Annual Report 2020

ASR Dutch Core Residential Fund

a.s.r. real estate

Cover: **Milestones**, Utrecht

The ASR Dutch Core Residential Fund Annual Report 2020 is only available in a soft copy version. The report contains several interactive elements. Pop-ups will guide you to additional information.

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Annual Report 2020

ASR Dutch Core Residential Fund

Contents

ASR Dutch Core Residential Fund ('the Fund') offers a diversified, mature and sustainable residential real estate portfolio with a value of € 1.7b. The Fund has a core strategy and focuses on investing in sustainable, high-quality apartments and single-family houses, particularly in the mid-priced rental segment, in the strongest economic and demographic regions and cities in the Netherlands.

The aim of the Fund is to provide a stable distributable return for investors through investment in, management of and adding value to the portfolio, while keeping risk and leverage at a low level.

Overview

As at 31 December 2020

€ 1,717m
portfolio size

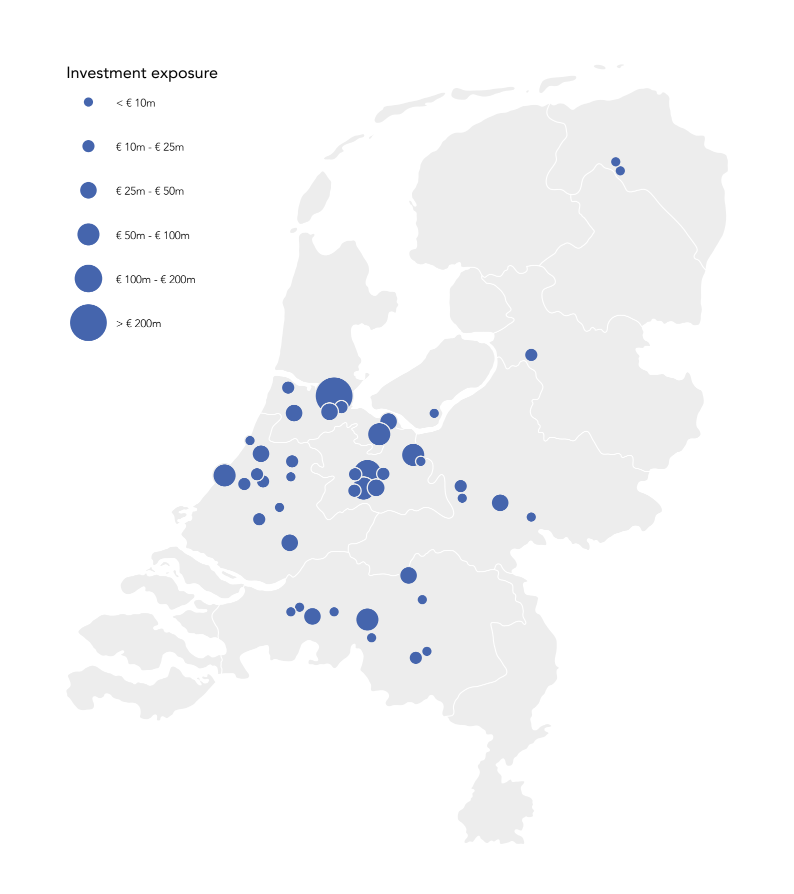
€ 58.0m
annual rent

4,759
residential units

€ 353m
commitments

9.3%
total rent potential

98.7%
occupancy rate



Performance figures

(amounts in €'000, unless otherwise stated)

Performance

For the year	2020	2019	2018	2017	2016
Total return	9.4%	14.7%	15.3%	14.4%	14.5%
- Income return	2.3%	2.7%	3.2%	3.5%	4.6%
- Capital growth	7.1%	12.0%	12.1%	10.9%	9.9%
Internal rate of return (since first closing at 1 January 2015)	13.2%	13.9%	13.8%	13.6%	13.3%

Performance per unit

amounts in €

For the year	2020	2019	2018	2017	2016
Operating result	27	29	28	27	29
Net result	118	165	153	131	121
Distributable result	30	31	33	32	37

amounts in €

As at	31 December 2020	31 December 2019	31 December 2018	31 December 2017	31 December 2016
IFRS Net Asset Value	1,335	1,247	1,113	993	893
INREV Net Asset Value	1,342	1,255	1,122	1,001	903
INREV Net Asset Value (after distributions)	1,335	1,247	1,113	993	893
Number of Units	1,325,615	1,247,466	1,192,701	1,192,701	1,101,823

Financial figures

For the year	2020	2019	2018	2017	2016
Results					
Operating result	35,565	35,526	33,961	31,260	30,137
Net result	152,624	202,728	182,404	150,752	127,217
Distributable result	38,199	38,261	38,845	37,068	39,438

As at	31 December 2020	31 December 2019	31 December 2018	31 December 2017	31 December 2016
Balance					
Investment properties in operation	1,461,643	1,367,346	1,261,773	1,053,950	922,873
Investment properties under construction	179,961	104,387	28,853	88,018	56,239
Investment properties held-for-sale	2,950	3,008	2,673	3,232	1,893
Participations	72,620	38,950	16,628	-	-
Total assets	1,788,500	1,575,933	1,345,894	1,200,188	1,003,753
Capital	1,769,905	1,555,419	1,327,552	1,183,993	984,336

Financial ratios

As at	31 December 2020	31 December 2019	31 December 2018	31 December 2017	31 December 2016
Solvency	99.0%	98.7%	98.6%	98.7%	98.1%
Loan-to-value ratio	0%	0%	0%	0%	0%
Weighted average cost of debt	n/a	n/a	n/a	n/a	n/a
Payout ratio of distributable result	100%	100%	100%	100%	100%

Portfolio figures

For the year	2020	2019	2018	2017	2016
Results					
Gross rental income	57,966	56,909	53,888	49,149	47,508
Net rental income	44,736	44,193	41,596	37,981	35,831
Revaluation properties	7.0%	11.6%	12.1%	10.9%	9.9%

As at	31 December 2020	31 December 2019	31 December 2018	31 December 2017	31 December 2016
Balance					
Investment properties	1,644,554	1,474,741	1,293,299	1,145,200	981,005
Participations	72,620	38,950	16,628	-	-
Forward acquisitions (off-balance sheet commitments)	311,701	345,545	303,855	258,300	182,200
Participations (off-balance sheet commitments)	38,073	66,289	81,318	-	-
Total number of properties	85	101	110	106	103
Number of dwellings	4,759	4,794	4,975	4,805	4,772
Current gross yield [1]	4.0%	4.2%	4.4%	4.8%	5.2%
Current net yield [2]	3.1%	3.3%	3.4%	3.7%	4.0%
Occupancy rate [3]	98.7%	98.6%	98.5%	98.1%	97.8%

1) Calculated as current gross rental income as at end of the period divided by the value of investment properties in operation and held-for-sale.
2) Calculated as gross yield multiplied with the four-quarter rolling-average net/gross ratio.
3) Occupancy as a percentage of theoretical rental income.

"The Fund will contuinue to focus on further strengthening the core profile of the fund, with an emphasis on affordable housing, sustainability and customer focus."

Robbert W.Y. van Dijk

Foreword

Dear investor,

We are pleased to present the ASR Dutch Core Residential Fund 2020 annual report. This report provides the financial statements, an overview of the performance and the management of the Fund, as well as a glimpse of the year ahead.

The residential market, a bright spot in current market turmoil

The year 2020 has been a tremendous, unpredictable year, with the outbreak of the COVID-19 pandemic and all uncertainties surrounding this outbreak and the road to recovery. The Dutch economy was impacted negatively by the COVID-19 pandemic in 2020. After the first lockdown in the first half of 2020, a resurgence of COVID-19 cases led to a second, severe lockdown in December 2020, that will last until well in 2021. This will most certainly lead to another economic contraction.

Despite the COVID-19 pandemic, Dutch residential real estate continued to perform well and has been the most popular investment category in 2020, for the third year in a row. Total returns for the residential investment market are still on a high level, although growth is slowing down. The demand for Dutch residential investments remains high due to favourable market fundamentals, while good product is scarce.

Another successful year for the ASR Dutch Core Residential Fund

Throughout 2020, the Fund's portfolio grew from € 1,515m to € 1,717m, mainly caused by the positive capital growth of the portfolio and term payments for the Fund's assets under construction. Capital growth in 2020 remained strong at 7.1%. The income return of the portfolio ended up at 2.3%, bringing the total return for 2020 at 9.4%.

The Fund optimises its income growth through active asset management. As a result, the gross rental income grew to € 58m. Occupancy is an essential driver for the return of the portfolio and remained very high in 2020, at 98.7%. Besides focusing on rent optimisation, high occupancy levels and individual unit sales, active asset management involves strict management of operating expenses. The expenses were well within budget for 2020.

The core quality of the portfolio was further enhanced through investments, new additions and sales. The Fund continued its effort on actively enhancing the portfolio by completing the renovation of two portfolio assets in 2020, which are Ambachtenlaan in Breda and RiMiNi in Amstelveen. Properties Parkzicht in IJmuiden, Hagendonk in Prinsenbeek and De Hoge Regentesse in The Hague were completed and added to the Fund in 2020, whereas the Fund executed two investment sales, as well as individual unit sales in 2020, to further optimise the core quality of its portfolio.

The Fund added three new projects to its pipeline in 2020, which are Boumaboulevard in Groningen, Schoemakertoren in Delft and Laurierkwartier in Utrecht. This results in a strong pipeline with a total off-balance sheet commitment of € 353m. Expected completion dates for the pipeline projects range from 2021 to 2024.

The pipeline has a 92% exposure to the Fund's focus areas. Currently, eight out of thirteen pipeline projects are under construction.

The Fund welcomed its eleventh investor in 2020 and accepted new commitments for a total of € 175m. The Fund maintained its 0% leverage status throughout 2020.

The Fund further improved its GRESB rating from four stars in 2019 to the maximum number of five stars in 2020. This makes the Fund one of the 20% best performing GRESB funds worldwide. In addition, the Fund is well on track with regard to achieving its CSR targets. In 2020, the Fund realised a reduction of its average Energy Index to 1.17 (target: 1.15, to be realised in 2022) and decreased its ownership of dwellings with an Energy Index above 2.4 to 1.0% (target 0.5%, to be realised in 2022). The excellent performance of the portfolio is a result of the execution of the Fund's solid strategy as described in its Three Year Business Plan.

Looking forward

Since the beginning of 2020, the global economy is impacted by the COVID-19 pandemic. The exact impact on the economy will be largely dependent on the containment of the virus, and on the duration and severity of lockdown measures. Our view on this topic is discussed more thoroughly in the market outlook in this annual report.

Although the crisis will have an impact on the real estate market, there are no signs yet that the residential real estate sector will be impacted significantly, as current market fundamentals remain favourable. Other challenges, that lie ahead, are the scarcity for suitable product, the availability of affordable housing and increased legislation for the mid-priced rental segment. The Fund follows the market developments closely and is well equipped to respond to these trends.

Going forward, the Fund will focus on the further strengthening of the core profile of the fund, with an emphasis on affordable housing, sustainability and customer focus. The Fund has developed an impact investment strategy, focused on the addition of affordable dwellings to the portfolio. Sustainability has become an integral part of our daily business, over the years, and is formalised in the annually updated CSR policy of the Fund. Last but not least, customer focus has always been an important part of our strategy. In the coming year the Fund will further improve the quality of tenant service by implementing a digital strategy and insourcing tenant contact.

Prospects for investing in residential real estate remain positive. Through active asset management, focused acquisition management, in-house property management and a long-term emphasis on sustainability, the Fund remains well-positioned for the future. Investing in the core quality of the portfolio, with a focus on affordable and sustainable housing, remain key elements of the portfolio strategy in 2021. We are confident that the portfolio will continue to prove its worth by accommodating 5,000 households and generating solid returns for our investors.

Fund Management Team, ASR Dutch Core Residential Fund
Robbert W.Y. van Dijk, *fund director*
Marsha Sinninghe, *fund manager*
Johan Kamminga, *fund controller*

Parkzicht, IJmuiden

Fund profile

The ASR Dutch Core Residential Fund ('the Fund') was launched on 1 January 2013. On that date, the Anchor Investor transferred its properties to the Fund. The Fund had its initial closing, with the first external investor, on 1 January 2015. The Fund has been growing ever since and welcomed its eleventh investor in 2020. The Anchor Investor is still committed to the Fund, holding a total of 55.2% of the units (as of 31 December 2020), although its control is capped (one vote in the Investment Committee and a maximum of 40% of the votes in the Meeting of Investors).

The Fund is solely open for professional investors ('professionele beleggers') within the meaning of Section 1:1 of the Dutch Financial Markets Supervision Act ('Wet op het financieel toezicht' or 'FMSA') or for a non-professional investor who is designated a professional investor pursuant to Section 4:18c of the FMSA.

ASR Dutch Core Residential Fund is structured as a contractual fund for joint account (fonds voor gemene rekening or 'FGR') under Dutch law. The Fund is not a legal entity (rechtspersoon) but is a contractual arrangement sui generis between the Management Company (ASR Dutch Core Residential Management Company B.V.) and the Legal Owner (ASR Dutch Core Residential Custodian B.V.), subject to the terms and conditions that relate to the Fund and the parties involved (such as the AIF Manager, Management Company, Investors and the Depositary) included in the Fund Agreement. The Fund shall have an indefinite term, subject to early dissolution of the Fund in accordance with Clause 15 of the Fund Agreement.

The Fund is considered transparent for Dutch corporate income tax purposes and Dutch dividend withholding tax purposes.

AIF Manager & Management Company

The AIF Manager (ASR Real Estate B.V. or a.s.r. real estate) is licensed as an alternative investment manager in the Netherlands further to article 2:65 of the FMSA and therefore subject to conduct supervision by the Netherlands' Authority for Financial Markets ('Autoriteit Financiële Markten') and to prudential supervision by the Dutch Central Bank ('De Nederlandse Bank').

The Management Company of the Fund is ASR Dutch Core Residential Management Company B.V., which is a wholly owned subsidiary of the AIF Manager. The Management Company is charged with the management of the Fund. The Management Company shall ensure that the Fund is managed in accordance with the Fund Agreement and therefore in accordance with the Investment Objective & Strategy, Investment Criteria and the Investment Restrictions as set out therein. The Management Company is authorised to represent the Fund.

The Management Company will act in its own name, but will indicate that it is acting on behalf of the Fund. a.s.r. real estate has been appointed as statutory director of the Management Company. The Management Company will rely on the real estate track record and experience of a.s.r. real estate as the AIF Manager of the Fund. The Management Company shall act in the best interest of the investors and shall require the same of the AIF Manager. This is laid down in the Management Agreement concluded between the Management Company and the AIF Manager. The AIF Manager will perform the services as referred to in paragraphs 1 (portfolio management and risk management) and 2 (other functions) of Annex 1 of the AIFMD.

Legal Owner

The Legal Owner of the Fund's assets is ASR Dutch Core Residential Custodian B.V. The Legal Owner keeps the legal title of all assets and liabilities directly and indirectly held for the risk and account of the investors. The management board of the Legal Owner consists of the Stak (Stichting Administratiekantoor ASR Dutch Core Residential Custodian). The AIF Manager serves as the director of the Stak.

Depositary

BNP Paribas Securities Services S.C.A., a company organised under French law, acting in this respect through its Amsterdam branch, has been engaged as the Fund's Depositary.

Governance

Fund Agreement
The Management Company shall ensure that the Fund is managed in accordance with the Fund Agreement and therefore in accordance with the Investment Objective & Strategy, Investment Criteria and the Investment Restrictions as set out therein.

Three Year Business Plan
The Fund has outlined an investment policy in accordance with Investment Objective & Strategy, Investment Criteria and the Investment Restrictions as set out in the Fund Agreement. Each year, the Management Company presents the investment policy as a Three Year Business Plan. This 'Three Year Business Plan' is presented at the Meeting of Investors, after it has been discussed with and formal advice given by the Investment Committee.

Investor influence
Each investor shall be beneficially entitled to the Fund and any income generated on the portfolio assets pro rata the size of its investments (to the number of Units held by each investor) in the Fund. The investors have a certain control over key decision-making of the Fund through the Meeting of Investors and the Investment Committee.

Meeting of Investors
Meetings of Investors will be held as often as required. However, at least one physical Meeting of Investors will be held each year, within 9 months following the end of the Fiscal Year upon the initiative of the Management Company. At this annual Meeting of Investors, the Management Company or the AIF Manager will present the Three Year Business Plan and the Accounts to be considered and approved by such meeting. The Meeting of Investors shall also vote on the appointment or dismissal of the auditor or valuer, removal of the AIF Manager, and material amendments to the Fund Agreement.

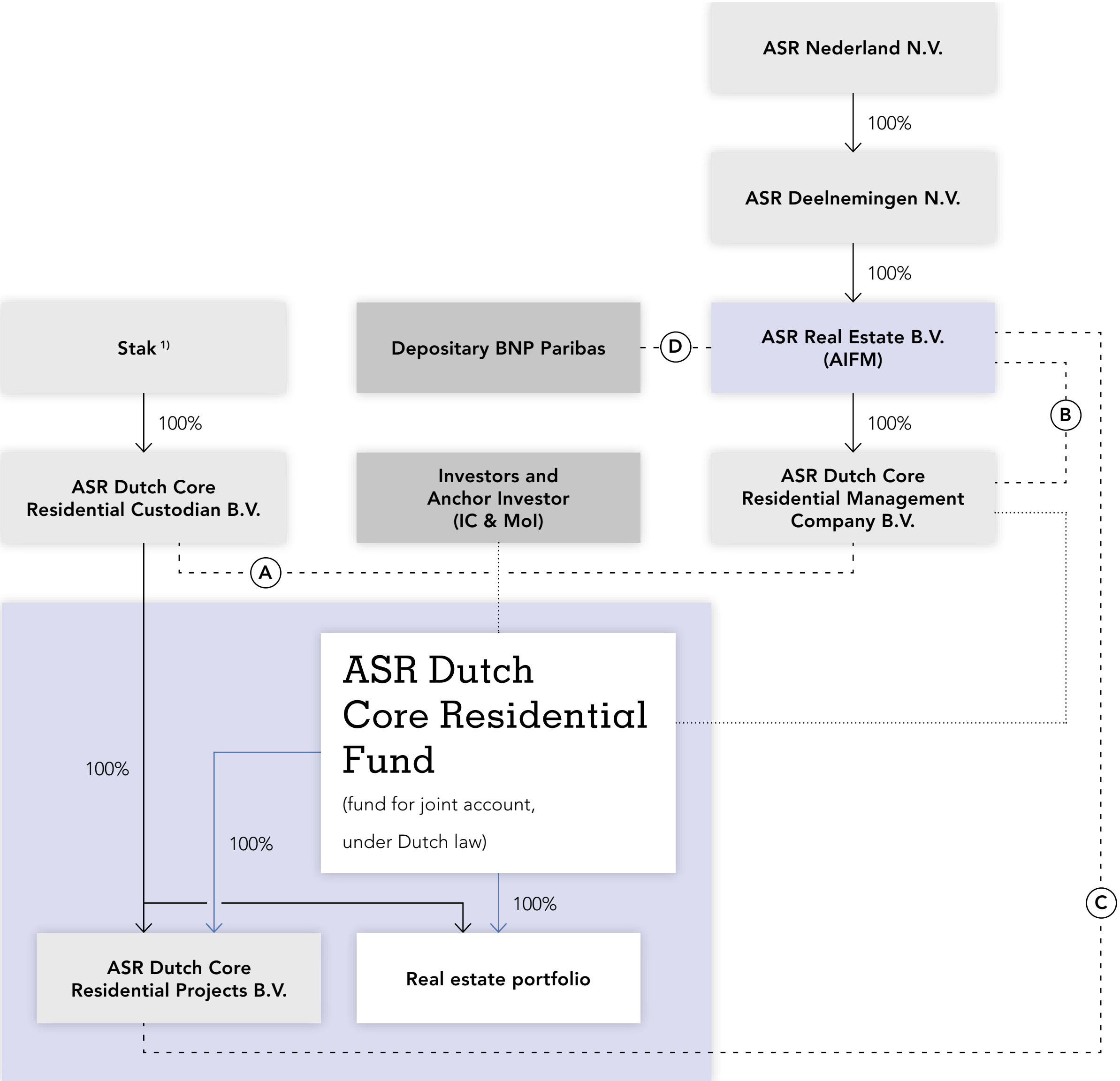
Each investor will have a number of votes equal to the number of Units it holds in the Fund; the Anchor Investor will hold a maximum of 40% of the votes. Two Meetings of Investors were held in 2020.

Investment Committee
The Investment Committee is responsible for monitoring compliance by the Management Company and the AIF Manager with the Investment Objective & Strategy, the Investment Criteria and the Investment Restrictions. Furthermore, it shall be consulted by and render its advice to the AIF Manager whenever the approval or advice of the Investment Committee is required, pursuant to the Fund Agreement. The Investment Committee meets as often as is required. Two Investment Committee meetings were held in 2020.

Conflict of interests
The Management Company acts in the interest of the investors. Conflicts of interest may arise in the structure of the Fund, since the Management Company, the AIF Manager, the Legal Owner, Project BV, the Custodian and the Anchor Investor are all (indirect) subsidiaries of ASR Nederland N.V. These companies will be assisted in the conduct of business by directors, officers and agents, including representation by common legal and tax counsels representing both the Fund and a.s.r.

Because of these relationships, certain directors and officers of the Management Company and the AIF Manager may have obligations to others that conflict with their duties in the Fund. Prior written approval of the Investment Committee will be required in relation to transactions which involve a conflict of interest on the part of either the Management Company, the AIF Manager or any of its Group Companies, or an Investor, to the extent such transactions materially affect the Fund, are not expressly contemplated or approved by the terms of the Fund Agreement, Prospectus or the Management Agreement. The member of the Investment Committee nominated by the Investor who has the conflict of interest, is not allowed to vote.

Figure 1 ASR Dutch Core Residential Fund - fund structure



A Fund Agreement (Legal Owner – Manco)
B Management Agreement (AIFM – Manco)
C Project Agreement (AIFM – Projects B.V.)
D Depositary Agreement (AIFM – Depositary)

— legal ownership
— economic ownership
- - - contractual relationship
······ contract relating to

1) Stak (Stichting Administratiekantoor ASR Dutch Core Residential Custodian) is the legal entity for the purpose of to acquire and hold the shares in the Custodian against the granting of certificates to ASR Nederland N.V.

Remuneration policy of the manager

The remuneration policy is set at the level of ASR Nederland N.V. and is part of the HR-policy. The remuneration policy is determined by government policies and societal opinion on remuneration in the financial sector.
The remuneration policy supports the strategy and business objectives of ASR Nederland N.V. and must help ASR Nederland N.V. enable to attract and retain qualified employees. Since July 1, 2014 remuneration includes all remuneration groups of fixed salary only. The fixed remuneration consists of a fixed gross monthly salary, a holiday allowance of 8% and a thirteenth month. The amount of the fixed remuneration (with the exception of the Executive Board) is determined by the weight of the job and the salary group. The growth of the fixed salary concerns an annual increase of 3% (provided that there is room for this in the scale). The fixed salary is indexed according to the collective increase in the insurance business.

The Fund has no employees in 2020. All employees and directors working for the Fund are employed by ASR Nederland N.V. A service agreement ('inleenovereenkomst') is in place between a.s.r. real estate and the HR-department of ASR Nederland N.V. Between ASR Nederland N.V. and a.s.r. real estate a cost-allocation agreement is in place. Allocation of personnel expenses to a.s.r. real estate occurs based on fte-driven cost allocation-keys. The total costs of a.s.r. real estate amount to € 25.3m for 2020 and are recognised in the statement of income and comprehensive income in the period in which they are incurred (on an accruals basis). These costs exist of total personnel expenses of € 18.5m, based on an average of 163 FTE, including 2 directors. Of the total personnel expenses € 0.5 million can be allocated to the directors of the Manager. The rest of the personnel expenses is related to the other staff. As at 31 December 2020, the total number of FTE in a.s.r. real estate is 167. The other costs, consisting of e.g. ICT-, business support-, advisory- and marketing costs, amount to € 6.8m.

a.s.r. real estate is not in compliance with the targeted percentage of 30% female/male (as described in article 391, sub 7 BW2). When a vacant position in a.s.r. real estate occurs, a.s.r. real estate will take this targeted percentage into account and strive to find the right person for the job.

The total remuneration of the employees involved in the Fund is included in the management fees as shown above, which fees are in favor of a.s.r. real estate. The number of employees that are fully or partly involved in the Fund is estimated at 43. This estimation is based on the assets under management of the Fund in relation to the total assets under management of a.s.r. real estate.

The total remuneration for the employees of a.s.r. real estate involved in the Fund is € 4.8m. This amount was fully charged by the Manager of the investment entity. The following table shows the composition of the remuneration of the employees involved in the Fund:

Remuneration

2020	Number of employees	Fixed remuneration	Variable remuneration	Total remuneration	Percentage of remuneration
Executive Board	2	128	-	128	3%
Identified staff	-	-	-	-	0%
Other staff	41	4,624	-	4,624	97%
Total	**43**	**4,752**	**-**	**4,752**	**100%**
2019					
Executive Board	2	116	-	116	3%
Identified staff	-	-	-	-	-
Other staff	35	3,981	-	3,981	97%
Total	**37**	**4,097**	**-**	**4,097**	**100%**

There are no staff whose actions the Fund's risk profile significantly affect (identified staff), who can be allocated directly to the Fund. Consequently, the employees who perform work for the Fund are classified as other staff.
In accordance with Article 1: 120 paragraph 2 sub a of the Wft, we report that no person has received a compensation exceeding € 1.0 m.

ISAE
An internal control system according to the International Standard of Assurance Engagements (ISAE) is in place since the launch of the Fund. As of 2018 an integrated ISAE Type II audit (ISAE 3402 combined with COS 3000) is performed annually. This standard for assurance reporting on service organisations gives the auditor a framework to evaluate the efforts of a service organisation at the time of audit to prevent accounting inconsistencies, errors and misrepresentation. It also requires management to provide a description of its 'system' and a written statement of assertion. The internal control system relates to the asset- and property management activities as well as to the Finance and Risk department and the IT management processes. In February 2021 the ISAE Type II 3402 report over the year 2020 was received from the auditor without any remarks.

Project BV
To maintain the Fund's and its Investors' tax status, no development activities should take place in the Fund. As a consequence, ASR Dutch Core Residential Projects B.V. (Project BV) has been set up as a subsidiary of the Fund. The Fund will engage Project BV for maintenance, renovation and/or extension activities of portfolio assets, as well as for assets to be acquired by the Fund, that qualify as development activities for Dutch tax purposes, on such terms that such refurbishment activities do not jeopardise the tax status of the Fund nor the tax status of the Investors. Project BV will solely engage in any such activities with respect to portfolio assets or assets to be acquired by the Fund and therefore not with respect to assets of parties other than the Fund.

Project BV receives a remuneration at arm's length for the Permitted Project Activities it performs for the Fund. Such arm's length remuneration has to be agreed upon between the Fund and Project BV on a project by project basis and covers the activities performed by Project BV. The remuneration is charged to the Fund. Project BV is subject to corporate income tax, which is charged over the fiscal result.

The Project BV is a 100% subsidiary of the Fund. This means that the Project BV's shares are owned by the ASR Dutch Core Residential Custodian B.V. in a legal sense, while economically the shares are owned by the Fund's investors. In this report, the Project BV's figures are consolidated within the figures of the Fund. No standalone ('enkelvoudig') financial statements of the Fund and the Project BV are presented, since they would only differ marginally from the consolidated figures.

Report of the Management Company

For the period 1 January 2020 - 31 December 2020

Market developments

Dutch economy

Figure 2 Key economic indicators

		2020	2019	
GDP growth	y-o-y real	-3.7%	1.7%	↘
Consumer prices	y-o-y inflation (HICP)	1.1%	2.7%	↘
Consumer confidence	Average balance (December)	-20	-2	↘
Unemployment	ILO unemployment rate	3.8%	3.4%	↗
Private consumption	y-o-y consumer spending	-6.3%	1.7%	↘
Producer confidence	Average balance (December)	-0.4	2.9	↘

Source: Statistics Netherlands (CBS), Eurostat, 2021

COVID shocked economies worldwide; unprecedented contractions in 2020
During the first quarter of 2020, the COVID-19 virus spread across the world. Due to its high infection rate, many countries introduced contact-limiting measures and societal lockdowns, which severely impacted national economies. The Netherlands was introduced to the virus relatively late, on February 27th, which was followed by an 'intelligent lockdown' in March. Although this lockdown was successful from a healthcare perspective, with almost no new infections by the end of June, the pandemic had a significant impact on the economy. In the second quarter, the largest economic contraction in recent history was recorded: -8.5% quarter-on-quarter (Statistics Netherlands, 2021).

When the lockdown was eased in July, Dutch consumers reacted positively and consumer spending showed a record quarter-on-quarter increase of 9.2% during the third quarter after two quarters of steep decline (-4.3% and -8.6%, respectively). This relief contributed to a cautious but better-than-expected recovery of economic growth during the summer. As a result, the Dutch economy showed a significant and record-breaking quarter-on-quarter growth of 7.8% in the third quarter (Statistics Netherlands, 2021).

However, some contact-limiting measures were still kept in place to limit the number of new cases and to prepare the country for a second wave in the fall or winter. The partially expected resurgence of COVID-19 cases in October led to a second, severe lockdown in December and has led to a 4.0% decline in consumer spending and another economic contraction of 0.1% quarter-on-quarter in Q4 2020. Compared to 2019, the Dutch economy eventually contracted by 3.7% in 2020 (Statistics Netherlands, 2021). Still, the Netherlands is performing above the Eurozone average, as Eurozone's GDP contraction was 6.8% year-on-year in 2020. As a result, economic recovery from the pandemic in the Netherlands is expected to take place in the first half of 2022, ahead of expected Eurozone recovery in late 2022 (Consensus Forecast, 2021).

Unemployment increases dampened by governmental aid packages

After a record low unemployment rate by the end of 2019 (3.3%), expectations of rising unemployment were inevitable when lockdown periods halted economic activity in many sectors throughout 2020. However, due to the Netherlands' healthy dept-to-GDP ratio going into the crisis, large-scale governmental aid packages and arrangements enabled many businesses to stay afloat. In fact, 2020 saw the fewest bankruptcies in 20 years (Statistics Netherlands, 2021). Furthermore, due to a better-than-expected third quarter from an economic point-of-view, unemployment only increased to 4.3% by the end of the third quarter. This decreased even further to 3.9% in December, but the impact of the current severe lockdown on employment figures is still uncertain. Even so, it must still be noted that the working population decreased sharply in April (-1.8%) as a result of the first lockdown and subsequent travel restrictions, triggering many foreign employees (expats) to return to their country of origin (Statistics Netherlands, 2021).

Running parallel to the rising unemployment rate, the amount of job vacancies decreased sharply in the first half of 2020, according to Statistics Netherlands (CBS). By the end of 2019, the number of job vacancies was 281,200 and this decreased to 200,400 by the end of the second quarter of 2020. As a result of the economically more positive third quarter, the number of vacancies increased again to 213,700 by the end of the year, which is still 24.0% less compared to the year before. During this period, all economic sectors showed a decrease in job vacancies. The sectors most notably hit were transport (-37.1%), catering (-70.2%) and culture & leisure (-58.5%). Job vacancies in commercial office jobs decreased by 24.3% year-on-year and in the construction industry by 7.1%, making this one of the sectors with the smallest decrease in vacancies (Statistics Netherlands, 2021).

Erratic movement in consumer prices; below long-term average

Since the outbreak of COVID-19, monthly y-o-y inflation (CPI) figures have been erratic due to significantly different household spending patterns. For instance, household expenditure on airline tickets and fuel fell considerably, which in both cases led to severe price decreases.

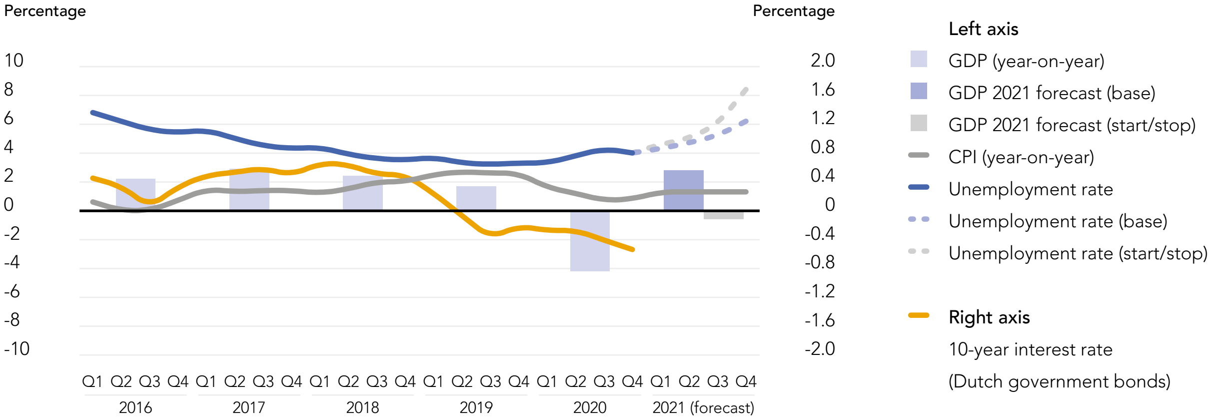
Whereas the harmonised consumer prices index (HICP) moved above 2% during 2019, last year showed a decrease to 0.3% in August. By the end of the year, the average year-on-year price increase was 1.1%. Like the year before, the CPI in the eurozone was significantly lower in 2020 compared to the Netherlands: consumer goods and services were only 0.3% more expensive than the year before (Eurostat, 2020).

Steep decline in consumer confidence; positive producers' outlook for 2021

Consumer confidence declined considerably during the first half of 2020 when the first lockdown was in force and with increased economic uncertainties. In May, the index stood at -31 after being at -2 in March, the largest decrease in two consecutive months since the measurement was first recorded in 1986. A cautious recovery began in November and December, contrary to the current severe lockdown which started in December. Even so, the sooner-than-expected release of vaccines and – at present – better than expected unemployment figures and bankruptcies have given more and more consumers increased confidence about the course of 2021. However, it should be noted that with the index at -19 in January 2021, consumer confidence is still at a low level. The last time this balance was recorded was in November 2013 at the end of the Eurocrisis (Statistics Netherlands, 2021).

Running parallel to consumer confidence, producer confidence also plummeted to its lowest level (-28.7) in April since CBS started tracking it in 1985. However, it has been recovering ever since. In December, the index had almost reached a positive balance again (-0.4). Entrepreneurs were cautious during the first months of the pandemic, but governmental aid packages and a relatively modest economic contraction in 2020 gave them increased confidence for the remainder of that year (Statistics Netherlands, 2020).

Figure 3 Dutch economic indicators



Source: Statistics Netherlands (CBS), Consensus Forecast, a.s.r. real estate, 2021

The Dutch real estate investment market

Decrease in investment volumes; residential real estate remains most popular

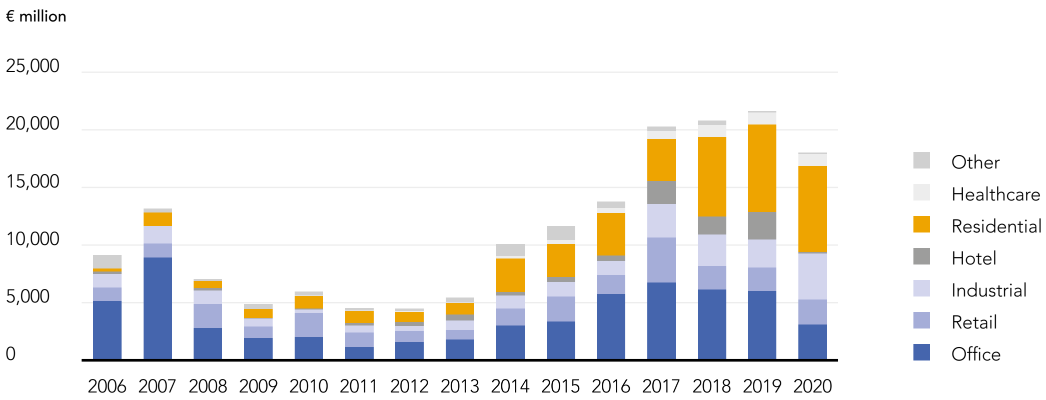
Although COVID-19 had a negative impact on certain real estate categories such as offices (accelerating trend in home offices), non-food retail (e-commerce) and hotels (travel restrictions), the pandemic also saw clear winners within the real estate investment market: industrial real estate (logistics) saw its deal volume increase significantly (+63%) and the investment volume in residential real estate was again the highest of any category, for the third year in a row (CBRE, 2021).

Overall, investment volumes decreased by 16.7% in 2020 compared to the year before, most notably due to significantly decreased volumes in offices (-48.1%) and hotels (-93.9%). In the end, only logistics and retail saw an increase in deal volume (62.8% and 5.6% respectively), the first due to the accelerating trend in e-commerce (both non-food and food) and the need for more logistic hubs, and the latter due to the increased interest in supermarkets and district shopping centres with strong food anchors. Overall, the total investment volume in 2020 exceeded the 10 years' long average and thus underlines the attractiveness of real estate as an asset class.

Residential real estate has proven itself to be the investment product with the most stable fundamentals going forward. It attracted the most investor interest: for the third year in a row, it is the most traded real estate sector in the Netherlands. Even so, it still saw its investment volume decrease by 2.3%, which is mostly due to 2019's large one-off Heimstaden deal which makes 2019's investment volume a positive outlier.

With these high and relatively stable investment volumes, Dutch real estate remained attractive overall both for domestic (42%) and foreign (58%) investors, since the ratio between both remained at around the 40/60-average since 2014.

Figure 4 The Dutch real estate investment market



Source: CBRE, 2021

Performance of the Dutch residential market

Table 1 Owner-occupied market indicators

	2020	1-year growth	3-year growth	Forecast 2021
House price (average)	€ 334,500	8.6%	27.0%	5.0 to 5.5%
Transactions	235.500	7.7%	-2.6%	-6.5 to -10.0%

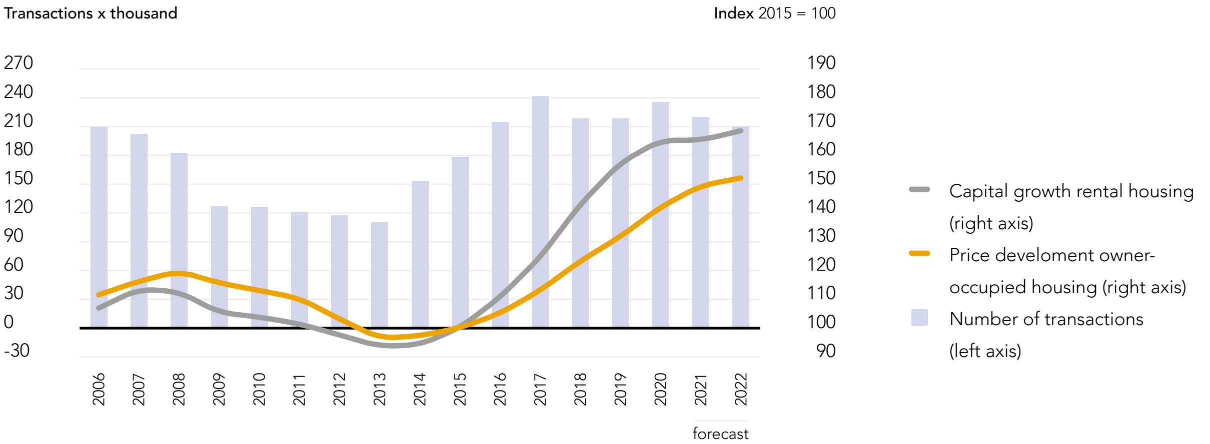
Source: Statistics Netherlands (CBS), 2021, ABN AMRO, 2021, Rabobank, 2020

Owner-occupied market still going strong despite economic uncertainties

2020 was once again a very good year for the Dutch owner-occupied market. At the beginning of the year, when the first lockdown was introduced, forecasts were radically changed as the result of a potential rise in unemployment and bankruptcies. The number of transactions was also expected to decline significantly due to the aforementioned uncertainties and short-term effects of contact-limiting measures. However, the market has shown that strong fundamentals and historically low interest rates can overcome a short-term perception of the economic situation. As a result, the average Dutch house price increased to approximately € 334,500, which is again a new record high. For more than seven years in a row, house prices have been steadily increasing and even accelerated again this year. In addition, the number of transactions did not decline in 2020 and even surpassed previous years, with more than 235,000 transactions on an annual base (Statistics Netherlands, 2021). Still, as a result of new regulations concerning the real estate transfer tax (RETT), it is unclear how many transactions were brought forward before the start of 2021 or were postponed until after January 1st. Either could give homebuyers a tax advantage (or prevent a disadvantage). Despite the uncertainties surrounding the fourth quarter, the market fundamentals above indicate that, even during the current crisis, the market's trading dynamics remain at a high level.

Like last year, there were considerable regional differences. The highest price increases were again registered in the demographic 'shrinking regions', such as large parts of Groningen, Friesland, Drenthe and Zeeuws-Vlaanderen, while before 2019 hardly any price increases had been registered at all. Overall, the owner-occupied housing market in 2020 has become even less accessible than the year before and affordability was put under further pressure, both in the most viable and less attractive regions of the Netherlands (NVM, 2020).

Figure 5 House price growth and transaction volumes



Source: Statistics Netherlands (CBS), ABN AMRO, 2021, Rabobank, 2020

Affordability under pressure in the liberalised rental sector

The average rental price per square meter of liberalised rental houses increased in 2020 by 10.2%, exceeding the annual increase on the owner-occupied residential market with 160 basis points. This steep increase indicates that the pressure on the (liberalised) rental sector is accelerating compared to the housing market in general. Affordable rental houses were already scarce and became even scarcer in 2020. Almost 46% of all transactions had a rental price of above € 1,000 per month, while five years ago this was only 22%. As a result, the need for affordable housing in the mid-price segment became and remains increasingly necessary.

Regionally, the annual increases showed other differences to the owner-occupied market. The highest increases were registered in the Randstad provinces but also in Limburg. The highest average rental price per square meter was again registered in Amsterdam: € 20.85, which is comparable to the year before (€ 20.73). Although this same development has yet to be seen in other G4 cities, it indicates that at least in Amsterdam a certain affordability ceiling is in sight and rental growth is slowing down (MSCI, 2021).

On the institutional real estate investment market, the total return of the Dutch property market in the fourth quarter of 2020 was 8.3% year-on-year (Q3 2020: 9.7%), according to the MSCI quarterly real estate benchmark. Capital growth once more contributed significantly to this total, adding 5.2% (Q3 2020: 6.6%), but the pace has been slowing down since mid-2018: capital growth is now at the same level as it was at the end of 2015. As a result, income return saw only a slight decrease to 2.9% compared to the third quarter of 2020 (which was 3.0%).

The open market rental value growth (OMRV) for residential properties was once again quite positive during the fourth quarter with 2.8% year-on-year. This is still well above and in line with Dutch inflation, but at a lower level than the fourth quarter of 2019 (which was 3.7% year-on-year).

Table 2 Investment market performance indicators

	Q4 2020 q-o-q			Q4 2020 y-o-y
		Single-family houses	Apartments	Total
Total return	1.6%	8.5%	8.2%	8.3%
Capital growth	1.0%	5.0%	5.3%	5.2%
Income return	0.7%	3.3%	2.7%	2.9%
Market rental value growth	0.8%	3.2%	2.9%	2.8%

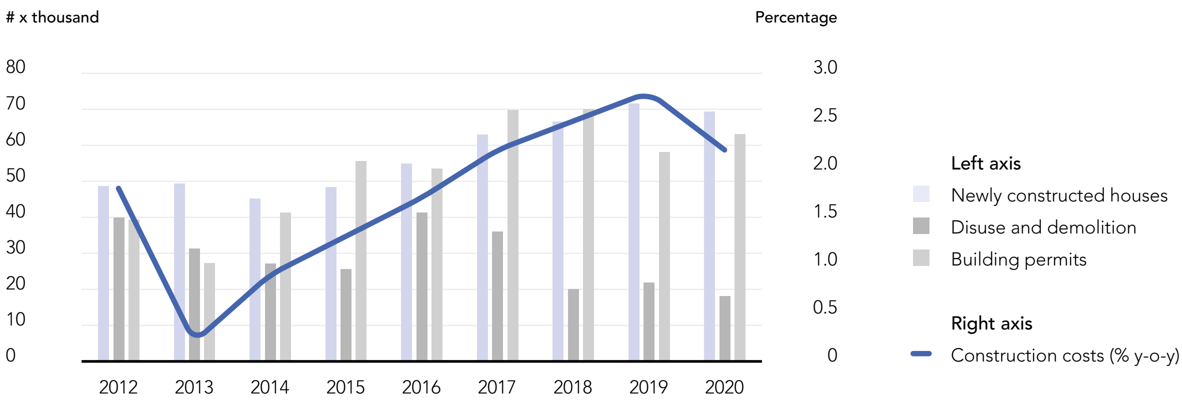
Source: MSCI ,2021

Pace of construction unable to catch up the housing shortage

At the foundation of the increasing house prices lies, besides the low interest rates and governmental regulatory interference, the imbalance between supply and demand. The population is expected to increase by 12% to more than 19.5 million by 2060 and the average household size keeps decreasing (Statistics Netherlands, 2020).

For years, the Netherlands has been facing a housing shortage, currently of approximately 325,000 homes and increasing to 415,000 homes in 2025 (ABF Research, 2020). To catch up with this shortage and to cope with the increasing demand in the future, a total of 100,000 houses should be added to the stock annually. Although the number of newly-built homes has been increasing since 2013, the pace of increase slowed down somewhat in 2020: approximately 69,000 houses were added to the stock last year, which is a slight decrease compared to the year before (-3.1%). This can be partially attributed to COVID-19 and the construction sector producing at a slower pace, but it is also caused by the regulatory nitrogen and PFAS problems which still delay new construction plans. Although the total number of building permits in 2020 increased by 8.5% compared to the year before, it is still less than the number of permits issued in 2017 and 2018. This will affect the housing shortage in the short term more and more and it puts pressure on both the owner-occupier and rental housing markets. For the investment market, this means that newly-built homes projects for acquisition will be even more scarce in an already competitive market.

Figure 6 Housing construction and building costs



Source: CBS, 2020

Increasing governmental policy plans aimed at affordability

As in previous years, the Dutch government introduced new plans in 2020 to increase the affordability of the housing markets, both owner-occupied and rental. One of the major policy changes was the redistribution of the real estate transfer tax (RETT) which give first-time home buyers a tax advantage. On the other hand, RETT was increased for (private and institutional) investors to reduce the increasing number of 'buy-to-let' transactions.

Furthermore, regional and local governments are increasingly setting preconditions for new development projects to meet a minimum requirement of affordable rental homes in the mid-priced sector (€ 752 - € 1,000/ € 1,250 per month) coupled with regulations to prevent major rent increases. To make these developments feasible for all stakeholders, the local governments involved are increasingly planning to secure agreements between themselves, housing associations and institutional investors to develop and invest in these mid-priced rent projects. In 2021, more of these plans will be worked out in detail.

Outlook

For the most part, the year 2021 will still be dominated by the fight against COVID-19 and the subsequent societal and economic recovery. The world is currently facing multiple mutations of the virus and an impending resurgence of cases, but it has also seen a sooner-than-expected roll out of multiple vaccines. The first has led to an extension of the total lockdown that was introduced in December. As a result, the economic outlook for the beginning and remainder of 2021 has been revised downwards.

The most recent base scenario of the Netherlands Bureau for Economic Policy Analysis (CPB, November 2020) estimates an economic growth of 2.8% in 2021 after an contraction of 3.7% in 2020. It also estimates an increase in unemployment to 6.1% in 2021, coming from an expected 4.1% increase at 2020 year-end. In this 'base' scenario, a recovery is projected during the first quarter of 2021 onwards, but this is based on a 'contained virus' situation in the first quarter and readily available vaccines throughout the course of 2021. However, as many European countries, including the Netherlands, have extended their respective lockdown periods to well into the first quarter due to the emergence of alarming virus mutations, it is becoming clear that the Netherlands is far from having the virus contained. Furthermore, the Dutch vaccination programme was relatively slow compared to the European average and the roll-out of new vaccines within the EU is progressing at a slower pace than expected. Therefore, a less optimistic scenario is believed to be more likely going forward. CPB analysed an alternative 'start/stop' scenario which takes into account multiple virus resurgences and the subsequent reintroduction of contact-limiting measures as well as a less optimistic view on vaccine roll-outs and its actual efficacy against the viruses. In this scenario, the economy continues to contract in 2021 with 0.6% year-on-year. In addition, the rate of unemployment will increase to an estimated 7.4% compared to the 6.1% in the base scenario. This is still below the last peak at the beginning of 2014 at the end of the Euro Crisis (8.1%).

In both scenarios, the CPB has not yet completely taken into account the exact challenges the EU is facing right now with multiple mutations spreading among the population and specific difficulties in the vaccine rollouts. Nonetheless, the start-stop scenario in which virus containment and vaccine availability and effectiveness are both uncertain is already partially becoming reality. Therefore, an outcome somewhere between the base and start-stop scenario (modest economic growth to minimal contraction by the end of the year) is the most likely.

Although the crisis will have an impact on the real estate market, there are no signs yet that the residential real estate sector will be impacted significantly. Current market fundamentals remain favourable as supply and demand are still out of balance in the majority of Dutch municipalities, especially in the larger cities (ABP Research, 2020). Furthermore, the low interest rate environment has been pushing prices up since 2013, especially since 2015 when the lending capacity of households began to increase again following the financial crisis in 2008-2009 (DNB, 2020). At the moment, interest rates remain low due to the ECB's QE programmes and the financial preconditions for households to make it favourable to purchase a home will not change soon.

Still, from a macro-economic perspective, there may be a rise in unemployment and bankruptcies, which could occur when government aid packages are phased out and if negative consumer confidence proves protracted. This will lead to a decrease in the demand for housing, which means less transactions and subsequent price increases. Furthermore, the low interest rate environment is nearing a long-term low but stable equilibrium. As a result, household lending capacity will not increase significantly in the coming years, which will result in house prices stabilising in 2022 (ABN AMRO, Rabobank, 2021).

However, growing unemployment and low consumer confidence are likely to affect the owner-occupied market the most, with more people opting to rent in the private sector. This could further heighten competition among investors as they remain keen to find good (residential) products in the core markets. All in all, residential real estate is considered a core investment alternative in the current market circumstances.

Lastly the biggest uncertainty for the rental sector and its investors comes from governmental regulations and market interference designed to improve the housing market's affordability with, among others things, caps on rental prices and growth, and clear preconditions in thetype of (affordable) dwellings which should be developed.

Wonderwoods, Utrecht (artist impression)

Fund objectives and strategy

Investment objectives

The ASR Dutch Core Residential Fund offers access to a mature core diversified residential portfolio in the most attractive locations of the Netherlands, as identified by a.s.r. real estate. The investment objectives of the Dutch Core Residential Fund are to provide stable, sustainable and attractive returns by investing in high-quality residential assets, and by actively managing and adding value to the existing portfolio.

Key objectives

Core residential investments	Best performing cities and agglomerations	Defined segments	Affordable housing in non-regulated segment	Affordable housing in non-regulated segment
High-quality residential assets with long-term stable income and low risk profile	Focus on regions with strong economic and demographic fundamentals	Defined sub-segments based on occupier and location characteristics	Focus on the mid-priced rental segment: average monthly rents between € 737 and € 1,250	Diversified and balanced portfolio meeting long-term consumer demands

Investment policy

The Fund´s policy is to invest capital in a profitable way in direct real estate in clearly defined market segments, while focusing on the growth of its net assets in the long term. The investment objectives are to acquire, own and manage a portfolio of real estate with a focus on core, high-quality residential rental assets in the economically strongest regions of the Netherlands. The Manager will undertake active asset management initiatives to unlock inherent reversionary potential and generate capital appreciation.

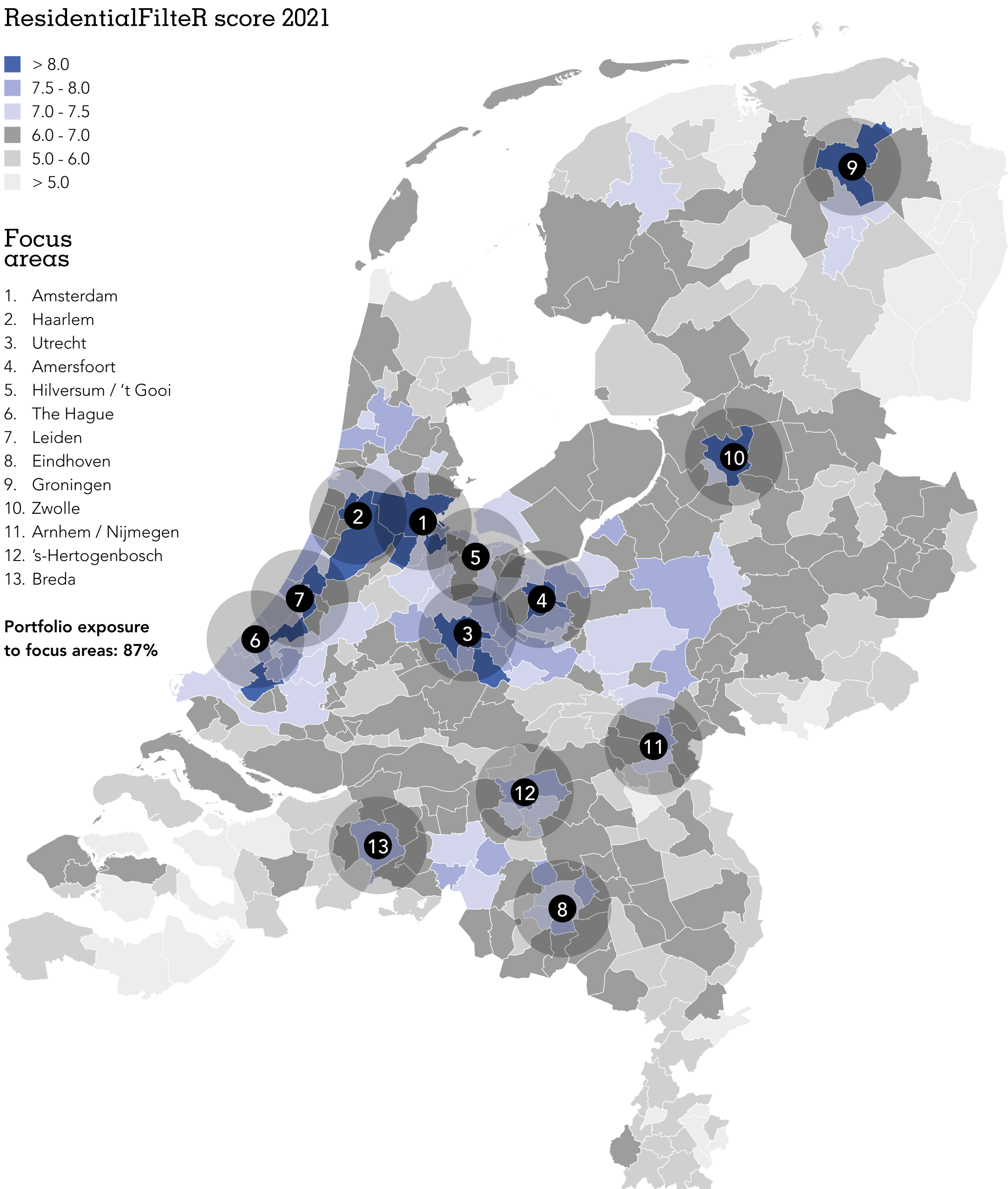
Investment strategy

The investment strategy is predominantly to buy, hold and unlock reversionary potential of residential (rental) real estate in the Netherlands. The focus of the portfolio is defined by sub-segments (based on location and occupier types) in the residential market to secure the core character of the portfolio. The investment policy focuses on a diversified portfolio with regards to location, occupier characteristics and residential types. This ensures long-term portfolio quality.

The Management Company executes its strategy by focusing on the following aspects of the Fund:

- **Core residential investments:** the focus of the Fund is on high-quality residential and (limited) other assets with a long-term stable income and low-risk profile. a.s.r. real estate identifies core investments using its internal research tooling (such as ResidentialID and the Asset Analysis Tool).
- **Best performing cities and agglomerations:** based on its long-term background and knowledge of the Dutch residential market and the application of its research tools, a.s.r. real estate has identified a strategy focusing on the best performing cities and agglomerations in the Netherlands. Concentrating on investment opportunities in the identified segments will provide the highest returns due to strong demand and therefore low vacancy levels, inflation hedged returns and stable fair values. a.s.r. real estate's unique ResidentialFilteR identifies the best performing residential areas and agglomerations by tracking key performance indicators of all municipalities in the Netherlands related to demographics, economics and the real estate investment market. Based on this analysis and expert judgement, the Fund focuses on the following thirteen areas, as shown on this ResidentialFilteR map of the Netherlands.

Figure 7 ResidentialFilteR



Source: a.s.r. real estate, 2021

- **Defined segments:** based on a research-driven approach, a.s.r. real estate has distinguished three main different residential market segments (by location) and three main occupier groups, resulting in nine product/market sub-segments. Distinguishing separate segments based on location and occupiers allow for:
  - A selective investment approach that recognises different occupier preferences;
  - Focus on those areas in which the resulting long-term residential demand is expected to further increase;
  - Benefiting from the urbanisation development, while maintaining a certain level of diversification.

  The Fund focuses on five of these identified sub-segments when investing, as highlighted below.
- **Affordable housing in a non-regulated segment:** the focus of the Fund is on affordable housing in the non-regulated rental sector, which means a focus on the mid-priced rental segment. This segment is distinguished by monthly rents between € 737 and € 1,250.
- **Apartments and single-family houses:** the Fund invests in both apartments and single-family houses in order to ensure a diversified and balanced portfolio, meeting long-term consumer demands.

Segment diversification as at 31 December 2020

	Urban • Large key cities in metropolitan areas • Population > 100,000	**Suburban** • Suburban residential municipalities and medium sized cities • Population 25,000 - 100,000	**Peripheral** • Villages and small towns • Population < 50,000
Young professionals • Age 20 - 40 • Household size 1 - 2	€ 689m Current: 47%	€ 60m Current: 4%	€ 0m Current: 0%
Families • Age 30 - 55 • Household size 3 - 5	€ 140m Current: 10%	€ 203m Current: 14%	€ 81m Current: 5%
Empty nesters & Seniors • Age 55+ • Household size 1 - 2	€ 68m Current: 5%	€ 205m Current: 14%	€ 17m Current: 1%

Source: a.s.r. real estate, 2020

Financial Performance

Result for 2020

The net result was € 152.6m in 2020 (2019: € 202.7m), which corresponds to a net result of € 118 per unit (2019: € 165) and resulted in a distributable result of € 30 per unit (2019: € 31).

The total return for 2020 was 9.4% (2019: 14.7%), which is composed of an income return of 2.3% (2019: 2.7%) and capital growth of 7.1% (2019: 12.0%). The decrease of income return for 2020, compared to 2019, is explained by strong capital growth figures and an increased share of investment properties under construction.

Figure 8 Net result as at 31 December 2020

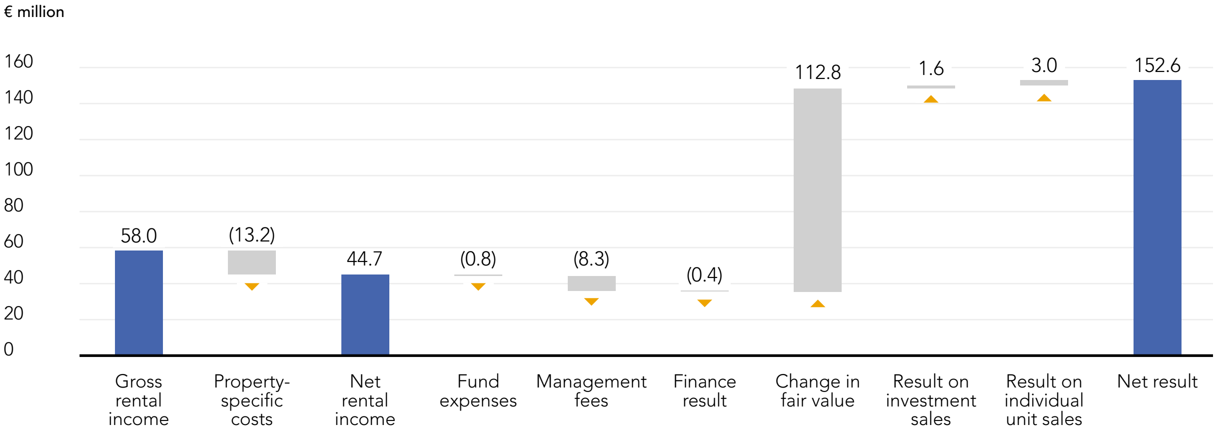


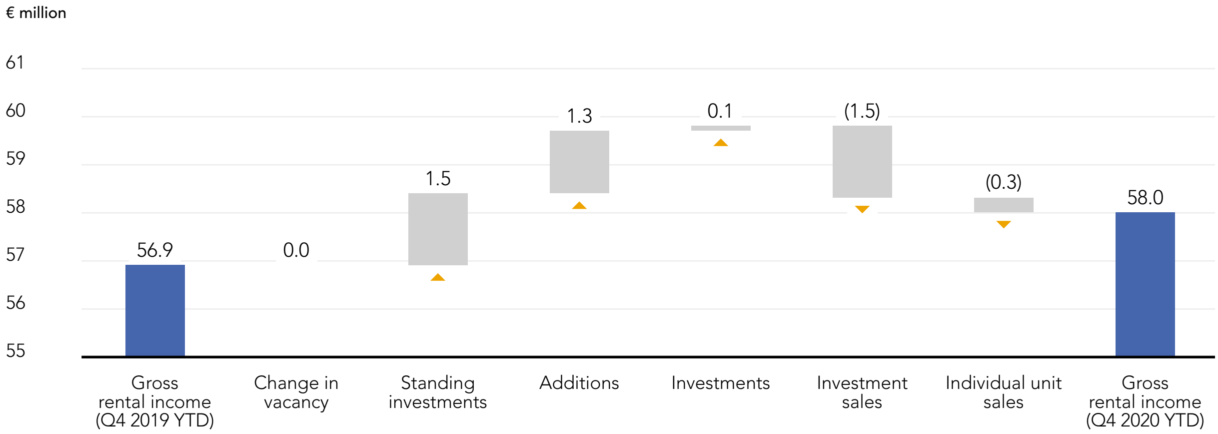
Table 3 Net result per unit (in €)

For the year	2020	2019	2018	2017	2016	2015	2014	2013
Gross rental income	44.77	46.22	45.18	42.81	45.11	45.37	42.17	48.00
Property-specific costs	(10.22)	(10.33)	(10.31)	(9.73)	(11.09)	(13.83)	(12.07)	(12.81)
Fund expenses	(0.65)	(0.54)	(0.59)	(0.64)	(0.67)	(0.61)	(0.76)	(1.22)
Management fees	(6.44)	(6.49)	(5.81)	(5.21)	(4.73)	(4.28)	(4.13)	(4.60)
Operating result per unit	**27.46**	**28.85**	**28.47**	**27.23**	**28.62**	**26.65**	**25.21**	**29.37**
Finance result	(0.32)	(0.05)	(0.15)	0.30	(0.12)	(0.05)	(0.09)	0.01
Changes in fair value of investment properties	82.95	123.52	114.57	97.64	83.84	62.15	1.37	(78.45)
Changes in fair value of right-of-use contracts	(0.06)	(0.05)	-	-	-	-	-	-
Changes in fair value of participations	4.21	5.92	4.82	-	-	-	-	-
Result on sales of investment properties	1.27	4.18	0.97	0.94	-	-	(0.10)	0.59
Result on individual unit sales	2.35	2.27	4.24	5.21	8.46	6.69	4.28	-
Net result	**117.86**	**164.65**	**152.93**	**131.32**	**120.80**	**95.44**	**30.67**	**(48.48)**

Gross rental income

Gross rental income was € 58.0m in 2020, which is an increase of 1.9% compared to 2019 (€ 56.9m). This increase is the result of the completed development of (forward) acquisitions, investments and (annual) rent increases. Like-for-like gross rental growth amounted to 2.8%. The gross rental income growth was mitigated by individual unit sales and investment sales. Financial vacancy amounted to -/- € 1.1m in 2020, compared to -/- € 0.8m in 2019.

Figure 9 Changes in gross rental income



Property-specific costs

Property-specific costs amounted to € 13.2m in 2020, which corresponds to 22.8% of gross rental income. This is in line with 2019 (€ 12.7m or 22.3%).

Maintenance costs took up the largest share of property-specific costs (€ 6.5m or 11.2% of gross rental income), which is in line with 2019 (€ 6.2m or 11.0%). Marketing costs (which includes broker's fees) amounted to € 0.8m in 2020 (2019: € 0.6m). This increase is mainly the result of more residential units being added to the portfolio through completed forward acquisitions in the course of 2020, compared to 2019. Property management fees remained stable at € 2.3m in 2020, as a result of an only mild increase in gross rental income. The property management fee, including VAT, is set at 4.0% of gross rental income.

Fund expenses

Fund expenses amounted to € 836k or 1.4% of gross rental income in 2020 (2019: € 671k or 1.2%). The major categories within fund expenses concern valuation fees paid to external appraisers (€ 428k), depositary fees (€ 121k) and audit fees (€ 112k).

Management fees

Management fees, which amounted to € 8.3m in 2020 (2019: € 8.0m), relate to the asset (€ 7.5m) and fund management fee (€ 0.8m).

The fund management fee amounts to 0.05% of the average NAV for the quarter. The asset management fee concerns a fixed quarterly fee of € 1.9 million, or 0.42% of the average NAV for the quarter, whichever amount may be the largest.

Finance income and costs

Finance result amounted to -/- € 413k in 2020 (2019: -/- € 58k). Interest income decreased to almost nil compared to 2019 (€ 349k), as from the first quarter of 2020 (fictional) interest received on term payments of forward acquisitions is no longer included in finance income.

Interest costs amounted to -/- € 417k in 2020 compared to -/- 407k in 2019. Interest costs relate to the negative interest paid for cash held in the Fund's bank account and the commitment fee on the credit facility. The credit facility expired on 7 April 2020.

Portfolio Performance

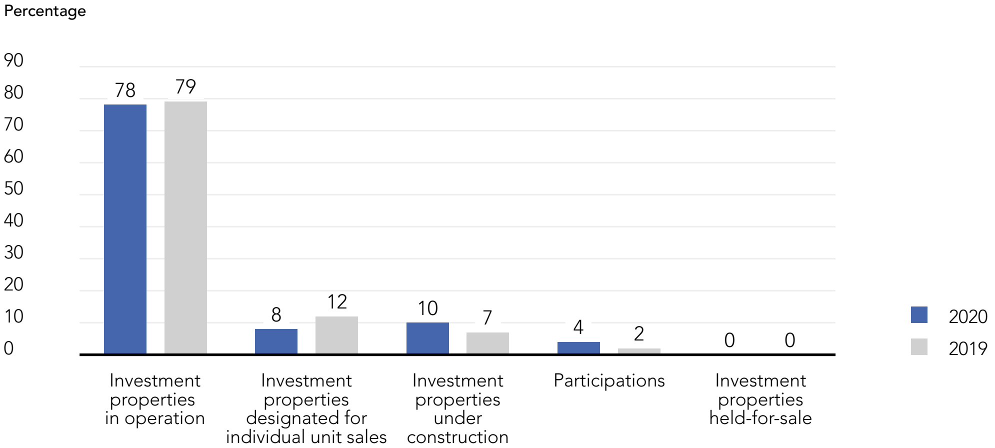
Portfolio overview

The Fund's portfolio consisted of 85 properties (2019: 101), as at 31 December 2020, comprising 4,759 residential units (2019: 4,794) and 2,033 parking spaces (2019: 1,847). The number of properties and residential units showed a relatively strong decrease, compared to the previous year, as a result of the investment sale of 20 properties, comprising 191 residential units, in the fourth quarter of 2020.

Approximately 64% of the portfolio's residential units concerns apartments (2019: 61%). The majority (78%) of the portfolio concerns investment properties in operation, while 8% concerns properties that are designated for individual unit sales. Assets earmarked as individual unit sales will be sold to individuals in the owner-occupied market at tenant turnover. This share decreased relatively strongly, compared to 2019 (12%), as no properties were newly designated for individual unit sales in 2020, whereas the investment sale in the fourth quarter of 2020 mainly concerned properties within this category. Held-for-sale investment properties, which concern residential units that were sold in 2020, but are transferred from the Fund in 2021, are limited in number.

The share of investment properties under construction (including participations) increased from 9% in 2019 to 15% in 2020, due to term payments made with regard to forward acquisitions. Aside from the Fund's investment properties under construction, the Fund has a total off-balance sheet commitment of € 353.3m, as at 31 December 2020.

Figure 10 Investment status as percentage of fair value as at 31 December 2020



The portfolio's ten largest properties account for 38.8% of the total portfolio's fair value, as at 31 December 2020. This is a decrease compared to the previous year (41.2%), as a result of additions, sales and revaluations. The composition of the portfolio's ten largest properties remains largely unchanged, compared to 2019.

Table 4 Overview of the ten largest properties as at 31 December 2020

Property	City	Region	Percentage of total portfolio's fair value
Wibautstraat	Amsterdam	Amsterdam	5.2%
Wicherskwartier	Amsterdam	Amsterdam	5.0%
Staalmeesterslaan	Amsterdam	Amsterdam	4.9%
Terwijde-centrum	Utrecht	Utrecht	4.4%
Lamérislaan	Utrecht	Utrecht	3.8%
Zuidkwartier	Amsterdam	Amsterdam	3.5%
Vathorst 1	Amersfoort	Amersfoort	3.1%
Europapoort	Amsterdam	Amsterdam	3.0%
Dotterbloemstraat	Nieuwegein	Utrecht	3.0%
RiMiNi	Amstelveen	Amsterdam	2.9%
Total			**38.8%**

Occupancy

The overall portfolio's occupancy rate amounted to 98.7% of theoretical rental income as at 31 December 2020, which is a slight improvement, compared to 31 December 2019 (98.6%).

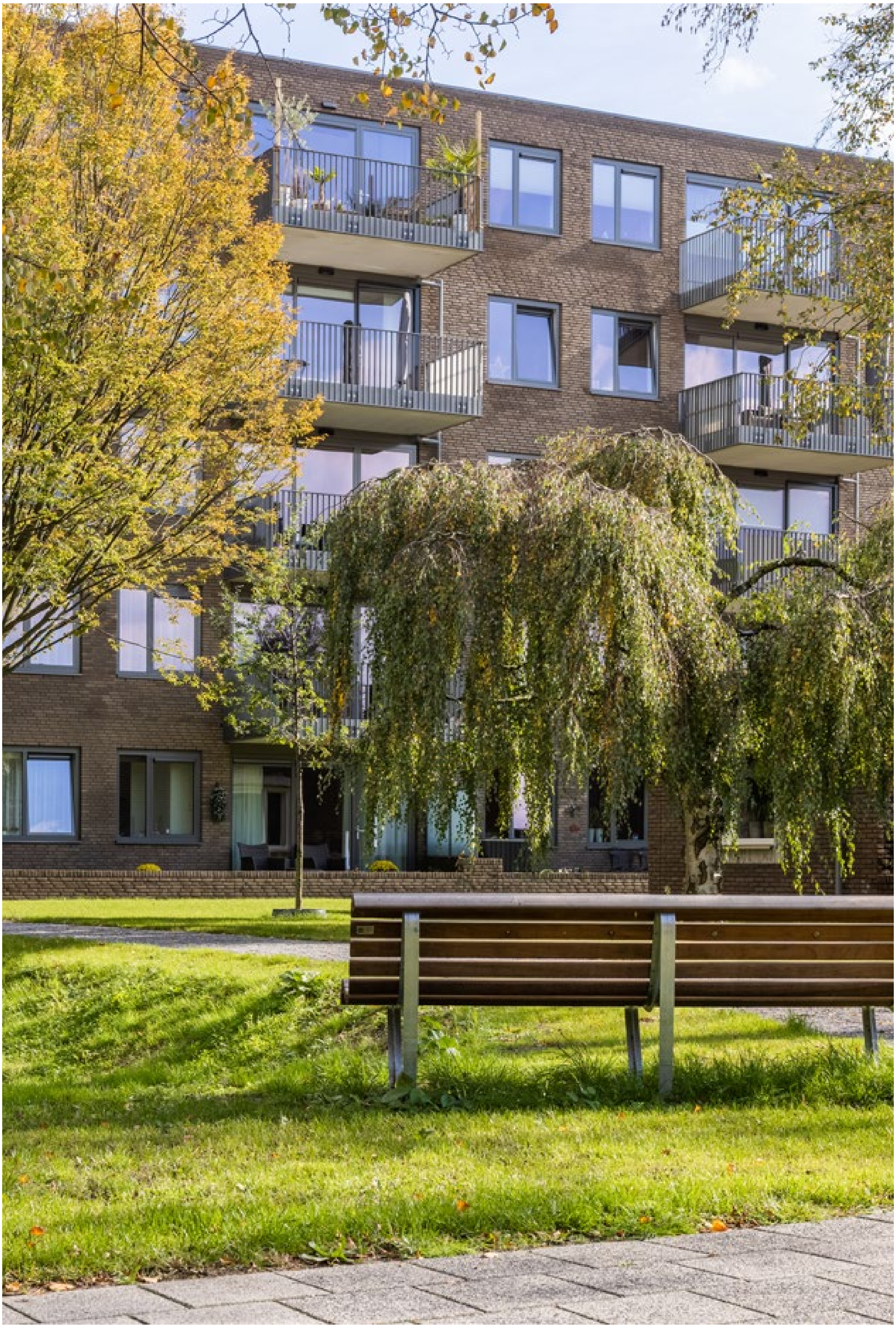
Residential units in the portfolio were characterised by an average vacancy rate of 1.0% and represent 77% of the portfolio's total vacancies. The remainder of total portfolio vacancies are mainly attributed to parking spaces. Properties that are designated for individual unit sales, have an average vacancy rate of 3.1%, compared to 0.9% for the portfolio's standing investments.

Property De Hoge Regentesse in The Hague ranks highest within the overview of the top ten vacancies. Construction of this property was completed in the fourth quarter of 2020 and faced some initial vacancy. As at January 2021, property De Hoge Regentesse in The Hague is fully let.

Table 5 Overview of the top ten vacancies as at 31 December 2020

Property	City	Region	Investment type	Vacancy (€ '000)	Vacancy rate (%)	Vacancy as percentage of total portfolio vacancy	Vacancy type
De Hoge Regentesse	The Hague	The Hague	Residential	131	8.0%	16.7%	Initial vacancy
Nachtwachtlaan	Amsterdam	Amsterdam	Residential	67	4.6%	8.6%	Individual unit sales
Van Randwijkstraat	Leiden	Leiden	Parking	66	4.8%	8.5%	Operational
Amadeus	The Hague	The Hague	Residential	61	8.0%	7.8%	Operational
RiMiNi	Amstelveen	Amsterdam	Residential	43	2.8%	5.5%	Operational
Zuidkwartier	Amsterdam	Amsterdam	Residential	43	2.3%	5.4%	Operational
Karel Doormanstraat	Rotterdam	Other	Residential	35	6.2%	4.5%	Operational
The Beacons	Amsterdam	Amsterdam	Residential	33	4.5%	4.2%	Operational
Lamérislaan	Utrecht	Utrecht	Residential	31	1.3%	3.9%	Operational
Wibautstraat	Amsterdam	Amsterdam	Residential	30	1.0%	3.8%	Operational
Total				**540**		**68.9%**	

Hagendonk, Prinsenbeek

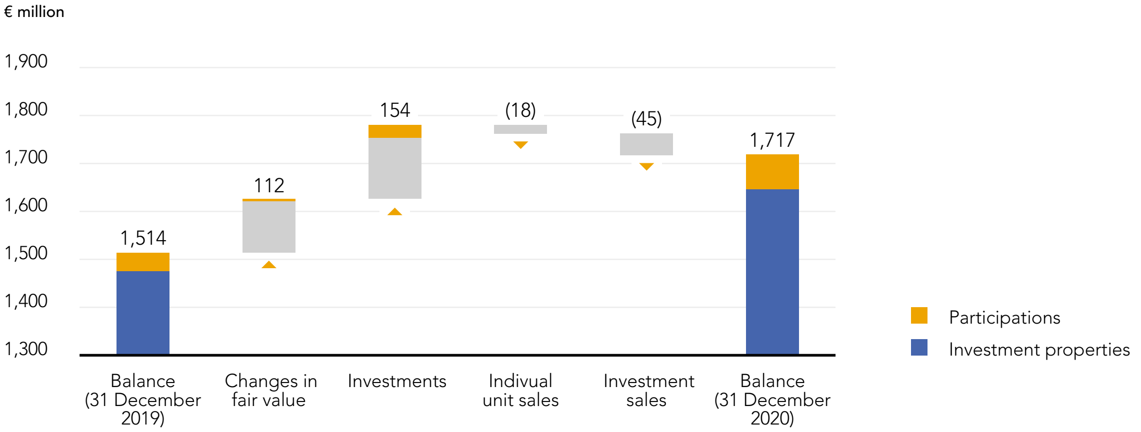


Portfolio additions and sales

Assets under management

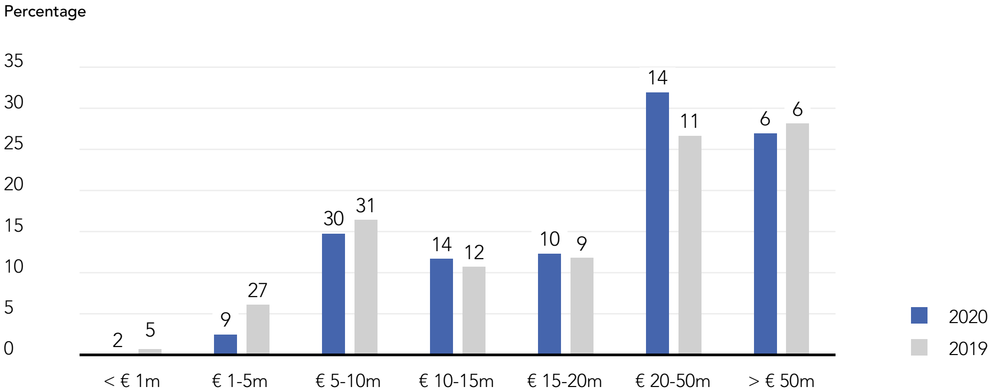
The Fund's assets under management (investment properties and participations) increased to € 1,717 million, as at 31 December 2020. This increase is the result of changes in fair value and investments, which mainly concern term payments of off-balance sheet commitments. The growth in assets under management is partly offset by investment sales and individual unit sales.

Figure 11 Assets under management as at 31 December 2020



Throughout 2020, the Fund's standing investments portfolio (excluding investment properties under construction and participations) grew from € 1,370m to € 1,465m. The portfolio is spread across different value classes as shown in the figure below. Changes in the composition of this overview are mainly the result of additions, sales and revaluations. The number of properties with a fair value below € 5 million decreased strongly, as a result of the investment sale of 20 properties in the fourth quarter of 2020. The number of properties with a value between € 20 and € 50 million increased, as a result of revaluations and of the completion of forward acquisition De Hoge Regentesse in The Hague.

Figuur 12 Property values as at 31 December 2020



Additions
The construction of three forward acquisitions were completed and transferred to the Fund in 2020. This concerns Parkzicht in IJmuiden, Hagendonk in Prinsenbeek and De Hoge Regentesse in The Hague. These additions are discussed in more detail in the table and text below.

Table 6 Additions in 2020

Property	City	Region	Number of apartments	Number of parking spaces	Commercial space (sq.m.)
Parkzicht	IJmuiden	Haarlem	63	63	
Hagendonk	Prinsenbeek	Breda	25	30	
De Hoge Regentesse	The Hague	The Hague	128	102	292
Total additions			**216**	**195**	**292**

Parkzicht in IJmuiden
Project Parkzicht in IJmuiden is located next to a public city park, near the dunes and the main shopping centre with a diverse range of shops. The location is easily accessible by car, bike and public transport. The project consists of 63 apartments with an underground parking garage with 63 parking spaces. There are two types of 3-room apartments (75 to 86 sq.m.) and rents vary from € 875 to € 1,025 per month (parking included).

Hagendonk in Prinsenbeek
This property concerns 25 apartments and 30 parking spaces in Prinsenbeek, near Breda. It is part of the small-scale redevelopment, comprising two apartment buildings and eight patio houses in total. The Fund acquired one of the apartment buildings. The main target group for these apartments are seniors. The apartments range from 77 to 92 sq.m. with monthly rents ranging from € 900 to € 1,000.

De Hoge Regentesse in The Hague
De Hoge Regentesse is situated to the south of The Hague's city centre. The area feels like a city centre location, due to dynamic streams of pedestrians and traffic and is easily accessible by public transport. The residential tower is comprised of 23 floors with 128 comfortable apartments, ranging from 70 to 93 sq.m, with 102 parking spaces and 292 sq.m. of commercial space. Monthly rents range from € 875 to € 1,150, with an average rent of € 990 (parking excluded).

Sales
Total proceeds from sales amounted to € 67.9m in 2020, which was 7% above the fair value of € 63.2m. Whereas total proceeds from sales increased compared to 2019 (€ 51.9m), average result on sales decreased (2019: 18%). This is mainly due to a relatively large share of investment sales in 2020, compared to 2019.

There were two investment sales in 2020. The Fund sold a portfolio of 20 properties in the fourth quarter of 2020. This portfolio consists of 191 residential units in total and mainly concerns properties that were already partially sold, due to individual unit sales. It was decided to sell this portfolio, due to high budgeted costs with regard to maintenance and capital expenditure in the next few years. Moreover, the expected result on individual unit sales for this portfolio decreased, due to a relatively low average turnover rate and a reduced gap between appraisal values and vacant possession values. Proceeds of sales amounted to € 44.8m, which was 4% above the fair value of € 43.2m. In addition, property Sint Nicolaasstraat in Amsterdam was sold in the fourth quarter of 2020. This property concerns four single-family houses. It was decided to sell this property, due to its relatively small size and high budgeted maintenance costs. Proceeds from this investment sale amounted to € 2.0m, which was 2% above the appraisal value of € 2.0m.

In addition to investment sales, the Fund utilises an active individual unit sales strategy in order to offer additional return to investors. Approximately 8% of the portfolio is currently earmarked as individual unit sales, which means that when tenants vacate a residential unit, it will be sold to individuals on the owner-occupied market. As part of this individual unit sales strategy, 56 residential units and 10 parking spaces were transferred from the Fund in 2020. Proceeds of sales amounted to € 21.1m, which was 17% above the fair value of € 18.0m. Total proceeds from individual sales are slightly higher compared to 2019 (€ 18.6m), which is the result of a higher turnover rate in 2020 (9.7%) for residential units that are designated for individual unit sales, compared to 2019 (8.5%). Average result on sales was in line with the previous year (2019: 18%).

Table 7 Sales in 2020

Property	City	Proceeds from sales (€ '000)	Fair value (€ '000)	Result on sales (€ '000)	Investment/ individual unit sale	Number of single-family houses	Number of apartments	Number of parking spaces
Sint Nicolaasstraat	Amsterdam	2,004	1,960	44	Investment	4	-	-
		2,004	**1,960**	**44**		**4**	**-**	**-**
Mr. Bardeslaan	Amstelveen				Investment	1	-	-
Benctincklaan	Barneveld				Investment	10	-	-
Pottenbakkerstraat	Breda				Investment	7	-	-
Prins Alexanderlaan	Breda				Investment	1	-	-
Zilvermeeuw-laag	Etten-Leur				Investment	28	-	-
Zilvermeeuw-hoog	Etten-Leur				Investment	12	-	-
Pelmolenerf	Lochem				Investment	5	-	-
Koedijk	Lochem				Investment	3	-	-
Korenmolenweg	Lochem				Investment	4	-	-
Molenstraat	Monster				Investment	-	22	-
Colijnstraat	Son en Breugel				Investment	7	-	-
Paasweide	Steenwijk				Investment	8	-	-
Broekhuizenstraat	Tilburg				Investment	13	-	-
Karrestraat-Poststraat	Tilburg				Investment	-	4	
Dr. H.T.S. Jacoblaan	Utrecht				Investment	2	-	-
Lessinglaan	Utrecht				Investment	2	-	-
Boeg	Wijk bij Duurstede				Investment	17	-	-
Voorsteven	Wijk bij Duurstede				Investment	13	-	-
Kompas	Wijk bij Duurstede				Investment	15	-	-
Zonegge	Zevenaar				Investment	17	-	-
		44,836	**43,239**	**1,597**		**165**	**26**	**-**
Total investment sales 2020		**46,840**	**45,199**	**1,641**		**169**	**26**	**-**
Nachtwachtlaan	Amsterdam	3,543	2,871	672	Individual	-	8	8
Europapoort	Amsterdam	6,797	6,223	574	Individual	-	13	2
Dotterbloemstraat	Nieuwegein	1,534	1,227	307	Individual	5	-	-
Ambachtenlaan	Breda	1,898	1,659	239	Individual	7	-	-
Lessinglaan	Utrecht	616	454	162	Individual	1	-	-
Paasweide	Steenwijk	744	615	129	Individual	3	-	-
Pottenbakkerstraat	Breda	528	401	127	Individual	2	-	-
Nijenheim	Zeist	595	477	118	Individual	2	-	-
Frankendaal	Eindhoven	330	222	108	Individual	1	-	-
Mr. Bardeslaan	Amstelveen	759	657	102	Individual	1	-	-
Ereprijsweg	Haren (Gn)	532	434	98	Individual	2	-	-
Kompas	Wijk bij Duurstede	536	455	81	Individual	2	-	-
Claverenbladstraat	Leusden	559	484	75	Individual	2	-	-
Karrestraat-Poststraat	Tilburg	387	337	50	Individual	-	1	-
Zilvermeeuw-laag	Etten-Leur	232	183	49	Individual	1	-	-
Koedijk	Lochem	268	220	48	Individual	1	-	-
Benctincklaan	Barneveld	243	212	31	Individual	1	-	-
Zilvermeeuw-hoog	Etten-Leur	237	207	30	Individual	1	-	-
Prins Alexanderlaan	Breda	512	488	24	Individual	1	-	-
Colijnstraat	Son en Breugel	224	201	23	Individual	1	-	-
Total individual unit sales 2020		**21,074**	**18,027**	**3,047**		**34**	**22**	**10**
Total sales 2020		**67,914**	**63,226**	**4,688**		**203**	**48**	**10**

Commitments

The Fund has twelve forward acquisitions with an original commitment amounting to€ 467.9m, as at 31 December 2020. Of this total commitment, € 152.6 concerns settled term payments, as at 31 December 2020. As a result, the off-balance sheet commitment with regard to forward acquisitions amounts to € 315.2m. The settled term payments and changes in fair value of forward acquisitions add up to a total amount of € 180.0m of assets under construction.

Forward acquisitions Parkzicht in IJmuiden, Hagendonk in Prinsenbeek and De Hoge Regentesse in The Hague were completed in the course of 2020. Boumaboulevard in Groningen, Schoemakertoren in Delft and Laurierkwartier in Utrecht were added to the Fund's forward acquisitions in 2020. Two of the current off-balance sheet commitments are subject to (an additional) approval, as the original project is likely to be amended materially.

Grotiusplaats in The Hague concerns a 50% participation in a Dutch Limited Partnership Agreement, through which property Grotiusplaats in The Hague will be developed. The total, original commitment for the ASR Dutch Core Residential Fund amounts to € 92.2m, of which € 54.1m is already settled. As a result, the off-balance sheet commitment with regard to this participation amounts to € 38.1m All current commitments are discussed in more detail in the table and text below.

Table 8 Commitments (off-balance sheet) as at 31 December 2020

Property	City	Region	Type	Expected year of completion	Number of apartments	Number of single family houses	Number of parking spaces	Commercial space (sq.m.)	Original commitment (€ '000)	Under construction (€ '000)	Off-balance sheet commitment (€'000)
Cruquiuswerf	Amsterdam	Amsterdam	Turnkey	2021	122		79	251	36,500	32,409	4,091
Sniepkwartier	Diemen	Amsterdam	Turnkey	2021	102		82		34,100	24,450	9,650
Brouwerspoort	Veenendaal	Other	Turnkey	2021	43		38		9,500	7,410	2,090
Boumaboulevard	Groningen	Groningen	Turnkey	2022	70		54		23,500	9,570	13,930
Laurierkwartier	Utrecht	Utrecht	Turnkey	2022	50	47	97		31,900	17,627	14,273
Schoemaker-toren	Delft	The Hague	Turnkey	2023	72		68		24,725		24,725
Edge	Eindhoven	Eindhoven	Turnkey	2023	175			378	50,700		50,700
The Minister	Rijswijk	The Hague	Turnkey	2023	220		220		64,300	34,952	29,348
Coolsingel	Rotterdam	Other	Turnkey	2023	56		20		24,440		24,440
Wonderwoods	Utrecht	Utrecht	Turnkey	2024	248			1,898	93,100	26,228	66,872
Subject to approval											
Bijlmerbajes	Amsterdam	Amsterdam	Turnkey	2023	160		96		57,500		57,500
Kop Watergraafsmeer	Diemen	Amsterdam	Turnkey	2023	66		62		17,600		17,600
Change in fair value of forward acquisitions										27,315	
Total forward acquisitions					**1,384**	**47**	**816**	**2,527**	**467,865**	**179,961**	**315,219**
Grotiusplaats	The Hague	The Hague	Partici-pation (50%)	2022	655		244	698	92,197	54,124	38,073
Change in fair value of participation										18,496	
Total participations					**655**	**-**	**244**	**698**	**92,197**	**72,620**	**38,073**
Total commitments					**2,039**	**47**	**1,060**	**3,225**	**560,062**	**252,581**	**353,292**

Cruquiuswerf in Amsterdam
This project is located east of the centre of Amsterdam. The Cruquiuswerf area is undergoing a transition from a predominantly industrial area to a residential area. Several plans are currently being developed in this area, mainly concerning residential developments for the rental and owner-occupied market. This acquisition consists of 122 apartments, 79 parking spaces and 251 sq.m. of commercial space. The project will be gasless. Monthly rents will range from € 990 to € 1,675, with an average rent of € 1,150 (rents upon completion, parking excluded). Completion is planned for 2021.

Sniepkwartier in Diemen
This project is part of a larger development of 207 apartments and 154 parking spaces, of which the Fund acquired 102 apartments in the mid-priced rental segment and 82 parking spaces. This location in Diemen is easily accessible by car and public transport. The city of Amsterdam is within close range and can be reached by bicycle or public transport within 25 minutes. Diemen's popularity has increased strongly, in part due to the pressure on Amsterdam's residential market. This is likely to have a positive effect on the rentability of the apartments in Sniepkwartier. The apartments range in size from 50 to 115 sq.m. Monthly rents will range from € 900 to € 1.550, with an average rent of € 1,250 (rents upon completion, parking excluded). Completion is planned for 2021.

Brouwerspoort in Veenendaal
This project concerns 43 apartments and 38 parking spaces. It is situated in the city centre of Veenendaal, near the main street with an abundance of shops and facilities. Average size of the apartments is 78 sq.m. Monthly rents will range from € 795 to € 1,370, with an average rent of € 945 (rents upon completion, parking included). Completion is planned for 2021.

Boumaboulevard in Groningen
This project concerns two apartment buildings with 78 apartments and 60 parking spaces in total. It is situated at the Boumaboulevard, which is the central axis of Europapark. This area is being redeveloped into a mixed environment with residential, office, education and leisure facilities. The attractive city centre of Groningen is within short reach and the area has its own train station (Europapark). Average sizes of the apartments vary from 70 to 90 sq.m. Monthly rents will range from € 990 to € 1,210, with an average rent of € 1,080 (rents upon completion, parking excluded). Completion is planned for 2022.

Laurierkwartier in Utrecht
In district Hoge Weide, near the Leidsche Rijn shopping centre in Utrecht, the Fund acquired 97 residential units, consisting of 50 apartments and 47 single-family houses. Hoge Weide is part of residential area Leidsche Rijn Utrecht and is easily accessible by car and public transport. With regard to both architecture and sustainability, the project is regarded high-quality, with much attention paid to architectural detail and the use of renewable resources. For all apartments and 19 single-family-houses, municipal regulation applies, which means that rents for these residential units are initially maximised, annual rental growth is capped at CPI plus 1% and the units cannot be sold (in individual units) in the first 20 years after completion. For the other 28 single-family houses, no municipal restrictions apply, except that individual unit sales are not allowed in the first 10 years after completion. Monthly rents for the regulated residential units vary between € 830 and € 1,050 (parking excluded), while rents for the non-regulated single-family houses vary between € 1,200 and € 1,350 (parking excluded). The size of the regulated units ranges from 60 to 106 sq.m. and the non-regulated units have an average size of 127 sq.m. The project is expected to be completed in 2022.

Schoemakertoren in Delft
This project concerns 72 apartments and 68 parking spaces in Delft. It is part of the large-scale redevelopment of the Professor Schoemaker Plantage area, where research institute TNO was formerly situated. The project is located near the university, and the city centre of Delft. Average size of the apartments is 84 sq.m. Monthly rents will range from € 1,050 to € 1,400, with an average rent of € 1,190 (rents upon completion, parking excluded). Completion is planned for 2023.

Edge in Eindhoven
Project Edge in Eindhoven is centrally located between the central train station and city centre. For this area, a large-scale transformation (Eindhoven Internationale Knoop XL) is planned, which includes an upgrade of the area and the addition of commercial and residential functions. The Fund's commitment comprises 175 rental apartments and 378 sq.m. of commercial space. The majority of the apartments range in size from 48 to 81 sq.m. Monthly rents will range from € 850 to € 1,650, with an average rent of € 1,000 (rents upon completion). Tenants have the option of leasing a parking space in the underground parking garage. Completion is planned for 2023.

The Minister in Rijswijk

This project concerns a former office building, which will be transformed into a high-quality residential property comprising a total of 310 rental and owner-occupied apartments. The Fund acquired all 220 rental apartments within the project, which are 2- and 3-room apartments with sizes ranging from 67 to 93 sq.m. The Fund also acquired a total of 220 parking spaces. Monthly rents will range from € 875 to € 1,200, with an average rent of € 1,000 (rents upon completion, parking excluded). Completion is planned for 2023.

Coolsingel in Rotterdam

This project is located in Rotterdam's city centre, between Hofplein and Beursplein, just across from the city hall. Its central location means that (public) amenities, shops, offices, bars and restaurants are located within close proximity. A total of 114 apartments will be realised. The Fund acquired 56 apartments with an average size of 100 sq.m. as well as 20 parking spaces. Monthly rents will range from € 1,350 to € 1,850, with an average rent of € 1,540 (rents upon completion, parking excluded). The other apartments will be owner-occupied. Completion is planned for 2024.

Wonderwoods in Utrecht

Project Wonderwoods in Utrecht is located in the centre of Utrecht and is situated right across from Utrecht's central train station. There is a strong focus on sustainability with the main feature of Wonderwoods being the extensive use of plants and trees on the property's roofs and facades. The Fund's commitment comprises 248 rental apartments, a gym and a restaurant. The gym and restaurant are embedded in the property and their acquisition means the Fund will have more control over its (commercial) tenants. In addition, Wonderwoods will boast a mixture of commercial space, offices and owner-occupied apartments. These are not acquired by the Fund. Part of the concept of Wonderwoods involves a mobility plan, which results in a relatively low number of parking spaces. The concept is focused on car sharing and public transport facilities. Therefore, the Fund does not acquire any parking spaces, but will receive parking rights for a portion of the tenants. Monthly rents will range from € 850 to € 2,075, with an average rent of € 1,300 (rents upon completion). Although all the apartments are rented out in the liberalised segment, approximately 60 apartments have municipal restrictions on rents. Completion is planned for 2024.

Bijlmerbajes in Amsterdam (subject to approval)

Amsterdam's former prison, known as the Bijlmerbajes, will be redeveloped into a multifunctional district, which includes residential, leisure and working spaces. The total project consists of approximately 1,350 residential units in total (owner-occupied and rental units), a hotel, an international school and leisure facilities. The Fund acquired 160 residential units and 96 parking spaces. The majority of the apartments acquired by the Fund (85%) range in size from 50 to 70 sq.m. with monthly rental prices ranging from € 1,325 to € 1,500. The remaining 15% of the apartments range in size from 80 to 95 sq.m. with rental prices up to € 1,900 per month. Completion is planned for 2023.

Kop Watergraafsmeer in Diemen (subject to approval)

This project in Diemen consists of 66 apartments and 62 parking spaces. The Amsterdam city centre is easily accessible in 20 minutes by public transport or bicycle. Part of the property (26 apartments) concerns 'Friends apartments', which allow friends to jointly rent an apartment. These apartments comprise one living room and kitchen, with double bedrooms and bathrooms. They range in size from 65 sq.m. to 78 sq.m and rents range from € 1,055 to € 1,165 per month (parking excluded). The other 40 apartments, which are mainly 3-room apartments, range in size from 50 to 98 sq.m. and rents range from € 835 to € 1,265 per month (parking excluded). Completion is planned for 2023.

Grotiusplaats in The Hague

This commitment concerns a 50% participation in a Dutch Limited Partnership Agreement, through which property Grotiusplaats in The Hague will be developed. The other 50% participation was acquired by a single Dutch residential fund, with only institutional investors investing in this fund. Project Grotiusplaats in The Hague concerns two residential towers of 100 and 120 metres high, comprising a total of 655 apartments, 244 parking spaces, a communal bicycle storage facility for 1,520 bicycles and 698 sq.m. commercial space on the ground floor. The project is located in the Beatrixkwartier neighbourhood, which is near the central train station of The Hague, the A12 highway and the city centre. Although the area is already regarded as attractive for living and working, Grotiusplaats and its direct surroundings are under large-scale redevelopment, which will result in the area becoming an even more attractive, inner city residential environment. Out of the 655 apartments, a total of 541 concern 2- to 4-room apartments with sizes varying from 50 to 140 sq.m., averaging 70 sq.m. These apartments are for rent in the liberalised rental segment, with monthly rents ranging from € 940 to € 2,280 and an average monthly rent of € 1,150 (parking excluded). The other 114 apartments concern smaller apartments, ranging from 35 to 50 sq.m., with regulated rents. Completion is planned for 2022.

Investments

The refurbishment of property Ambachtenlaan in Breda was completed in the first quarter of 2020. The refurbishment resulted in an energy label upgrade from C/D to A.

The refurbishment of property RiMiNi in Amstelveen was completed in the third quarter of 2020. The refurbishment resulted in an energy label upgrade from D/E/F/G to A.

The Fund has no investments, as at 31 December 2020.

Portfolio analysis

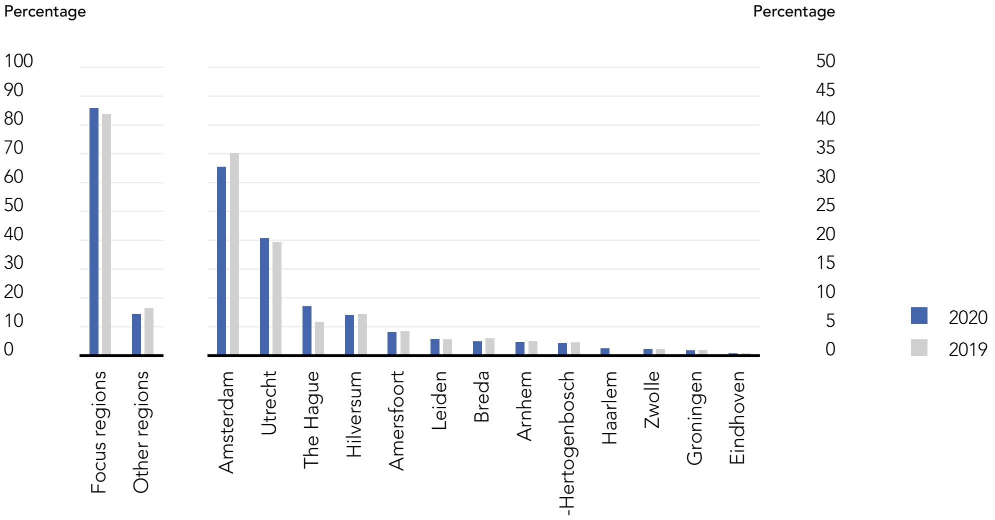
Regional focus

Amsterdam and Utrecht are the dominant regions in the portfolio and account for 53% of the portfolio's total fair value. This is also reflected in the overview of the ten largest assets, with only property Vathorst 1 in Amersfoort being located outside the Amsterdam and Utrecht regions.

In addition to Amsterdam and Utrecht, the portfolio is well-represented in the Randstad area and other demographically and economically strong regions, such as Hilversum, Amersfoort and The Hague. The portfolio strategy actively targets these residential markets with an above-average market outlook.

The exposure to The Hague increased, as a result of the completion of forward acquisition De Hoge Regentesse in The Hague, while the exposure to non-focus regions decreased, as a result of the investment sales in the fourth quarter of 2020. Allocation to the Amsterdam region showed a decrease as well, mainly due to individual unit sales and a relatively mild revaluation in 2020.

Figure 13 Geographical spread as at 31 December 2020



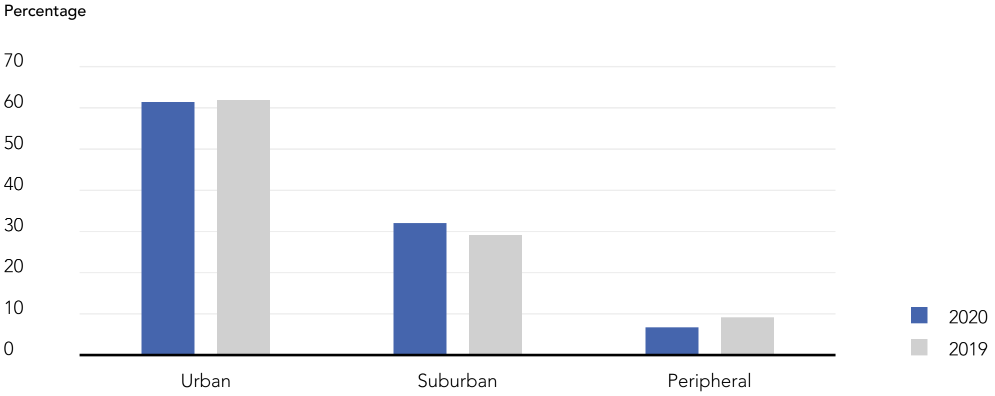
Residential market segmentation

Three different residential market segments are identified by the Fund, based on a combination of target group and location type.

- Urban living: Young professionals, families and empty-nesters with a preference for living in large cities and metropolitan areas with a population exceeding 100,000 residents
- Suburban living: Families with a preference for living in suburban residential areas and medium-sized cities with a population of between 25,000 and 100,000 residents
- Peripheral living: Families with a preference for living in villages and small towns with a population below 50,000 residents

The emphasis of the portfolio strategy is to invest in residential real estate that meets the criteria of urban living. Investments in suburban living environments are also deemed interesting, but these investments should be predominantly aimed at families, empty-nesters and seniors as their target group. Investing in peripheral living environments is not a primary focus of the portfolio strategy. The portfolio is currently well-represented in the urban and suburban living segments. Changes in market segmentation were mainly the result of the aforementioned investment sales in 2020.

Figure 14 Market segmentation as at 31 December 2020

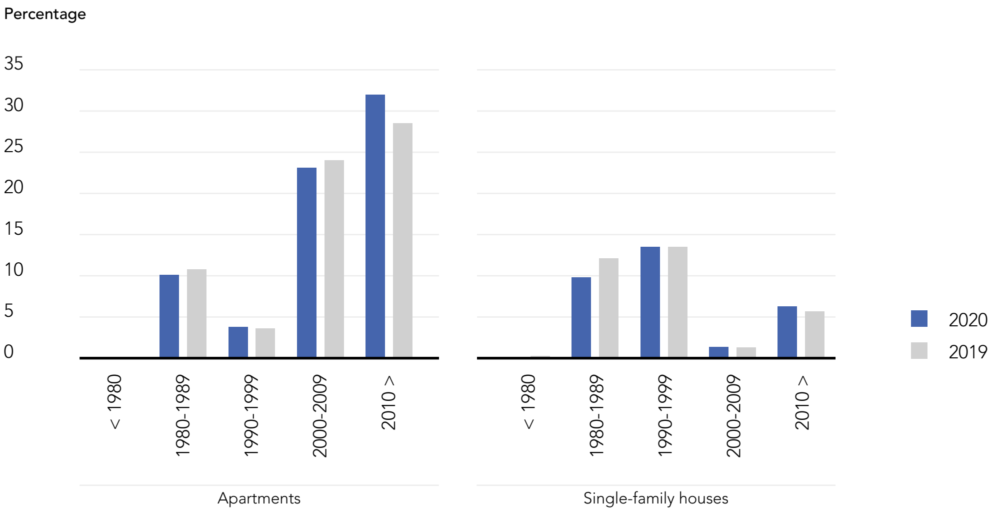


Property age

The Fund continuously invests in the portfolio in order to improve its quality and expected long term returns, while building a sustainable investment portfolio. This is done through renovation strategies and the acquisition and sales policy. The average property age of the portfolio was 17.6 years, as at 31 December 2020, which is a decrease compared to the previous quarter (17.8 years), due to the completion of forward acquisitions, as well as the investment sales in the fourth quarter of 2020.

Property age is measured from the original construction year, corrected for renovations and investments. In cooperation with external advisors, the NEN 2767 guidelines are used to rate the property's technical qualities and assess the technical age of the different parts of a property (for example, foundation, casco and installations). Technical age is a good indication of the property's lifespan and expected maintenance costs. The Fund constantly invests in feasible projects that add value and increase the quality of the portfolio. The average property age of the portfolio, based on original year of construction, was 24.0 years as at 31 December 2020 (2019: 24.6).

Figure 15 Age classes as at 31 December 2020

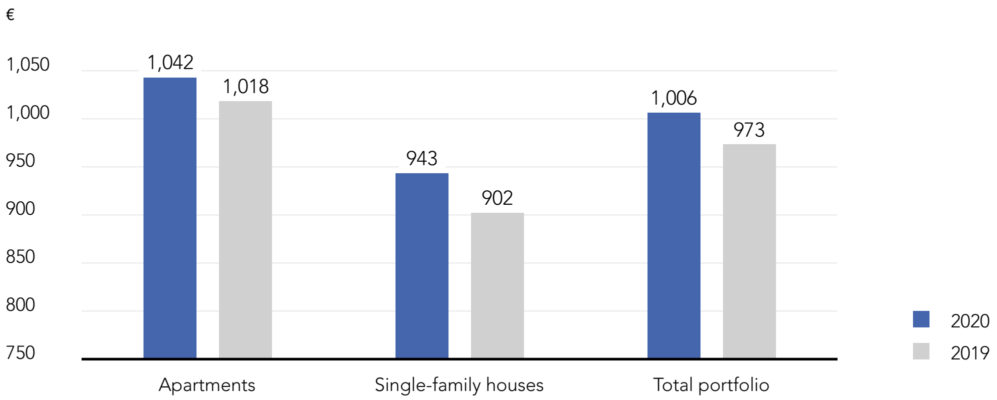


Average monthly rent

The portfolio strategy focuses on residential investments in the mid-priced rental segment and is dominant in the € 737 to € 1,250 rental range. Non-regulated properties with average monthly rents higher than € 737 per month are favoured by the Fund in the long term. In the short term, the current governmental rental policy enables the Fund to implement rent increases which keep up with inflation.

The average monthly rent of a residential unit in the portfolio was € 1,006, as at 31 December 2020, which is an increase compared to 31 December 2019 (€ 973). This growth is explained by (annual) rent increases, completion of forward acquisitions, individual unit sales and investment sales. Single-family houses have a lower average monthly rent (€ 943), compared to the portfolio's apartments (€ 1,042). This difference in rental level is explained not only by residential type, but also by aspects such as location type and property age.

Figure 16 Average monthly rent per market segment as at 31 December 2020

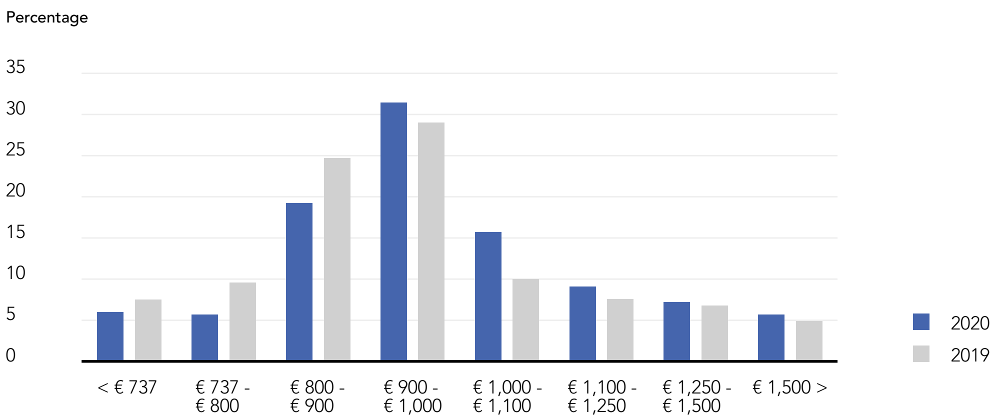


The share of units with rental prices below € 900 declined strongly, whereas the share of units with rental prices higher than € 900 showed an overall increase. This is mainly due to the completion of forward acquisitions and (annual) rent increases for the portfolio in 2020. For the majority (85%) of the portfolio, rents were increased as of 1 July 2020. The average rent increase for these units was at a rate of 2.2% (2019: 3.8%), which is above the July year-on-year inflation level of 1.6% (2019: 1.5%). Like-for-like theoretical rental growth for the entire portfolio amounted to 2.8% in 2020 (2019: 3.9%).

In addition, the decrease in the € 800 to € 900 category is also partly explained by the investment sale of 20 properties. The average monthly rent for a residential unit in this investment sale portfolio was € 838, with the majority of rental prices between € 800 and € 900.

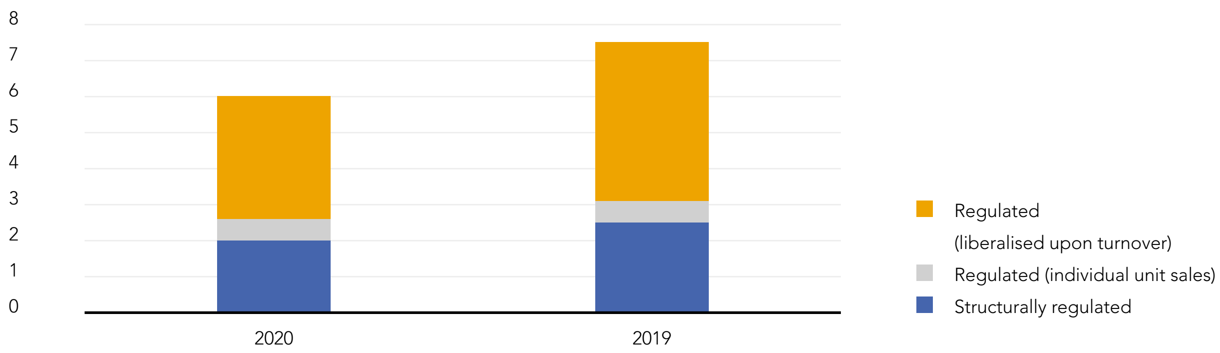
The share of residential units with monthly rents exceeding € 1,250 increased only slightly from 12% in 2019 to 13% in 2020. Approximately 75% of all residential units with monthly rents above € 1,250 are located in the Amsterdam region, where demand is relatively strong and higher market rents can be achieved.

Figure 17 Rental price composition as at 31 December 2020



The share of residential units in the regulated segment (monthly rents below € 737) continued its downward trend in 2020. As at 31 December 2020, this share was 6.0%, compared to 7.5% in 2019. This decrease is mainly the result of the investment sale of 20 properties (191 residential units), which comprised 24 residential units with monthly rents below € 737. Through additions, tenant turnover and individual unit sales, the share of regulated residential units is expected to decrease further in the next few years.

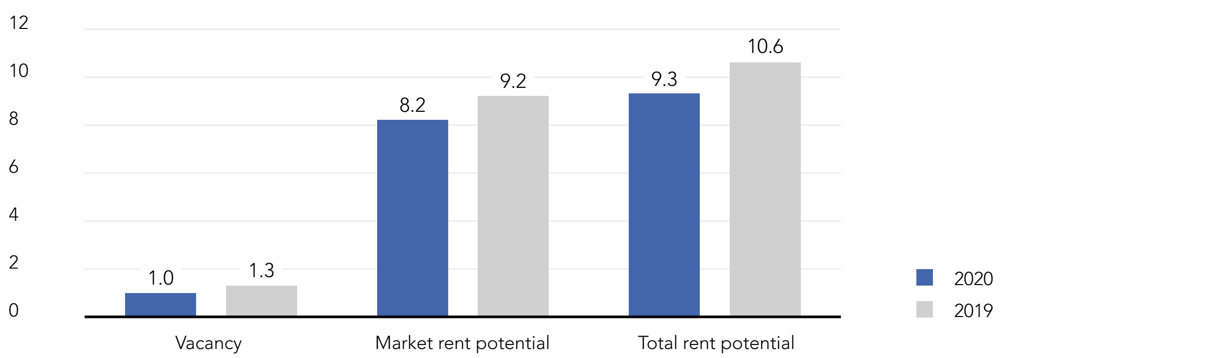
Figure 18 Regulated rents as at 31 December 2020



Rent potential

Rental income of the portfolio can be increased by reducing vacancy, as well as by bringing current rents up to market rent through annual rent increases and at tenant turnover. Total market rent potential of the portfolio's residential units is on average 9.3%, which is a slight decrease compared to 2019 (10.6%). Average vacancy rate for residential units in the portfolio improved to 1.0% in 2020 (2019: 1.3%).

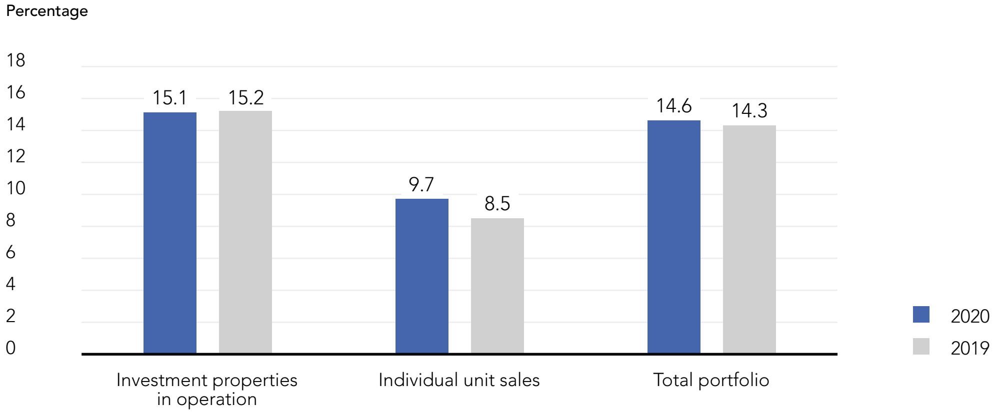
Figure 19 Vacancy and market rent potential as at 31 December 2020



Turnover rate

The portfolio's turnover rate is defined as the number of residential contract terminations within a period as a percentage of the number of residential units at the start of that period. Average portfolio turnover rates amounted to 14.6% in 2020, which is in line with 2019 (14.3%). Turnover rates for properties that are designated for individual unit sales showed a slight increase, whereas turnover rates for investment properties in operation remained stable.

Figure 20 Average turnover rates



Performance of Fund versus MSCI Netherlands Residential Annual Property Index

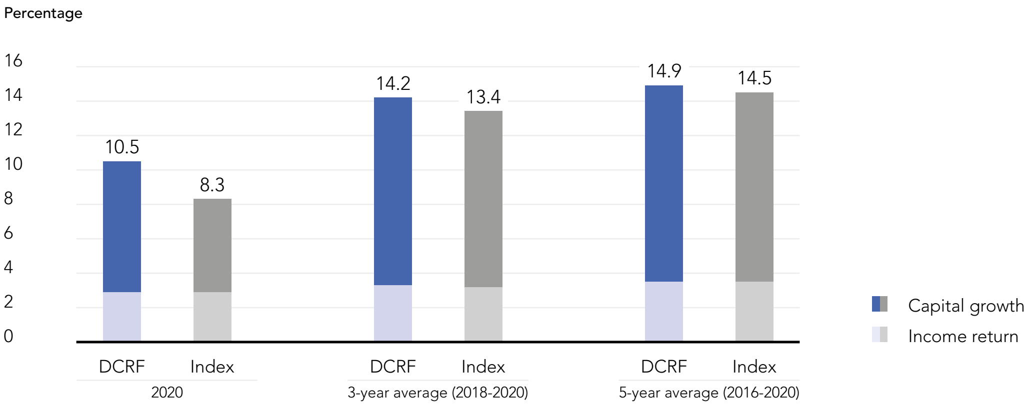
Total return (all benchmarked assets level) for the Fund amounted to 10.5%, compared to 8.3% for the index in 2020. This difference in performance is attributable to capital growth (7.4% versus 5.3%) exceeding the index, while the Fund's income return was in line with the index (both 2.9%). On a 3-year (14.2% versus 13.4%) and 5-year average ((14.9% versus 14.5%), the Fund also showed an outperformance compared to the index on an all benchmarked assets level.

Capital growth is mainly determined by market rental growth and changes in yield. The outperformance on capital growth is fully attributable to a stronger inward yield shift for the Fund compared to the index whereas the Fund's (market) rental growth was in line with the index. The average gross reversionary yield for the Fund showed a decrease of 19 bps in 2020, to end up at 4.4%, while the gross reversionary yield for the index decreased with 11 bps to a yield of 4.5%.

Although the gross reversionary yield is somewhat sharper compared to the index, the Fund's income return is in line with the index, as a result of lower operating costs and a lower vacancy rate. Net operating costs as a percentage of gross rental income amounted to 21.5% for the Fund, compared to the index figure of 25.5%. The average vacancy rate for the Fund's standing investments amounted to 1.3% in 2020, which was well below the index vacancy rate (2.2%).

On standing investments level, the Fund also showed an outperformance in 2020 (10.4% versus 7.8%), as well as on a 3-year (13.5% versus 12.7%) and 5-year average (14.1% versus 13.6%). Returns on standing investments level exclude the effect of the acquisitions, investments and sales.

Figure 21 Performance figures ASR DCRF versus MSCI Netherlands Residential Annual Property Index (all benchmarked assets)



Realised and unrealised gains and losses

All properties were valued by independent valuers in 2020. Every quarter, 25% of the valuations concern full valuations, whereas 75% consisted of desktop reviews to update valuations.

During the first two quarters of 2020, all properties were externally valued by either MVGM Vastgoedtaxaties or CBRE Valuation Advisory. In the third quarter of 2020, the Fund reassigned and rotated the valuers of the Fund's portfolio. Based on the size of the Fund's portfolio, it was decided to appoint three external valuers, instead of two. Three valuers will ensure compliance with our high quality requirements, a good spread of the workload among external valuation firms, and further improvement of knowledge sharing on the local residential markets. MVGM Vastgoedtaxaties, Cushman & Wakefield and Capital Value were selected to value the portfolio for the next three years. MVGM Vastgoedtaxaties already valued the portfolio in the past three years and is reassigned to another part of the portfolio.

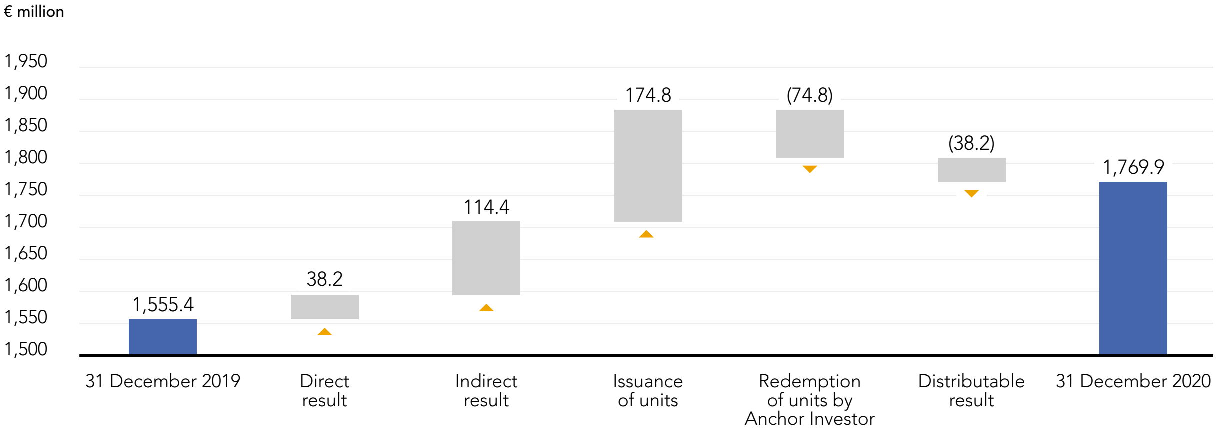
Revaluation of the portfolio equated to € 107.4m or 7.1% in 2020. Amsterdam and Utrecht contributed most strongly to the total portfolio's appreciation, due to their dominant share within the portfolio and positive revaluation. Capital growth continued to show positive growth in 2020. Despite the deteriorated economic outlook, as a result of the COVID-19 situation, transaction activity and price growth within the Dutch residential market continued to be relatively solid.

Grotiusplaats Den Haag C.V., in which the Fund holds a 50% participation, was externally valued by MVGM Vastgoedtaxaties. Revaluation of the Fund's participation in Grotiusplaats Den Haag C.V. equated to 10.8% or € 5.5m in 2020.

Capital

Total capital amounts to € 1,769.9m, as at 31 December 2020, compared to € 1,555.4m, as at 31 December 2019. Capital increased as a result of a positive indirect return (€ 114.4m) and the fourteenth (€ 33.1m), sixteenth (€ 10.0m), seventeenth (€20.0m) and eighteenth (€37.0m) closing. As at 31 December 2020, capital is spread across 1,325,615 units, resulting in an IFRS NAV of € 1,335 per unit.

Figure 22 Movements in capital



Corporate Social Responsibility

Our vision

The Fund's vision of Corporate Social Responsibility (CSR) is to offer the best possible facilitation of tenants and investors' interests by creating homes which have long-term value from both a financial and a social perspective.

The Fund aims to do this in a sound and responsible manner with engaged and aware partners and employees. Our goal is a residential portfolio with long-term value, which requires future-proof homes in attractive locations. These homes should be comfortable, sustainable and meet the current and future wishes of tenants. In short, they should be places where our tenants feel at home in residential environments which are and will continue to be highly valued.

The Fund composed a formal CSR policy to materialise this vision, which focused on the sustainability of its property, the engagement of its partners and employees, and its contribution to nature, society and the environment.

The Fund's CSR policy is based on four P's (Property, Partners, Planet and People) which cover the entire spectrum of Corporate Social Responsibility. Each P represents a different perspective of the CSR policy, and all are equally essential in realising our vision. Each P has its own strategic goals, the results of which are discussed in this report. ASR DCRF's CSR annual report follows the INREV Sustainability Reporting guidelines. The ASR Dutch Core Residential Fund is 100% compliant with the INREV Sustainability Reporting Module.

Strategic objectives 2020-2022

Property	Partners	Planet	People
Sustainable portfolio	**Sustainable partners in long-term relations**	**Contribution to environment and society**	**Sound business practices and healthy and satisfied employees**
• Reduce the average Energy Index to at least 1.15 • Reduce ownership of properties with an Energy Index of >2.4 to less than 0.5% of the portfolio • Implement energy-saving measures in 60% of the portfolio • Obtain Green Building Certificates for 100% of the portfolio	• Optimal engagement of partners in the chain • 100% check for compliance with CSR requirements and objectives • Tenant satisfaction rating of at least 7.5 (out of 10) • Active tenant participation programme: at least 5 projects each year	• Reduce energy consumption by >20% and greenhouse gas by >15% (compared to 2015) • Renewable energy: 9,000 PV panels • Invest in neighbourhoods and mobility: at least 5 projects each year • Monitor effects of climate change	• Sound business practices • Provide employees with opportunities for personal development • Focus on employee's health and wellbeing • Employee satisfaction rating >80%

Property

Strategic objectives

- Reduce the average Energy Index to at least 1.15
- Reduce ownership of properties with Energy Index of > 2.4 to less than 0,5% of the portfolio
- Implement energy-saving measures in 60% of the portfolio
- Obtain Green Building Certificates for 100% of the portfolio

Reduce the average Energy Index to at least 1.15

In 2020, the average Energy Index (EI) of the Fund's portfolio improved from 1.22 to 1.17. The three main reasons for this improvement were:

- *Sustainability enhancements of standing investments.* This is especially due to two sustainable renovations, one in Breda and the other in Amstelveen. The renovation of 43 single-family houses in Breda (Ambachtenlaan) was completed in January 2020 and their average Energy Index went from 1.66 to 0.90. The renovation of 126 apartments in Amstelveen (RiMiNi) was completed in September 2020. Their final Energy Index was not known as at December 31st, so this improvement is not yet part of the lower Energy Index of 1.17. However, it will be part of the further improvement recorded in 2021;
- *Completion of highly sustainable dwellings.* The Fund could add 216 new dwellings to the portfolio: in Prinsenbeek (Hagendonk, 25 apartments), IJmuiden (Parkzicht, 63 apartments) and The Hague (Hoge Regentesse, 128 apartments);
- *Individual unit sale and investment sale.* These dwellings are generally less sustainable than the average Energy Index of the portfolio.

Figure 23 Energy labels (EPA) for ASR DCRF as at 30 September 2020

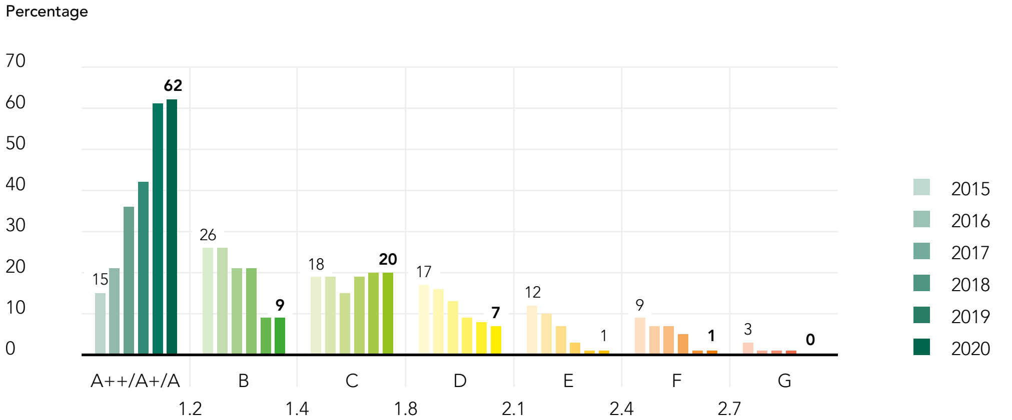
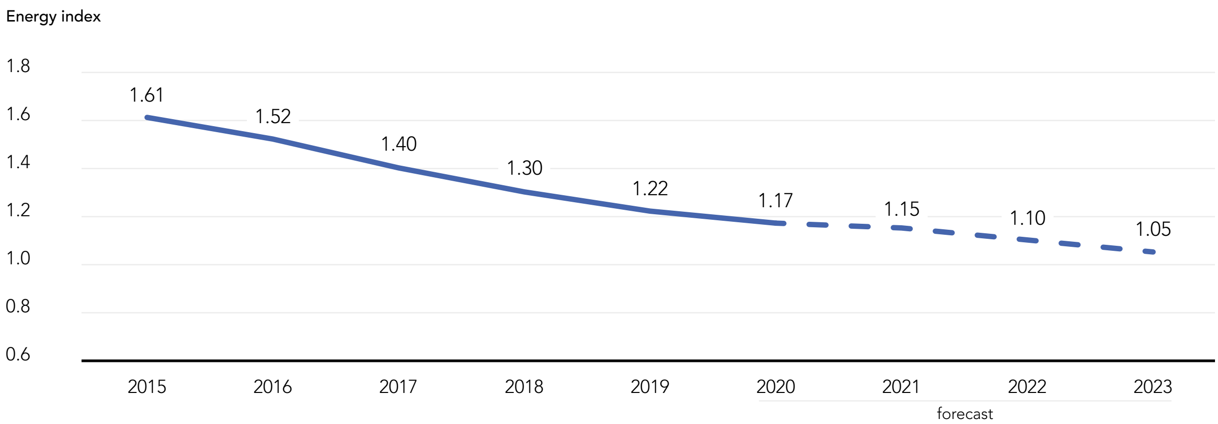


Figure 24 Improvement of Energy Index for ASR DCRF 2015-2023



Completed in 2020: 43 renovated dwellings Ambachtenlaan in Breda

Reduce ownership of properties with Energy Index of > 2.4 to less than 0.5% of portfolio
As at 31 December 2020, 1.0% of the portfolio had an Energy Index higher than 2.4, which is a slight reduction compared to 31 December 2019 (1.1%). The decrease was mainly due to the sale of units with an Energy Index above 2.4.

In 2021 this share is expected to fall further to less than 0.5%, once the final Energy Index scores of the 126 apartments in RiMiNi will be received and registered. The final share of lower energy labels will diminish through the sale of individual units that are less sustainable.

Implement energy-saving measures in 60% of the portfolio
Since 2015, the Fund has kept track of how many energy-saving measures have been implemented in its standing investments. These are all assets which were already part of the portfolio in 2015 and have not been renovated on a project basis since. Measures that have been taken are diverse: high efficiency boilers, LED lighting, sedum roofs, water-saving water taps, PV panels and new mechanical ventilation. Where possible, sustainability improvements were synchronized with maintenance activities in the multi-year maintenance program.

By the end of 2020, energy-saving measures were implemented in 56% of the standing investments .

Obtain Green Building Certificates for 100% of the portfolio
In addition to the portfolio's energy label certification, the Fund aims to further improve the sustainability of its portfolio by focusing on achieving Green Building Certificates for its properties. Green Building certification means that the property, its surrounding area, and the development process are all assessed on a broad range of sustainability criteria.

In 2020 the Fund took part in a pilot for a new certificate: BREEAM-NL In-Use (by the Dutch Green Building Council, DGBC). From the end of 2020 this is the new official green building certificate of DGBC and replaces the former certificate, DGBC Woonmerk. BREEAM-NL In-Use complies better with international standards, is better able to measure assets in exploitation and offers more insight than the DGBC Woonmerk.

As at 31 December 2020, 27.5% of the portfolio was certified with a Green Building Certificate, which means an improvement of 5% compared to 2019 (22.5%). A total of 238 dwellings were certified in 2020. A total of 216 apartments of property Lamérislaan in Utrecht were certified with label 'good' and 19 single-family houses of property Bergkwartier in Zeewolde received the label 'very good' and in the same property, three (all-electric) single-family houses received the label 'excellent'.

The Fund's aim is to have the whole portfolio certified with a Green Building Certificate by the end of 2021.

Partners

Strategic objectives

- Optimal engagement of partners in the chain
- 100% check for compliance with CSR requirements and objectives
- Tenant satisfaction rating of at least 7.5 (out of 10)
- Active tenant participation program: at least 5 projects each year

Optimal engagement of partners in the chain

To achieve the best possible teamwork and results with respect to CSR, each partner plays an important role. Therefore, the Fund focuses on optimal engagement.

- In June 2020, ASR DCRF sent its yearly CSR newsletter to more than 550 partners. In this letter, the Fund informed its partners of the results and activities regarding CSR;
- CSR is a fixed agenda item in all regular meetings with our partners;
- For the Fund, an important objective in the area of CSR is to improve and share its knowledge, and to expand its network. Within the company, involvement in and support for promoting CSR initiatives throughout the sector and society as a whole is a priority. For this reason, a.s.r. real estate is affiliated with several organisations (including IVBN, INREV, GRESB, DGBC, NEPROM and RICS) and participates actively in a.s.r.'s sustainability working groups, IVBN, NEPROM and DGBC. The Fund regularly shares its experience at congresses and other events.

100% check for compliance with CSR requirements and objectives

CSR requirements and/or objectives are included in all internal decision documents. In order to ensure proper compliance with the Fund's CSR policy, agreements with the most important partners are regularly amended, tightened and assessed. For instance the following actions have taken in 2020:

- The Program of Requirements for new buildings and renovation projects was further updated to take into account our CSR objectives and incorporate them in future plans (for instance with requirements for PV panels and blinds);
- Sustainability has become an integral part of the lease agreement with our tenants. One extra clause has been added to stimulate sustainable behaviour;
- The Fund uses Key Performance Indicators as part of assessing its real estate managers. The CSR component represents a significant part (10%) of that assessment. Furthermore, in 2020, the Fund required four CSR initiatives to be taken by the real estate manager.

Tenant satisfaction rating of at least 7.5 (out of 10)

The Fund aims to continuously improve its services and level of tenant satisfaction. In order to monitor this, the Fund carries out an annual tenant satisfaction survey which forms a benchmark, together with a number of Dutch professional real estate funds (IVBN). This benchmark allows the Fund to monitor market developments and compare the Fund's results with the performance of the benchmark. In line with past years, the survey in 2020 is performed by an independent research agency, Customeyes. This agency carried out a survey among a representative sample of tenants.

The full results of the tenant satisfaction survey are presented in this annual report.

Active tenant participation program

The Fund works continuously on a participation program to ensure tenants are optimally involved. Despite the corona virus several projects could continue and it did not endanger our processes. However, we had to cancel most physical events and meetings.

1. **CSR information bag**
   To create more awareness on sustainable ways of living, the Fund gave the CSR information bag to new tenants when signing up for their new home and after renovation. The CSR information bag contains information and items such as a LED lightbulb. In 2020, the Fund handed out approximately 1,050 CSR information bags.

2. **Energy Battle**
   To create more awareness on sustainable ways of living, the Fund initiated the Energy Battle. This competition challenges tenants to ensure energy saving measures for 20 weeks. The Energy Battle held for the property in Bonifaciuslaan, Hilversum ran from December 2019 to May 2020. The final winner saved 26% energy and won a holiday weekend worth € 250 at a sustainable house in nature.

3. **CSR newsletter**
   In November 2020, the Fund sent the yearly CSR newsletter to all its tenants. Through this letter, the Fund informs them on its CSR policy, results and initiatives. It also includes advice on how tenants can live more sustainably.

4. **Tenant association**
   Last year, the Fund focused on setting up several tenant associations. This ensures closer ties with our tenants, but also enables us to hold discussions with each other on how we can improve things. They are also pivotal in being able to achieve a 70% majority when approving sustainable activities. Their dedication is important for our continued engagement.

5. **Digitalisation**
   Digitalisation is the cornerstone of the Fund's new efforts in carrying out services for its tenants.
   To improve its services and communicate more efficiently, the Fund has implemented several projects:
   - ASR DCRF is engaged in building an online portal for its tenants, which it aims to launch in 2021.
   - The Fund used Area of People at the completion of De Hoge Regentesse in November 2020, an online platform where tenants can (temporarily) communicate with the external property manager, a.s.r. and other tenants. For example about delivery points.
   - The Fund installed a screen for narrowcasting in several apartment buildings. This is an additional piece of equipment for communicating with our tenants.

The Fund aims to make use of these kind of platforms and digital innovations in more of its projects.

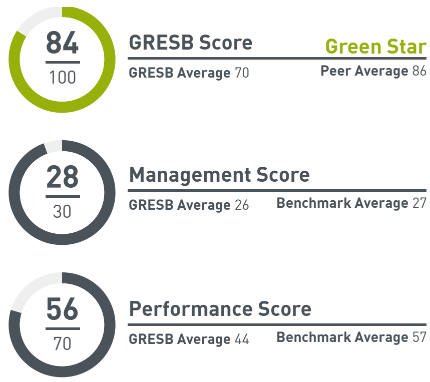
GRESB - Five stars for ASR DCRF

ASR Dutch Core Residential Fund further improved its Global Real Estate Sustainability Benchmark rating in 2020 to five stars (the maximum number of stars). This puts the Fund into the top 20% of best performing GRESB funds worldwide. With this rating, the Fund achieved an above average score and ended sixth in its peer group (6 out of 9 instead of 8 out of 16 in 2019). The 2020 GRESB score remains 84 (out of 100 points). Due to a change in the rating system, the 2020 score is 84 instead of 87 (based on the old system).

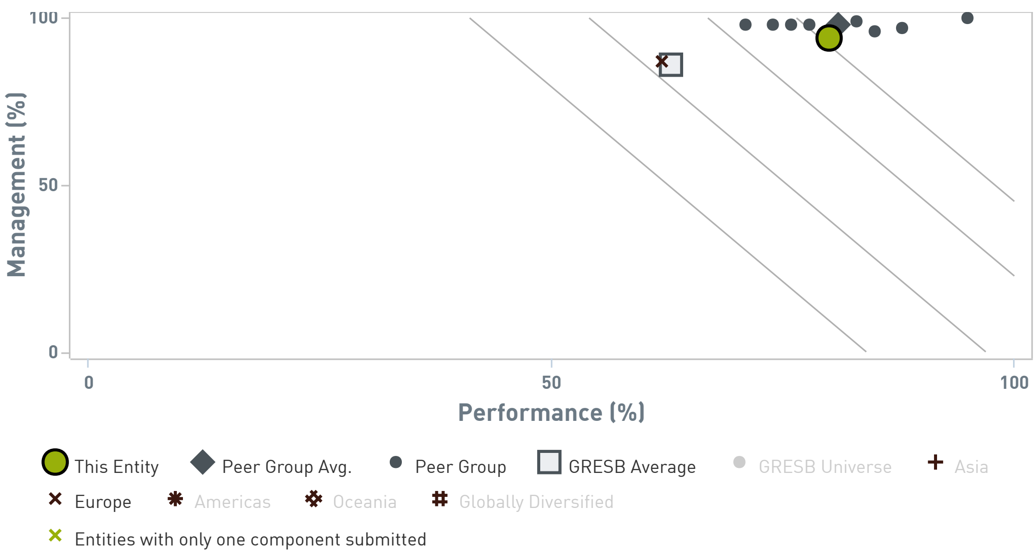
The improved GRESB rating is mainly achieved by the Fund's continuing commitment to large-scale renovation of its portfolio assets (bricks), structured data monitoring and the Fund's focus on tenant engagement (incentivizing tenant behaviour). In addition the Fund's implementation of the new DGBC's Green Building Certification Scheme and water- and energy-saving measures significantly contributed to the improved score.

The outperformance on both Management and Performance (scoring 28 out of 30 and 56 out of 70 respectively) demonstrates the Fund's high-quality sustainability governance. These scores were achieved, among other things, through detailed policies and procedures, as well as through improved insight into environmental performance and a reduced carbon footprint.

GRESB score



GRESB Model



Planet

Strategic objectives

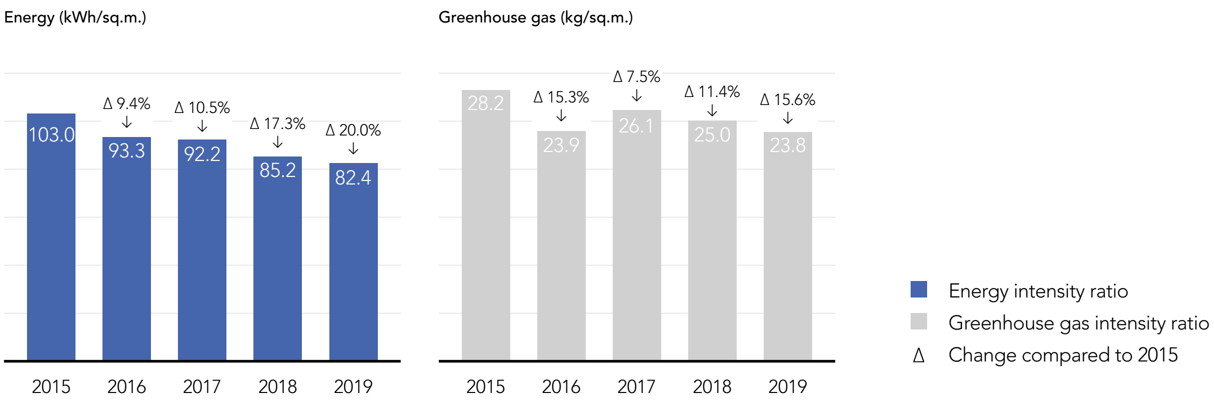
- Reduce energy consumption by >20% and greenhouse gas by >15% compared to 2015
- Renewable energy: 9,000 PV panels
- Investing in neighbourhoods and mobility: at least 5 projects each year
- Monitor effects of climate change

Reduce energy consumption by >20% and greenhouse gas by >15% compared to 2015

The Fund wishes to scale back the energy consumption and greenhouse gas emissions of the total portfolio, both in common areas and tenant spaces. ASR DCRF measures the energy consumption and greenhouse gas emissions intensity per square meter of the total portfolio.

As yet, the 2020 results cannot be disclosed, since the Fund has to wait until the end of the first quarter of 2020 to receive the tenant data from the grid operators. Therefore, the results below are from 2015 - 2019 only. The reduction of energy in 2019 was 20.0% compared to 2015. The reduction of greenhouse gas was 15.6% compared to 2015. This means that both objectives have been achieved. The 2020 results will be disclosed in the GRESB Survey 2021.

Figure 25 Energy and greenhouse gas intensity ratios 2015-2019



Renewable energy: 9,000 PV panels

The Fund aims to implement renewable energy solutions where feasible. In 2020, the Fund went into partnership with Zonneplan to place PV-panels on single-family houses in the standing investment portfolio. The first (pilot) project started in the spring of 2020 in De Meern. All tenants were given the opportunity to participate in this project. The Fund pays for the installation of PV-panels and in return we increase the rent by an amount equalling half of the expected savings. This means that the tenant is rewarded with the other half of that amount due to the savings on their energy bill. In De Meern more than 60% of the tenants were willing to participate in this project and, during the third quarter, the first solar panels in De Meern were installed. After this successful first project, the Fund decided to extend the roll out to the remaining single-family houses in the standing investment portfolio, starting in De Reeshof in Tilburg in the autumn of 2020. About 160 households in De Meern and Tilburg participated in this project.

Together with solar panels on newly completed properties, the number of solar panels in the Fund's portfolio increased from about 3,500 to 5,175. In 2021 the Fund expects to reach the number of 10,000 installed PV panels.

In 2020, preparations were also made for the placement of solar panels on apartment buildings. With the rollout of solar panels, the Fund contributes to the increase in renewable energy, and improves its energy index and level of tenant satisfaction.

Another example of renewable energy is the Iwell battery. The Fund installed the Iwell system in four apartment buildings (in Nieuwegein, Utrecht and Amersfoort) in December 2020. Iwell's battery system stores sustainably generated electricity and can be connected to solar panels. This reduces the load on the energy network and, by reducing the peak load, we can also use a smaller grid connection. In 2021 the system will be installed in another five buildings.

United Nations Sustainable Development Goals

On 25 September 2015, 193 world leaders committed themselves to the 17 SDGs of the United Nations which are designed to achieve sustainable development worldwide. Between now and 2030, these goals will focus on the eradication of global poverty and inequality, combating climate change and ensuring that everyone can lead a prosperous and peaceful life. It is not only governments but also companies like a.s.r. that have a contribution to make in this context.

Integrating SDGs

a.s.r. has categorised its contribution to the SDGs in four themes: sustainable insurer, sustainable investor, sustainable employer and sustainable role. These themes have been included in a.s.r.'s annual report. a.s.r. real estate added a fifth theme, sustainable real estate investor, to monitor its specific contribution to the SDGs from a real-estate perspective.

The Fund actively contributes to four SDGs:

SDG 07: Affordable and clean energy

The Fund has set the objective for 2023 of having at least 15,000 PV panels installed. The Fund also aims to further improve the portfolio's energy efficiency and committed itself to the Paris Proof goals. Progress will be monitored by keeping track of the generated amount of renewable energy (kWh) and intensity ratios.

SDG 11: Sustainable cities and communities

The Fund focuses on affordable housing, encouragement of sustainable transport and future-proof living environments (including implementing green roofs). The Fund aims to execute at least five projects a year.

SDG 12: Responsible consumption and production

Since 2015, the Fund has reduced its energy and CO_2 intensity by -20.0% and -15.6% respectively. The Fund will maintain a focus on sustainable maintenance to further reduce these ratios. The Fund publishes its CSR policy annually and adheres to the sustainability guidelines.

SDG 13: Climate action

Besides the Fund's focus on climate mitigation, climate adaptation is key in mitigating climate risks. The Fund started implementing a climate adaptation strategy as of 2020. To build a progressively resilient portfolio, an important objective for 2021 is to add at least 500 sq.m. of greenery and further monitor and adapt to the effects of climate change.

Investing in neighbourhoods and sustainable mobility: at least five projects each year

ASR DCRF considers it important that areas, in which it manages property, continue to thrive. These were the six most important initiatives in 2020:

1. **Vegetable gardens in Amsterdam**
   The permit procedure has been completed for the project to create vegetable gardens ('moestuinen') at Zeeburgereiland in Amsterdam. The ground works are finished and, due to the coronavirus, we plan a grand opening with the first crop festival in 2021. a.s.r. real estate was one of the initiators of this project. At Zeeburgereiland, the Fund owns 41 dwellings in the Beacons property.

2. **Sedum roofs in Groningen**
   At our dwellings in the Ebbingekwartier in Groningen, the external storage rooms are equipped with sedum roofs. Green roofs are a part of a climate-proof construction. For example, a green roof ensures water retention, air purification, a lower ambient temperature, heat regulation, energy savings and biodiversity in the city.

3. **a.s.r. bench in Prinsenbeek and IJmuiden**
   To make living environments more attractive, we invented the a.s.r. bench. The first bench was placed in Prinsenbeek and Ijmuiden and it is meant to be a place where people can meet. Loneliness is an increasing problem in today's society, so the text on the bench reads: 'Every meeting is a new beginning'. In the future, there will be benches at several ASR DCRF residential properties.

4. **AED in several apartment buildings**
   The Fund aims to build a future-proof living environment. In case of heart attack, the chance of survival is greatly increased if there are people on site within six minutes who start CPR and use an AED. The Fund studied its portfolio with respect to these white spots around the six-minute zone and selected these properties for the placement of AEDs. The first phase was to install them in the apartment buildings in full ownership during the fourth quarter of 2020. The Fund decided to extend the rollout to the rest of the apartment buildings in shared ownership in 2021. With this rollout, the Fund contributes to a six-minute zone for their residential properties. Furthermore, a.s.r. real estate will be an ambassador of the heart foundation.

5. **Tree plan in Tilburg**
   In general, green maintenance is the responsibility of the tenant. To improve an environment by making it greener and more pleasant, the Fund cooperated with a gardener as part of the maintenance near our dwellings in the municipality of Tilburg.

6. **Sustainable mobility: EV charging stations**
   There are several projects which include the provision of an electric vehicle charging station in our parking garages. This machine supplies electrical energy for the recharging of plug-in electric vehicles. These include Parkzicht in IJmuiden and De Hoge Regentesse in The Hague.

Monitor effects of climate change

Climate change has become one of the most important CSR-topics within the Fund. The built environment has an impact on global climate change through the development of real estate, the operational management of properties, and the removal of assets from the real estate stock. However, climate change can also affect management of the built environment through natural disasters, rising sea levels, and air or soil pollution, to give some examples. Insight into the adverse effects of climate change is vital in order to respond to the impact which it is already having, while at the same time preparing for its future effects.

In 2020, the Fund carried out further investigation to see which effects might apply to the portfolio and how urgently they require action. A lot of extra data was collected and the number of 'GIS' maps was expanded. These maps offer a lot of information on regional differences, developments and forecasts. The Fund also started to develop a climate adaptation strategy.

The Fund has determined four types of risk connected to the built environment (and, by extension, our properties): extreme weather, drought, heat and flooding. The Fund closely monitors these climate effects and risks as part of its commitment to managing a future-proof portfolio. These effects and risks are incorporated in several internal documents, strategies, processes and reports.

People

Strategic objectives
- Sound business practices
- Provide employees with opportunities for personal development
- Focus on employee's health and wellbeing
- Employee satisfaction

Sound business practices
For a.s.r. real estate, it goes without saying that corporate social responsibility can only be achieved by means of sound, transparent business practices.

a.s.r. real estate is required to be licensed for the financial services it provides in the field of collective and individual asset management. The AIFMD licence was granted in February 2015 by the Dutch authority AFM. In accordance with the AIFM Directive, 'Wet op het financieel toezicht' (Wft) and 'Besluit Gedragstoezicht financiële ondernemingen' (Bgfo), a.s.r. real estate has an appropriate risk management system in place to adequately recognise, measure, manage and monitor all relevant risks associated with the activities, processes and systems of the investment firm. a.s.r. real estate has a business risk management department who operates independently of the operational departments. Independence of business risk management is guaranteed by a hierarchical reporting line to the CFRO of a.s.r. real estate and escalation lines with the Director Risk Management (CRO) of a.s.r.

In addition, independence is guaranteed because the remuneration of risk management employees is not based on commercial objectives. a.s.r. real estate has set up and implemented its own ISAE Control Framework based on the key processes and key risks. This is annually coordinated with and tested by the external auditor. A Product Approval and Review Process (PARP) has also been set up in the context of financial services and the products of a.s.r. real estate. In addition, IT risks are managed in accordance with the Cobit standards of the Dutch central bank (DNB) and integrity risks are managed on the basis of DNB's SIRA (Systematic Integrity Risk Assessment). Each year, a risk self-assessment is conducted with the board of directors based on the company's objectives and the relevant strategic risks. Key policies are reviewed annually, addressing aspects such as conflicts of interest, incidents and outsourcing. Where necessary, existing controls are supplemented or changed.

Since 2020, risk management has been closely involved in the implementation and risk monitoring of new sustainability regulations in Europe. This concerns the implementation across the entire operational management of the Task Force on Climate-related Financial Disclosures (TCFD), the Sustainable Finance Action Plan (SFAP) and the underlying Sustainable Finance Disclosure Regulation (SFDR). From 2021 onwards, risk management will implement the most important management measures for the sustainability objectives relating to the TCFD and SFDR in the risk control framework, so the external auditor can rely on this when drawing up the non-financial section for the annual accounts.

Provide employees with opportunities for personal development
The main focus of a.s.r.'s human resource management policy is the personal development of its employees in terms of professional expertise, competences and skills. 1% of annual salaries is devoted to training and development and 1% is devoted to sustainable employability. In 2020, 1.3% and 1.0% respectively of annual salaries have been spent on these topics. A dedicated HR team provides guidance for employees who wish to take control of their own future by developing their talents, moving to another position (sustainable employability) or leaving a.s.r. entirely. 31% of a.s.r. real estate's employees were invited to participate in a.s.r. Nederland's Development Program, in which they are challenged and trained for future professional and personal growth.

Focus on employee's health and well-being
a.s.r. considers it important to help employees to remain mentally and physically fit and vital, especially during COVID-19. Awareness, prevention and guidance are three important instruments in this regard. a.s.r. provides a wide range of workshops and has a dedicated team to support the employees. It also devotes a lot of attention to a healthy office (or home office) and flexible working conditions. During COVID-19, a.s.r. asked employees to do a short online Mood Monitor survey every week to make sure it was assisting them as much as possible.

An important objective is to measure the health and well-being of a.s.r. departments by carrying out a four-yearly vitality scan. Key topics are stress, absentee rate, working ability, physical complaints and level of enthusiasm. Based on the outcomes, a customised vitality program will be drawn up. The last survey among a.s.r. real estate employees took place in 2018. The participation rate was 79% and a.s.r. real estate scored equal to or better than the Dutch average on six out of eight themes. With the program currently being conducted a.s.r. real estate hopes to improve topics on which it scored less well. The next survey will take place in 2022.

Employee satisfaction

In 2020, a.s.r. real estate changed the employee satisfaction measuring method from 'Great Place To Work' to the 'Denison Scan'. Every year, a.s.r. real estate conducts the Denison Organizational Success Survey among all its employees. This survey measures the success of an organization on several dimensions, for example employee satisfaction, engagement and adaptability. The Denison Scan results are compared to a global benchmark of large organizations that use the Denison Survey. Following each survey, the results are analyzed and discussed intensively by the board, the internal Denison workforce and all business lines. Where necessary, steps are taken to improve a.s.r. real estate's standing as an excellent employer. In 2020, a.s.r. real estate scored 94/100 for employee satisfaction. The goal is to maintain this excellent score. The next survey will take place in 2021.

CSR goals 2021 -2023

Up until 2020, CSR goals in the Three-Year Business plan were based on the total goal for that three-year period. Planning the next steps was difficult with three years in mind, so from now the Fund will set one-year goals in addition to three-year goals. That way, it will be easier to plan the next steps and also offer the possibility of measuring results on an annual base.

Strategic objectives 2021-2023

		2021	2023
Property	**Sustainable portfolio**		
	Average Energy Index of portfolio	≤ 1.15	≤ 1.05
	Green Labels	≥ 93%	≥ 96%
	Energy-saving measures (excl. projects, yearly)	≥ € 150k	≥ € 300k
	Coverage of Green Building Certificates	100%	100%
Partners	**Sustainable partners in long-term relations**		
	Partnership documents containing CSR requirements and goals	100%	100%
	Tenant satisfaction	≥ 7	≥ 7
		> benchmark	> benchmark
	Active tenant participation programme (# of projects yearly)	≥ 6	≥ 10
	Addition of affordable dwellings (#)	150	1,200 [1)]
Planet	**Contribution to environment and society**		
	Paris Proof roadmap	Design	Execute
	Energy intensity (average yearly reduction)	≥ -1.7%	≥ -1.7%
	CO_2 intensity (average yearly reduction)	≥ -3.3%	≥ -3.6%
	Renewable energy (# of PV panels)	≥ 10,000	≥ 15,000
	Invest in neighbourhood and sustainable mobility (# of yearly projects)	≥ 5	≥ 7
	Climate adaptation (greening measures yearly)	≥ 500 sq.m.	≥ 500 sq.m.
People	**Sound business practices and healthy and satisfied employees**		
	Sound business practices (implementation sustainability in risk control framework)	TCFD & SFDR	Future regulation
	Personal development of employees		
	- Training (% annual salaries)	≥ 1%	≥ 1%
	- Sustainable employability (% annual salaries)	≥ 1%	≥ 1%
	Focus on employee's health and wellbeing	Improvement of vitality score	
	Employee satisfaction	≥ 94/100	≥ 94/100

1) During the 2021-2023 period

Cruquiuswerf, Amsterdam

Tenant satisfaction survey

The Fund aims to continuously improve its services and tenant satisfaction. In order to monitor this, the Fund organises annually a tenant satisfaction survey and participates in a benchmark together with other Dutch professional real estate funds (IVBN). This benchmark allows the Fund to monitor market developments and compare the Fund's results with the performance benchmark. In line with past years, the survey in 2020 was carried out by an independent research agency (Customeyes). This agency carried out a survey among a representative sample of tenants.

As in previous years, tenants are interviewed on their satisfaction with their residential unit, living environment and property management services. In 2020, the overall tenant satisfaction for the Fund was 7.0, which is in line with previous year (both 7.0) and with the average benchmark result (7.1).

Tenant experience of the living environment has been stable over time and is in line with the benchmark. Tenant experience of the property and the provision of services by the internal and external property manager are ranked somewhat below the benchmark. The satisfaction with regard to energy efficiency scored 7.2 (benchmark: 7.3) and shows a good improvement compared to previous year's score (6.7). This implies a positive experience among tenants with regard to sustainability.

The outcome of the survey is discussed both internally and with the external property managers, and improvement measures are identified. In the years ahead, the Fund aims to achieve a score of at least 7.0 and to outperform the benchmark with regard to overall tenant satisfaction.

Table 9 Results tenant satisfaction survey 2020

	Residential unit	Living environment	Services external property manager	Services internal property manager	Overall
2020	7.2	7.5	6.3	6.8	7.0
Δ Benchmark	(0.2)	0.0	(0.3)	(0.2)	(0.1)
2019	7.2	7.5	6.3	6.7	7.0
2018	7.3	7.5	6.1	6.7	6.9
2017	7.2	7.6	6.2	6.7	6.9
2016	7.6	7.7	6.4	6.6	7.1
2015	7.6	7.6	6.3	7.1	7.2

AIFMD

The Fund is an Alternative Investment Fund (AIF). In accordance with Alternative Investment Fund Managers Directive (AIFMD), the Fund Manager is obliged to apply for an AIFMD license from the Netherlands Authority for the Financial Markets (Autoriteit Financiële Markten, or AFM). The license was issued in February 2015.

The AIFM Directive requires a depositary to be appointed to monitor the Fund. This is to safeguard against fraud, book-keeping errors and conflicts of interest. Therefore, a contract has been signed with BNP Paribas Securities Services to act as depositary as of 1 June 2014. An information platform has been set up to provide the depositary with the appropriate information in an effective way.

As the Netherlands Authority for the Financial Markets (AFM) granted a.s.r. real estate the AIFMD license, the Fund is under the obligation to submit comprehensive reports on risks and restrictions. As of the first quarter of 2015, the Fund Manager reports to the Dutch Central Bank (DNB) about results and risks on a quarterly basis.

The Fund's strategy as described in the Fund Agreement is subject to strategic risks as well as financial restrictions, subscription and redemption restrictions, and investment restrictions. Operational risks apply directly to operating activities and financial risks apply to developments in the financial and real estate markets. These financial risks are monitored on a continuous basis.

The Fund Agreement sets out the Fund's investment objectives and strategy, investment criteria and investment restrictions. These requirements, which are monitored on a quarterly basis and on a case-by-case basis for acquisitions and sales, relate to:

1 Financial restrictions

The financial restrictions relate to the loan-to-value (LTV) position of the Fund and are as follows:

- The LTV is capped at 30%.
- If the LTV exceeds 25%, the Fund Manager is required to prepare plans to lower the LTV.
- No more than 12.5% of the LTV can be used for redemption purposes. If the percentage for redemption purposes exceeds 7.5%, the Fund Manager is required to take action to lower this percentage.

2 Subscription and redemption restrictions

The subscription and redemption restrictions are as follows:

- Subscription threshold of € 10m for new investors.
- Subscription threshold of € 100k for current investors.
- No investor is permitted to exceed a total financial position of 25% of the units, except for the Anchor Investor, unless the Management Company has granted its specific approval. Nevertheless, the financial position is never to exceed one-third of the total units.

3 Investment restrictions

- Focus on core, residential assets in the Netherlands.
- Maximum of 20% of GAV invested in a single asset.
- The Fund needs to be in control of the assets.
- No investment in any other Fund or vehicle that results in investors paying duplicative fees or a greater fee rate.
- The Fund shall avoid development risk and Project BV shall not engage in any development activities with respect to other parties than the Fund.

As at 31 December 2020, the Fund met the financial restrictions, the subscription and redemption restrictions, and the investment restrictions.

Depositary Statement

Considering that:

- BNP Paribas Securities Services is appointed to act as depositary ASR Dutch Core Residential Fund ('the Fund') in accordance with subsection 21(1) of the Directive 2011/61EU (the 'AIFM Directive');
- Such appointment and the mutual rights and obligations of the fund manager, title holder and depositary of the fund are agreed upon in the depositary agreement dated 11 June 2015, between such parties, including the schedules to that agreement ('the agreement');
- The depositary delivers this statement to the fund manager in relation to the activities of the fund manager and the title holder and this statement refers to the year ended 31 December 2020 (the relevant year hereafter referred to as 'the period').

Responsibilities of the Depositary

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

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

Statement of the Depositary

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

Miscellaneous

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

Utrecht, 26 February 2021

BNP Paribas Security Services

Risk management

The AIF Manager makes a distinction between financial, strategic and operational risks. Financial risks apply to developments in the financial and real estate markets. Strategic risks apply to the Fund’s strategy as described in the Fund Agreement. Operational risks apply directly to operating activities. A description of the Fund’s main risks, the specific measures to manage these risks and, if applicable, their impact on result and equity are described in the notes of the financial statements.

ASR Dutch Core Residential Management Company B.V. (the Management Company) has an agreement (Management Agreement) with a.s.r. real estate (the Manager). This agreement states that the Manager will provide fund management services, asset management services and property management services to the Management Company. The following (not limitative) items are included under the fund management services: legal and structuring, compliance, business and financial advisory, human resource, risk management, communication and marketing and finance and tax. The ASR Dutch Core Residential Management Company B.V. has outsourced all responsibilities to the Manager (a.s.r. real estate). a.s.r. real estate also acts as the Manager of the Fund under the AIFMD requirements. Risk management is therefore described from the perspective of the Manager (a.s.r. real estate).

The Manager reviews key processes through ISAE 3402 Type II. A Type II report not only includes the service organisation’s description of controls, but also includes detailed testing of the service organisation’s controls. Every year, compliance to the ISAE framework is audited by an external auditor. In February 2021, a.s.r. real estate received an ISAE 3402 Type II statement without imperfections for the test period 2020.

Risk matrix

Risk	Risk appetite	Risk mitigating aspects	Impact
Financial risks			
Rental risk	The Fund strives to obtain stable rental income. Furthermore, a high occupancy rate is a core objective.	The Fund focusses on the Best Performing Locations & Areas. Continuous monitoring of market rents and their movements. Maintaining contact with tenants. Standard lease terms state that rent must be paid in advance.	The vacancy as percentage of theoretical rent was 1.8% in 2020.
Market risk	Market risk is a result of a variety of trends, such as the impact of global macro-economic shifts or the impact of a pandemic that cannot be fully mitigated. Recent disease outbreaks, such as COVID-19, bring to light a critical threat (pandemic risk) that should be proactively addressed.	Monitoring market transactions and developments. The portfolio is valued by independent appraisers.	Capital growth has had a positive effect on total return, whereas it had a mitigating effect on income return. In 2020, the impact of Covid-19 on the Fund was very limited.
Interest rate risk	The Fund is intended to be predominantly an equity fund. Therefore interest rate risk is limited.	The Fund's interest rate risk is assessed continually.	The Fund maintains a low leverage status with a LTV ratio of 0%.

Risk	Risk appetite	Risk mitigating aspects	Impact
Credit risk	The Fund has a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral. The Fund has opted not to insure against credit risk.	High number of individual tenants. No single tenant or group under common control contributes more than 1% of the Fund's revenues. Standard lease terms are paid in advance. A deposit is required within the standard lease terms.	Bad debt provision increased with 12% from € 330k in 2019 to € 369k in 2020. Bad debt provisions as a percentage of gross rental income increased to 0.64% compared to 0.58% in 2019.
Liquidity risk	The Fund strives to obtain an adequate cash position in order to fund future investments. Units in the Fund represent an illiquid investment as the Management Company will accept Redemption Requests quarterly. The Fund is a closed-end investment company under AIFMD definitions.	Maintaining adequate reserves, obtaining loan facilities if applicable, monitoring forecast and actual cash flows and matching maturity profiles of financial assets and liabilities. A trade on the Secondary Market is possible whereby an Investor can reach agreement with one or more (prospective) Investor(s). Such a trade is executed through the Fund.	The credit facility with NIBC for € 50m expired on 7 April 2020.
Funding risk	The Fund wants to keep its low leverage status to support the equity character of the Fund.	The Fund may enter into loan facilities in order to finance either; the committed forward acquisitions, acquisition of new properties, short term working capital requirements or liquidity for redemptions requests.The use of leverage may enhance returns and increase the number of investments that can be made, it also may increase the risk of loss.	LTV ratio was 0% as per 31 December 2020.
Project risk	The Fund may undertake maintenance, renovation and/or extension of an asset or invest in an asset that requires maintenance, renovation and/or extension prior to acquiring the asset either by itself or through ASR Dutch Core Residential Projects B.V. The Fund may invest in maintenance, renovation and/or extension which include several risks. Such risks include, without limitation, risks relating to the availability and timely receipt of planning and other regulatory approvals.	In order to mitigate the risk regarding projects, the ASR Dutch Core Residential Projects B.V. was set up.	The ASR Dutch Core Residential Projects BV did not perform any activities during 2020.

Risk	Risk appetite	Risk mitigating aspects	Impact
Contract risk	The Fund is exposed to the probability of loss arising from the tenants reneging on the contract.	The probability of loss arising from failure in contract performance by contractors, vendors or any other third party is mitigated by the AIF Manager's risk management framework on outsourcing risk.	No major events have occurred in 2020.
Uninsured risk	The Fund is exposed to certain risks that are uninsurable or not generally insured against because it is not economically feasible to insure against such losses.	Extreme scenario's such as war, terrorism etc. are uninsurable or economically not feasible. The Fund understands that tail risks may occur.	No major events have occurred in 2020.
General risk for the Fund	The Fund seeks to limit the liability of each Investor to the amount of their investment.	The Fund Agreement expressly states that the Fund does not constitute or qualify as a partnership (maatschap), general partnership (vennootschap onder firma) or limited partnership (commanditaire vennootschap) and is not deemed to constitute a cooperation agreement (samenwerkingsovereenkomst) among the Management Company, the Legal Owner and the Investors, or among the Investors within the meaning of Dutch law. Any obligation of an Investor to make contributions to the Fund only creates an obligation between that individual Investor and the Legal Owner. Consequently, neither the Management Company nor the Investors shall be deemed to be partners (maten/vennoten) in the Fund.	No major events have occurred in 2020.

Risk	Risk appetite	Risk mitigating aspects	Impact
Strategic risks			
Strategic risks	Strategic risk relates to the risk that the Fund's objectives are not achieved because of the management's poor decision-making, incorrect implementation and/or insufficient response to changes in the environment. However, the risk appetite for such risks is very low. The Fund's investment restrictions relate to the following criteria: • There is a focus on core, residential assets in the Netherlands • A maximum of 20% of GAV can be invested in a single asset • The Fund needs to be in control of the assets • The Fund must avoid development risk The Fund Agreement sets out the Fund's investment objectives & strategy, investment criteria and investment restrictions.	The Management Company mitigates strategic risk by drawing up every year a Three Year Business Plan. The investment objective and strategy, investment criteria and investment restrictions, as set out in the Fund Agreement, are monitored on a quarterly basis and on a case-by-case basis for acquisitions and sales. The Management Company continuously monitors portfolio deviation and the consequences of potential acquisitions and sales on the investment restrictions.	The Fund has fulfilled its strategy and objectives as defined in the Three Year Business Plan 2020-2022. During 2020 the Fund meets all investment objectives and strategy, investment criteria and investment restrictions.
Country risk	The Fund solely holds investments in the Netherlands.	a.s.r. real estate has a Research department to closely monitor the developments that are relevant for the property markets in which the Fund operates.	No major events have occurred in 2020.
Dossier, information and consultancy risks	Factors limiting the Fund's ability to assert or enforce statutory or contractual warranty obligations could leave the Fund without recourse to third parties for potentially significant liability for property defects.	The Fund uses an extensive investment process and benefits from the vast expertise within a.s.r. real estate.	No major events have occurred in 2020.
Maintaining the fund's tax status	The risk of losing the status as a tax transparent fund for joint account for Dutch corporate income tax purposes and for Dutch dividend withholding tax purposes. The Fund does not accept any risk of losing its tax status.	The Dutch tax authorities have confirmed the transparency of the Fund for corporate income tax and Dutch dividend withholding tax purposes. In order to maintain this tax status, no development activities should take place in the Fund. As a consequences, the Management Company continuously monitors its pipeline projects.	No major events have occurred in 2020.
Relative performance risk	Risk that the performance falls behind the Fund's targets and peers.	Quarterly monitoring	The performance is closely monitored on a quarterly basis.

Risk	Risk appetite	Risk mitigating aspects	Impact
Concentration risk	Investments in Dutch residential properties.	This risk factor is mitigated by establishing thirteen focus areas. Within the strategy concentration risk is further mitigated by diversifying asset types such as apartments, single family houses and different types of tenants.	The Fund has acted in line with the terms and restrictions.
Valuation risk	The valuation of the Portfolio Assets depends on the valuation methods used. The value of the assets in the portfolio is determined by market value.	The market value property valuations will be prepared in accordance with the generally accepted international valuation standards, currently regarded to be the RICS Valuation Standards, 9th Edition (the 'Red Book'). These standards are in line with IAS and IFRS. To assure the proper fair value for the Assets is reflected in the Financial Statements the Fund relies on independent valuers. In order to further mitigate the valuation risk the Fund has assigned three independent valuers who will be replaced after a maximum assignment period of three years.	The valuers of the Fund's portfolio stated that valuations contain material valuation uncertainty in the first quarter of 2020. This reservation was not applicable anymore with regard to the valuations in the second, third and fourth quarter of 2020.
Operational risk			
Operational risk	Operational risk is the risk that errors are not observed in a timely manner or that fraud can take place as a result of the failure or inadequacies of internal processes, human and technical shortcomings, and unexpected external events.	Operational Risk Framework is in place. The ORF controls are monitored and reported to the management on a monthly basis by business risk management. Annually an ISAE 3402 audit is performed with certification by an external auditor.	In 2021, a.s.r. real estate received an ISAE 3402 Type II statement without imperfections for the test period 2020.
Risk factors on Asset Management and Property Management	The Fund considers sustainable investments a prerequisite.	The Fund acts as an active asset manager working with property managers closely monitoring the technical quality, readiness and representation level of the properties to assure the value of the real estate assets in the portfolio to its users.	No major events have occurred in 2020.
Continuity risk	Continuity risk is the risk that the management organization discontinues as a result of, for example, bankruptcy or failing IT systems. In such situations the agreements with principals can no longer be carried out.	This risk is mitigated by maintaining service level agreements with subcontracting partners, drawing up and maintaining the business continuity plan, and pursuing a data protection policy.	No specific issues have occured during 2020. The AIF Manager has a Business Continuity Plan in place.

Risk	Risk appetite	Risk mitigating aspects	Impact
Compliance risks			
Integrity risk	'Unethical behaviour of employees, internal managers and business partners can damage or prevent the realisation of the Fund's objectives and yield. The AIF Manager does not tolerate this kind of behaviour.	A Whistleblower policy, CDD, pre-employment screening, COI policy are in place.	No major events have occurred in 2020.
Financial reporting risk	The Fund faces the risk that erroneous reports present an inaccurate representation of the Fund's financial situation.	The quality of the Fund's financial reports is guaranteed by the performance of periodic internal and external audits.	No major events have occurred in 2020.
Safety, Health, Environmental risk issues (SHE risk)	The Fund may face substantial risk of loss from environmental claims based on environmental problems associated with its assets, as well as from occupational safety issues and third party liability risks nevertheless.	A Due Diligence is part of the investment process. The identification of potential environmental risk is always part of the independent risk analysis of each investment process.	No major events have occurred in 2020.
Legislation and regulation risk	The Fund cannot influence or change amendments to legislation and regulation. The Fund is well aware that changes in laws and regulations may influence the results of the Fund.	Legislation and regulation risk can be mitigated by anticipating upcoming (possible) amendments in a timely manner. The AIF Manager has designated a Compliance Officer who is charged with supervising the Fund's compliance with legislation and regulation.	No major events have occurred in 2020.
Tax and legal risk	The Fund avoids any incorrect legal or fiscal assessments.	This risk is mitigated by obtaining, when necessary, advice from external tax advisors and lawyers of reputable organisations.	No major events have occurred in 2020.
Depositary Risk	The Fund will only accept a financially solid depositary that is of excellent reputation. The Fund's Depositary will be liable to the Fund for losses suffered by the Fund as a result of the Depositary's negligent or intentional failure to properly fulfil its obligations under such agreement and under the relevant rules and regulations under and further to the AIFMD, in accordance with the requirements and limitations of Book 6 of the Dutch Civil Code (Burgerlijk Wetboek).	Next to the performance with regard to the depositary's AIFMD obligations, the financial stability and integrity of the depositary is monitored by the AIF Manager on a quarterly basis.	No major events have occurred in 2020.

Risk	Risk appetite	Risk mitigating aspects	Impact
Custody Risk	The Legal Owner shall hold legal title (juridisch eigendom) of the Assets on behalf of the Fund only. The Legal Owner's balance sheet is sound.	This risk is limited and mitigated by the fact that the Legal Owner has no activities other than acting as the legal owner of the assets of the Fund. The Legal Owner's balance sheet strength and liquidity position is constantly monitored by the AIF Manager.	No major events have occurred in 2020.

Fund outlook

A resurgence of COVID-19 cases in the fourth quarter of 2020 has led to a second, severe lockdown in December 2020 that will last until well in 2021. This will most certainly lead to another economic contraction. Although it is a positive sign that multiple vaccines are expected to be available earlier, most European countries are far from containment and major uncertainties are still surrounding the identified mutations of the virus. Because of the uncertainty and duration of the lockdown, the forecasted economic outlook for 2021 was revised downwards.

Although the crisis will have an impact on the real estate markets, there are no signs yet that the residential real estate sector will be impacted significantly. The solid fundamentals of the Dutch residential market and the low mortgage interest rate environment continue to contribute to the performance of the Dutch residential market. House price growth remained positive, despite the COVID-19 crisis, and house prices are expected to hover around their current levels in 2021. Strong demand for mid-priced rental housing, high occupancy rates, market rent potential and sound cost control remain the foundation for a stable operating result of the portfolio.

Competition between investors for good products is likely to remain high, despite the COVID-19 pandemic. Investors remain keen on good (residential) products in the core markets, which will most likely not impact current yields upwards. Therefore, pressure on yields will remain but are expected to stagnate compared to the years before. Furthermore, new construction is not expected to be able to keep up with the high demand for housing, due to relatively limited resources and the shortage of available plots for new construction. However, the Fund has confidence in its ambition to further expand the pipeline.

Government policy will leave a stronger mark on the regulation of the mid-priced rental segment and will continue to focus on affordability and the reduction of the housing shortage. However, it is expected that investments in Dutch residential real estate remain attractive for investors, due to the strong fundamentals.

a.s.r. real estate continues its commitment to being a full-service fund platform for institutional investors, through its retail, residential, office and science park funds. In 2020, a newly established farmland fund was added to the platform. The fund platform expects to prosper from this new fund and – together with a growing investor base in the retail, residential, office and science park funds – will be equipped to serve its investors to the high standards expected of a professional real estate fund platform.

Utrecht, the Netherlands, 9 April 2021

ASR Real Estate B.V.
On behalf of the ASR Dutch Core Residential Management Company B.V.
Dick Gort, *CEO*
Henk-Dirk de Haan, *CFRO*

IFRS financial statements

Statement of income and comprehensive income

(amounts in € '000, unless otherwise stated)

Statement of income and comprehensive income			
For the year	Notes	2020	2019
Gross rental income	5	57,966	56,909
Service charge income	5	2,759	2,901
Total operating income		**60,725**	**59,810**
Property-specific costs	6	(13,230)	(12,716)
Service charge expenses	5	(2,759)	(2,901)
Fund expenses	7	(836)	(671)
Management fees	8	(8,335)	(7,996)
Total operating expenses		**(25,160)**	**(24,284)**
Operating result		**35,565**	**35,526**
Finance income	9	4	349
Finance costs	9	(417)	(407)
Finance result		**(413)**	**(58)**
Changes in fair value of investment properties	11	107,405	152,084
Changes in fair value of right-of-use contracts	12	(74)	(59)
Changes in value of participations	13	5,453	7,293
Result on sales of investment properties	10	1,641	5,150
Result on individual unit sales	10	3,047	2,792
Realised and unrealised gains and losses		**117,472**	**167,260**
Net result		**152,624**	**202,728**
Other comprehensive income		-	-
Total comprehensive income		**152,624**	**202,728**
In €			
Direct result per unit (distributable result per unit)		30	31
Indirect result per unit		88	134
Net result per unit		**118**	**165**

Click on a note reference to go to that note. Use the button to return.

Statement of financial position

after appropriation of result (amounts €'000, unless otherwise stated)

Statement of financial position

As at	Notes	31 December 2020	31 December 2019
ASSETS			
Non-current assets			
Investment properties in operation	11	1,461,643	1,367,346
Investment properties under construction	11	179,961	104,387
Right-of-use assets	12	1,222	1,080
		1,642,826	**1,472,813**
Participations	13	**72,620**	**38,950**
Current assets			
Trade and other receivables	14	807	384
Cash and cash equivalents	15	69,297	60,778
		70,104	**61,162**
Investment properties held-for-sale	11	2,950	3,008
Total assets		**1,788,500**	**1,575,933**
CAPITAL AND LIABILITIES			
Capital	16		
Issued capital		1,326	1,247
Additional paid-in capital		1,158,321	1,058,339
Revaluation reserve		594,801	512,912
Retained earnings		15,457	(17,079)
		1,769,905	**1,555,419**
Non-current liabilities			
Borrowings	17	-	(4)
Lease liabilities	18	1,222	1,080
		1,222	**1,076**
Current liabilities			
Trade and other liabilities	19	17,373	19,438
Total capital and liabilities		**1,788,500**	**1,575,933**

Statement of changes in capital

(amounts in € '000, unless otherwise stated)

Statement of changes in capital

For the period 1 January 2019 - 31 December 2020	Issued capital	Additional paid-in capital	Retained earnings	Revaluation reserve [1]	Total
Balance as at 1 January 2019	1,193	994,993	(55,329)	386,695	1,327,552
Comprehensive income					
- Profit for the year	-	-	202,728	-	202,728
- Movement arising from market valuations	-	-	(133,352)	133,352	-
- Movement arising from participations	-	-	(7,293)	7,293	-
- Movement arising from divestments	-	-	14,428	(14,428)	-
Total comprehensive income	**-**	**-**	**76,511**	**126,217**	**202,728**
Transactions with the owners of the Fund					
Contributions and distributions:					
- Distributable result	54	63,346	-	-	63,400
	-	-	(38,261)	-	(38,261)
Total transactions with owners of the Fund	**54**	**63,346**	**(38,261)**	**-**	**25,139**
Balance as at 31 December 2019	**1,247**	**1,058,339**	**(17,079)**	**512,912**	**1,555,419**
Comprehensive income					
- Profit for the year	-	-	152,624	-	152,624
- Movement arising from market valuations	-	-	(103,283)	103,283	-
- Movement arising from participations	-	-	(5,453)	5,453	-
- Movement arising from divestments	-	-	26,847	(26,847)	-
Total comprehensive income	**-**	**-**	**70,735**	**81,889**	**152,624**
Transactions with the owners of the Fund					
Contributions and distributions:					
- Issue and redemption of ordinary units	79	99,982	-	-	100,061
- Distributable result	-	-	(38,199)	-	(38,199)
Total transactions with the owners of the Fund	**79**	**99,982**	**(38,199)**	**-**	**61,862**
Balance as at 31 December 2020	**1,326**	**1,158,321**	**15,457**	**594,801**	**1,769,905**
In €					
NAV per unit					1,335
Distributable result per unit					30

Distributable result

For the year	2020	2019
Operating result	35,565	35,526
Finance result	(413)	(58)
Result on individual unit sales	3,047	2,792
Distributable result	**38,199**	**38,261**

1) The revaluation reserve concerns the revaluation of the investment properties and participations. The (unrealized) positive difference between the cumulative increase in the fair value of the property as at the end of the year has been included in the revaluation reserve. The revaluation reserve as at year-end has been determined at individual property level.

Statement of cash flows

(amounts in € '000, unless otherwise stated)

Statement of cash flows

For the year	Notes	2020	2019
Net result		152,624	202,728
Adjustments for:			
Interest result	9	413	58
Changes in fair value of investment properties	11	(107,405)	(152,084)
Changes in value of participation	13	(5,453)	(7,293)
Result on sales	10	(4,688)	(7,942)
Changes in working capital	14, 19	(1,480)	1,235
Amortised provision on borrowings	7	4	17
Cash flows from operating activities		34,015	36,719
Interest paid	9	(417)	(407)
Interest received	9	4	349
Net cash flows from operating activities		**33,602**	**36,661**
Cash flows from or used in investing activities			
Investment properties in operation	11	(5,932)	(3,740)
Investment properties under construction	11	(119,702)	(69,528)
Investment properties participations	13	(28,217)	(15,030)
Divestments	10	67,914	51,853
Net cash flows from or used in investing activities		**(85,937)**	**(36,445)**
Cash flows from or used in financing activities			
Issue of ordinary units		100,061	63,400
Distributed result		(39,207)	(38,342)
Net cash flows from or used in financing activities		**60,854**	**25,058**
Net movement in cash		**8,519**	**25,274**
Cash and cash equivalents as at the beginning of the period		60,778	35,504
Net increase in cash and cash equivalents		8,519	25,274
Cash and cash equivalents at end of the period		**69,297**	**60,778**

Notes to the financial statements

(amounts €'000, unless otherwise stated)

The accounting principles adopted in the preparation of the financial statements of the Fund are set out below.

1 General

The Fund is a fund for joint account (fonds voor gemene rekening) under Dutch law. The Fund is not a legal entity (rechtspersoon), but a contractual arrangement sui generis, subject to the terms hereof, among the Management Company, the Custodian and each Investor individually. The Fund shall have an indefinite term subject to early dissolution of the Fund in accordance with Clause 15 of the Fund Agreement.

The Fund was established on 1 January 2013 and has its legal base in Utrecht, the Netherlands with address at Archimedeslaan 10, 3584 BA.

Its main activities are to invest in, to manage and to add value to a portfolio of core quality residential properties in the Netherlands. The intention is to deliver a stable income return while preserving a balanced risk structure.

The reporting year encompasses the period from 1 January to 31 December.

These financial statements have been prepared by the Management Company and will be adopted for issue by the Meeting of Investors.

2 Summary of significant accounting principles

2.1 Basis for preparation

Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS-EU), Standing Interpretation Committee and IFRS Interpretation Committee as adopted by the European Union, Part 9 of Book 2 of the Dutch Civil Code and the Act on Financial Supervision (Wet op het financieel toezicht, Wft).

Income and cash flow statement

The Fund has elected to present a single statement of profit or loss and other comprehensive income and presents its expenses by nature.

The statement of cash flows has been drawn up according to the indirect method, separating the cash flows from operating activities, investment activities and financing activities. The result has been adjusted for accounts in the statement of income and comprehensive income and movements in the statement of financial position which have not resulted in cash income or expenditure in the financial year. The cash and cash equivalents and bank overdraft amounts in the statement of cash flows include those assets that can be converted into cash without any restrictions and with insignificant change in value as a result of the transaction. Distributions are included in the cash flow from financing activities. Investments and divestments are included in the cash flow from investment activities at either the acquisition price or the sale price.

Preparation of the financial statements

The financial statements have been prepared on a going concern basis, applying a historical cost convention, except for the revaluation of investment property that has been measured at fair value. Except for cash flow information, the financial statements are prepared using the accrual basis of accounting.

In preparing these financial statements in conformity with IFRS-EU, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

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.

Functional and presentation currency
Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates (the ‘functional currency’). The financial statements are presented in euros, which is the Fund’s functional currency and the Fund’s presentation currency.

Subsidiaries
Subsidiaries are those entities over which the Fund has control. Control exists when the Fund is exposed, or has rights, to variable returns from its involvement with the subsidiary and has the ability to affect those returns through its power over the subsidiary. This is the case if more than half of the voting rights may be exercised or if the Fund has control in any other manner.

A subsidiary’s assets, liabilities and contingent liabilities are measured at fair value on the acquisition date and are subsequently accounted for in accordance with the Fund’s accounting policies, which are consistent with IFRS.

The financial statements include the financial statements of the Fund and its subsidiary, ASR Dutch Core Residential Projects B.V. (hereafter Project BV), in which the Fund has an 100% equity interest.

The Fund will engage Project BV for maintenance, renovation and/or extension activities of portfolio assets to be acquired by the Fund, that might qualify as development activities for Dutch tax purposes. The Project BV will solely engage in any such activities with respect to portfolio assets and therefore not with respect to assets of other parties than the Fund.

The financial impact of the Project BV in the Fund’s financial statements is not significant and therefore the financial statements of the Fund are an actual reflection of both the consolidated and the separate financial statements.

Impact of COVID-19
In December 2019, a pneumonia outbreak of COVID-19 was reported in China which in 2020 rapidly developed into what is now commonly referred to as the coronavirus. The virus has resulted in a significant number of confirmed cases of infections globally, including the Netherlands. Governments have taken and are still taking significant measures to contain the outbreak and to mitigate its impact on the economy. In the Netherlands, the Dutch government issued a series of far reaching measures to stop the spread of COVID-19. Both the virus and the countermeasures have a significant impact on Dutch society and economics. The government has also presented a significant economic relief programme to support both companies and individuals that are financially impacted by the corona outbreak.

As published in this report, the Fund is financially healthy and its capital position is solid and the financial statements have been prepared on a going concern basis. Although the COVID-19 crisis will have an impact on the real estate markets, there are no signs yet that the residential real estate sector will be impacted significantly. The solid fundamentals of the Dutch residential market and the low mortgage interest rate environment continue to contribute to the performance of the Dutch residential market. House price growth remained positive, despite the COVID-19 crisis, and house prices are expected to hover around their current levels in the next few quarters. Strong demand for mid-priced rental housing, high occupancy rates, market rent potential and sound cost control remain the foundation for a stable operating result of the portfolio of the ASR Dutch Core Residential Fund.

All assets in the portfolio were appraised by independent external valuers on a quarterly basis throughout 2020. There is an impact of COVID-19 on the revaluations of the Fund, although this impact seems to be limited on the short term. The valuers of the Fund’s portfolio stated in Q1 2020 that ‘current measures mean that we are facing an unprecedented set of circumstances which affect the formation of a value judgment, which therefore contain ‘material valuation uncertainty’ in the Q1 valuations’. Therefore the valuations for the first quarter of 2020 contain more uncertainty than under normal market circumstances.’ However, the valuers did not consider this reservation to be applicable anymore with regard to the valuations in the second, third and fourth quarter of 2020. All four quarters in 2020 showed positive capital growth, with total capital growth ending up at 7.1% in 2020.

2.2 Changes in accounting policy and disclosures

(a) New and amended standards adopted by the Fund

The following standards and amendments have been adopted by the Fund for the reporting period of 1 January to 31 December 2020:

- Amendments to IAS 1 and IAS 8: Definition of Material

Amendments to IAS 1 and IAS 8: Definition of Material
The IASB issued amendments to IAS 1 and IAS 8: Definition of Material which are relevant to the Fund and are effective from 1 January 2020. The amendments ensure a consistent definition of materiality throughout the Conceptual Framework and the IFRSs, clarify the explanation of the definition of material and clarify the meaning of 'primary users' of financial statements. Information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users (being the existing and potential investors, lenders and other creditors) make based on the Fund financial information provided.

The Fund deems its previous and current consolidated financial statements to be in line with the amended definition of material, including clarifications. As a result, the amendment will have no material effect on the presented quantitative and qualitative information.

(b) New standards, amendments and interpretations issued, but not yet effective
The following new standards, amendments to existing standards and interpretations, relevant to the Fund and published prior to 1 January 2021 and effective for accounting periods beginning on or after 1 January 2021, were not early adopted by the Fund:
- IFRS 17: Insurance Contracts (2023).

Standard/Interpretation	Content	Applicable for financial years beginning on/after
IFRS 17	Insurance Contracts	1 January 2023

IFRS 17 Insurance Contracts
IFRS 17 Insurance Contracts revised was issued by the IASB in June 2020 and will replace IFRS 4 Insurance Contracts. The revised IFRS 17 will be effective from 1 January 2023. The EU draft endorsement advice IFRS 17 has been prepared by EFRAG and was open for comment until 29 January 2021. IFRS 17 is expected to increase comparability by requiring all insurance contracts to be accounted for in a consistent manner. Insurance obligations will be accounted for using current values – instead of using tariff rates ('tariefgrondslagen').

The standard introduces three models for the measurement of the insurance contracts. The general model, the variable fee approach (VFA) for contracts with a direct participating feature and the premium allocation approach which is a simplified version of the general model and can be used mainly for short-duration contracts. The general model measures insurance liabilities by taking the fulfilment cash flows, being the present value of future cash flows (PVFCF) including a risk adjustment (RA), and then adding a contractual service margin (CSM). The CSM represents the unearned profits of insurance contracts and will change the recognition of revenue in each reporting period for insurance companies. The VFA model is required for contracts with direct participating features and although it contains the same basic components as the general model (PVFCF, RA and CSM), the way in which the investments interact and especially the fair value movements and returns are recognised differ from the general model, whereby the outcome under VFA provides a better matching in the balance sheet and income statement for these contracts.

IFRS 17 must be implemented retrospectively with amendment of comparative figures. However, simplifications may be used on transition when the full retrospective approach is impracticable. This standard is not applicable to the Fund.

2.3 Functional and presentation currency
Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates (the 'functional currency'). The financial statements are presented in euros, which is the Fund's functional currency and the Fund's presentation currency.

Significant accounting policies

2.4 Investment properties

Investment properties are defined as properties held for long-term rental yields or for capital appreciation or a combination of both.

The following are examples of investment properties:

- A building owned and held for generating rental income and/or capital appreciation;
- A building owned by the Fund and leased out under one or more operating leases;
- A building that is vacant but is held to be leased out under one or more operating leases;
- Property that is being constructed or developed for future use as investment property.

An item of investment property that qualifies for recognition as an investment property is measured initially at its cost, including related transaction costs and where applicable borrowing costs.

After initial recognition, investment property is carried at fair value. Investment property under construction is measured at fair value if the fair value is considered to be reliably determinable.

Investment properties under construction for which the fair value cannot be determined reliably, but for which the management company expects that the fair value of the property will be reliably determinable when construction is completed, are measured at cost less impairment until the fair value becomes reliably determinable or construction is completed - whichever is earlier. Prepayments on turnkey projects, as part of investment properties under construction, are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less impairment losses, if applicable.

Fair value of investment property is based on independent market valuations, adjusted, if necessary, for any difference in nature, location or condition of the specific asset. These market values are based on valuations by external valuers. Investment properties are valuated in line with valuation schedule. The external valuers will provide independent market valuations of the Fund's underlying assets on a quarterly basis, while being annually surveyed.

Valuations are performed as of the financial position date by professional valuers 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 investment property or for which the market has become less active continues to be measured at fair value.

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

- Status of construction permits;
- The provisions of the construction contract;
- The stage of completion;
- If finance arrangements are in place;
- The number of contracts pre-let;
- The development risk specific to the property;
- Past experience with similar constructions.

Market value property valuations will be prepared in accordance with the RICS Valuation Standards, 9th Edition (the 'Red Book'). The relevant variables in the valuation methods are net, gross actual rents, theoretical rent, Estimated Rental Value (huurherzieningswaarde), remaining rental period, voids and rental incentives. The net capitalisation factor and the present value of the differences between market rent and contracted rent, of vacancies and maintenance expenditure to be taken into account are calculated for each property separately.

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.

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.

Changes in fair values are recognised in the statement of income and other comprehensive income. Investment properties are derecognised from the statement of financial position on disposal or when the asset is permanently withdrawn from use and no future economic benefits are expected from its disposal. Any gains or losses on the derecognizing of an investment property are recognised in the statement of income and other comprehensive income in the year of derecognizing.

See Note 2.6 (b) for details of the treatment of letting fees capitalised within the carrying amount of the related investment property.

2.5 Investment properties held-for-sale

Assets are classified as held-for-sale if it is highly probable that they will be recovered primarily through sale rather than through continuing use. Such assets are generally measured at the lower of their carrying amount and fair value less costs to sell. Losses on initial classification as held-for-sale and subsequent gains and losses on remeasurement are recognised in profit or loss.

2.6 Leases

The Fund assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

(a) The Fund is the lessor

Leases in which the Fund does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

(b) The Fund is the lessee

The Fund applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Fund recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

(i) Right-of-use assets

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.

If ownership of the leased asset transfers to the Fund at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

ii) Lease liabilities

At the commencement date of the lease, the Fund recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Fund and payments of penalties for terminating the lease, if the lease term reflects the Fund exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs. In calculating the present value of lease payments, the Fund uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset. The Fund's lease liabilities are included in Interest-bearing loans and borrowings (see note 2.11)

iii) Short-term leases and leases of low-value assets
The Fund applies the short-term lease recognition exemption to its short-term leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option. It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

2.7 Financial instruments

(a) Financial assets
The Fund determines the classification of its financial assets at initial recognition. When financial assets are recognised initially, they are measured at fair value.

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

The Fund's financial assets consist of cash and cash equivalents, loans and receivables.

Financial assets recognised in the statement of financial position as trade and other receivables are classified as loans and receivables. They are recognised initially at fair value and subsequently measured at amortised cost less provision for impairment.

Trade receivables are amounts due from tenants under the lease agreements. Standard lease terms require upfront payment of rent and therefor trade receivables are all classified as current. Trade receivables are recognized initially at the amount of consideration that is as current. Trade receivables are recognised initially at the amount of considerations that is unconditionals unless they contain significant financing components, when they are recognised at fair value. The Fund holds trade receivables with the objective to collect the contractual cashflows and therefore measures them subsequently at amortised costs less expected credit losses.

The Fund applies the simplefied approach to measure expected credit losses which uses a lifetime expected loss allowance for all trade receivables at each reporting date. The Fund has established a provision matrix that is based on historical credit loss experience, adjusted for forward looking factors specific to the debtors and the economic environment.

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

In relation to trade receivables, a provision for impairment is made when there is objective evidence (such as the probability of insolvency or significant financial difficulties of the debtor) that the Fund will not be able to collect all of the amounts due under the original terms of the invoice. Impaired debts are derecognised when they are assessed as uncollectible.

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 income and other comprehensive income.

(b) Financial liabilities
Liabilities within the scope of IFRS 9 are classified as financial liabilities at fair value through profit or loss or other liabilities at amortised cost, as appropriate. A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

All loans are classified as other liabilities. Initial recognition is at fair value less directly attributable transaction costs. After initial recognition, interest-bearing loans are subsequently measured at amortised cost using the effective interest method (see Note 2.11 for the accounting policy on borrowings).

Financial liabilities included in trade and other payables are recognised initially 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.

2.8 Cash and cash equivalents

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

2.9 Capital

Capital is classified as equity.

When capital recognised as equity is repurchased, the amount of the consideration paid, including directly attributable costs, is recognised as a change in the other reserves in capital. Repurchased units are classified as treasury units and deducted from total capital. Distributable results are recognised as a liability in the period in which they are declared.

Share premium

Amounts contributed by the shareholder(s) of the Company in excess of the nominal share capital are accounted for as share premium. This also includes additional capital contributions by existing shareholders without the issue of shares or issue of rights to acquire or acquire shares of the Company.

2.10 Currents assets and liabilities

Loans and receivables are initially recognised at fair value and subsequently measured at amortised cost, less impairment losses, if applicable.

The current assets and liabilities are due within one year. Current assets, for which provisions are necessary, are netted against the provision to reflect the estimated amount that will be settled. Rent receivables from tenants are stated at historical cost and reduced by appropriate allowances for estimated irrecoverable amounts.

2.11 Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised as finance costs (Note 2.15) over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the drawdown occurs if it is not probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates. Borrowings are classified as current liabilities unless the Fund has an unconditional right to defer settlement of the liability for at least 12 months after the date of the statement of financial position.

2.12 Provisions

Provisions for legal claims are recognised when:

- the Fund has a present legal or constructive obligation as a result of past events;
- it is probable that an outflow of resources will be required to settle the obligation; and
- the amount can be reliably estimated.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation.

2.13 Dividend distribution

The distributable result to the investors is recognised as a liability in the Fund's financial statements.
The distributable result for the fourth quarter of 2020 has been paid in February 2021.

2.14 Revenue recognition

Revenue includes rental income, and service and management charges from properties. The Fund presents the service charge income and service charge expenses separately in the financial statements because the Fund bears the risk of recovery of these costs from tenants. Revenue on sales of investment properties is separately disclosed in the financial statements. A property is regarded as sold when the significant risks and rewards of ownership of the investment property have been transferred to the buyer, which is normally on unconditional exchange of contracts. For conditional exchanges, sales are recognised only when all the significant conditions are satisfied.

Rental income from operating leases is recognised on a straight-line basis over the lease term. When the Fund provides incentives to its tenants, the cost of incentives is recognised over the lease term, on a straight-line basis, as a reduction of rental income.

Gross rental income

Gross rental income is the actual rents charged to tenants plus turnover rent, mall income and parking revenues, less a possible loss from uncollectible rents, including the net effect of straight-lining of granted rent incentives.

Theoretical rental income

The theoretical rental income is based on passing rent of existing contracts for leased units and the estimated market rent (estimated rental value as given in the valuation report) for vacant properties.

Rent incentives and premiums

All (rent) incentives for contracts of a new or renewed operating lease are recognised as an integral part of the net considerations, irrespective of the incentive's nature or form or the timing of the payments. The Fund recognises the aggregate benefit of incentives as a reduction in rental income over the lease term, on a straight-line basis. (Rental) premiums are treated as inverse incentives. Premiums are also recognised as an integral part of the net consideration and added to the rental income over the lease term, on a straight-line basis.

2.15 Finance income and finance costs

Interest income and expense are recognised within 'finance income' and 'finance costs' in the statement of income and other comprehensive income using the effective interest rate, except for amortised costs relating to qualifying assets, which are capitalised as part of the cost of that asset. The Fund has chosen to capitalise amortised costs on all qualifying assets irrespective of whether they are measured at fair value or not. The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts throughout the expected life of the financial instrument, or a shorter period where appropriate, to the net carrying amount of the financial asset or financial liability. When calculating the effective interest rate, the Fund estimates cash flows considering all contractual terms of the financial instrument (for example, pre-payment options) but does not consider future credit losses. The calculation includes all fees and points paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums or discounts.

2.16 Fund expenses and Management fee expenses

Fund expenses include legal, accounting, auditing and other fees. Management fee expenses include fund, asset and property management fees. Fund expenses and management fees are recognised in the statement of income and other comprehensive income in the period in which they are incurred (on an accruals basis).

2.17 Income tax

The Fund is transparent with respect to corporate income tax, therefore no corporate income tax is applicable for the Fund. The corporate income tax presented in the consolidated statement of income and comprehensive income relates to the Project BV. Corporate income tax in 2020 amounted to nil, as no actvities took place in Project BV during 2020.

3 Risk management

Investing in real estate involves an element of financial risk. Potential investors in the ASR Dutch Core Residential Fund (the 'Fund') are requested to read each of the following sections carefully.

3.1 Introduction to investment risks

The value of participations will fluctuate. Likewise, the net asset value of the Fund is subject to price fluctuations. It is possible that the investment will increase in value; however, it is also possible that the investment will generate little to no income and that an unfavourable price movement will result in losing some or all of your capital. Past performance does not guarantee future results. The different risks associated with investing in the Fund, as well as those risks associated with the Fund's management and risk management systems, are defined in more detail below.

3.2 Risk management model

The AIF Manager, a.s.r. real estate, and the Fund's Investment Committee attach great importance to sound risk management. Such an approach helps a.s.r. real estate to pursue strategy and achieve objectives for the real estate funds that it manages in an adequate and controlled manner.

The risk management system of a.s.r. real estate and of the funds it manages follows the principles of The Committee of Sponsoring Organisations of the Treadway Commission II-Enterprise Risk Management (hereafter called COSO II-ERM). These principles provide a standard and common framework that is generally accepted in the market for internal control and audit purposes. The framework comprises the following components:

1. The objectives of the Fund with respect to risk management
2. The tasks and responsibilities of the Risk Manager
3. The planning of the risk management model within the Manager's organisation so that procedures and measures guarantee the functional and hierarchical separation of those tasks concerning risk management and those tasks conducted by the operating units

The Alternative Investment Fund Managers Directive (AIFMD) license was granted to a.s.r. real estate on 9 February 2015. From this date continuous maintenance, if necessary, is carried out to the existing system to improve risk management in the organisation a.s.r. real estate. The Manager set out the risk policy in a policy document and the organisation employed an independent risk manager as required by the Act on Financial Supervision (Wft) and AIFMD.

The AIF Manager has integrated the risk management system into the organisation's processes and procedures. The aim is to effectively manage the risks of the organisation's operations, the financial position of the portfolio and any subcontracting relationship with regard to the Fund's objectives.

The Fund reports the mandatory AIFMD fund details and results to the Dutch Central Bank (DNB). This is done on a quarterly basis through 'Digitaal Loket Rapportages'.

3.3 Responsibility for risk management within a.s.r. real estate

Ultimate responsibility for risk management tasks within a.s.r. real estate lies with the Chief Finance and Risk Officer (CFRO). Portfolio management tasks fall under the responsibility of the Chief Executive Officer (CEO). This structure ensures that risk management and portfolio management are hierarchically and functionally segregated. The CFRO is supported by four senior members of staff and one team:

1) The Business Risk Manager (BRM)
2) The IT Risk Officer (IRO)
3) The Compliance Officer (CO)
4) The Fund Controller (FC)
5) The Internal Control Team (Team IC)

Risk management mission

The role of risk management is to control risk and value creation. It is carried out by making risk management an integrated, visible and consistent part of the organisation's decision-making processes.

Risk management entails:

- Delivering and translating policy and frameworks for a.s.r. real estate
- Identifying and quantifying risks
- Managing risks;
- Monitoring the management of risk and issuing reports on the findings

Risk management is conducted in the interest of several interested parties such as investors, tenants, employees and supervisory bodies.

Risk management objectives

The Manager (a.s.r. real estate) believes that the quality and status of its risk management must be evident internally and externally and that the funds and associated responsibilities that it manages must be accounted for. The objectives of risk management are to:

- Promote a risk management culture that enables a.s.r. real estate to make the correct assessments between risk and return for optimal value creation
- Ensure a risk framework and risk policy are implemented so that risks are managed and reported
- Issue solicited and unsolicited opinions to monitor financial solidity, manage operational processes effectively and protect the reputation of a.s.r. real estate
- Contribute to risk awareness with regard to operational risks, information security and business continuity
- Support those responsible for first line of defence risk management tasks, and in doing so fulfill the role of countervailing power
- Optimise the risk profile of a.s.r. real estate and the Fund, taking into account the objectives of the Fund (effectiveness, efficiency and economy)
- Ensure quality improvements of the management of a.s.r. real estate and the Fund
- Reduce the chance of operational losses and make better use of opportunities
- Demonstrate that the Manager is 'in control'
- Ensure that all relevant risks to which the Fund is exposed can be effectively identified, mitigated, monitored and reported. In addition, support supervisory bodies in their efforts to ensure that legislation, rules and policies are observed
- Show that risk management is a 'license to operate' for the Fund and the mandate

Governance of the Fund

A Risk Committee (RC) and a Beleggingscomité (BC) have been set up within a.s.r. real estate. In addition, the Fund established an Investment Committee (IC) and a Meeting of Investors (MoI). The decisions and actions of these committees are monitored, recorded and reported.

Risk Committee (RC)

The RC assesses among other things management reports within the framework of investment restrictions and various operational risk reports. Reports relate to the progress of Strategic Risk Analysis- assessment action points, compliance issues, data protection and company continuity reviews, operational loss recordings and the Non-Financial Risk report. The RC meets once a quarter.

Beleggingscomité (BC)

The BC discusses investment, divestment and portfolio plans and deals with the frameworks for investment plans and mandates. The BC meets once every two weeks.

Investment Committee (IC)

The IC constitutes of three to five representatives of the investors in the Fund, of which the Anchor Investor is one of the representatives. The meetings are event-driven and assess/approve investment, refurbishments and divestments with a value exceeding € 25m and/or that are outside the mandate of the Management Company and/or that deviate from the Investment Objective & Strategy, Investment Criteria and/or Investment Restrictions. In addition, each year the IC provides a written advice on the Fund's Three Year Business Plan, to be approved in the Fund's Meeting of Investors.

Meeting of Investors (MoI)

The MoI means the Meeting of Investors in which all investors are represented. The MoI will be held as often as required, but at least one physical Meeting of Investors will be held each year. The MoI approves for example the Fund's Three Year Business Plan and the Fund's audited financial statements.

3.4 Risk management system

Strategic Risk Analysis (SRA)

The risk management system is a cyclical process of one year. It starts when the Executive Board of a.s.r. draws up the risk management strategy, which is done on a yearly basis. To help identify opportunities and threats at a strategic level, the BRM conducts an annual SRA. This strategy is then translated by the Executive Board of a.s.r. real estate into objectives for a.s.r. real estate and for the funds that it manages.

The BRM also assists the Executive Board of a.s.r. real estate in conducting an annual SRA, which ascertains the risks of new and existing objectives of the management organisation and of the investment funds.

Any policy amendments based on findings that emerge during the annual SRA are processed into the risk management policy of a.s.r. real estate and submitted to the Executive Board of a.s.r. real estate for approval.

In order to mitigate these risks, actions are identified and documented so that they can be monitored every quarter by the BRM. The BRM reports on these actions every quarter to the Executive Board and to the ERM department of a.s.r. Progress on these actions is also discussed within the RC of a.s.r. real estate.

Non-Financial Risk (NFR) report
The NFR report is monitored and reported by the Business Risk Manager and provides insight into the degree of risk management on the following categories:
- External risk
- Operational risk
- IT risk
- Integrity risk
- Legal risk
- Outsourcing risk

The NFR report indicates the risk appetite of a.s.r. in relation to each of the above risks. The NFR report is jointly updated each quarter by the Legal Department, the Compliance Officer and the Head of Quality Management & Process Management of a.s.r. real estate. If necessary, the BRM recommends actions to improve risk control. The RC of a.s.r. real estate discusses and comments on the report and any proposed actions.

Properties with an increased risk
Properties with an increased risk are logged and monitored by a.s.r. real estate. The risks that are monitored include:
- Reputation risk
- Legal risk
- Debtors risk
- Operational risk
- Tax risk

The list is discussed each quarter in the RC and mitigating measures are taken if necessary.

Operational losses
Operational losses are analysed monthly so that causes can be investigated and improvements carried out. Operational losses must be reported.

Raising risk awareness
a.s.r. real estate strives to ensure that risk awareness is transparent and measurable throughout the organisation, embedded in procedures, and embraced by employees. This means that decision- making at all levels in the organisation must allow for the right questions to be asked in a clear way. It must also ensure that the answers to these questions lead to adequate action when appropriate. Consequently, managers at all levels are responsible for promoting risk awareness and ensuring that managers and employees know what it is to be risk aware.

Three Lines of Defense model
The Three Lines of Defense model is used within a.s.r. real estate to implement risk management. In other words, different parts and levels of an organisation play different roles in risk management. The organisation's managers are responsible for the effectiveness of standardised internal control procedures.

A number of controls designed as first line of defence are documented within a.s.r. real estate. These controls focus on data quality (master data such as property, contracts, debtors and creditors), suspense accounts and taxation (VAT). They are drawn up by the business and Finance and Risk department within a.s.r. real estate and are monitored as a first line of defence. These controls are essential for producing effective management reports.

In order to guarantee independence, risk managers and compliance officers in the second line of defence are responsible for translating the prevailing laws and rules into an internal standard framework and requirements so that the managers can monitor implementation from a supervisory role. Team IC is responsible as second line of defence for testing the ISAE key controls and report on monthly basis to the management board of a.s.r. real estate.

The third line of defence (internal audit and the depositary) gives an objectified judgement on the operation of the standards system.

The role of the depositary
The AIFMD license requires a.s.r. real estate to appoint a depositary for the funds that it manages. BNP Paribas Securities Services S.C.A. (BNP) is the depositary for the ASR Dutch Core Residential Fund. BNP is competent to monitor real estate investment funds on the basis of laws, regulations and administrative provisions.

In the execution of their respective tasks, a.s.r. real estate and the depositary conduct themselves in a reasonable, professional, independent and trustworthy manner and in the interest of the Fund and the investors in the Fund. The role of the Fund's depositary is to:
a) Monitor cash flows, including the identification of significant and inconsistent cash flows and the reconciliation of cash flows with the administration of the Fund;
b) Ensure that the sale, issue, re-purchase, redemption, cancellation of units or shares of the Fund and valuation are carried out in accordance with the applicable national law and the fund rules or instruments of incorporation;
c) Ensure that investment transactions of the Fund are timely settled;
d) Monitor and check that the total result of the Fund is allocated in accordance with the applicable national law and the fund rules or instruments of incorporation;
e) Monitor and check that the Alternative Investment Manager ('AIF Manager) performs its investment management duties within the fund rules or instruments of incorporation.
f) Verifying asset ownership of the Fund's assets.

Supervisory bodies
a.s.r. real estate is supervised by the Dutch Central Bank (DNB) and the Dutch Authority for the Financial Markets (AFM). These supervisory bodies, appointed by the government, are independent and impartial institutes that guarantee the compliance of organisations with legislation and regulation.

Legal issues
Legal expertise has been guaranteed in the first and second line of defense. For its first line of defense, a.s.r. real estate has a Legal Department that has specific knowledge of real estate and of setting up and managing funds.

This department also checks the activities of the business as a second line of defense. The objectives of the Legal Department are providing legal advice and managing legal risks.

Compliance
The Compliance Department is a subsection of the Integrity Department within a.s.r. The aim of the Compliance Department is to promote and monitor the proper management of the business and to protect the reputation of a.s.r. and its labels. There is a dedicated Compliance Officer for a.s.r. real estate.

The Compliance Officer of a.s.r. real estate is responsible for:
1. Designating a member of the management team who is responsible for compliance issues on behalf of the Manager and the funds
2. 'Translating' (written) policy concerning rules at a.s.r. level into a format suitable for a.s.r. real estate and ensuring its implementation
3. Managing compliance risks at a.s.r. real estate level
4. Monitoring compliance with all relevant rules
5. Taking and implementing (new) control measures regarding identified compliance shortcomings within a.s.r. real estate
6. Producing periodic reports on compliance risks and the compliance with rules in co-operation with the Compliance Department
7. Ensuring the adequate provision of information and training to employees concerning the application of relevant rules and procedures

Compliance report
Every quarter the Compliance Officer of a.s.r. real estate reports to a.s.r. and its subsidiaries on compliance matters and the progress of relevant action points. The quarterly report is submitted to the Executive Board of a.s.r. real estate and discussed separately with members of the Executive Board of a.s.r. The report is then presented to the Audit and Risk Committee. In effect, the Compliance Officer reports directly to the Executive Board and/or the Audit and Risk Committee.

The quarterly report outlines:
1. Pursued compliance policy and the way in which this policy has been conducted
2. Findings from the monitoring of activities, and the follow up and effectiveness of control measures taken
3. Any compliance incidents
4. Relevant developments concerning rules.

The Compliance Officer also draws up the quarterly business reports and acts as a consultant for the sale and purchases processes of any property selected by a.s.r. real estate.

Guaranteeing the independence of the compliance function
In order to guarantee the independent position of the Compliance Officer and to be able to operate autonomously, the following measures have been taken:

The Compliance Officer of a.s.r. real estate has, in addition to the direct reporting obligation to the Chair of the Executive Board, a formal reporting obligation to the Chair of the Audit & Risk Committee and, if compliance matters need to be escalated, to the CEO of a.s.r. real estate.

Internal audit
Audit a.s.r. is the internal audit department of a.s.r. It acts as a third line of defense by appraising independently the quality of the organisation's management and its processes and by making solicited and unsolicited recommendations for improving the organisation's management and its processes. Audit a.s.r. reports its findings to the CEO of a.s.r. and to the Audit Committee (AC) of the Supervisory Board of a.s.r. It conducts audits on various processes, projects or topics regularly within a.s.r. real estate.

Manager's declaration
At the beginning of 2021, the Executive Board of the Manager issued a management control statement on risks in the financial reports and the risk management model (including compliance risk) at the Manager. The Executive Board is responsible for sound risk management and effective internal control systems.

3.5 Specific financial risks in respect of direct real estate
These risks and the approach that the Manager takes in dealing with these risks are described extensively in the section on accounting principles in the notes to the financial statements.

Financial risks can be divided into several risks:
- Real estate risk
- Rental risk
- Market risk
- Interest rate risk
- Credit risk
- Liquidity risk
- Funding risk
- Project risk
- Contract risk
- Uninsured risk
- General risks for the fund

The following describes the involved risks and applied risk management.

Real estate risk

The returns available from investments in real estate depend primarily on the amount of income earned and capital appreciation generated by the relevant properties, as well as expenses incurred. If investment properties do not generate sufficient revenues to meet expenses, including debt service if applicable and capital expenditures, the Fund's income will be adversely affected. Income from investments properties may be adversely affected by the general economic climate, local conditions such as oversupply of properties or a reduction in demand for properties in the market in which the Fund operates, the attractiveness of the properties to tenants, the quality of the management, competition from other available properties, and increased operating costs (including real-estate taxes). In addition, income from investment properties and real estate values may also be affected by factors such as the cost of regulatory compliance, interest rate levels and the availability of financing.

Investments made by the Fund are generally illiquid. The eventual liquidity of all investments of the Fund will be dependent upon the success of the realisation strategy proposed for each investment which could be adversely affected by a variety of risk factors. Realisation of the Fund's assets, for instance in connection with full redemption requests, on termination or otherwise could be a process of uncertain duration.

In addition, the Fund's income would be adversely affected if a significant number of tenants were unable to pay rent or its properties could not be rented on favourable terms. Certain significant expenditure associated with each equity investment in real estate (such as external financing costs, real-estate taxes and maintenance costs) generally are not reduced when circumstances cause a reduction in income from properties. Due to the high number of residential units which are leased to mainly individual tenants, the portfolio risk is diversified.

The report from the Management Company describes the portfolio strategy. By implementing the described strategy, the Management Company expects to mitigate the above real estate risks to an acceptable level. The Fund has a core strategy and focuses to invest in apartments and single-family houses situated in stronger economic regions and cities in the Netherlands. By diversifying both in terms of risk spread (primarily low and medium risk) and location of its assets, the Management Company expects to lower the risk profile of the portfolio.

The properties are valued by independent valuers. In the first two quarters of 2020, all properties were externally valued by either MVGM Vastgoedtaxaties or CBRE Valuation Advisory. In the third quarter of 2020, the Fund reassigned and rotated the valuers of the Fund's portfolio. Based on the size of the Fund's portfolio, it was decided to appoint three external valuers, instead of two. Three valuers will ensure compliance with our high quality requirements, a good spread of the workload among external valuation firms, and further improvement of knowledge sharing on the local residential markets. MVGM Vastgoedtaxaties, Cushman & Wakefield and Capital Value were selected to value the portfolio for the next three years. MVGM Vastgoedtaxaties already valued the portfolio in the past three years and is reassigned to another part of the portfolio. The whole portfolio is valued each quarter. Every property is valued by a full valuation once a year, and three times a year by a desktop review. The market value (fair value) of the Fund's portfolio as determined by the valuers is reflected in the financial statements, while a complete overview of all properties in the Fund's portfolio is provided in Appendix 2 of this annual report.

Real estate risks that investors are exposed to can be divided in to multiple risk factors. Real estate risk can be disposed in multiple risk factors, such as rental risk, market risk and interest rate/yield risk.

Rental risk

Investors in the Fund are exposed to rental risk. Rental risk involves the risk of lettability and movements in market rents. As market rents can differ from contract rents, adjustments in rental income may occur when lease contracts terminate and new tenants take up residence in the Fund's dwellings. When properties are over-rented a risk of lower future rental income occurs. The Manager continuously monitors market rents and their movements. The occupancy rate of the portfolio is considered to be high and stable. Asset managers and our external property managers are in constant contact with tenants and their developments. Furthermore, the Manager's organisation has a research department that analyses and reports on developments in this area. The standard lease terms state that rent must be paid in advance. In some cases a bank guarantee is required for new tenants.

Impact on change in rent (sensitivity analysis)

	Change in rental income			
	-10.0%	-5.0%	0.0%	5.0%
Impact on direct return Fund	-0.7%	-0.3%	0.0%	0.3%

Market Risk
Market risk relates to the impact of overall market changes on the value of assets and rental income. A decrease in market values affect capital growth. Investors need to realise that the Fund cannot protect itself fully against macro economical events.

Value development of the portfolio
The portfolio's fair values are affected by market rents and general economic developments. Lower market values affect capital growth returns. The Manager carefully monitors transactions in the market and the development of the occupancy rate. The portfolio's fair value development is also monitored closely. Every quarter, the entire portfolio is valued by independent external appraisers. Properties are valued at market value and according to International Valuation Standards, recommendations of the Platform Valuers and Accountants (PTA), AIFMD and RICS standards. By diversifying both in terms of risk spread (primarily low and medium risk) and location of its assets, the Management Company expects to lower the risk profile of the portfolio.

Interest rate risk and yield risk
The Fund may use leverage in its capital structure. Therefore investors need to realise that the Fund is exposed to interest rate risk which principally arises from long-term borrowings (Note 17). Borrowings issued at floating rates expose the Fund to cash flow interest rate risk. The Fund has borrowings at variable rates. With regards to leverage, interest rate risk is low as the Fund has a LTV target of 0%. Interest rate risk with regard to leverage is not hedged.

The Fund's interest rate risk is assessed continually. As at 31 December 2020 the Fund's interest rate risk is not significant.

Impact of interest rate change (sensitivity analysis)

	Change in interest rate			
	+200bps	+100bps	0bps	-100bps
Impact on direct return Fund	0.0%	0.0%	0.0%	0.0%

Trade and other receivables and trade and other liabilities are interest free and with a term of less than one year, so it is assumed that there is no interest rate risk associated with these financial assets and liabilities.

As the risk free interest rate and the risk premium are components of the Fund's discount rate, a change in either one of the components can have an effect on the value of assets as they are considered to be yield risk.

Furthermore, the impact of inflation rate risk and interest rate risk on valuations is measured, mitigated and monitored as part of the valuation methods.

Impact of yield change (sensitivity analysis)

	Change in yield			
	+100bps	+50bps	0bps	-50bps
Impact on indirect return Fund	-22.2%	-12.5%	0.0%	16.9%
Impact on direct return Fund	0.6%	0.3%	0.0%	-0.3%

The Fund expects COVID-19 to have an immaterial impact on the impact of yield change for the Fund.

Credit risk
Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Fund. An increase of the credit risk can impact an investment in the Fund negatively. The Fund has opted not to insure against this credit risk. The Fund has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral where appropriate, as a means of mitigating the risk of financial loss from defaults. The Fund's exposure of its counterparties is continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties.

Revenues are derived from a large number of tenants, spread across geographical areas and no single tenant or group under common control contributes more than 10% of the Fund's revenues. Ongoing credit evaluation is performed on the financial condition of accounts receivable and, where appropriate, a bank guarantee from tenants is obtained. Debtor's positions are monitored on a monthly basis. The standard lease terms state that rent is paid in advance. Furthermore, either a guarantee deposit or a bank or concern guarantee is required within the standard lease terms. The Fund's credit risk is primarily attributed to its rental receivable and lease receivable. The amounts presented in the statement of financial position are net of allowances for doubtful receivables, estimated by the Fund's management based on prior experience and their assessment of the current economic environment.

At the reporting date there are no significant concentrations of credit risk. The carrying amount reflected in the financial statements represents the Fund's maximum exposure to credit risk for tenants. As at 31 December 2020 the debtor's position amounts to € 0.7m, 1.1% of gross rental income. The outstanding amount can be divided into the following aging categories.

Rent receivables from tenants

	December 2020
< 30 days	190
31-60 days	72
61-180 days	91
180-365 days	147
> 365 days	151
Total rent receivables from tenants	**651**
% of gross rental income	1.1%
Total > 30 days	461
Provision for doubtful debt	369

Liquidity risk
Investors may only dispose of their Units by offering them to the Fund for redemption. Consequently Investors cannot sell and transfer their Units to a Subscriber or a third party. Disposal of Units may take place through the following methods:
(a) an Investor may request the Management Company for redemption of (part of) its Units
(b) a trade on the Secondary Market is possible whereby an Investor can reach agreement with one or more (prospective) Investor(s) on the redemption of all or part of its Units and transfer of all or part of its Undrawn Investor Commitment (if any), provided the acquiring (prospective) Investor(s) will subscribe for an equal number of Units and will assume an equal amount of the Undrawn Investor Commitment. If the Management Company accepts the Secondary Subscription Form together with a Secondary Redemption Request in respect of such trade, the Management Company will facilitate the implementation of such agreement.

The issuance and redemption of Units in respect of a trade on the Secondary Market shall not be valid or effective - and accordingly the same shall not be recognised by the Management Company - unless the prior written consent of the Management Company for such trade has been obtained.

The Fund is exposed to liquidity risk due to the illiquid nature of the portfolio assets. Liquidity risk implies that the Fund may not be able to sell a portfolio asset, for instance in connection with full redemption requests, on favorable terms

Ultimate responsibility for liquidity risk management rests with the Management Company, which has made a liquidity risk management framework for the management of the Fund's liquidity management requirements. The Fund manages liquidity risk by maintaining adequate reserves, obtaining loan facilities if applicable by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities. The Fund had an agreement with NIBC for a credit facility of € 50m (undrawn), which expired at 7 April 2020 and was not extended after expiry. The Fund faces very low solvency risk, since 0.0% of the Fund's GAV is financed with borrowings, as at 31 December 2020.

The exposure to risk mainly relate to the obligation to finance forward acquisitions. All direct result is paid out to the investors on a quarterly basis, therefore the loan facility will be used to finance forward acquisitions Afterwards such loan facility will be converted into new equity, to keep the equity character of the Fund. No specific issues have occured during 2020.

Funding risk

The Fund may enter into loan facilities in order to finance either; the committed forward acquisitions, acquisition of new properties, short term working capital requirements or liquidity for redemptions requests. Although the use of leverage may enhance returns and increase the number of investments that can be made, it also may increase the risk of loss. This includes the risk that available funds will be insufficient to meet required payments and the risk that possible future indebtedness will not be able to be refinanced or that the terms of such refinancing will not be as favourable as the terms of possible future indebtedness. No specific issues have occured during 2020.

Subject to the expected future trends of the interest rates and the nature of real estate, the policy of the Fund is to make use of a certain level of debt financing. The loan facility as per 31 December 2020 results in a loan-to-value ratio of 0%). The Fund wants to keep its low leverage status to support the equity character of the Fund.

Closed-end structure under AIFMD definitions

The Fund is a closed-end investment company under AIFMD definitions. This means that the Fund's capital is fixed at the initial offer. Afterwards the Fund may issue new units, or purchase existing units, but this is neither an obligation of the Fund nor a right of the unit holders. No specific issues have occured during 2020.

Project risk

Since some may qualify planned activities of the Fund as 'activities that exceed normal asset', a separate ASR Dutch Core Residential Projects B.V. was set up. Corporate income tax is paid to the tax authorities. The Project BV carries out tasks exclusively for the Fund. To this end, an agreement (Real Estate Project Agreement, dated 6 September 2016, amended and restated 16 June 2020) was arranged between a.s.r. real estate and the Fund in which a.s.r. real estate appoints ASR Dutch Core Residential Projects B.V. to perform certain projects.

The Fund may undertake maintenance, renovation and/or extension of an asset or invest in an asset that requires maintenance, renovation and/or extension prior to acquiring the asset either by itself or through ASR Dutch Core Residential Projects B.V. The Fund may invest in maintenance, renovation and/or extension which include several risks. Such risks include, without limitation, risks relating to the availability and timely receipt of planning and other regulatory approvals. Before such work needs to be performed, there are procedures to overcome the risks associated with these projects. After a significant analysis for each investment project, it is decided whether such activity should be performed by either the Fund directly or ASR Dutch Core Residential Projects B.V., to mitigate the risk of losing the tax status of the Fund. In case ASR Dutch Core Residential Projects B.V. should perform the project, the Fund gives a formal appointment to ASR Dutch Core Residential Projects B.V. to carry out the requested work. If ASR Dutch Core Residential Projects B.V. performs the work, an arm's length remuneration is paid by the Fund for the applicable project.

As the Fund may invest in maintenance, renovation and/or extension, it will be subject to the risks normally associated with such activities. Such risks include, without limitation, (i) risks relating to the availability and timely receipt of planning and other regulatory approvals, (ii) the cost, quality and timely completion of construction (including risks beyond the control of the Fund, such as weather or labor conditions or material shortages, or discovery and legally required preservation work of archaeological or historic sites), (iii) general market and lease-up risk such as inability to rent or inability to rent at a rental level sufficient to generate profits, (iv) cost overruns and (v) the availability of both construction and permanent financing on favorable terms. A license is usually required to commence construction of a project. There can be no guarantee when and if such licenses will be obtained.

These risks could result in substantial unanticipated delays or expenses and, under certain circumstances, could prevent completion of refurbishment activities once undertaken, any of which could have an adverse effect on the financial condition and results of operations of the Fund and on the amount of funds available for distribution or redemption. No specific issues have occured during 2020.

Contract risk
Contract risk is defined as the Fund's exposure to the probability of loss arising from the tenants reneging on the contract. The probability of loss arising from failure in contract performance by contractors, vendors or any other third party is mitigated by the AIF Manager's risk management framework on outsourcing risk. In summary a.s.r. real estate only deals with competent parties that understand our business needs and regulatory requirements and we remove poor or perverse incentives from our contracts as integrity is a key asset to our reputation. Any outsourcing partner is contractually obliged to verifiably provide the level of operational excellence serving time to market flexibility and quality consistency, (data) integrity, and business continuity at a cost that is a benefit to our clients. No specific issues have occured during 2020.

Uninsured risk
Although it is intended that the investments (to be) made by the Fund will have the benefit of insurance cover against risks such as fire and/or accident and liabilities to third parties, there are certain types of losses that are uninsurable or not generally insured against because it is not economically feasible to insure against such losses. Examples of losses that are generally not insured against include war or acts of terrorism and certain natural phenomena such as tornados, earthquakes, flooding and any other natural disasters. Any such event will adversely impact the value of the property. No specific issues have occured during 2020.

Certain impacts to public health conditions particular to the COVID-19 virus outbreak that occurred in Q1 2020 may have a significant negative impact on the operations and profitability of the Fund's investments. The extent of the impact to the financial performance will depend on future developments, including the duration and spread of the outbreak, the restrictions and advisories, the effects on the financial markets, and the effects on the economy overall, all of which are highly uncertain. If the financial situation of tenants is impacted because of these things for an extended period, the Fund's investment results may be materially affected.

General risks for the Fund
Certain fund characteristics entail risks for the Fund and subsequently for its investors. The Fund is a fund for joint account (fonds voor gemene rekening) under Dutch law. This means that for the purposes of Dutch law the Fund is not a legal entity (rechtspersoon), but is a contractual arrangement sui generis between the Management Company and the Legal Owner, subject to the terms and conditions that relate to the Fund and the parties involved (such as the Management Company, Investors and the Depositary) included in the Fund Agreement (reference is also made to the Governance chapter of this Prospectus). The Fund Agreement expressly states that the Fund does not constitute or qualify as a partnership (maatschap), general partnership (vennootschap onder firma) or limited partnership (commanditaire vennootschap) and is not deemed to constitute a cooperation agreement (samenwerkingsovereenkomst) among the Management Company, the Legal Owner and the Investors, or among the Investors within the meaning of Dutch law. Any obligation of an Investor to make contributions to the Fund only creates an obligation between that individual Investor and the Legal Owner. Consequently, neither the Management Company nor the Investors shall be deemed to be partners (maten/vennoten) in the Fund. On that basis, the Fund seeks to limit the liability of each Investor to the amount of their investment. It should be noted that the Dutch Supreme Court (Hoge Raad) ruled that in certain circumstances a fund for joint account (fonds voor gemene rekening) may be considered to be a partnership (maatschap) with the effect of imposing joint or several liability on each of the partners (depending on the type of partnership), which includes the Investors. This could be the case when the FGR is structured or behaves in such a way that, from a material point of view, the Fund should be qualified as a partnership (maatschap). The AIF Manager and the Management Company have taken all actions to prevent the Fund from qualifying as a partnership but cannot rule out any risks in this respect. No specific issues have occured during 2020.

3.6 Other risks

The most significant risks that remain are explained below.

Strategic risk

The risk that the Fund's objectives are not achieved because of the management's poor decision- making, incorrect implementation and/or insufficient response to changes in the environment. Strategic risk can arise, for example, when a strategy does not anticipate all threats and opportunities in the market or when insufficient resources are made available to pursue the strategy effectively.

The Manager mitigates strategic risk by drawing up a Three Year Business Plan every year. By doing so, market opportunities and threats are analysed and amendments are made to the policy, if necessary. This business plan is to be approved each year by the Fund's Meeting of Investors.

Maintaining the Fund's tax status

The risk of losing the status as a tax transparent fund for joint accounts for Dutch corporate income tax purposes and for dividend withholding tax purposes. The Dutch tax authorities have confirmed the transparency of the Fund for corporate income tax and Dutch dividend withholding tax purposes. In order to maintain its tax status, no development activities should take place in the Fund. The Manager continuously monitors its forward acquisitions. No specific issues have occured during 2020.

Country risk

The Fund solely holds investments in the Netherlands. Returns achieved on these investments are likely to be materially affected by the general economic, political and social conditions in the Netherlands or by particular conditions within the Dutch real estate market or fund industry. In particular, changes in landlord/tenant and planning law could materially affect the investment returns. Market institutions and regulation are important for the residential market. Different types of government intervention, such as supply regulation and the protection of tenants may have an adverse effect on the profitability of the Fund. Taxes, subsidies and legislation on the residential market affect the performance of residential property investments as well. A.s.r. real estate has a Research department to closely monitor the developments that are relevant for the property markets in which the Fund operates. No specific issues have occured during 2020.

Risk of acquisition failing to meet expectation

In accordance with the investment strategy of the Fund, the Fund intents to acquire properties to the extent that they can be acquired on advantageous terms and meet certain investment criteria. Acquisitions of such properties entail general investment risk associated with any real estate investment, including the risk that investments will fail to perform in accordance with expectations or that estimates of the costs of refurbishments to bring acquired Portfolio Assets up to the Fund's standards may prove inaccurate. To mitigate this risk the Fund relies on the professional judgment of the members of the Investment Committee and of the Risk Committee. No specific issues have occured during 2020.

Dossier, information and consultancy risks

Reports upon which the Fund may rely whilst carrying out due diligence regarding (new) investments may contain inaccuracies or deficiencies due to limitations on the scope of inspections or technologies used in producing such reports. Moreover, statutory or negotiated representations and warranties made by the sellers of properties that the Fund acquires may not protect against liabilities arising from property defects. The seller may make contractual representations and warranties however the Fund may not be able to negotiate for such representations or warranties, and accordingly the Fund may be unable or limited in an ability to bring a claim against the initial seller under any such representations or warranties. The Fund's ability to enforce claims under representations and warranties may also be subject to contractual and statutory limitations, including with respect to properties purchased from an insolvent owner. The initial owner's financial condition and the fact that the Fund may only be able to assert a claim against a limited liability special purpose entity with immaterial assets in the case where the seller of a property is a special purpose entity, may also limit the Fund's protection under statutory and contractual warranty obligations. These factors limiting the Fund's ability to assert or enforce statutory or contractual warranty obligations could leave the Fund without recourse to third parties for potentially significant liability for property defects. No specific issues have occured during 2020.

Concentration Risk
The Fund solely invests in residential properties in the Netherlands. The geographic investment focus increases the risk exposure to any factors having an impact on the residential sector in these areas. This risk factor is mitigated by establishing thirteen focus areas. Within the strategy concentration risk is further mitigated by diversifying asset types such as apartments, single family houses and different types of tenants. No specific issues have occured during 2020.

Relative performance risk
Relative performance risk is the risk that the Fund's results fall behind its targets and, as a result, investors decide to sell the Fund's certificates and/or new investors do not want to join the Fund. This risk is mitigated by comparing the Fund's performance to its targets on a monthly basis and by holding asset managers accountable and directing them if necessary. No specific issues have occured during 2020.

Valuation Risk
The value of the Portfolio Assets is inherently subjective due to the individual nature of each Asset. The value depends on various circumstances, which may change over time and that may not be in the Fund's control. As a result, valuations are subject to uncertainty. The valuation of the Portfolio Assets depends on the valuation methods used. The value of the assets in the portfolio is determined by market value. The market value property valuations will be prepared in accordance with the generally accepted international valuation standards, currently regarded to be the RICS Valuation Standards, 9th Edition (the 'Red Book'). These standards are in line with IAS and IFRS. There can be no assurance that valuations of Portfolio Assets will be reflected in actual sale prices even where any such sales occur shortly after the relevant valuation date. Furthermore, if a revaluation of Portfolio Assets at any time shows decreases in the value of the Portfolio Assets compared to previous valuations, the Fund will incur revaluation losses with respect to these Portfolio Assets. To assure the proper fair value for the Assets is reflected in the Financial Statements the Fund relies on independent valuers. In order to further mitigate the valuation risk the Fund has assigned three independent valuers who will be replaced after a maximum assignment period of three years. Over a three years period (twelve quarters) every property will have one full valuation, two reappraisals and nine desktop updates. The valuers of the Fund's portfolio stated that valuations contain material valuation uncertainty in the first quarter of 2020. This reservation was not applicable anymore with regard to the valuations in the second, third and fourth quarter of 2020.

Operational risk
Operational risk is the risk that errors are not observed in a timely manner or that fraud can take place as a result of the failure or inadequacies of internal processes, human and technical shortcomings, and unexpected external events. The Manager has, as described above, an extensive risk management framework to mitigate operational risk. For quantitative analysis (if relevant), we refer to the risk management paragraph in Note 3 of the annual report. No specific issues have occured during 2020.

Risk factors on asset management and property management
Sustainability is an absolute prerequisite. The Fund therefore acts as an active asset manager working with property managers closely monitoring the technical quality, readiness and representation level of the properties to assure the value of the real estate assets in the portfolio to its users. As properties age they require greater maintenance and refurbishment costs. Numerous factors, including the age of the relevant building, the materials and techniques used at the time of construction or currently unknown building code violations, could result in substantial unbudgeted costs for refurbishment, modernisation and decontamination required to remove and dispose of any hazardous materials (e.g. asbestos). If the Fund does not carry out maintenance and refurbishment activities with respect to its properties, these properties may become less attractive to tenants and the Fund's rental income may decrease, affecting the results and financial condition of the Fund. Assets in which the Fund invests may have (hidden) design construction or other defects or problems which may require additional significant expenditure despite due diligence investigations prior to acquisition by the Fund. No specific issues have occured during 2020.

Continuity risk
Continuity risk is the risk that the management organisation discontinues as a result of, for example, bankruptcy or failing IT systems. In such situations the agreements with principals can no longer be carried out. The Fund believes that its success will depend partly upon the skill and expertise of the Fund's management team and there can be no assurance that such individuals will continue to be employed by or represent such entities or to provide services to the Fund. Changes in the staffing of the Fund's management team (such as the leave of a Key Man or another important individual connected to the management of the Fund) may therefore have an adverse effect

on the profitability of the Fund. This risk is mitigated by maintaining service level agreements with subcontracting partners, drawing up and maintaining the business continuity plan, and pursuing a data protection policy. No specific issues have occured during 2020.

Financial reporting risk
Financial reporting risk is the risk that erroneous reports present an inaccurate representation of the Fund's financial situation. The quality of the Fund's financial reports is guaranteed by the performance of periodic internal and external audits. The procedures for financial reporting have been documented, and internal audits take place on the basis of samples and ad hoc inspections. No specific issues have occured during 2020.

Safety, Health, Environmental risk issues (SHE risk)
As is the case with any holder of property investments, the Fund would assume all ownership rights and liabilities relating to its acquired Portfolio Assets and could face substantial risk of loss from environmental claims based on environmental problems associated with such Asset, as well as from occupational safety issues and third party liability risks. Despite due diligence, environmental liabilities in relation to the asset in which it intends to invest may not be ascertainable or fully ascertained prior to acquisition and the Fund may therefore be exposed to clean-up and other remedial costs with respect to Assets it currently owns or owned in the past. The cost of any remedy and the owner's liability for such remediation work in relation to any affected Portfolio Asset may not be limited under the applicable environmental laws and could exceed the value of the Portfolio Assets. Further, the presence of hazardous substances or the failure to properly remedy contamination from such substances may adversely affect the Fund's ability to sell the relevant Portfolio Asset and may also affect their ability to borrow using the affected Portfolio Asset as collateral. Furthermore contaminated Portfolio Assets may experience decreases in value. No specific issues have occured during 2020.

Legislation and regulation risk
Legislation and regulation risk is the risk that changes to laws and regulations will influence the results of the Fund. The Manager cannot influence or change amendments to legislation and regulation. However, such risk can be mitigated by anticipating upcoming (possible) amendments in a timely manner. The Manager has designated a Compliance Officer who is charged with supervising the Fund's compliance with legislation and regulation.

A wide variety of laws and regulations apply to the Dutch (residential) real estate market. The Fund continuously monitors regulatory developments, in order to ensure compliance with the latest standards and regulations. Failing to do so could have the following implications:
- The Fund might suffer reputational damage if it is unable to implement new requirements promptly.
- Fines and legal action may be imposed on the Fund if it is unable to implement new requirements promptly.

Regulation risk also concerns the risk that the Manager does not retain its AIFMD license, in the case of its not complying with license obligations. The Manager strictly adheres to license obligations and actively monitors changes in AIFMD regulation and guidelines in order to mitigate this risk. No specific issues have occured during 2020.

Tax and legal risk
Any changes to (the interpretation of) fiscal or other legislation and regulations may have a positive or negative effect on the tax position of the unitholder. Yields can be influenced by an incorrect legal or fiscal assessment. This risk is mitigated by obtaining, when necessary, advice from external tax advisors and lawyers of reputable organisations. No specific issues have occured during 2020.

Integrity risk
Integrity risk is the risk that the unethical behaviour of employees, internal managers and business partners can damage or prevent the realisation of the Fund's objectives and yield. These risks are monitored by the Compliance Department by ensuring adherence to the following policies:
- Whistleblower policy: The Whistleblower policy of a.s.r. real estate conforms to the objective of guaranteeing the confidence in and the reputation of a large organisation in sound corporate governance.
- Incident management: The management of a.s.r. real estate is responsible for the sound internal management of the company's procedures. The Operational Incidents policy is a component of the Integrated Risk Management framework.
- Customer Due Diligence policy (CDD): The aim of the CDD policy of a.s.r. real estate is to create an internal control environment that gathers sufficient knowledge of the customer in order to mitigate the risk of reputational and financial damage. Part of the CDD policy is the annual Systemic Risk Analysis (SIRA). The SIRA is performed in accordance with the Dutch Central Bank's SIRA policy in order to identify potential integrity risks.

- Pre-employment screening (PES): a.s.r. real estate screens all new employees. The screening comprises an internal and external test. Employees applying for an integrity-sensitive position are subject to additional screening. Employees are recruited only if they pass the screening.

No specific issues have occured during 2020.

Depositary risk
The Fund's Depositary will be liable to the Fund for losses suffered by the Fund as a result of the Depositary's negligent or intentional failure to properly fulfil its obligations under such agreement and under the relevant rules and regulations under and further to the AIFMD, in accordance with the requirements and limitations of Book 6 of the Dutch Civil Code (Burgerlijk Wetboek). Consequently, there are risks as a result of insolvency, negligence or fraudulent actions of the Depositary. This risk is mitigated by the risk appetite of the Fund. The Fund will only accept a financially solid depositary that is of excellent reputation. Next to the performance with regard to the depositary's AIFMD obligations, the financial stability and integrity of the depositary is monitored by the AIF Manager on a quarterly basis. The Depositary will not be liable for losses which are the result of circumstances or events for which the Depositary is not liable within the meaning of Article 6:75 of the Dutch Civil Code (Burgerlijk Wetboek). This risk is mitigated by the internal control system of the AIF Manager. No specific issues have occured during 2020.

Custody risk
The Legal Owner shall hold legal title (juridisch eigendom) of the Assets on behalf of the Fund. Consequently, there are risks as a result of insolvency, negligence or fraudulent actions of the Legal Owner. These risks are limited and mitigated by the fact that the Legal Owner has no activities other than acting as the legal owner of the assets of the Fund. Furthermore, the Legal Owner's balance sheet strength and liquidity position is constantly monitored by the AIF Manager. No specific issues have occured during 2020.

4 Critical judgements and estimates in applying the Fund's accounting policies
The preparation of the Fund's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenue, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the assets or liabilities affected in future periods.

4.1 Judgements
In the process of applying the Fund's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the consolidated financial statements:

Leases
The Fund applied the following judgements that significantly affect the determination of the amount and timing of income from lease contracts:

Determination of the lease term
The Fund determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

As a lessor, the Fund enters into lease agreements that contain options to terminate or to extend the lease. These options are generally exercisable after an initial period of 1 year. At commencement date, the Fund determines whether the lessee is reasonably certain to extend the lease term, or not to terminate the lease. To make this analysis, the Fund takes into account any difference between the contract terms and the market terms, any significant investments made by the lessee in the property, costs relating to the termination of the lease and the importance of the underlying asset to the lessee's operations. In many cases, the Fund does not identify sufficient evidence to meet the required level of certainty.

As a lessee, the Fund has a limited number of lease contracts, that are classified as right of use assets. See Note 2.6 (b) for the accounting policy on the lease contracts that are classified as right of use assets.

Property lease classification – the Fund as lessor
The Fund assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Leases in which the Fund does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. See Note 2.6 (a) for the accounting policy on the lease contracts that are classified as operating leases.

Consolidation and joint arrangements
The Fund has determined that it controls and consolidates the subsidiaries in which it owns a majority of the shares.

Grotiusplaats Den Haag C.V.
The Fund is a part owner of Grotiusplaats Den Haag C.V., in which the Fund has a 50% ownership interest. The Fund has determined that it has joint control over the investee and the ownership is shared with the other 50% owner. The joint arrangement is separately incorporated. The Fund has, after considering the structure and form of the arrangement, the terms agreed by the parties in the contractual arrangement and the Fund's rights and obligations arising from the arrangement, classified its interests as joint ventures under IFRS 11 Joint Arrangements. As a consequence, it accounts for the investment using the equity method. Summarised financial information of the joint venture, based on their IFRS reporting, and reconciliation with the carrying amount of the investment in financial statements are set out in Note 13.

ASR Dutch Core Residential Projects B.V.
The financial statements include the financial statements of the Fund and its subsidiary Project BV, in which the Fund has an 100% equity interest. The financial impact of the Project BV in the Fund's financial statements is not significant and therefore the financial statements of the Fund are an actual reflection of both the consolidated and the separate financial statements.

4.2 Estimates and assumptions
The assets of the Fund mainly consist of the investment portfolio. The market value of these assets cannot be assessed using quotations or listings. A valuation based on fair value is a time- and place-based estimate. The fair value is based on a price level on which two well informed parties under normal market conditions would make a transaction for that specific property on that date of valuation. The fair value of a property in the market can only be determined with certainty at the moment of the actual sale of the property.

An external valuer bases his fair value valuations on his own market knowledge and information. The valuation made by the valuer is verified by the asset managers of a.s.r. real estate. The fair value is based on net yield calculation, where market rents are capitalised and normative property expenses (such as maintenance costs, insurance and expenses) are deducted. The yields are specific for the location, retail asset type of the property, the level of maintenance and the general lettability of every single property.

Apart from assumptions regarding to yields and market rents, several other assumptions are taken into account in the valuations. Assumptions for the costs of vacancy, incentives and the differences between market rent and contract rents are included in the valuations. Finally, sales costs at the expense of the buyer, including transfer tax, are deducted from the market value.

For an overview of the of the impact of a yield shift, we refer to Note 11.

5 Gross rental income

Gross rental income

For the year	2020	2019
Theoretical rental income	59,043	57,772
Vacancy	(1,069)	(839)
Straight lined rent incentives	(8)	(24)
	57,966	**56,909**

Net rental income

For the year	2020	2019
Gross rental income	57,966	56,909
Service charge income	2,759	2,901
Service charge expenses	(2,759)	(2,901)
Property operating costs	(13,230)	(12,716)
	44,736	**44,193**

For quantitative analysis on gross rental income we refer to page 27.

6 Property-specific costs

Property-specific costs

For the year	Notes	2020	2019
Maintenance		6,471	6,246
Marketing costs		751	597
Non recoverable service costs		44	31
Property insurance		427	457
Property management fee		2,316	2,276
Provision for doubtful debt	14	119	129
Taxes		2,361	2,448
Other property specific costs		741	532
		13,230	**12,716**

For quantitative analysis on property specific costs we refer to page 27. All direct operating expenses (including repair and maintenance) relate to investment properties that generated rental income during the period.

7 Fund expenses

Fund expenses

For the year	2020	2019
Administration and secretarial fees	104	22
Amortised provision on borrowings	4	17
Audit fees	112	98
Bank charges	7	15
Depositary fees	121	106
Publication fees	60	42
Valuation fees	428	371
	836	**671**

8 Management fees

Management fees

For the year	2020	2019
Asset management fee	7,500	7,266
Fund management fee	835	730
	8,335	**7,996**

For quantitative analysis on management fees we refer to page 27.

9 Finance result

Finance result

For the year	2020	2019
Interest income	4	349
Finance income	**4**	**349**
Interest costs borrowings	(417)	(407)
Finance costs	**(417)**	**(407)**
	(413)	**(58)**

10 Result on sales

Result on sales

For the year	2020	2019
Net proceeds of sales	67,914	51,853
Historical costs of properties sold	(36,378)	(29,483)
Realised gains on historical costs	**31,536**	**22,370**
Cumulative changes in fair value of properties sold	(26,848)	(14,428)
	4,688	**7,942**

11 Investment properties in operation, under construction and held-for-sale

The following table analyses the Fund's investment properties for the year ended at 31 December 2020:

Investment properties for the year ended at 31 December 2020

Segment	Multi Family			Single-family			Other			Total
Class	In operation	Under construction	Held-for-sale	In operation	Under construction	Held-for-sale	In operation	Under construction	Held-for-sale	
Fair value hierarchy	3	3	3	3	3	3	3	3	3	
2020										
Balance as at the beginning of the period	**914,674**	**104,387**	**1,890**	**447,087**	**-**	**1,118**	**5,585**	**-**	**-**	**1,474,740**
Movements										
Transfer from Investment properties under construction	61,783	(61,783)	-	-	-	-	-	-	-	-
Transfer to Investment properties held-for-sale	(1,348)	-	1,348	(1,602)	-	1,602	-	-	-	-
Investments	5,930	119,702	-	(2)	-	-	4	-	-	125,634
Positive changes in fair value	65,465	21,254	-	43,340	-	-	100	-	-	130,159
Negative changes in fair value	(16,304)	(3,599)	-	(2,312)	-	-	(539)	-	-	(22,754)
Divestments	(10,672)	-	(1,890)	(49,545)	-	(1,118)	-	-	-	(63,225)
Balance as at the end of the period	**1,019,528**	**179,961**	**1,348**	**436,965**	**-**	**1,602**	**5,150**	**-**	**-**	**1,644,554**
Historical costs	643,058	152,646	1,348	267,253	-	1,602	4,600	-	-	1,070,507
Cumulated changes in fair value	376,470	27,315	-	169,712	-	-	550	-	-	574,047
Balance as at the end of the period	**1,019,528**	**179,961**	**1,348**	**436,965**	**-**	**1,602**	**5,150**	**-**	**-**	**1,644,554**

The following table analyses the Fund's investment properties for the year ended at 31 December 2019:

Investment properties for the year ended at 31 December 2019

Segment	Multi Family			Single-family			Other			Total
Class	In operation	Under construction	Held-for-sale	In operation	Under construction	Held-for-sale	In operation	Under construction	Held-for-sale	
Fair value hierarchy	3	3	3	3	3	3	3	3	3	
2019										
Balance as at the beginning of the period	**844,386**	**28,853**	**999**	**415,907**	**-**	**1,674**	**1,480**	**-**	**-**	**1,293,299**
Movements										
Transfer from Investment properties under construction	16,064	(16,994)	-	-	-	-	930	-	-	-
Transfer to Investment properties held-for-sale	(1,890)	-	1,890	(1,118)	-	1,118	-	-	-	-
Investments	(491)	69,528	-	1,763	-	-	2,468	-	-	73,267
Positive changes in fair value	90,400	23,000	-	38,057	-	-	707	-	-	152,164
Negative changes in fair value	(32)	-	-	(48)	-	-	-	-	-	(80)
Divestments	(33,763)	-	(999)	(7,474)	-	(1,674)	-	-	-	(43,910)
Balance as at the end of the period	**914,674**	**104,387**	**1,890**	**447,087**	**-**	**1,118**	**5,585**	**-**	**-**	**1,474,740**
Historical costs	585,113	82,555	1,890	298,261	-	1,118	4,596	-	-	973,532
Cumulated changes in fair value	329,561	21,832	-	148,826	-	-	989	-	-	501,208
Balance as at the end of the period	**914,674**	**104,387**	**1,890**	**447,087**	**-**	**1,118**	**5,585**	**-**	**-**	**1,474,740**

All the investment properties are valued as at 31 December 2020 by independent professional valuers. Valuations are based on current prices on an active market for all properties.

The carrying values of investment property at 31 December 2020 and 31 December 2019 agree to the valuations reported by the external valuers. The investment properties under construction are recognised at their initial cost. If a market value is not available, the investment properties under construction is stated at cost. This includes cost of construction, equipment, non-refundable purchase taxes, development fee and any attributable costs of bringing the asset to its working condition and location for its intended use.

The assets are presented as held-for-sale following the decision of the Fund's management. The remaining assets have been delivered in January / February 2021. The disposal assets were valued at their sales price less selling expenses.

The following table analyses investment properties carried at fair value, by valuation method. The different levels are defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2);
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3). Significant increases (decreases) in any of those inputs in isolation would result in a significantly lower (higher) fair value measurement.

Changes in Level 2 and 3 fair values are analysed at each reporting date. There were no transfers between levels 1 and 2 during the year.

The Fund's policy is to recognise transfers into and out of fair value hierarchy levels as of the date of the event or change in circumstances that caused the transfer. All the investment properties of the Fund are classified as Level 3. For Residential and Other valuations, the significant inputs are the discount rate and market rental value. These inputs are verified with the following market observable data:

- Market rent per sq.m. for renewals and their respective re-letting rates;
- Reviewed rent per sq.m.;
- Investment transactions of comparable objects.

Sensitivities in yield and rental value

2020	Unobservable inputs used in determination of fair value							Sensitivities in yield and rental value (in € '000)		
								Change in rental value		
Investment properties in operation	Fair value 31 Dec 2020	Valuation technique	Gross rental value (in € '000)		Gross initial yield (in %)		Change in yield	-5%	0%	+5%
Netherlands -	1,020,876	DCF	2,828	max	5.4%	max	-5%	-	53,730	107,461
Apartments -			459	mean	3.7%	mean	0%	(51,044)	-	51,044
Level 3			11	min	0.6%	min	5%	(97,226)	(48,613)	-
Netherlands -	437,934	DCF	1,219	max	4.7%	max	-5%	-	23,049	46,098
Single-family houses -			424	mean	4.2%	mean	0%	(21,897)	-	21,897
Level 3			23	min	3.3%	min	5%	(41,708)	(20,854)	-
Netherlands -	5,150	DCF	85	max	8.8%	max	-5%	-	271	542
Other -			57	mean	5.5%	mean	0%	(258)	-	258
Level 3			24	min	3.8%	min	5%	(490)	(245)	-
	1,463,960									

2019	Unobservable inputs used in determination of fair value							Sensitivities in yield and rental value (in € '000)		
								Change in rental value		
Investment properties in operation	Fair value 31 Dec 2019	Valuation technique	Gross rental value (in € '000)		Gross initial yield (in %)		Change in yield	-5%	0%	+5%
Netherlands -	916,563	DCF	2,735	max	5.8%	max	-5%	-	48,240	96,480
Apartments -			441	mean	3.9%	mean	0%	(45,828)	-	45,828
Level 3			12	min	2.4%	min	5%	(87,292)	(43,646)	-
Netherlands -	448,205	DCF	1,177	max	6.2%	max	-5%	-	23,590	47,179
Single-family houses -			323	mean	4.4%	mean	0%	(22,410)	-	22,410
Level 3			20	min	1.8%	min	5%	(42,686)	(21,343)	-
Netherlands -	5,585	DCF	85	max	10.1%	max	-5%	-	294	588
Other -			54	mean	4.9%	mean	0%	(279)	-	279
Level 3			19	min	2.5%	min	5%	(532)	(266)	-
	1,370,353									

Valuation processes

In order to determine the fair value of the Fund's investment properties, all investment properties are valued on a quarterly basis by independent and qualified/certified valuers. The valuers are selected based on their experience and knowledge of the residential property market. Every three years a rotation or change in valuers takes place.

The fair value is determined in accordance with the following standards:
- RICS Valuation Standards, 9th Edition (the 'Red Book')
- The Alternative Investment Fund Managers Directive (AIFMD), in accordance with Directive 2011/61/EU dated 8 June 2011 and a supplement dated 19 December 2012
- The 28 recommendations of the Platform Taxateurs en Accountants as stated in the publication 'Goed gewaardeerd Vastgoed' dated 27 May 2013

The Management Company provides the professional valuers with the required and necessary information, in order to conduct a comprehensive valuation. At least once a year a full valuation is carried out and three times a year a market update. For all investment properties, the current use equates to the highest and best use.

The finance and risk department of the Manager (a.s.r. real estate) coordinates the valuation process and analyses the quarterly movements in valuations together with the asset manager. All movements higher than 5% or lower than -5% are discussed and fully explained by the valuer. Every quarter the valuers, along with the asset managers and the Fund Director, come together and discuss the outcome of the valuations. It is the asset managers' responsibility to sign off for approval on every valuation.

There are inter-relationships between unobservable inputs. Expected vacancy rates may impact the yield with higher vacancy rates resulting in higher yields. For investment property under construction, increases in construction costs that enhance the property's features may result in an increase in future rental values. An increase in the future rental income may be linked with higher costs.

Valuation techniques underlying management's estimation of fair value

For investment properties the following method is in place to determine the fair value by the valuers for disclosure purposes:

DCF method

Under the DCF method, fair value is estimated using assumptions regarding the benefits and liabilities of ownership over the asset's life including an exit or terminal value. This method involves the projection of a series of cash flows on a real property interest. To this projected cash flow series, a market-derived discount rate is applied to establish the present value of the cash flows associated with the asset. The exit yield is normally separately determined and differs from the discount rate. The duration of the cash flows and the specific timing of inflows and outflows are determined by events such as rent reviews, lease renewal and related re-letting, redevelopment, or refurbishment. The appropriate duration is typically driven by market behaviour that is a characteristic of the class of real property. Periodic cash flow is typically estimated as gross income less vacancy, non-recoverable expenses, collection losses, lease incentives, maintenance cost, agent and commission costs and other operating and management expenses. The series of periodic net operating income, along with an estimate of the terminal value anticipated at the end of the projection period, is then discounted.

12 Right-of-use assets

The Fund has a limited number of lease contracts, that are classified as right of use assets. As the Fund applies the fair value model for investment property, the fair value model is also applied for the right-of-use assets classified as investment property. Therefore the lease of the land is valued at fair value through profit or loss.

Right-of-use assets

As at	31 December 2020	31 December 2019
Balance as at the beginning of the period	**1,080**	**-**
Movements		
- Initial measurement	-	1,080
- Negative changes in fair value	(74)	(59)
- Remeasurement	216	59
Balance as at the end of the period	**1,222**	**1,080**

13 Participations

In 2018, the Fund acquired a 50% interest in Grotiusplaats Den Haag C.V. ('Grotiusplaats'), a joint venture through which two residential towers in The Hague, the Netherlands, are developed and exploited. The Fund's interest in joint ventures is accounted for using the equity method in the financial statements. This joint venture does not have a quoted market price. Summarised financial information of the joint venture, based on their IFRS reporting, and reconciliation with the carrying amount of the investment in financial statements are set out below:

Participations

As at	31 December 2020	31 December 2019
Current assets, including cash & cash equivalents of Grotiusplaats	13,104	2,548
Non-current assets –investment property	134,816	77,827
	147,920	**80,375**
Current liabilities including tax payable of Grotiusplaats	2,680	2,475
Non-current liabilities including long term borrowings of Grotiusplaats	-	-
	2,680	**2,475**
Equity	145,240	77,900
Proportion of the Fund's interest	50%	50%
Fund's carrying amount of the investment	**72,620**	**38,950**
Rental income	-	-
Property expenses	-	-
Profit on valuation of investment property	10,906	14,585
Profit for the year	**10,906**	**14,585**
Fund's share of profit for the period	**5,453**	**7,293**

In accordance with the agreement under which Grotiusplaats is established, the total capital commitment amounts to € 92.2m, of which € 54.1m have been paid as at 31 December 2020.

14 Trade and other receivables

Trade and other receivables

As at	31 December 2020	31 December 2019
Rent receivables from tenants	651	389
Tax receivables	309	-
Other receivables	216	325
Less: provision for doubtful debt	(369)	(330)
	807	**384**

The fair value of receivables concerns the sum of future cash flows that are estimated to be received.

Provision for doubtful debt

Bad debt write-off relates to debtors, from which no payment is expected to be received anymore. In addition, a provision for doubtful debt is in place for receivables for which it is unclear whether they will be (fully) received.

Provision for doubtful debt

As at	Notes	31 December 2020	31 December 2019
Balance as at the beginning of the period		330	284
Movements			
- Bad debt write-off		(80)	(83)
- Movement of provision for doubtful debt	6	119	129
Balance as at the end of the period		**369**	**330**

15 Cash and cash equivalents

Cash and cash equivalents

As at	31 December 2020	31 December 2019
Cash	69,297	60,778
	69,297	**60,778**

The cash and cash equivalents are not restricted in its use.

16 Issued capital

The capital called per unit amounts to € 1 per participation. All issued units are fully paid.

A further breakdown is shown in the statement of changes in capital. Movements in the units issued are as follows:

Changes in the units issued

As at	31 December 2020	31 December 2019
Number of units as at the beginning of the period	1,247,466	1,192,701
Movements in number of units		
- Issued units closings	78,149	54,765
Number of units as at the end of the period	**1,325,615**	**1,247,466**

Ownership in number of units is as follows:

Ownership in number of units

As at	31 December 2020	31 December 2019
Units - Entitled for distributable result		
ASR Levensverzekering N.V.	604,583	632,571
ASR Schadeverzekering N.V.	126,793	158,779
Other investors	594,239	456,116
	1,325,615	**1,247,466**

All resolutions of the Meeting of Investors shall be adopted by a simple majority of all outstanding units. The Anchor Investor will hold a maximum of forty per cent (40%) of the votes. Notwithstanding the previous sentence:

- The Anchor Investor will hold a maximum of fifty per cent (50%) of the votes if there are only one or two other investors and;
- In case the Anchor Investor holds more than forty per cent (40%) of the outstanding units in the Fund but only holds forty per cent (40%) of the votes, any other Investor will also hold a maximum of forty per cent (40%) of the votes.

Net asset value per unit is calculated based on equity as presented in the statement of financial position as at balance date and the number of units on that date.

Key figures concerning capital

As at	31 December 2020	31 December 2019
Equity attributable unit holders (in € '000)	1,769,905	1,555,419
Number of units as per reporting date	1,325,615	1,247,466
Net asset value per unit (in €)	1,335	1,247

17 Borrowings

All the Fund's borrowings are at floating rates of interest. Interest costs may increase or decrease as a result of changes in the interest rates.

Borrowings

As at	Principal 13 March 2017	Amortised expenses	Repayments < 1 year	End date	Effective interest	Effective interest
NIBC Bank N.V. - Credit facility	50,000	-	-	07 April 2020	N/A	floating

The current account facility expired at 7 April 2020 and was not extended after expiry. This facility amounted to € 50m and was used to finance future pipeline obligations and meet temporary liquidity needs. The credit agreement had no mortgage and the margin on 3-months Euribor was 1.0%. The upfront fee amounted to € 50k, which was amortised over the maturity of the facility. In addition, a commitment fee of 0.35% was charged.

Capitalised provisions

As at	31 December 2020	31 December 2019
Capitalised provisions	-	(4)
	-	**(4)**

The fair value of borrowings approximated their carrying value at the date of the statement of financial position.

The Fund has the following undrawn floating rate borrowing facilities:

Overview of borrowing facilities

As at	31 December 2020	31 December 2019
Expiring within one year	-	50,000
Expiring beyond one year	-	-
	-	**50,000**

18 Lease liabilities

Lease liabilities

As at	31 December 2020	31 December 2019
Balance as at the beginning of the period	1,080	-
Movements		
- Initial measurement	-	1,080
- Amortised interest	17	31
- Remeasurement	216	59
- Lease Payment	(91)	(90)
	1,222	**1,080**

19 Trade and other liabilities

Trade and other liabilities

As at	31 December 2020	31 December 2019
Accrued expenses	1,246	2,886
Distributable result to be paid	9,043	10,051
Management fees	2,095	2,066
Prepaid rent	582	449
Property management fees	592	580
Rent deposits	3,281	2,981
Service payables	332	296
Tax payables	-	10
Trade payables	202	119
	17,373	**19,438**

The fair value of trade and other liabilities concerns the sum of future cash flows that are estimated to be received.

20 Earnings per unit

Results per unit are calculated by dividing the net result attributable to participants by the weighted average number of units outstanding during the year, 1,294,749 average units over 2020 (1,231,278 average units over 2019).

Earnings per unit

For the year	2020	2019
Direct result	30	31
Indirect result	88	134
Net result per unit	**118**	**165**

The Fund has no dilutive potential units; the diluted earnings per unit are the same as the basic earnings per unit.

21 Contingencies and commitments

The capital commitments of the Fund exists of 12 turnkey projects for a total original amount of € 467.9m as at 31 December 2020. Of these commitmens, € 152.6m has been paid as at 31 December 2020. Changes in fair value of forward acquisitions amount to € 27.3m, resulting in € 180.0m, as presented under investment properties under construction in the statement of financial position.

Another capital commitment of the Fund exist of the participation (Grotiusplaats) for a total amount of € 92.2m. Of this commitment, € 54.1m has been paid as at 31 December 2020. Changes in fair value of this participation amount to € 18.5m, resulting in € 72.6m as presented under participations in the statement of financial position.

22 Related-party transactions

The Anchor Investor, ASR Levensverzekering N.V. and ASR Schadeverzekering N.V owns 55.2% of the Fund's units. The remaining units are widely held. The Fund has the following relationships with companies related to ASR Nederland N.V.:

- ASR Dutch Core Residential Management Company B.V. is the manager of the Fund (The ASR Dutch Core Residential Management Company B.V. has outsourced all its responsibilities to a.s.r. real estate, the Manager. Also under the AIFMD requirements a.s.r. real estate acts as the Manager of the Fund) and charges management fees to the Fund. These management fees are at arm's length;
- ASR Dutch Core Residential Custodian B.V. is the legal owner of the investment properties.

The financial statements of the Fund include the financial statements of the parent and the subsidiaries and joint ventures. The Fund's investment in subsidiaries and joint ventures are listed in the following table:

Subsidiaries and joint ventures

	Country of incorporation	2020	2019
Subsidiary			
ASR Dutch Core Residential Projects B.V.	The Netherlands	100%	100%
Joint venture			
Grotiusplaats Den Haag C.V.	The Netherlands	50%	50%
Grotiusplaats Den Haag B.V.	The Netherlands	50%	50%

See Note 13 for more information on the financial status of Grotiusplaats Den Haag C.V.

There were no other transactions carried out or balances outstanding with related parties except for distributable result (€ 9.0m) to be paid (Note 19) and the following:

Related-party transactions

For the year	Notes	2020	2019
Asset management fee	8	7,500	7,266
Fund management fee	8	835	730
Property management fee	8	2,316	2,276
		10,651	**10,272**

23 Audit fees

The following table shows the fees charged by the auditor in respect of activities for the Fund.

Audit fees

For the year	Notes	2020	2019
Audit of the financial statements	7	112	98
Other audit engagements		-	-
		112	**98**

24 Appropriation of result

Distributable result attributable to the divestment of a portfolio asset can be allocated to reinvestments, redemption of units, or paid out to all investors. The distributable result to the investors is calculated in relation to their number of units in the Fund as per the applicable reporting date. The fourth quarter distributable result of € 9.0m is recognised as a liability as at 31 December 2020 and paid to the investors in February 2021.

25 Subsequent events

- On 4 January 2021, the Fund had its nineteenth closing. Six investors expanded their share in the Fund for a total amount of € 17m. The Anchor Investor holds 54.6% of the units from 4 January 2021.

Utrecht, the Netherlands,9 April 2021

ASR Real Estate B.V.
On behalf of the ASR Dutch Core Residential Management Company B.V.

Dick Gort, *CEO*
Henk-Dirk de Haan, *CFRO*

Nieuw Mariënpark, Leidschendam

Other information

Appropriation of result

As described in clause 13 in the Fund Agreement, the distributable result which is not attributable to the divestment of portfolio assets is payable on a quarterly basis. Distributions will be made in cash, provided that:

- Investors may inform the Management Company at least one month before the end of the fiscal year that they wish to receive the distributable cash during the next fiscal year in the form of units. In which case it is at the Management Company's discretion to decide whether or not the request will be satisfied; and
- After dissolution of the Fund, any and all of the assets may be distributed to the investors.

Independent auditor's report

To: the meeting of investors and the manager of ASR Dutch Core Residential Fund

Report on the audit of the accompanying financial statements

Our opinion
We have audited the financial statements 2020 of ASR Dutch Core Residential Fund, based in Utrecht.

In our opinion the accompanying financial statements give a true and fair view of the financial position of ASR Dutch Core Residential Fund as at 31 December 2020 and of its result and its cash flows for 2020 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 financial statements comprise:
1 the statement of financial position as at 31 December 2020;
2 the following statements for 2020: the statement of income and comprehensive income, the statement of changes in capital and the statement of cash flows;
3 the notes to the financial statements comprising a summary of the significant 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 ASR Dutch Core Residential Fund 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.

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 contains other information that consists of:
- Overview;
- Performance figures;
- Foreword;
- Fund profile;
- Report of the management company
- Appendices;
- Other information pursuant to 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 less than the scope of those performed in our audit of the financial statements.

The manager is responsible for the preparation of the other information, including the Report of the management company, in accordance with Part 9 of Book 2 of the Dutch Civil Code, and other information pursuant to Part 9 of Book 2 of the Dutch Civil Code.

Description of the responsibilities for the financial statements

Responsibilities of the manager for the financial statements

The manager is responsible for the preparation and fair presentation of the financial statements in accordance with EU-IFRS and Part 9 of Book 2 of the Dutch Civil Code. Furthermore, the manager is responsible for such internal control as the manager determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to errors or fraud.

As part of the preparation of the financial statements, the manager is responsible for assessing the company's ability to continue as a going concern. Based on the financial reporting frameworks mentioned, the manager should prepare the financial statements using the going concern basis of accounting unless the manager either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so. The manager should disclose events and circumstances that may cast significant doubt on the company's ability to continue as a going concern in the financial statements.

Our responsibilities for the audit of the financial statements

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

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

Misstatements can arise from fraud or errors 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 the 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 scepticism 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 errors or fraud, 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 errors, 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 Fund's internal control;
- evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the manager;
- concluding on the appropriateness of management's 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 Fund'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 the company ceasing to continue as a going concern;
- evaluating the overall presentation, structure and content of the financial statements, including the disclosures; and
- evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant findings in internal control that we identify during our audit.

Utrecht, 9 April 2021

KPMG Accountants N.V.
M.H.T. Hamers-Bodifee RA

Appendix 1:
INREV financial statements (unaudited)

INREV financial statements (unaudited)

The INREV guidelines have been used and material changes have been considered if applicable. The accounting principles in general, which are the basis for this annual report, are described and explained in detail in the notes on the financial statements (note 2). A detailed discription about the principal risks and exposures incurred by the Fund is included in note 3. According to the Fund Agreement issue and redemption requests will be calculated by usage of the INREV NAV.

In order to give Investors information on the transition from the NAV based on IFRS to the INREV NAV, also the accounts according to the INREV principles are published. The INREV NAV reflects adjustments to IFRS.

The following items are adjusted for the INREV accounts:

	IFRS	INREV
Effect of not yet distributable result recorded as a liability (not included in equity)	Recognised as a liability on balance sheet	Recognised in equity

INREV Guidelines Compliance Statement (unaudited)

The European Association for Investors in Non-Listed Real Estate Vehicles (INREV) published the revised INREV Guidelines in 2014 incorporating industry standards in the fields of Corporate Governance, Reporting, Property Valuation, INREV NAV, Fee and Expense Metrics, Liquidity and Sustainability Reporting. The Assessments follow these guidelines.

INREV provides an Assessment Tool to determine a vehicles compliance rate with the INREV Guidelines as a whole and its modules in particular. The overall INREV Guidelines Compliance Rate of the ASR Dutch Core Residential Fund is 99.0%, based on 7 out of 7 assessments. The compliance rate for each completed module is:

Compliance rate per module

	Percentage
Corporate Governance	100%
Fee and Expense Metrics	100%
INREV NAV	100%
Liquidity	97%
Property Valuation	100%
Reporting	98%
Sustainability Reporting	100%

INREV fee metrics (unaudited)

In order to give investors a clear overview of the fee and cost structure, the Fund publishes both its Total Global Expense Ratio (TGER) and Real Estate Expense Ratio (REER), in line with INREV guidelines.

Fees and expenses as a percentage of Gross Asset Value (GAV) and Net Asset Value (NAV)

For the year		2020	2019
Fund management fee (% of NAV)		0.05%	0.05%
Asset management fee (% of NAV)		0.45%	0.50%
Management fees	a.	8,335	7,996
Fund expenses (incl. amortisation)	b.	836	671
Vehicle fees and costs before performance fees	c.	**9,171**	**8,667**
Performance fees	d.	-	-
Vehicle fees and costs after performance fees	e.	**9,171**	**8,667**
Property fees and costs	f.	13,230	12,716
Average INREV NAV	g.	1,668,209	1,460,456
Average INREV GAV	h.	1,680,166	1,470,643
NAV Total Global Expense Ratio (before performance fees)	c./g.	0.55%	0.59%
GAV Total Global Expense Ratio (before performance fees)	c./h.	0.55%	0.59%
NAV Total Global Expense Ratio (after performance fees)	e./g.	0.55%	0.59%
GAV Total Global Expense Ratio (after performance fees)	e./h.	0.55%	0.59%
NAV Real Estate Expense Ratio	f./g.	0.79%	0.87%
GAV Real Estate Expense Ratio	f./h.	0.79%	0.86%

INREV NAV calculation (unaudited)

INREV NAV calculation

		Total (in €'000)	Per share (in €)
	NAV as per the financial statements	1,769,905	1,335
	Reclassification of certain IFRS liabilities as components of equity		
a)	Effect of reclassifying shareholder loans and hybrid capital instruments (including convertible bonds) that represent shareholders long term interests in a vehicle	-	-
b)	Effect of dividends recorded as a liability which have not been distributed (not included in equity)	9,043	7
	NAV after reclassification of equity-like interests and dividends not yet distributed	**1,778,948**	**1,342**
	Fair value of assets and liabilities		
c)	Revaluation to fair value of investment properties	-	-
d)	Revaluation to fair value of self-constructed or developed investment property	-	-
e)	Revaluation to fair value of property held-for-sale	-	-
f)	Revaluation to fair value of property that is leased to tenants under a finance lease	-	-
g)	Revaluation to fair value of real estate held as inventory	-	-
h)	Revaluation to fair value of other investments in real assets	-	-
i)	Recognition to fair value of indirect investments not consolidated	-	-
j)	Revaluation to fair value of financial assets and financial liabilities	-	-
k)	Revaluation to fair value of construction contracts for third parties	-	-
l)	Set-up costs	-	-
m)	Acquisition expenses	-	-
n)	Contractual fees	-	-
	Effects of the expected manner of settlement of sales/vehicle unwinding		
o)	Revaluation to fair value of savings of purchaser's costs such as transfer taxes	-	-
p)	Revaluation to fair value of deferred taxes and tax effect of INREV NAV adjustments	-	-
q)	Effect of subsidiaries having a negative equity (non-recourse)	-	-
	Other adjustments		
r)	Goodwill	-	-
s)	Non-controlling interest effects of INREV adjustments	-	-
	INREV NAV	**1,778,948**	**1,342**
	Distributable result (current quarter)	(9,043)	(7)
	INREV NAV (after distributions)	**1,769,905**	**1,335**
	Number of shares / units issued	1,325,615	

The adjustments from the IFRS NAV calculation to the INREV NAV calculation relate to:

b) The fourth quarter 2020 distributable result.

m) Acquisition expenses of acquisitions performed in the prior five years. As these capitalised acquisition expenses only applied to one single property, which was sold in the fourth quarter of 2020, there is no difference between the IFRS Net Asset Value and INREV Net Asset Value, as of the fourth quarter of 2020.

INREV Statement of income and comprehensive income (unaudited)

(amounts in €'000, unless otherwise stated)

Statement of income and comprehensive income in accordance with INREV principles

			2020			2019
For the year	IFRS	Adjustments	INREV	IFRS	Adjustments	INREV
Gross rental income	57,966	-	57,966	56,909	-	56,909
Service charge income	2,759	-	2,759	2,901	-	2,901
Total operating income	**60,725**	**-**	**60,725**	**59,810**	**-**	**59,810**
Property-specific costs	(13,230)	(42)	(13,272)	(12,716)	(19)	(12,735)
Service charge expenses	(2,759)	-	(2,759)	(2,901)	-	(2,901)
Fund expenses	(836)	-	(836)	(671)	-	(671)
Management fees	(8,335)	-	(8,335)	(7,996)	-	(7,996)
Total operating expenses	**(25,160)**	**(42)**	**(25,202)**	**(24,284)**	**(19)**	**(24,303)**
Operating result	**35,565**	**(42)**	**35,523**	**35,526**	**(19)**	**35,507**
Finance income	4	-	4	349	-	349
Finance costs	(417)	-	(417)	(407)	-	(407)
Finance result	**(413)**	**-**	**(413)**	**(58)**	**-**	**(58)**
Changes in fair value of investment properties	107,405	-	107,405	152,084	-	152,084
Changes in fair value of right-of-use contracts	(74)	-	(74)	(59)	-	(59)
Changes in value of participations	5,453	-	5,453	7,293	-	7,293
Result on sales of investment properties	1,641	-	1,641	5,150	-	5,150
Result on individual unit sales	3,047	-	3,047	2,792	-	2,792
Realised and unrealised gains and losses	**117,472**	**-**	**117,472**	**167,260**	**-**	**167,260**
Net result	**152,624**	**(42)**	**152,582**	**202,728**	**(19)**	**202,709**
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income	**152,624**	**(42)**	**152,582**	**202,728**	**(19)**	**202,709**

INREV Statement of financial position (unaudited)

(amounts in €'000, unless otherwise stated)

Statement of financial position in accordance with INREV principles

As at	IFRS	Adjustments	INREV 31 December 2020	IFRS	Adjustments	INREV 31 December 2019
ASSETS						
Non-current assets						
Investment properties in operation	1,461,643	-	1,461,643	1,367,346	42	1,367,388
Investment properties under construction	179,961	-	179,961	104,387	-	104,387
Right-of-use asset	1,222	-	1,222	1,080	-	1,080
	1,642,826		**1,642,826**	**1,472,814**	**42**	**1,472,855**
Participations	**72,620**	**-**	**72,620**	**38,950**	**-**	**38,950**
Current assets						
Trade receivables	807	-	807	384	-	384
Cash and cash equivalents	69,297	-	69,297	60,778	-	60,778
	70,104	**-**	**70,104**	**61,162**	**-**	**61,162**
Investment properties held-for-sale	**2,950**	**-**	**2,950**	**3,008**	**-**	**3,008**
Total assets	**1,788,500**	**-**	**1,788,500**	**1,575,933**	**42**	**1,575,975**
CAPITAL AND LIABILITIES						
Capital						
Issued capital	1,326	-	1,326	1,247	-	1,247
Additional paid-in capital	1,158,321	-	1,158,321	1,058,339	-	1,058,339
Revaluation reserve	594,801	-	594,801	512,912	-	512,912
Retained earnings	15,457	9,043	24,500	(17,079)	10,093	(6,985)
	1,769,905	**9,043**	**1,778,948**	**1,555,419**	**10,093**	**1,565,512**
Non-current liabilities						
Borrowings	-	-	-	(4)	-	(4)
Lease liabilities	1,222	-	1,222	1,080	-	1,080
	1,222	**-**	**1,222**	**1,076**	**-**	**1,076**
Current liabilities						
Trade and other liabilities	17,373	(9,043)	8,330	19,438	(10,051)	9,387
Total capital and liabilities	**1,788,500**	**-**	**1,788,500**	**1,575,933**	**42**	**1,575,975**

INREV Statement of changes in capital (unaudited)

(amounts in €'000, unless otherwise stated)

Statement of financial position in accordance with INREV principles

For the period 1 January 2019 - 31 December 2020	Issued capital	Additional paid-in capital	Retained earnings	Revaluation reserve	Total
Balance as at 1 January 2019	1,193	994,993	(45,136)	386,695	1,337,745
Ccomprehensive income					
- Profit for the year	-	-	202,709	-	202,709
- Movement arising from market valuations	-	-	(133,352)	133,352	-
- Movement arising from participations	-	-	(7,293)	7,293	-
- Movement arising from divestments	-	-	14,428	(14,428)	-
Total comprehensive income	**-**	**-**	**76,492**	**126,217**	**202,709**
Transactions with the owners of the Fund					
Contributions and distributions:					
- Issue of ordinary units	54	63,346	-	-	63,400
- Distributable result	-	-	(38,341)	-	(38,341)
Total transactions with owners of the Fund	**54**	**63,346**	**(38,341)**	**-**	**25,059**
BALANCE AS AT 31 December 2019	**1,247**	**1,058,339**	**(6,985)**	**512,912**	**1,565,512**
Comprehensive income					
- Profit for the year	-	-	152,582	-	152,582
- Movement arising from market valuations	-	-	(103,283)	103,283	-
- Movement arising from participations	-	-	(5,453)	5,453	-
- Movement arising from divestments	-	-	26,847	(26,847)	-
Total comprehensive income	**-**	**-**	**70,693**	**81,889**	**152,582**
Transactions with the owners of the Fund					
Contributions and distributions:					
- Issue of ordinary units	79	99,982	-	-	100,061
- Distributed result	-	-	(39,208)	-	(39,208)
Total transactions with owners of the Fund	**79**	**99,982**	**(39,208)**	**-**	**60,853**
BALANCE AS AT 31 December 2020	**1,326**	**1,158,321**	**24,500**	**594,801**	**1,778,948**
In €					
NAV per unit					1,342

Appendix 2: Portfolio overview

Portfolio overview

City	Property	Address	Number of apartments	Number of single-family houses	Number of parking spaces	Commercial space (sq.m.)
Alphen a/d Rijn	Kerkstraat	Julianastraat, Kerkstraat, Paradijslaan	40			
Alphen a/d Rijn	Provinciepassage	Provinciepassage	44			
Amersfoort	Vathorst 1	Beijerinck, Cruquius, Leemans, Vissering, Wouda	166		118	
Amersfoort	Vathorst 2A	Leeghwater, Vrouwenpolder	23			
Amersfoort	Vathorst Centrum (blok 12)	Leeghwater, Vrouwenpolder	21			
Amstelveen	RiMiNi	Missouri, Niagara, Rio Grande	126		66	
Amsterdam	Europapoort	Mensinge, Weerdestein	101		14	
Amsterdam	Mondriaan	Hart Nibbrigstraat, Piet Mondriaanplein, Henk Henriëtstraat		24	24	
Amsterdam	Nachtwachtlaan	Nachtwachtlaan	125		125	
Amsterdam	Staalmeesterslaan	Staalmeesterslaan	180		180	
Amsterdam	The Beacons	Mary van der Sluisstraat	41		40	
Amsterdam	Wibautstraat	Wibautstraat	162		68	
Amsterdam	Wicherskwartier	Donker Curtiusstraat, Wichersstraat.,Visseringstraat, Buyskade	135		125	409
Amsterdam	Zuidkwartier	Eosstraat	82		82	
Arnhem	Jonkerwaard	Jonkerwaard, Pachterwaard		51		
Arnhem	Malburgen	Van Berkumstraat		36		
Arnhem	Schuytgraaf	Daphnestraat, Dianaplantsoen		42		
Bennekom	De Barones	Oost-Breukelderweg	24			
Boskoop	Burg. Colijnstraat	Burg. Colijnstraat, Torenpad	30			
Breda	Ambachtenlaan	Ambachtenlaan, Hovenierstraat, Kolenbranderstraat		79	1	
Breda	Willem van Oranjelaan I	Willem van Oranjelaan	16			
Breda	Willem van Oranjelaan II	Willem van Oranjelaan	24			
De Meern	Bakerlaan	Bakerlaan, Kameniersterlaan		36		
Diemen	De Brede HOED	D.J. den Hartoglaan	35		37	
Ede (Gld.)	De Halte	De Halte	47		50	
Ede (Gld.)	Marie Louise	Topaasstraat	32		34	
Eindhoven	Frankendaal	Frankendaal, Groeneveld		15		
Etten-Leur	Zilvermeeuw-hoog	Zilvermeeuw		1		
Groningen	Ebbingekwartier	Grutmolen, Haverkampsdrift, Langestraat		21		
Haren (Gr.)	Ereprijsweg	Ereprijsweg, Rozengaard, Sterremuurweg		25		
Hendrik-Ido-Ambacht	Perengaarde	Perengaarde, Sophiapromenade	90		90	
Hilvarenbeek	Cantorijstraat	Cantorijstraat		19		
Hilversum	Bonifaciuslaan 1	Bonifaciuslaan	150			
Hilversum	Bonifaciuslaan 2	Bonifaciuslaan	100		29	
Hilversum	HilversumHuis	Verschurestraat, Letteriestraat, Kremerpad		27		
Hoofddorp	Floriande	Aalburgplein, Almkerkplein, Drongelenplein, Meeuwenstraat	120		94	
			1,914	**376**	**1,177**	**409**

City	Property	Address	Number of apartments	Number of single-family houses	Number of parking spaces	Commercial space (sq.m.)
Houten	De Borchen	Riddersborch, Minstreelborch, Vedelaarsborch		45		
Houten	Ploegveld	Ploegveld, Rijfveld, Sikkelveld		37		
Houten	Riddersborch	Riddersborch		19		
Houten	Wernaarseind	Wernaarseind, Achterom, Rosmolen, Smidsgilde		69		
Huizen	Delta	Delta, Eem, Grift, Kuinder, Wedekuil		31		
Huizen	Enhuizerzand	Enkhuizenzand, Friesewal, Gooisekust, Hofstede		87		
Huizen	Kooizand	Kooizand, Middelgronden, Noordwal		26		
Huizen	Middelgronden	Middelgronden, Noordwal		25		
IJmuiden	Parkzicht	Radarstraat	63		63	
IJsselstein (Ut.)	Guldenroede	Guldenroede, Morgenster, Valerieaan, Ratelaar		82		
Katwijk	Duizendblad	Duizendblad, Slangekruid		21		
Leiden	5 Meilaan	5 Meilaan	16			
Leiden	Van Randwijkstraat	Van Randwijkstraat	92		163	342
Leidschendam	Nieuw Mariënpark	Marienpark	36		36	
Leusden	Claverenbladstraat	Claverenbladstraat, Van Eydenhof		13		
Nieuwegein	Dotterbloemstraat	Dotterbloemstraat, Ereprijs, Guldenroede		154	9	
Nieuwegein	Van Reeshof	Van Reeslaan	40			
Nootdorp	Laan van Floris de Vijfde	Laan van Floris de Vijfde	38			
Prinsenbeek	Hagendonk	Herman Dirvenpark		25	30	
Rijen	Wouwerbroek	Wouwerbroek		16		
Rosmalen	Eikakkershoeven	Eikakkershoeven, Tielekenshoeven		63		
Rosmalen	Gruttoborch	Gruttoborch, Reigerborch, Kievitborch, Zwaluwborch		39		
Rotterdam	Karel Doormanstraat	Karel Doormanstraat	35		35	
Schijndel	Van Beethovenstraat	Van Beethovenstraat, Chopinstraat		27		
The Hague	Amadeus	Kalvermarkt	40		40	
The Hague	De Hoge Regentesse	Loosduinsekade	128		102	292
The Hague	Laan van Wateringse Veld-app	Laan van Wateringse Veld	27			
The Hague	Laan van Wateringse Veld-toren	Laan van Wateringse Veld	16			
The Hague	Middenweg-app	Middenweg	17			
The Hague	Middenweg-toren	Middenweg	27			
Tilburg	Bijsterveldenlaan	Bijsterveldenlaan, Hoge Witsie		38		
Tilburg	Garderenstraat	Garderenstraat, Groedehof, Geesterenstraat		40		
Tilburg	Hattemplein	Hattemplein, Hillegomlaan		30		
Tilburg	Karrestraat	Karrestraat	19			
Tilburg	Menterwoldestraat	Menterwoldestraat, Mariekerkestraat		38		
Tilburg	Ravensteinerf	Ravensteinerf		64		
Tilburg	Ruinerwoldstraat	Ruinerwoldstraat		57		
Utrecht	Lamérislaan	Lamérislaan	216		33	
			810	**1,046**	**511**	**634**

City	Property	Address	Number of apartments	Number of single-family houses	Number of parking spaces	Commercial space (sq.m.)
Utrecht	Milestones	Jazzsingel, Fletcher Hendersonstraat, Svend Asmussenpad, John Coltranestraat	49	21	66	
Utrecht	Terwijde-centrum	E. Fitzgeraldplein, Jazzboulevard, B. Holidaystraat, Musicallaan, Nat KingColestraat, L. Amstrongboulevard	199		209	
Veldhoven	Buikhei	Bovenhei, Brouwershei, Buikhei, Schepelhei		91		
Waddinxveen	Gouwe Zicht	Binnendoor	25			
Zeewolde	Bergkwartier	Braamberg		22		
Zeist	Couwenhoven	Couwenhoven		46		
Zeist	Nijenheim	Nijenheim		29		
Zevenaar	Zonegge	Zonegge		2		
Zoetermeer	Futura	Dublinstraat, Van Leeuwenhoeklaan	69		70	
Zwolle	Elftkolk	Elftkolk		30		
Zwolle	Stadshagen	Bastionstraat, Broderiestraat		30		
			342	**271**	**345**	**0**
			3,066	**1,693**	**2,033**	**1,043**

Colophon

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