ASR Dutch Core Residential Fund

annual report 2015

a.s.r. real estate investment management

Cover: **Amadeus**, The Hague

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de nederlandse
verzekerings
maatschappij
voor alle
verzekeringen

The ASR Dutch Core Residential Fund annual report 2015 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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ASR Dutch Core Residential Fund

annual report 2015

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> "Residential turned out to be a stable real estate asset class in 2015. Prospects are also favourable and healthy."

Robbert W.Y. van Dijk

Foreword

We are pleased to present the annual report 2015 of the ASR Dutch Core Residential Fund. We trust that this report will provide you with a good overview of the performance and management of the Fund and portfolio.

We would like to start by welcoming the new participants in the ASR Dutch Core Residential Fund. Through four consecutive closings, five investors entered the Fund in 2015. This is an achievement of which we are proud, but also thankful towards all the investors involved. Following the entrance of these investors, the Fund fully implemented its governance structure, with the organization of Meetings of Investors and the installment of the Investment Committee.

The Fund realized a total return of 12.7% in 2015, which is both the result of a solid income return of 4.4% and strong capital growth of 8.3%. The overall steady income return is mainly attributable to the beneficial results of our letting efforts and individual unit sales strategy. This enabled the Fund to provide a steady distributable result throughout 2015. Capital growth in 2015 was strong as a result of a further recovery of the Dutch residential housing market and our continuous focus on the best performing areas in the Netherlands.

Driven by economic tailwinds and a low interest rate environment, consumer sentiment, housing market transaction activity and housing prices all found their way up again in 2015. Transaction volumes in 2015 are 16% higher compared to previous year and even 55% higher compared to two years ago. This resulted in an average house price growth of 2.8% in 2015. Besides the capital appreciation, the Fund profits from the housing market recovery through its individual unit sales strategy. By selling residential units on an individual basis, the Fund is able to enhance its income return.

Residential turned out to be a stable real estate asset class in 2015. Prospects are also favourable and healthy, in part due to measures implemented by the Dutch government, such as rent liberalization, reassessment of the social housing sector and mortgage market regulation. In addition, the positive features of the residential real estate market, such as the sound risk/return profile, inflation hedge and diversification potential, are increasingly recognized by national and international investors. This is exemplified by the record high investment volumes in the last two years.

Demand for rental housing in the mid-priced segment on which we focus remains strong. Consequently, we were able to significantly increase the portfolio's occupancy rate from 96.1% as at year-end 2014 to 97.7% in 2015. Liberalization of the regulated rental market enables the Fund to realize rental growth exceeding inflation, utilizing the gap between current and market rents. In addition, market rental growth is also positive, securing future growth.

Foreword

The Fund was able to grow its pipeline significantly in 2015, in part due to the addition of the Amadeus property in the Hague. The Fund's pipeline consists of nine projects, amounting to an total commitment of € 131 million as at year-end 2015. All projects in the pipeline comply with the portfolio strategy to focus on high-quality residential properties within economically and demographically strong locations and are expected to enhance the core quality of the portfolio. Besides a number of large-scale development projects in Amsterdam (Cruquiuswerf, Wibautstraat), the Fund acquired relatively small-scaled development projects in Arnhem, Zwolle and Leidschendam. The Fund aims to maintain a diversified pipeline with apartments and single-family houses with a core risk profile and has a long-term focus. Pipeline projects are expected to be developed in the course of the next one to four years. Besides acquiring new properties, the Fund actively searches for opportunities to enhance the quality of the existing portfolio through upgrades and renovations. We will continue with an active acquisition and renovation policy in 2016. However, the competitive environment in which to acquire residential investments has become more fierce. Favourable prospects for the Dutch residential market and increased capital flows from (inter)national investors make that demand for residential investments currently exceeds supply.

Growth and development of the portfolio needs to be executed in a sustainable manner. In order to emphasize this, the Fund wrote a formal Corporate Social Responsibility (CSR) policy in 2015, which focuses on the sustainability of its property, engaged partners, contribution to nature, society and environment and engaged employees. An action plan was set up to monitor progress. The Fund's CSR performance is measured annually and made transparent in the form of the Global Real Estate Sustainability Benchmark (GRESB). Efforts have been rewarded in 2015 by a Green Star ranking - the highest award in this area.

Risk management is vital to remain a successful fund in the long term. The Fund Manager therefore reviews key processes through ISAE 3402 and ISAE 3000. Every year, compliance to either the ISAE 3402 or the ISAE 3000 framework is audited by an external accountant. ISAE 3402 is a globally recognized standard for assurance reporting on service organizations and gives the auditor a framework with which to evaluate the efforts of a service organization at the time of audit to prevent accounting inconsistencies, errors and misrepresentation. ISAE 3000 mainly covers specific fund management process controls. We are proud to announce that we received our first ISAE 3000 Type II report in December 2015 and continue to strive for an update every other year. An ISAE 3402 Type II report will be issued in 2016.

Prospects for 2016 are deemed positive, with the economy regaining speed and the housing market coming to full recovery. Active asset and acquisition management are essential to profit from these developments. Further growth of the pipeline, sustainability and anticipation on market and political developments remain key elements of the portfolio strategy in 2016. We are confident that the portfolio will continue to prove its worth by generating solid returns for our investors.

Fund Management Team, ASR Dutch Core Residential Fund
Robbert W.Y. van Dijk, *Fund Director*
Luc Joosten, *Manager Fund Operations*
Johan Kamminga, *Fund Controller*

Performance figures

(amounts €'000, unless otherwise stated)

Performance

For the year	2015	2014
Total return	12.7%	4.2%
- Income return	4.4%	4.0%
- Capital growth	8.3%	0.2%
Internal rate of return	11.5%	4.1%

Performance per unit

For the year	2015	2014
AMOUNTS IN €		
Operational result	27	25
Net result	95	31
Distributable result	33	29
Number of Units A	1,013,126	1,000,000

As at	31 December 2015	31 December 2014
IFRS Net Asset Value	811	749
INREV Net Asset Value	819	757
INREV Net Asset Value (after distributions)	811	749

Financial figures

For the year	2015	2014
Results		
Operational result	26,999	25,211
Net result	96,697	30,671

As at	31 December 2015	31 December 2014
Balance		
Investment properties in operation	804,136	751,641
Investment properties held-for-sale	8,541	9,450
Investment properties under construction	7,059	-
Total assets	837,953	764,990
Capital	821,665	748,897

Performance figures

Financial ratios

As at	31 December 2015	31 December 2014
Loan-to-value ratio	0%	0%
Weighted average cost of debt [1]	0.25%	0.25%
Payout ratio of distributable result	100%	100%

Portfolio figures

For the year	2015	2014
Results		
Gross rental income	45,964	42,171
Net rental income	31,952	30,105
Current gross yield [2]	5.9%	6.0%
Current net yield [2]	4.1%	4.3%
Revaluation properties	8.3%	0.2%

As at	31 December 2015	31 December 2014
Balance		
Investment properties in operation (including held-for-sale)	812,677	761,091
Investment properties under construction	7,059	-
Forward acquisitions (off-balance)	131,100	19,171
Total number of properties [3]	93	94
Number of dwellings	4,665	4,823
Occupancy rate [4]	97.7%	96.1%

1) Weigthed average cost of debt relates to the upfront fee of € 75k which will be amortized over the maturity of the facility. For further details please refer to note 16 in the Notes to the Financial Statements.
2) Calculated as four-quarter rolling-average rental income divided by the average fair value of investment properties in operation.
3) The number of properties of the portfolio is restated as at 31 March 2015. Properties that are situated on the same premises are counted as a single property. For comparison purposes the 2014 number of properties is restated accordingly.
4) Occupancy as a percentage of theoretical rental income.

Terwijde-centrum, Utrecht

Fund profile

The ASR Dutch Core Residential Fund ('the Fund') was launched on 1 January 2013. The Anchor Investor, ASR Levensverzekeringen N.V. and ASR Nederland Vastgoed Maatschappij N.V., transferred its properties to the Fund on that date.

The Fund is a fund for joint account (fonds voor gemene rekening) established under Dutch law. The Fund is not a legal entity but a contractual arrangement sui generis. The Fund, the Manager (a.s.r. real estate investment management, a.s.r. reim, or 'AIF Manager'), the Management Company, the Custodian and each Investor are individually subject to the terms of the Fund Agreement. The Fund has an indefinite term, which is subject to the early dissolution of the Fund, in accordance with clause 15 of the Fund Agreement.

The Fund is a contractual investment fund (beleggingsfonds) and is reserved 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 a non-professional investor who is designated as a professional investor pursuant to Section 4:18c of the FMSA. Further to Section 2:65 of the FMSA, the AIF Manager has been licensed for the management of the Fund and the offering of Units; therefore, the AIF Manager is supervised by the Dutch Authority for the Financial Markets. Private individuals are excluded from investing in the Fund.

The Fund Manager (a.s.r. reim) has implemented the Alternative Fund Managers Directive (AIFMD). The Fund Manager obtained its license permit from the Dutch Authority for the Financial Markets (Autoriteit Financiële Markten or AFM). As of 2015, the Fund Manager reports to the AFM and the Dutch Central Bank (DNB) in line with its license obligations.

Fund for joint account

The Fund does not constitute or qualify as a partnership (maatschap), general partnership (vennootschap onder firma) or limited partnership (commanditaire vennootschap) within the meaning of Dutch law. The Fund is structured as a fund for joint account and the investors may dispose of their units by offering them to the Fund for redemption under the conditions set out in clause 6 of the Fund Agreement. Consequently, the Fund is considered transparent for the purposes of Dutch corporate income tax and dividend withholding tax.

Legal title (juridisch eigendom) to the Fund's assets is held by the Custodian, who safeguards the Fund's assets on behalf of the investors. The Management Company is charged with managing the Fund in accordance with the Fund Agreement. As such, it has full power and authority to act within the scope of the Fund Agreement. This includes seeking approval from the Meeting of Investors and/or Investment Committee where appropriate.

The Management Company delegates certain tasks to the Fund Manager, although the tasks of the Management Company and its responsibilities to the investors remain unaffected by this delegation. Owing to the Alternative Investment Fund Management Directive (AIFMD), which came into force on 22 July 2013, the Fund amended this structure in 2014. Certain tasks performed by the Management Company have been reassigned to the Fund Manager. BNP Paribas Securities Services is appointed to act as depositary as of 1 June 2014.

The principal aim of the Fund is to offer investors an attractive return on investment. This is done by investing in, managing and adding value to the portfolio's assets. The Fund invests in direct real estate only. The Fund does not operate in the field of research and development. The Fund has no personnel employed. The (direct) return on investment is distributed to the investors on a quarterly basis.

Three-year Business Plan

The Fund has an investment policy that meets the Fund's investment objectives and strategy, investment criteria and investment restrictions, which are set out in the Fund Agreement.

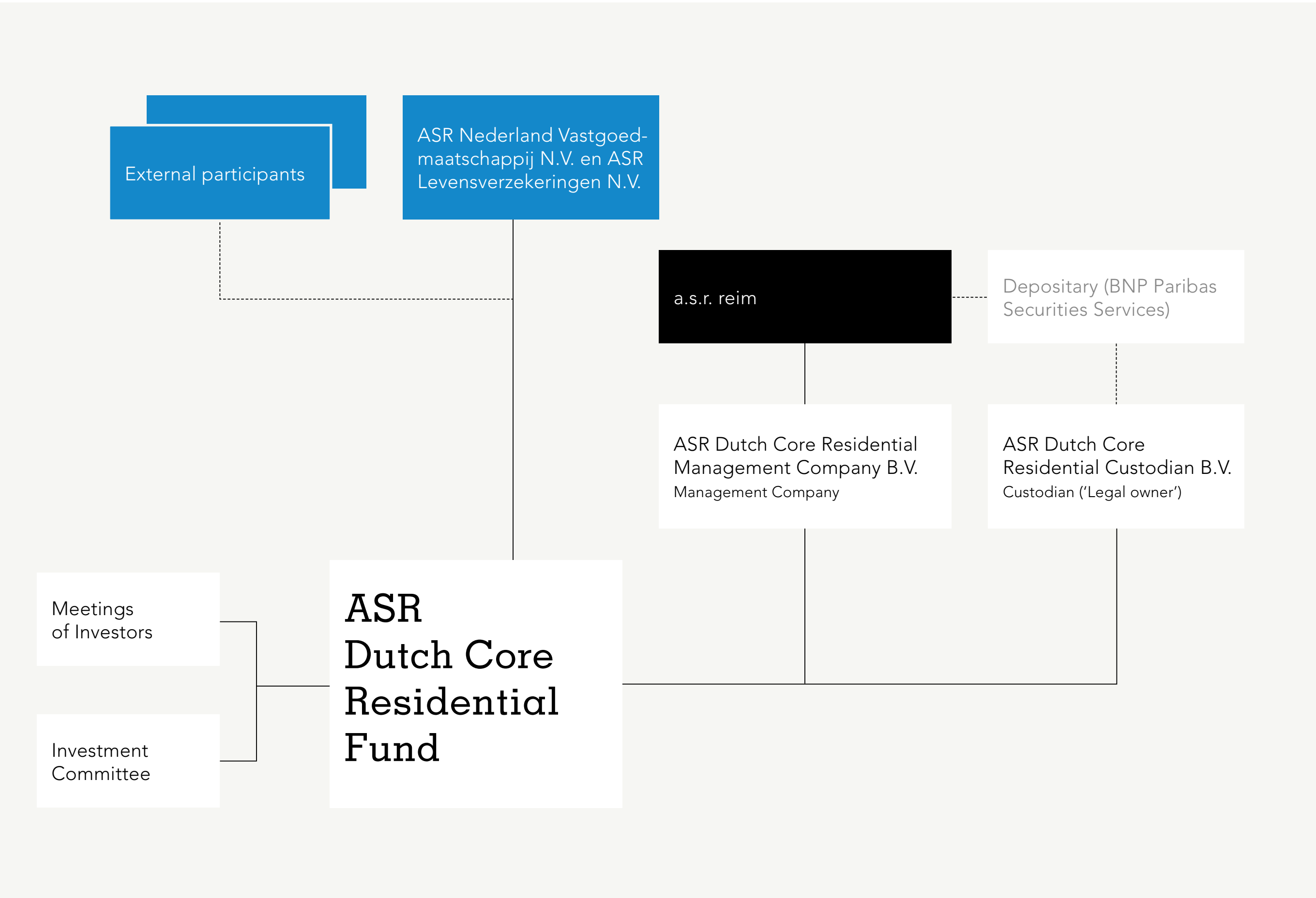
Fund profile

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 the Investment Committee.

The Meeting of Investors is held as often as required. However, at least one physical Meeting of Investors is held each year, starting from the moment of entry of the first external participant (aside from the Anchor Investor) in the Fund. At the annual meeting, the Three-year Business Plan and the accounts are presented for consideration and approval. Each investor has a number of votes equal to the number of units held in the Fund, with the exception of the Anchor Investor in certain cases.
In 2015, three meetings of the Meeting of Investors were held.

The Investment Committee is responsible for ensuring that the Management Company manages the Fund in accordance with the Fund Agreement. Furthermore, the Investment Committee may advise the Management Company whenever the approval or advice of the Investment Committee is required or requested pursuant to the Fund Agreement. The Investment Committee meets as often as required but preferably at least four times a year. In 2015, since the establishment of the Investment Committee in October 2015, two meetings of the Investment Committee were held.

Figure 1 ASR Dutch Core Residential Fund - simplified Fund Structure



Report of the Management Company

For the period 1 January - 31 December 2015

Market developments

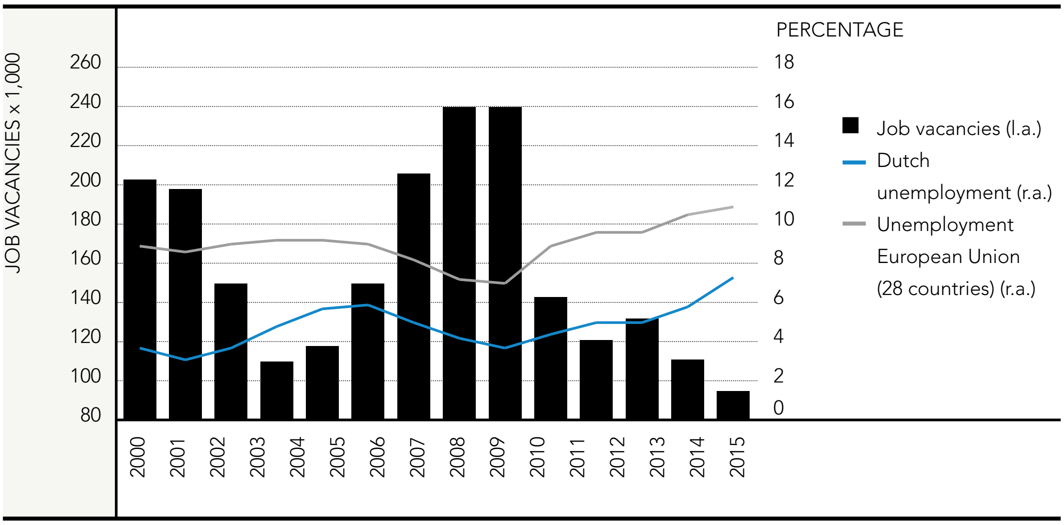
The Dutch economy and the international macro-economic situation

Recovery Dutch economy continues
The recovery of the Dutch economy has taken hold in 2015. The positive growth rate in 2014 (1.0%) rose to 2.0% in 2015. This recovery is comparable to the average European growth rate (1.9%). The expectations for the coming years are quite positive. An economic increase of 2.1% is foreseen for the Eurozone and the Dutch economy is expected to grow by 1.8% in 2016.

A declining trend in unemployment, a robust rise in vacancies
In the Eurozone, last year's unemployment figure was 10.9%, as opposed to 11.6% at the end of 2014. In 2015, unemployment showed a decline for the first time since 2008. Dutch unemployment has been relatively low for years (Eurostat, 2016), but in 2015 it also decreased for the first time since 2008. At its current rate of 6.9%, Dutch unemployment is substantially lower than the European average. For the Netherlands, it is expected that unemployment will decline to 6.7% at the end of 2016 which is a favourable level compared to the average rate in the Eurozone (CPB, 2016).

At the end of 2015, there were approximately 143,000 job vacancies in the Netherlands, representing a robust rise of 20% in one year. According to Statistics Netherlands (CBS), the number of job vacancies has now increased for two years in a row. All sectors showed an upward trend throughout 2015. The largest contributor was the commercial services sector, which accounted for approximately 15,000 more vacancies compared to the previous year. This upward trend is expected to persist in the quarters ahead, although at a steadier pace, and will continue to have a mitigating effect on the unemployment level.

Figure 1 Job vacancies and unemployment rate



SOURCE: EUROSTAT, CBS 2015

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A historically low inflation rate in 2015

Starting in early 2014, inflation started to cool down. By 2015, it was at a historically low rate of 0.6% (CBS, 2016). Dutch annual inflation is now at its lowest point in 25 years and most products and services have hardly risen in price. Falling gasoline prices were especially important in mitigating last year's inflation rate. In 2016 it is expected that the inflation rate will slightly rise to 0.9% (CPB, 2016).

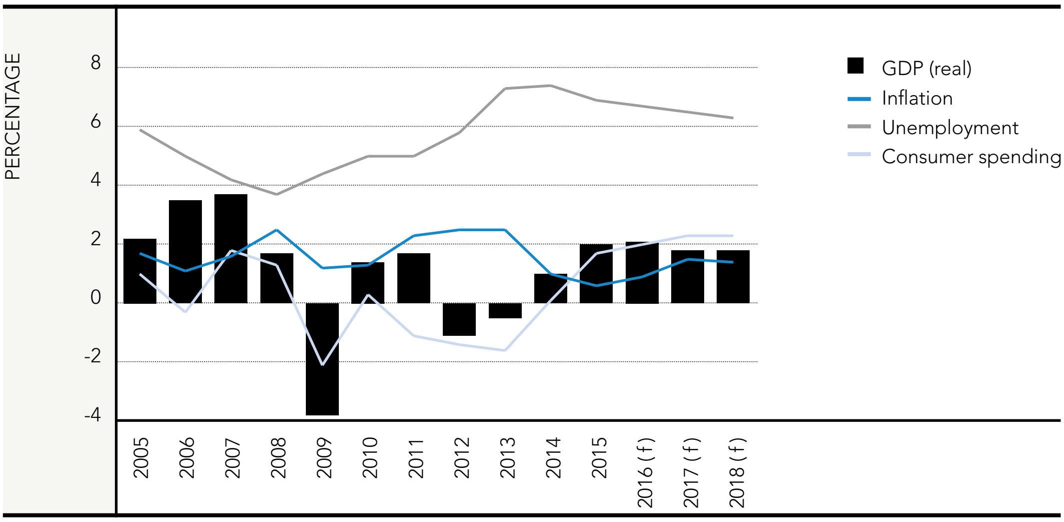
Positive consumer confidence as of Q2 2015

Consumer confidence is an important indicator for residential (real estate) markets, especially the owner-occupier market. Dutch consumer confidence recovered strongly during 2014 and 2015 after three years of downward movement. The confidence index rose from -37 mid-2013 to a moderate +3 in 2015. As of Q2 2015 onwards, the positive index figure meant that the optimists had won out over the pessimists. Based on current economic figures and outlook, it is expected that confidence will continue to go up (CBS, 2016).

Household consumption shows positive figures in 2015

Whereas consumer spending dropped by -1.5% and -0.1% in 2013 and 2014 respectively, household consumption increased by 1.7% in 2015. This increase was directly influenced by upward trends in job opportunities, disposable income and consumer confidence. Consumers were especially more likely to spend more on food and nutrition and sustainable products (CBS, 2016). A further 2.2% increase in household consumption is foreseen for 2016 (CPB, 2015).

Figure 2 Economic key performance indicators for the Netherlands



SOURCE: EUROSTAT/CPB/CONSENSUS FORECAST, 2016

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Dutch residential market

Market rental growth continues for residential

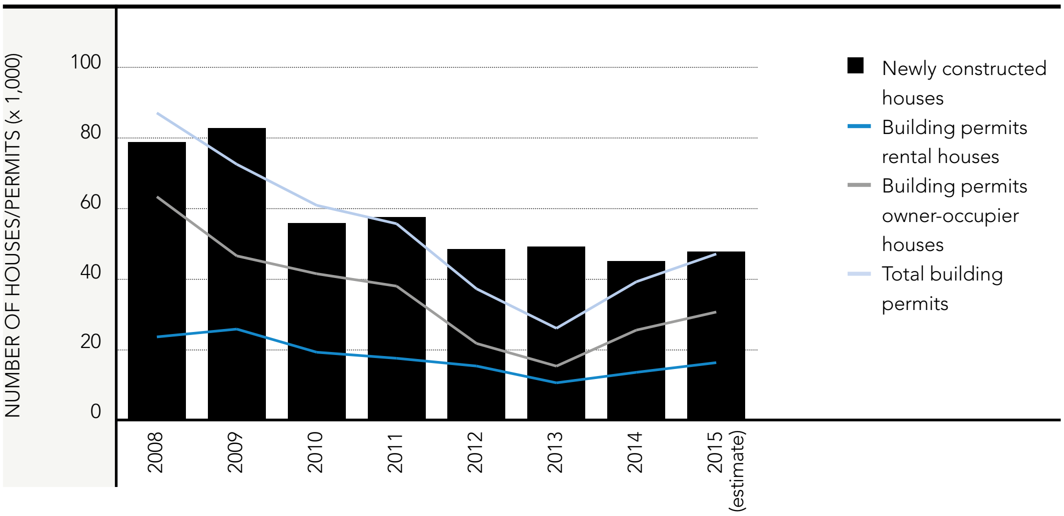
The IPD open market rental value (OMRV) for residential property achieved a growth rate of 2.4% in 2015, which is 30 basis points higher than the OMRV growth in 2014. This figure demonstrates that market rent growth clearly exceeded last year's inflation rate (0.6%). Growth for apartments in 2015 was higher than for single-family housing (2.5% versus 2.1%).

In comparison to other real estate segments, the residential real estate sector and the industrial sector are the only segments that have shown positive rental growth during the past few years. All other types, such as retail, offices and parking, showed a substantial decline. With a 10-year average of 2.2%, residential is the real estate segment with the highest market rental growth in the Netherlands.

The regional rental housing shortage will continue

The rental housing shortage is expected to continue in the years to come. The total number of households in the Netherlands is growing at a stable pace and will continue to do so in the future. Due to this household growth – and despite a 20% increase in the number of building permits in 2015 – it is expected that the projected production volume of new houses (125,000 rental houses up to 2020) is too low. This will be especially true in the agglomerations of Amsterdam and Utrecht, which will result in a substantial shortage of rental houses. In peripheral regions, where the population is declining, this issue is less apparent.

Figure 3 Housing construction and permits



SOURCE: CBS, 2016

Strong recovery of the residential owner-occupier market

Confidence in the housing market has been restored. The demand for owner-occupier houses is high, mostly due to an improved economic outlook in combination with a historically low interest rate level. The Dutch housing market strongly improved in 2015. Average house prices increased by 2.8% compared to 2014 (CBS, 2016), representing the largest price increase in seven years. The average price of a property in 2015 stood at € 230,000. Looking at figures for the last four months of 2015, prices rose 3.5% compared to the same months a year earlier.

Recovery is also evident from the sharp increase in the number of transactions. The total number of transactions in the owner-occupier market in 2015 amounted to 178,000, which is a substantial increase of 16% compared to 2014 and as much as 62% compared to 2013. The affordability of dwellings

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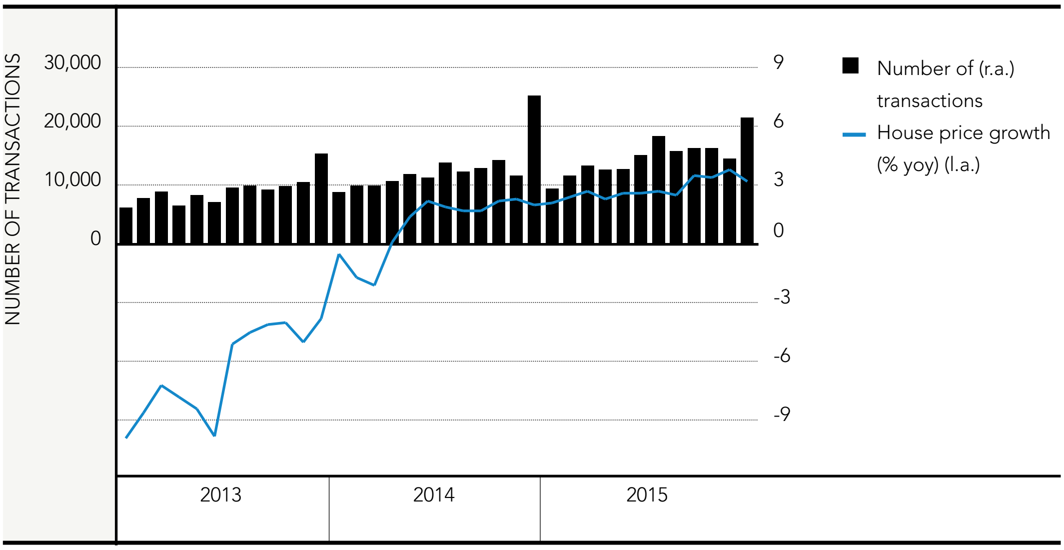
has also strongly improved due to extremely low interest rates for mortgages (about 2.5%, 10 years NHG in December 2015) and significantly lower vacant possession values compared to 2008. The selling process sped up to 102 days (a decrease of one month compared to 2014) and the number of dwellings for sale dropped by 14% since 2014 (NVM, 2016).

Figure 4 House price growth and transaction volumes



SOURCE: CBS, 2016

Stagnation of the Dutch residential investment volume

Last year, the total Dutch market for real estate investment grew to € 10.7 billion. This investment volume has more than doubled since 2013. International investors were responsible for half of the total Dutch transaction volume. The reason for this foreign popularity is a combination of interesting yields and good return-to-risk ratios.

The investment volume in the residential market in 2015 remained at the same record level as in 2014 (€ 3.0 billion). Dutch institutional investments doubled their volume in 2015 (€ 1.6 billion), represented mostly by new building projects (6,500 dwellings). International investments were reduced by half due to a lack of sizable existing residential portfolios.

A vast amount of (international) capital is available to invest in Dutch residential real estate, estimated at € 10 billion during the next 3 years (Capital Value, 2016). However, the lack of (good) products and large residential portfolios will make it difficult to allocate all of this available capital. This means that competition for new acquisitions in the largest cities in the Randstad area has heated up, as yields sharpen and capital growth continues. Initial yields will decrease further in the years to come as a result of investors' appetite for residential products. This will be especially true in good locations and will result in relatively large capital growth for 2016.

High capital growth brings double digit total returns

The IPD Index for residential property in the Netherlands showed double digit figures across 2015. The total return amounted to 10.6%, which is more than double the figure for 2014. After years of a negative capital growth, values increased substantially again last year. Capital growth increased from -4.0% in 2013, to 0.5% in 2014 to as much as 5.7% in 2015. Income return has remained fairly stable throughout the years, staying at about 4.6% across 2014 and 2015 (MSCI, 2016).

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Further reduction in mortgage incentives

In 2015, several incentives for the owner-occupier market were reduced. The loan-to-value for new mortgages was reduced from 104% in 2014 to 103% and will gradually decline to 100% in 2018. First-time buyers therefore have to make equity contributions when purchasing a home. This means that they have to build up savings first, and will probably rent for a longer period and/or stay at their parental home longer.

There have also been restrictions on mortgage interest deductions since 2014. The maximum interest deduction rate for homeowners in the highest tax bracket dropped from 52.0% to 51.5% in 2014. As of 1 January 2015, the maximum rate was further reduced to 51.0%. This way, the deductions will gradually be reduced to a maximum rate of 38% over the next 28 years (Tax Authorities, 2015). The highest incomes are partly compensated for this, because a greater proportion of their taxable income falls under the lower rate of 42%. However, this applies not just to homeowners but to all households.

In addition, the temporary (crisis) measure of a lower VAT-rate on labour for rebuilding and renovation was terminated as of 1 July 2015. The temporary measure of the one-off tax-free donation of € 100,000 for the purchase of a home will become permanent as of 1 January 2017 (Tax Authorities, 2016).

Government measures introduced at the end of 2013 mean that social housing corporations have been forced back to their core business. This in turn means that commercial activities should be phased out, and that the private sector can only comprise a limited part of the portfolio. In 2014, a few larger corporations (e.g. Vestia and WIF) put large portfolios on the market, partly because of government regulations but also because of funding issues. However, until now, corporations have been very reluctant to put their property on the market.

Several sources state that the revised Housing Act will not stimulate social housing corporations to sell property through investment sales in the future. Individual unit sales are – from a financial perspective – a lot more interesting for corporations, especially since the recovery of the owner-occupier market. Recent research indicates that just 20,000 houses out of a total of 2.4 million corporation houses will be sold to investors in the next 10 years (Aedes, 2016).

A sunny year ahead for the residential property market

The Netherlands is showing fairly healthy macro-economic figures. Next year's economic growth forecast is positive, the number of vacancies is increasing steadily, unemployment will probably decrease again and Dutch consumer confidence is expected to improve further. Nevertheless, the economy remains somewhat vulnerable. Inflation is at a low level, which continues to spark fears of deflation in the Netherlands and the rest of the Eurozone.

The Dutch residential market staged a clear recovery during 2015 and this trend is expected to continue throughout 2016. Positive developments in the area of dynamics and prices in the owner-occupier market in 2015 confirm that the residential market has made a strong comeback. We expect transaction volumes to increase further in the near future, which is likely to have a positive effect on the portfolio's individual unit sales (with regard to volumes as well as prices). A serious shortage of affordable rental houses will most likely remain, due to ongoing household growth, despite a 20% increase in the number of building permits in 2015.

The general expectation is that the residential housing market will maintain its positive flow. However, we do note the fact that there is a divergence between demographic and economic growth regions, as well as regions with decreasing populations and those that face economic challenges.

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It is also expected that (international) demand for housing investments will continue, and an allocated volume of € 3 billion is foreseen for 2016 (CBRE, 2016). Due to the limited availability of existing products and (large and/or social housing corporation) portfolios, new construction projects will play a very important role. Yields are contracting because demand is high while supply is limited. This is especially true for the best-performing residential real estate in favourable locations such as Amsterdam and Utrecht. We believe yields will sharpen and capital growth will continue in the year ahead.

The mortgage incentives that will change in 2016 are considered smaller measures, and these adjustments are not expected to have a major influence on the housing market. The effects will be felt gradually over the years, and should not be disruptive, especially when one takes the currently low mortgage interest rates into account

Floriande, Hoofddorp

Report of the Management Company

Fund objectives and strategy

The aim of the Fund is to create an attractive and sustainable return on investment for its participants by investing in high-quality residential assets and by managing and adding value to the existing diversified residential real estate portfolio. The Fund's investment objectives and strategy are described below. Please refer to the Three-year Business Plan of the Fund for an extensive report on the Fund's objectives and strategy.

Investment objectives

The Fund's investment objectives are twofold:

1. Offer investors a long-term investment opportunity by giving them access to a diversified and mature portfolio of core residential assets and pipeline investments, all situated in the Netherlands
2. Provide a stable income return with limited concentration of risk

These investment objectives are further specified through five key objectives, which are stated below.

1 Invest in core residential assets in the Netherlands, focussing on the best performing locations

- Invest in properties with favourable location, asset and occupier characteristics
- Focus on specific target tenant groups
- Put emphasis on mid-priced rental segments

2 Drive income growth across the portfolio

- Perform strategic asset management
- Maintain tight cost control
- Keep vacancy at a low level
- Unlock reversionary rent potential
- Look for opportunities to enhance assets and improve income profile

3 Ensure continued maintenance and enhancement of a core residential portfolio

- Perform cost-efficient maintenance and renovation plans
- Continuously rejuvenate the portfolio
- Grow the portfolio in order to lower risk through diversification and be able to employ economies of scale
- Set targets and monitor sustainability and customer satisfaction

4 Enhance returns through individual unit sales and forward acquisitions

- Dispose of non-core assets through individual unit sales to capitalise on the vacant possession value premium
- Forward acquisitions that match the portfolio criteria, while maintaining a low-leverage status

5 Enhance sustainability targets of the portfolio

- Take Environmental, Social and Governmental (ESG) issues into account in order to ensure an optimal return in the long term
- Actively develop and execute measures with respect to sustainability and corporate responsibility

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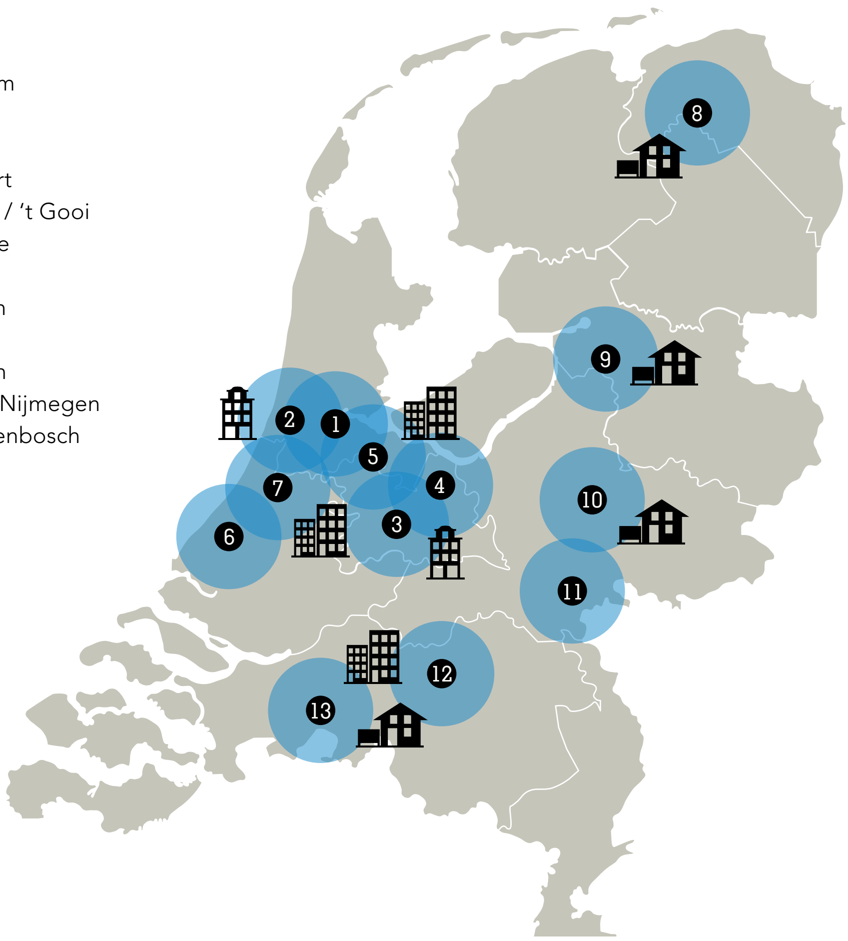
Fund strategy

The Fund's strategy is to invest in core, high-quality apartments and single-family houses in economically and demographically strong locations in the Netherlands and to maintain and drive the core quality of the portfolio, while maintaining a distributable return of at least 4.0% on fund level. A low-leverage profile is also part of the Fund's strategy.

On basis of its long-term background and knowledge of the Dutch residential market and the expertise of its research department, a.s.r. reim has identified a strategy focussing on the best performing cities and agglomerations in the Netherlands. Concentrating on investment opportunities in the identified segments will provide the strongest return due to strong demand. Indicators, such as population growth, employment opportunities, stock development, vacancy rates and house price volatility have been taken into account in this analysis.

Focus areas

1. Amsterdam
2. Haarlem
3. Utrecht
4. Amersfoort
5. Hilversum / 't Gooi
6. The Hague
7. Leiden
8. Groningen
9. Zwolle
10. Apeldoorn
11. Arnhem / Nijmegen
12. 's-Hertogenbosch
13. Breda



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The Fund focusses on the mid-priced segment in the non-regulated rental sector. This segment is defined by rents between € 710 and € 1,000. In specific locations, such as Amsterdam, rents up to € 1,250 are considered mid-priced.

ASR DCRF divided the Dutch residential market into nine segments that are interesting for investment, focussing on specific location and target group combinations. The Fund is confident that this strategy meeting the criteria of fast urban living (all target groups) and easy suburban living (families and empty nesters) provides the most favourable risk/return profile. The Fund invests in both apartments and single-family houses. The target allocation to housing type concerns 20% to 50% for single-family houses and 50% to 80% for apartments.

	Young professionals	Families	Empty nesters
Fast urban living (large cities and metropolitan areas with more than 100,000 inhabitants)	1	2	3
Easy suburban living (suburban residential areas and medium-sized cities with 25,000 to 100,000 inhabitants)		4	5
Quiet village living (villages and small towns with less than 50,000 inhabitants)			

primary focus segment
secondary focus segment

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Investment restrictions

- No real estate development activities will be undertaken; refurbishments of portfolio assets are permitted, provided that the activities do not qualify as development activities for Dutch tax purposes
- No more than 20% of the NAV of the Fund will be invested in one single asset
- An asset will not be invested in if the stake does not allow the Fund to exercise control over the asset
- No investments will be made in any other fund managed by the AIF Manager or its Affiliates that results in investors paying duplicative asset-based investment management fees or performance-based fees
- No investments will be made in unregistered collective investment vehicles managed by any other person or entity that results in Investors being subject to asset-based fees or performance-based distributions or allocations at a rate greater than the asset-based fee payable to the Management Company
- No investments will be made outside the Netherlands

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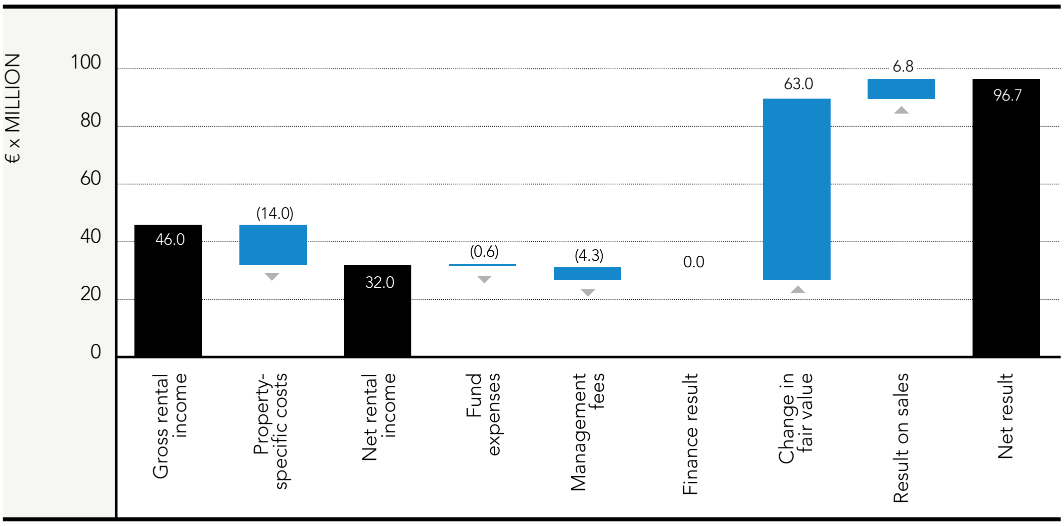
Financial performance ASR Dutch Core Residential Fund

Year-to-date result 2015

The net result of the Fund in 2015 amounted to € 96.7m (2014: € 30.7m), which corresponds to a net result of € 95 per unit (2014: € 31) and resulted in a distributable result of € 33 per unit (2014: € 29). These results represent a total return of 12.7% per unit, divided into an income return of 4.4% and a capital growth of 8.3%. The net result is shown in the following figure.

Figure 5 Year-to-date result as at 31 December 2015



Gross rental income

Gross rental income amounted to € 46.0m in 2015, which is an increase compared to 2014 (€ 42.2m). This increase is the result of new additions, such as properties Wicherskwartier in Amsterdam, Terwijde-centrum in Utrecht and Amadeus in The Hague, as well as (annual) rent increases and a decreasing vacancy. Like-for-like rental growth amounted to € 0.9m. Financial vacancy stood at -/- € 1.3m year-to-date, as at 31 December 2015, compared to -/- € 1.9m, as at 31 December 2014. The occupancy rate stands at 97.7%, as at 31 December 2015 (2014: 96.9%). Gross rental income growth was mitigated by the investment sale of property Saffierstraat in Alphen aan den Rijn and individual unit sales.

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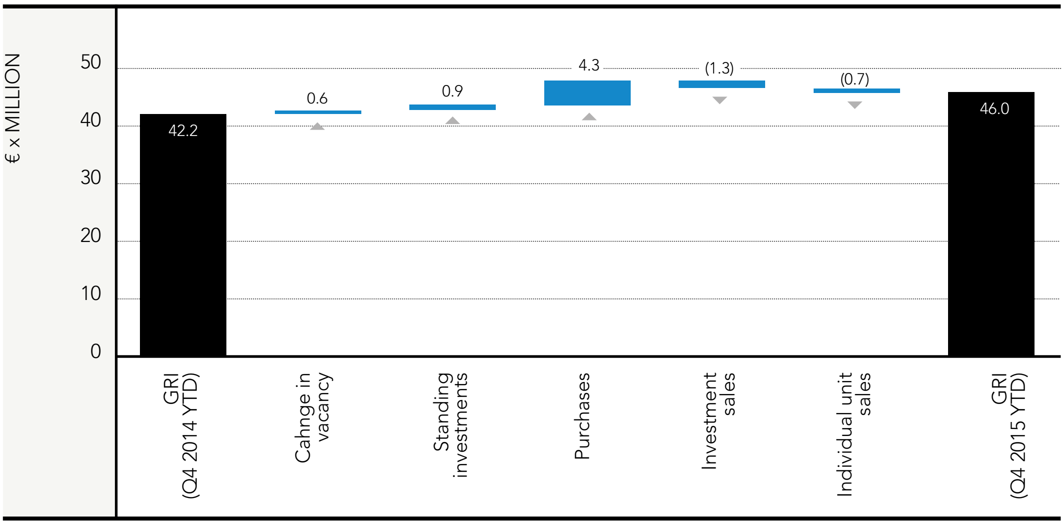
Figure 6 Changes in gross rental income



Property-specific costs

Property-specific costs amounted to € 14.0m in 2015, which corresponds to 30.5% of gross rental income. This is an increase compared to 2014 (€ 12.1m) or 28.6%).

Maintenance costs made up the largest share of property-specific costs in 2015 (€ 6.8m or 14.8% of gross rental income) and showed an increase compared to 2014 (€ 4.6m or 11.0%). On the one hand, maintenance costs in 2014 were below trend as a result of the reversal of the provision for asbestos removal. On the other hand, part of the maintenance works was advanced in order to profit from the lower VAT-rate in the first half of 2015.

Marketing costs (which include broker's fees) declined from € 1.3m in 2014 to € 1.1m in 2015. Although marketing costs were relatively high in the first part of 2015, these costs steadily decreased in the course of 2015, as a result of a limited number of new additions.

Property management fees increased to € 1.9m in 2015 (2014: € 1.7m). This is the result of an increase in gross rental income, but also due to VAT being added to the property management fee from the fourth quarter of 2015, as a result of the ruling of the Supreme Court in December 2015.

Fund expenses

Fund expenses in 2015 amounted to € 617k or 1.3% of gross rental income (2014: € 763k or 1.8%) and are in line with expectations. The major categories within fund expenses concern valuation fees paid to external appraisers (€ 349k), audit fees (€ 91k) depositary fees (€ 100k) and publication fees (€ 47k). The overall decrease in fund expenses is mainly attributed to lower audit fees, valuation fees and administration and secretarial fees.

Management fees

Management fees, which amounted to € 4.3m year-to-date, as at 31 December 2015 (2014: € 4.1m), relate to the asset (€ 3.9m) and fund management fee (€ 0.4m).

Finance income and costs

Finance result showed an increase from -/- € 86k in 2014 to -/- € 47k in 2015. This is mainly caused by interest income of € 71k in the first quarter of 2015 and interest gains for properties under construction of € 9k in the fourth quarter of 2015, offset by interest cost borrowings of € 127k.

Jonkerwaard,
Arnhem

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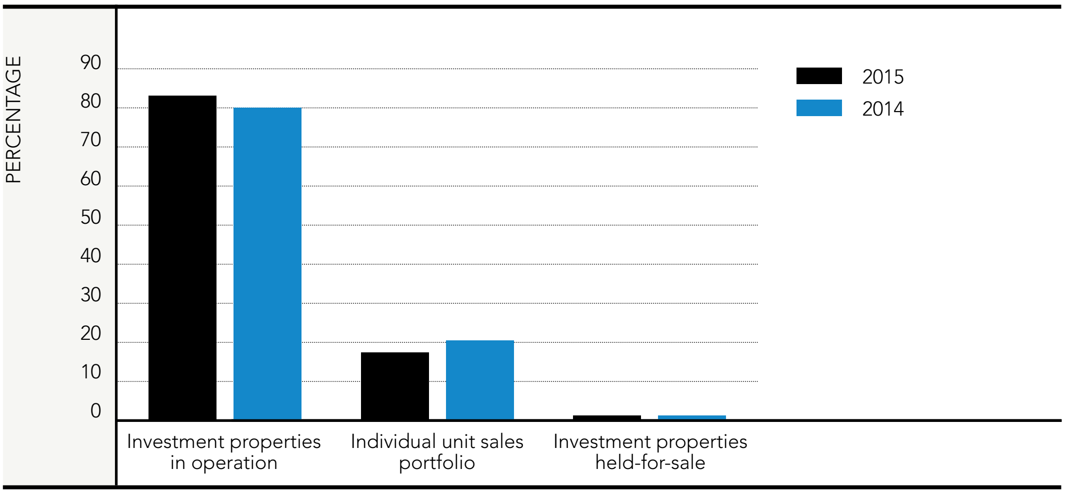
Portfolio Performance ASR Dutch Core Residential Fund

Portfolio overview

The Fund's portfolio consisted of 93 properties, as at 31 December 2015, which comprises 4,665 residential units and 1,537 parking spaces. Approximately 59% of the portfolio's residential units concerns apartments.

The majority of the portfolio concerns investment properties in operation (82%) and properties designated for individual sales (17%). Assets that are earmarked as individual unit sales will be sold to individuals on the owner-occupied market at tenant turnover. The remaining 1% concerns investment properties held-for-sale, which are individual units and properties that are sold in 2015, but will be transferred from the Fund in 2016. Beside the investment portfolio, the Fund has a pipeline of nine projects amounting to € 131.1m as at 31 December 2015. The share of investment properties in operation increased to 82% as at 31 December 2015 from 79% as at 31 December 2014. This is the result of the addition of property Amadeus in The Hague, individual unit sales throughout 2015 and a limited number of properties being newly designated as individual unit sales in 2015.

Figure 7 **Investment status as percentage of fair value as at 31 December 2015**



The portfolio's ten largest properties account for 42.0% of total portfolio's fair value, as at 31 December 2015. This is a small increase compared to previous year (41.6%), as a result of revaluations and the individual unit sales strategy. The composition of the top ten overview is largely unchanged, as all properties in the current top ten overview were also in the overview as at 31 December 2014. Only the order slightly changed.

Report of the Management Company

Table 1 Overview of ten largest properties as at 31 December 2015

Complex Name	City	Region	Percentage of total portfolio's fair value
Europapoort	Amsterdam	Amsterdam	5.9%
Wicherskwartier	Amsterdam	Amsterdam	5.7%
Nachtwachtlaan	Amsterdam	Amsterdam	5.6%
Terwijde-centrum	Utrecht	Utrecht	4.4%
Zuidkwartier	Amsterdam	Amsterdam	3.9%
Lamérislaan	Utrecht	Utrecht	3.8%
Staalmeesterslaan	Amsterdam	Amsterdam	3.7%
Vathorst 1	Amersfoort	Amersfoort	3.4%
Dotterbloemstraat	Nieuwegein	Utrecht	3.1%
RiMiNi	Amstelveen	Amsterdam	2.5%
Total			**42.0%**

The portfolio is spread across different value classes as shown in the table below. Changes in the composition of this overview are mainly the result of revaluations, individual unit sales and the addition of property Amadeus in The Hague.

Table 2 Average property value as at 31 December 2015

	2015		2014	
Fair value	Properties	% of fair value	Properties	% of fair value
< € 1m	9	0.7%	10	0.7%
€ 1m - € 5m	38	13.9%	40	15.7%
€ 5m - € 10m	21	17.6%	21	19.1%
€ 10m - € 15m	10	15.2%	9	14.0%
€ 15m - € 20m	5	10.6%	5	11.4%
> € 20m	10	42.0%	9	39.1%

Vacancy

Overall portfolio's vacancy amounted to 2.3% of theoretical rental income as at 31 December 2015, which is a decrease, compared to 31 December 2014 (3.9%). This is mainly due to declined (initial) vacancy rates for newly developed properties that were transferred to the portfolio in the last months of 2014, such as Futura in Zoetermeer, Wicherskwartier in Amsterdam and Terwijde-centrum in Utrecht.

Residential units in the portfolio were characterized by an average vacancy of 2.1% and represent 87% of the portfolio's total vacancy, as at 31 December 2015. The remainder of total portfolio vacancy is mainly attributed to parking. Commercial spaces only account for 1% of total portfolio vacancy. Four out of ten properties with the largest vacancy are intentionally left partially vacant as these units are offered for sale in the owner-occupied market, as part of the portfolio's active individual unit sales strategy.

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Table 3 Overview of top ten vacancy as at 31 December 2015

Property name	City	Region	Investment type	Vacancy (in € '000)	Vacancy rate (in %)	Vacancy as % of total portfolio vacancy	Investment category
Nachtwachtlaan	Amsterdam	Amsterdam	Residential	222	8.9%	20.0%	Individual unit sales
Europapoort	Amsterdam	Amsterdam	Residential	162	6.9%	14.6%	Individual unit sales
Van Randwijkstraat	Leiden	Leiden	Residential	61	4.9%	5.5%	Operational
Zilvermeeuw-low	Etten-Leur	Breda	Residential	44	12.2%	4.0%	Individual unit sales
Wicherskwartier	Amsterdam	Amsterdam	Residential	39	1.7%	3.5%	Operational
Zonegge	Zevenaar	Arnhem	Residential	37	13.1%	3.3%	Individual unit sales
Dotterbloemstraat	Nieuwegein	Utrecht	Residential	30	1.8%	2.7%	Operational
Vathorst 1	Amersfoort	Amersfoort	Residential	27	1.7%	2.5%	Operational
Bonifaciuslaan 2	Hilversum	Hilversum	Residential	26	3.2%	2.3%	Operational
Lamérislaan	Utrecht	Utrecht	Residential	24	1.3%	2.2%	Operational
Total				**672**		**60.6%**	

Portfolio additions and sales

Additions

One property was transferred to the Fund in 2015, which is property Amadeus in The Hague. Amadeus is a turnkey project in which the Fund acquired 40 rental apartments. In addition, the project comprises 36 apartments that are sold in the owner-occupied market by the development company and 8,300 sq.m. of retail space. Fashion retailer Primark and the Van Stockum bookstore are the tenants of the retail space. Amadeus is situated at the corner of the Spuistraat and Kalvermarkt, in the city centre and just opposite the city hall. The underground parking garage provides about 80 parking spaces for residents. The Fund acquired 40 parking spaces in this parking garage.

Table 4 Additions in 2015

Property	City	Region	Completion	Number of apartments	Number of parking spaces
Amadeus	The Hague	The Hague	Q2 2015	40	40
Total				**40**	**40**

Sales

Total proceeds from sales amounted to € 33.8m in 2015, which was 25% above the fair value of € 27.1m.

In order to offer additional return to investors, the Fund utilizes an active individual unit sales strategy. Approximately 17% 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, 109 residential units were transferred in 2015. Proceeds from sales amounted to € 24.4m, which was 39% above the fair value of € 17.6m.

In addition, property Saffierstraat in Alphen aan den Rijn was transferred in the first quarter of 2015. Proceeds from this investment sale amounted to € 9.4m, which was just below the fair value of € 9.5m.

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Table 5 Sales in 2015

Property	City	Proceed of sales (€ '000)	Fair value (€ '000)	Result on sales (€ '000)	Investment/ indivual unit sale	Number of single-family houses	Number of apart-ments	Number of parking spaces	Com-mercial space (sq.m.)
Saffierstraat	Alphen aan den Rijn	9,413	9,450	(37)	Investment sale	-	89	-	505
Total investment sales		**9,413**	**9,450**	**(37)**		**-**	**89**	**-**	**505**
Europapoort	Amsterdam	6,001	4,594	1,407	Individual	-	18	2	-
Nachtwachtlaan	Amsterdam	6,182	4,302	1,880	Individual	-	25	25	-
Benctincklaan	Barneveld	1,358	1,111	247	Individual	8	-	-	-
Frankendaal	Eindhoven	2,058	1,336	722	Individual	9	-	-	-
Zilvermeeuw-high	Etten-Leur	523	353	170	Individual	3	-	-	-
Zilvermeeuw-low	Etten-Leur	1,016	679	337	Individual	6	-	-	-
Ereprijsweg	Haren Gn	532	375	157	Individual	3	-	-	-
Dinkel	Heerhugowaard	280	215	65	Individual	2	-	-	-
Koedijk	Lochem	425	304	121	Individual	2	-	-	-
Korenmolenweg	Lochem	212	145	67	Individual	1	-	-	-
Pelmolenerf	Lochem	522	362	160	Individual	3	-	-	-
Beukensingel	Raalte	158	112	46	Individual	1	-	-	-
De Havezathe	Raalte	339	273	66	Individual	2	-	-	-
Broekhuizenstraat	Tilburg	143	105	38	Individual	1	-	-	-
Regentesselaan	Utrecht	553	336	217	Individual	1	-	-	-
Boeg	Wijk Bij Duurstede	331	254	77	Individual	2	-	-	-
Kompas	Wijk Bij Duurstede	1,450	1,017	433	Individual	8	-	-	-
Voorsteven	Wijk Bij Duurstede	522	380	142	Individual	3	-	-	-
Nijenheim	Zeist	623	437	186	Individual	3	-	-	-
Zonegge	Zevenaar	1,203	929	274	Individual	8	-	-	-
Total individual unit sales		**24,431**	**17,619**	**6,812**		**66**	**43**	**27**	**-**
Total		**33,844**	**27,069**	**6,775**		**66**	**132**	**27**	**505**

Forward acquisitions (off-balance sheet)

The Fund has nine forward acquisitions (off-balance sheet) with a total commitment amounting to € 131.1m, as at 31 December 2015. Two of these nine forward acquisitions were added in the fourth quarter of 2015. All current forward acquisitions are discussed in more detail in the table and text below.

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Table 6 Forward acquisitions (off-balance sheet) as at 31 December 2015

Property	City	Region	Type	Expected year of completion	Number of single-family houses	Number of apartments	Number of parking spaces	Commercial space (sq.m.)	Commitment (€ '000)	Under construction (€ '000)
Malburgen	Arnhem	Arnhem	Turnkey project	2016	36				6,500	
Schuytgraaf	Arnhem	Arnhem	Turnkey project	2016	42				7,400	3,900
Stadshagen	Zwolle	Zwolle	Turnkey project	2016	30				6,200	3,200
Vathorst 2B	Amersfoort	Amersfoort	Turnkey project	2017	5	16			3,500	
Wibautstraat	Amsterdam	Amsterdam	Turnkey project	2017		159	68		55,100	
Nieuw Mariënpark	Leidschendam	The Hague	Turnkey project	2017		36	36		8,900	
Van Reeshof	Nieuwegein	Utrecht	Turnkey project	2017		40			7,500	
Rijndijk	Hazerswoude-Rijndijk	Other	Turnkey project	2018	18				3,600	
Cruquiuswerf	Amsterdam	Amsterdam	Turnkey project	2019		120	78	160	32,400	
Total					**131**	**371**	**182**	**160**	**131,100**	**7,100**

Malburgen in Arnhem

This acquisition concerns the development of 36 single-family houses situated within an existing residential area, called Malburgen. Malburgen is located in the southeast of Arnhem. The development is located in a child-friendly neighbourhood, a shopping centre for daily amenities is located within walking distance and the area is easily accessible by car and public transport. The residential units will have monthly rents of around € 790, which fits the portfolio strategy. Completion is planned for 2016.

Schuytgraaf in Arnhem

This forward acquisition concerns the development of 42 single-family houses within large-scale expansion district Schuytgraaf, which is situated in the southwest of Arnhem. The Schuytgraaf district concerns a total of 6,250 to-be-developed houses of which a large share is already realized. The 42 units that are transferred to the Fund will have monthly rents of around € 800, which matches the portfolio strategy to focus on the medium-priced rental segment. In addition, the property will be attributed an energy label A++ and is situated close to train station Arnhem-Zuid. Completion is currently planned for 2016.

Stadshagen in Zwolle

Stadshagen comprises 30 single-family houses within expansion district Stadshagen in the northwest of Zwolle. The acquisition concerns 18 units in neighbourhood Breecamp-Oost and 12 units in neighbourhood Frankhuis. The property will be attributed an energy label A++, mainly as a result of the application of solar panels. Monthly rents are expected to vary between € 850 and € 950 and completion is planned for 2016.

Vathorst 2B in Amersfoort

Residential district Vathorst is an important designated growth area in the Amersfoort region, with a target population of 30,000 residents. The existing Vathorst shopping centre, where the Fund has already invested in 166 apartments, is planned to be extended by another 16 apartments, 5 single-family houses and retail space. The retail space will not be transferred to the Fund. Although the expected completion of Vathorst 2B is dependent on demographic growth in the Vathorst district, completion is currently planned for 2017.

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Wibautstraat in Amsterdam
Forward acquisition Wibautstraat concerns the transformation of the former Hogeschool Van Amsterdam building. The Wibautstraat is the central axis to and from the city centre of Amsterdam and is quickly and easily accessed through the A10 ring road. The popularity of this area has been growing strongly in the recent years. The location is also very well accessible by public transport and is just a few minutes away (by metro) from the central train station of Amsterdam. An Albert Heijn supermarket (not part of the forward acquisition) is and will remain to be situated on the ground floor. The former school building will be transformed into an apartment bulding containing 159 apartments, 68 parking spaces, 121 storage rooms and a communal bicycle storage. The apartments will have an energy label A and monthly rental prices vary from approximately € 900 to € 1,700. This project is expected to be completed in 2017.

Nieuw Mariënpark in Leidschendam
Project Nieuw Mariënpark in Leidschendam is an integral part of a larger development which comprises housing and healthcare. A total of 36 apartments and 36 parking spaces are intended to be added to the portfolio. Nieuw Mariënpark is situated between the Leidschenhage shopping centre and the city centre of Leidschendam. The target group for the high-quality apartments are affluent one- and two-person households, which are well- represented in Leidschendam. With an average rent of around € 1,100, this project is positioned in an above-average rental range, but given the demographics in Leidschendam, this project is considered to be well-marketable and a positive addition to the fund. The project is expected to be completed in 2017.

Van Reeshof in Nieuwegein
This development is located in an existing residential area on the site of the former primary school at the Van Reeslaan. The project, which comprises 40 apartments, is located within walking distance to City Plaza shopping centre and public transport. The facilities in the vicinity make that this property is considered to be appealing to a wide target group. In view of the ageing population, the municipality of Nieuwegein welcomes this redevelopment, and it is expected that Van Reeshof will be popular with the elderly. With an average rent price of € 825, these apartments match the portfolio strategy well. Completion is planned for 2017.

Rijndijk in Hazerswoude-Rijndijk
In combination with the acquisition of project Cruquiuswerf in Amsterdam, the Fund acquired project Rijndijk, which is a small-scale project with a total of 18 single-family houses located near the centre of Hazerswoude Rijndijk. With monthly rents between € 890 and € 925, these single-family houses match the portfolio strategy and have a positive effect on the portfolio diversification. Completion is planned for 2018.

Cruquiuswerf in Amsterdam
This project is located in the north-east of Amsterdam. The Cruquiuswerf area is undergoing a transition from a predominantly industrial area to a residential area. Several plans are being developed at the moment in this area that mainly concern residential developments for the rental and owner-occupier market. This acquisition concerns 120 apartments, 78 parking spaces and 160 sq.m of commercial space. This project is expected to be completed in 2019.

Nachtwachtlaan, Amsterdam

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Portfolio analysis

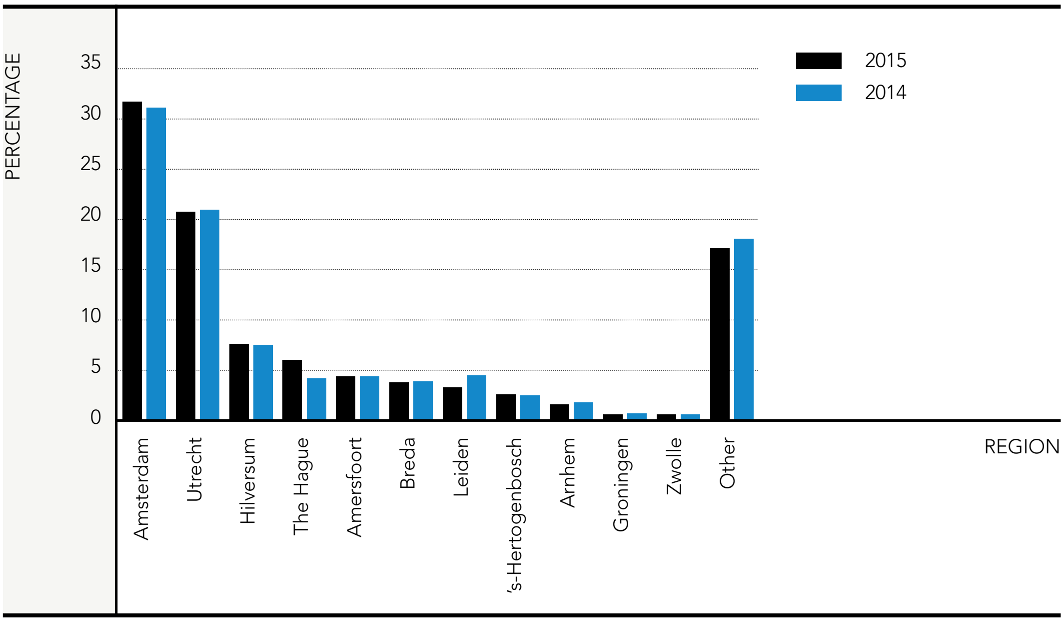
Regional focus

Amsterdam and Utrecht are the most dominant regions in the portfolio, accounting for more than half 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 allocation to The Hague showed a relatively strong increase as a result of the addition of property Amadeus in The Hague, while the allocation to Leiden declined as a result of the investment sale of property Saffierstraat in Alphen aan den Rijn in 2015. The decline in the allocation to 'other regions' is mainly due to individual unit sales.

Figure 8 **Geographical spread as at 31 December 2015**



Housing market segmentation

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

- Fast 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
- Easy suburban living: families with a preference for living in suburban residential areas and medium-sized cities with a population between 25,000 and 100,000 residents
- Quiet village 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 fast urban living. To a lesser extent, investments in easy suburban and quiet village living environments are deemed interesting for the portfolio, but these investments should predominantly aim for families as their target group. The portfolio is currently well-represented in the fast urban living segment.

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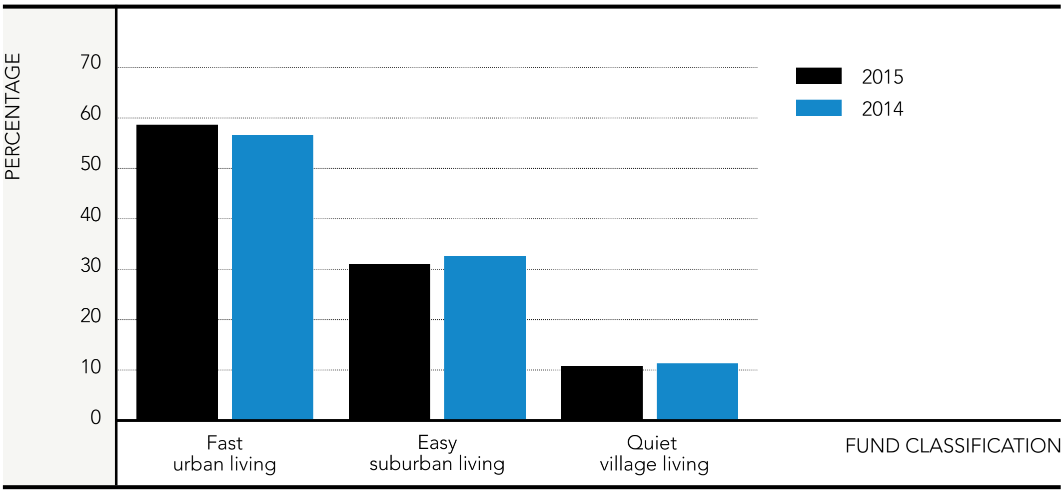
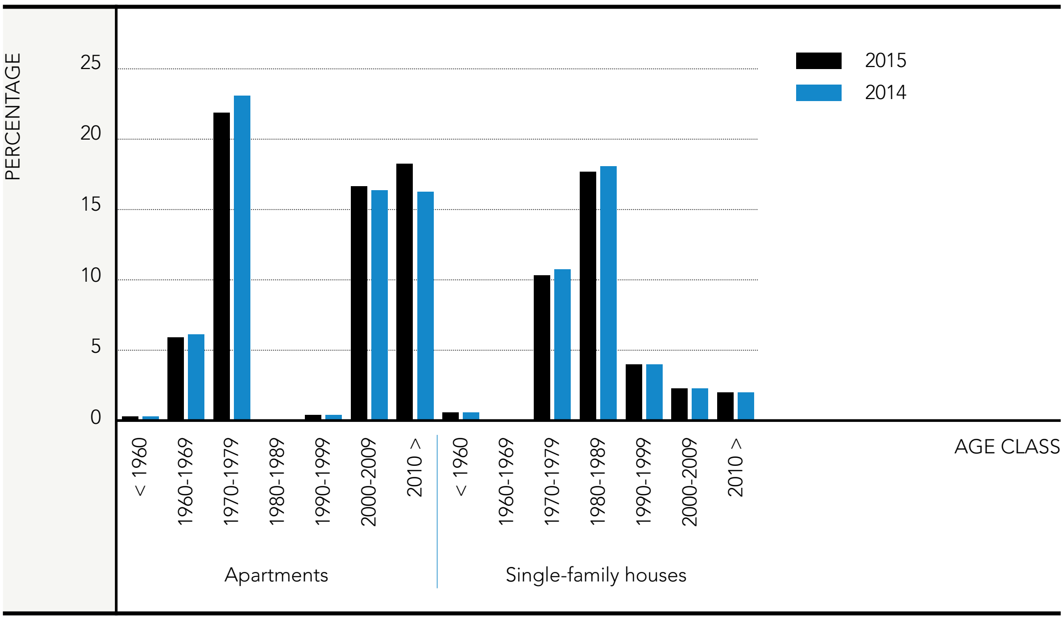
Figure 9 Market segmentation as at 31 December 2015



Property age

The ASR Dutch Core Residential Fund seeks to continuously rejuvenate the portfolio in order to reduce property expenses in the long term and to build a sustainable investment portfolio, through renovation strategies and its acquisition and sales policy. The average property age of the portfolio was 25.9 years as at 31 December 2015, which is a slight increase compared to the previous quarter (25.7 years), as a result of another year having passed, partly offset by the investment sale of Saffierstraat in Alphen aan den Rijn, individual unit sales and the addition of property Amadeus in The Hague. The current pipeline of forward acquisitions enables the Fund to decrease the average portfolio age in the next few years.

Figure 10 Age classes as at 31 December 2015



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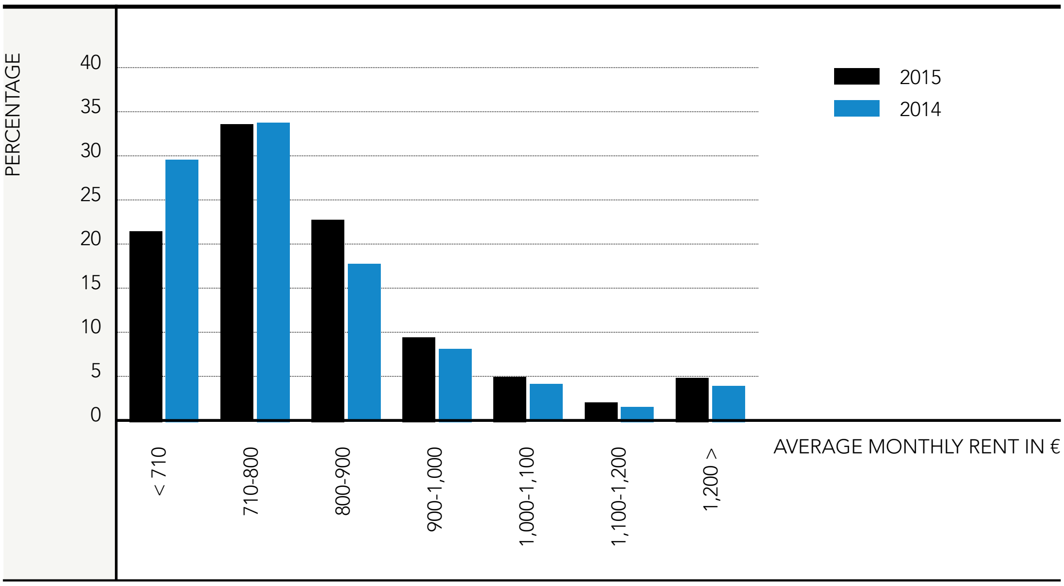
Average monthly rent

The portfolio's strategy focuses on residential investments in the mid-priced rental segment and is dominant in the € 710 to € 900 rental range. Non-regulated properties with average monthly rents higher than € 710 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 that keep up with or even exceed inflation, in particular for regulated dwellings.

The share of units with rental prices below € 710 declined strongly in 2015. This is due to (annual) rent increases as well as the investment sale of property Saffierstraat in Alphen aan den Rijn and individual unit sales. Most of the units that were sold in 2015 had rental prices below € 710. The increase in the share of units with rental prices between € 800 and € 900 is mainly explained by (annual) rent increases.

Figure 11 Rental price composition as at 31 December 2015



Average monthly rent of a residential unit in the portfolio was around € 822, as at 31 December 2015, which is higher compared to 2014 (€ 796). This growth is explained by (annual) rent increases, as well as by portfolio additions and sales.

Single-family houses have a lower average monthly rent (€ 773), whereas the portfolio's apartments are characterized by a higher average rent (€ 856). This difference is rental level is explained not only by residential type, but also by aspects such as location type and property age.

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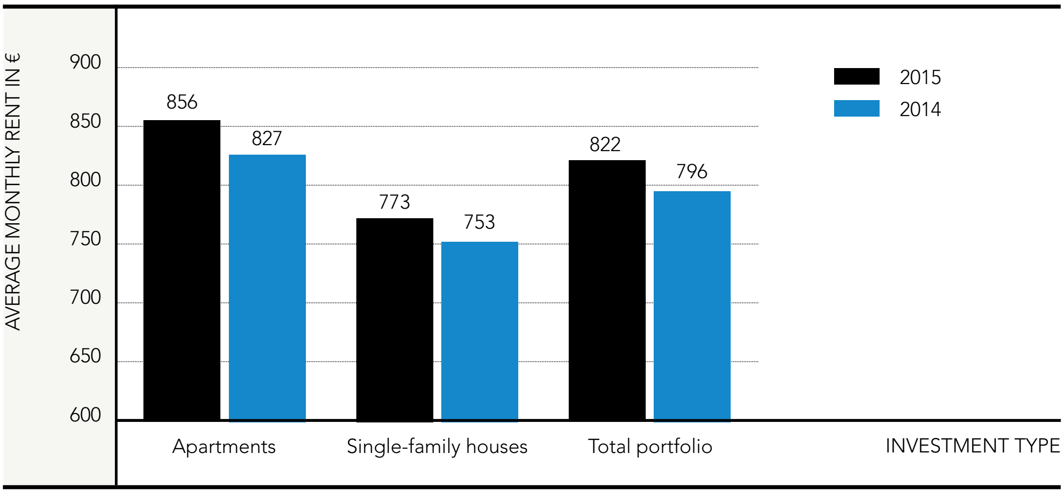
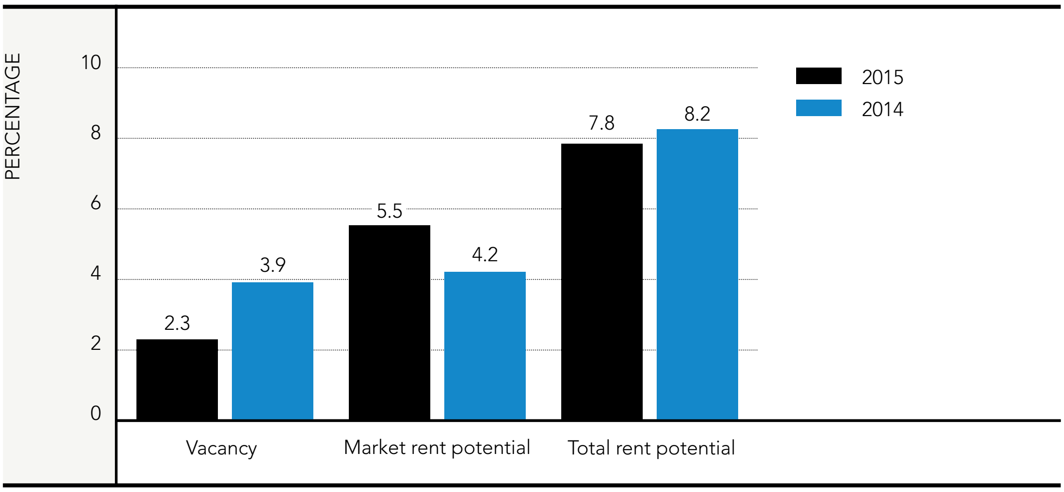
Figure 12 Average monthly rent per market segment as at 31 December 2015



Rent potential

Rental income of the portfolio can be increased by reducing vacancy, as well as by bringing current rent up to market levels through annual rent increases and at tenant turnover. Total portfolio's rent potential amounts to 7.8%, as at 31 December 2015. Market rent potential is on average 5.5%, which is an increase compared to previous year (4.2%) as a result of positive market rent adjustments. In particular single-family houses are characterized by significant market rent potential (8.0%) compared to apartments (4.3%). Average portfolio vacancy was 2.3% as at 31 December 2015, which is a significant decrease compared to 2014 (3.9%).

Figure 13 Vacancy and market rent potential as at 31 December 2015



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 for 2014 and 2015 were just over 12%.

Although total portfolio's turnover rates remained relatively stable in the last two years, turnover rates of properties that are earmarked for individual unit sales showed an increase. This is mainly

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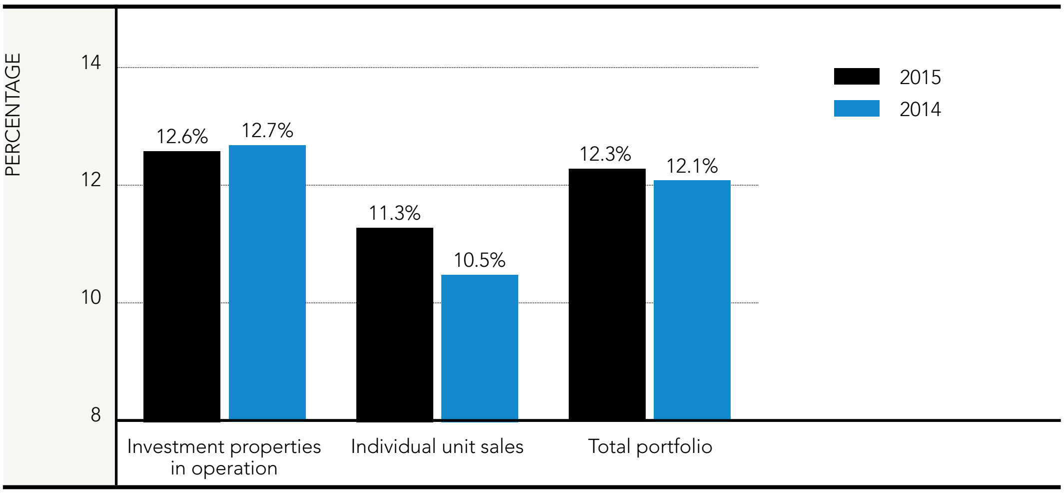
attributable to the recovery of the owner-occupied market in 2015, which was accompanied by rising transaction volumes.

Figure 14 Average turnover rates for 2014 and 2015



Performance of Fund versus IPD benchmark

The ASR Dutch Core Residential Fund showed an outperformance compared to the IPD Dutch residential benchmark in 2015. Total return for the Fund amounted to 14.1%, compared to 11.0% for the benchmark. This outperformance is mainly attributable to capital growth (9.4% versus 6.3%), while income return was largely in line with the benchmark (4.4% versus 4.5%). Returns on standing investments level showed a similar result, with the total return of the Fund (12.6%) exceeding the benchmark's total return (10.6%).

Realized and unrealized gains and losses

All properties were externally valued on a quarterly basis in 2015 by either MVGM or DTZ Zadelhoff. Every quarter, 25% of the valuations concerns full valuations, whereas 75% concerns desktop review update valuations.

The total value of the properties increased by € 63.0m or 8.3% in 2015, compared to € 1.4m or 0.2% in 2014. The cities of Amsterdam and Utrecht contributed most to the total portfolio's appreciation in 2015, due to their dominant share in the portfolio and positive revaluation.

Capital

Capital amounted to € 821.7m as at 31 December 2015, compared to € 748.9m as at 31 December 2014. On 1 January 2013, the Anchor Investor, consisting of ASR Nederland Vastgoed Maatschappij N.V. and ASR Levensverzekering N.V. acquired units of the Fund, by transferring its properties to the Fund. The percentage of units obtained (89.1 % and 10.9% respectively) per 1 January 2013, related to the fair value of the properties as at 31 December 2012. A total of 1,000,001 units were issued. From this number, 1,000,000 units are entitled for dividend (Units A) and 1 unit is not entitled for dividend (Unit B).

From the 1,000,000 units issued, ASR Nederland Vastgoed Maatschappij acquired 891,000 units and ASR Levensverzekering acquired 109,000 units. Unit B (not entitled for dividend) was acquired by the ASR Dutch Core Residential Management Company B.V. As at 1 January 2015, the unit B has been withdrawn, in line with the amended Fund Agreement.

Capital increased as a result of positive valuations (€ 63.0m). In addition, capital increased as a result of the first closing (+ € 9.8m), in which the new investor invested € 25m in the first quarter of 2015,

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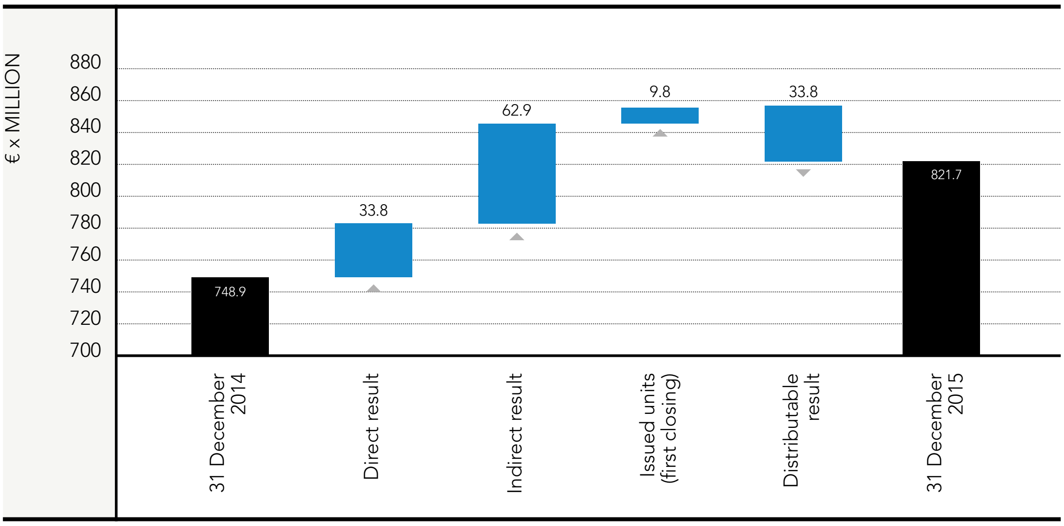
whereas the Anchor Investor redeemed an amount of € 15m. A total of 13,126 new units were issued. As at 31 December 2015, capital is spread across 1,013,126 units, resulting in an IFRS NAV of € 811 per unit and an INREV NAV of € 819 per unit.

Movements in capital are shown in the following figure.

Figure 15 **Movements in capital**



Corporate Social Responsibility

Our vision

ASR DCRF's vision of Corporate Social Responsibility (CSR) is to offer the best possible facilitation of the interests of tenants and investors by creating homes that have long-term value from both a financial and a social perspective. We do this in a sound and responsible manner with engaged and aware partners and employees.

A residential portfolio with long-term value. That is our aim. Long-term value requires future-proof homes in attractive locations. Homes that are comfortable, meet the current and future wishes of consumers and are sustainable. Homes located in a residential environment that is and remains highly valued. In short, places where our tenants are and feel at home.

To contribute to this aim the Fund has written a formal CSR-policy last year, which focuses on the sustainability of its property, engaged partners, contribution to nature, society and environment and engaged employees. To strengthen its policy, the Fund published it on its website, started a company-wide CSR-working group, appointed a CSR Manager and drew up an action plan.

Property

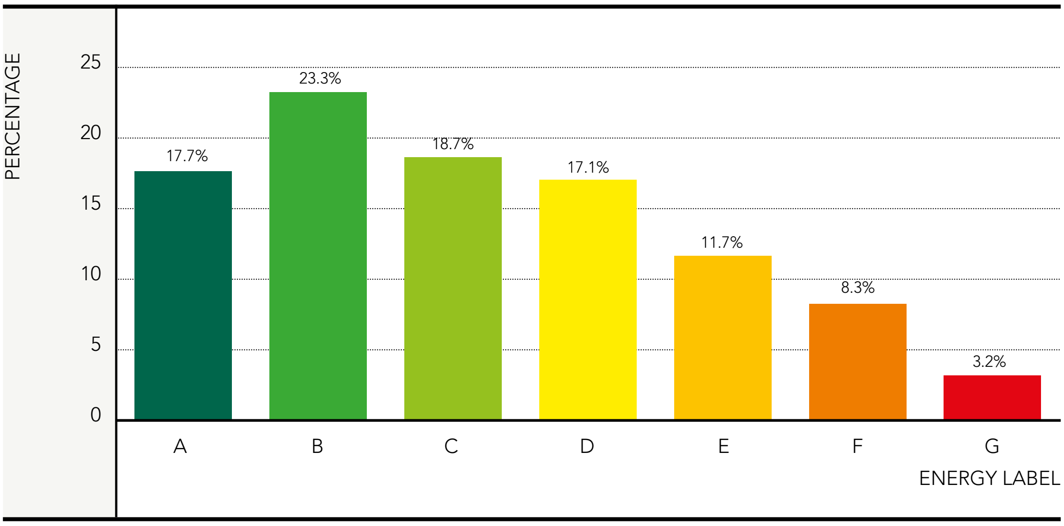
Property naturally occupies a central role in the ASR DCRF. The main aim of the Fund is to increase the sustainability of its portfolio much further in various ways.

Energy performance

All properties in the portfolio of the Fund have been EPA-certified. The properties of ASR DCRF have an average energy performance coefficient of about 1.6, which equals EPA label C. Besides these certificates, property Futura in Zoetermeer has been awarded a BREAAM rating 'very good' and has been officially proclaimed as the most sustainable residential property in de Netherlands in 2014.

Report of the Management Company

Figure 16 Energy labels (EPA) as at 31 December 2015



In 2015, energy performance improvements have been made as a result of the refurbishment of 69 family houses in Rosmalen. All homes are now equipped with high-efficiency glazing and the old electrical boilers are replaced by high-efficiency boilers. The moving parts of the homes' window frames are changed and the transparent paintwork is replaced by a more contemporary opaque coating. Thanks to these measures, the EPA label improved from F to C for corner houses and to B for terraced houses. Secondly, the addition of 40 new apartments in the inner-city of The Hague with EPA label A further improved the energy performance of the portfolio. This energy-efficient asset is equipped among others with high-efficiency glazing, a high insulation value of the roofs, facades and floors, well-sealing aluminium fronts and a communal rooftop garden. The current forward acquisitions of the Fund will further improve the average energy performance of the portfolio.

Partners

The role of the Fund's partners is essential in achieving its CSR targets. Together, the partners form a chain in which each link is important in achieving the best possible teamwork and CSR results.

Participants

The participants in the Fund have a long-term relationship with ASR DCRF. It goes without saying that the Fund must observe openness and transparency in its mutual dealings. The Fund informs its participants in the quarterly reports and the annual report. As regards sustainability and society, the Fund requests the Meeting of Investors to approve the Fund's CSR policies each year.

External property management and maintenance partners

In the maintenance process, the Fund closely monitors CSR compliance. Technical maintenance can be carried out only by CSR-certified businesses. The technical materials and systems used comply with the current CSR requirements. For example, only the use of FSC-produced timber is permitted. The quality of the Fund's portfolio and the related technical CSR requirements are measured annually by an external consultancy firm and accredited in accordance with the NEN 2767 building condition and quality measurement standard. Strict sustainability requirements apply in tendering procedures.
In order to continuously disseminate its CSR goals, the Fund holds an annual CSR session with its external property managers and its most direct maintenance partners (contractors and consultants).
In addition, CSR is a permanent item on the agenda of the Fund's regular meetings.

Report of the Management Company

Tenants

Each year, ASR DCRF conducts a tenant satisfaction survey. The findings of the survey are discussed both internally and with external property managers and then translated into measures. The progress of these measures is monitored each quarter. ASR DCRF records any complaints filed by tenants and monitors these in the Complaint Management System.

Interest groups

ASR DCRF is a member of the sustainability working group of the Dutch Association of Institutional Property Investors (IVBN) and is affiliated with INREV, RICS and the Association of Real Estate Researchers in the Netherlands (VOGON) in order to increase and share its knowledge of CSR and to extend its CSR network.

GRESB

The Fund's CSR performance is measured annually and made transparent in the form of the Global Real Estate Sustainability Benchmark (GRESB). GRESB is an independent, scientific benchmark that assesses the sustainability policy of real estate funds and portfolios worldwide and the implementation of this policy. ASR DCRF's efforts in this area were rewarded in 2015 by a Green Star ranking - the highest award in this area. The Fund's aim is to improve its score even further.

GRESB
Green Star 2015

Planet

'Planet' stands for the contribution the Fund makes to nature, society and the environment.

Energy and measuring

ASR DCRF is making 100% use of green power and to a large extent of green gas. Besides that, all the gas and electricity meters for the general systems in its buildings can be read remotely and form part of an online data management system (DMS). This enables the Fund to monitor the gas and electricity consumption very closely and take active steps to reduce carbon emissions in a controlled manner.

Contribution to opportunities for and development of students

The future belongs to young people. That is why a.s.r. reim provides internships and traineeships to a number of students at higher professional and university level each year. a.s.r. reim can learn and gain inspiration from students. a.s.r. reim offered six work placements last year. In addition, various employees of a.s.r. also give one or more guest lectures each year at universities and colleges of higher professional education and a.s.r. reim has a partnership agreement with the interfaculty student association known as FRESH Students.

Helping by taking action

The motto of ASR Nederland N.V. is 'helping by taking action'. ASR Nederland N.V.'s contribution to nature and society consists not only of a pecuniary sum; a.s.r. also try to really help others. The Olli campaign to raise the profile of Blijdorp Rotterdam Zoo is a well-known example of this. Other notable examples are Doorgaan.nl, De Andere Spelen and De Andere Tour. Volunteering also comes under this category. Each year, many of a.s.r.'s employees work for charities such as Dag van het Geld and NL Doet, and perform voluntary management duties on its own country estates.

Socially responsible investing

An important part of CSR is socially responsible investing (SRI). ASR Nederland N.V. deliberately chooses not to invest in certain countries and companies. The criteria a.s.r. applies relate to the arms trade, human rights and the environment. a.s.r. is guided in this connection by the Dutch Sustainable Investment Code, the UN Principles for Responsible Investment (UN PRI) and the UN Global Compact (UN GC).

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Dutch Sustainable Investment Code
The Dutch Sustainable Investment Code was drawn up by the Dutch Association of Insurers and applies to its individual members. Members of the Association agree to be bound by and act in accordance with the spirit of the Code and can be held accountable for this. In the event of non-compliance, the Association may take appropriate measures.

UN PRI
a.s.r. ratified the Principles for Responsible Investment of the United Nations (UNPRI) in 2011. The 1,200 companies worldwide that endorse these principles together manage investments worth €25 trillion. By applying the six UN principles for responsible investment, a.s.r. helps to build a more sustainable financial system.

UN Global Compact
This is a strategic policy framework for companies which commit themselves to the principles of the United Nations in the areas of human rights, labour, environment and anti-corruption. Through the Global Compact, the UN aims to bring together companies, UN bodies, trade unions and civil society organizations.

People

'People' is about sustainable employability, opportunities for development, physical and mental health, and satisfaction and awareness of the Fund's employees.

Best possible organizational anchoring of CSR

A CSR Manager has been appointed to monitor and maintain an overview of all actions and measures resulting from the policy. The CSR Manager informs the Fund Director of ASR DCRF and the Management Team of a.s.r. reim on a regular basis. The CSR Manager represents the interests of ASR DCRF in the a.s.r. Netherland's CSR working group. Together with a Commercial Asset Manager and a Technical Asset Manager, the CSR Manager forms the core team of ASR DCRF in matters relating to CSR. These three officers, together with the Fund Director, also form part of the CSR team of a.s.r. reim, which meets on a regular basis.

Employee satisfaction rating

a.s.r. reim periodically commissions a Great-Place-to-Work survey. This survey measures the satisfaction of the employees by reference to such factors as credibility, respect, honesty, pride and fellowship. The survey results are analyzed and then discussed throughout all departments and business lines. Action is taken where necessary. The aim is to achieve a satisfaction score of 75%. In 2015 a.s.r. reim achieved a satisfaction score of 80%.

Personal development of employees

The main focus of the HRM policy of a.s.r. is the personal development of its employees in terms of professional expertise, competences and skills. Each employee is entitled to a training budget. In addition, certain employees are given the opportunity of taking additional courses at higher professional or university level in order to increase their knowledge and remain employable on a sustainable basis.

Code of ethics

The Fund Manager's code of ethics makes it clear to all employees and managers that exemplary behaviour is expected at all times. The Compliance Officer is responsible for enforcing this code. In addition, external parties are called in to monitor, control and certify the company's methods.

Report of the Management Company

Governance, compliance and risk

ASR DCRF adopts the policy of a.s.r. reim on governance, compliance and risk. Besides, ASR DCRF uses the Complaints and Opportunities Register of the National Reporting Centre for Undesirable Conduct by Tenants (NMOH), which lists tenants with a proven record of poor conduct (subletting, cannabis cultivation and causing serious nuisance). The Fund also seeks as much as possible to endorse covenants concerning cannabis plantations. The CSR policy of ASR DCRF is posted on the website of a.s.r. reim and is therefore in the public domain. The results and objectives (or any adjusted objectives) are also posted on the website each year.

Integrity and reliability

The CDD (Customer Due Diligence) regulation is observed to test the integrity and reliability of contracting parties such as investors, developers, appraisers, brokers, notaries, tenants, leaseholders, public authorities and institutions like the Land Registry. This regulation, issued by the Netherlands Central Bank (DNB), is an extension of the Anti-Money Laundering and Anti-Terrorist Financing Act (Wet voorkoming witwassen en terrorismefinanciering).

Strategic objectives

The Fund wish to achieve the objectives set out below by 2020.

Property	Partners	Planet	People
Sustainable portfolio	**Engaged partners**	**Contribution to society and the environment**	**Committed organization**
Reduce average Energy Index to at least 1.35	Optimal engagement of partners in chain	Reduce energy consumption and carbon emissions by 10% compared to 2014	Informed and engaged employees
Reduce ownership of properties with an Energy Index of > 2.4 to under 3% of portfolio	Continuous check for compliance with CSR requirements and objectives	Maximum use of measuring options	Optimal organizational anchoring of CSR
Annual energy-saving measures in 10% of properties	Tenant satisfaction rating of at least 7.5 (out of 10)	Investing in neighbourhoods	Employee satisfaction rating of > 75% (a.s.r. reim)
Deliver property with GB certificate once every three years	Active tenant participation programme	Contributing to opportunities for and development of pupils and students	Personal development of employees (a.s.r. reim)

HilversumHuis, Hilversum

Report of the Management Company

Tenant satisfaction survey

ASR DCRF aims to continuously improve tenant satisfaction. In order to monitor this, the Fund annually organizes a tenant satisfaction survey in cooperation with an external research agency. Tenants are interviewed about their satisfaction with regard to their house, living environment and property management services. Surveys are executed by e-mail or telephone and are compared with previous years' results and the benchmark. The benchmark consists of a number of professional Dutch residential real estate funds. Overall tenant satisfaction for ASR DCRF in 2015 amounted to 7.1 out of 10, which is in line with the 2014 result (7.2). The benchmark scored 7.0, which means that tenants of ASR DCRF are somewhat more satisfied compared to the Dutch average. In particular satisfaction with regard to house and living environment ranked above-average. Survey results are discussed internally and with the Fund's external property managers in order to reflect on past performance and improve service levels where possible.

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 process of obtaining a license was started more than a year ago and was completed in February 2015, when the license was issued.

The AIFM Directive also requires a 'depositary' to be appointed to act as custodian and monitor of 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. reim the AIFMD license in the first quarter of 2015, the Fund is under the obligation to submit comprehensive reports on risks and restrictions. The Fund Manager now reports to the Dutch Central Bank (DNB) about results and risks on a quarterly basis, starting as at 31 March 2015.

In this section, we describe the main finance restrictions, subscription and redemption restrictions, and investment restrictions that govern the Fund. They are summarized below.

1. Finance restrictions

The finance 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:

- There is a subscription of € 10m for new investors.
- There is a 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.
- During the lock-up period, only the Anchor Investor may issue redemption requests. The lock-up period is in effect as at 1 January 2015 for a period of 48 months.

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3. Investment restrictions
- 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

As at 31 December 2015, the Fund met the finance restrictions, the subscription and redemption restrictions, and the investment restrictions.

Risk management

The Fund Manager makes a distinction between strategic, operational and financial risks. Strategic risks apply to the Fund's strategy as described in the Fund Agreement, operational risks apply directly to operating activities and financial risks apply to developments in the financial and real estate markets. 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 discussed 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 Fund Manager mitigates strategic risk by drawing up a Three-year Business Plan every year. By doing so, market opportunities and threats are analyzed and amendments are made to the policy, if necessary.

Maintaining the Fund's tax status

The Fund qualifies as a tax transparent fund for joint accounts for Dutch corporate income tax purposes and for Dutch dividend withholding tax purposes, provided that all relevant parties act in accordance with the Fund Agreement. 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 the tax status, no development activities should take place in the Fund. The Fund Manager continuously monitors its pipeline projects.

Investment objective and strategy, investment criteria and investment restrictions

The investment objective and strategy, investment criteria and investment restrictions, as set out in the Fund Agreement, and are monitored on a quarterly basis and on a case-by-case basis for acquisitions and sales. 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 of 20% of GAV invested in a single asset
- The Fund needs to be in control of the assets
- The Fund must avoid development risk

The Fund Manager continuously monitors portfolio deviation and the consequences of potential acquisitions and sales on the investment restrictions. Currently, the Fund meets all investment objectives and strategy, investment criteria and investment restrictions.

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,

Report of the Management Company

and unexpected external events. The Fund 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 (page 73 and further).

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. The Fund 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 Fund Manager's organization has a research department that analyzes 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.

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 Fund Manager carefully monitors transactions in the market and the development of vacant possession values. 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.

Legislation and regulation risk

Legislation and regulation risk is the risk that changes to laws and rules will influence the results of the Fund. The Fund 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.

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 not able to implement new requirements promptly.
- Fines and legal action will 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 case it does not comply with the license obligations. The Manager strictly adhers to the license obligations and actively monitors changes in AIFMD regulation and guidelines in order to mitigate this risk.

Please refer to the notes to the financial statements for more extensive information on risk management by the Fund.

Financial risk

Financial risk is divided into the following categories:

- Real estate risk
- Interest rate risk
- Credit risk
- Liquidity risk
- Funding Risk
- Capital risk management

Report of the Management Company

These financial risks are described extensively in the section on accounting principles in the notes to the financial statements.

Corporate governance

The Fund's governance structure is described in Appendix 2 of this report.

Outlook 2016

Improved transaction activity and positive price growth in the owner-occupied market show that the residential market experienced a strong recovery in 2015. This market recovery, along with low mortgage interest rates and rent liberalization had a positive effect on portfolio appreciation, individual unit sales, occupancy and the possibilities to achieve solid rental growth. It is likely that this trend will continue in 2016.

In addition, investors' appetite for residential real estate is strong and likely to remain so. Yields are expected to decrease further, in particular for properties in economically and demographically favourable locations. Successfully matching supply and demand continues to be a key theme in 2016.

Utrecht, the Netherlands, 12 May 2016

Fund Management Team, ASR Dutch Core Residential Fund
Robbert W.Y. van Dijk, *Fund Director*
Luc Joosten, *Manager Fund Operations*
Johan Kamminga, *Fund Controller*

2015

Sustainable investments, sustainable value

By **Robbert W.Y. van Dijk**
Fund Director

The residential market:

A stable, long-term investment strategy

The Residential fund: open for business. In 2013, a.s.r. reim launched its ASR Dutch Core Residential Fund (ASR DCRF), and welcomed five other important investors in 2015. Now, with six members – of whom ASR Levensverzekering N.V. and ASR Nederland Vastgoed Maatschappij N.V. serve as an anchor investor – the Fund is building on a proven track record that has weathered volatile market changes through smart, consistent management.

Direct returns have been stable through market highs and lows, and rents are increased annually according to the 'inflation hedge' – always a key demand from investors. This stable, mature market with low risk and long-term returns provides an attractive non-listed investment product for institutional investors. Many investors are now showing increased interest for this type of long-term investing.

A mature, low-risk asset class strategy

The Fund's strategy is based on a smart mix of geographic and demographic factors, targeting certain housing characteristics according to five key elements: core residential investments, best performing cities and agglomerations, defined segments based on occupier and location characteristics, affordable housing in the non-regulated segment, and a diversified and balanced mix of apartments and single-family houses.

Five key objectives

This strategy is further supported by five key objectives designed to meet investors' requirements and expectations: driving income growth across the portfolio, maintaining and enhancing the core quality of the portfolio, obtaining and retaining an optimal portfolio size, running a successful fund-raising campaign while ensuring the low leverage status of the fund, and enhancing the portfolio's sustainability targets.

From sales towards 'mid-price' rentals

The residential market recovery is underway, and some noticeable changes are occurring. "More houses are being sold," says Fund Director Robbert van Dijk. "But what we are really seeing now is an increase of preference for renting over buying."

Key objectives

1. Driving income growth across the portfolio
2. Maintaining and enhancing the core quality of the portfolio
3. Obtaining and retaining an optimal portfolio size
4. Running a successful fund-raising campaign while ensuring the low leverage status of the fund
5. Enhancing the portfolio's sustainability targets

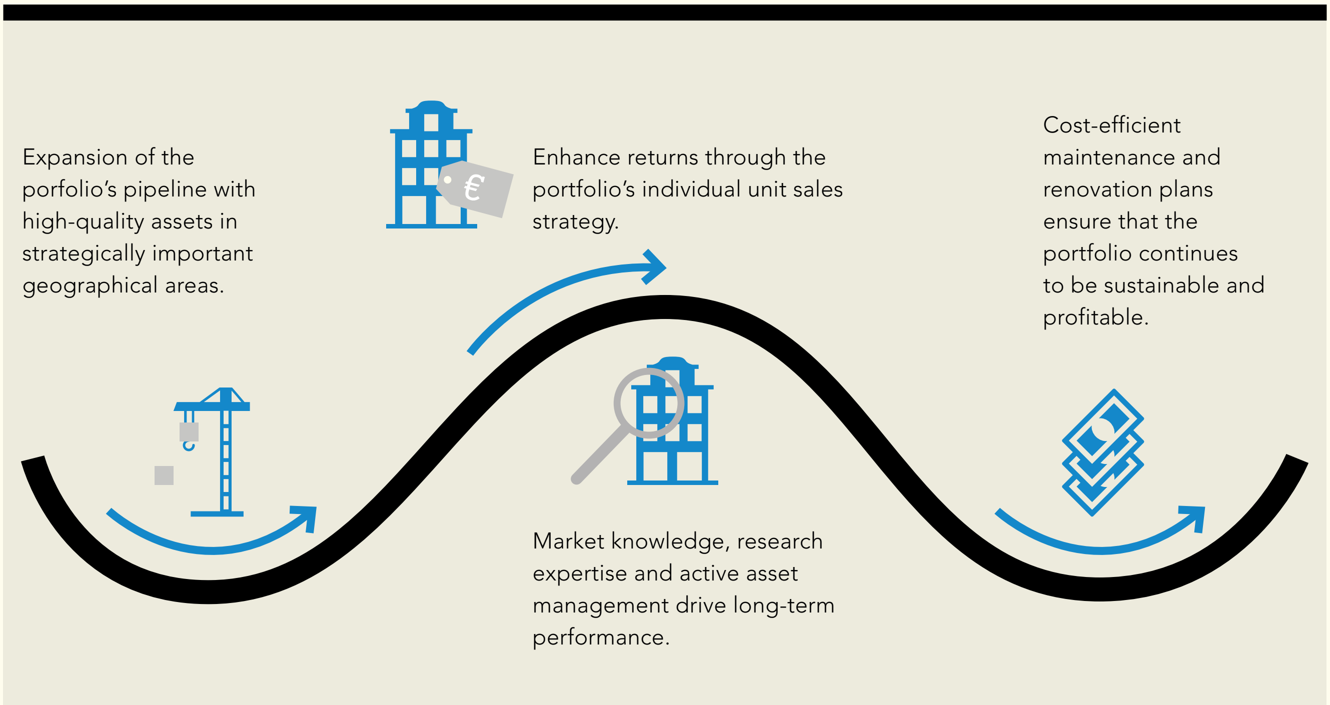
This change is occurring as economic and demographic pressures exert their force on the housing market. In line with current demographic forecasts the amount of households will grow from 7.7 million to 8.5 million in 2040. The hard reality is that fewer people than ever before can afford to buy a house. At the same time, the aging baby boom generation is creating a greying population demographic in which people are selling their houses and turning to rentals. Many housing corporations focus on the so-called 'social segment' for low-income renters. However, since many renters' incomes are too high to allow them to rent in this segment, there is now a clear emphasis on the 'mid-price' segment – from approximately 700 to 1,250 Euros a month.

Because demand is currently higher than supply, the Fund works together with developers and municipalities to choose the right locations, develop the property and then connect to the demand.

High occupancy – and returns – through client orientation

The rental market is stable, as can be strikingly seen through the currently high occupancy rate of 98%. However, the fund isn't complacently resting on its laurels. As an asset management company, a.s.r. reim strives to offer high quality units in good locations supported by a high level of service to maintain returns.

"We definitely look for opportunities to add value to our rental properties," says Robbert. "The units provide easy access to public transportation and facilities. They are sustainably built and run. We keep our properties in good shape through a strict maintenance program. And strategic renovations when and where required keep the properties attractive over time."



This, combined with affordable pricing, helps to maintain high occupancy and better financial performance, leading to annual rent increases at the best market price, satisfied renters, and better returns for investors. "Our renters feel safe and comfortable," Robbert emphasizes. "And our investors know that we are creating a stable, long-term investment for them."

Market knowledge for continued performance

The Fund is characterized by precise market knowledge that drives performance. "Residential investment is safe when managed well by licensed experts who know what they are doing," explains Robbert. "We're an asset management company, so we are intimately familiar with the governance, rules, and professional players involved in this area. We also know with the situation on the ground in the Netherlands, and make our strategic decisions based on this working knowledge."

Adding projects to the portfolio pipeline

ASR DCRF is creating a pipeline to add more projects to its portfolio. These high-quality assets will be centred in strategically important geographical areas, including Amsterdam, Utrecht and The Hague. "These are high-performing regions with strong economic and demographic fundamentals," says Robbert. "We already operate in these regions, and have the backing of our investment committee to continue building on our successes there."

Hands-on involvement in the Investment Committee

The Investment Committee is made up of three current investors, with no external party influence. This committee monitors compliance of the management company in terms of the investments' criteria, objective, strategy and restrictions. It also consults with the Manager to provide approval and/or advice according to the terms of the Fund Agreement.

For example, the following resolutions require the Investment Committee's prior written approval:

- The sale of a portfolio asset or the acquisition of an asset above EUR 25m;
- The sale and acquisitions of portfolio assets if they deviate from the investment objective and strategy;
- Investment criteria and/or investment restrictions.

Investors can therefore employ a hands-on approach that ensures active involvement in decision-making regarding investment policy and strategy. This strategy includes strategic selling to create extra returns from under-performing units on a carefully-chosen case-by-case basis.

The residential market – safe, future-proof investment

The residential market is consistently demonstrating high occupancy rates with stable rents and returns. Even under the pressures of persistent economic downturns, the fundamentals of the residential market – treated with knowledge-based, strategic decision-making – offer investors a great, long-term investment opportunity for stable, low-risk growth.

By **Hans Veen**
Acquistion and
Disposition Manager

Sales and Acquisitions:

A portfolio poised for growth

A healthy mix of projects and locations. The ASR DCRF portfolio currently stands at € 820 million. In 2015, a.s.r. reim acquired € 130 million in assets, comprised of 550 units across nine projects. These projects all involved new buildings, with a mix of locations, single-family houses, apartments and number of units per project.

Ready-for-occupancy timelines also varied, with short term-projects lasting a couple of months, and other long-term projects that will start to provide returns in the coming years. "As the buying market improves, ASR DCRF's stated goal is to grow to between € 1.2 and € 1.3 million," explains Acquisition and Disposition Manager Hans Veen. "We will be focusing on areas such as the Randstad, cities such as Groningen, Zwolle, Arnhem, and cities in the Noord-Brabant region.

Meeting middle segment demand

Most demand is currently in the middle segment, consisting of rents between € 700 and € 1,000 and up to € 1,250 for specific locations, such as Amsterdam. This is where we place our focus, and this is also where there is least risk. Demand in this area is also going to grow, as a variety of factors exert their force. These factors include 1) changing tax regulations in the area of interest deductions, 2) social changes as the older generation continues to demand 'ownership' while the newer generation shifts towards a 'use' mentality, and 3) economic factors, such as an increased demand for flexibility to meet today's shorter employment contracts.

Three core parameters for investment

ASR DCRF focuses on three parameters when investing in real estate: 1) good, accessible locations, 2) products that are in line with the Fund's commitment to the Program of Requirements, and 3) the ability to provide consistent, long-term returns. Logically, the largest projects are in the largest cities, while smaller projects tend to be located in areas outside of the main metropolises. ASR DCRF also prefers projects of between 25 and 150 units, lowering both costs and risk due to economies of scale and projected occupancy rates.

Two of our flagship projects demonstrate the location-specific differentiated strategies we use.
A project in Amsterdam called Cruquiuswerf involved a transformation from business use to housing. This unique building is inside the Amsterdam ring road, with first occupancy ready by 2018, and last occupancy ready in 2019. A second project in Leidschendam, called Nieuw Mariënpark, offers a mix of rental and sales units located in a park setting. This ASR DCRF-funded project is low-risk, and promises to offer great returns in the coming years.

Trusted partnerships to reduce risk

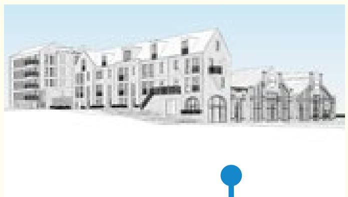
ASR DCRF has built a good network of partners, and is actively engaged with a variety of experts in the field. This includes close cooperation with project developers, builders, building associations. "It is important to engage with all of these partners at an early stage to create relationships based on mutual trust," says Hans. "This helps developers raise the financing they need, and it helps ASR DCRF stay on

Identified pipeline of € 130m of capital investment

2016 **Zwolle**, Stadshagen

2016 **Arnhem**, Malburgen

2017 **Amersfoort**, Vathorst 2B



2016

2017

2016 **Arnhem**, Schuytgraaf

2017 **Nieuwegein**, Van Reeshof

top of new locations and products." In particular, this approach allows the Fund to provide functional and technical input in terms of the number and types of units, building type, sustainable material, and even specific brand names for quality products geared towards long-term value. "It's a system of mutual transparency that ensures quality while enhancing our ability to ensure a smooth process from beginning to end."

Formalised methodologies with an agile approach

Throughout all of its investment activities, ASR DCRF employs formalised working methodologies, with regular status reports to keep information flowing. This continuous information flow – combined with trusted and transparent partnerships – actually helps the Fund compete better. "Our competition mainly consists of large companies that can be slow to change and adapt," explains Hans. We, on the other hand, are 'lean and mean' – we have the agility to make the right decisions quickly."

This agility, combined with a meticulous approach to ensuring long-term value, will ensure that the ASR DCRF stays a safe, stable investment choice in the years to come.

2017 **Amsterdam**, Wibautstraat

2019 **Amsterdam**, Cruquiuswerf

2017 **Leidschendam**, Nieuw Mariënpark

2018 **Hazerwoude-Rijndijk**, Rijndijk

A commitment to Corporate Social Responsibility

a.s.r. reim is keenly committed to Corporate Social Responsibility (CSR) as part of its approach to responsible investment management. One extremely important aspect of this responsibility is to make sure that the company acts as sustainably as possible. In fact, investment funds are becoming increasingly sustainability driven, making choices based on activities in this key area. At the same time, government legislators are set to introduce stricter environmental regulations, as the population at large – and tenants in particular – start to demand a more sustainable approach to construction, aesthetic renovations, maintenance and everyday energy use.

Property

The people who work for the company are aware of – and operate – according to sustainability standards

An official sustainability committee

"Between 25-35% of CO^2 emissions are either directly or indirectly caused by the construction and daily use of real estate," explains Sustainability Manager Lizzy Butink. "As a real estate investor, we have clear sustainability goals and we take them very seriously." a.s.r. reim formed a sustainability committee in 2014 to actively drive sustainability in the company´s official policy for 2016-2018. The policy strengthens the company's corporate social responsibility approach through four pillars: **Property, Partners, Planet and People**.

Sustainable PROPERTY

All homes in the Fund are EPA-certified, with an average Energy Performance Coefficient of 1.6 (EPA label C). Recently, ASR DCRF took steps to improve the rating further, through the renovation of a building in Rosmalen (upgrading the EPA label from F to B and C), adding a large number of new homes with an EPA label of A or better) and a BREEAM Very-Good certified Futura complex in Zoetermeer. ASR DCRF also works with a construction company that thoroughly examines the portfolio and puts forward sustainability solutions such as improving wall, floor and roof insulation, adding double

By **Joost Compaan,** Asset Manager and
Lizzy Butink, Sustainability Manager

Partners

Planet

People

glazed glass (at an HR++ level), and introducing modern hot water systems.

Sustainable PARTNERS
"ASR DCRF chooses to work with partners who are committed to sustainability," says Asset Manager Joost Compaan, "whether they are investors, builders, external property managers, or maintenance organisations." Technical maintenance is performed by CSR-certified entrepreneurs. Applied engineering materials and installations must comply with current CSR standards. And the quality of the portfolio and CSR-related technical requirements is measured by an outside consulting firm accredited according to NEN 2767 fitness and quality measurement standards.

It should go without saying that ASR DCRF is also committed to the people living in the portfolio's buildings. "The Fund runs an annual tenant satisfaction survey," explains Joost. "The outcomes are discussed internally and then translated into improvement actions that are monitored quarterly." In 2015, our average tenant satisfaction rate was 7.1.

Sustainable PLANET
ASR DCRF's properties use 100% green electricity with a major emphasis on green gas. CSR performance in this area is also measured annually and made transparent in the Global Real Estate Sustainability Benchmark (GRESB). GRESB is an independent, scientific benchmark that assesses sustainability policies and their implementation in real estate funds across the globe. Last year, ASR DCRF was awarded the highest award in this area: Green Star.

Sustainable PEOPLE
a.s.r. is actively embedding a sustainability attitude internally across its organisation and processes, making sure the people who work for the company are aware of – and

operate – according to sustainability standards. "We are committed to reducing waste throughout our office," says Lizzy. "And we actively inform our organisation about what we do in terms of sustainability." The company works hard to maintain another kind of sustainability too – employee growth and satisfaction. The HR department focuses on personal development in terms of professional expertise, competences and skills, and each employee is entitled to a training budget amounting to 2% of their annual salary.

Taking sustainability into the future

A commitment to high environmental standards

All new ASR DCRF-invested buildings are constructed according to the highest environmental standards. And renovations always include an eye on raising the standards of existing buildings as well. "10% of our portfolio's standing investments are currently rated F or G," explains Joost. "So as we continue to renovate into the future, one of our goals is to reduce this percentage to under 3% in 2020."

Cooperation with external maintenance organizations

ASR DCRF holds regular meetings with maintenance organisations. Discussions obviously address renovations, as well as opportunities to make normal maintenance greener, increase the number of LED fixtures, and introduce water saving practices and other sustainability measures. "One of our goals is to apply energy-reducing measures in 10% of our portfolio annually," says Joost. "Within five years at least 50% of our standing investments will have undergone sustainability improvements. Our measurement system automatically reads the associated gas, water and electric meters, so we already have a good view of where we stand and where we can best focus our efforts."

> Engaging tenants in the sustainability process is crucial to success.

A shared approach with tenants

Engaging tenants in the sustainability process is crucial to success. ASR DCRF is further increasing its approach to working with tenants to make greener choices when it comes to renovations and energy use. The Fund already has a good Data Management System in place.

One of the biggest challenges the company now faces is balancing the need for tenant privacy with a shared approach to obtaining more hard data regarding individual usage, especially in single home dwellings. One of the company's key goals is therefore to increase tenant monitoring to further optimize energy use and lower CO^2 emissions. "One of the options we are looking at is shared renovation costs," says Lizzy. "This brings the immediate advantage of increased sustainability that can increase energy cost-effectiveness for tenants' daily expenses. Long-term, it can also raise property value and lead to rent increases down the line."

The company aims to involve tenants – as well as other inhabitants in the area – in its renovation projects, to create not only better houses but also a more attractive environment. This could range from subsidized playgrounds to a neighbourhood block party.

Investor involvement every step of the way

Clearly, ASR DCRF is committed to engaging people and organisations across the entire supply chain, raising awareness and making sure the best sustainable solutions are implemented at every possible step. Investors are also aware that one of the Fund's strategic targets is to enhance the sustainability of the portfolio, and ASR DCRF will be regularly including sustainability on investor meeting agendas. Investors are encouraged to provide their ideas and input, and they can become as involved as they like in the company´s sustainability activities.

The Fund is investing in a long-term, mature market. Within this market, ASR DCRF actively looks for – and builds – real-estate that is future-proof when it comes to sustainability. This will ensure that the buildings are attractive now and remain that way into the future. Of course, new, innovative ideas, products and services are always emerging in the area of sustainability. ASR DCRF will continue to keep a sharp eye on developments in this field, introducing measures that will create the most benefit for society, the environment, tenants, and ultimately, the property value for investors.

ASR DCRF will continue to keep a sharp eye on developments with regard to sustainability

By **Chris van Harten**
Asset Manager

Renting and sales:

A diversified strategy for tenant and investor satisfaction

ASR DCRF invests in core apartments and single-family houses situated in strong economic regions and cities in the Netherlands. "The Fund is characterized by a high occupancy rate of 98%," says Senior Asset Manager Chris van Harten. "We are also seeing a booming sales market with short periods to sale and price growth".

A shift towards smaller units and shared housing

The Fund doesn't follow hypes, but it does analyse shifting societal trends and real market changes. For instance, the housing qualities target renters now look for are shifting, with a move towards smaller units and shared accommodation. "This is an important factor to consider when it comes to new acquisitions and managing existing complexes," explains Chris. "These types of social and demographic factors definitely play a role in driving financial performance as a.s.r. reim continues to look for opportunities to maximize investor value."

Harvesting the gap between investment and resale value

ASR DCRF strives to ensure at least a 4% dividend return for investors. Sometimes the Fund invests in refurbishing an existing property, with associated costs carefully calculated to result in long-term returns through existing and new rent increases. The refurbishing investment pays off – it increases the investment value in terms of rent and the complex's resale value. "Sometimes, the strategic option for a given complex may be to resell individual units," says Chris. "This allows us to 'harvest the gap' between the individual unit sales value and the investment value. Resales are therefore a very important aspect of the Fund, turning surplus into increased distributable return."

"People who are satisfied with their home will continue to provide rental income"

A balance between acquisition and reselling

Approximately 17% of the portfolio is earmarked as individual unit sales. Of these, approximately 10% – representing 2% of the portfolio – is sold each year through individual unit sales. This type of activity will become even more important in the coming years as the increase in investment value outpaces the increase in rental values and ASR DCRF meets its commitment to satisfying investor demand. However, the Fund is also committed to maintaining its portfolio. This balance between acquisition and re-selling will continue to be accompanied by strategic buying in key locations.

Adapting to evolving legislation

Of course, these activities do not occur in a vacuum. Local, regional

and national governments change, resulting in evolving legislation. For instance, social housing legislation used to rely on non-liberalised, regulated contracts that demanded strict adherence to the government policy of limiting rent increases to the inflation index. But under the current government, high-income renters can be subject to rent increases over the inflation index, increasing revenue. In March of 2017, new parliamentary elections may result in further changes, or things may revert to the way they were before. "ASR DCRF treats these challenges as opportunities," says Chris. "All decisions affected by changing legislation do not affect our core strategy of creating long-term investment value."

Leveraging on-the-ground expertise

The Fund uses managers in the field – external organisations that serve as the company's eyes and ears on the ground. "These managers provide a number of services," explains Chris. "They let us know when units or houses become available, they suggest appropriate prices and rental amounts, and they help us keep tabs on maintenance issues before, during and after rental." The managers' knowledge of local markets, combined with the Fund's asset management expertise, provide a solid basis for maintaining the core quality of the Fund.

Cost-effective, property-tailored maintenance

Decreasing maintenance costs can help drive higher returns, and ASR DCRF continuously monitors this area for opportunities. At the same time, the Fund recognizes that renter satisfaction is paramount. "People who are satisfied with their home will continue to provide rental income," says Chris. "Those who aren't happy will be quick to tell others that as well. So we definitely prefer satisfied 'ambassadors' for our properties. We are currently refurbishing dwellings through cosmetic and other changes such as individualized heating, double glazing, and luxury kitchens and bathrooms."

"All decisions affected by changing legislation do not affect our core strategy of creating long-term investment value"

To achieve a balance of great maintenance at the lowest possible costs, ASR DCRF holds comprehensive annual meetings with its technical asset managers and property managers to discuss each complex's needs and determine each complex's policy for the coming year. Discussions range from technical requirements (such as new heating systems) to commercial aspects (such as whether an enhancement can add to the Fund's total return). Decisions can range from ongoing exploitation, deciding to refurbish, deciding to sell, or even deciding to refurbish and then sell for greater value.

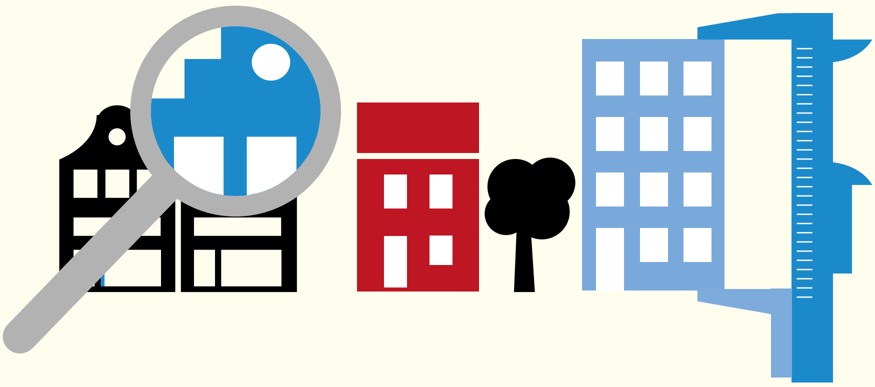
Assuring tenant and investor satisfaction

ASR DCRF also employs an external party to conduct annual customer satisfaction surveys. These surveys asses satisfaction in areas such as quality of housing, how well ASR DCRF and external managers perform their roles, etc. "This type of measurement is vital as we benchmark ourselves against the competition and decide how to best deal with different complexes," says Chris. "We discuss the survey results with our external managers to create focused improvement plans. We then monitor progress quarterly to make sure the required work is performed." The surveys are also used by ASR DCRF. "This helps our technical managers understand what they need to do to manage each complex for the coming year, and it helps us determine new rental prices, for example."

"We'll continue to carefully monitor performance," explains Chris. "Every decision we make will be based on whether it contributes to creating and maintaining sustainable, long-term returns for our investors."

A three-year plan to enhance value

Part of the Fund's three year-plan is to add value to the portfolio by acquiring new units and enhancing existing ones. The Fund strives to acquire complexes with good rental values matched with a high occupancy rate. To do this, ASR DCRF performs extensive analyses frequently to determine complex turnover. "We'll continue to carefully monitor performance," explains Chris. "Every decision we make will be based on whether it contributes to creating and maintaining sustainable, long-term returns for our investors."



Financial statements

Statement of income and comprehensive income

(amounts €'000, unless otherwise stated)

For the year	NOTES	2015	2014
Gross rental income	6	45,964	42,171
Service costs charged	6	3,474	3,247
Total operating income		**49,438**	**45,418**
Property-sp			
Service cos			
Fund exper			
Manageme			
Total opera			
OPERATIN			
Finance inc			
Finance co			
Finance re			
Changes in			
Result on s			
Result on ir			
Realised and unrealised gains and losses		**69,745**	**5,546**
NET RESULT		**96,697**	**30,671**
Other comprehensive income		-	-
TOTAL COMPREHENSIVE INCOME		**96,697**	**30,671**
In €			
Direct result per unit		33	29
Indirect result per unit		62	2
NET RESULT PER UNIT		**95**	**31**

10 Finance result

For the year	2015	2014
Interest income	80	10
Finance income	**80**	**10**
Interest costs borrowings	(127)	(96)
Finance costs	**(127)**	**(96)**
	(47)	**(86)**

The capitalization rates used to determine the amount of amortised costs are 2%.

Click on a note reference to display the note

Statement of financial position

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

As at	NOTES	31 December 2015	31 December 2014
ASSETS			
Non-current assets			
Investment properties in operation	12	804,136	751,641
Investment properties under construction	12	7,059	-
Investment properties held-for-sale	12	8,541	9,450
		819,736	**761,091**
Current assets			
Trade receivables	13	623	1,248
Cash and cash equivalents	14	17,594	2,651
		18,217	**3,899**
TOTAL ASSETS		**837,953**	**764,990**
CAPITAL AND LIABILITIES			
Capital	15		
Issued capital		1,013	1,000
Additional paid-in capital		834,308	824,486
Revaluation reserve		67,208	2,712
Retained earnings		(80,864)	(79,301)
		821,665	**748,897**
Non-current liabilities			
Borrowings	16	(31)	(56)
		(31)	**(56)**
Current liabilities			
Trade and other liabilities	17	15,274	15,483
Provisions	18	1,045	666
		16,319	**16,149**
TOTAL CAPITAL AND LIABILITIES		**837,953**	**764,990**

Statement of changes in capital

(amounts €'000, unless otherwise stated)

For the period 1 January 2014 - 31 December 2015	Issued capital	Additional paid-in capital	Retained earnings	Revaluation reserve [1]	Total
Balance as at 1 January 2014	1,000	824,486	(77,955)	97	747,628
Total comprehensive income					
- Profit for the year	-	-	30,671	-	30,671
Total comprehensive income	**-**	**-**	**30,671**	**-**	**30,671**
Movement arising from positive valuations			(2,615)	2,615	-
Transactions with the owners of the Fund					
Contributions and distributions:					
- Dividends	-	-	(29,402)	-	(29,402)
Total transactions with owners of the Fund	**-**	**-**	**(29,402)**	**-**	**(29,402)**
BALANCE AS AT 31 December 2014	**1,000**	**824,486**	**(79,301)**	**2,712**	**748,897**
Total comprehensive income					
- Profit for the year	-	-	96,697	-	96,697
Total comprehensive income	**-**	**-**	**96,697**	**-**	**96,697**
Movement arising from positive valuations			(64,496)	64,496	-
Transactions with the owners of the Fund					
Contributions and distributions:					
- Issue of ordinary units	13	9,822	-	-	9,835
- Dividends	-	-	(33,764)	-	(33,764)
Total transactions with owners of the Fund	**13**	**9,822**	**(33,764)**	**-**	**(23,929)**
BALANCE AS AT 31 December 2015	**1,013**	**834,308**	**(80,864)**	**67,208**	**821,665**
In €					
NAV per unit					811
Distributable result per unit					(33)

Distributable result

For the year	2015	2014
Operating result	26,999	25,211
Finance result	(47)	(86)
Result on individual unit sales	6,812	4,277
NET RESULT	**33,764**	**29,402**

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

Statement of cash flows

(amounts €'000, unless otherwise stated)

For the year	NOTES	2015	2014
Net result		96,697	30,671
Adjustments for:			
Interest result	10	47	86
Provision fc			
Change in			
Result on s			
Amortized			
Change in			
Cash flows			
Interest pai			
Interest rec			
Net cash fi			
Cash flows			
Investment			
Investment			
Divestments	12	33,711	45,596
Net cash flow from or used in investing activities		**11,107**	**(12,710)**
Cash flows from or used in financing activities			
Issuance of ordinary units		9,835	-
Proceeds form borrowings	16	(106)	(75)
Distributed result		(33,770)	(27,558)
Net cash from or used in financing activities		**(24,041)**	**(27,633)**
NET MOVEMENT IN CASH		**14,943**	**(14,146)**
Cash and cash equivalents as at the beginning of the period		2,651	16,797
Net increase in cash and cash equivalents		14,943	(14,146)
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD		**17,594**	**2,651**

10 Finance result

For the year	2015	2014
Interest income	80	10
Finance income	**80**	**10**
Interest costs borrowings	(127)	(96)
Finance costs	**(127)**	**(96)**
	(47)	**(86)**

The capitalization rates used to determine the amount of amortised costs are 2%.

Notes to the financial statements

(amounts €'000, unless otherwise stated)

The accounting principles adopted in the preparation of the financial statements of ASR Dutch Core Residential Fund (ASR DCRF; henceforth referred to as '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 Seed portfolio of prime quality residential properties in the Netherlands. The intention is to deliver an 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 approved for issue by the Investors on 12 May 2016.

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 and Part 9 of Book 2 of the Dutch Civil Code.

Income and cash flow statement

The Fund has elected to present a single statement of income and presents its expenses by nature.

The cash-flow statement 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 movements in the balance sheet which have not resulted in cash income or expenditure in the financial year. The cash and cash equivalents and bank overdraft amounts in the cash-flow statement 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.

Notes to the financial statements

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.

2.2 Changes in accounting policy and disclosures

(a) New and amended standards adopted by the Fund

There are no standards adopted by the Fund for the first time for the financial year beginning on or after 1 January 2015.

(b) New standards, amendments and interpretations issued, but not yet effective

The following new and amended standards and interpretations have been issued and are mandatory for the Fund's accounting periods beginning on or after 1 January 2016 or later periods and are expected to be relevant to the Fund:

Standard/Interpretation	Content	Applicable for financial years beginning on/after
IFRS 9	Financial instruments	1 January 2018
IFRS 15	Revenue from contracts with customers	1 January 2018

IFRS 9, 'Financial instruments – classification and measurement'

IFRS 9 addresses the classification, measurement and recognition of financial assets and financial liabilities. The complete version of IFRS 9 was issued in July 2014. It replaces the guidance in IAS 39 that relates to the classification and measurement of financial instruments. IFRS 9 retains but simplifies the mixed measurement model and establishes three primary measurement categories for financial assets: amortised cost, fair value through OCI (Other Comprehensive Income) and fair value through profit or loss. The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset. Investments in equity instruments are required to be measured at fair value through profit or loss with the irrevocable option at inception to present changes in fair value in OCI not recycling. There is a new credit losses model that replaces the incurred loss impairment model used in IAS 39. For financial liabilities there were no changes to classification and measurement except for the recognition of changes in own credit risk in other comprehensive income, for liabilities designated at fair value through profit or loss. IFRS 9 relaxes the requirements for hedge effectiveness by replacing the bright line hedge effectiveness tests. It requires an economic relationship between the hedged item and hedging instrument and for the 'hedged ratio' to be the same as the management actually use for risk management purposes. Contemporaneous documentation is still required but is different to that currently prepared under IAS 39. The standard is effective for accounting periods beginning on or after 1 January 2018. The Fund is yet to assess IFRS 9's full impact and intends to adopt IFRS 9 no later than the accounting period beginning on 1 January 2016. The Fund will also consider the impact of the remaining phases of IFRS 9 when completed by the IASB.

IFRS 15, 'Revenue from contracts with customers - revenue recognition'

IFRS 15 deals with revenue recognition and establishes principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. Revenue is recognised when a customer obtains control of a good or service and thus has the ability to direct the use and obtain the benefits from the

Notes to the financial statements

good or service. The standard replaces IAS 18 'Revenue' and IAS 11 'Construction contracts and related interpretations'. The standard is effective for annual periods beginning on or after 1 January 2017. The Fund is assessing the impact of IFRS 15.
There are no other IFRSs or IFRIC interpretations that are not yet effective that would be expected to have a material impact on the Fund.

The IASB and the IFRIC have published the following standards and interpretations that are EU-endorsed, which were not yet effective. The standards, amendments and interpretations are not expected to be relevant to the Fund's operations:

Standard/Interpretation	Content	Applicable for financial years beginning on/after
IFRS 11	Amendments to IFRS 11, 'Joint Arrangements'	1 January 2016
IAS 1	Amendments to IAS 1, 'Presentation of Financial Statements'	1 January 2016
IAS 16	Amendments to IAS 16, 'Property, Plant and Equipment'	1 January 2016
IAS 27	Amendments to IAS 27, 'Separate Financial Statements'	1 January 2016
IAS 38	Amendments to IAS 38, 'Intangible Assets'	1 January 2016
IAS 41	Amendments to IAS 41, 'Agriculture'	1 January 2016

(c) Early adoption of standards
The Fund did not early adopt any new or amended standards in 2015.

2.3 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.

Notes to the financial statements

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:

- The provisions of the construction contract;
- The stage of completion;
- Whether the project is standard (typical for the market) or non-standard;
- The level of reliability of cash inflows after completion;
- The development risk specific to the property;
- Past experience with similar constructions;
- Status of construction permits.

Market value property valuations will be prepared in accordance with the RICS Valuation Standards, 7th 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 capitalization 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 capitalized 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 income statement. Investment properties are derecognised from the balance sheet 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 income statement in the year of derecognizing.

2.4 Assets held-for-sale

Non-current 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.

Notes to the financial statements

2.5 Leases

The Fund is the lessor in an operating lease. Properties leased out under operating leases are included in investment property in the statement of financial position (Note 12). See Note 2.13 for the recognition of rental income.

2.6 Financial instruments

Financial assets

Financial assets are classified as financial assets at fair value through profit or loss and loans and receivables as appropriate. 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 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.

Cash and cash equivalents are also classified as loans and receivables. They 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. The Fund assesses at each financial position date whether there is objective evidence that a financial asset or group of financial assets is impaired. If there is objective evidence (such as significant financial difficulty of the obligor, breach of contract, or it becomes probable that the debtor will enter bankruptcy), the asset is tested for impairment. The amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not been incurred), discounted at the financial asset's original effective interest rate (that is, the effective interest rate computed at initial recognition). The carrying amount of the asset is reduced through use of an allowance account. The amount of the loss is recognised in the income statement. 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 income statement.

Financial liabilities

Liabilities within the scope of IAS 39 are classified as financial liabilities at fair value through profit or loss or other liabilities, 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 2.10 for the accounting policy on borrowings).

Notes to the financial statements

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.

2.7 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.

2.8 Capital

Capital is classified as equity. External costs directly attributable to subsequent issue capital are deducted from the proceeds. When capital recognised as equity is repurchased, the amount of the consideration paid, including directly attributable costs, is recognized as a change in the other reserves in capital. Repurchased units are classified as treasury units and deducted from total capital. Dividends are recognised as a liability in the period in which they are declared.

2.9 Current assets and liabilities

Loans and receivables are initially recognised at fair value and subsequently measured at amortised cost, less impairment losses, if applicable.
Rental income invoiced in advance is set off against the rental income that has been invoiced but not yet received.

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. Accounts receivable from tenants are stated at their historical cost as reduced by appropriate allowances for estimated irrecoverable amounts.

2.10 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 2.14) 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 capitalized 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.

2.11 Provisions

Provisions 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. The increase in the provision due to passage of time is recognised as finance cost.

Notes to the financial statements

2.12 Dividend distribution

Dividend distribution to the Investors is recognised as a liability in the Fund's financial statements in the period in which the dividends are approved.

2.13 Revenue recognition

Revenue includes rental income, and service and management charges from properties.
The Fund presents the service costs and service charges separately in the financial statements because the Fund bears the risk of recovery of these costs from tenants.
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.
Revenue on sales of investment properties and revenue on retail sales are separately disclosed in the financial statements. Revenue is recognised in the accounting period in which the properties are sold.

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.

2.14 Finance income and finance costs

Interest income and expense are recognised within 'finance income' and 'finance costs' in profit or loss using the effective interest rate, except for amortised costs relating to qualifying assets, which are capitalized as part of the cost of that asset. The Fund has chosen to capitalize 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.

2.15 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, but also performance fees. Fund expenses and management fees are recognised in profit or loss in the period in which they are incurred (on an accruals basis).

Notes to the financial statements

2.16 Income tax
The Fund is transparent with respect to corporate income tax, therefore no corporate income tax is applicable for the Fund. The Fund is an independent fiscal entity for corporate income tax and VAT purposes.

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.

ASR Dutch Core Residential Fund Management Company B.V. (the Management Company) has an agreement (Management Agreement) with a.s.r. reim (the Manager). In the agreement is stated that the Manager will provide fund management services, asset management services and property management services to the Management Company. Under the fund management services the following items are included (not limitative): 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 its responsibilities to a.s.r. reim, the Manager. Also under the AIFMD requirements a.s.r. reim acts as the Manager of the Fund. The risk management is therefore described from perspective of the Manager, a.s.r. reim. The Manager reviews its key processes through ISAE 3402 and ISAE 3000 Type. Every other year, compliance to the ISAE framework is audited by an external accountant. Please refer to Appendix 2 for more detailed information on ISAE.

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 your investment will increase in value; however, it is also possible that your 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 Fund Manager, a.s.r. reim, and a.s.r. Netherlands (a.s.r.), attach great importance to sound risk management. Such an approach helps a.s.r. reim 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. reim and of the funds that it manages follows the principles of The Committee of Sponsoring Organizations 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 Fund Manager's organization 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. reim on 9 February 2015., The Fund Manager set out the risk policy in a policy document and the organization employed an independent risk manager as required by the Act on Financial Supervision (Wft) and AIFMD.

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

Notes to the financial statements

From 30 June 2015, the Fund reports the mandatory AIFMD fund details and results to the Dutch Central Bank (DNB). This is done on a quarterly basis through e-line.

3.3 Responsibility for risk management within a.s.r. reim

Ultimate responsibility for risk management tasks within a.s.r. reim lies with the Chief Finance and Risk Officer (CFRO). Portfolio management tasks come 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 three 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 Internal Control 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 organization's decision-making processes.

Risk management entails:
- Delivering and translating policy and frameworks for a.s.r. reim
- 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 and leaseholders, employees and supervisory bodies.

Risk management objectives

The Fund Manager (a.s.r. reim) believes that the quality and status of its risk management must be evident internally and externally and that the property 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. reim 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. reim
- 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. reim 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. reim and the Fund
- Reduce the chance of operational losses and make better use of opportunities
- Demonstrate that the Fund 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

Notes to the financial statements

Governance of ASR DCRF
A Risk Committee (RC) and a Beleggingscomité (BC) have been set up within a.s.r. reim. In addition, the Fund established an Investment Committee (IC). The decisions and actions of these committees are noted.

Risk Committee (RC)
The RC, which has held meetings since its founding in 2010, assesses among other things management reports within the framework of investment restrictions and various operational risk reports. Reports relate to the progress of Control Risk Self-assessment action points, compliance issues, data protection and company continuity reviews, operational loss recordings and the Non-Financial Risk Dashboard. 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 or five representatives of the investors in the Fund. The meetings are event-driven and assess/approve investment and divestments with a value exceeding € 25 million. 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.

3.4 Risk management system
Control Risk Self-Assessment (CRSA)
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 CRSA. This strategy is then translated by the Executive Board of a.s.r. reim into objectives for a.s.r. reim and for the funds that it manages. The BRM also assists the Executive Board of a.s.r. reim in conducting an annual CRSA, which ascertains the risks of new and existing objectives of the management organization and of the investment funds.

Any policy amendments based on findings that emerge during the annual CRSA are processed into the risk management policy of a.s.r. reim and submitted to the Executive Board of a.s.r. reim 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. reim.

Non-Financial Risk (NFR) Dashboard
The NFR Dashboard provides insight into the degree of risk management on the following categories:
- External risk
- Operational risk
- IT risk
- Integrity risk
- Legal risk
- Outsourcing risk

Notes to the financial statements

The NFR dashboard indicates the risk appetite of a.s.r. in relation to each of the above risks. The NFR dashboard is jointly updated each quarter by the BRM with the input of the Legal Department and the Compliance Officer of a.s.r. reim. If necessary, the BRM recommends actions to improve risk control. The RC of a.s.r. reim discusses and reports on the dashboard and any proposed actions.

Properties with an increased risk

Properties with an increased risk are logged and monitored by a.s.r. reim. 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 of € 5,000 or more must be reported.

Raising risk awareness

a.s.r. reim strives to ensure that risk awareness is transparent and measurable throughout the organization, embedded in procedures, and embraced by employees. This means that decision-making at all levels in the organization 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 Defence model

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

A number of controls designed as first line of defence are documented within a.s.r. reim. 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 withn a.s.r. reim 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 MT of a.s.r. reim.

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

The role of the depositary

The AIFMD license requires a.s.r. reim 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.

Notes to the financial statements

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. reim 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) Ensure that the sale, issue, purchase, repayment and abrogation of rights of participation or units in the Fund takes place in accordance with the appropriate national laws and with the regulations or statutes of the Fund
b) Ensure that the value of the rights of participation or units in the Fund is calculated in accordance with the appropriate national laws, the regulations or statutes, and the fixed procedures
c) Carry out the instructions of a.s.r. reim as Fund Manager, unless these are contrary to the appropriate national laws, the regulations or the statutes
d) Ensure that, for transactions involving the assets of the Fund, the equivalent value is transferred to the Fund within the usual time limits
e) Be satisfied that the Fund's proceeds are appropriated in accordance with the appropriate national laws and with the regulations or statutes of the Fund

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

Legal issues
Legal expertise has been guaranteed in the first and second line of defence. For its first line of defence, a.s.r. reim 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 defence. 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. A Compliance Officer is employed by a.s.r. reim.

The Compliance Officer of a.s.r. reim is responsible for:
1. Designating a member of the management team who is responsible for compliance issues on behalf of the Fund Manager and the funds
2. 'Translating' (written) policy concerning rules at a.s.r. level into a format suitable for a.s.r. reim and ensuring its implementation
3. Managing compliance risks at a.s.r. reim level
4. Monitoring compliance with all relevant rules
5. Taking and implementing (new) control measures regarding identified compliance shortcomings within a.s.r. reim
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. reim 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

Notes to the financial statements

Board of a.s.r. reim 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. reim.

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. reim reports on a quarterly basis to the CEO and CFRO of a.s.r. reim, in addition to the direct reporting obligation to the Chair of the Executive Board, a formal reporting obligation to the Chair of the Audit and Risk Committee and, if compliance matters need to be escalated, to the CEO of a.s.r. reim.

Internal audit

Audit a.s.r. is the internal audit department of a.s.r.. It acts as a third line of defence by appraising independently the quality of the organization's management and its processes and by making solicited and unsolicited recommendations for improving the organization's management and its processes. Audit a.s.r. reports its findings to the CEO of a.s.r. reim 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. reim.

Manager's declaration

At the end of 2015 the Executive Board of a.s.r. reim issued a management control statement on risks in the financial reports and the risk management model (including compliance risk) at a.s.r. reim. 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

Financial risks can be divided into several risks:

- Real estate risk
- Interest rate risk
- Credit risk
- Liquidity risk
- Funding risk
- Capital risk management

ASR Dutch Core Residential Fund Management Company B.V. (the Management Company) has an agreement (Management Agreement) with a.s.r. reim (the Manager). In the agreement it is stated that the Manager will provide fund management services, asset management services and property management services to the Management Company. Under the fund management services the following items are included (not limitative): legal and structuring, compliance, business and financial advisory, human resource, risk management, communication and marketing and finance and tax.

The internal control system (Type II) according to the International Standard of Assurance Engagements (ISAE) 3402, regarding property and asset management processes, is in place since 2013. The reporting period encompassed a period of nine months, from 1 January 2013 to 30 September 2013. For 2014 and 2015, the ISAE controls continued to be in place.

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The internal control system according to the International Standard of Assurance Engagements (ISAE) 3000, regarding fund specific controls, is tested for a period of nine months, from 1 January 2015 to 30 September 2015.ASR DCRF received an ISAE 3000 certification without imperfections in 2015.

The following describes the involved risks and applied risk management.

Real estate risk

The yields 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 revenues sufficient 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 of 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 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 of the Fund expects to lower the risk profile of the portfolio.

The properties are valued by independent valuers. In 2015 the two independent valuers were MVGM and DTZ Zadelhoff. 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 4 of this annual report. For further sensitivity analysis we refer to Note 12.

Interest rate risk

As the Fund's interest-bearing assets do not generate significant amounts of interest, changes in market interest rates do not have any significant direct effect on the Fund's income.

The Fund's interest rate risk principally arises from long-term borrowings (Note 16). Borrowings issued at floating rates expose the Fund to cash flow interest rate risk. At 31 December 2015 the Fund has

Notes to the financial statements

a credit agreement with NIBC containing an facility amounting to € 50m. The Fund does not have borrowings at fixed rates. The Fund's interest rate risk is assessed continually. As at 31 December 2015 the Fund's interest rate risk is not significant.

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.

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Fund. 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.

Receivables from tenants consist of a large number of customers, spread across geographical areas. 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 balance sheet 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 2015 the debtor's position amounts to € 1.3m, 2.8% of gross rental income. The total debtor's provision amounts to € 1.0m as at 31 December 2015.

For the year	Debtor's position (in € m)	Debtor's provision (in € m)
0-60 days	€ 0.3m	€ 0.1m
61-180 days	€ 0.1m	€ 0.1m
181-365 days	€ 0.2m	€ 0.1m
>365 days	€ 0.7m	€ 0.7m
	€ 1.3m	**€ 1.0m**

Liquidity risk

Ultimate responsibility for liquidity risk management rests with the management of the Fund, 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 exposure to risk mainly relate to the obligation to finance pipeline projects. All direct result is paid out to the investors on a quarterly basis, therefore the loan facility will be used to finance future pipeline obligations. Afterwards such loan facility will be converted into new equity, to keep the equity character of the Fund. In the years thereafter the identified pipeline plus additional acquisitions are expected to be financed by loan facilities first, after which this debt will be converted into new equity. Therefore a certain amount of debt due to loan facilities will be applicable in the Fund the upcoming years due to pipeline commitments.

Notes to the financial statements

Funding risk
The Fund may enter into loan facilities in order to finance either; the committed pipeline, 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.

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 2015 results in a loan-to-value ratio of 0.0% (2014: 0.0%). The Fund wants to keep its low leverage status to support the equity character of the Fund.

Capital risk management
The Fund's objectives when managing capital are to safeguard the Fund's ability to continue as a going concern in order to provide returns for participants and benefits for other stakeholders; and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Fund may adjust the amount of dividends paid to participants, return capital to participants, issue new units or sell assets to reduce debt.

The Fund monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated by the Fund as total borrowings less cash and cash equivalents. Total capital is calculated as equity, as shown in the statement of financial position, plus net debt.

3.6 Other risks
The most significant risks that remain are explained below.

Amendments to legislation and regulations
The Fund is subject to the local, regional and national legislation of the countries in which the Fund is active and has investments. The Fund Manager has designated a Compliance Officer who is charged with supervising the Fund's compliance with legislation and regulation.

Closed-end structure
The Fund is a closed-end investment company (conform AIFMD definition). 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.

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.

Credit risk
Credit risk is the risk that a counterparty can no longer satisfy its obligations. The value of assets is influenced by a positive or negative development of the creditworthiness of the relative counterparty. Creditworthiness is determined by assessing the likelihood that counterparties will not meet their payment obligations. In order to mitigate this risk, all candidate tenants are subject to a credit check.

Notes to the financial statements

Although the Fund Manager is prudent when selecting counterparties for property investments, it cannot entirely rule out the risk that a counterparty will default on payments. The Fund's credit risk relates chiefly to the following issues:

- Amounts owed in respect of rent and service costs of debtors
- The Fund's credit risk relates chiefly to the amounts owed with regard to rent and service charges of (former) tenants

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.

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. conforms to the objective of guaranteeing the confidence in and the reputation of a large organization in sound corporate governance.
- Incident management: The management of a.s.r. reim 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. reim 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.
- Pre-employment screening (PES): a.s.r. 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.

Liquidity risk

Liquidity risk is the risk that an investment that cannot be bought or sold quickly enough to prevent or minimise a loss due to the investment's lack of marketability. There are two components to liquidity risk:

- Funding liquidity risk: the risk that an expected and unexpected demand for cash from participants and other contractual parties cannot be satisfied without suffering unacceptable losses or damaging business operations.
- Market liquidity risk: the risk that there is an inability to convert assets into cash flows due to unfavourable market conditions or disruption. Market liquidity risk is related to the liquid value sensitivity of a portfolio due to changes in the size of the corrections to cash flows and changes in market value. It is also related to the uncertain time scale for realising the liquid value of assets.

Managing the Fund's liquidity risk is a combination of managing its funding sources and monitoring the portfolio, which should hold only property for which market demand exists and which can be converted into cash as coverage against unexpected disruptions to cash flows.

Sound liquidity risk management is discussed at the Executive Board's monthly meetings. The primary aim is to guarantee that the Fund retains sufficient cash and cash equivalents at all times to satisfy current and future financial obligations in both normal and abnormal circumstances.

All cash and cash equivalents are at the free disposal of the Fund. The Fund has access to a current account credit facility of € 50m to meet temporary liquidity needs.

Notes to the financial statements

Quality risk
Quality risk is the risk that the management organization delivers insufficient quality, as a result of which investor agreements and the Fund's objectives cannot be correctly executed. The Fund Manager mitigates this risk by using an internal (process) control framework by following business incidents procedures.

Relative performance risk
Relative performance risk is the risk that the Fund's results fall behind the selected benchmark 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 the benchmark on a regular basis and by holding asset managers accountable and directing them if necessary.

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 participants. Yields can be influenced by an incorrect legal or fiscal assessment. This risk is mitigated by obtaining, when necessary, advice from external tax accountants and lawyers of reputable organizations.

Transparency risk
Transparency risk is the risk that the management organization cannot give a timely and/or adequate account after quarterly closures of the Fund's activities, as agreed with investors and supervisory bodies. This risk is mitigated by issuing informative reports of a high standard in good time.

4 Critical judgements in applying the Fund's accounting policies
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 estimate 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 assurance 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. reim.
The fair value is based on net yield calculation, where market rents are capitalized 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 12.

5 Operating segments
Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker is the person that allocates resources to and assesses the performance of the operating segments of an entity. The Fund has determined that its chief operating decision maker is the Fund Director.
Management has determined the operating segments based on the reports reviewed by the Fund Director in making strategic decisions.
The Fund Director considers the business based on the following operating segments:
- Apartments
- Single-family houses
- Other (parking and commercial)

Notes to the financial statements

The operating segments derive their revenue primarily from rental income from lessees.
All of the Fund's business activities and operating segments are reported within the above segments.
The segment information provided to the Fund Director regarding the results for the reportable segments for the year ended 31 December 2015 is as follows:

2015	Apartments	Single-family houses	Other	Non-allocatable [1]	Total
Gross rental income	28,194	17,400	370		45,964
Property-specific costs	(8,529)	(5,402)	(81)		(14,012)
Fund expenses	(114)	(83)	(15)	(405)	(617)
Management fees				(4,336)	(4,336)
Operating result	**19,551**	**11,915**	**274**	**(4,741)**	**26,999**
Interest income	4	1	-	75	80
Interest costs	-	-	-	(127)	(127)
Finance result	**4**	**1**	**-**	**(52)**	**(47)**
Changes in fair value of investment properties	43,079	19,501	390	-	62,970
Result on sales of investment properties	3,252	3,524	(1)	-	6,775
Realised and unrealised gains and losses	**46,331**	**23,025**	**389**	**-**	**69,745**
NET RESULT	**65,886**	**34,941**	**663**	**(4,793)**	**96,697**

The segment information for the year ended 31 December 2014 is as follows:

2014	Apartments	Single-family houses	Other	Non-allocatable [1]	Total
Gross rental income	24,152	17,396	623	-	42,171
Property-specific costs	(7,480)	(4,442)	(144)	-	(12,066)
Fund expenses	(226)	(208)	(34)	(295)	(763)
Management fees	-	-	-	(4,131)	(4,131)
Operating result	**16,446**	**12,746**	**445**	**(4,426)**	**25,211**
Interest income	6	4	-	-	10
Interest costs	-	-	-	(96)	(96)
Finance result	**6**	**4**	**-**	**(96)**	**(86)**
Changes in fair value of investment properties	2,893	(1,589)	68	-	1,372
Result on sales of investment properties	2,043	2,136	(5)	-	4,174
Realised and unrealised gains and losses	**4,936**	**547**	**63**	**-**	**5,546**
NET RESULT	**21,388**	**13,297**	**508**	**(4,522)**	**30,671**

1) Concerning all results other than property related.

Notes to the financial statements

The segment information provided to the Fund Director regarding the portfolio for the reportable segments for the year ended 31 December 2015 is as follows:

2015	Total	Apartments	Single-family houses	Other
Number of properties	93	36	56	1
Number of dwellings	4,665	2,770	1,895	-
Market value (in € '000)	819,736	508,119	304,882	6,735
Gross initial yield [1]	5.7%	5.5%	5.8%	5.7%

The segment information for the year ended 31 December 2014 is as follows:

2014	Total	Apartments	Single-family houses	Other
Number of properties	94	35	58	1
Number of dwellings	4,823	1,977	2,846	-
Market value (in € '000)	761,091	469,032	285,171	6,888
Gross initial yield [1]	5.4%	4.9%	6.1%	6.1%

During 2015 and 2014, there were no transactions between the Fund's reportable segments.

Revenues are derived from a large number of tenants and no single tenant or group under common control contributes more than 10% of the Fund's revenues.

1) Calculated by dividing GRI into the investment properties in operation.

Notes to the financial statements

6 Gross rental income

For the year	2015	2014
Theoretical rental income	47,342	44,230
Vacancy	(1,265)	(1,897)
Straight lined rent incentives	(113)	(162)
	45,964	**42,171**

The future aggregate minimum rentals receivable under non-cancellable operating leases are as follows:

For the year	2015	2014
No later than 1 year	3,931	3,897
Later than 1 year and no later than 5 years	360	332
Later than 5 years	16	26

Net rental income

For the year	2015	2014
Gross rental income	45,964	42,171
Service costs charged	3,474	3,247
Service costs paid	(3,474)	(3,247)
Property-specific costs	(14,012)	(12,066)
	31,952	**30,105**

For quantitative analysis on gross rental income we refer to page 22.

Notes to the financial statements

7 Property-specific costs

For the year	NOTES	2015	2014
Maintenance		6,811	4,632
Marketing costs		1,068	1,280
Non recoverable service costs		112	110
Property insurance		335	353
Property management fee		1,936	1,687
Provision for doubtful debt	13	87	315
Provision for VAT		379	263
Taxes		2,594	2,633
Other property-specific costs		690	793
		14,012	**12,066**

For quantitative analysis on property specific costs we refer to page 23.

All direct operating expenses (including repair and maintenance) relate to investment properties that generated rental income during the period.

8 Fund expenses

For the year	2015	2014
Administration and secretarial fees	-	116
Amortized provision on borrowings	25	19
Audit fees	91	121
Bank charges	5	9
Depositary fees	100	47
Publication fees	47	54
Valuation fees	349	397
	617	**763**

9 Management fees

For the year	2015	2014
Asset management fee	3,942	3,756
Fund management fee	394	375
	4,336	**4,131**

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 is linked to the assessment of the overall job performance. The fixed salary is indexed according to the collective increase in the insurance business.

Notes to the financial statements

The Fund has no employees in 2015 (2014; nil). All employees and directors working for the Fund are employeed by ASR Nederland N.V.. A service agreement ('inleenovereenkomst') is in place between a.s.r. reim and the HR-department of ASR Nederland N.V.. Between ASR Nederland N.V. and a.s.r. reim a cost-allocation agreement is in place. Allocation of personnel expenses to a.s.r. reim occurs based on fte-driven cost allocation-keys. The total costs of a.s.r. reim amount to € 18.7m for 2015 (2014: € 18.5m). These costs exist of total personnel expenses of € 11.8m (2014: € 11.4m), based on an average of 122 FTE, including 2 directors. Of the total personnel expenses € 0.4 million (2014: € 0.4 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 2015, the total number of FTE in a.s.r. reim is 124 (2014: 122). The other costs, consisting of e.g. ICT-, business support-, advisory- and marketing costs, amount to € 6.9m (2014: € 7.1m).

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. reim. The number of employees that are fully or partly involved in the Fund is estimated at 24 FTE. This estimation is based on the assets under management of the Fund in relation to the total assets under management of a.s.r. reim.

The total remuneration for the employees of a.s.r. reim involved in the Fund is € 2.2 million (2014: € 2.2 million). 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:

2015 remuneration	Number of employees	Fixed remuneration	Variable remuneration	Total remuneration	Percentage of remuneration
Executive Board	2	76	-	76	3%
Identified staff	-	-	-	-	0%
Other staff	22	2,166	-	2,166	97%
Total	**24**	**2,242**	**-**	**2,242**	**100%**

2014 remuneration	Number of employees	Fixed remuneration	Variable remuneration	Total remuneration	Percentage of remuneration
Executive Board	2	76	-	76	4%
Identified staff	-	-	-	-	0%
Other staff	21	2,090	-	2,090	96%
Total	**23**	**2,166**	**-**	**2,166**	**100%**

There are no staff whose actions the investment entity'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.

Further information about the remuneration policy is posted on the website www.asr.nl.

Notes to the financial statements

10 Finance result

For the year	2015	2014
Interest income	80	10
Finance income	**80**	**10**
Interest costs borrowings	(127)	(96)
Finance costs	**(127)**	**(96)**
	(47)	**(86)**

The capitalization rates used to determine the amount of amortised costs are 2%.

11 Result on sales

For the year	2015	2014
Net proceeds of sales	33,711	45,596
Historical costs of properties sold	(25,558)	(33,971)
Realised gains on historical costs	**8,153**	**11,625**
Cumulative changes in fair value of properties sold	(1,378)	(7,451)
	6,775	**4,174**

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

The following table analyzes the Fund's investment properties for the year ended at 31 December 2015:

2015	Apartments			Single-family houses			Other		Total
	in operation	under construction	held-for-sale	in operation	under construction	held-for-sale	in operation	held-for-sale	
Fair value hierarchy	3	3	3	3	3		3	3	
Balance as at the beginning of the period	460,497	-	8,905	285,171	-	-	5,973	545	761,091
Movements									
- Transfer from Investment properties under construction	-	-	-	-	-		-	-	-
- Transfer to Investment properties held-for-sale	(7,027)	-	7,027	(1,515)	-	1,515	-	-	-
- Investments	13,803	-	-	1,686	7,110	-	5		22,604
- Positive changes in fair value	43,764	-	-	19,779	-	-	393		63,936
- Negative changes in fair value	(678)	-	-	(224)	(51)	-	(6)		(959)
- Divestments	(8,896)	-	(8,905)	(8,590)	-	-	-	(545)	(26,936)
Balance as at the end of the period	**501,463**	**-**	**7,027**	**296,307**	**7,059**	**1,515**	**6,365**	**-**	**819,736**
- Historical costs	457,561	-	4,919	278,907	7,110	1,060	5,981	-	755,538
- Cumulated changes in fair value	43,902	-	2,108	17,400	(51)	455	384	-	64,198
Balance as at the end of the period	**501,463**	**-**	**7,027**	**296,307**	**7,059**	**1,515**	**6,365**	**-**	**819,736**

Notes to the financial statements

The following table analyzes the Fund's investment properties for the year ended at 31 December 2014:

2014	Apartments			Single-family houses		Other		Total
	in operation	under construction	held-for-sale	in operation	under construction	in operation	held-for-sale	
Fair value hierarchy	3	3	3	3	3	3	3	
Balance as at the beginning of the period	377,305	35,890	28,419	288,526	4,740	6,112	1,831	742,823
Movements								
- Transfer from Investment properties under construction	54,736	(54,736)	-	4,553	(4,994)	441	-	-
- Transfer to Investment properties held-for-sale	(8,905)	-	8,905	-	-	(545)	545	-
- Investments	38,449	19,251	12	480	130	(4)	-	58,318
- Positive changes in fair value	9,613	-	-	3,942	124	402	-	14,081
- Negative changes in fair value	(6,215)	(405)	-	(5,656)	-	(433)	-	(12,709)
- Divestments	(4,486)	-	(28,431)	(6,674)	-	-	(1,831)	(41,422)
Balance as at the end of the period	**460,497**	**-**	**8,905**	**285,171**	**-**	**5,973**	**545**	**761,091**
- Historical costs	478,478	-	9,586	309,212	-	6,112	549	803,937
- Cumulated changes in fair value	(17,981)	-	(681)	(24,041)	-	(139)	(4)	(42,846)
Balance as at the end of the period	**460,497**	**-**	**8,905**	**285,171**	**-**	**5,973**	**545**	**761,091**

All the investment properties are valued as at 31 December 2015 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 2015 and 31 December 2014 agree to the valuations reported by the external valuers. The investment properties under construction are recognised at their initial cost. If a fair value is not available, the investment properties under construction is stated at cost. This includes costs 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 2016. The held-for-sale assets were valued at their sales price less selling expenses.

The following table analyzes 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 analyzed 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.

Notes to the financial statements

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.

2015	Unobservable inputs used in determination of fair value				Sensitivities in yield and rental value (in € '000)			
Investment properties in operation	Fair value 31 Dec 2015	Valuation technique	Range in gross rental value (in € '000)	Range in gross initial yield (in %)	Change in yield	Change in rental value -5%	0%	+5%
Netherlands - Apartments - level 3	508,119	DCF	2,027 max	7.40% max	-5%	-	26,743	53,486
			426 mean	5.70% mean	0%	(25,406)	-	25,406
			8 min	2.10% min	+5%	(48,392)	(24,196)	-
Netherlands - Single-family houses - level 3	297,822	DCF	1,600 max	7.80% max	-5%	-	15,675	31,350
			300 mean	5.70% mean	0%	(14,891)	-	14,891
			10 min	1.90% min	+5%	(28,364)	(14,182)	-
Netherlands - Other - level 3	6,736	DCF	146 max	13.10% max	-5%	-	355	709
			38 mean	6.30% mevan	0%	(337)	-	337
			11 min	3.80% min	+5%	(642)	(321)	-
	812,677							

2014	Unobservable inputs used in determination of fair value				Sensitivities in yield and rental value (in € '000)			
Investment properties in operation	Fair value 31 Dec 2014	Valuation technique	Range in gross rental value (in € '000)	Range in gross initial yield (in %)	Change in yield	Change in rental value -5%	0%	+5%
Netherlands - Apartments - level 3	469,402	DCF	1,488 max	7.5% max	-5%	-	24,686	49,372
			414 mean	6.1% mean	0%	(23,452)	-	23,452
			8 min	4.1% min	+5%	(44,670)	(22,335)	-
Netherlands - Single-family houses - level 3	285,171	DCF	1,539 max	8.5% max	-5%	-	15,009	30,018
			295 mean	5.9% mean	0%	(14,259)	-	14,259
			9 min	1.9% min	+5%	(27,159)	(13,580)	-
Netherlands - Other - level 3	6,518	DCF	142 max	13.3% max	-5%	-	363	725
			42 mean	7.2% mean	0%	(344)	-	344
			11 min	3.5% min	+5%	(656)	(328)	-
	761,091							

Notes to the financial statements

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, 7th Edition (the 'Red Book')
- The International Valuations Standards Council (IVS), in accordance with the international valuation Standards from June 2013, valid from January 1, 2014
- 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. reim) 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 behavior 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.

Notes to the financial statements

13 Trade and other receivables

As at	31 December 2015	31 December 2014
- Rent receivables from tennants	963	1,053
- Tax receivables	3	141
- Other receivables	619	1,066
Less: provision for doubtful debt	(962)	(1,012)
	623	**1,248**

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

The other receivables contain a claim of € 0.5m on a construction company, as a result of a disagreement on the quality level of a redevelopment. Final court ruling on this matter is expected in the course of 2016. In addition, receivables for our designated property management companies (concerns collection of first month of rent) are included in other receivables.

There is no concentration of credit risk with respect to trade receivables, as the Fund has a large number of tenants, dispersed around the Netherlands.

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.

As at	31 December 2015	31 December 2014
Balance as at the beginning of the period	1,012	824
Movements		
- Transfer of initial provision for doubtful debt		-
- Bad debt write-off	(137)	(127)
- Addition to provision for doubtful debt (Note 7)	87	315
Balance as at the end of the period	**962**	**1,012**

14 Cash and cash equivalents

As at	31 December 2015	31 December 2014
Cash	17,594	2,651
	17,594	**2,651**

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

Notes to the financial statements

15 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:

As at	31 December 2015	31 December 2014
Number of units as at the beginning of the period	1,000,001	1,000,001
Movements in number of units		
- Issued units closings	192,525	
- Redeemed units closings	(179,399)	
- Redeemed unit B	(1)	
Number of units as at the end of the period	**1,013,126**	**1,000,001**

Ownership in number of units is as follows:

As at	31 December 2015	31 December 2014
Units in issue		
Units A - Entitled for dividend		
ASR Levensverzekering N.V.	89,446	109,000
ASR Nederland Vastgoed Maatschappij N.V.	731,155	891,000
Investors	192,525	-
	1,013,126	**1,000,000**
Units B - Not entitled for dividend		
ASR Dutch Core Residential Management Company B.V.	-	1
	-	**1**
	1,013,126	**1,000,001**

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 balance sheet as at balance date and the number of units on that date.

As at	31 December 2015	31 December 2014
Equity attributable unit holders (in € ‘000)	821,665	748,897
Number of units as per reporting date	1,013,126	1,000,001
Net asset value per unit (in €)	811	749

Notes to the financial statements

16 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.

As at	Principal 1 April 2014	Amortised expenses	Repayments < 1 year	End date	Effective interest	Effective interest
NIBC Bank N.V. - Credit facility	50,000	(31)	-	31 March 2017	n/a	floating

The Fund has access to a current account credit facility of € 50m, which can be used to finance future pipeline obligations and meet temporary liquidity needs. The credit agreement has no mortgage and the margin on 3-months Euribor amounts to 1.0%. The upfront fee amounts to € 75k, which will be amortized over the maturity of the facility. In addition, a commitment fee of 0.25% is charged.

As at	31 December 2015	31 December 2014
Capitalized provisions, non-current	(31)	(56)
	(31)	**(56)**

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

The exposure of the Fund's borrowings to interest rate changes and contractual repricing dates at the end of the reporting period are as follows:

As at	31 December 2015	31 December 2014
3 months or less	-	-
3 - 12 months	-	-

The Fund has the following undrawn floating rate borrowing facilities:

As at	31 December 2015	31 December 2014
Expiring within one year	-	-
Expiring beyond one year	50,000	50,000
	50,000	**50,000**

Notes to the financial statements

17 Trade and other liabilities

As at	31 December 2015	31 December 2014
Accrual	1,474	1,707
Distributable result to be paid	7,847	7,855
Management fees	1,107	1,039
Prepaid rent	581	610
Property management fees	551	428
Rent deposits	1,808	1,370
Service payables	1,011	739
Trade payables	895	1,735
	15,274	**15,483**

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

18 Provisions

The following table shows the Fund's provisions:

As at	31 December 2015	31 December 2014
Balance as at the beginning of the period	666	402
Movements		
- Additional provisions – charged to income statement	379	264
Balance as at the end of the period	**1,045**	**666**

A total provision of €1,045k is in place, as at 31 December 2015, which relates to the VAT on property management fees. According to the Supreme Court in December 2015, VAT is applicable for property management services. As a result, VAT will be added to the property management fee from the fourth quarter of 2015. In expectation of this ruling, the Fund recognized a provision for VAT, since the inception of the Fund (1 January 2013). It is still under discussion whether VAT is applicable for the period between fund inception and the court ruling. The current provision is therefore maintained in the fourth quarter of 2015.

19 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 1,001,326 average units over 2015 (1,000,001 average units over 2014).

For the year	2015	2014
Direct result	33	29
Indirect result	62	2
Net result per unit	**95**	**31**

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

Notes to the financial statements

20 Contingencies and commitments

The capital commitments of the Fund exists of nine turn key projects for a total amount of € 131.1m of which € 7.1m is recognised on balance as at 31 December 2015.

21 Related-party transactions

The Funds ultimate parent company is ASR Nederland N.V., which owns 81% of the Fund's units.

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. reim, the Manager. Also under the AIFMD requirements a.s.r. reim 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 Fund acquired investment properties from the ASR Levensverzekering N.V. and ASR Nederland Vastgoed Maatschappij N.V. at inception of the Fund (1 January 2013). The investment properties are acquired at fair value. The fair value is based on the appraisals from external valuers.

The Anchor Investor aims to reduce its holding in the Fund and at the same time aims to maintain a sizeable stake in the Fund. During a period of six (6) years as of the Initial Closing the Anchor Investor will hold a minimum number of units which represents an investment of at least € 150m.

There were no other transactions carried out or balances outstanding with related parties except for distributable result (€ 7.8m to be paid (Note 17) and the following:

For the year	2015	2014
Property management fee (Note 7)	1,936	1,687
Fund management fee (Note 9)	394	375
Asset management fee (Note 9)	3,942	3,756
	6,272	**5,818**

22 Audit fees

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

For the year	2015	2014
Audit of the financial statements (note 8)	91	121
Other audit engagements	-	-
Other non-audit services	-	-
	91	**121**

Notes to the financial statements

Utrecht, the Netherlands, 12 May 2016

a.s.r. reim, on behalf of the ASR Dutch Core Residential Management Company B.V.

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

Other information

Independent auditor's report

To: the Meeting of Investors of ASR Dutch Core Residential Fund

Report on the financial statements

We have audited the accompanying financial statements 2015 on page 61 until page 98 of ASR Dutch Core Residential Fund, Utrecht, which comprise the statement of income and comprehensive income over 2015, the statement of financial position as at 31 December 2015, the statements of changes in capital and cash flows for the year then ended and notes, comprising a summary of the significant accounting policies and other explanatory information.

Management's responsibility

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards as adopted by the European Union, with Part 9 of Book 2 of the Netherlands Civil Code and the Financial Supervision Act (Wet op het financieel toezicht), and for the preparation of the report of the management company in accordance with Part 9 of Book 2 of the Netherlands Civil Code and the Financial Supervision Act. Furthermore, management is responsible for such internal control as it determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Fund's preparation and fair presentation of the financial statements 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of ASR Dutch Core Residential Fund as at 31 December 2015 and of its result and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union, with Part 9 of Book 2 of the Netherlands Civil Code and the Financial Supervision Act.

Report on other legal and regulatory requirements

Pursuant to the legal requirements under Section 2:393 sub 5 at e and f of the Netherlands Civil Code, we have no deficiencies to report as a result of our examination whether the report of the

Independent auditor's report

management company, to the extent we can assess, has been prepared in accordance with Part 9 of Book 2 of this Code, and whether the information as required under Section 2:392 sub 1 at b - h has been annexed. Further, we report that the report of the management company, to the extent we can assess, is consistent with the financial statements as required by Section 2:391 sub 4 of the Netherlands Civil Code.

Amstelveen, 12 May 2016

KPMG Accountants N.V.
W.G. Bakker RA

Appropriation of result

As described in clause 13 in the Fund Agreement, the distributable cash 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.

Distributable cash 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 € 7.8m is recognized as a liability as at 31 December 2015 and paid to the investors in February 2016.

Ownership in number of units is as follows:

As at	31 December 2015	31 December 2014
Units in issue		
Units A - Entitled for dividend		
ASR Levensverzekering N.V.	89,446	109,000
ASR Nederland Vastgoed Maatschappij N.V.	731,155	891,000
Investors	192,525	-
	1,013,126	**1,000,000**
Units B - Not entitled for dividend		
ASR Dutch Core Residential Management Company B.V.	-	1
	-	**1**
	1,013,126	**1,000,001**

Subsequent events

There were no remarkable events after the balance sheet date.

Financial statements

in accordance with INREV principles (unaudited)

Appendix 1 - Financial Statements in accordance with INREV principles (unaudited)

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
Set-up costs	Directly into profit & loss account	On balance sheet and depreciated in five years
Acquisition expenses	Directly into profit & loss account	On balance sheet and depreciated in five years
Effect of not yet distributed dividend recorded as a liability (not included in equity)	Recognized as a liability on balance sheet	Recognized in equity

INREV fee metrics

In order to give investors a clear overview of fee structures and provide a fairer comparison of costs between funds, the Fund publishes both its Total Expense Ratio (TER) and Real Estate Expense Ratio (REER) in line with INREV guidelines. The table below shows the Fund's annual operating costs in proportion to the value of its assets.

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

	2015 % GAV	2015 % NAV	2014 % GAV	2014 % NAV
Fund management fee		0.05%		0.05%
Asset management fee		0.50%		0.50%
Total Expense Ratio	0.62%	0.64%	0.66%	0.68%
Real Estate Expense Ratio	1.70%	1.76%	1.59%	1.60%

INREV NAV calculation (unaudited)

		Total (in €'000)	Per unit (in €)
	NAV as per the financial statements	821,665	811
	Effect of exercise of options, convertibles and other equity interests	-	-
	Effect of not yet distributed results recorded as a liability (not included in equity) [1)]	7,847	8
	Diluted NAV, after the exercise of options, convertibles and other equity interests and the effect of not yet distributed results	**829,512**	**819**
a)	Revaluation to fair value of investment properties	-	-
b)	Revaluation to fair value of self-constructed or developed investment property	-	-
c)	Revaluation to fair value of property intended for sale	-	-
d)	Fair value of property that is leased to tenants under a finance lease	-	-
e)	Transfer taxes and purchaser's costs	-	-
f)	Revaluation to fair value of fixed rate debt	-	-
g)	Deferred tax	-	-
h)	Set-up costs	286	0
i)	Acquisition expenses	-	-
j)	Contractual fees	-	-
k)	Tax effect of the adjustments	-	-
l)	Minority interest effects on the above adjustments	-	-
	DILUTED INREV NAV	**829,798**	**819**
	Number of units issued	1,013,126	-
	Number of units issued taken dilution effect into account	1,013,126	-

1) Relates to the fourth quarter 2015 distributable result.

Statement of income and comprehensive income in accordance with INREV principles (unaudited)

(amounts €'000, unless otherwise stated)

For the period		2015			2014		
		IFRS	Adjustments	INREV	IFRS	Adjustments	INREV
	NOTES						
Gross rental income	6	45,964	-	45,964	42,171	-	42,171
Service costs charged	6	3,474	-	3,474	3,247	-	3,247
Total operating income		**49,438**	**-**	**49,438**	**45,418**	**-**	**45,418**
Property-specific costs	7	(14,012)	-	(14,012)	(12,066)	-	(12,066)
Service costs paid	6	(3,474)	-	(3,474)	(3,247)	-	(3,247)
Fund expenses	8	(617)	-	(617)	(763)	-	(763)
Management fees	9	(4,336)	-	(4,336)	(4,131)	-	(4,131)
Total operating expenses		**(22,439)**	**-**	**(22,439)**	**(20,207)**	**-**	**(20,207)**
OPERATING RESULT		**26,999**	**-**	**26,999**	**25,211**	**-**	**25,211**
Finance income	10	80	-	80	10	-	10
Finance costs	10	(127)	-	(127)	(96)	-	(96)
Finance result		**(47)**	**-**	**(47)**	**(86)**	**-**	**(86)**
Amortisation on intangible assets		-	(141)	(141)	-	(151)	(151)
Total amortisation		**-**	**(141)**	**(141)**	**-**	**(151)**	**(151)**
Changes in fair value of investment properties	12	62,970	-	62,970	1,372	-	1,372
Result on sales of investment properties	11	(37)	-	(37)	(103)	-	(103)
Result on individual unit sales	11	6,812	-	6,812	4,277	-	4,277
Realised and unrealised gains and losses		**69,745**	**-**	**69,745**	**5,546**	**-**	**5,546**
NET RESULT		**96,697**	**(141)**	**96,556**	**30,671**	**(151)**	**30,520**
Other comprehensive income							
TOTAL COMPREHENSIVE INCOME		**96,697**	**(141)**	**96,556**	**30,671**	**(151)**	**30,520**
Result per unit in €							
Direct result				33			29
Indirect result				62			2
NET RESULT PER UNIT				**95**			**31**

Statement of financial position in accordance with INREV principles (unaudited)

(amounts €'000, unless otherwise stated)

As at		31 December 2015			31 December 2014		
	NOTES	IFRS	Adjustments	INREV			
ASSETS							
Non-current assets							
Investment properties in operation	12	804,136	-	804,136	751,641	-	751,641
Investment properties under construction	12	7,059	-	7,059	-	-	-
Investment properties held-for-sale	12	8,541	-	8,541	9,450	-	9,450
		819,736	**-**	**819,736**	**761,091**	**-**	**761,091**
Intangible assets							
Structuring costs		-	286	286	-	427	427
		-	**286**	**286**	**-**	**427**	**427**
Current assets							
Trade receivables	13	623	-	623	1,248	-	1,248
Cash and cash equivalents	14	17,594	-	17,594	2,651	-	2,651
		18,217	**-**	**18,217**	**3,899**	**-**	**3,899**
TOTAL ASSETS		**837,953**	**286**	**838,239**	**764,990**	**427**	**765,417**
CAPITAL AND LIABILITIES							
Capital							
Issued capital	15	1,013	-	1,013	1,000	-	1,000
Additional paid-in capital		834,308	-	834,308	824,486	-	824,486
Revaluation reserve		67,208	-	67,208	2,712	-	2,712
Retained earnings		(80,864)	8,133	(72,731)	(79,301)	8,282	(71,019)
		821,665	**8,133**	**829,798**	**748,897**	**8,282**	**757,179**
Non-current liabilities							
Borrowings	16	(31)	-	(31)	(56)	-	(56)
		(31)	**-**	**(31)**	**(56)**	**-**	**(56)**
Current liabilities							
Trade and other liabilities	17	15,274	(7,847)	7,427	15,483	(7,855)	7,628
Provisions	18	1,045	-	1,045	666	-	666
		16,319	**(7,847)**	**8,472**	**16,149**	**(7,855)**	**8,294**
TOTAL CAPITAL AND LIABILITIES		**837,953**	**286**	**838,239**	**764,990**	**427**	**765,417**

Statement of changes in capital in accordance with INREV principles (unaudited)

(amounts €'000, unless otherwise stated)

For the period 1 January 2014 - 31 December 2015	Issued capital	Additional paid-in capital	Retained earnings	Revaluation reserve [1]	Total
Balance as at 1 January 2014	1,000	824,486	(71,365)	97	754,218
Total comprehensive income					
- Profit for the year	-	-	30,520	-	30,520
Total comprehensive income	**-**	**-**	**30,520**	**-**	**30,520**
Movement arising from positive valuations	-	-	(2,615)	2,615	-
Transactions with the owners of the Fund					
Contributions and distributions:					
- Dividends	-	-	(27,559)	-	(27,559)
Total transactions with owners of the Fund	**-**	**-**	**(27,559)**	**-**	**(27,559)**
BALANCE AS AT 31 December 2014	**1,000**	**824,486**	**(71,019)**	**2,712**	**757,179**
Total comprehensive income					
- Profit for the year	-	-	96,556	-	96,556
Total comprehensive income	**-**	**-**	**96,556**	**-**	**96,556**
Movement arising from positive valuations	-	-	(64,496)	64,496	-
Transactions with the owners of the Fund					
Contributions and distributions:					
- Issue of ordinary units	13	9,822	-	-	9,835
- Dividends	-	-	(33,772)	-	(33,772)
Total transactions with owners of the Fund	**13**	**9,822**	**(33,772)**	**-**	**(23,937)**
BALANCE AS AT 31 December 2015	**1,013**	**834,308**	**(72,731)**	**67,208**	**829,798**
In €					
NAV per unit					819
Distributable result per unit					(33)

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

Appendix 2 - Governance / Management structure

ASR Dutch Core Residential Management Company B.V. (the 'Management Company') has an agreement, known as the 'Management Agreement', with ASR Vastgoed Vermogensbeheer B.V. (the 'AIF Manager'). The agreement states that the AIF Manager provides fund management services, asset management services and property management services to the Management Company. Fund management services include but are not restricted to: legal and structuring, compliance, business and financial advisory, human resource, risk management, communication and marketing and finance and tax.

ISAE 3402

In 2013, a Type II internal control system for a.s.r. reim was put in place in accordance with the International Standard of Assurance Engagements 3402. This globally recognised 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. A Type II report generally incorporates data compiled over a minimum of a six-month period. However, the first reporting period for the Fund covered a period of nine months, from 1 January 2013 to 30 September 2013. For 2014 and 2015, the ISAE controls continued to be in place. The AIF Manager will issue a Type II report again in 2016 and from that year on every other year.

ISAE 3000

Since the Fund has succeeded in attracting external investors, the International Standard of Assurance Engagements (ISAE) 3000 Type II have been adopted to cover specific fund management processes controls. The internal control system relates to asset and property management activities as well as the finance and risk department and IT management processes. Since the Initial Closing took place on 1 January 2015, a new reporting period covered nine months, from 1 January 2015 to 30 September 2015. We have received our first ISAE 3000 Type II report in December 2015 and continue to strive for an update every other year.

Legal and tax issues

Legal and tax issues are monitored by the internal legal and internal tax department of the Management Company. External legal and tax advisors are consulted for specific fund-related matters. The Fund's legal and tax structure is covered extensively in the Fund Agreement and in the Prospectus.

The Management Company discusses with the Investors of the Fund issues related to compliance with applicable laws and regulations, if material.

The Management Company ensures that the Fund complies with its requirements, which are specified in the Fund Agreement. The Fund Agreement governs, amongst other things, investment objectives and restrictions, tasks and responsibilities of the Management Company, risk identification and management, and governance structure and organisation. This is to maximise transparency and accountability in respect of (prospective) Investors.

Reporting

In addition to this annual report, the Management Company reports on a quarterly basis on the status of the Fund and organises at least one physical Meeting of Investors per year, in which the Management Company presents its financial statements and its Three-year Business Plan.

Appendix 2 - Governance / Management structure

Investments and divestments

Until 31 December 2014, only two ASR group companies had been investing in the Fund. Therefore, the approval process for investments and divestments has been organised in accordance with internal tables of competences, including the guidance of investments experts from both investing ASR group companies and separate layers of ASR investment committees.

Following the first External Closings in 2015, the Management Company has established an Investment Committee as described in the Fund Agreement. The first meeting of the Investment Committee was held in October 2015. The Investment Committee consists of no more than five members (currently three), including the Anchor Investor, who acts as Chair during the lock-up period. After the lock-up period, the Chair will be appointed by the Investment Committee by a simple majority. If a deadlock in the voting occurs, the vote of the Investment Committee member that holds the smallest number of outstanding units in the Fund will not be taken into account. The Investment Committee (both current and future) is responsible for monitoring the Management Company's compliance with investment objectives and strategy, investment criteria and investment restrictions.

Internal controls

The AIF Manager has an adequate system of internal controls in place to safeguard and enhance internal control procedures and the management control framework.

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 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..

These relationships mean that certain directors and officers of the Management Company and the AIF Manager may have obligations 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 that such transactions materially affect the Fund, are not expressly contemplated or approved by the terms of the Private Placement Memorandum or the Fund Agreement. The member of the Investment Committee nominated by the Investor and who has the conflict of interest, is not allowed to vote.

The directors of a.s.r. reim, on behalf of the Management Company, since 2013 are:
- Dick Gort
- Henk-Dirk de Haan.

The Management Company is therefore not in compliance with the targeted percentage of 30% male/female (as described in article 391, sub 7 BW2). When a vacant position in the management company occurs, the Fund will take this targeted percentage into account and strives to find the right person for the job.

Appendix 3 - Definitions

Amortized cost
The amount at which the financial asset or the financial liability is measured at initial recognition minus principal repayments, plus or minus the accumulated amortization using the effective interest method of any difference between that initial amount and the maturity amount, and minus any reduction for impairment or uncollectibility.

Asset enhancement
Asset enhancements relate to existing properties out of the portfolio of the Fund in which it is currently investing or will invest in the near future.

Capital growth
Capital growth is the percentage by which the net asset value grows during the year, after distributions have been made.

Current gross yield
The current gross yield is calculated by dividing the gross rental income on a yearly basis with the investment properties in operation.

Current net yield
The current net yield is calculated by dividing the net rental income on a yearly basis with the investment properties in operation.

Distributable result
Distributable result is the amount payable on a quarterly basis to the participants. The distributable result consists of the operational result, finance result and result on individual unit sales.

Fair value
The amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing partners in an arm's length transaction.

Forward acquisitions (off balance)
The forward acquisitions (off balance) is the amount of the total pipeline committment less the amount actually invested (on balance).

IFRS
Acronym of International Financial Reporting Standards (previously International Accounting Standards, IAS). As of 1 January 2005, these Standards have been the generally accepted international accounting policies that apply to all listed companies in the European Union. They make annual results easier to compare and offer a better understanding of a company's financial position and performance.

IFRS NAV
The IFRS net asset value, the 'IFRS NAV', is the capital amount of all the participants of the Fund. The IFRS NAV per unit is the IFRS NAV divided by the number of units outstanding at that moment.

Impairment
The amount by which the carrying amount of an asset or a cash-generating unit exceeds its recoverable amount. The asset's carrying amount is reduced to its fair value and recognized in profit and loss.

Income return
The income return is the return based on the distributed dividend. The return is calculated as the amount of dividend paid divided by the net asset value. INREV uses the term dividend yield, which is the amount of income the Fund distributes to participants as a percentage of the net asset value.

Appendix 3 - Definitions

INREV NAV
The INREV net asset value, the 'INREV NAV' is the IFRS NAV plus adjustments to come to the INREV NAV. The adjustments are predefined and presented in the INREV NAV calculation.

Investment properties held-for-sale
Non-current 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.

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

Investment properties under construction
The investment properties under construction are the properties in which the Fund invests and for which currently amounts are paid in relation to the investment decision.

Loan-to-value
The loan-to-value is calculated by dividing the total outstanding debt amount by the investment property value of the portfolio.

Net result
Net result is the operational result after deduction of the finance income and the realized and unrealized gains and losses.

New acquisition
New acquisitions relate to acquisitions for which the Fund has an agreement to acquire the asset in the near future.

Occupancy rate
The occupancy rate is calculated by dividing the total market rent of the vacant units by the total theoretical rental income. Theoretical income concerns the sum of gross rent of the let properties and market rent of the vacant properties.

Operating lease
A lease that does not transfer substantially all the risk and rewards incidental to ownership of an asset.

Operational result
Operational result is the result based on the net rental income deducted with fund-specific costs.

Payout ratio of distributable result
The payout ratio of the Fund is the ratio by which the amount available for distribution, the distributable amount, is actually distributed.

Pipeline
The pipeline exist of asset enhancements and new acquisitions for which the Fund has a capital commitment.

Provision
A liability of uncertain timing or amount. Provisions are recognized as liabilities if it is probable that an outflow of resources embodying economic benefits will be required to settle the obligations (assuming that a reliable estimate can be made).

Appendix 3 - Definitions

Revaluation of properties
The revaluation properties percentage is calculated by dividing the changes in fair value with the investment properties value before adding the changes in fair value.

Total return
Total return is the return on equity, calculated on a yearly basis. Total return is the sum of the income return and the capital growth.

Weighted average cost of debt
The weighted average cost of debt relates to the interest costs of the loan facility of the Fund.
The weighted average cost of debt is calculated depending on the interest rates during the year and depending on the average amount of debt during the year.

Appendix 4 - Portfolio overview

City	Property	Address	Number of apart-ments	Number of single-family houses	Number of parking spaces	Com-mercial space (sq.m.)
Amersfoort	Vathorst 1	Beijerinck, Cruquius, Leemans, Vissering, Wouda	166		118	
Amersfoort	Vathorst 2A	Leeghwater, Vrouwenpolder	23			
Amstelveen	Mr. Bardeslaan	Mr. Bardeslaan, Rodenburghlaan		3		
Amstelveen	RiMiNi	Missouri, Niagara, Rio Grande	126		66	
Amsterdam	Zuidkwartier	Eosstraat	82		82	
Amsterdam	Mondriaan	Hart Nibbrigstraat, Piet Mondriaanplein, Henk Henriëtstraat	24		24	
Amsterdam	Wicherskwartier	Donker Curtiusstraat, Wichersstraat,Visseringstraat, Buyskade	135		125	409
Amsterdam	Sint Nicolaasstraat	Sint Nicolaasstraat	4			
Amsterdam	Europapoort	Mensinge, Weerdestein	183		26	
Amsterdam	Staalmeesterslaan	Staalmeesterslaan	180			
Amsterdam	Nachtwachtlaan	Nachtwachtlaan	240		240	
Arnhem	Jonkerwaard	Jonkerwaard, Pachterwaard		51		
Barneveld	Benctincklaan	Benctincklaan		17		
Bennekom	De Barones	Oost-Breukelderweg	24			
Bilthoven	Kramsvogel-Spreeuwlaan	Kramsvogel, Spreeuwlaan	128			
Breda	Willem van Oranjelaan II	Willem van Oranjelaan	24			
Breda	Willem van Oranjelaan I	Willem van Oranjelaan	16			
Breda	Pottenbakkerstraat	Pottenbakkerstraat, Steenhouwerstraat		14		
Breda	Ambachtenlaan	Ambachtenlaan, Hovenierstraat, Kolenbranderstraat		86	1	
Breda	Prins Alexanderlaan	Prins Alexanderlaan		2		
De Meern	Bakerlaan	Bakerlaan, Kameniersterlaan		36		
Diemen	De Brede HOED	D.J. den Hartoglaan	35		37	
Dordrecht	De Waag	De Waag, Grote Markt	72		3	105
Eindhoven	Frankendaal	Frankendaal, Groeneveld		33		
Enschede	Klanderij	Oldenzaalsestraat, H.J. van Heekplein	39			
Enschede	Klanderij ppl	Oldenzaalsestraat			34	
Etten-Leur	Zilvermeeuw-low	Zilvermeeuw		46		
Etten-Leur	Zilvermeeuw-high	Zilvermeeuw		32		
The Hague	Amadeus	Kalvermarkt	40		40	
The Hague	Middenweg - tower	Middenweg	27			
The Hague	Middenweg - apartments	Middenweg	17			
The Hague	Laan van Wateringse Veld - tower	Laan van Wateringse Veld	16			
The Hague	Laan van Wateringse Veld - apartments	Laan van Wateringse Veld	27			
Haren Gn	Ereprijsweg	Ereprijsweg, Rozengaard, Sterremuurweg		39		
Heerhugowaard	Dinkel	Dinkel, Grift		20		
Hendrik-Ido-Ambacht	Perengaarde	Perengaarde, Sophiapromenade	90		90	
's-Hertogenbosch	Predikherenpoort	Predikherenpoort	1		1	
Hilvarenbeek	Cantorijstraat	Cantorijstraat		19		

Appendix 4 - Portfolio overview

City	Property	Address	Number of apartments	Number of single-family houses	Number of parking spaces	Commercial space (sq.m.)
Hilversum	HilversumHuis	Verschurestraat, Letteriestraat, Kremerpad		27		
Hilversum	Bonifaciuslaan 1	Bonifaciuslaan	150			10
Hilversum	Bonifaciuslaan 2	Bonifaciuslaan	100		29	
Hoofddorp	Floriande	Aalburgplein, Almkerkplein, Drongelenplein, Meeuwenstraat	120		102	
Houten	Wernaarseind	Wernaarseind, Achterom, Rosmolen, Smidsgilde		69		
Houten	De Borchen	Riddersborch, Minstreelborch, Vedelaarsborch		45		
Houten	Riddersborch	Riddersborch		19		
Houten	Ploegveld	Ploegveld, Rijfveld, Sikkelveld		37		
Huizen	Delta	Delta, Eem, Grift, Kuinder, Wedekuil		31		
Huizen	Enhuizerzand	Enkhuizenzand, Friesewal, Gooisekust, Hofstede		87		
Huizen	Middelgronden	Middelgronden, Noordwal		25		
Huizen	Kooizand	Kooizand, Middelgronden, Noordwal		26		
Ijsselstein Ut	Guldenroede	Guldenroede, Morgenster, Valerieaan, Ratelaar		82		
Katwijk Zh	Duizendblad	Duizendblad, Slangekruid		21		
Leiden	Van Randwijkstraat	Van Randwijkstraat	92		163	342
Leiden	5 Meilaan	5 Meilaan	16			
Leusden	Claverenbladstraat	Claverenbladstraat, Van Eydenhof		26		
Lochem	Pelmolenerf	Pelmolenerf		7		
Lochem	Koedijk	Koedijk		7		
Lochem	Korenmolenweg	Korenmolenweg, Pelmolenerf		9		
Nieuwegein	Dotterbloemstraat	Dotterbloemstraat, Ereprijs, Guldenroede		172	9	
Nootdorp	Laan van Floris de Vijfde	Laan van Floris de Vijfde	38			
Raalte	De Havezathe	De Havezathe, Langkampweg		7		
Raalte	Beukensingel	Beukensingel, Elzenlaan		15		
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		
Son En Breugel	Colijnstraat	Colijnstraat, Doormanlaan		12		
Steenwijk	Paasweide	Paasweide		20		
Tilburg	Broekhuizenstraat	Broekhuizenstraat, Bakkumstraat, Bloemendaalstraat		16		
Tilburg	Bijsterveldenlaan	Bijsterveldenlaan, Hoge Witsie		38		
Tilburg	Ruinerwoldstraat	Ruinerwoldstraat		57		
Tilburg	Ravensteinerf	Ravensteinerf		64		

Appendix 4 - Portfolio overview

City	Property	Address	Number of apart-ments	Number of single-family houses	Number of parking spaces	Com-mercial space (sq.m.)
Tilburg	Karrestraat-Poststraat	Karrestraat, Poststraat	5			
Tilburg	Menterwoldestraat	Menterwoldestraat, Mariekerkestraat		38		
Tilburg	Karrestraat	Karrestraat	19			
Tilburg	Garderenstraat	Garderenstraat, Groedehof, Geesterenstraat		40		
Tilburg	Hattemplein	Hattemplein, Hillegomlaan		30		
Utrecht	Dr. H.T.S. Jacoblaan	Dr. H.T.S. Jacoblaan 68, 76, 83		3		
Utrecht	Terwijde-centrum	E. Fitzgeraldplein, Jazzboulevard, B. Holidaystraat, Musicallaan, Nat King Colestraat, L. Amstrongboulevard	191	8	209	
Utrecht	Lessinglaan	Lessinglaan		3		
Utrecht	Dr. H.T.S. Jacoblaan	Dr. H.T.S. Jacoblaan 69		1		
Utrecht	Lamérislaan	Lamérislaan	216		33	
Utrecht	Oudwijk	Oudwijk		1		
Veldhoven	Buikhei	Bovenhei, Brouwershei, Buikhei, Schepelhei		91		
Wijk Bij Duurstede	Boeg	Boeg, Voorsteven		22		
Wijk Bij Duurstede	Voorsteven	Boeg, Voorsteven		21		
Wijk Bij Duurstede	Kompas	Kompas, Mast		27		
Zeist	Nijenheim	Nijenheim		38		
Zeist	Couwenhoven	Couwenhoven		46		
Zevenaar	Zonegge	Zonegge		34		
Zoetermeer	Futura	Dublinstraat, Van Leeuwenhoeklaan	69		70	
Zwolle	Elftkolk	Elftkolk		30		
TOTAL			**2,770**	**1,895**	**1,537**	**866**

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