 31 December 2021, no adjustment had been made since the Fund has no goodwill recognised in the Statement of financial position.

19 Non-controlling interest effects of INREV adjustments

This adjustment represents the impact on the NAV of the recognition of non-controlling interests on all of the above adjustments.

As per 31 December 2021, no adjustment had been made since the Fund holds no minority interests.

Independent auditor's report

To the shareholders of Bouwinvest Dutch Institutional Residential Fund N.V.

Report on the INREV adjustments

Our Opinion

We have audited the accompanying INREV adjustments 2021 of Bouwinvest Dutch Institutional Residential Fund N.V., based in Amsterdam.

In our opinion the INREV adjustments are prepared, in all material respects, in accordance with the accounting policies selected and disclosed by the fund, i.e. INREV valuation principles, as set out on page 99 up to and including page 104.

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 INREV adjustments" section of our report.

We are independent of Bouwinvest Dutch Institutional Residential Fund N.V. in accordance with 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.

Description of responsibilities for the INREV adjustments

Responsibilities of the Executive Board of Directors for the INREV adjustments

The Executive Board of Directors is responsible for the preparation of the INREV adjustments in accordance with the accounting policies selected and disclosed by the fund (INREV valuation principles) as set out on page 99 up to and including page 104.

Furthermore, the Executive Board of Directors is responsible for such internal control as management determines is necessary to enable the preparation of the INREV adjustments that are free from material misstatement, whether due to fraud or error.

Our responsibilities for the audit of the INREV adjustments

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

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

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these INREV adjustments. The materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

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

- Identifying and assessing the risks of material misstatement of the INREV adjustments, whether due to fraud or error, designing and performing audit procedures responsive to those risks, and obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtaining an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Executive Board of Directors.
- Evaluating the overall presentation, structure and content of the INREV adjustments, including the disclosures.
- Evaluating whether the INREV adjustments represent the underlying transactions and events free from material misstatement.

We communicate with the Executive Board of Directors 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 identified during our audit.

Amsterdam, March 21, 2022

Deloitte Accountants B.V.

Signed on the original: V.S. Borreman

Enclosures

Composition of the Executive Board of Directors



Chief Executive Officer and Statutory Director

D.J. (Dick) van Hal (1958, Dutch)

Dick van Hal has been CEO since his appointment in 2008. Until that time, he held several senior positions at Syntrus Achmea Vastgoed, including Managing Director and CEO. Dick started his career with Centraal Beheer Beleggingen and Staal Bankiers. He studied Investment Analysis (VBA) at the University of Amsterdam. Dick is co-chairman of Holland Metropole.



Chief Financial & Risk Officer and Statutory Director

M.A. (Rianne) Vedder (1970, Dutch)

Rianne Vedder was appointed Chief Financial and Risk Officer on 15 October 2019. She was formerly a Partner at EY Financial Services Advisory and jointly responsible for the growth and continued development of the consultancy practice of the EY organisation. She previously held positions within EY Financial Services and Capgemini. Rianne studied Business Economics at Maastricht University and holds a postgraduate Chartered Controller degree. She is an INSEAD-certified Independent Non-Executive Director.



Chief Client Officer

M. (Mark) Siezen (1972, Dutch)

Mark Siezen was appointed Chief Client Officer and member of the Management Board on 1 November 2020. Mark previously worked as Executive Director and member of the board of CBRE. Prior to that, he held various positions at Multi Cooperation, NSI and COFRA Holding (including Redevco and C&A). Since 1 December 2021 Mark is member of the Supervisory Board of Northwest Clinics (Noordwest Ziekenhuis Groep).



Chief Investment Officer Dutch Investments

A. (Allard) van Spaandonk (1961, Dutch)

Allard van Spaandonk has been CIO Dutch Investments since 2013. He was formerly director Asset Management of Bouwinvest, director retail investments at Syntrus Achmea Vastgoed as well as head of residential mortgages at Achmea Vastgoed. Allard is a member of the Advisory Board of the Amsterdam School of Real Estate (ASRE) and was member of the Management Board of NEPROM (Dutch association of project development companies) until 31 December 2021.



Chief Investment Officer International Investments

S.A. (Stephen) Tross (1967, Dutch)

Stephen Tross has been CIO International Investments since 2010. Stephen previously worked in the real estate audit practices at KPMG Accountants NV and PricewaterhouseCoopers in the Netherlands, New York and London. He studied Business Economics at the Hogeschool Utrecht and accountancy at NivRA-Nyenrode. Stephen is a professional member of the British Institution of Chartered Surveyors and a member of the management board of ANREV (chairman per 1 January 2022).



Director Dutch Residential Investments

M.B. (Michiel) de Bruine (1966, Dutch)

Michiel de Bruine has been Director Dutch Residential Investments since 2006. He is responsible for the Bouwinvest Dutch Institutional Residential Fund. He has over twenty years' experience in real estate asset management. Michiel gained his residential real estate experience with several companies, including Dynamis ABC Residential, where he worked as an account manager and as regional manager for Amsterdam and Utrecht. Michiel studied Law at the Vrije Universiteit in Amsterdam. Michiel is member of the Supervisory Board of Hello Zuidas and member of the Executive Committee of the ULI Netherlands.

Responsible investment performance indicators

Continued improvement of the Fund's sustainability performance

Impact area	Indicator	Measure	Units of measure	2021	2020	Change	Plan 2021-2023
Fund sustainability benchmark	GRESB	Star rating	# stars	5	5	+0	Annual improvement of overall GRESB score
	GRESB	Overall score (GRI-CRESS: CRE8)	# [1-100]	90	88	+2	

Investing in sustainable real estate

Impact area	Indicator	Measure	Units of measure	2021	2020	change	Plan 2021-2023
Asset sustainability certificate	GPR-Building	Green Building Certificates floor space (BREEAM or GPR) (GRI-CRESS: CRE8)	%	100%	100%	0 pp	All standing investments GPR labelled and by end of 2023 an average score of 6.5
		Average score (GRI-CRESS: CRE8)	#	6.48	6.46	+ 0.3%	
	GPR-Building (new acquisitions)	Labelled floor space (GRI-CRESS: CRE8)	%	100.0%	100.0%	0 pp	Minimum GPR of 8.0
		Average score (GRI-CRESS: CRE8)	#	7.6	7.8	-2.9%	

Reduce Environmental impact

Impact area	Indicator	Measure	Units of measure	2021	2020	change	Plan 2021-2023
Energy performance certificate	EPC	Labelled floor space (GRI-CRESS: CRE8)	%	100%	100%	0 pp	100% green portfolio (A, B, C energy labels) and 50% energy label A or better by end 2021
		Green labelled floor space (A, B or C label)	%	100%	100%	0 pp	
		A labelled floor space	%	62.1%	52.5%	+ 9.6 pp	
		Average EP2	#	161.7	170.0	-4.9%	
Renewable energy	Solar panels	Installed kWp of solar panels	kWp	16,427	13,726	+ 19.7%	Add renewable energy on location, installing 16.500kWp of solar panels before end of 2021
	Near energy neutral	BENG proof	%	100.0%	100.0%	0 pp	In the period 2019-2021, 70% of newly signed acquisitions (€) are near 'energy neutral' projects ('BENG'-proof)
	Gas free homes	Percentage of gas free homes	%	41.7%	N/A		

Impact area	Indicator	Measure	Units of measure	2021 (Abs)	2020 (Abs)	change (Lfl)	Plan 2021-2023
Energy	Electricity	Total landlord-obtained electricity (GRI: 302-2)	MWh	9,144	9,023	-3.8%	
	Gas	Total gas consumption (GRI: 302-1)		3,126	3,462	-9.3%	
	District heating and cooling	Total district heating and cooling (GRI: 302-2)		-	-	0.0%	
	Total	Total energy consumption from all sources (GRI: 302-2)		12,270	12,485	-5.4%	-5% in 2021
	Energy intensity	Building energy intensity (GRI-CRESS: CRE1)	kWh/m ² /year	13	13	-5.4%	
		Energy and associated GHG disclosure coverage		134 of 274	131 of 288		
GHG emissions	Direct	Scope 1 (GRI: 305-1)	tonnes	742	822	-9.3%	
	Indirect	Scope 2 (GRI: 305-2)	CO ₂ e	3,904	3,853	-3.8%	
	Total	Total GHG emissions (GRI: 305-2) Scope 1 and 2		4,647	4,675	-4.8%	-5% in 2021
		Total GHG emissions after compensation		742	822	-9.3%	
	GHG emissions intensity	GHG intensity from building energy (GRI-CRESS: CRE3)	kg CO ₂ e/m ² /year	4.8	4.9	-4.8%	
Water	Total	Total water consumption (GRI:303-1)	m ³	N/A	N/A	N/A	-5% in 2021
	Water intensity	Building water intensity (GRI-CRESS: CRE2)	m ³ /m ² /year	N/A	N/A	N/A	
Waste	Total	Total waste collected (GRI: 306-1)	tonnes	N/A	N/A	N/A	-5% in 2021
		Recycling rate	%	N/A	N/A	N/A	

Stakeholder engagement performance

Impact area	Indicator	Measure	Units of measure	2021	2020	change	Plan 2021-2023
Engage with stakeholders	Tenant satisfaction	Response rate (GRI: 102-43)	%	37.4%	38.6%	-1,2 pp	Tenants give the Fund a score higher than 7
		Average total score (GRI: 102-43)	#	7.3	7.3	0%	
	Leases	Number of new leases	#	3,017	2,921	+ 3.3%	By end 2021, 35% of all rental contracts
		Number of green leases	#	4,415 of 17,638	1,576 of 17,289	15.9%	
	Client satisfaction	Response rate (GRI: 102-43)	%	n/a	n/a	n/a	Clients give the Fund a score higher than 7.5
		Average total score (GRI: 102-43)	#	7.1	7.8	-9%	
Sustainable stewardship	Considerate constructors scheme	Registered construction projects	#	26 of 29	21 of 32	10.8%	In 2021, 75% of construction sites (€) registered under Considerate Constructors Scheme ('Bewuste Bouwer')
		Participation rate (by acquisition price)	%	82.1%	66.8%	+ 15.3 pp	
	Board seats and committee memberships industry organisations, related to the Dutch residential sector	Number	#	6	4	+ 50%	Gain board seats and committee memberships industry organisations: have at least one active board/committee memberships within industry organisations in the Dutch residential sector
	Make areas heart safe	Availability	%	100.0%	97.7%	+ 2.3 pp	our tenants and communities have an AED available within six minutes walking distance

Being a responsible organisation

Affordable real estate	mid-rental properties (€753-1013)	Newly signed acquisitions	#	978	766	+ 27,7%	Period 2019-2021, newly signed acquisitions will include 1,500 mid-rental (€ 753-1,013) properties
			%	58.3%	28.5%	+ 29.8 pp	
	Fair rental prices	Indexation above cpi	%	0.8%	0.7%	+ 0 pp	
Responsible business operation	Digital tenant portal	Usage of tenants	%	92.3%	32.7%	+ 59.6 pp	In 2021 all our tenants can use our tenant portal incl. sustainability performance

Reporting of performance indicators

The Fund's ambition to increase the coverage and therefore the transparency of its environmental impact according to INREV Sustainability Reporting Guidelines is reflected in the summary of key performance indicators in the table above.

Bouwinvest reports environmental data of those assets where there is management control possible (operational control approach). Data is provided for those assets where we have authority to introduce and implement operating policies and are responsible for purchasing energy and water and handling waste. Our management control differs greatly by asset type (e.g. residential and office); these differences affect the level of influence we have over the sustainability performance of our assets.

Like for like data and changes represents assets which have been fully owned and operational for the full 24 month period in our investment portfolio. It provides insight in the performance of an indicator over time at a constant portfolio scope. The reduction in GHG emissions can be explained by the compensation of carbon emissions through purchase of carbon certificates. This follows the commitment of Bouwinvest to reduce the impact its operations has on climate change.

For the managed portfolio (scope 1 and 2), Bouwinvest reports on total energy consumption including all direct energy sources (gas, fuel oil) and indirect energy sources (electricity, district heating and district cooling). To calculate Greenhouse Gas (GHG) emissions, country and energy source-specific emission factors have been applied. Emission factors change over time. For this annual report most recently available factors for 2021 are used (source: www.co2emissiefactoren.nl).

Energy, Emission and Water intensities are reported only on properties where energy respectively water data is available, using 'shared services' as the numerator and lettable floor area (LFA) as the denominator. 'Shared services' refer to landlord-obtained consumption for common parts and any services provided to tenant areas that have not been sub-metered.

In the annual report of Bouwinvest Real Estate Investors B.V. the results of a conducted analysis on material topics and observations on stakeholders and reporting criteria with regard to Bouwinvest and its investment activities in general are included. The responsible investing indicators in this report are aligned with these results and observations where applicable.

Properties overview

Municipality	Street name/ property name	No. of residential units	No. of parking units	Year of construction	Land ownership	Core region
Aerdenhout	Landgoed Alverna	36	36	2016	Freehold	Amsterdam region
Alphen aan den Rijn	Kerk en Zanen	77	12	1990	Freehold	The Hague region
Amersfoort	Vathorst I	39	-	2010	Freehold	Utrecht region
Amersfoort	Vathorst II	55	-	2012	Freehold	Utrecht region
Amstelveen	Middenhoven	52	-	1985	Freehold	Amsterdam region
Amstelveen	Westwijk I	68	30	1990	Freehold	Amsterdam region
Amstelveen	Westwijk III	54	-	1990	Freehold	Amsterdam region
Amstelveen	Westwijk VI	36	36	1990	Freehold	Amsterdam region
Amstelveen	Westwijk VII	28	-	1990	Freehold	Amsterdam region
Amstelveen	Westwijk VIII	75	-	1991	Freehold	Amsterdam region
Amstelveen	Westwijk IX	40	7	1993	Freehold	Amsterdam region
Amsterdam	Buitenveldert I	150	12	1986	Leasehold	Amsterdam region
Amsterdam	Buitenveldert II	127	-	1986	Leasehold	Amsterdam region
Amsterdam	Buitenveldert III	84	-	1986	Leasehold	Amsterdam region
Amsterdam	Sloten I	91	-	1991	Leasehold	Amsterdam region
Amsterdam	Kon. Wilhelminaplein I	96	102	1991	Leasehold	Amsterdam region
Amsterdam	Kon. Wilhelminaplein II	123	93	1991	Leasehold	Amsterdam region
Amsterdam	Sloten II	64	-	1991	Leasehold	Amsterdam region
Amsterdam	Sloten III	16	-	1991	Leasehold	Amsterdam region
Amsterdam	Sloten IV	180	112	1991	Leasehold	Amsterdam region
Amsterdam	Sloten V	24	24	1991	Leasehold	Amsterdam region
Amsterdam	Sloten VI	6	-	1992	Leasehold	Amsterdam region
Amsterdam	Sloten VII	96	-	1992	Leasehold	Amsterdam region
Amsterdam	Sloten VIII	148	-	1993	Leasehold	Amsterdam region
Amsterdam	Sloten IX	4	-	1993	Leasehold	Amsterdam region
Amsterdam	Sloten X	215	-	1993	Leasehold	Amsterdam region
Amsterdam	Sloten XI	16	-	1993	Leasehold	Amsterdam region
Amsterdam	Sloten XII	113	-	1993	Leasehold	Amsterdam region
Amsterdam	Sloten XIII	24	-	1993	Leasehold	Amsterdam region
Amsterdam	Sloten XIV	30	-	1993	Leasehold	Amsterdam region
Amsterdam	Sloten XV	50	51	1993	Leasehold	Amsterdam region
Amsterdam	Map I	17	-	1994	Leasehold	Amsterdam region
Amsterdam	Map II	72	-	1994	Leasehold	Amsterdam region
Amsterdam	Map III	49	49	1994	Leasehold	Amsterdam region
Amsterdam	Java Eiland I	155	108	1996	Leasehold	Amsterdam region
Amsterdam	Java Eiland II	155	94	1996	Leasehold	Amsterdam region
Amsterdam	Java Eiland III	118	73	1997	Leasehold	Amsterdam region
Amsterdam	Java Eiland IV	37	29	1997	Leasehold	Amsterdam region
Amsterdam	Java Eiland V	91	81	1997	Leasehold	Amsterdam region
Amsterdam	Java Eiland VI	70	67	1997	Leasehold	Amsterdam region
Amsterdam	Java Eiland VII	48	-	1997	Leasehold	Amsterdam region
Amsterdam	Java Eiland VIII	32	-	1996	Leasehold	Amsterdam region
Amsterdam	Geinwijk I	66	-	1997	Leasehold	Amsterdam region
Amsterdam	Geinwijk II	36	-	1997	Leasehold	Amsterdam region
Amsterdam	Borneo Eiland I	173	-	1998	Leasehold	Amsterdam region
Amsterdam	Borneo Eiland II	207	164	1998	Leasehold	Amsterdam region
Amsterdam	Koploper	176	87	2004	Leasehold	Amsterdam region
Amsterdam	Koploper, offices	5	-	2004	Leasehold	Amsterdam region
Amsterdam	Vaandeldrager	110	93	2004	Leasehold	Amsterdam region
Amsterdam	Vaandeldrager, offices	-	-	2004	Leasehold	Amsterdam region
Amsterdam	Winnaar	129	105	2004	Leasehold	Amsterdam region
Amsterdam	Winnaar, offices	-	-	2004	Leasehold	Amsterdam region

Amsterdam	De Heelmeesters I	98	114	2013	Leasehold	Amsterdam region
Amsterdam	De Heelmeesters II	81	66	2013	Leasehold	Amsterdam region
Amsterdam	De Heelmeesters, offices	-	-	2013	Leasehold	Amsterdam region
Amsterdam	Halve Maen	86	86	2014	Leasehold	Amsterdam region
Amsterdam	Feniks Studenten	342	-	2014	Leasehold	Amsterdam region
Amsterdam	Het Baken Starters	130	65	2014	Leasehold	Amsterdam region
Amsterdam	Feniks COG	-	-	2014	Leasehold	Amsterdam region
Amsterdam	Rivers I	25	-	2016	Leasehold	Amsterdam region
Amsterdam	Rivers II	50	51	2016	Leasehold	Amsterdam region
Amsterdam	Summertime 11	94	76	2016	Leasehold	Amsterdam region
Amsterdam	Summertime 12	103	74	2016	Leasehold	Amsterdam region
Amsterdam	Summertime, offices	-	-	2016	Leasehold	Amsterdam region
Amsterdam	Stadionplein	100	86	2016	Leasehold	Amsterdam region
Amsterdam	Jeruzalem	24	13	2016	Leasehold	Amsterdam region
Amsterdam	Statendam	108	114	2016	Leasehold	Amsterdam region
Amsterdam	Pontsteiger	252	165	2018	Leasehold	Amsterdam region
Amsterdam	Bloemfontein (De Werf B)	28	-	2018	Leasehold	Amsterdam region
Amsterdam	Ceuta (De Werf C)	180	-	2018	Leasehold	Amsterdam region
Amsterdam	Doha (De Werf D)	62	-	2018	Leasehold	Amsterdam region
Amsterdam	Parking (De Werf H)	-	210	2018	Leasehold	Amsterdam region
Amsterdam	Bloemfontein (De Werf B) COG	-	-	2018	Leasehold	Amsterdam region
Amsterdam	Ceuta (De Werf C) COG	-	-	2018	Leasehold	Amsterdam region
Amsterdam	Frixos (De Werf F)	36	-	2019	Leasehold	Amsterdam region
Amsterdam	Glenlyon (De Werf G)	168	-	2019	Leasehold	Amsterdam region
Amsterdam	Frixos (De Werf F) COG	-	-	2018	Leasehold	Amsterdam region
Amsterdam	Glenlyon (De Werf G) COG	-	-	2018	Leasehold	Amsterdam region
Amsterdam	State I (Kop Weespertrekvaart)	160	103	2019	Leasehold	Amsterdam region
Amsterdam	State II (Kop Weespertrekvaart)	102	-	2018	Leasehold	Amsterdam region
Amsterdam	Nautique Living (De Werf A)	403	-	2017	Leasehold	Amsterdam region
Amsterdam	Explorer (De Werf E)	69	-	2018	Leasehold	Amsterdam region
Amsterdam	Explorer (De Werf E) COG	-	-	2018	Leasehold	Amsterdam region
Amsterdam	Ivens Studios (IJBurg 1B)	70	-	2018	Leasehold	Amsterdam region
Amsterdam	Jeruzalem Blok G	40	-	2020	Leasehold	Amsterdam region
Amsterdam	Jeruzalem Blok G COG	-	-	2020	Leasehold	Amsterdam region
Apeldoorn	De Maten I	144	-	1982	Freehold	East region
Apeldoorn	t Fort-Vlieger	20	-	2001	Freehold	East region
Apeldoorn	t Fort-Hof	44	-	2001	Freehold	East region
Apeldoorn	t Fort-Hof, parking	-	77	2001	Freehold	East region
Apeldoorn	t Fort-Donjon	24	-	2001	Freehold	East region
Apeldoorn	t Fort-Ruit	13	-	2001	Freehold	East region
Apeldoorn	Loolaan	39	39	2017	Freehold	East region
Apeldoorn	Welgelegen Park MGW	31	-	2019	Freehold	East region
Apeldoorn	Welgelegen Park EGW	20	-	2019	Freehold	East region
Apeldoorn	Zonneweide	41	-	2019	Freehold	East region
Arnhem	Molenbeke	37	51	2014	Freehold	East region
Arnhem	Malburgen Nieuwe A	48	-	2017	Freehold	East region
Arnhem	Velperparc	36	44	2019	Freehold	East region
Berkel en Rodenrijs	Parkwijk-Oost	72	72	2012	Freehold	Rotterdam region
Breda	BREDA	1	-	1965	Freehold	Eindhoven region
Culemborg	Bellefleur	23	-	2017	Freehold	Utrecht region
Deventer	T&D kwartier EGW	30	15	2016	Freehold	East region
Deventer	T&D kwartier MGW	11	-	2016	Freehold	East region
Diemen	Noord VII	29	8	1989	Freehold	Amsterdam region
Diemen	Noord I	20	20	1990	Freehold	Amsterdam region
Diemen	Noord II	54	54	1990	Freehold	Amsterdam region

Diemen	Noord VIII	54	-	1990	Freehold	Amsterdam region
Diemen	Noord X	108	14	1991	Freehold	Amsterdam region
Diemen	Noord XI	22	-	1991	Freehold	Amsterdam region
Diemen	West I	24	3	1992	Freehold	Amsterdam region
Diemen	West II	45	6	1992	Freehold	Amsterdam region
Diemen	West III	106	8	1993	Freehold	Amsterdam region
Diemen	West IV	109	71	1993	Freehold	Amsterdam region
Diemen	Noord XIII	36	4	1994	Freehold	Amsterdam region
Diemen	Noord XV	44	-	1994	Freehold	Amsterdam region
Diemen	Noord XIV I	24	24	1994	Freehold	Amsterdam region
Diemen	Noord XIV II	10	10	1994	Freehold	Amsterdam region
Ede	Kraatsweg I	51	-	1980	Freehold	East region
Ede	De Laren	30	40	2014	Freehold	East region
Ede	Elias Beeckman Kazerne	64	-	2018	Freehold	East region
Ede	Simon Stevin	90	150	2021	Freehold	East region
Eindhoven	Gijzenrooi	55	40	1989	Freehold	Eindhoven region
Eindhoven	Picusgebouw	77	77	2020	Freehold	Eindhoven region
Eindhoven	Picuskadeblok	36	36	2019	Freehold	Eindhoven region
Eindhoven	Blok61 (Strijp S)	96	58	2017	Freehold	Eindhoven region
Eindhoven	Meierijlaan	24	43	2019	Freehold	Eindhoven region
Gouda	Groenhovenpark	220	-	1981	Freehold	Rotterdam region
Groningen	Hoornse Meer III	104	44	1991	Freehold	East region
Groningen	Hoornse Park	34	-	1992	Freehold	East region
Groningen	Ebbingse 9A	32	-	2020	Freehold	East region
Groningen	Ebbingse 9A COG	-	-	2020	Freehold	East region
Haarlem	Zuiderpolder I	72	4	1987	Freehold	Amsterdam region
Haarlem	Zuiderpolder II	48	-	1990	Freehold	Amsterdam region
Haarlem	Mauve I	24	24	2013	Freehold	Amsterdam region
Haarlem	Mauve II	50	57	2013	Freehold	Amsterdam region
Haarlem	Rosorum Residentie	-	23	2014	Freehold	Amsterdam region
Helmond	Brandevoort	60	-	2013	Freehold	Eindhoven region
Helmond	Parc Valere	75	76	2018	Freehold	Eindhoven region
Helmond	Liverdonk	26	-	2018	Freehold	Eindhoven region
Hilversum	Villa Industria, Gashouder I	32	32	2016	Freehold	Amsterdam region
Hilversum	Villa Industria, Gashouder II	48	43	2016	Freehold	Amsterdam region
Hilversum	Villa Industria - Pakhuizen	10	20	2016	Freehold	Amsterdam region
Hilversum	Villa Industria - Entreegebouw	16	17	2016	Freehold	Amsterdam region
Hoofddorp	Hof van Pampus	74	125	2019	Freehold	Amsterdam region
Hoofddorp	Tudorpark EGW	98	-	2019	Freehold	Amsterdam region
Hoofddorp	Tudorpark MGW	36	-	2019	Freehold	Amsterdam region
Hoofddorp	De Monarch	97	141	2020	Freehold	Amsterdam region
Hoofddorp	Tudorpark 2de fase	62	8	2020	Freehold	Amsterdam region
Hoogland	De Ham	58	18	1989	Freehold	Utrecht region
Katwijk	't Duyfrak I	54	-	2010	Freehold	The Hague region
Katwijk	't Duyfrak II	42	42	2011	Freehold	The Hague region
Koog aan de Zaan	Westerkoog	151	-	1983	Freehold	Amsterdam region
Leidschendam	Heuvelzijde I	87	24	1997	Freehold	The Hague region
Leidschendam	Heuvelzijde II	92	89	1997	Freehold	The Hague region
Leidschendam	Heuvelzijde III	76	92	1998	Freehold	The Hague region
Lelystad	De Tjalk	121	13	1984	Freehold	Non-core region
Lent	Laauwik	22	-	2012	Freehold	East region
Lent	Park Lentseveld	26	-	2014	Freehold	East region
Maastricht	Eyldergaard	63	63	1986	Freehold	Eindhoven region
Maastricht	Boschstraat Oost	196	-	1987	Freehold	Eindhoven region
Maastricht	Belvedere Haven	57	66	2008	Freehold	Eindhoven region

Maastricht	Belvedere Haven, retail	-	-	2008	Freehold	Eindhoven region
Maastricht	Cour Renoir I	73	111	2009	Freehold	Eindhoven region
Maastricht	Cour Renoir II	14	14	2010	Freehold	Eindhoven region
Nieuwegein	Fokkesteege	78	-	1981	Freehold	Utrecht region
Nieuwegein	Batau Noord I	176	16	1981	Freehold	Utrecht region
Nieuwegein	Batau Noord II	64	32	1981	Freehold	Utrecht region
Nieuwegein	Batau Noord III	40	-	1987	Freehold	Utrecht region
Nieuwegein	Galecop I	36	-	1995	Freehold	Utrecht region
Nieuwegein	Galecop II	36	-	1996	Freehold	Utrecht region
Nijmegen	Onder Onnes EGW	35	-	2016	Freehold	East region
Nijmegen	Onder Onnes MGW	11	-	2016	Freehold	East region
Nijmegen	Nieuw Nachtegaalplein I	29	-	2016	Freehold	East region
Nijmegen	Nieuw Nachtegaalplein II	38	-	2018	Freehold	East region
Nuenen	't Oog	25	25	2017	Freehold	Eindhoven region
Oisterwijk	KVL	60	-	2019	Freehold	Eindhoven region
Oosterhout	De Kreek	30	-	2018	Freehold	Eindhoven region
Pijnacker	MarquantPlus	78	78	2015	Freehold	The Hague region
Pijnacker	Boszoom	57	-	2015	Freehold	The Hague region
Purmerend	Kop van West	74	85	2019	Freehold	Amsterdam region
Rijswijk	De Strijp	30	-	1996	Freehold	The Hague region
Rijswijk	RijswijkBuiten 'de Tuinen van Sion'	43	-	2016	Freehold	The Hague region
Rijswijk	Rijswijk Buiten-Sion MGW	59	-	2019	Freehold	The Hague region
Rijswijk	Rijswijk Buiten-Sion EGW	38	54	2020	Freehold	The Hague region
Rosmalen	De Vlondertuinen	25	-	2015	Freehold	Eindhoven region
Rotterdam	Oosterflank	102	-	1985	Leasehold	Rotterdam region
Rotterdam	Zevenkamp IV	126	-	1985	Leasehold	Rotterdam region
Rotterdam	Noordelijk Niertje	112	68	1988	Leasehold	Rotterdam region
Rotterdam	Prinsenland I	138	-	1991	Leasehold	Rotterdam region
Rotterdam	Prinsenland II	99	-	1990	Leasehold	Rotterdam region
Rotterdam	Oostplein	69	44	1991	Freehold	Rotterdam region
Rotterdam	Oostplein, retail	-	-	1991	Freehold	Rotterdam region
Rotterdam	Grindweg	38	38	1992	Leasehold	Rotterdam region
Rotterdam	Prinsenland III	70	68	1994	Leasehold	Rotterdam region
Rotterdam	Prinsenland IV	18	18	2010	Leasehold	Rotterdam region
Rotterdam	Kop van Zuid I	19	19	1995	Leasehold	Rotterdam region
Rotterdam	Kop van Zuid II	311	175	1995	Leasehold	Rotterdam region
Rotterdam	Prinsensparkbuurt	60	8	1995	Leasehold	Rotterdam region
Rotterdam	Up Town	150	90	2019	Freehold	Rotterdam region
Rotterdam	Little C-A1 The Burton	83	-	2021	Freehold	Rotterdam region
Rotterdam	Little C-A3 The Clark	58	-	2021	Freehold	Rotterdam region
Rotterdam	Little C-A4 The Hammond	68	-	2021	Freehold	Rotterdam region
Rotterdam	Little C-Parkings	-	75	2021	Freehold	Rotterdam region
'S-Hertogenbosch	Paleiskwartier	224	196	2017	Freehold	Eindhoven region
The Hague	Bomenbuurt	42	42	1990	Leasehold	The Hague region
The Hague	CentreCourt	122	-	2002	Freehold	The Hague region
The Hague	Riethof I	56	-	2003	Leasehold	The Hague region
The Hague	Riethof II	60	60	2003	Leasehold	The Hague region
The Hague	Prinsenhof	203	-	2006	Leasehold	The Hague region
The Hague	Landouwen I	29	29	2006	Freehold	The Hague region
The Hague	Landouwen II	29	29	2006	Freehold	The Hague region
The Hague	Landouwen III	29	29	2006	Freehold	The Hague region
The Hague	Landouwen IV	29	29	2006	Freehold	The Hague region
The Hague	Landouwen V	29	29	2006	Freehold	The Hague region
The Hague	Oostduinlaan	146	146	2019	Freehold	The Hague region
The Hague	Oostduinlaan, Short Stay	-	-	2019	Freehold	The Hague region

The Hague	Cityprince	50	45	2015	Leasehold	The Hague region
The Hague	Cityprince COG	-	-	2015	Leasehold	The Hague region
The Hague	De Wateringen	30	30	2020	Freehold	The Hague region
Tilburg	De Noorderstreek	76	76	2017	Freehold	Eindhoven region
Utrecht	3 FNV	3	-	1940	Freehold	Utrecht region
Utrecht	Langerak I	10	-	1999	Leasehold	Utrecht region
Utrecht	Langerak II	20	-	1999	Leasehold	Utrecht region
Utrecht	Parkwijk Noord	89	61	2002	Leasehold	Utrecht region
Utrecht	Parkwijk Zuid veld 22	91	88	2003	Leasehold	Utrecht region
Utrecht	Parkwijk Zuid veld 25	70	70	2003	Leasehold	Utrecht region
Utrecht	Terwijde 14/15 I	38	38	2004	Leasehold	Utrecht region
Utrecht	Terwijde 14/15 II	67	67	2004	Leasehold	Utrecht region
Utrecht	Langerak III	80	80	2005	Leasehold	Utrecht region
Utrecht	Dichterswijk	124	123	2005	Leasehold	Utrecht region
Utrecht	Parkwijk Het Zand	98	98	2005	Leasehold	Utrecht region
Utrecht	Tuinpark I	74	71	2006	Leasehold	Utrecht region
Utrecht	Tuinpark II	187	197	2006	Leasehold	Utrecht region
Utrecht	Boemerang, offices	-	18	2006	Leasehold	Utrecht region
Utrecht	De Bongerd I	33	33	2009	Leasehold	Utrecht region
Utrecht	De Bongerd II	38	38	2010	Leasehold	Utrecht region
Utrecht	Terwijde Zuid	100	106	2010	Leasehold	Utrecht region
Utrecht	Meyster's Buiten I	25	25	2015	Leasehold	Utrecht region
Utrecht	Meyster's Buiten II	24	24	2015	Leasehold	Utrecht region
Utrecht	Veemarkt I	45	45	2015	Leasehold	Utrecht region
Utrecht	Veemarkt Portiek	47	47	2016	Leasehold	Utrecht region
Utrecht	Veemarkt City	65	50	2016	Freehold	Utrecht region
Utrecht	Zijdebalen I	104	94	2017	Freehold	Utrecht region
Utrecht	Zijdebalen II	73	44	2017	Freehold	Utrecht region
Utrecht	Zijdebalen III	73	75	2018	Freehold	Utrecht region
Utrecht	Zijdebalen IV	52	34	2019	Freehold	Utrecht region
Utrecht	Vredenburgplein	60	-	2017	Freehold	Utrecht region
Utrecht	Van der Marckhof	46	46	2018	Freehold	Utrecht region
Utrecht	Haarzicht	126	93	2019	Freehold	Utrecht region
Utrecht	Rachmaninoff	132	76	2020	Freehold	Utrecht region
Veldhoven	Heikant Oost III	58	6	1987	Freehold	Eindhoven region
Veldhoven	Zandven	22	-	2020	Freehold	Eindhoven region
Veldhoven	Huysackers	17	17	2020	Freehold	Eindhoven region
Velserbroek	B3	46	4	1989	Freehold	Amsterdam region
Velserbroek	Bastion	110	-	1992	Freehold	Amsterdam region
Vlijmen	De Grassen I	23	-	2018	Freehold	Eindhoven region
Zaandam	Westerwatering IV	24	24	1990	Leasehold	Amsterdam region
Zoetermeer	Buytenwegh de Leyens I	81	-	1984	Freehold	The Hague region
Zoetermeer	Buytenwegh de Leyens II	50	-	1985	Freehold	The Hague region
Zoetermeer	Stadscentrum	71	-	1987	Freehold	The Hague region
Zoetermeer	Stadscentrum, retail	-	-	1987	Freehold	The Hague region
Zoetermeer	Rokkeveen	91	9	1988	Freehold	The Hague region
Zoetermeer	Rokkeveen Rad	244	-	1988	Freehold	The Hague region
Zwolle	Stadshagen I	33	-	1998	Freehold	East region
Zwolle	Stadshagen II	138	-	1998	Freehold	East region
Zwolle	Stadshagen III	64	-	1999	Freehold	East region
Zwolle	Stadshagen IV	12	-	2000	Freehold	East region
Zwolle	Stadshagen V	21	-	2000	Freehold	East region
Zwolle	Stadshagen Haven	37	-	2002	Freehold	East region
Zwolle	Bewegingshuis	93	95	2005	Freehold	East region
Zwolle	Schoolwoningen	24	30	2005	Freehold	East region

Zwolle	Havezate	57	-	2013	Freehold	East region
Zwolle	Vrij Werkeren	46	-	2018	Freehold	East region
Zwolle	Wetering	32	-	2021	Freehold	East region
Zwolle	Duinzicht	43	24	2021	Freehold	East region
		18,134	8,381			

Glossary

Considerate constructors scheme

The proportion of construction sites controlled by the reporting company that are registered under the Dutch Considerate Constructors (Bewuste Bouwers) scheme in a reporting year, weighted by purchase price.

Direct property return

Direct property return as a percentage is equal to the net rental income of investment properties divided by the value of the investment properties, including purchaser's transaction costs, on a monthly basis (MSCI methodology).

Distributable result

Distributable result is the company only total rental income and other income net of all expenses, costs, fees (including management fee), financing costs and taxes borne by the Fund available for distribution to the shareholders.

Energy index of the portfolio

Average energy index on asset level, weighted by lettable floor area. Based on investment properties and excluded units without an energy index. For the residential portfolio, the average energy index is calculated at unit level.

Estimated rental value

The estimated rent at which space within a property could reasonably be expected to be let given current market conditions.

Financial occupancy rate

This is the average occupancy rate of the portfolio over the year calculated on the basis of rental revenue according to contracts as at the reporting date, as a percentage of the theoretical rent.

Fund capital growth (INREV)

Fund capital growth is the total return (INREV), less the distributable result, divided by INREV NAV at the beginning of the period plus the time weighted (daily) contributions for the quarter minus the time weighted (daily) distributions/redemptions for the quarter. Annual fund capital growth is calculated compounded on the basis of 4 quarters.

Fund income return (INREV)

The fund income return per period as a percentage is equal to the distributable result, divided by INREV NAV at the beginning of the period plus the time weighted (daily) contributions for the quarter minus the time weighted (daily) distributions/redemptions for the quarter. Annual fund income return is calculated compounded on the basis of four quarters.

Fund total return (INREV)

The fund total return for the quarter is equal to the sum of the unrounded fund income return and fund capital growth. As a result rounding differences may occur. The annual fund total return is calculated compounded on the basis of the quarterly fund total return. As a result, the fund total return is not the sum of the fund income return and the fund capital growth.

Green portfolio

Relative share of lettable floor area with energy label A, B and C compared with the total lettable floor area of the portfolio, based on investment properties and excluding listed buildings. For the residential portfolio, the green portfolio is calculated at unit level.

GRESB score

The GRESB (Global Real Estate Sustainability Benchmark) score is an overall measurement of ESG performance – represented as a percentage of a 100 percent maximum. The score is a result of the annual assessment of the entity by GRESB.

GRESB star rating

The GRESB star rating is based on the GRESB score and its quintile position relative to the GRESB universe, with annual calibration of the model. If an entity is placed in the top quintile, it will be a GRESB 5-star rated entity; if it ranks in the bottom quintile, it will be a GRESB 1-star rated entity, etc. As the GRESB star rating is calculated relative to the global performance of reporting entities, it shows exactly where the Fund stands on a global scale.

Gross Asset Value (GAV)

The total property portfolio plus the value of any further assets at market value as per the chosen valuation principles.

Gross initial yield (passing)

Passing rent divided by the gross capital value of the investment property including purchaser's transaction costs, as per end of period.

Gross initial yield (market)

Theoretical rent (market) divided by the gross capital value of the investment property including purchaser's transaction costs as per end of period.

Gross rental income

The gross rental income is the total contractual rental income over the reporting period from let properties reported under IFRS, including the net effects of straight-lining for lease incentives, including rent-free periods.

Indirect property return

Indirect property return as a percentage is equal to the increase/decrease in the value of a property or group of properties net of capital expenditure divided by the value of the investment properties including purchaser's transaction costs, on a monthly basis (MSCI methodology).

INREV NAV

INREV NAV is based on the fair value of the underlying assets and liabilities, as at the financial position date, and adjusted for the spreading of costs that will benefit different generations of investors.

Investment property

Property that is fully operational on the reporting date

Investment property under construction

Property that is being built or developed for future use as investment property.

Lease incentive

Any consideration or expense borne by the property company, in order to secure a lease.

Like-for-like gross rental income

Like-for-like gross rental income compares the increase/decrease of the gross rental income of the portfolio that has been consistently in operation, during two full preceding periods that are described.

Membership of industry associations

Number of employees active in board/committee memberships in industry organisations in the real estate sector in the reporting period.

MSCI Property Index

Benchmark organisation IPD has been rebranded as MSCI. This is why we now cite the MSCI Netherlands Annual Property Index, rather than the IPD Netherlands Annual Property Index. The composition and calculation of the indexes and benchmarks remain the same: indirect property return as a percentage is equal to the increase/decrease in the value of a property or group of properties net of capital expenditure divided by the value of the investment properties including purchaser's transaction costs, on a monthly basis.

Net asset value (NAV)

The net asset value is equal to the shareholders' equity of the Fund.

Net initial yield

Net rental income divided by the gross capital value of the investment property including purchaser's transaction costs as per end of period.

Net rental income

Net rental income is gross rental income for the period less ground rents payable, service charge expenses and other non-recoverable property operating expenses such as insurance, real estate taxes, marketing and other vacant property costs.

On-site solar power

Amount of installed power (kilowatt peak - kWp) from on-site solar panels in the investment portfolio.

Passing rent

The annualised cash rental income being received as at a certain date, excluding the net effects of straight-lining for lease incentives. For the avoidance of doubt, where no rent is currently being paid due to operation of a rent-free period, the passing rent will be shown as zero.

Pay-out ratio of distributable earnings

This is the distributed dividend in the reporting period divided by the distributable result in the reporting period.

Property value

The Property value equals the fair value of the Investment Property and Investment Property under Construction excluding the value of Lease Liabilities.

Real Estate Expense Ratio (REER)

Annual vehicle-level and property-specific costs over a 12-month period as a proportion of average vehicle assets (average GAV and average NAV).

Reduction of energy consumption

Percentage of change in energy consumption (electricity and gas) at end of reporting year compared with previous year on a like-for-like basis for energy meters that were under the direct control of the Fund. Like-for-like refers to the energy consumption of a portfolio that has been consistently in operation for two comparative periods. Gas consumption is converted from m³ to kWh based on the conversion factor as published at end of period on <https://www.co2emissiefactoren.nl>. And gas consumption for the reporting year is corrected for differences in the number of

degree days at De Bilt (the Netherlands) between the current and previous year.

Residential units in mid-rental segment

The total number of acquired units with rental prices between € 753 and € 1,013 per month (price level 2021) in the reporting period.

Sustainably certified portfolio

The relative share of investment properties within a portfolio that have been formally granted sustainable building certification, rating or labelling at the end of a reporting period, compared with the total portfolio of investment properties (based on m² LFA).

Theoretical rent

Passing rent over the reporting period plus estimated rental value of vacant units.

Total Global Expense Ratio (TGER)

The total expense ratio reflects the total Fund expenses of the current reporting period as a percentage of the time-weighted INREV Gross Asset Value (GAV) over the period. The TGER is backward looking and includes the management fee, administrative expenses and valuation fees.

Transactions

Transactions are contractual obligations for the purchase of investment properties, where such property is not generating income for the benefit of the Fund as of the reporting date.

Zero-energy projects

Number of acquisition transactions (investment proposals approved by the Executive Board of Directors) in the period 2018-2020, with agreed yearly total energy consumption of below 0 kWh.

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