

Annual report 2022

Bouwinvest
Dutch Institutional
Residential Fund N.V.



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The Fund at a glance

Real Value for Life

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

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

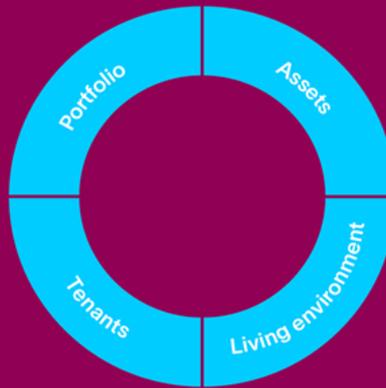
The Fund’s strategy

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

- | | | |
|---|--|--|
| <ul style="list-style-type: none"> • Lifecycle-proof and high-quality apartments and family homes • Holland Metropole Alliance + Zwolle/Arnhem/Nijmegen | <ul style="list-style-type: none"> • Mid-rental segment • Moderate rent increase | <ul style="list-style-type: none"> • Future-proof and sustainable portfolio • Reducing environmental impact • Liveable, attainable and inclusive places • Healthy, safe and responsible operations |
|---|--|--|

The Fund’s strategic actions



The Fund’s financial, social and environmental return 2022

Total return

0.6 %

Average occupancy rate

98.4 %

NAV IFRS

€7,613 MILLION

Transactions

€162 MILLION

Investments

€272 MILLION

Divestments

€180 MILLION

Funding

€238 MILLION

GRESB 5-star



Paris Proof

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

Tenant satisfaction

SCORE **7.3**

Stakeholder engagement

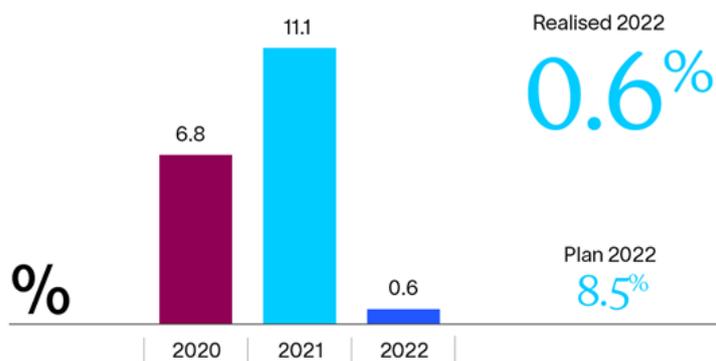
ACTIVE ENGAGEMENT
WITH OUR COMMUNITY

Stable long-term pension benefits with limited environmental impact

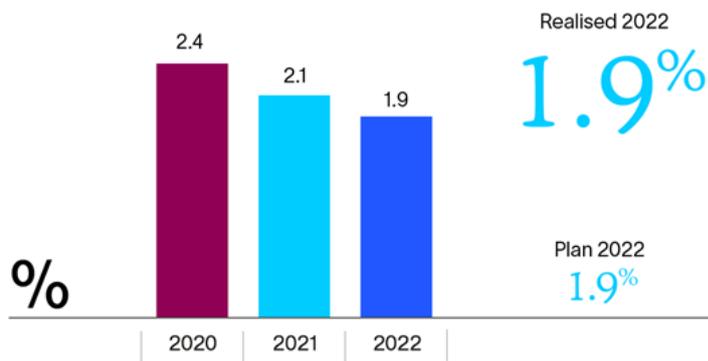
Healthy, safe and affordable places where people want to live – now and in the future

The Fund's contribution to Real Value for Life

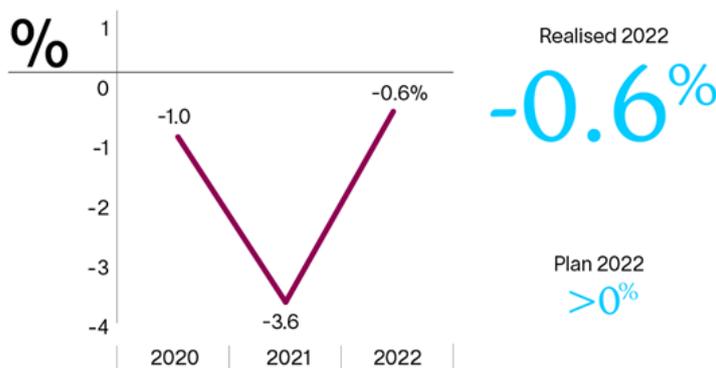
Fund return



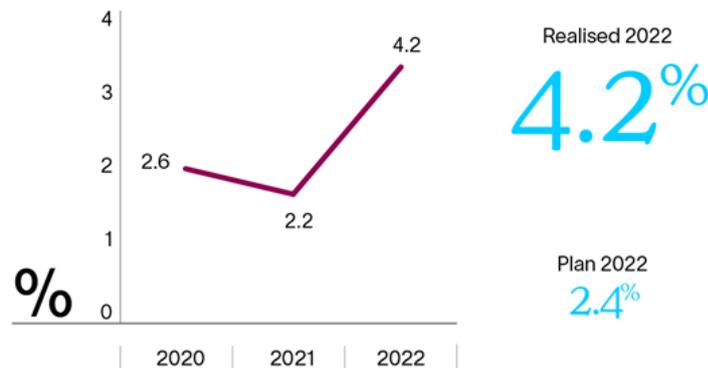
Fund income return



Relative performance MSCI



Like-for-like rental income



Acquisitions (x € MILLION)

Realised 2022
€ 162
Plan 2022
€ 225

Investments (x € MILLION)

Realised 2022
€ 272
Plan 2022
€ 423

Occupancy rate

Realised 2022
98.4%
Plan 2022
97.8%

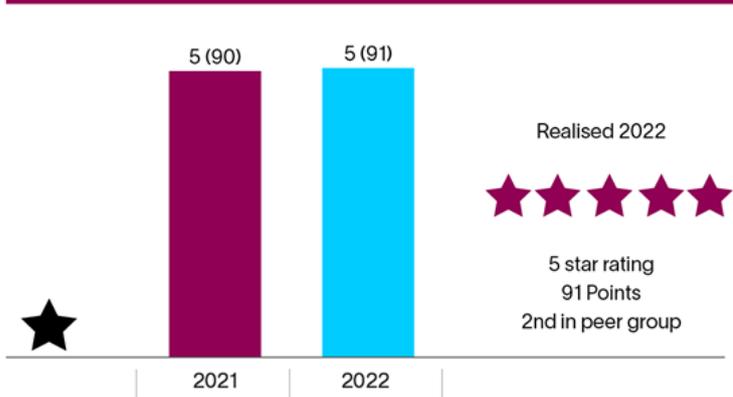
Divestments (x € MILLION)

Realised 2022
€ 180
Plan 2022
€ 250

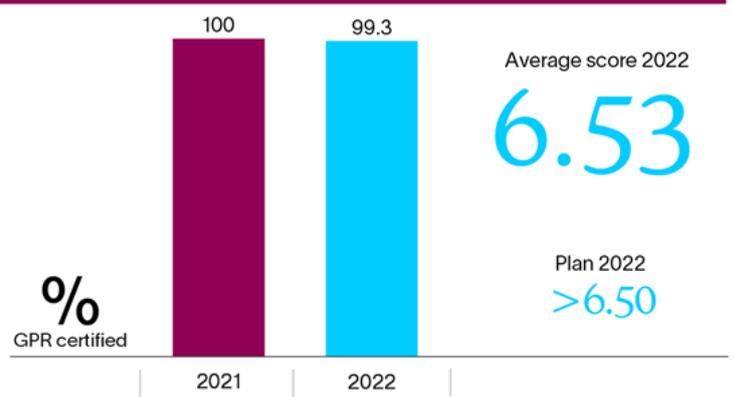
Core regions

Realised 2022
99.6%
Plan 2022
>80%

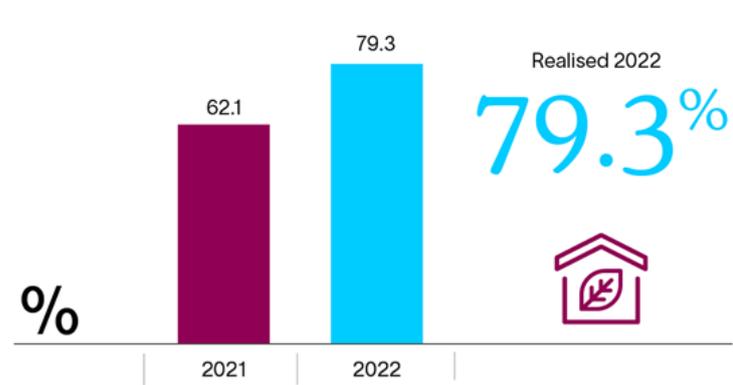
GRESB star rating (score)



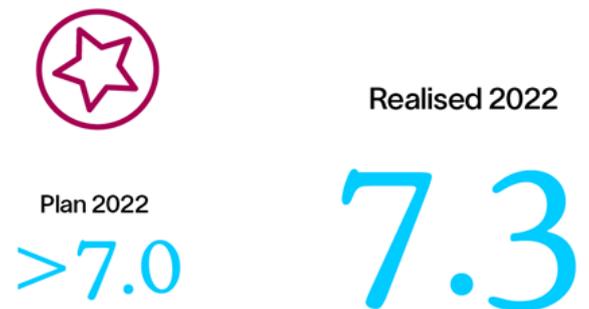
GPR building label



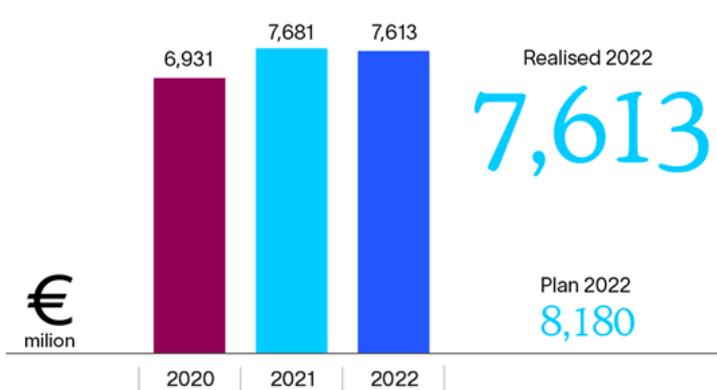
Energy label (A)



Tenant satisfaction (score)



NAV (x € MILLION)



Dividend paid per share



Issued capital (x € MILLION)



Key performance over five years

All amounts in € thousands, unless otherwise stated

	2022	2021	2020	2019	2018
Statement of financial position					
Total assets	7,770,061	7,838,349	7,080,958	6,699,661	5,793,075
Total shareholders' equity	7,612,690	7,681,103	6,931,287	6,529,288	5,761,761
Total debt from credit institutions	-	-	-	-	-
Performance per share					
Dividends (in €)	100.91	102.56	110.50	97.29	94.99
Net earnings (in €)	25.29	532.49	314.40	489.06	665.23
Net asset value IFRS (in €, at year-end)	5,226.26	5,301.91	4,875.16	4,671.54	4,280.93
Net asset value INREV (in €, at year-end)	5,236.61	5,311.69	4,879.63	4,675.53	4,286.07
Result					
Net result	37,144	766,056	442,538	671,208	878,013
Total Global Expense Ratio after tax (TGER)	0.51%	0.53%	0.52%	0.53%	0.54%
Real Estate Expense Ratio (REER)	0.99%	0.89%	0.92%	0.99%	1.00%
Distributable result	149,502	147,007	157,361	135,413	125,372
Pay-out ratio	100%	100%	100%	100%	100%
Fund return					
Income return	1.9%	2.1%	2.4%	2.3%	2.5%
Capital growth	-1.3%	8.9%	4.4%	9.1%	15.4%
Total Fund return	0.6%	11.1%	6.8%	11.5%	18.2%
Portfolio figures					
Investment property	7,340,522	7,098,313	6,369,668	6,209,139	5,185,923
Investment property under construction	373,173	639,153	453,085	388,303	558,704
Gross initial yield	3.9%	3.7%	3.9%	3.9%	4.1%
Total number of residential units	18,820	18,134	17,760	18,227	17,174
Average monthly rent per unit (in €)	1,203	1,160	1,130	1,104	1,055
Financial occupancy rate (average)	98.4%	97.8%	98.4%	97.9%	97.5%
Sustainability (A, B or C label)	100.0%	100.0%	100.0%	100.0%	98.0%
Property performance (all properties)					
Income return	2.4%	2.7%	2.8%	2.8%	3.1%
Capital growth	-1.4%	8.9%	4.4%	9.3%	15.6%
Total property return	1.0%	11.8%	7.3%	12.4%	19.1%
MSCI (Netherlands Property Index) residential real estate (all properties)					
Income return	2.6%	2.9%	2.9%	3.2%	3.4%
Capital growth	-1.0%	12.2%	5.3%	10.1%	14.7%
Total return MSCI (NPI)	1.6%	15.4%	8.3%	13.6%	18.6%

Message from the Director

Dutch Residential Investments

Last year was another challenging year for both real estate markets and the wider economy. Russia's invasion of Ukraine led to a huge rise in energy prices and a surge in inflation. With no end in sight for the conflict, the outlook for 2023 is fragile, reflected in low consumer and business confidence, despite government aid. Unemployment has remained low, but rising staff shortages in a growing number of sectors is putting a lot of pressure on economic growth. And while wages have risen quite sharply, they have not been able to keep pace with burgeoning inflation. The increase in construction costs, fuelled by staff shortages and related wage increases plus rising material costs, is also putting pressure on new-build projects, with some being postponed or even cancelled. On a more positive note, rising energy prices are increasing demand for sustainable, energy-efficient homes.

Investment market

The Dutch government's proposed regulatory changes, such as the regulation of rents of mid-priced housing, the increase in the real estate transfer tax and its efforts to maintain or increase the supply of affordable homes in the Netherlands continue to create a great deal of uncertainty on the residential market. Investment managers are also dealing with a stream of new (EU) sustainability regulations, including the SFDR and the EU taxonomy.

Moreover, the sharp rise in interest rates has had a major impact on the investment market. Due to this, together with the above-mentioned inflationary pressures and rising construction costs, the sentiment on the residential investment market is currently quite cautious. The sharp decline in stocks and bonds also triggered the so-called denominator effect, leaving investors (temporarily) overallocated to real estate and forcing some to trim their holdings.

All of this led to a decline in asset valuations from Q3 onwards, mainly due to increasing yields. We expect to see a growing gap in valuations between prime assets and secondary assets, as institutional investors focus on high-quality, sustainable homes in economically healthy areas.

Rising energy prices, plus new, stricter ESG-related regulations, has increased the premium on energy-efficient homes, for both investors and for rental tenants and home owners. This puts the Residential Fund at an advantage thanks to the high quality of our homes and the measures we have taken to maximise the energy efficiency of the portfolio as part of our ambitious Paris Proof drive.

Responding to uncertainties

Of course, this uncertainty has also had an impact on the demands of our clients. As long-term investors, they are focused on stability and predictability. They are also more engaged with the world than ever before and have set targets in terms of environmental performance, environmental risk, social impact and solid governance. The Fund's challenge is to continue to meet these demands in even these uncertain market conditions.

The Fund's strategy

Despite the negative sentiment on the residential investment market, the Fund bore up relatively well in 2022, with a total return of 0.6% for the whole year, despite a sharp decline in valuations in the final quarter of the year. The Fund's fundamental strategy was unchanged in 2022, while we put even greater focus on its main strategic pillars, quality, affordability and sustainability. The Fund delivered solid performances on all three pillars in 2022, as we managed to acquire high-quality new-build projects in the Holland Metropole region and added a number of projects to the portfolio. These included the acquisition of 288 affordable mid-rental properties and the addition of 1,309 homes to our portfolio. The Fund also made a start on the income-related allocation of homes in the mid-rental segment. The Fund retained its 5-star GRESB rating, while once again improving its score, and ended second in the Dutch residential funds ranking. We also worked hard on our Paris proof roadmaps and now have tailor-made plans for around 150 projects moving forward.

Outlook

Given the level of uncertainty in the market, it is difficult to predict what will happen in the near term. However, as always we do expect there to be opportunities. Less committed, less long-term investors or investors relying on substantial leverage may (partially) withdraw from the market and we could well see assets coming on to the market that might not have in different circumstances. Provided we have the funding, we will seize those opportunities to optimise the Fund's portfolio.

All that remains is for me to thank our clients for their continued trust in us and our strategy. And of course I would like to thank our team for their hard work, professionalism and collaborative efforts. It is thanks to them that we emerged as strongly as we did from another dynamic year.

Michiel de Bruine

Director Dutch Residential Investments

Report of the Management Board

Market environment

Key macro developments

Following the reopening of the economy early 2022, after the last national lockdown due to Covid 19 in December 2021, the first economic indicators looked fairly positive at the beginning of the year. However after the invasion of Ukraine by Russia in February the situation started to change quite rapidly. While the pandemic became more controlled, energy and food prices were already climbing and political sanctions and additional supply-demand imbalances resulting from the Russian-Ukraine war, fuelled inflation further to double-digit figures not seen since the 1970s. This was followed by a series of increases of policy interest rate increases by central banks to temper inflationary growth and future new increases are expected.

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

- The Russian invasion of Ukraine and rapidly escalating events in late February and in March 2022 were a significant tragedy for the people and caused disruption to business and economic activity in the region and worldwide. The war is not expected to end soon and its effects will be felt into 2023.
- The Dutch economy recorded a positive growth in 2022, with year-on-year GDP growth of 4.5%. However there were significant fluctuations during the course of the year. After the reopening from the last lockdown, the economy saw a strong growth in the first half of the year with year-on-year GDP growth of respectively 6.5% in Q1 and 5.2% in Q2. However as the effects of the Russian invasion of Ukraine at the end of February became evident, quarter-on-quarter growth figures in the remaining two quarters were negative. This eventually resulted in a lower but still positive year-on-year GDP growth in 2022.
- The energy crisis that had already started to unwrap in the second half of 2021, further escalated during 2022 and resulted in record high double digit inflation rates in September and October. Energy costs stabilised from November due to the relatively warm temperatures. The overall average inflation for 2022 was 10.0%.
- As a result of the record high inflation and overall uncertainty, consumer confidence deteriorated in 2022 and reached an all-time low of -59 in September. By the end of 2022 there was a slight recovery of consumer confidence again. Producer confidence also dropped and remained just on the positive side (+3), despite challenging market characteristics.
- The ECB increased its benchmark deposit rate four times during 2022 to temper inflationary growth. The first increase was in July by 50 basis points followed by two increases of 75 basis points in September and October and finally by 50 basis points in December. The ECB rate went from -0.5% at the beginning of 2022 to 2.0% at the end of the year and further increases in 2023 are very likely to occur, whereby a 50 basis points increase in February 2023 and a 50 basis points increase in March 2023 took already place.
- As a result Dutch government bond rates increased substantially over the year, from 0.15% at the end of 2021 to 2.35 % at the end of 2022, while mortgage rates increased from 1.65% (December 2021) to 3.37% (December 2022).
- After a gradual increase during Q2 and Q3, unemployment rates declined marginally to 3.5% in December from 3.8% (December 2021). Under the current high inflation and uncertain economic circumstances, the situation on the labour market remains tight. Shortages in the labour market are visible in a growing number of sectors, hampering productivity. The number of bankruptcies continued to remain fairly stable and at a very low level, although forecasts are also increasingly dire on this front.
- The short-term economic outlook for the Netherlands is slightly positive but fragile, as the country faces a number of challenges on the road to recovery from the Covid-19 pandemic, combined with new uncertainties triggered by the geopolitical and economic effects of the war in Ukraine and rising inflation and interest rates across the world.

More detailed information can be found in Bouwinvest's [Dutch Real Estate Market Outlook 2023-2025](#).

	2023 forecast	2022	2021
GDP	0.4%	4.2%	4.9%
Consumer spending	0.2%	6.1%	3.6%
Consumer price index (CPI)*	4.2%	10.0%	2.7%
Interest rate government bonds, long-term*	2.5%	1.5%	(0.2)%
Unemployment rate*	4.2%	3.5%	4.2%

*Average number over the year

Source: Oxford Economics (10 February 2023)

Market update 2022

Public policies

In 2022, the Dutch government continued to face a vast number of fundamental challenges. In addition to dealing with the aftermath of the Covid-19 crisis, it had to deal with the Ukraine war, rising inflation, the nitrogen emissions crisis, as well as increased uncertainty in the housing market. In the national Budget Memorandum ('Miljoenennota') published in September, the cabinet allocated budgets and introduced new measures to combat some of these challenges. The focus was very much on supporting the purchasing power of lower and middle-income households by introducing an energy cap, increasing the minimum wage and related social security benefits, an income-related rent increase for tenants and several additional tax and allowance interventions.

The most significant elements in the new budget plans regarding real estate in general are twofold. First, the increase in the real estate transfer tax (RETT) to 10.4% from 8.0%, putting downward pressure on property prices. Secondly, as of 1 January 2025, fiscal investment institutions (FIIs), will no longer be allowed to invest in directly held real estate. If no additional measures are taken, the Fund will become subject to corporate income tax ('vennootschapsbelasting'). Bouwinvest will mitigate this risk by anticipating and preparing a restructuring of the Fund into the legal form of a so-called closed Fund for Mutual Account (FMA; 'Fonds voor Gemene Rekening', FGR, in Dutch).

Residential real estate policies

In 2022, the Ministry of Housing and Spatial Planning provided more details on its proposed plans for the regulation of the liberalised rental segment. These plans foresee a threshold in which rents, calculated on the basis of the Dutch 'WWS' points system, up to approximately € 1,000 a month (current price level) will fall within the regulated rental segment (this threshold is currently € 763.47 a month). However, this regulation would only apply to new leases. The Minister proposed the points system needs to be adjusted, awarding homes with good energy labels with more WWS points than homes with poor energy labels. Furthermore, the minister proposes to maximise rent increases in the non-regulated segment at wage increases in collective labour agreements (CAOs) plus 0.5%, rather than inflation. According to the Ministry, these new policy measures will be implemented from 1 January 2024.

Occupier market

In 2022, the owner-occupier market saw a turning point. Price developments for the owner-occupier market topped out in Q2 2022, followed by a decline of 5.8% in Q3 and 3.7% in Q4. The average house price stood at € 407,000 at the end of 2022, which was 6.4% lower than in Q4 2021 (source: NVM). Rising mortgage rates were the main driver of the decline in average house prices, due to their direct impact on the lending costs of consumers. Furthermore, consumers were more negative about the economic outlook and were therefore less willing to buy a new house. This was also reflected by the data on overbids. In Q4 2022, only 45% of homes were sold above the asking price, compared with 82% in Q4 2021. In 2022, the number of homes

put up for sale increased significantly to approximately 34,700 in Q4 2022 compared with approximately 15,500 in Q4 2021. Another sign the market was less overheated in 2022.

In the rental market, demand was still outstripping supply in 2022 and as a result vacancy rates are relatively low. Average residential market rents increased by 6.5% year-on-year in Q3 2022 (data for Q4 2022 is not yet available). However, compared with the previous quarter, average rents declined slightly by 1.3%, a sign that market rents seem to have hit a ceiling. Due to inflation and surging energy prices, tenants are becoming more conscious about their housing costs and are therefore looking increasingly towards (sustainable) new-build homes.

As of July 2022, landlords were allowed to increase rents in the liberalised sector by a maximum of 3.3%. For 2023, the maximum increase is set to be 4.1%, which is the average wage increase in 2022 (3.1%) plus 1%.

Occupier key factors	2023 forecast	2022	2021
Household growth	↑	1.1%	0.6%
Housing shortage	↑	3.9%	3.9%
Average selling price	↓	€ 407,000	€ 440,000
Average rent by institutional investors (m ² /month)	↑	€ 14.70	€ 14.60

Investment market

Investor appetite remained strong in almost all real estate sectors and the overall investment volume totalled € 17.4 billion, just short of the € 18.2 billion in the previous year. Investment volumes were strong in the first half of the year, fell back in the third quarter when the economic outlook turned more negative, and finished again with a strong final quarter, as investors wanted to close their deals before the increase in the real estate transfer tax from 1 January 2023.

The Dutch residential investment market saw € 4.0 billion in investments in 2022, compared with € 3.2 billion in 2021 (data JLL). This steep increase was driven by the greater supply of existing and larger portfolios being brought to the market, as a result of the so called denominator effect. Investors acknowledged the strong (demographic) fundamentals on the Dutch residential market. However, market sentiment is negative at the moment, due to the increase in interest rates, high inflation, the rising prices of construction materials and the above-mentioned proposed new stringent regulations for a part of the liberalised rental segment. This also affected prime net initial yields. Prime net initial yields were stable in the first half of 2022 and substantially increased by 65 basis points in the second half of 2022, according to JLL, and were standing at 3.60% at the end of 2022.

Investor key factors	2023 forecast	2022	2021
Prime net initial yields	↑	3.6%	3.1%
Investment volumes (€ bln)	↔	4.0	7.2

Market outlook 2023-2025

In November 2022, Bouwinvest published its [Real Estate Market Outlook 2023-2025](#). In this document, you will find more detailed insight into macro trends, real estate market conditions and expectations for the years ahead.

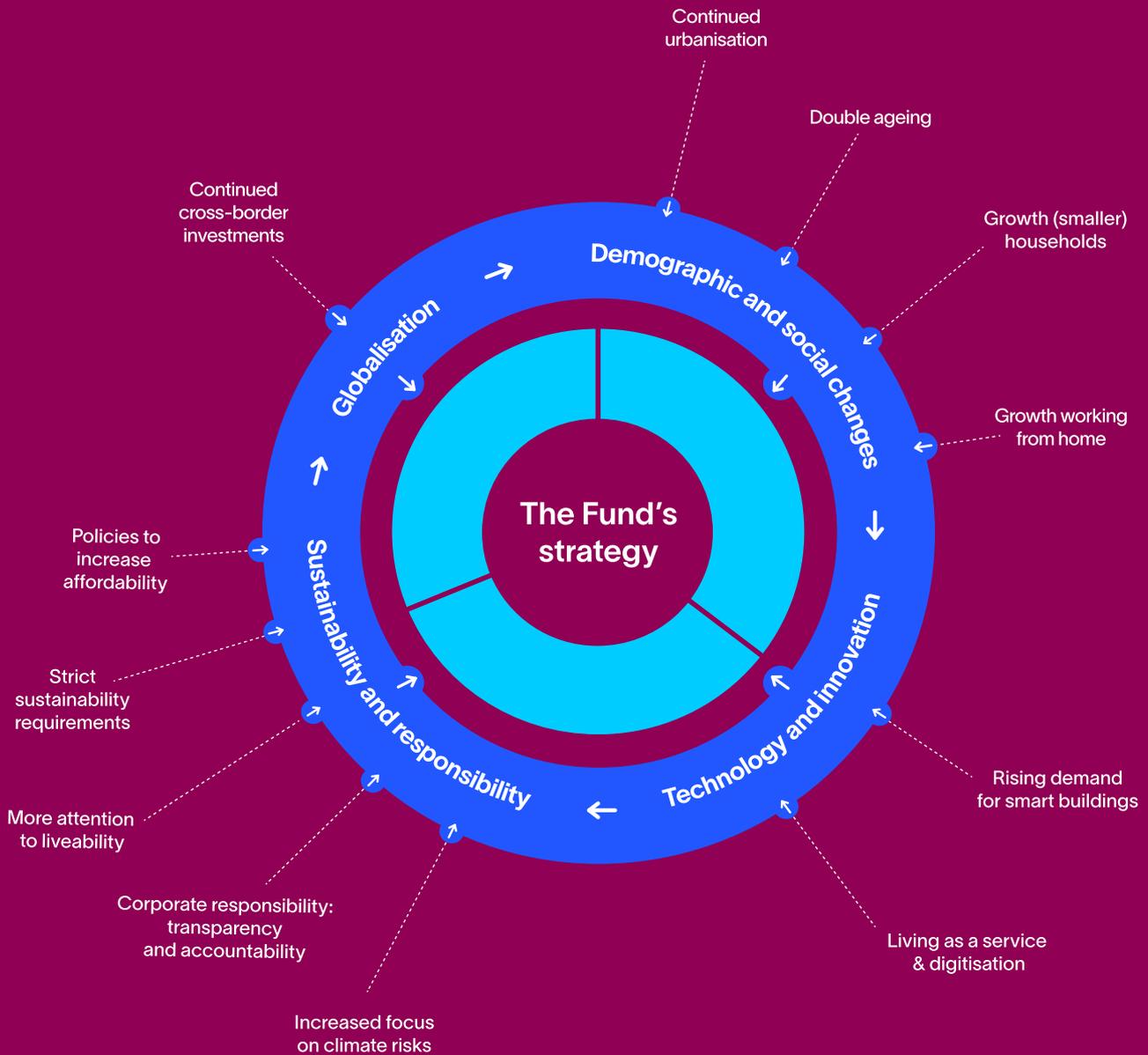
Residential market



Market trends



Megatrends



Bouwinvest's Real Estate Market Outlook 2023-2025 sets out the political, macro-economic and financial trends and developments impacting the Dutch real estate market in the period through to 2025. For an in-depth view on the Dutch residential market, including current and future opportunities and threats, please download the latest Market Outlook document from the Bouwinvest website.

Fund strategy

Fund characteristics

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

Quality



Strategic objectives

Lifecycle-proof and high-quality apartments and family homes

Holland Metropole Alliance + Zwolle/Arnhem/Nijmegen

Performance indicator

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

- Core regions

Affordability



Acquisitions in mid-rental segment

Moderate rent increase

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

- Price level

Sustainability



Building a future-proof and sustainable portfolio

Reducing environmental impact

Liveable, affordable, attainable and inclusive places where people want to reside - now and in the future

Contributing to healthy, safe and responsible operations

- GRESB rating and scoring
- GPR score

- Free of natural gas (% m²)
- CO₂ emissions of purchased energy
- Energy efficiency

- Acquisitions in mid-rental segment
- Tenant satisfaction score

- Construction sites with Considerate Constructors Scheme

Active asset management

Living environment



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

- Creating affordable, liveable and sustainable neighbourhoods

Portfolio



- Continuously optimising the portfolio
- Conducting regular hold/sell analyses
- Making targeted acquisitions
- Divesting assets that do not meet investment criteria

- Keeping the Fund's homes affordable
- Optimising the Fund's income return
- Assessing physical climate risks
- Exploring opportunities to improve circularity
- Unlocking environmental data via EMS

Assets



- Keeping the Fund's homes affordable
- Optimising the Fund's occupancy rate through targeted marketing
- Reducing the tendency to relocate by providing high-quality homes
- Adding quality for specific target groups (i.e. lifecycle-proof homes for the elderly)

- Performing well-timed and good maintenance
- Improving the insulation of buildings
- Making the assets Paris Proof
- Divesting assets that do not meet investment criteria

Tenants



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

- Developing additional services through smart building technology
- Continuously optimising processes and the tenant's customer journey
- Obtaining better insight into tenants' energy consumption

Investment objectives

5-year average Fund return	Total Fund return 2022		Target 2022	Realised 2022	
<i>Long-term objective</i> 5.5%-7.0%	<i>Target</i> 8.5%	Net asset value of invested capital year-end 2022			
<i>Realised 2022</i>	<i>Realised 2022</i>				
9.5%	0.6%		Targeted signed acquisitions	€ 225 M	€ 162 M
			Targeted investments 2022	€ 423 M	€ 272 M
			Targeted divestments 2022	€ 250 M	€ 180 M

Investment restrictions

Invested in single investment property	Invested in non-core (non-residential) property	No investments will have a material adverse effect on the Fund's diversification guidelines	Value of investments to pre-finance acquisitions must never exceed 10% of the total value of the Fund's investment portfolio
<i>Target</i> <5%	<i>Target</i> <10 %	<i>Target</i> 0	<i>Target</i> <10%
<i>Realised 2022</i>	<i>Realised 2022</i>	<i>Realised 2022</i>	<i>Realised 2022</i>
2.4%	1.1%	0	5.2%

Diversification guidelines

	Target	Realised 2022	Invested in the Fund's core regions	Energy label A, B or C (green)
Invested in Randstad conurbation	<90%	86.1%	<i>Target</i> >80%	<i>Target</i> >98%
Family homes	>25%	31.3%	<i>Realised 2022</i>	<i>Realised 2022</i>
Liberalised segment	>75%	94.3%		
			99.6%	100%

Performance on strategy

Portfolio characteristics

	2022	2021
Total property value	€ 7,714 million	€ 7,737 million
No. of homes	18,820	18,134
No. of homes under construction	1,924	3,124
Total Fund return	0.6%	11.1%
Fund income return	1.9%	2.1%
Occupancy rate	98.4%	97.8%
% in liberalised sector	94.3%	94.0%
% in core regions	99.6%	99.6%
GRESB rating & score	5-star (91 points)	5-star (90 points)
Average GPR building score	6.5	6.5
% green energy label	100% (79.3% A-label)	100% (62.1% A-label)

Performance on quality

Investments and divestments

Acquisitions

Acquisitions totalled around € 162 million in 2022, below the Fund's original target of € 225 million. The Fund acquired a total of 310 apartments and 50 houses, with 288 (80%) of these homes in the affordable segment. All of the properties the Fund acquired have an energy index of 0.2 or lower and all have a minimum GPR score of above 7.5. The Fund financed the acquisitions from existing commitments.

On the investment side, the Fund realised € 272 million instead of the planned € 423 million. This was a result of delays to some new acquisitions and delays in the municipality of Amsterdam's proposals for the Fund's buy-off of its land leases in Amsterdam.

Properties added to the portfolio in 2022

In 2022, the Fund added a total of 1,219 apartments and 90 houses to its portfolio.



Open Veste, Purmerend

- **Segment:** Apartments
- **Number of residential units:** 115 apartments
- **Rental bandwidth:** € 885 - € 1535
- **Delivery date:** February 2022



Licht & Lucht, Zeist

- **Segment:** Apartments
- **Number of residential units:** 48 apartments
- **Rental bandwidth:** € 910 - € 1475
- **Delivery date:** May 2022



Het Dok, Amsterdam

- **Segment:** Apartments
- **Number of residential units:** 449 apartments
- **Rental bandwidth:** € 700 - € 2100
- **Delivery date:** June 2022



Sluishuis, Amsterdam

- **Segment:** Apartments
- **Number of residential units:** 369 apartments
- **Rental bandwidth:** € 910 - € 2200
- **Delivery date:** August 2022



De Lodewijk, Eindhoven

- **Segment:** Apartments
- **Number of residential units:** 52 apartments
- **Rental bandwidth:** € 930 - € 1650
- **Delivery date:** September 2022



De Willem, Eindhoven

- **Segment:** Apartments
- **Number of residential units:** 87 apartments
- **Rental bandwidth:** € 995 - € 1705
- **Delivery date:** September 2022



Next, Eindhoven

- **Segment:** Apartments
- **Number of residential units:** 99 apartments
- **Rental bandwidth:** € 1030 - € 1580
- **Delivery date:** December 2022



Tudorpark fase III, Hoofddorp

- **Segment:** Family homes
- **Number of residential units:** 30 family homes
- **Rental bandwidth:** € 1000 - € 1460
- **Delivery date:** December 2022



Reijssendaal fase I, Rotterdam

- **Segment:** Family homes
- **Number of residential units:** 60 family homes
- **Rental bandwidth:** € 1350 - € 1600
- **Delivery date:** December 2022

Properties added to the secured pipeline in 2022



Mark, Amsterdam

- **Segment:** Apartments
- **Number of residential units:** 72 apartments
- **Expected rental bandwidth:** € 1099 - € 1528
- **Expected delivery date:** January 2024



Koer, Rotterdam

- **Segment:** Apartments
- **Number of residential units:** 89 apartments
- **Expected rental bandwidth:** € 980 - € 1442
- **Expected delivery date:** November 2024



Loevesteinlaan Tower 2, The Hague

- **Segment:** Apartments
- **Number of residential units:** 149 apartments
- **Expected rental bandwidth:** € 861 - € 1199
- **Expected delivery date:** December 2026



Bosakker, Veldhoven

- **Segment:** Family homes
- **Number of residential units:** 50 family homes
- **Expected rental bandwidth:** € 1099 - € 1528
- **Expected delivery date:** December 2023

Divestments 2022

In the 2022-2024 Fund Plan, the Fund included a three-year disposal estimate of € 525 million. The decision to sell residential complexes is largely driven by the returns they are expected to generate over the next ten years. Factors in any decision to sell include the location, the product/market combination, the potential to increase the rents and the local rental market.

To continue to optimise the portfolio and in an attempt to meet the redemption requests received in Q2, the Fund put two sub-portfolios and 10 individual assets up for sale. The sub-portfolio (the so-called 'Noma portfolio') containing 622 single-family homes in Apeldoorn, Ede, Maastricht, Nieuwegein and Velsbroek was sold for € 180 million and delivered in Q4. This transaction resulted in a loss of € 3.4 million. The Fund did not receive any acceptable final bids for the other sub-portfolio put up for sale.

Property	City	No. of residential units
Kraatsweg I	Ede	51
Fokkesteeg	Nieuwegein	78
Batau Noord I	Nieuwegein	176
Batau Noord II	Nieuwegein	64
De Maten I	Apeldoorn	144
Eyldergaard	Maastricht	63
B3	Velsbroek	46

Allocation

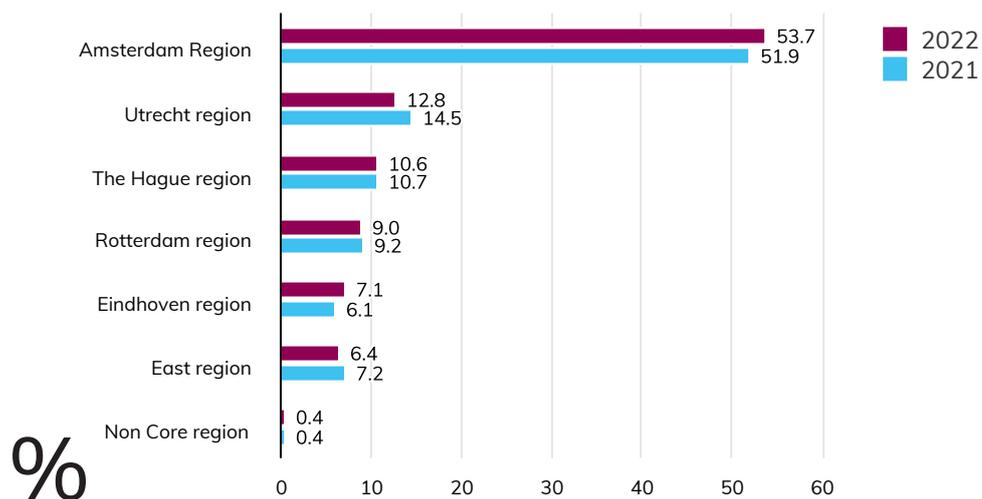
Core regions

The Fund has a clear core region strategy, with a specific focus on the Holland Metropole region - the urban and suburban regions of Amsterdam, The Hague, Rotterdam, Utrecht and Eindhoven – and to a somewhat lesser extent the cities of Zwolle, Arnhem and Nijmegen. The Fund invests in Dutch rental properties located in areas with the strongest social, demographic, economic and real estate market outlook. These strong local housing markets, determined by The Bouwinvest Research & Strategic Advisory department, offer the best medium to long-term investment foundation for residential real estate.

The plan is to have at least 80% of the total value of the portfolio concentrated in residential real estate in these core regions. Due to revaluations, together with the acquisitions the Fund made in 2022, 99.6% of the portfolio value was located in these core regions, while 93.2% of the portfolio was located in the Holland Metropole region.

As the entire investment pipeline is located in the Fund's core regions, this percentage will increase slightly in the near future. In addition, the Fund has a guideline that a maximum of 90% can be invested in the Randstad urban conurbation. This now stands at 86.1%.

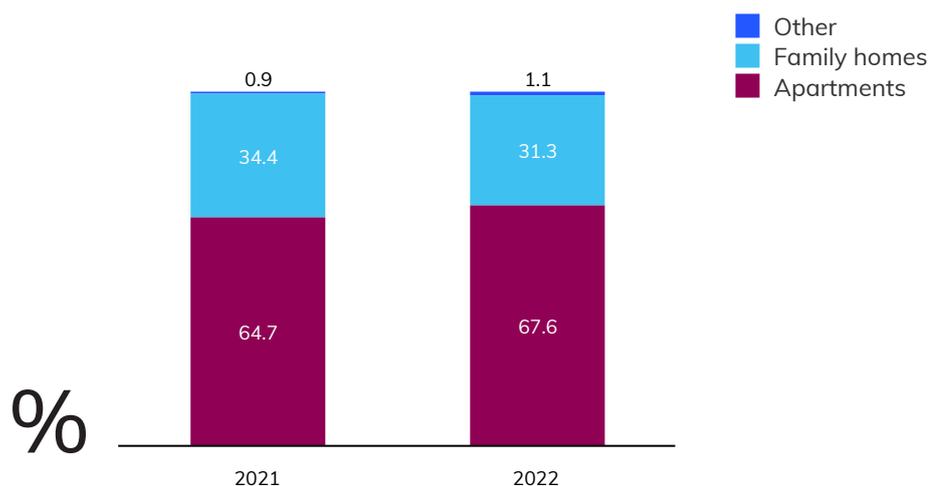
Allocation of investment property by core region based on market value and Holland Metropole region



Property type

To meet its own diversification guidelines, the Fund strives for a healthy balance of houses and apartments. In 2022, the Fund bought both houses and apartments. In addition, the Fund sold a number of houses.

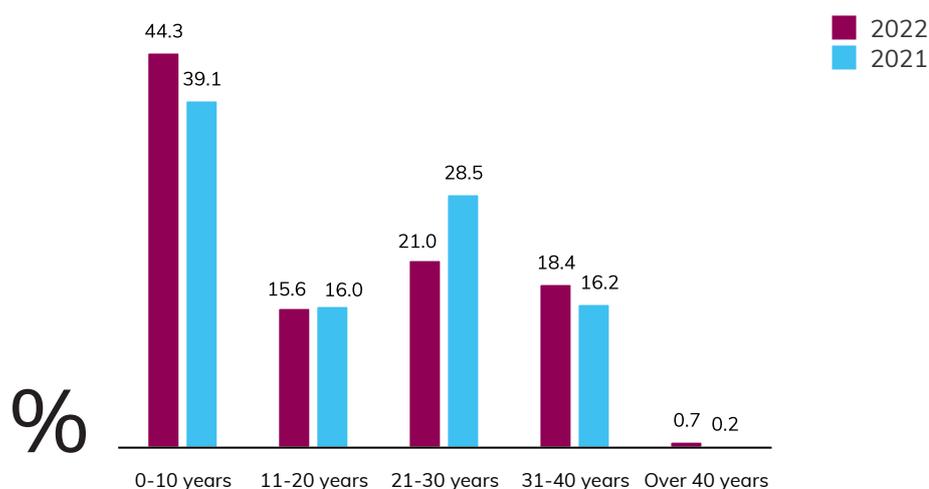
Portfolio composition by type of property based on market value



Age

Due to the addition of new properties to the portfolio and divestments in 2022, the weighted average age of the portfolio was slightly lower than at year-end 2021 (17.3 years in 2022 versus 18.2 years in 2021).

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



Financial occupancy

A key element of Bouwinvest's active asset management is its aim to achieve an optimal fit with tenants' needs by engaging with (potential) tenants and adapting both new and existing homes to the evolving housing desires identified by Bouwinvest's marketing and asset management teams.

The Fund devotes a great deal of time and energy to online lead generation. On the basis of the customer journeys Bouwinvest mapped out for the Fund's target groups, the rental process for all new-build projects and for almost the total standing portfolio is now fully digitalised and the customer journey has been further simplified and is now fully transparent, both for Bouwinvest and for its (potential) tenants. The Fund is convinced that this approach, combined with high-quality housing products in the best locations, is the main reason that the Fund ended the year with a very satisfying overall financial occupancy rate of 98.4%.

Financial occupancy rate



Performance on affordability

Investing in affordable real estate

The Fund believes the best way to maximise its positive societal impact is to invest in more affordable mid-rental segment homes and to keep the current housing stock affordable. With this investment objective in mind, the Fund's ambition is to have at least 60% of the total acquisition pipeline consist of homes in the affordable mid-rental segment category (€ 764 to € 1,060). In 2022, 58% of all acquisitions were in the affordable mid-rental segment.

In line with the Fund's strategy, the Government decided to cap rent increases in 2021 and 2022 at inflation plus 1%. In 2022, this amounted to an increase of 3.3% and the Fund applied this increase where possible.

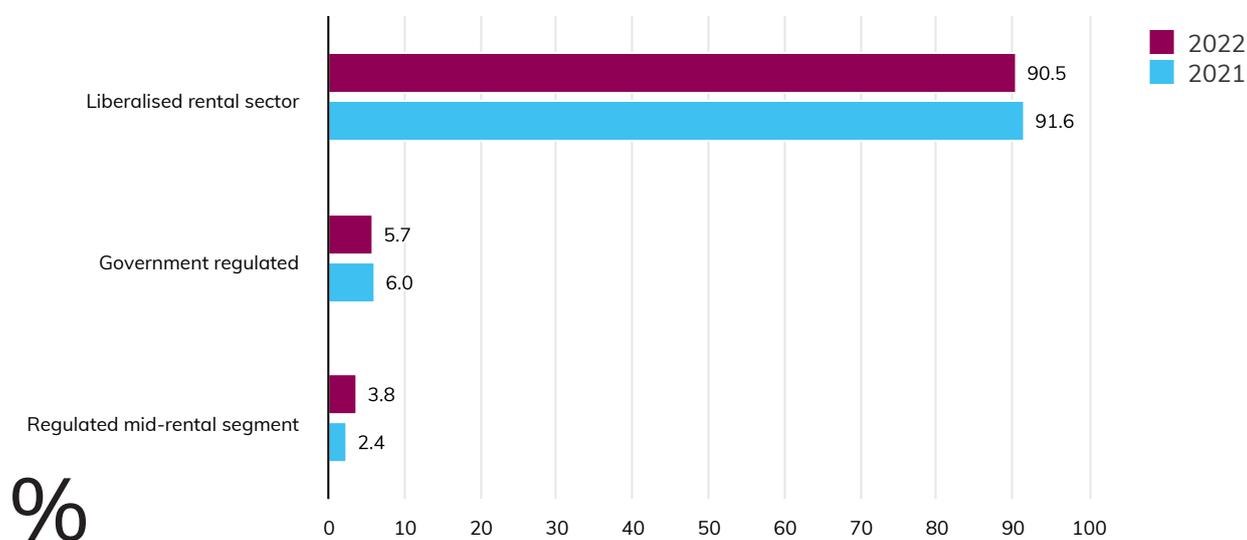
Driven by current high inflation levels, the Fund started to focus more actively on the affordability of its homes. By taking additional measures, the Fund wants to reduce energy, service, and mobility costs where possible. This will reduce the cost of living for tenants, which could well result in a lower tenant turnover rate and higher tenant satisfaction.

The Fund is heavily involved in the ongoing national debate on increasing the supply of affordable homes. Together with the IVBN, the Fund has been in close contact with the Ministry of the Interior to provide input on the new rental regulation. At this point in time, the proposed measures are only in the event of tenant turnover and are expected to have a relatively minor impact on the Fund's rental income. Given the average turnover rate, the Fund expects a reduction of 0.23% in the gross rent of the total portfolio in the first year. This represents a reduction of approximately € 610,000 of the total gross rental income. However, the definitive measures are still uncertain as parliament has yet to issue a decision on this front. The regulation is expected to take effect on 1 January 2024.

Focus on liberalised rental sector

The Fund sees the liberalised sector (rents of € 764 and above) as particularly interesting, as demand is set to increase, while supply is lagging, especially in the Holland Metropole region. With more than 90% of its properties in the liberalised segment, the Fund's focus continues to be on this segment.

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



In the graph above, the Fund has added the mid-rental segment for liberalised properties subject to agreements with local governments, regarding for example rental levels and rent increases.

Price level

Around 64% of the current portfolio has a monthly rent under € 1,300. This means that the majority of homes are affordable for lower to upper middle-income households. This is primarily because the high proportion of energy-efficient homes ensures that energy costs for the Fund's tenants are relatively low, compared to the national average. The homes in the higher segment are in locations where the demand for this type of home is substantial. The following five cities account for almost 90% of the rents above € 1,550: Amsterdam (65%), Diemen (6%), Rotterdam (6%), The Hague (6%), Utrecht (4%) and Amstelveen (4%).

Allocation of investment property by price level based on rental income



Performance on sustainability

Highlights performance on sustainability 2022

	2022	2021
GRESB rating	5 stars	5 stars
GRESB score	91 points	90 points
Investments with GPR building certificate	99%	100%
Average GPR score	6.53	6.48
Green label (A/B/C)	100% (79.3% A-label)	100% (62.1% A-label)
Average Net-Zero Energy Building (NZEB2) score	139.9	161.7
Solar power installed	17,966 kWp	16,427 kWp
Reduction in energy consumption (like-for-like)	-1.6%	-5.4%
Rental contracts with sustainability clause	7,471 (40.2%)	4,415 (25.0%)
Construction sites registered under Considerate Constructors scheme	86.5%	82.1%
Homes acquired in mid-rental segment	288	252

Promoted ecological and social characteristics

Last year, the Fund developed the new ESG Framework, which explicitly defines all elements related to ESG for the Fund. The ESG Framework enables the Fund to integrate ESG in decision-making, to structurally manage and monitor all ESG-related efforts and to report in a transparent manner. The framework also provides the basis for the disclosures required under the new Sustainable Finance Disclosure Regulation (SFDR). Part of the SFDR requirements is the periodic disclosure in which the Fund reports on its promoted environmental and/or social characteristics. The periodic disclosure can be found in the enclosures.

The Fund has defined four ESG objectives, which reflect the environmental and social characteristics that the Fund promotes. The ESG objectives are at the core of the Funds' strategy and support four United Nations Sustainable Development Goals (SDGs).

- Building a future-proof and sustainable portfolio;
- Reducing environmental impact;
- Liveable, affordable, attainable & inclusive places where people want to reside – now and in the future;
- Contributing to healthy, safe and responsible operations.

Sustainable Development Goals

7 AFFORDABLE AND CLEAN ENERGY



Installation of renewable energy

8 DECENT WORK AND ECONOMIC GROWTH



Considerate constructor scheme for construction projects

11 SUSTAINABLE CITIES AND COMMUNITIES



Above average sustainable portfolio

13 CLIMATE ACTION



Climate adaptation

In addition to the ESG objectives, the ESG Framework also covers the ESG risks the Fund needs to take into account to minimise the negative impact of the Fund's portfolio on society and the environment. Please see the Risk Management section for further details.

1. Building a future-proof and sustainable portfolio

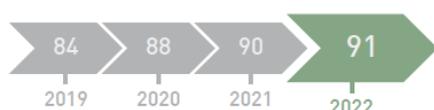
Above-average sustainable fund

For 2022, the Fund aimed to continue to improve its sustainability performance, improve its GRESB score and retain its 5-star rating. The Fund succeeded in these efforts. It increased its score by one point (to 91 from 90 in 2021) and retained its GRESB 5-star rating, which puts the Fund among the top 20% worldwide. The 2022 outcome placed the Fund second (out of 11) in a peer comparison, a significant improvement on the previous year (6th out of 10).

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

GRESB Rating


Participation & Score



Peer Comparison



In the latest UN PRI benchmark of 2021, the Fund scored 95 points (5 stars) on Direct – Real estate. The results have been published during 2022.

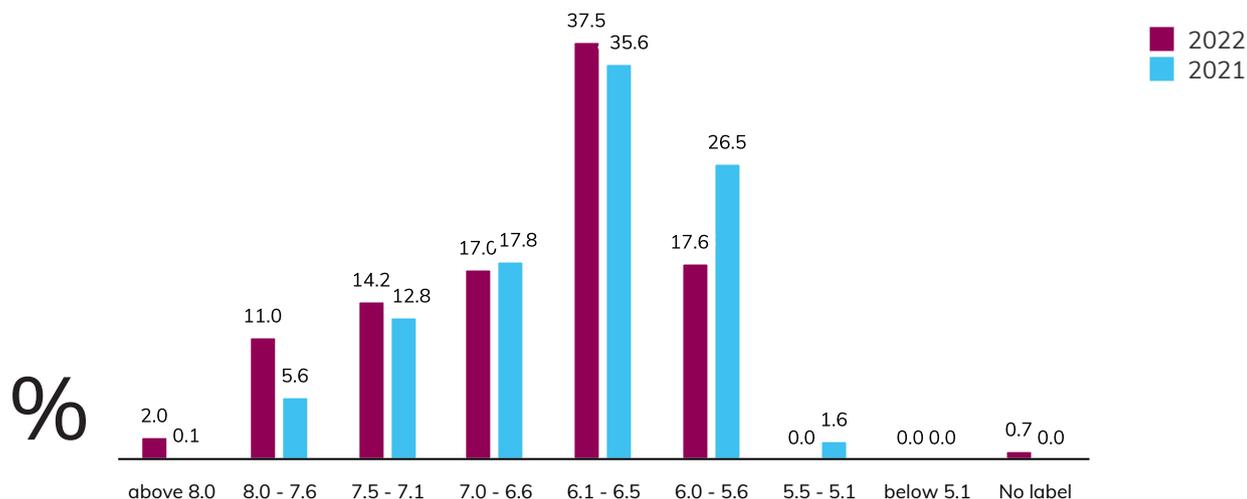
Above-average sustainable buildings

Sustainable building certificates show how the Fund performs in terms of sustainability at asset level and what additional efforts it needs to make. The Fund uses internationally accepted sustainability certificates to measure and assess the overall sustainability of its assets. Benchmarks help the Fund to make informed business decisions to mitigate environmental, social and governance risks and enhance its long-term returns. Certificates such as GPR Building measure criteria that go beyond legislative requirements and provide the Fund with instruments to encourage more responsible tenant behaviour, such as cutting waste and reducing energy consumption.

The Fund uses GPR Building software to measure and assess the overall sustainability of its buildings. The GPR reports on five performance indicators: Energy, Environment, Health, Quality of Use and Future value, and assigns a score for each performance indicator on a scale of 1 to 10. When used on existing buildings, GPR makes it very easy to identify potential quality improvements following sustainability-related measures. This in turn makes it very easy to compare various scenarios and the outcome of any measures, which enables the Fund to choose the most (cost) effective measures, both in terms of sustainability and the long-term return on investment.

The Fund aimed to achieve an average GPR score of at least 6.4 (with a coverage of 100%) by the end of 2022. By year-end 2022, 99.3% of the portfolio had received a GPR label, with an average score of 6.53 (2021: 6.48). The coverage of sustainable certificates is not 100% due to new construction deliveries yet to be processed.

For the coming years, the Fund will focus on improvements to get a higher average GPR label scores. The Fund’s target is to achieve an average GPR score higher than 6.65 by year-end 2025.



2. Reducing environmental impact

Bouwinvest committed itself to the Paris Proof commitment of the DGBC. To become net-zero carbon (Paris Proof) before 2045, the company drew up a roadmap for the Fund. In 2022, the Fund incorporated the technologies, measures and costs required for the implementation in its strategic maintenance plan for the coming years.

Combatting Climate Change: source of energy

During 2022, the Fund focused on implementing measures to further improve the sustainability of its assets which resulted in a decline in electricity consumption of 3.4% (2021: -3.8%) and 1.6% lower total energy consumption (2021: -5.4%), both on a like-for-like basis. GHG emissions increased by 3.0% due to the slightly higher use of natural gas. Both the energy reductions and the lower GHG emissions are for common areas. The Fund purchases renewable electricity for common areas, while property managers are required to deliver energy-efficient alternatives for repairs and replacements based on the Total Cost of Ownership (TCO) approach.

Renewable energy production

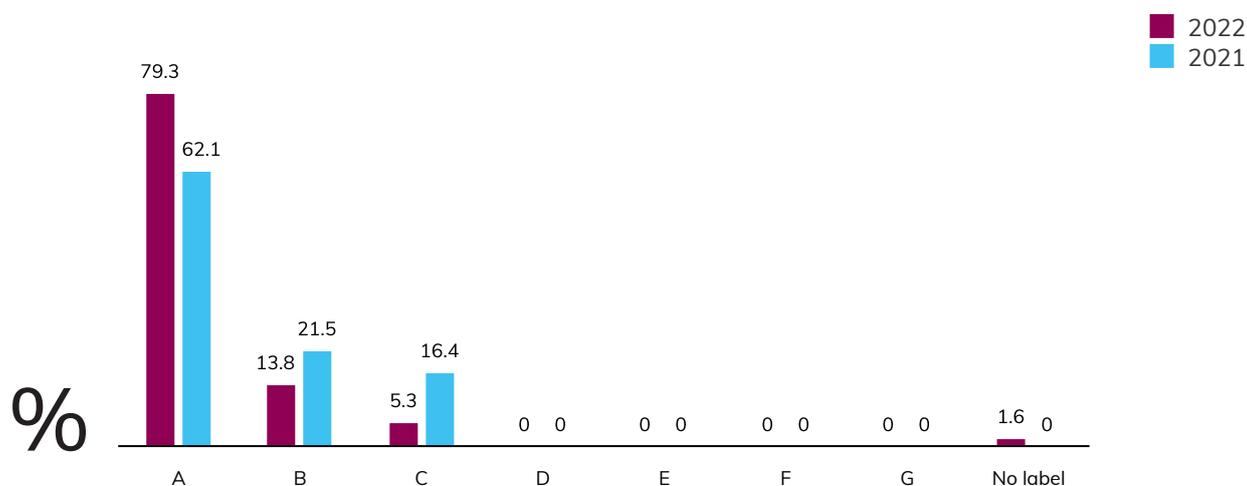
The Fund has increased the generation of solar power, both for new properties and existing apartments and houses. The Fund came close to achieving its goal for 2022 through the installation of 17,966 kWp of solar panels. The goal in 2022 was to focus on the installation of more than 18,500 kWp of solar panels by the end of 2022. The Fund continued with its plans to fit all existing apartment buildings and houses with solar power in 2022.

Combatting Climate Change: Energy efficiency of buildings

The Fund's target was to have energy label A or better for 65% for the portfolio at the end of 2022. The Fund met this target in 2022 (label A is 79.3%). In addition, the Fund has a 100% green portfolio, as all assets had an energy label A, B or C. The distribution of energy labels in the portfolio is shown below. Investment properties under construction are excluded from this overview. The Fund expects all these properties to receive an energy label A upon delivery. 1.6% of the labels have expired due to the implementation of sustainability measures, new labels are drawn up after completion.

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

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



In its 2023-2025 Fund Plan, the Fund set new targets related to the reduction of its environmental impact:

- Free of natural gas (% m²): 100% by 2045;
- CO₂ emissions in kg CO₂ m² of purchased energy (scope 2): Annually no scope 2 emissions (electricity);
- Average energy intensity (kwh/m²/yr): ≤40 kwh/m²/yr in 2045.

3. Liveable, affordable, attainable & inclusive places where people want to reside - now and in the future

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

Client services and communications

Bouwinvest actively invests in improving its reputation because this generates more trust and loyalty among clients, chain partners, tenants and employees. As a financial service provider, Bouwinvest benefits from a strong reputation because this has a positive impact in terms of attracting investors, making new real estate investments and the recruitment of new employees. Bouwinvest conducts a reputation survey every two years to determine how its various stakeholders perceive the company. This includes issues such as satisfaction with services and products, as well as leadership shown and performance measured in financial and social returns.

For its most recent survey, Bouwinvest consulted a number of stakeholder groups. The survey consisted of two parts, a quantitative survey among employees and tenants and a qualitative survey among stakeholders such as clients, prospective clients, commercial tenants, developers and property managers. The qualitative survey used interviews to retrieve steering information on things that Bouwinvest does well and where there is room for improvement. Stakeholders also give an overall reputation rating.

The survey was conducted in 2022, and the results were processed in the first quarter of 2023. The average figures from the qualitative and quantitative survey cannot be combined, as they use different survey methodologies. The average score in the qualitative survey was 7.8.

Product accountability: Tenant satisfaction

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

In 2022, the Fund initiated the following actions to engage with its tenants and to optimise its services:

Greengagement: Bouwinvest makes its homes more sustainable

The Fund has chosen to work towards a liveable, affordable and sustainable world. This is why the Fund plans to make all its homes more energy efficient before 2045. The Fund will do this for its tenants, but also with its tenants. To keep tenants informed of its plans and projects, The Fund sends a twice-yearly newsletter 'Sustainable Living Update'. In 2021, only 30.8% of the tenants considered energy-efficient living an important topic. This had risen to 76.3% of the tenants in 2022.

Living with Bouwinvest app

Giving tenants the opportunity to handle all their rental matters easily via an app, was the next step in the plans to improve the Fund's services. The residents of Het Dok in Amsterdam were the first tenants to receive their own 'Living with Bouwinvest' tenant portal app. Tenants can use this app to easily arrange their rental matters, ask questions and share messages with fellow residents (community), submit repair requests (linked directly with the contractor) and register for events with fellow residents. This app was first introduced for Het Dok, Sluishuis (both in Amsterdam) and Next (in Eindhoven) and the Fund plans to roll the app out across multiple (new-build) complexes. All tenants have had access to their own Living with Bouwinvest tenant portal via the web since 2020, and 68% of them are currently using this environment. This app will enable the Fund to offer more services to tenants.

Over 90% of the tenants have now activated the app. The Fund will also continue to work on the further development and optimisation of this app to increase tenant satisfaction and engagement.

2022 tenant satisfaction survey

The Fund wants to continuously improve its services. This is why the Fund conducts an annual tenant satisfaction survey among its tenants, together with 11 other investors. The wishes and recommendations of the tenants form the basis for improvements to the services of both the Fund and its property managers: fast, great, personal service and good accessibility.

The tenant satisfaction score remained the same in 2022 when compared with the previous year (7.3). The survey revealed that the Fund's services are currently under a magnifying glass in these turbulent times.

Tenant satisfaction survey 2022

Tenants approached (entire portfolio)	15,746
Response rate	34.4%
Average score	7.3
Benchmark score	2nd (of 10)

The tenant satisfaction score had risen slightly in recent years. However, in the year dominated by the aftermath of the Covid-19 pandemic, the war between Russia and Ukraine, rising construction costs, the energy crisis and lower consumer confidence, the Fund sees that, despite the generous 7, its tenants' satisfaction is stagnating and occasionally declining slightly.

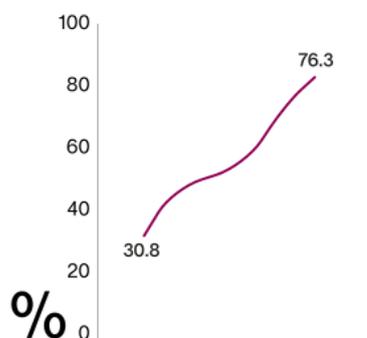
Following the results in 2021, one of the planned actions was to improve the process around repair requests. The Fund is very pleased to see that submitting repair requests is now seen as much easier. The Fund will strive for visible improvements and will work on improving accessibility, the prompt and correct handling of repair requests, improving the handling of complaints and making its homes more sustainable.

2022

Tenant satisfaction

General satisfaction	7.3
Satisfaction regarding home	7.6
Satisfaction regarding living environment	7.5
Completed questionnaires	5422

Substantial increase in energy-efficient living



2023

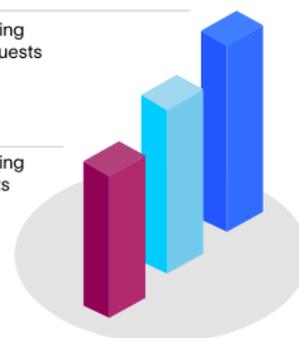
Focus improvements in 2023

Satisfaction regarding handling repair requests

6.4

Satisfaction regarding handling complaints

4.8



Green rental contracts

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

The target for 2022 was to have a sustainability clause included in 40% of all rental contracts. By the end of 2022, the Fund was well on track, as 40.2% of all rental contracts now have a sustainability clause.

Sustainable stewardship

Bouwinvest takes an active approach to raising ESG awareness throughout the real estate industry. To further improve the climate for real estate investments, Bouwinvest is an active member of boards and committees of sector, industry and cross-disciplinary networks such as NEPROM, IVBN, Holland Metropole, DGBC, INREV and ULI.

AED

Bouwinvest was the first company in the Dutch real estate investment sector to contribute to the establishment of a national AED (automatic external defibrillator) network, which it is estimated could save up to 2,500 lives every year in the Netherlands. The Fund's target was for all its tenants and communities to have an AED available within six minutes walking distance by the end of 2022. The Fund had achieved this target by the end of 2022. The Fund is also planning to install AEDs at all new assets it adds to its portfolio.

Targets

In its 2023-2025 Fund Plan, the Fund has set new targets related to liveable, affordable, attainable & inclusive places where people want to reside - now and in the future based on its ESG steering framework. The Fund has set the following targets:

- Acquisitions in the mid-rental segment (288 units with monthly rent between € 764,- to € 1.060*): Annually >75%
- Tenant satisfaction score: >7

4. Contributing to healthy, safe and good working conditions

Considerate constructors scheme (construction sites)

The Fund's target was to have more than 75% of its construction sites registered under the Considerate Constructors (Bewuste Bouwers) scheme by the end of 2022. The Fund achieved its target, as 86.5% of its construction sites were registered with the scheme. This ensures that contractors deal with the concerns of local residents and address safety and environmental issues during the construction phase.

In 2022, the Fund retained its target related to healthy, safe and good working conditions. In its 2023-2025 Fund Plan, the Fund set the following targets:

- Construction sites with considerate constructors scheme (based on purchase price): >75% of total construction sites

EU Taxonomy

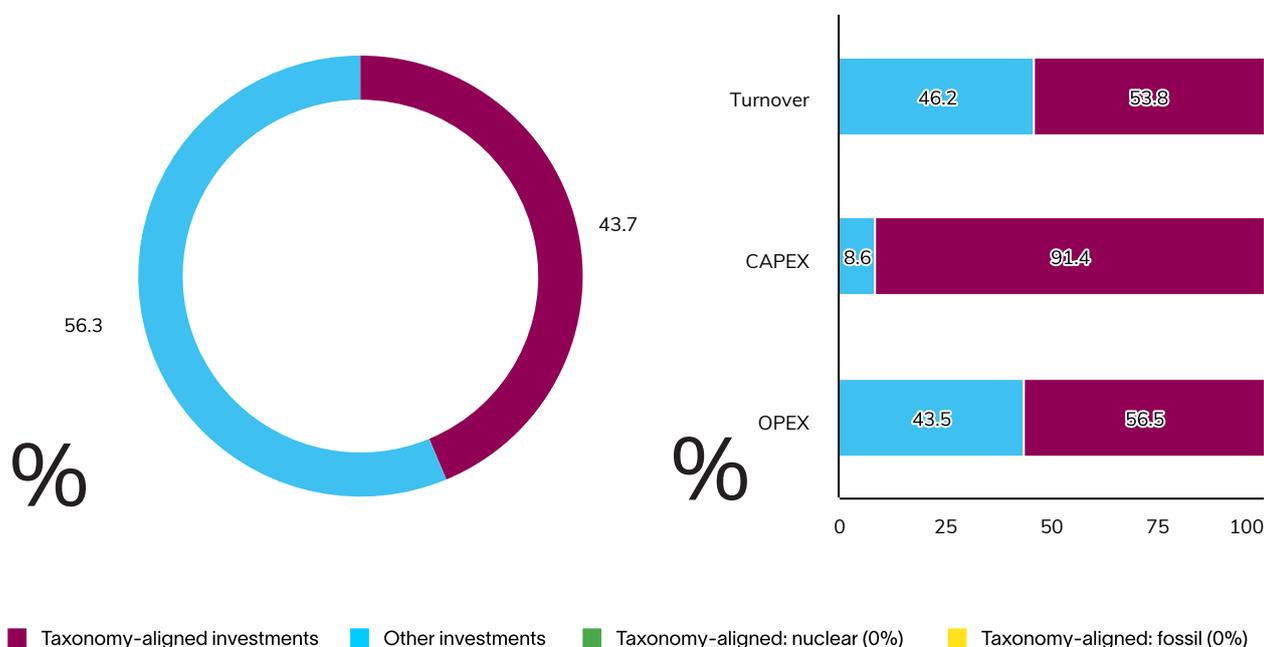
The Fund contributes to two environmental objectives as included in Article 9 of the Taxonomy Regulation (TR), these being 'climate change mitigation' and 'climate change adaptation'. The Fund's investments are in Taxonomy-eligible economic activities, namely 'acquisition and ownership of buildings' and 'construction of new buildings', which qualify as environmentally sustainable under Article 3 of the TR for the following reasons:

- The Fund's underlying investments significantly contribute to these objectives following the qualifications set out in Article 10 and 11 of the TR.
- At the same time, the economic activities do not significantly harm any other of the environmental objectives.
- Furthermore, the economic activities are carried out in compliance with the minimum safeguards set out in Article 18 of the TR.

The economic activities have been assessed based on the technical screening criteria established by the European Commission. The calculation uses asset level data for the Green Asset Ratio (GAR). Turnover, OPEX and CAPEX are calculated on the basis on the corresponding (sustainable) assets. The reference date for the sustainability data is set at 1 January 2022 and financial data at year-end 2022. Assets sold in the course of the year are not taken into account. Buildings under construction with a building permit after 31 December 2020 and new acquisitions have not yet been assessed in terms of their Taxonomy alignment. Until the net risk is available, physical climate risk is assessed based on gross risk (surrounding risk).

The current NAV of the portfolio stands at € 7,613 million, 44% of which (GAR) is EU Taxonomy-aligned. Split into to different objectives, the results are as follows:

Taxonomy alignment of investments



- 34% of the Fund's underlying investments are aligned with the technical screening criteria related to a substantial contribution to 'climate change mitigation' due to the number of A or better energy labels and the fact that the economic activities do not significantly harm any other environmental objectives due to the limited physical climate risks.

- 10% of the Fund's underlying investments that are not aligned with 'climate change mitigation' do contribute substantially to 'climate change adaptation', due to the limited physical climate risks and the fact that the economic activities do not significantly harm any other environmental objectives due to the number of B or C energy labels.
- 56% of the Fund's underlying investments are not Taxonomy-aligned. A selection of the investments within this segment complies partially with the technical screening criteria and further assessment will be needed to determine Taxonomy alignment, as is the case for new buildings with a building permit later than 31 December 2020. On the basis of this new information, the Fund will establish whether part of these investments is in fact aligned with the EU Taxonomy.

Financial performance

Fund return

The Fund realised a total return of 0.6% in 2022, consisting of a 1.9% income return and -1.3% capital growth. Net rental income, administrative and finance expenses were the main drivers for the income return. The decline in capital growth was primarily driven by uncertainties triggered by the geopolitical and economic effects of the war in Ukraine, high interest rates, inflation and energy prices.

The total fund return ended significantly below target. The Fund's income return ended on target and capital growth 7.8% points below target as a result of the uncertainties in the market.

Fund performance	2022 Actual	Plan	2021 Actual
Income return	1.9%	1.9%	2.1%
Capital growth	-1.3%	6.5%	8.9%
Fund performance	0.6%	8.5%	11.1%

Income return

Net rental income of € 191.2 million was € 3.1 million higher than the plan of € 188.1 million (2021: € 186.4 million). The deviation from plan was due to higher gross rental income (€ 2.8 million), higher service charge income (€ 0.3 million), higher other income (€ 0.3 million) and lower property operating expenses (€ 0.3 million), partly offset by higher service charge expenses (€ 0.6 million).

Administrative expenses (€ 41.0 million) were € 2.6 million higher than plan (€ 38.4 million) due to higher management fee costs, directly driven by the Fund's higher average NAV. Finance expenses totalled € 4.0 million, which were almost on plan (€ 4.1 million).

The higher net rental income and higher administrative expenses resulted in an income return of 1.9%, in line with the plan.

Capital growth

The Fund realised capital growth of -1.3% compared with a plan of 6.5%. This figure confirms that the impact of geopolitical uncertainties, high inflation, high energy prices and the uncertainty regarding the potential regulation of the residential market had a significant impact on the valuation of the (rental) housing market.

Property performance

The total property return for 2022 came in at 1.0%, consisting of a 2.4% income return and -1.4% capital growth. The Fund showed an underperformance of 0.6 basis points versus the MSCI Netherlands Index (all properties). The underperformance was largely driven by the capital growth which was 0.4 basis points lower than the benchmark's capital growth of -1.0%. In addition, the income return was 0.2 basis points lower than the benchmark's income return of 2.6%.

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

Property performance	2022 Actual	2022 MSCI	2021 Actual
Income return	2.4%	2.6%	2.7%
Capital growth	-1.4%	-1.0%	8.9%
Property performance	1.0%	1.6%	11.8%

Simon Stevin Apartments

Ede
The Netherlands



Shareholder information

Introduction

This section covers the financial management policies, activities and performance of the Fund over 2022, followed by the Fund's overall governance and structure. The section concludes with more details about the fund manager.

Financial management

Results

Income Statement summary (all amounts in € thousands)	2022	2021	Change	in %
Revenues	279,341	257,762	21,579	8%
Operating expenses	(88,110)	(71,404)	(16,706)	23%
Net rental income	191,231	186,358	4,873	3%
Net valuation gain / (loss)	(105,662)	621,405	(727,067)	-117%
Result on disposal	(3,443)	-	(3,443)	0%
Administrative expenses	(40,957)	(37,522)	(3,435)	9%
Finance expenses	(4,015)	(4,175)	160	-4%
Income taxes	(10)	(10)	-	0%
Result for the year	37,144	766,056	(728,912)	-95%
Financial occupancy	98.4%	97.8%		
REER	0.99%	0.89%		
TGER	0.51%	0.53%		

In 2022, the full-year result declined to € 37.1 million from € 766.1 million in 2021 (-95%). The decline of € 729.0 million was mainly driven by the valuation loss on the investment properties.

Revenues of € 279.3 million were € 21.6 million higher than in 2021 (€ 257.8 million), driven by higher gross rental income (€ 20.8 million) due to new investments made in the course of the year, higher rents and a higher occupancy rate. The occupancy rate increased by 0.6% points to 98.4% compared with 2021 (97.8%).

Operating expenses of € 88.1 million were € 16.7 million higher than in 2021 (€ 71.4 million). This increase was primarily driven by higher maintenance costs (€ 9.9 million), higher non-reclaimable VAT (€ 2.3 million), higher letting and lease renewal fees (€ 0.5 million) and other operating expenses (€ 0.8 million). The addition to the provision for bad debtors in 2022 (€ 0.3 million) was € 0.1 million higher than in 2021 (€ 0.2 million) due to slightly higher overall outstanding tenant receivables. As a result of an increase of operating expenses and the lower average NAV, the REER rose to 0.99% in 2022 from 0.89% in 2021.

Administrative expenses, consisting primarily of the management fee, increased to € 41.0 million (2021: € 37.5 million). The increase of € 3.5 million was primarily due to higher management fees resulting from the higher average NAV during the year. The finance result fell by just € 0.2 million to € 4.0 million as a result of no longer negative interest rates (€ -1.1 million) and less expenses on lease liabilities (€ 0.9 million). As a result of the higher time-weighted GAV, the TGER declined very slightly to 0.51% in 2022 from 0.53% in 2021.

Dividend

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

The Management Board proposes to pay a dividend of € 149.5 million for 2022 (2021: € 147.8 million), which corresponds to a pay-out ratio of 100%. It is proposed that the dividend will be paid in cash, within the constraints imposed by the company's fiscal investment institution (FII) status. Of this total dividend, 75.7% was paid out in the course of 2022. The fourth instalment was paid on 15 February 2023. The rest of the distribution over 2022 will be paid in one final instalment following the adoption of the financial statements at the Annual General Meeting of shareholders on 12 April 2023.

Performance per share	2022	2021
Dividends (in €)	100.91	102.56
Net earnings (in €)	25.29	532.49
Net asset value IFRS (in €, at year-end)	5,226.26	5,301.91
Net asset value INREV (in €, at year-end)	5,236.61	5,311.69

Funding

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

In 2022, the Fund managed to make € 251.7 million in capital calls and received one new commitment from an existing shareholder for an amount of € 91.7 million. For reasons of a strategic reallocation, anchor shareholder bpfBOUW submitted a redemption request for an amount of € 340 million. For the (partial) fulfillment of the redemption request, the Fund purchased 37,793 shares in the Residential Fund from bpfBOUW for a total amount of € 209 million. These shares are now part of the Fund's equity and will be withdrawn in January 2023. In the GM of 7 December 2022, this reduction of capital was approved by shareholders. The excess of € 131 million from the redemption request from bpfBOUW remains open per 31 December 2022. For the same reason of strategic reallocation, two other shareholders also submitted redemption requests for a total amount of € 70.9 million, one of which is also noted for redemption date 31 December 2022.

Shareholder	Number of shares at year-end 2022	Shareholder	Number of shares at year-end 2022
Shareholder A	1,002,031	Shareholder M	13,486
Shareholder B	136,330	Shareholder N	10,746
Shareholder C	43,762	Shareholder O	9,392
Shareholder D	40,882	Shareholder P	8,939
Shareholder E	31,070	Shareholder Q	8,651
Shareholder F	21,672	Shareholder R	8,065
Shareholder G	20,685	Shareholder S	7,665
Shareholder H	19,598	Shareholder T	5,825
Shareholder I	18,537	Shareholder U	2,319
Shareholder J	17,596	Shareholder V	1,039
Shareholder K	14,781	Redeemed shares	37,793
Shareholder L	13,552		
		Total	1,494,416

Leverage

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

In 2022, the Fund was financed solely with equity and did not use any loan capital for liquidity management purposes.

Treasury management

Treasury policy: For treasury management purposes, the Fund acted in accordance with Bouwinvest's treasury policy in 2022, to manage the Fund's liquidity and financial risks. The main objectives of the treasury management activities were to secure shareholders' dividend pay-outs, ensure other obligations could be met and to manage the Fund's cash position.

At year-end 2022, the Fund had € 47.4 million (2021: € 92.0 million) freely available in cash.

In 2022, the Fund's cash position declined by € 44.6 million compared with year-end 2021. In 2022, the Fund paid out € 148.2 million in dividend to its shareholders. Reference is made to the cash flow statement for the cash movements during 2022.

Interest rate and currency exposure

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

In 2022, the Fund's bank balances were affected by negative interest rate developments.

Tax

FII regime: The Fund qualifies as a fiscal investment institution (FII) under Dutch law and as such is subject to corporate tax at a rate of zero percent. Being an FII, the Fund is obliged to distribute its entire fiscal result annually. In 2022, the Fund complied with FII requirements. Furthermore, the Fund met its obligations related to value added tax, transfer tax and other applicable taxes in their entirety in 2022.

Fund governance

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

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

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

Rules and principles governing day-to-day business:

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

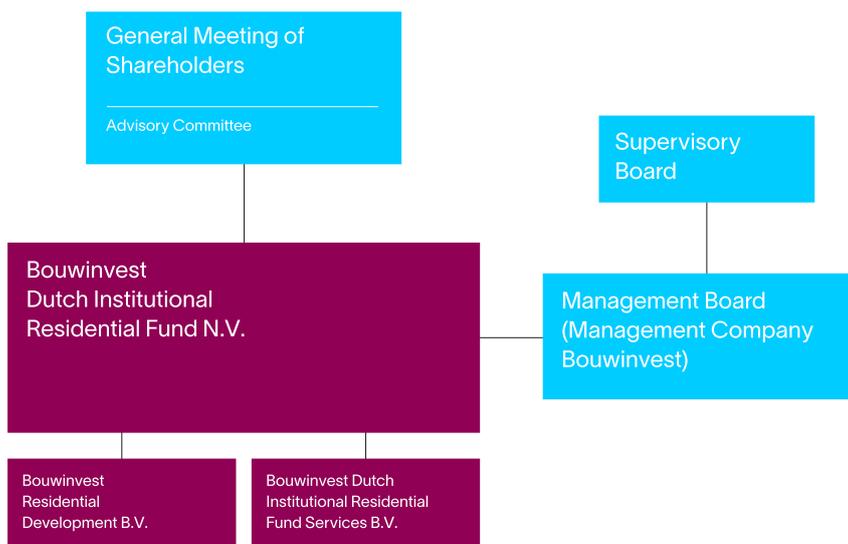
Structure of the Fund

The Fund is structured as an investment company with variable capital, as defined in article 2:76a of the Dutch Civil Code, with its corporate seat in Amsterdam, the Netherlands. It is a fiscal investment institution (FII) within the meaning of Article 28 of the Dutch Corporate Income Tax Act 1969. Bouwinvest Real Estate Investors B.V. ('Bouwinvest') is the Fund's sole Statutory Director and management company pursuant to the management agreement. The management company has a licence within the meaning of Article 2:65 of the Dutch Financial Supervision Act and is subject to supervision of the Dutch Financial Markets Authority (AFM).

Subsidiaries

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

Fund governance bodies



Advisory Committee

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

Role of the Advisory Committee

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

General Meeting of Shareholders

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

Anchor investor

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

Manager of the Fund

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

Management Board

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

Supervisory Board

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

Policies, rules and regulations

Corporate Governance Code

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

Code of Conduct

Bouwinvest has drawn up a Code of Conduct that applies to all its employees and which includes additional rules that specifically apply to the Management Board and Supervisory Board with respect to conflicts of interest and investments. The Code of Conduct deals with issues such as ethical behaviour, conflicts of interest, compliance with laws and (internal and external) regulations, responsible investment, health and safety, as well as our business partners. Bouwinvest has also

instituted a whistleblower policy to deal with the reporting and investigation of unethical behaviour. All employees receive code of conduct training.

Conflicts of Interest policy

Bouwinvest has a Conflicts of Interest policy. The purpose of this policy is to ensure that no material conflicts of interest occur that are damaging for investors in the Fund, the Fund or Bouwinvest. The policy also describes how Bouwinvest should act with respect to the allocation of different investment opportunities over the respective funds and clients. The policy is intended to supplement but not replace any applicable Dutch laws governing conflicts of interest. In 2022, there were no conflicts of interest as referred to in the Bouwinvest Conflicts of Interest Policy, either between the members of the Management Board, the management company, the Fund and/or other funds managed by the management company.

Funds managed by Bouwinvest

Bouwinvest manages the following alternative investment funds:

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

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

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

Shareholders' calendar

15 February 2023	Payment interim dividend fourth quarter 2022
22 February 2023	Advisory Committee
12 April 2023	General Meeting of Shareholders
8 May 2023	Payment of final dividend 2022
25 May 2023	Payment interim dividend first quarter 2023
16 June 2023	Advisory Committee
18 August 2023	Payment interim dividend second quarter 2023
13 September 2023	Advisory Committee
15 November 2023	Advisory Committee
17 November 2023	Payment interim dividend third quarter 2023
13 December 2023	General Meeting of Shareholders
15 February 2024	Payment interim dividend fourth quarter 2023

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Amsterdam
The Netherlands



Risk management

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

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

As manager of the Fund, Bouwinvest Real Estate Investors is responsible for the management of the risks in the Fund. Details regarding the risk management system applied to the Fund are elaborated on in the Bouwinvest Real Estate Investors' 2022 annual report.

Risks in the portfolio are monitored closely and the following events and risks were noteworthy in 2022.

Market risk

Market risk overall

From a market perspective, last year was marked by significant geo-political, financial, social and environmental turbulence. As we emerged from the worst of the Covid-19 pandemic, and economies were showing clear signs of recovery, we were faced with Russia's invasion of Ukraine. Next to the human tragedy and economic uncertainty that this created, it also ignited inflation. The reaction of the Fed, ECB and others has been a series of rapid and significant interest rate rises, pushing the world's economies towards recession. Consumer and investor confidence deteriorated rapidly, and so, subsequently, did asset pricing. These changed market circumstances are evaluated on a continuous basis, and are taken into account, both in the daily management of the Fund and in the investment and divestment decision processes.

Market liquidity risk

As part of its continuous portfolio optimisation, together with three redemption requests the Fund received, the Fund initiated a sales process for a number of assets that no longer met the Fund's objectives. Following the marked change in market conditions, the Fund noted a significant reduction in market liquidity. Taking into account the Fund's best interests, not all the assets that were put on the market have been sold. This reduced market liquidity is taken into account in both the strategic and tactical management of the Fund.

Credit risk

Within the area of credit risk, no material risks occurred in 2022.

Liquidity risk

Within the area of liquidity risk, no material risks occurred in 2022.

Business risk

Business environment risk

Rental market regulation changes

On 9 December of last year, the Minister of Housing and Spatial Planning's published parliamentary letter on the proposed regulation of the mid-rental segment and the modernisation of the housing valuation system (WWS). The minister aims to introduce the new regulations by 1 January 2024.

The proposed measures in the minister's plan are primarily related to an extension of the current housing valuation system (WWS) up to 187 points (equivalent to a rent level of approximately EUR 1.025 per month), an inflation-indexed rent level for new mid-rental segment leases and the allocation of additional points for objects with energy label A and better.

Given the average turnover rate, an expected reduction of 0.23% of the gross rental income of the total portfolio is expected in the first year. The definitive measures are however still uncertain as parliament has yet to decide on this regulation.

The maximum rent increase in 2023 for the liberalised segment will be CLA (Collective Labour Agreement) plus 1%. This will be 4.1%.

Nitrogen emissions

The negative ruling on 2 November 2022 by the Council of State (Raad van State) related to a nitrogen emissions exemption could lead to a reduction of new real estate developments in the market. Furthermore, developments for which a final building permit is yet to be received could be delayed, or in a worst-case scenario be at risk of not starting at all.

FMA-project

The Dutch government announced that as of 1 January 2025 Fiscal Investment Institutions (FIIs) may no longer invest in directly held real estate, the so called real estate measure. The timing of this announcement was slightly surprising, as it was not in line with the conclusions of the evaluation of the FII regime by the Dutch Economic Research Foundation (SEO) earlier in 2022. At the same time, Bouwinvest had already been anticipating such a change of law for a number of years.

The measure implies that FIIs holding real estate directly will become subject to corporate income tax at the ordinary rate (25.8% in 2023). Bouwinvest is therefore preparing to restructure the Fund into the legal form of a so-called closed Fund for Mutual Account (FMA). Given its fiscal transparency, the closed FMA prevents (double) taxation for investors and is therefore the most appropriate alternative for an FII. Since the government also confirmed that it should remain possible to structure an FMA as 'closed', and thus tax transparent, this is expected to be a sustainable alternative going forward.

The government furthermore announced a conditional exemption from real estate transfer tax for the transfer of real estate in the context of a restructuring directly related to this measure. This conditional exemption should come into effect on 1 January 2024. Bouwinvest welcomed this announcement, as such an exemption should remove one key uncertainty.

A draft bill on the real estate measure was submitted for public consultation in early 2023. Bouwinvest will continue to provide feedback through industry groups. A final law proposal is expected to be published on Budget Day (September 2023). Bouwinvest will decide on the exact date of the envisaged restructuring in the course of 2023.

Increase in rate real estate transfer tax (RETT) rate

As per 1 January 2023, the RETT rate for investors was increased to 10.4% (was 8%). The exact impact on the real estate market is not yet clear.

ESG risk

Within the area of ESG risk, no material risks occurred in 2022.

Operational risk

Within the area of operational risk, no material risks occurred in 2022.

Compliance risk

Within the area of compliance risk, no material risks occurred in 2022.

There were 21 data breaches with respect to the processing of personal information. Four of these were reported to the regulator, the Dutch Data Protection Agency. Some of the data breaches occurred at processors, such as property managers. The data breaches were caused by, amongst others, incorrectly sent e-mails. All data breaches were investigated and, where necessary, additional control measures were taken. In cases where this was necessary, Bouwinvest has informed the data subjects.

Outlook

The Residential Fund has a clearly defined strategy of optimisation based on the three pillars of quality, sustainability and affordability. The Fund firmly believes that the residential sector will continue to offer good long-term investment opportunities in core regions with strong economic and demographic fundamentals. The Fund's plan is to optimise the portfolio through targeted acquisitions of high-quality assets and the divestment of assets that no longer meet the Fund's strategic requirements. Furthermore, the optimisation of the Fund's portfolio covers a whole range of aspects, from improving the overall quality of the assets, making them more sustainable, increasing the number of affordable homes, maintaining the high occupancy rate, improving tenant satisfaction and introducing innovations in the Fund's homes and in the services the Fund provides for its tenants.

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

Amsterdam, 27 March 2023

Bouwinvest Real Estate Investors B.V.

Mark Siezen, Chief Executive Officer and Statutory Director

Rianne Vedder, Chief Financial & Risk Officer and Statutory Director

Marleen Bosma, Chief Client Officer

Allard van Spaandonk, Chief Investment Officer Dutch Investments

Stephen Tross, Chief Investment Officer International Investments

Financial statements

Consolidated statement of comprehensive income

All amounts in € thousands, unless otherwise stated

	Note	2022	2021
Gross rental income	6	271,232	250,405
Service charge income	6	7,596	6,808
Other income		513	549
Revenues		279,341	257,762
Service charge expenses		(8,288)	(7,212)
Property operating expenses	7	(79,822)	(64,192)
		(88,110)	(71,404)
Net rental income		191,231	186,358
Result on disposal of investment property	12	(3,443)	-
Positive fair value adjustments completed investment property	12	149,305	595,771
Negative fair value adjustments completed investment property	12	(257,362)	(5,203)
Fair value adjustments on investment property under construction	13	2,395	30,837
Net valuation gain (loss)		(105,662)	621,405
Administrative expenses	8	(40,957)	(37,522)
Result before finance result		41,169	770,241
Finance expenses	9	(4,015)	(4,175)
Net finance result		(4,015)	(4,175)
Result before tax		37,154	766,066
Income taxes	10	(10)	(10)
Result for the year		37,144	766,056
Items that will not be reclassified subsequently to comprehensive income		-	-
Items that may be reclassified subsequently to comprehensive income		-	-
Total comprehensive income for the year, net of tax		37,144	766,056
Net result attributable to shareholders		37,144	766,056
Total comprehensive income attributable to shareholders		37,144	766,056
Earnings per share (€)			
From continuing operations			
Basic	19	25	532
Diluted	19	25	532

Consolidated statement of financial position

Before appropriation of result, all amounts in € thousands

As at 31 December	Note	2022	2021
Assets			
Non-current assets			
Investment property	12	7,340,522	7,098,313
Investment property under construction	13	373,173	639,153
Total non-current assets		7,713,695	7,737,466
Current assets			
Trade and other current receivables	14	8,927	8,869
Cash and cash equivalents	15	47,439	92,014
Total current assets		56,366	100,883
Total assets		7,770,061	7,838,349
Equity and liabilities			
Equity attributable to the owners of the Fund			
Issued capital		1,494,416	1,448,743
Share premium		2,643,292	2,646,300
Revaluation reserve		3,079,844	3,225,033
Retained earnings		357,994	(405,029)
Net result for the year		37,144	766,056
Total equity	16	7,612,690	7,681,103
Liabilities			
Non-current lease liabilities	17	124,316	128,081
Current trade and other payables	18	33,055	29,165
Total liabilities		157,371	157,246
Total equity and liabilities		7,770,061	7,838,349

Consolidated statement of changes in equity

For 2022, before appropriation of profit, all amounts in € thousands

	Issued capital	Share premium	Revaluation reserve*	Retained earnings	Net result for the year	Total equity
Balance at 1 January 2022	1,448,743	2,646,300	3,225,033	(405,029)	766,056	7,681,103
Comprehensive income						
Net result	-	-	-	-	37,144	37,144
Total comprehensive income	-	-	-	-	37,144	37,144
Other movements						
Issued shares	45,673	206,027	-	-	-	251,700
Redemptions	-	(209,035)	-	-	-	(209,035)
Appropriation of result	-	-	-	766,056	(766,056)	-
Dividends paid	-	-	-	(148,221)	-	(148,221)
Movement revaluation reserve	-	-	(145,189)	145,189	-	-
Total other movements	45,673	(3,008)	(145,189)	763,023	(766,056)	(105,556)
Balance at 31 December 2022	1,494,416	2,643,292	3,079,844	357,994	37,144	7,612,690

* See explanation dividend restrictions in Note 16.

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

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

* See explanation dividend restrictions in Note 16.

Consolidated statement of cash flows

All amounts in € thousands

	Note	2022	2021
Operating activities			
Net result		37,144	766,056
Adjustments for:			
Valuation movements		105,662	(621,405)
Result on disposal of investment property		3,443	-
Net finance result		4,016	4,175
Movements in working capital		3,832	(2,458)
Cash flow generated from operating activities		154,097	146,368
Interest paid		(1,511)	(1,855)
Cash flow from operating activities		152,586	144,513
Investment activities			
Proceeds from disposal of investment property		180,449	-
Payments of investment property		(15,936)	(6,923)
Payments of investment property under construction		(256,118)	(277,815)
Cash flow from investment activities		(91,605)	(284,738)
Finance activities			
Proceeds from the issue of share capital		251,700	131,300
Redemptions		(209,035)	-
Dividends paid		(148,221)	(147,540)
Cash flow from finance activities		(105,556)	(16,240)
Net increase/(decrease) in cash and cash equivalents		(44,575)	(156,465)
Cash and cash equivalents at beginning of year		92,014	248,479
Cash and cash equivalents at end of year	15	47,439	92,014

Notes to the consolidated financial statements

All amounts in € thousands, unless otherwise stated

1 General information

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

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

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

Bouwinvest is the manager and Statutory Director of the Residential Fund. The Statutory Director will present the annual report to the Annual General Meeting of shareholders on 12 April 2023, and will request the approval of the financial statements.

2 Summary of significant accounting policies

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

The Fund's functional and presentation currency is the euro. All amounts are in thousands of euros, unless otherwise stated. The financial year 2022 was a normal calendar year from 1 January to 31 December 2022.

2.1 Basis of preparation

Going concern

The financial statements are prepared using the going concern basis of accounting.

Statement of compliance

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

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

Statement of comprehensive income

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

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

In 2022, the Fund adopted the new IFRS standards, amendments to IFRS and the interpretations that are mandatory for accounting periods that begin on or after 1 January 2022. The Fund has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

- Amendments to IAS 16 Property, Plant and Equipment: Proceeds before Intended Use (applicable for annual periods beginning on or after 1 January 2022)
- Amendments to IAS 37 Provisions, Contingent Liabilities and Contingent Assets: Onerous Contracts – Cost of Fulfilling a Contract (applicable for annual periods beginning on or after 1 January 2022)
- Amendments to IFRS 3 Business Combinations: Reference to the Conceptual Framework (applicable for annual periods beginning on or after 1 January 2022)
- Annual Improvements to IFRS Standards 2018–2020 (applicable for annual periods beginning on or after 1 January 2022)

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

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

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

- IFRS 17 Insurance Contracts: measurement of insurance contracts (applicable for annual periods beginning on or after 1 January 2023)
- Amendments to IFRS 4 Insurance Contracts – Extension of the Temporary Exemption from Applying IFRS 9 (applicable for annual periods beginning on or after 1 January 2023, but not yet endorsed in the EU)
- Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current (applicable for annual periods beginning on or after 1 January 2023, but not yet endorsed in the EU)
- Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2: Disclosure of Accounting Policies (applicable for annual periods beginning on or after 1 January 2023, but not yet endorsed in the EU)
- Amendments to IAS 8 Accounting policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates (applicable for annual periods beginning on or after 1 January 2023, but not yet endorsed in the EU)
- Amendments to IFRS 4 Insurance Contracts – Extension of the Temporary Exemption from Applying IFRS 9 (applicable for annual periods beginning on or after 1 January 2023, but not yet endorsed in the EU)
- Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current (applicable for annual periods beginning on or after 1 January 2023, but not yet endorsed in the EU)
- Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2: Disclosure of Accounting Policies (applicable for annual periods beginning on or after 1 January 2023, but not yet endorsed in the EU)
- Amendments to IAS 8 Accounting policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates (applicable for annual periods beginning on or after 1 January 2023, but not yet endorsed in the EU)
- Amendments to IAS 12 Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction (applicable for annual periods beginning on or after 1 January 2023, but not yet endorsed in the EU)

The Fund is monitoring these regulatory changes.

Preparation of the financial statements

The consolidated financial statements have been prepared on a historical cost basis, except for investment property and investment property under construction, which are measured at fair value as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given or agreed upon in exchange for assets. The principal accounting policies are set out below.

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

2.2 Basis of consolidation

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

The following entities are included in the consolidated financial statements:

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

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

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

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

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

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

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

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

2.3 Investment property

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

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

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

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

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

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

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

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

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

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

Net result on the sale of investment property

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

2.4 Investment property under construction

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

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

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

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

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

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

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

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

2.5 Leases

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

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

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

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

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

2.6 Financial instruments

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

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

Financial assets

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

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

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

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

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

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

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

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

Financial liabilities

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

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

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

2.7 Prepayments

Prepayments are stated at cost less any accumulated impairment losses.

2.8 Cash and cash equivalents

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

2.9 Issued capital

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

2.10 Redeemed shares

The Fund has two classes of issued shares, issued shares (to shareholders) and redeemed shares. The redeemed shares are held by the Fund with a nominal value of € 1,000 and don't have any rights for voting, dividends or other shareholder rights. Redeemed shares are shares bought by the Fund if a redemption request is granted. After the redemption has been executed, the shares are classified as redeemed shares until the shares are either issued again or cancelled. Redeemed shares will be issued again in case of capital calls within the same financial year. All redeemed shares that are not issued again before year end will be cancelled within 2 months after year end. This will take place after GM approval.

The acquisition price (including transaction costs) of the redeemed shares is initially fully deducted from the other reserves. The withdrawal of the redeemed shares is incorporated in the issued capital and other reserves after the withdrawal is finalised.

Shares are redeemed at the Fund's net asset value per share as per the most recent valuation date prior to the applicable redemption date. The amount to be paid to the redeeming shareholder is decreased by the redemption costs.

2.11 Non-current lease liabilities

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

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

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

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

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

2.12 Current trade and other payables

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

Tenant deposits

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

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

2.13 Dividend distribution

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

2.14 Rental income

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

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

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

2.15 Service charges, property operating expenses and administrative expenses

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

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

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

2.16 Other income

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

2.17 Finance income and expenses

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

2.18 Cash flow statement

Cash flows are stated according to the indirect method.

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

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

2.19 Earnings per share

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

2.20 Income taxes

Based on its status as an FII, the Fund is subject to Dutch corporate income tax at a rate of 0%. See Note 10. The subsidiaries of the fund are subject to Dutch corporate income tax at a rate of 15% - 25.8%.

3 Financial risk management

3.1 Financial risk factors

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

Market risk

Market risk is the risk of changes in the value of assets under management due to fluctuations in the financial markets. Within a real estate alternative investment fund typical factors possibly influencing the volatility in the performance (NAV) of the Fund, are changes in yields (external valuations), and rental and occupancy rate levels. The concentration of these risks are

mitigated by the Fund's diversification strategy on among others asset, tenant and geographical level. The sensitivity of the investment portfolio to changes in yields and rental rates is presented in the sensitivity analysis included in note 12.

Credit risk

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

The credit risk relating to the receivables is maximised to € 1.4 million in 2022 (2021: € 4.0 million) and the receivables are closely monitored.

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

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

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

Liquidity risk

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

3.2 Fair value estimation

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

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

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

3.3 Capital management

The Fund's objectives when managing capital are to safeguard the Fund's ability to maintain its going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. Funding is secured by its shareholders through capital calls for which estimations are made each year. No external funding is obtained in 2022.

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

4 Critical accounting estimates and judgements

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

4.1 Critical accounting estimates and assumptions

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

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

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

Current economic developments and uncertainties including rising interest rates, high inflation and high energy prices influence the valuation of our investment properties. The methods and significant assumptions applied in determining the fair value of our investment properties are mainly due to (i) active market prices, (ii) the influence of so-called rent-free periods and vacancy rates, (iii) the discount rates and (iv) assumed trends in rents. Economical and geopolitical uncertainties are triggering discussions about the development of the real estate investment and user markets. Although capital is still available in the market for investments, investors often wait for a more stable and predictable situation. Going forward, this might lead to fewer comparable transactions for appraisers to determine the market value and drive fluctuations in values during the coming quarters. In 2022, no material uncertainty clauses were included in the appraisal reports.

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

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

increased in accordance with the risks involved in property investments. The whole investment property portfolio is appraised on a quarterly basis by independent external appraisers.

5 Core regions

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

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

Property valuation as at 31 December	2022	2021
Region		
Randstad	6,336,958	6,136,238
Mid East	466,635	509,073
Brabantstad	507,479	425,222
Non-core regions	29,450	27,780
Total	7,340,522	7,098,313

6 Gross rental income and service charge income

	2022	2021
Theoretical rent	276,209	256,783
Incentives	(608)	(615)
Vacancies	(4,369)	(5,763)
Total gross rental income	271,232	250,405

The Fund leases its property investments in the form of non-cancellable operating leases. The nature of the theoretical rent has an indefinite duration because there are no fixed contract periods. Service charge income amounted to € 7.6 million (2021: € 6.8 million) receivable from tenants for the services utilities, caretakers, etc. when the Fund acts as a principal.

7 Property operating expenses

	2022	2021
Taxes	9,875	9,510
Insurance	780	821
Maintenance	40,000	30,085
Valuation fees	523	436
Property management fees	4,906	4,456
Promotion and marketing	177	159
Letting and lease renewal fees	7,427	6,913
Addition to provision for bad debts	324	245
Owners associations	3,678	2,566
Non reclaimable VAT	10,718	8,425
Other operating expenses	1,414	576
Total property operating expenses	79,822	64,192

Maintenance expenses increased significantly in 2022 compared to 2021 as more maintenance projects were realised and costs were higher due to inflation. In 2022, € 0.7 million (2021: € 0.8 million) of the maintenance expenses related to unlet properties.

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

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

8 Administrative expenses

	2022	2021
Management fee Bouwinvest	38,696	35,208
Audit fees	59	53
Marketing fees	414	317
Other administrative expenses	1,738	1,935
Legal fees	50	9
Total administrative expenses	40,957	37,522

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

The other administrative expenses consist of regulators' costs and costs for sustainability development. The increase of € 3.4 million compared to 2021 mainly relates to a higher Management fee Bouwinvest due to the increased average NAV of the Fund during the year.

9 Finance expenses

	2022	2021
Finance expenses on bank balances	173	1,256
Interest on lease liabilities	3,842	2,919
Total finance expenses	4,015	4,175

The Fund had no external loans and borrowings during 2022. The Fund was subject to the negative interest rate development for its bank balances during the first half of the year. During the second half of the year the interest was positive.

Costs for land lease are classified as finance expenses under IFRS16.

10 Income taxes

FII Status

The Fund has opted for the status of Fiscal Investment Institution (FII). Although an FII is not transparent for tax purposes the FII regime is based on the principle of tax transparency. This transparency is effectively realised by the fact that an FII is subject to Dutch corporate income tax at a rate of 0% in combination with the so-called distribution obligation (for more information see

the distribution obligation section below). As a result any benefits derived from a shareholding in an FII are taxable at shareholder level only.

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

Distribution obligation

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

Activity rules

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

Real estate development is not regarded as a 'passive' investment activity. However, development activities for the FII's own portfolio are specifically permitted. These activities should be carried out by a subsidiary which is subject to tax at the common corporate tax rate (2022: 15% - 25.8%). Improvements to existing properties do not qualify as development activities provided that the capital expenditure is less than 30% of the value of the property as determined by the Dutch Valuation of Immovable Property Act ("Wet Waardering onroerende zaken") prior to the improvements.

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

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

Leverage restrictions

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

Shareholder test

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

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

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

The Fund met the requirements of an FII in 2022. The effective tax rate was 0% (2021: 0%).

Dividend withholding tax

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

11 Employee benefits expense

The Residential Fund has no employees.

12 Investment property

	2022	2021
At the beginning of the year	7,098,313	6,369,668
Investments	-	-
Subsequent capital expenditure	15,792	6,923
Additions	15,792	
Transfers to investment property under construction	-	-
Transfers from investment property under construction	524,597	121,913
Total transfers to/from investment property under construction	524,597	121,913
Disposals	(183,892)	-
Net gain (loss) from fair value adjustments on investment property (like-for-like)	(95,092)	560,067
Net gain (loss) from fair value adjustments on investment property	(12,964)	30,501
In profit or loss	(108,056)	590,568
In other comprehensive income	-	-
Transfers out of level 3	-	-
Movement of right of use ground leases	(6,232)	9,241
Total investment property (level 3) at the end of the year	7,340,522	7,098,313

The Fund's investment properties are valued by independent external appraisers on a quarterly basis. On 31 December 2022, these properties were revalued by independent professionally qualified valuation experts with experience in the locations and categories of the investment properties valued (level 3). The carrying values of investment property as at 31 December 2022 and 31 December 2021, are based on the valuations reported by the external valuation experts. In estimating the fair value of the properties, the highest and best use of the properties is their current use. There was no change to the valuation technique during the year and there were no transfers between levels 2 and 3 during the year.

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

	2022	2021
Investment property	7,340,522	7,098,313
Less: lease liabilities	(124,316)	(106,274)
Valuation as per valuation report	7,216,206	6,992,039

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

Investments	2022	2021
Randstad	13,961	6,037
Mid East	1,555	1,121
Brabantstad	194	(282)
Non-core regions	82	47
Total investments	15,792	6,922

The negative investment of Brabantstad in 2021 is caused by the release of an accrual.

Disposals	2022	2021
Randstad	(116,917)	-
Mid East	(49,158)	-
Brabantstad	(17,817)	-
Non-core regions	-	-
Total disposals	(183,892)	-

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

2022	Randstad	Mid East	Brabantstad	Non-core regions	Total
Current average rent (€/unit)	1,232	1,041	1,070	871	1,201
Market rent (€/unit)	1,329	1,086	1,131	948	1,290
Gross initial yield	3.8%	4.1%	4.0%	4.2%	3.9%
Net initial yield	2.6%	2.8%	2.7%	1.9%	2.6%
Current vacancy rate (no rental units)	0.6%	0.3%	0.6%	1.7%	0.6%
Current financial vacancy rate	1.7%	0.4%	1.1%	0.7%	1.5%
Long-term growth rental rate	2.9%	2.6%	2.6%	2.4%	2.8%
Risk free (NRVT)					0.03%

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

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

The net valuation gain (loss) for the year included a positive fair value adjustment of € 149.9 million (2021: € 595.8 million) and a negative fair value adjustment of € 257.4 million (2021: € 5.2 million) relating to investment properties that were measured at fair value at the end of the reporting period.

Sensitivity analysis

The appraisal of the portfolio implies a net initial yield of 2.6% (2021: 2.7%). If the yields used for the appraisals of investment properties on 31 December 2022 had been 25 basis points higher (2021: 25 basis points higher) than was the case at that time, the value of the Fund's investments and shareholders' equity would have been 8.7% lower (2021: 8.5% lower).

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

	2022		2021	
Change rental rates	-5%	5%	-5%	5%
Value of the investment property change	(359,815)	359,815	(348,569)	348,569

	2022		2021	
Change net initial yield	- 25 bps	+ 25 bps	- 25 bps	+ 25 bps
Value of the investment property change	759,643	(627,223)	712,350	(591,474)

13 Investment property under construction

	2022	2021
At the beginning of the year	639,153	453,085
Investments	256,260	277,815
Transfers to investment property	(524,597)	(121,913)
Transfers from investment property	-	-
Total transfers to/from investment property	(524,597)	(121,913)
Net gain (loss) from fair value adjustments on investment property under construction	2,395	30,837
In profit or loss	2,395	30,837
In other comprehensive income	-	-
Transfers out of level 3	-	-
Movement of right of use ground leases	(38)	(671)
At the end of the year	373,173	639,153

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

	2022	2021
Investment property under construction	373,173	639,153
Less: lease liabilities	-	(21,807)
Valuation as per internal valuation	373,173	617,346

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

The net valuation gain (loss) for the year included a positive fair value adjustment of € 36.3 million (2021: € 39.9 million) and a negative fair value adjustment of € 33.9 million (2021: € 9.0 million) relating to investment properties under construction that are measured at fair value at the end of the reporting period.

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

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

Investments	2022	2021
Randstad	229,782	234,680
Mid East	3,280	14,624
Brabantstad	23,198	28,512
Non-core regions	-	-
Total investments	256,260	277,815

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

2022	Randstad	Mid East	Brabantstad	Total
Gross initial yield	4.3%	4.5%	3.7%	4.3%
Net initial yield	3.7%	3.7%	3.0%	3.7%
Long-term growth rental rate	2.5%	2.5%	2.6%	2.5%
Average 10-year inflation rate (NRVT)	-0.2%	-0.2%	-0.2%	-0.2%
Estimated average development profit on completion	-0.5%	6.5%	-23.5%	-1.1%
Estimated average percentage of completion	75.3%	89.8%	37.4%	74.1%
Construction costs (€/m ²)	5,025	3,829	3,682	4,936

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

14 Trade and other current receivables

	2022	2021
Trade receivables	1,418	1,324
VAT receivables	495	418
Other receivables	7,014	7,127
Balance as at 31 December	8,927	8,869

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

15 Cash and cash equivalents

	2022	2021
Bank balances	47,439	92,014
Balance as at 31 December	47,439	92,014

The bank balances of € 47.4 million are freely available to the Fund as at 31 December 2021.

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

For 2022, before appropriation of profit

	Issued capital	Share premium	Revaluation reserve*	Retained earnings	Net result for the year	Total equity
Balance at 1 January 2022	1,448,743	2,646,300	3,225,033	(405,029)	766,056	7,681,103
Comprehensive income						
Net result	-	-	-	-	37,144	37,144
Total comprehensive income	-	-	-	-	37,144	37,144
Other movements						
Issued shares	45,673	206,027	-	-	-	251,700
Redemptions	-	(209,035)	-	-	-	(209,035)
Appropriation of result	-	-	-	766,056	(766,056)	-
Dividends paid	-	-	-	(148,221)	-	(148,221)
Movement revaluation reserve	-	-	(145,189)	145,189	-	-
Total other movements	45,673	(3,008)	(145,189)	763,023	(766,056)	(105,556)
Balance at 31 December 2022	1,494,416	2,643,292	3,079,844	357,994	37,144	7,612,690

* See explanation dividend restrictions in this Note.

For reasons of a strategic reallocation, anchor shareholder bpfBOUW submitted a redemption request for an amount of € 340 million. For the (partial) fulfillment of the redemption request, on 25 November, the Fund purchased 37,793 shares in the Residential Fund from bpfBOUW for a total amount of € 209 million. These shares are now part of the Fund's equity and will be withdrawn from the issued capital in January 2023. In the GM of 7 December 2022, this reduction of capital was approved by the shareholders.

For 2021 before appropriation of profit

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

* See explanation dividend restrictions in this Note.

Dividend restrictions

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

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

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

	Number of shares in fully paid up equivalents	Paid-up share capital	Share premium	Total share capital and share premium
Opening balance at 1 January 2022	1,448,743	1,448,743	2,646,300	4,095,043
Dividends paid	-	-	-	-
Issued shares	45,673	45,673	206,027	251,700
Redemptions	-	-	(209,035)	(209,035)
Balance at 31 December 2022	1,494,416	1,494,416	2,643,292	4,137,708

Opening balance at 1 January 2021	1,421,755	1,421,755	2,541,988	3,963,743
Dividends paid	-	-	-	-
Issued shares	26,988	26,988	104,312	131,300
Balance at 31 December 2021	1,448,743	1,448,743	2,646,300	4,095,043

Issued capital

The authorised capital consists of five (5) million shares each with a nominal value of € 1,000. As at 31 December 2022, a total of 1,494,416 shares had been issued and fully paid up.

Share premium

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

Revaluation reserve

The revaluation reserve relates to the revaluation of the property investments. The (unrealised) positive or negative difference between the cumulative increase or decrease in the fair value of the investment property owned at the end of the year has been included in the revaluation reserve. The revaluation reserve as at year-end 2022 was determined at the individual property level.

17 Non-current lease liabilities

	2022	2021
Opening balance at 1 January 2022	128,081	117,190
Interest	3,842	3,513
Lease payments	(1,337)	(1,192)
Other movements	(6,270)	8,570
Balance at 31 December 2022	124,316	128,081

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

In 2022 a release of € 6.3 million is recognised in the non-current lease liabilities which consists for a significant part due to the acceptance of some leasehold proposals from the city of Amsterdam.

The value of the lease liability assumes the estimated redemption amount for the transition to perpetual leasehold. The final determination of the redemption amount is currently under discussion with the city of Amsterdam and is expected to be finalised in 2023.

Land lease obligations undiscounted	2022	2021
Year 1	122,953	114,579
Year 2	-	-
Year 3-5	-	-
Year > 5	14,918	14,918
Total land lease obligations	137,871	129,497

18 Current trade and other payables

	2022	2021
Trade payables	10,383	6,807
Rent invoiced in advance	2,197	2,379
Tenant deposits	16,842	15,185
VAT payable	520	30
Other payables	3,113	4,764
Balance as at 31 December	33,055	29,165

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

19 Earnings per share

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

	2022	2021
Net result attributable to shareholders	37,144	766,056
Weighted average number of ordinary shares	1,468,776	1,438,623
Basic earnings (€ per share)	25.29	532.49

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

20 Dividends per share

In 2022, the Fund paid out a dividend of € 100.91 per share (2021: € 102.56) which amounts to a total of € 148.2 million (2021: € 147.5 million). A total dividend of € 149.5 million (2021: € 147.8 million) is to be proposed at the Annual General Meeting of shareholders on 12 April 2023. These financial statements do not reflect this final 2022 payment.

The dividend proposal for 2022 has not been accounted for in the financial statements. The dividend for 2022 will be paid in cash.

21 Contingent liabilities and assets

As at 31 December 2022, the Fund's total future liabilities amounted to € 332 million (2021: € 533 million). These commitments are made up as follows:

Investment commitments (in € million)	2023	2024	2025+
Hembrug	-1	-1	113
Loevesteinlaan (RES)	14	11	26
Binck City Park Toren 2	13	18	5
Koer (WON)	15	5	0
The Mark (WON)	14	1	4
Buitenpoort (WON)	8	7	2
Bethelpark	13	0	0
Bosakker	12	0	0
The Mark (COG)	7	0	5
Fluor Amerikablok	9	0	1
Other < 10	26	0	4
	131	41	160

As at 31 December 2022, the Fund had unprovisioned contractual obligations for future repairs and maintenance of € 2.9 million (2021: € 2.2 million).

The Fund has a contractual agreement with Bouwinvest for an indefinite period in which it has to pay a management fee, based on the net asset value (NAV). The notice period is two years.

22 Related parties

The Fund's subsidiaries and members of the Supervisory Board and the Management Board of Bouwinvest and the other entities under management by Bouwinvest, qualify as related parties of the Residential Fund. The Fund paid Bouwinvest a fee of € 38.7 million in 2022 (2021: € 35.2 million).

Bouwinvest Development B.V., bpfBOUW and the subsidiaries and investments held by bpfBOUW are also deemed related parties.

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

The members of the Supervisory Board and the Management Board of Bouwinvest held no personal interest in the Fund's investments in 2022.

23 Management fee

Bouwinvest is the manager and the Statutory Director of the Fund. The management fee paid for the year 2022 amounted to € 38.7 million (2021: € 35.2 million).

In consideration of the management activities with respect to the Fund, Bouwinvest receives an annual management fee equal to 0.48% (exclusive of VAT) of the Fund's net asset value in accordance with the valuation methods of the Fund. The management fee is payable quarterly in advance.

During the reporting period, the manager, Bouwinvest, is responsible for five funds of which the Residential Fund, Office Fund and Retail Fund are subject to the supervision of the Dutch Financial Markets Authority (AFM). Bouwinvest also has a separate mandate from bpfBOUW for the management of international real estate investments and manages Bouwinvest Development B.V. Bouwinvest Real Estate Investors B.V. charges a management fee to compensate its personnel expenses and other costs (e.g., office costs, IT costs). As Bouwinvest Real Estate Investors B.V. provides key management personnel services as well as other services (e.g. office, IT) for several funds, the management fee cannot objectively be allocated to the various components of services provided to the Fund by Bouwinvest Real Estate Investors B.V. The remuneration, in line with Article 22 of the AIFMD, is disclosed in the 2022 annual report of Bouwinvest Real Estate Investors B.V.

24 Audit fees

The table below shows the fees charged over the year 2022 by Deloitte Accountants B.V. and the Deloitte Network in respect of activities for the Residential Fund.

	2022	2021
Audit of the financial statements	48	42
Other audit engagements	11	11
Tax advisory services	-	-
Other non-audit services	-	-
Total fees	59	53

25 Subsequent events

In January 2023 shares were issued for a total of € 35 million and in February 2023 for a total of € 55 million.

In February 2023 shares are redeemed for a total amount of € 57 million.

Company balance sheet

Before appropriation of result, all amounts in € thousands

As at 31 December	Note	2022	2021
Assets			
Non-current assets			
Investment property		7,340,522	7,098,313
Investment property under construction		373,173	639,153
Financial assets	3	345	291
Total non-current assets		7,714,040	7,737,757
Current assets			
Trade and other current receivables		8,926	8,710
Cash and cash equivalents		47,093	91,887
Total current assets		56,020	100,597
Total assets		7,770,060	7,838,354
Equity and liabilities			
Equity attributable to the owners of the Fund			
Issued capital		1,494,416	1,448,743
Share premium		2,643,292	2,646,300
Revaluation reserve		3,079,844	3,225,033
Retained earnings		357,994	(405,029)
Net result for the year		37,144	766,056
Total equity	4	7,612,690	7,681,103
Liabilities			
Non-current lease liabilities		124,316	128,081
Current trade and other payables		33,054	29,170
Total liabilities		157,370	157,251
Total equity and liabilities		7,770,060	7,838,354

Company profit and loss account

All amounts in € thousands

	2022	2021
Profit of participation interests after taxes	54	54
Other income and expenses after taxes	37,090	766,002
Result for the year	37,144	766,056

Notes to the company financial statements

All amounts in € thousands, unless otherwise stated

1 Summary of significant accounting policies

1.1 General

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

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

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

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

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

1.2 Financial assets

Subsidiaries

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

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

Recognition of losses

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

2 Financial risk management

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

3 Financial assets

	2022	2021
As per 1 January	291	327
Acquisitions and capital contributions	-	-
Dividends received	-	(90)
Net result for the year	54	54
As per 31 December	345	291

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

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

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

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

For 2022, before appropriation of profit

	Issued capital	Share premium	Revaluation reserve*	Retained earnings	Net result for the year	Total equity
Balance at 1 January 2022	1,448,743	2,646,300	3,225,033	(405,029)	766,056	7,681,103
Comprehensive income						
Net result	-	-	-	-	37,144	37,144
Total comprehensive income	-	-	-	-	37,144	37,144
Other movements						
Issued shares	45,673	206,027	-	-	-	251,700
Redemptions	-	(209,035)	-	-	-	(209,035)
Appropriation of result	-	-	-	766,056	(766,056)	-
Dividends paid	-	-	-	(148,221)	-	(148,221)
Movement revaluation reserve	-	-	(145,189)	145,189	-	-
Total other movements	45,673	(3,008)	(145,189)	763,023	(766,056)	(105,556)
Balance at 31 December 2022	1,494,416	2,643,292	3,079,844	357,994	37,144	7,612,690

For 2021, before appropriation of profit

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

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

For reasons of a strategic reallocation, anchor shareholder bpfBOUW submitted a redemption request for an amount of € 340 million. For the (partial) fulfillment of the redemption request, on 25 November, the Fund purchased 37,793 shares in the Residential Fund from bpfBOUW for a total amount of € 209 million. These shares are now part of the Fund's equity and will be withdrawn from the issued capital in January 2023. In the GM of 7 December 2022, this reduction of capital was approved by the shareholders.

Issued capital

The authorised capital comprises five (5) million shares each with a nominal value of € 1,000. As at 31 December 2022, a total of 1,494,416 shares had been issued and fully paid up.

Share premium

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

Revaluation reserve

The revaluation reserve relates to the revaluation of the property investments. The (unrealised) positive or negative difference between the cumulative increase or decrease in the fair value of the investment property owned at the end of the year has been included in the revaluation reserve. The revaluation reserve as at year-end 2022 was determined at the individual property level.

Appropriation of profit 2021

The Annual General Meeting of shareholders on 6 April 2022 adopted and approved the 2021 financial statements of the Residential Fund. A dividend of € 147.8 million (in cash) has been paid. Of the profit for 2021 € 766 million was incorporated in the retained earnings.

Proposal for profit appropriation 2022

The management of the Fund proposes to the General Meeting of shareholders that a dividend of € 149.5 million (in cash) is to be paid. Of the profit for 2022 amounting to € 37.1 million, € 37.1 million will be incorporated in the retained earnings.

5 Employee benefits expense

The Residential Fund has no employees.

6 Remuneration

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

Signing of the Financial Statements

Amsterdam, 27 March 2023

Bouwinvest Real Estate Investors B.V.

Mark Siezen, *Chief Executive Officer and Statutory Director*

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

Marleen Bosma, *Chief Client Officer*

Allard van Spaandonk, *Chief Investment Officer Dutch Investments*

Stephen Tross, *Chief Investment Officer International Investments*

Other information

Articles of Association related to the appropriation of profit

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

20.1

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

20.2

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

20.3

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

20.4

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

20.5

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

20.6

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

Independent auditor's report

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

Report on the audit of the financial statements 2022 included in the annual report

Our opinion

We have audited the financial statements 2022 of Bouwinvest Dutch Institutional Residential Fund N.V., based in Amsterdam. The financial statements comprise the consolidated financial statements and the company financial statements.

In our opinion:

- The accompanying consolidated financial statements give a true and fair view of the financial position of Bouwinvest Dutch Institutional Residential Fund N.V. as at December 31, 2022, and of its result and its cash flows for 2022 in accordance with International Financial Reporting Standards as adopted by the European Union (EU-IFRS) and with Part 9 of Book 2 of the Dutch Civil Code.
- The accompanying company financial statements give a true and fair view of the financial position of Bouwinvest Dutch Institutional Residential Fund N.V. as at December 31, 2022, and of its result for 2022 in accordance with Part 9 of Book 2 of the Dutch Civil Code.

The consolidated financial statements comprise:

1. The consolidated statement of financial position as at December 31, 2022.
2. The following statements for 2022: the consolidated statement of comprehensive income, the consolidated statement of changes in equity and consolidated statement of cash flows.
3. The notes comprising a summary of the significant accounting policies and other explanatory information.

The company financial statements comprise:

1. The company balance sheet as at December 31, 2022.
2. The company profit and loss account for 2022.
3. The notes comprising a summary of the accounting policies and other explanatory information.

Basis for our opinion

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. Our responsibilities under those standards are further described in the 'Our responsibilities for the audit of the financial statements' section of our report.

We are independent of Bouwinvest Dutch Institutional Residential Fund N.V. in accordance with the Wet toezicht accountantsorganisaties (Wta, Audit firms supervision act), the Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in The Netherlands. Furthermore, we have complied with the Verordening gedrags- en beroepsregels accountants (VGBA, Dutch Code of Ethics).

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

Information in support of our opinion

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

Materiality

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

Materiality overview

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

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

Scope of the group audit

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

Our group audit mainly focused on significant group entities.

We have performed audit procedures ourselves at group entities.

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

Audit approach fraud risks

We identified and assessed the risks of material misstatements of the financial statements due to fraud. During our audit we obtained an understanding of the entity and its environment and the components of the system of internal control, including the risk assessment process and management's process for responding to the risks of fraud and monitoring the system of internal control and how the Supervisory board exercises oversight, as well as the outcomes. A fraud risk assessment is a visible component of the internal control environment.

We evaluated the design and relevant aspects of the system of internal control and in particular the fraud risk assessment, as well as among others the code of conduct, whistle blower procedures and incident registration. We evaluated the design and the implementation and, where considered appropriate, tested the operating effectiveness, of internal controls designed to mitigate fraud risks.

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

We did not identify fraud risk factors with respect to revenue recognition. We have assessed the accuracy of gross rental income based on a test of detail and analytical procedures on the tenancy schedule and linked the completeness to the property portfolio. We have performed an integral assessment of the recorded gross rental income based on the substantive analytical procedures performed using the tenancy schedules and property portfolio.

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

Fraud risk	How the fraud risk was addressed in the audit
<p>Management override of controls</p> <p>We presume a risk of material misstatement due to fraud related to management override of controls. Management is in a unique position to perpetrate fraud because of management's ability to manipulate accounting records and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively.</p>	<p>Our audit procedures included, among others, the following:</p> <p>We incorporated elements of unpredictability in our audit. We also considered the outcome of our other audit procedures and evaluated whether any findings were indicative of fraud or noncompliance.</p> <p>We considered available information and made inquiries of relevant persons during the year and at year end (including management, general counsel, internal auditor, compliance officer and risk management). Additionally we requested confirmation from the depository on the ownership of assets and any irregularities. We have performed a review of available minutes for the relevant organizational bodies and have obtained and reviewed the ISAE 3402 type 2 reports over 2022 of Bouwinvest Real Estate Investors B.V. having made appropriate links to our risk assessment and relevant controls. We tested the appropriateness of journal entries recorded in the general ledger and other adjustments made in the preparation of the financial statements.</p> <p>We evaluated whether the selection and application of accounting policies, particularly those related to subjective measurements and complex transactions, may be indicative of fraudulent financial reporting.</p> <p>We evaluated whether the judgments and decisions made by management in making the accounting estimates included in the financial statements indicate a possible bias that may represent a risk of material misstatement due to fraud. Management insights, estimates and assumptions that might have a major impact on the financial statements are disclosed in note 4, 12, and 13 of the financial statements. We performed a retrospective review of management judgments and assumptions related to significant accounting estimates reflected in prior year financial statements. Valuation of investment property is a significant area to our audit as the valuation is inherently judgmental in nature, due to the use of assumptions that are highly sensitive, any change in assumptions may have a significant effect on the outcome given the relative size of the investment property balance. Reference is made to the section "Our key audit matter".</p> <p>For significant transactions, we evaluated whether the business rationale of the transactions suggests that they may have been entered into to engage in fraudulent financial reporting or to conceal misappropriation of assets. As part of our audit procedures, we verified whether the significant transactions should be considered related-party transactions.</p> <p>This did not lead to indications for fraud potentially resulting in material misstatements.</p>

Audit approach fraud risks compliance with laws and regulations

We assessed the laws and regulations applicable to the company via our inquiries with management and other personnel, and our assessment of relevant correspondence.

As a result of our risk assessment procedures, and while realizing that the effects from non-compliance could considerably vary, we considered the following laws and regulations: adherence to the Dutch Financial Supervision Act, the Money Laundering and Terrorist Financing (Prevention) Act, the requirements for fiscal investment institutions in the Corporation Tax Act 1969, the Alternative Investment Fund Managers Directive (AIFMD), and the requirements under the International Financial Reporting Standards as adopted by the European Union (EU-IFRS) and Part 9 of Book 2 of the Dutch Civil Code with a direct effect on the financial statements as an integrated part of our audit procedures, to the extent material for the related financial statements.

We obtained sufficient appropriate audit evidence regarding provisions of those laws and regulations generally recognized to have a direct effect on the financial statements.

Apart from these, the Bouwinvest Dutch Institutional Residential Fund N.V. is subject to other laws and regulations where the consequences of non-compliance could have a material effect on amounts and/or disclosures in the financial statements, for instance, through imposing fines or litigation.

Given the nature of Bouwinvest Dutch Institutional Residential Fund N.V.'s business and the complexity of the regulatory environment, there is a risk of non-compliance with the requirements of such laws and regulations.

Our procedures are more limited with respect to these laws and regulations that do not have a direct effect on the determination of the amounts and disclosures in the financial statements. Compliance with these laws and regulations may be fundamental to the operating aspects of the business, to Bouwinvest Dutch Institutional Residential Fund N.V.'s ability to continue its business, or to avoid material penalties and therefore non-compliance with such laws and regulations may have a material effect on the financial statements. Our responsibility is limited to undertaking specified audit procedures to help identify non-compliance with those laws and regulations that may have a material effect on the financial statements. Our procedures are limited to (i) inquiry of the Management Board and others within Bouwinvest Dutch Institutional Residential Fund N.V. as to whether the Bouwinvest Dutch Institutional Residential Fund N.V. is in compliance with such laws and regulations and (ii) inspecting correspondence, if any, with the relevant licensing or regulatory authorities to help identify non-compliance with those laws and regulations that may have a material effect on the financial statements.

Naturally, we remained alert to indications of (suspected) non-compliance throughout the audit.

Finally, we obtained written representations that all known instances of (suspected) fraud or non-compliance with laws and regulations have been disclosed to us.

Audit approach going concern

The Financial Statements of Bouwinvest Dutch Institutional Residential Fund N.V. have been prepared on the basis of the going concern assumption. As indicated in the responsibilities of the Management Board below, the Management Board is responsible for assessing the Bouwinvest Dutch Institutional Residential Fund N.V.'s ability to continue as a going concern.

We have evaluated the Management Board assessment of the Bouwinvest Dutch Institutional Residential Fund N.V.'s ability to continue as a going concern and inquired the Management Board regarding any knowledge of events or conditions beyond the period of the Management Board assessment. On the basis of our audit procedures, we have not identified any indication that would give rise to uncertainty on the Bouwinvest Dutch Institutional Residential Fund N.V.'s ability to continue as a going concern. Bouwinvest Dutch Institutional Residential Fund N.V. has total off-balance sheet items for a total of € 332 million due in the upcoming years. These off-balance sheet items will be financed via, (a) the available cash position as per 31 December 2022, (b) the cashflow from the operational result, (c) current and new commitments and capital calls, noting sufficient headroom in the current market circumstances. Furthermore we noted that there is no indication that cash positions and cash flows will be insufficient to meet future obligations. The tenant mix does not lead to concern over dependency on a single tenant or group of tenants in respect to the rental income and respective cash flows.

Bouwinvest Dutch Institutional Residential Fund N.V. has a best effort requirement for redemption request (i.e. evaluate if the request can be acknowledged without negatively impacting the Fund) and no obligation to acknowledge the request immediately.

This did not lead to indications of the Bouwinvest Dutch Institutional Residential Fund N.V. not being able to continue as a going concern.

Our key audit matters

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

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

Key audit matter

How the key audit matter was addressed in the audit

Valuation of investment property

Refer to notes 12 and 13 to the consolidated financial statements.

As at December 31, 2022, Bouwinvest Dutch Institutional Residential Fund N.V. held a portfolio of investment property with a fair value of EUR 7,341 million (December 31, 2021: EUR 7,098 million) and investment property under construction of EUR 373 million (December 31, 2021: EUR 639 million).

The portfolio mainly consists of residential properties.

At the end of each reporting period, the Board of the Manager determines the fair value of its investment property portfolio in accordance with the requirements of IAS 40 and IFRS 13.

Bouwinvest Dutch Institutional Residential Fund N.V. uses external valuation reports issued by external independent professionally qualified valuers to determine the fair value of its investment property.

As the valuation of investment property is inherently judgmental in nature, due to the use of assumptions that are highly sensitive, any change in assumptions may have a significant effect on the outcome given the relative size of the investment property balance. The most significant assumptions and parameters involved, given the sensitivity and impact on the outcome, are the capitalization rate and market rent levels.

IFRS 13 seeks to increase consistency and comparability in fair value measurements and related disclosures through a 'fair value hierarchy'. The hierarchy categorizes the inputs used in valuation techniques into three levels. The hierarchy gives the highest priority to (unadjusted) quoted prices in active markets for identical assets or liabilities and the lowest priority to unobservable inputs. (Unobservable) inputs are used to measure fair value to the extent that relevant observable inputs are not available, thereby allowing for situations in which there is little, if any, market activity for the asset at the measurement date. Fair value measurements categorized within Level 3 have the lowest priority as the valuation is predominately based on unobservable inputs and those measurements have a greater degree of uncertainty and subjectivity. This means that a valuation at Level 3 has a fairly large measure of estimation uncertainty and as a result a fairly large bandwidth of valuation uncertainty in which a valuation can be seen reasonable in the light of IFRS 13.

In addition, and as the external appraiser has recommended in its assessment of the fair value of the property portfolio, caution is needed in analyzing the values due to the unknown future impacts on economy and real estate markets.

Our audit procedures included, among others, the following:

We have gained understanding of the valuation process and tested design and implementation of Bouwinvest Dutch Institutional Residential Fund's relevant controls with respect to the data used in the valuation of the property portfolio.

We noted that management involved established parties to assist with the valuation of the investment properties. We evaluated the competence of Bouwinvest Dutch Institutional Residential Fund N.V.'s external appraiser, which included consideration of their qualifications and expertise.

In relation to the significant assumptions in the valuation of investment property we have:

- Determined that the valuation methods as applied by the Management Board, as included in the valuation reports, are appropriate and consistent with prior year.
- Challenged the significant assumptions (such as capitalization rate, market rental income, market-derived discount rate, vacant possession value) against relevant market data. We have involved our internal real estate valuation experts in these assessments.
- Assessed the sensitivity analysis on the key input data and assumptions to understand the impact of reasonable changes in assumptions on the valuation;
- Assessed the appropriateness of the disclosures relating to the assumptions used in the valuations and sensitivity analysis in the notes to the consolidated financial statements.

Observation

We found that, with the (significant) assumptions used in the valuation reports, the valuation of the investment property is valued within a reasonable range in the light of the valuation uncertainty for level 3 valuations.

Report on the other information included in the annual report

The annual report contain other information, in addition to the financial statements and our auditor's report thereon.

The other information consists of:

- Management Board's Report.
- Other Information as required by Part 9 of Book 2 of the Dutch Civil Code.
- Other included information.

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

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

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

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

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

Description of responsibilities regarding the Financial Statements

Responsibilities of Management Board for the financial statements

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

As part of the preparation of the financial statements, Management Board is responsible for assessing the company's ability to continue as a going concern. Based on the financial reporting frameworks mentioned, Management Board should prepare the financial statements using the going concern basis of accounting unless Management Board either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

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

Our responsibilities for the audit of the financial statements

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

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

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

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

- Identifying and assessing the risks of material misstatement of the financial statements, whether due to fraud or error, designing and performing audit procedures responsive to those risks, and obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtaining an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management Board.
- Concluding on the appropriateness of Management Board's use of the going concern basis of accounting, and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluating the overall presentation, structure and content of the financial statements, including the disclosures.
- Evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

Amsterdam, March 27, 2023

Deloitte Accountants B.V.

V.S. Borreman

Assurance report of the independent auditor

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

Our conclusion

We have reviewed the sustainability information in the 2022 annual report of Bouwinvest Dutch Institutional Residential Fund N.V., based in Amsterdam. A review is aimed at obtaining a limited level of assurance.

Based on the procedures performed and the evidence obtained, nothing has come to our attention that causes us to believe that the sustainability information of Bouwinvest Dutch Institutional Residential Fund N.V. does not present, in all material respects, a reliable and adequate view of:

- the policy and business operations with regard to corporate social responsibility, as included in the 'Performance on sustainability' chapter of the 2022 annual report; and
- the thereto related events and achievements for the year 2022 as included in the section 'Performance on sustainability' as disclosed in the 2022 annual report, in accordance with the reporting criteria as included in the section 'Reporting of performance indicators'.

The sustainability information consists of performance information in the section 'performance on sustainability' part of chapter 'Performance on strategy' on page 26-35 of the 2022 Annual Report excluding the section EU Taxonomy on page 34-35.

Basis for our conclusion

We have conducted our review in accordance with Dutch law, including Dutch Standard 3000A 'Assurance engagements other than audits or reviews of historical financial information (attestation engagements)'. This engagement is aimed to obtain limited assurance. Our responsibilities in this regard are further described in the 'Our responsibilities for the review of the sustainability information' section of our report.

We are independent of Bouwinvest Dutch Institutional Residential Fund N.V. in accordance with the 'Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten' (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence). Furthermore we have complied with the 'Verordening gedrags- en beroepsregels accountants' (VGBA, Dutch Code of Ethics).

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

Reporting criteria

The reporting criteria used for the preparation of the sustainability information are the reporting criteria as included in the section 'reporting of performance indicators' within the 2022 Annual Report.

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

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

Consequently, the sustainability information needs to be read and understood together with the reporting criteria used.

Materiality

Based on our professional judgement we determined materiality levels for each relevant part of the sustainability information and for the sustainability information as a whole. When evaluating our materiality levels, we have taken into account quantitative and qualitative considerations as well as the relevance of information for both stakeholders and Bouwinvest Dutch Institutional Residential Fund N.V.

Limitations to the scope of our review

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

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

Responsibilities of the Management Board for the sustainability information

The Management Board is responsible for the preparation of the sustainability information in accordance with the applicable criteria. The Management Board is also responsible for selecting and applying the reporting criteria and for determining that these reporting criteria are suitable for the legitimate information needs of stakeholders, taking into account applicable law and regulations related to reporting. The choices made by the Management Board regarding the scope of the sustainability information and the reporting policy are summarized in the chapter 'Performance on sustainability' of the 2022 annual report.

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

Our responsibilities for the review of the sustainability information

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

The procedures performed in this context differ in nature and timing and are less extent as compared to reasonable assurance engagements. The level of assurance obtained in a limited assurance engagement is therefore substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

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

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

Our review included among others:

- Performing an analysis and obtaining insight into relevant environmental and social themes, issues and the characteristics of Bouwinvest Dutch Institutional Residential Fund N.V.;
- Evaluating the appropriateness of the reporting policy and its consistent application, including the evaluation of the results of the stakeholders' dialogue and the reasonableness of management's estimates;
- Evaluating the design of the reporting systems and processes related to the sustainability information;
- Reviewing internal and external documentation to determine whether the information as included in the KPIs, including the presentation and assertions made in the sustainability information, is adequately supported;
- Interviewing relevant staff responsible for providing the sustainability information, carrying out internal control procedures on the data and consolidating the data in the annual report;
- An analytical review of the data and trends submitted for consolidation at corporate level.

We communicate with the Management Board regarding, among other matters, the planned scope, timing and outcome of the review and significant findings that we identified during our review.

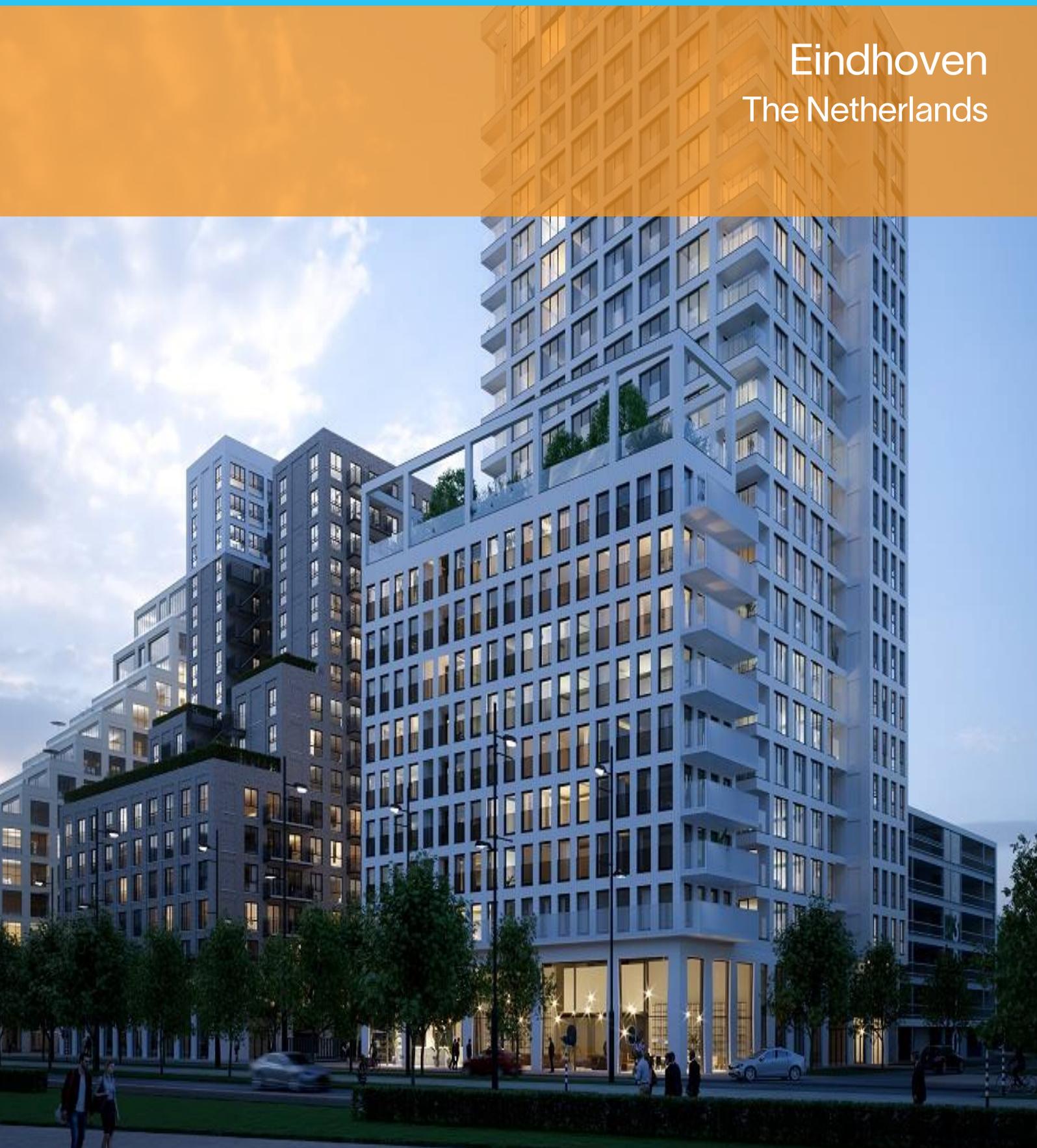
Amsterdam, March 27, 2023

Deloitte Accountants B.V.

Signed on the original: V.S. Borreman

Next Apartments

Eindhoven
The Netherlands



INREV

Valuation principles

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

Note	Total	Per share	Actual impact on 2022 figures	Actual impact on 2021 figures
NAV per the IFRS financial statements				
Reclassification of certain IFRS liabilities as components of equity				
1	X	X	Yes	Yes
1	X	X	N/A	N/A
2	X	X	N/A	N/A
NAV after reclassification of equity-like interests and dividends not yet distributed				
Fair value of assets and liabilities				
3	X	X	N/A	N/A
4	X	X	N/A	N/A
5	X	X	N/A	N/A
6	X	X	N/A	N/A
7	X	X	N/A	N/A
8	X	X	N/A	N/A
9	X	X	N/A	N/A
10	X	X	N/A	N/A
11	X	X	N/A	N/A
12	X	X	N/A	N/A
13	X	X	Yes	Yes
14	X	X	N/A	N/A
Effects of the expected manner of settlement of sales/vehicle unwinding				
15	X	X	N/A	N/A
16	X	X	N/A	N/A
17	X	X	N/A	N/A
Other adjustments				
18	X	X	N/A	N/A
19	X	X	N/A	N/A
INREV NAV				
	X	X	Yes	Yes

INREV adjustments

All amounts in € thousands, unless otherwise stated

Note	Total 2022	Per share 2022	Total 2021	Per share 2021
NAV as per the financial statements	7,612,690	5,226.26	7,681,103	5,301.91
Reclassification of certain IFRS liabilities as components of equity				
1 Effect of reclassifying shareholder loans and hybrid capital instruments (including convertible bonds) that represent shareholders long term interests in a vehicle	-	-	-	-
2 Effect of dividends recorded as a liability which have not been distributed	-	-	-	-
NAV after reclassification of equity-like interests and dividends not yet distributed	7,612,690	5,226.26	7,681,103	5,301.91
Fair value of assets and liabilities				
3 Revaluation to fair value of investment properties	-	-	-	-
4 Revaluation to fair value of self-constructed or developed investment property	-	-	-	-
5 Revaluation to fair value of investment property held for sale	-	-	-	-
6 Revaluation to fair value of property that is leased to tenants under a finance lease	-	-	-	-
7 Revaluation to fair value of real estate held as inventory	-	-	-	-
8 Revaluation to fair value of other investments in real assets	-	-	-	-
9 Revaluation to fair value of indirect investments not consolidated	-	-	-	-
10 Revaluation to fair value of financial assets and financial liabilities	-	-	-	-
11 Revaluation to fair value of construction contracts for third parties	-	-	-	-
12 Set-up costs	-	-	-	-
13 Acquisition expenses	15,071	10.35	14,172	9.78
14 Contractual fees	-	-	-	-
Effects of the expected manner of settlement of sales/vehicle unwinding				
15 Revaluation to fair value of savings of purchaser's costs such as transfer taxes	-	-	-	-
16 Revaluation to fair value of deferred taxes and tax effect of INREV NAV adjustments	-	-	-	-
17 Effect of subsidiaries having a negative equity (non-recourse)	-	-	-	-
Other adjustments				
18 Goodwill	-	-	-	-
19 Non-controlling interest effects of INREV adjustments	-	-	-	-
INREV NAV	7,627,761	5,236.61	7,695,274	5,311.69
Number of shares issued	1,494,416		1,448,743	
Number of shares issued taking dilution effect into account	1,494,416		1,448,743	
Weighted average INREV NAV	8,067,436		7,148,001	
Weighted average INREV GAV	8,107,665		7,180,961	
Total Global Expense Ratio (NAV)	0.51%		0.53%	
Total Global Expense Ratio (GAV)	0.51%		0.53%	
Real Estate Expense Ratio (GAV)	0.99%		0.89%	

Notes to the INREV adjustments

All amounts in € thousands, unless otherwise stated

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

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

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

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

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

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

As per 31 December 2022, no dividends are recorded as a liability, so no adjustment is included.

3 Revaluation to fair value of investment property

After initial recognition, investment property is valued at fair value under the fair value option of IAS 40. Therefore no adjustment had to be made as per 31 December 2022.

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

Development property is investment property under construction and valued at fair value under the fair value option of IAS 40. Therefore no adjustment had to be made as per 31 December 2022.

5 Revaluation to fair value of investment property held for sale

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

As per 31 December 2022, no properties intended for sale had been presented that are not included in the fair value of investment property.

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

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

As per 31 December 2022, no adjustment had been made since no property is held that is leased to tenants under a finance lease.

7 Revaluation to fair value of real estate held as inventory

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

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

As per 31 December 2022, no adjustment had been made since no property is accounted for under IAS 2 (Inventory).

8 Revaluation to fair value of other investments in real assets

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

As per 31 December 2022, no adjustment had been made since the Fund has no investments in real assets.

9 Revaluation to fair value of indirect investments not consolidated

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

As per 31 December 2022, no adjustment had been made since the Fund has no other indirect investments in real estate.

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

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

As per 31 December 2022, no adjustment had been made since the financial assets and liabilities accounted for in the Statement of financial position are not materially different from the fair value of the financial assets and liabilities in accordance with the fair value principles of IFRS 13.

11 Revaluation to fair value of construction contracts for third parties

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

As per 31 December 2022, no adjustment had been made since the Fund has no construction contracts of third parties.

Adjustments to reflect the spreading of one-off costs

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

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

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

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

12 Set-up costs

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

As per 31 December 2022, the set-up costs of the Fund had been amortised, so no adjustment was made as per 31 December 2021.

13 Acquisition expenses

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

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

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

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

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

14 Contractual fees

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

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

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

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

The Fund has no investment property structured in special vehicles. As per 31 December 2022, no adjustment had been made due to the fact that it is impossible to sell investment property via a share deal. Therefore, there is no possibility of an additional reduction of the transfer tax or purchaser's costs that might lead to a higher sales price.

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

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

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

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

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

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

As per 31 December 2022, no adjustment had been made since the Fund has no subsidiaries with a negative equity.

18 Goodwill

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

As per 31 December 2022, no adjustment had been made since the Fund has no goodwill recognised in the Statement of financial position.

19 Non-controlling interest effects of INREV adjustments

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

As per 31 December 2022, no adjustment had been made since the Fund holds no minority interests.

Independent auditor's report

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

Report on the INREV adjustments

Our Opinion

We have audited the accompanying INREV adjustments 2022 of Bouwinvest Dutch Institutional Residential Fund N.V., based in Amsterdam.

In our opinion the INREV adjustments are prepared, in all material respects in accordance with the accounting policies selected and disclosed by the Company, i.e. INREV valuation principles, as set out on page 97 up to and including page 102.

Basis for our opinion

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. Our responsibilities under those standards are further described in the "Our responsibilities for the audit of the INREV adjustments" section of our report.

We are independent of Bouwinvest Dutch Institutional Residential Fund N.V. in accordance with the Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore we have complied with the Verordening gedrags- en beroepsregels accountants (VGBA, Dutch Code of Ethics).

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

Description of responsibilities for the INREV adjustments

Responsibilities of Management Board for the INREV adjustments

Management Board is responsible for the preparation of the INREV adjustments in accordance with the accounting policies selected and disclosed by the Company (INREV valuation principles) as set out on page 97 up to and including page 102.

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

Our responsibilities for the audit of the INREV adjustments

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

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

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

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

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

We communicate with Management Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant findings in internal control that we identified during our audit.

Amsterdam, March 27, 2023

Deloitte Accountants B.V.

Signed on the original: V.S. Borreman

Enclosures

Composition of the Management Board



Chief Executive Officer and Statutory Director

Mark Siezen

Mark Siezen was appointed Chief Executive Officer and chair of the Management Board on 1 September 2022. Mark previously worked as Chief Client Officer at Bouwinvest. Prior to that, he was Executive Director and member of the board at CBRE and held various positions at Multi Corporation, NSI and COFRA Holding (including Redevco and C&A). Mark has been a member of the Supervisory Board of Northwest Clinics (Noordwest Ziekenhuis Groep) since December 2021.



Chief Financial & Risk Officer and Statutory Director

Rianne Vedder

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



Chief Client Officer

Marleen Bosma

Marleen Bosma-Verhaegh was appointed Chief Client Officer on 1 November 2022. Marleen has worked at Bouwinvest since 2016. She was Head of Research & Strategic Advisory until early 2022, when she was made responsible for business development within the Client Management department. Before joining Bouwinvest, Marleen was jointly responsible for international listed and real estate investments at Blue Sky Group. Prior to that, she worked in various positions at Syntus Achmea Real Estate & Finance, Philips Pension Fund and FGH Bank.



Chief Investment Officer Dutch Investments

Allard van Spaandonk

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



Chief Investment Officer International Investments

Stephen Tross

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



Director Dutch Residential Investments

Michiel de Bruine

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

Responsible investment performance indicators

Continued improvement of the Fund's sustainability performance

Impact area	Indicator	Measure	Units of measure	2022	2021	Change	Plan 2022-2024
Fund sustainability benchmark	GRESB	Star rating	# stars	5	5	+0	Improve score and obtain GRESB 5 star rating
	GRESB	Overall score (GRI-CRESS: CRE8)	# [1-100]	91	90	+1	

Investing in sustainable real estate

Impact area	Indicator	Measure	Units of measure	2022	2021	change	Plan 2022-2024
Asset sustainability certificate	GPR-Building	Green Building Certificates floor space (BREEAM or GPR) (GRI-CRESS: CRE8)	%	99%	100%	-0.7 pp	All standing investments GPR labelled and by end of 2023 an average score of 6.53
		Average score (GRI-CRESS: CRE8)	#	6.53	6.48	+ 0.8%	
	GPR-Building (new acquisitions)	Labelled floor space (GRI-CRESS: CRE8)	%	100.0%	100.0%	0 pp	Minimum GPR of 8.0
		Average score (GRI-CRESS: CRE8)	#	8.0	7.6	+ 5.6%	

Reducing environmental impact

Impact area	Indicator	Measure	Units of measure	2022	2021	change	Plan 2022-2024
Energy performance certificate	EPC	Labelled floor space (GRI-CRESS: CRE8)	%	98%	100%	-1.6 pp	100% green portfolio (A, B, C energy labels) and 65% energy label A or better by end 2022
		Green labelled floor space (A, B or C label)	%	100%	100%	0 pp	
		A labelled floor space	%	79.3%	62.1%	+ 17.2 pp	
		Average EP2	#	139.9	161.7	-13.5%	
Renewable energy	Solar panels	Installed kWp of solar panels	kWp	17,966	16,427	+ 9.4%	Add renewable energy on location, installing 18.500kWp of solar panels before end of 2022
	Gas free homes	Percentage of gas free homes	%	43.4%	41.7%		100% Gas free in 2045

Impact area	Indicator	Measure	Units of measure	2022 (Abs)	2021 (Abs)	change (Lfl)	Plan 2022-2024
Energy	Electricity	Total landlord-obtained electricity (GRI: 302-2)	MWh	8,955	9,134	-3.4%	
	Gas	Total gas consumption (GRI: 302-1)		3,595	3,491	3.0%	
	District heating and cooling	Total district heating and cooling (GRI: 302-2)		-	-	0.0%	
	Total	Total energy consumption from all sources (GRI: 302-2)		12,551	12,626	-1.6%	on average -4% / year
	Energy intensity	Building energy intensity (GRI-CRESS: CRE1)	kWh/m ² /year	12	13	-1.6%	
		Energy and associated GHG disclosure coverage		137 of 286	135 of 273		
GHG emissions	Direct	Scope 1 (GRI: 305-1)	tonnes	850	826	3.0%	
	Indirect	Scope 2 (GRI: 305-2)	CO ₂ e	3,018	3,078	-3.4%	
	Total	Total GHG emissions (GRI: 305-2) Scope 1 and 2		3,868	3,904	-2.0%	on average -4% / year
		Total GHG emissions after compensation		850	826	3.0%	
	GHG emissions intensity	GHG intensity from building energy (GRI-CRESS: CRE3)	kg CO ₂ e/m ² /year	3.8	4.0	-2.0%	
Water	Total	Total water consumption (GRI:303-1)	m ³	N/A	N/A	N/A	-5% in 2022
	Water intensity	Building water intensity (GRI-CRESS: CRE2)	m ³ /m ² /year	N/A	N/A	N/A	
Waste	Total	Total waste collected (GRI: 306-1)	tonnes	N/A	N/A	N/A	-5% in 2022
		Recycling rate	%	N/A	N/A	N/A	

Stakeholder engagement performance

Impact area	Indicator	Measure	Units of measure	2022	2021	change	Plan 2022-2024
Engage with stakeholders	Tenant satisfaction	Response rate (GRI: 102-43)	%	34.4%	37.4%	-3 pp	Tenants give the Fund a score higher than 7
		Average total score (GRI: 102-43)	#	7.3	7.3	0%	
	Leases	Number of new leases	#	3,683	3,017	+ 22.1%	By the end of 2022 40% of the rental contracts include a sustainability clause
		Number of green leases	#	7,471 of 18,447	4,415 of 17,638	15.2%	
	Client satisfaction	Response rate (GRI: 102-43)	%	n/a	n/a	n/a	Clients give the Fund a score higher than 7.5
Average total score (GRI: 102-43)		#	n/a	7.1	n/a		
Sustainable stewardship	Considerate constructors scheme	Registered construction projects	#	30 of 33	26 of 29	1.3%	In 2022, 75% of construction sites (€) registered under Considerate Constructors Scheme ('Bewuste Bouwer')
		Participation rate (by acquisition price)	%	86.5%	82.1%	+ 4.4 pp	
	Board seats and committee memberships industry organisations, related to the Dutch residential sector	Number	#	5	6	-16.7%	Gain board seats and committee memberships industry organisations: have at least one active board/committee memberships within industry organisations in the Dutch residential sector
	Make areas heart safe	Availability	%	99.8%	100.0%	-0.2 pp	By the end of 2022, 100% of our tenants have an AED available within six minutes walking distance

Being a responsible organisation

Affordable real estate	mid-rental properties (€ 764-1,060)	Newly signed acquisitions	#	288	252	+ 14.3%	In 2022, 60% of the newly signed acquisitions will be mid-rental (€ 764-1,060) properties
			%	80.0%	58.3%	+ 21.7 pp	
	Fair rental prices	Indexation above cpi	%	-3.3%	0.8%	-4.1 pp	
Responsible business operation	Digital tenant portal	Usage of tenants	%	92.4%	92.3%	+ 0 pp	In 2022 all our tenants can use our tenant portal incl. sustainability performance

Reporting of performance indicators

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

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

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

For the managed portfolio (scope 1 and 2), Bouwinvest reports on total energy consumption including all direct energy sources (gas, fuel oil) and indirect energy sources (electricity, district heating and district cooling). To calculate Greenhouse Gas (GHG) emissions, country and energy source-specific emission factors have been applied. Emission factors change over time. For this annual report most recently available factors for 2022 are used (source: www.co2emissiefactoren.nl).

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

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

Properties overview

Municipality	Street name/ property name	No. of residential units	No. of parking units	Year of construction	Land ownership	Core region
Aerdenhout	Landgoed Alverna	36	36	2016	Freehold	Amsterdam region
Alphen aan den Rijn	Kerk en Zanen	77	12	1990	Freehold	The Hague region
Amersfoort	Vathorst I	39	-	2010	Freehold	Utrecht region
Amersfoort	Vathorst II	55	-	2012	Freehold	Utrecht region
Amstelveen	Middenhoven	52	-	1985	Freehold	Amsterdam region
Amstelveen	Westwijk I	68	30	1990	Freehold	Amsterdam region
Amstelveen	Westwijk III	54	-	1990	Freehold	Amsterdam region
Amstelveen	Westwijk IX	40	7	1993	Freehold	Amsterdam region
Amstelveen	Westwijk VI	36	36	1990	Freehold	Amsterdam region
Amstelveen	Westwijk VII	28	-	1990	Freehold	Amsterdam region
Amstelveen	Westwijk VIII	75	-	1991	Freehold	Amsterdam region
Amsterdam	Bloemfontein (De Werf B)	28	-	2018	Leasehold	Amsterdam region
Amsterdam	Bloemfontein (De Werf B) COG	-	-	2018	Leasehold	Amsterdam region
Amsterdam	Borneo Eiland I	173	-	1998	Leasehold	Amsterdam region
Amsterdam	Borneo Eiland II	207	164	1998	Leasehold	Amsterdam region
Amsterdam	Buitenveldert I	150	12	1986	Leasehold	Amsterdam region
Amsterdam	Buitenveldert II	127	-	1986	Leasehold	Amsterdam region
Amsterdam	Buitenveldert III	84	-	1986	Leasehold	Amsterdam region
Amsterdam	Ceuta (De Werf C)	180	-	2018	Leasehold	Amsterdam region
Amsterdam	Ceuta (De Werf C) COG	-	-	2018	Leasehold	Amsterdam region
Amsterdam	De Heelmeesters I	98	114	2013	Leasehold	Amsterdam region
Amsterdam	De Heelmeesters II	81	66	2013	Leasehold	Amsterdam region
Amsterdam	De Heelmeesters, offices	-	-	2013	Leasehold	Amsterdam region
Amsterdam	Doha (De Werf D)	62	-	2018	Leasehold	Amsterdam region
Amsterdam	Explorer (De Werf E)	69	-	2018	Leasehold	Amsterdam region
Amsterdam	Explorer (De Werf E) COG	-	-	2018	Leasehold	Amsterdam region
Amsterdam	Feniks COG	-	-	2014	Leasehold	Amsterdam region
Amsterdam	Feniks Studenten	342	-	2014	Leasehold	Amsterdam region
Amsterdam	Frixos (De Werf F)	36	-	2019	Leasehold	Amsterdam region
Amsterdam	Frixos (De Werf F) COG	-	-	2018	Leasehold	Amsterdam region
Amsterdam	Geinwijk I	66	-	1997	Leasehold	Amsterdam region
Amsterdam	Geinwijk II	36	-	1997	Leasehold	Amsterdam region
Amsterdam	Glenlyon (De Werf G)	168	-	2019	Leasehold	Amsterdam region
Amsterdam	Glenlyon (De Werf G) COG	-	-	2018	Leasehold	Amsterdam region
Amsterdam	Halve Maen	86	86	2014	Leasehold	Amsterdam region
Amsterdam	Het Baken Starters	130	65	2014	Leasehold	Amsterdam region
Amsterdam	Het Dok	449	-	2022	Leasehold	Amsterdam region
Amsterdam	Het Dok COG	-	-	2022	Leasehold	Amsterdam region
Amsterdam	Het Dok, parkeren	-	99	2022	Leasehold	Amsterdam region
Amsterdam	Ivens Studios (IJburg 1B)	70	-	2018	Leasehold	Amsterdam region
Amsterdam	Java Eiland I	155	108	1996	Leasehold	Amsterdam region
Amsterdam	Java Eiland II	154	94	1996	Leasehold	Amsterdam region
Amsterdam	Java Eiland III	118	73	1997	Leasehold	Amsterdam region
Amsterdam	Java Eiland IV	37	29	1997	Leasehold	Amsterdam region
Amsterdam	Java Eiland V	91	81	1997	Leasehold	Amsterdam region
Amsterdam	Java Eiland VI	70	67	1997	Leasehold	Amsterdam region
Amsterdam	Java Eiland VII	48	-	1997	Leasehold	Amsterdam region
Amsterdam	Java Eiland VIII	32	-	1996	Leasehold	Amsterdam region
Amsterdam	Jeruzalem	24	13	2016	Leasehold	Amsterdam region
Amsterdam	Jeruzalem Blok G	40	-	2020	Leasehold	Amsterdam region
Amsterdam	Jeruzalem Blok G COG	-	-	2020	Leasehold	Amsterdam region
Amsterdam	Kon. Wilhelminaplein I	96	102	1991	Leasehold	Amsterdam region

Municipality	Street name/ property name	No. of residential units	No. of parking units	Year of construction	Land ownership	Core region
Amsterdam	Kon. Wilhelminaplein II	123	93	1991	Leasehold	Amsterdam region
Amsterdam	Koploper	176	87	2004	Leasehold	Amsterdam region
Amsterdam	Koploper, offices	5	-	2004	Leasehold	Amsterdam region
Amsterdam	Map I	17	-	1994	Leasehold	Amsterdam region
Amsterdam	Map II	72	-	1994	Leasehold	Amsterdam region
Amsterdam	Map III	49	49	1994	Leasehold	Amsterdam region
Amsterdam	Nautique Living (De Werf A)	403	-	2017	Leasehold	Amsterdam region
Amsterdam	Parking (De Werf H)	-	210	2018	Leasehold	Amsterdam region
Amsterdam	Pontsteiger	252	165	2018	Leasehold	Amsterdam region
Amsterdam	Rivers I	25	-	2016	Leasehold	Amsterdam region
Amsterdam	Rivers II	50	51	2016	Leasehold	Amsterdam region
Amsterdam	Sloten I	91	-	1991	Leasehold	Amsterdam region
Amsterdam	Sloten II	64	-	1991	Leasehold	Amsterdam region
Amsterdam	Sloten III	16	-	1991	Leasehold	Amsterdam region
Amsterdam	Sloten IV	180	112	1991	Leasehold	Amsterdam region
Amsterdam	Sloten IX	4	-	1993	Leasehold	Amsterdam region
Amsterdam	Sloten V	24	24	1991	Leasehold	Amsterdam region
Amsterdam	Sloten VI	6	-	1992	Leasehold	Amsterdam region
Amsterdam	Sloten VII	96	-	1992	Leasehold	Amsterdam region
Amsterdam	Sloten VIII	148	-	1993	Leasehold	Amsterdam region
Amsterdam	Sloten X	215	-	1993	Leasehold	Amsterdam region
Amsterdam	Sloten XI	16	-	1993	Leasehold	Amsterdam region
Amsterdam	Sloten XII	113	-	1993	Leasehold	Amsterdam region
Amsterdam	Sloten XIII	24	-	1993	Leasehold	Amsterdam region
Amsterdam	Sloten XIV	30	-	1993	Leasehold	Amsterdam region
Amsterdam	Sloten XV	50	51	1993	Leasehold	Amsterdam region
Amsterdam	Sluishuis	369	-	2022	Leasehold	Amsterdam region
Amsterdam	Sluishuis COG	-	-	2022	Leasehold	Amsterdam region
Amsterdam	Sluishuis Parkeren	-	299	2022	Leasehold	Amsterdam region
Amsterdam	Stadionplein	100	86	2016	Leasehold	Amsterdam region
Amsterdam	State I (Kop Weespertrekvaart)	160	103	2019	Leasehold	Amsterdam region
Amsterdam	State II (Kop Weespertrekvaart)	102	-	2018	Leasehold	Amsterdam region
Amsterdam	Statendam	108	114	2016	Leasehold	Amsterdam region
Amsterdam	Summertime 11	94	76	2016	Leasehold	Amsterdam region
Amsterdam	Summertime 12	103	74	2016	Leasehold	Amsterdam region
Amsterdam	Summertime, offices	-	-	2016	Leasehold	Amsterdam region
Amsterdam	Vaandeldrager	110	93	2004	Leasehold	Amsterdam region
Amsterdam	Vaandeldrager, offices	-	-	2004	Leasehold	Amsterdam region
Amsterdam	Winnaar	129	105	2004	Leasehold	Amsterdam region
Amsterdam	Winnaar, offices	-	-	2004	Leasehold	Amsterdam region
Apeldoorn	Loolaan	39	39	2017	Freehold	East region
Apeldoorn	t Fort-Donjon	24	-	2001	Freehold	East region
Apeldoorn	t Fort-Hof	44	-	2001	Freehold	East region
Apeldoorn	t Fort-Hof, parking	-	77	2001	Freehold	East region
Apeldoorn	t Fort-Ruit	13	-	2001	Freehold	East region
Apeldoorn	t Fort-Vlieger	20	-	2001	Freehold	East region
Apeldoorn	Welgelegen Park EGW	20	24	2019	Freehold	East region
Apeldoorn	Welgelegen Park MGW	31	33	2019	Freehold	East region
Apeldoorn	Zonneweide	41	-	2019	Freehold	East region
Arnhem	Malburgen Nieuwe A	48	-	2017	Freehold	East region
Arnhem	Molenbeke	37	51	2014	Freehold	East region
Arnhem	Velperparc	36	44	2019	Freehold	East region
Berkel en Rodenrijs	Parkwijk-Oost	72	72	2012	Freehold	Rotterdam region

Municipality	Street name/ property name	No. of residential units	No. of parking units	Year of construction	Land ownership	Core region
Breda	BREDA	1	-	1965	Freehold	Eindhoven region
Culemborg	Bellefleur	23	-	2017	Freehold	Utrecht region
Deventer	T&D kwartier EGW	30	15	2016	Freehold	East region
Deventer	T&D kwartier MGW	11	-	2016	Freehold	East region
Diemen	Noord I	20	20	1990	Freehold	Amsterdam region
Diemen	Noord II	54	54	1990	Freehold	Amsterdam region
Diemen	Noord VII	29	8	1989	Freehold	Amsterdam region
Diemen	Noord VIII	54	-	1990	Freehold	Amsterdam region
Diemen	Noord X	108	14	1991	Freehold	Amsterdam region
Diemen	Noord XI	22	-	1991	Freehold	Amsterdam region
Diemen	Noord XIII	36	4	1994	Freehold	Amsterdam region
Diemen	Noord XIV I	24	24	1994	Freehold	Amsterdam region
Diemen	Noord XIV II	10	10	1994	Freehold	Amsterdam region
Diemen	Noord XV	44	-	1994	Freehold	Amsterdam region
Diemen	West I	24	3	1992	Freehold	Amsterdam region
Diemen	West II	45	6	1992	Freehold	Amsterdam region
Diemen	West III	106	8	1993	Freehold	Amsterdam region
Diemen	West IV	109	71	1993	Freehold	Amsterdam region
Ede	De Laren	30	40	2014	Freehold	East region
Ede	Elias Beeckman Kazerne	64	-	2018	Freehold	East region
Ede	Simon Stevin	90	150	2021	Freehold	East region
Eindhoven	Blok61 (Strijp S)	96	58	2017	Freehold	Eindhoven region
Eindhoven	De Lodewijk	52	52	2022	Freehold	Eindhoven region
Eindhoven	De Willem	87	87	2022	Freehold	Eindhoven region
Eindhoven	Gijzenrooi	55	40	1989	Freehold	Eindhoven region
Eindhoven	Meerijlaan	24	43	2019	Freehold	Eindhoven region
Eindhoven	NEXT	99	-	2022	Freehold	Eindhoven region
Eindhoven	NEXT parking	-	27	2022	Freehold	Eindhoven region
Eindhoven	Picusgebouw	77	77	2020	Freehold	Eindhoven region
Eindhoven	Picuskadeblok	36	36	2019	Freehold	Eindhoven region
Gouda	Groenhovenpark	220	-	1981	Freehold	Rotterdam region
Groningen	Ebbinge 9A	32	-	2020	Freehold	East region
Groningen	Ebbinge 9A COG	-	-	2020	Freehold	East region
Groningen	Hoornse Meer III	104	44	1991	Freehold	East region
Groningen	Hoornse Park	34	34	1992	Freehold	East region
Haarlem	Mauve I	24	24	2013	Freehold	Amsterdam region
Haarlem	Mauve II	50	57	2013	Freehold	Amsterdam region
Haarlem	Rosorum Residentie	-	23	2014	Freehold	Amsterdam region
Haarlem	Zuiderpolder I	72	4	1987	Freehold	Amsterdam region
Haarlem	Zuiderpolder II	48	-	1990	Freehold	Amsterdam region
Helmond	Brandevoort	60	-	2013	Freehold	Eindhoven region
Helmond	Liverdonk	26	-	2018	Freehold	Eindhoven region
Helmond	Parc Valere	75	76	2018	Freehold	Eindhoven region
Hilversum	Villa Industria - Entreegebouw	16	17	2016	Freehold	Amsterdam region
Hilversum	Villa Industria - Pakhuizen	10	20	2016	Freehold	Amsterdam region
Hilversum	Villa Industria, Gashouder I	32	32	2016	Freehold	Amsterdam region
Hilversum	Villa Industria, Gashouder II	48	43	2016	Freehold	Amsterdam region
Hoofddorp	De Monarch	97	141	2020	Freehold	Amsterdam region
Hoofddorp	Hof van Pampus	74	125	2019	Freehold	Amsterdam region
Hoofddorp	Tudorpark 2de fase	62	8	2020	Freehold	Amsterdam region
Hoofddorp	Tudorpark EGW	98	-	2019	Freehold	Amsterdam region
Hoofddorp	Tudorpark Fase III	30	-	2022	Freehold	Amsterdam region
Hoofddorp	Tudorpark MGW	36	-	2019	Freehold	Amsterdam region

Municipality	Street name/ property name	No. of residential units	No. of parking units	Year of construction	Land ownership	Core region
Hoogland	De Ham	58	18	1989	Freehold	Utrecht region
Katwijk	't Duyfrak I	54	-	2010	Freehold	The Hague region
Katwijk	't Duyfrak II	42	42	2011	Freehold	The Hague region
Koog aan de Zaan	Westerkoog	151	-	1983	Freehold	Amsterdam region
Leidschendam	Heuvelzijde I	87	24	1997	Freehold	The Hague region
Leidschendam	Heuvelzijde II	92	89	1997	Freehold	The Hague region
Leidschendam	Heuvelzijde III	76	92	1998	Freehold	The Hague region
Lelystad	De Tjalk	121	13	1984	Freehold	Non-core region
Lent	Laauwik	22	-	2012	Freehold	East region
Lent	Park Lentseveld	26	-	2014	Freehold	East region
Maastricht	Belvedere Haven	57	66	2008	Freehold	Eindhoven region
Maastricht	Belvedere Haven, retail	-	-	2008	Freehold	Eindhoven region
Maastricht	Boschstraat Oost	196	-	1987	Freehold	Eindhoven region
Maastricht	Cour Renoir I	73	111	2009	Freehold	Eindhoven region
Maastricht	Cour Renoir II	14	14	2010	Freehold	Eindhoven region
Nieuwegein	Batau Noord III	40	-	1987	Freehold	Utrecht region
Nieuwegein	Galecop I	36	-	1995	Freehold	Utrecht region
Nieuwegein	Galecop II	36	-	1996	Freehold	Utrecht region
Nijmegen	Nieuw Nachtegaalplein I	29	-	2016	Freehold	East region
Nijmegen	Nieuw Nachtegaalplein II	38	-	2018	Freehold	East region
Nijmegen	Onder Onnes EGW	35	-	2016	Freehold	East region
Nijmegen	Onder Onnes MGW	11	-	2016	Freehold	East region
Nuenen	't Oog	25	25	2017	Freehold	Eindhoven region
Oisterwijk	KVL	60	-	2019	Freehold	Eindhoven region
Oosterhout	De Kreek	30	-	2018	Freehold	Eindhoven region
Pijnacker	Boszoom	57	-	2015	Freehold	The Hague region
Pijnacker	MarquantPlus	78	78	2015	Freehold	The Hague region
Purmerend	Kop van West	74	85	2019	Freehold	Amsterdam region
Purmerend	Open Veste	115	115	2022	Freehold	Amsterdam region
Purmerend	Open Veste COG	-	2	2022	Freehold	Amsterdam region
Rijswijk	De Strijp	30	-	1996	Freehold	The Hague region
Rijswijk	Rijswijk Buiten-Sion EGW	38	54	2020	Freehold	The Hague region
Rijswijk	Rijswijk Buiten-Sion MGW	59	-	2019	Freehold	The Hague region
Rijswijk	RijswijkBuiten 'de Tuinen van Sion'	43	-	2016	Freehold	The Hague region
Rosmalen	De Vlondertuinen	25	-	2015	Freehold	Eindhoven region
Rotterdam	Grindweg	38	38	1992	Leasehold	Rotterdam region
Rotterdam	Kop van Zuid I	19	19	1995	Leasehold	Rotterdam region
Rotterdam	Kop van Zuid II	311	175	1995	Leasehold	Rotterdam region
Rotterdam	Little C-A1 The Burton	83	-	2021	Freehold	Rotterdam region
Rotterdam	Little C-A3 The Clark	58	-	2021	Freehold	Rotterdam region
Rotterdam	Little C-A4 The Hammond	68	-	2021	Freehold	Rotterdam region
Rotterdam	Little C-Parkings	-	75	2021	Freehold	Rotterdam region
Rotterdam	Noordelijk Niertje	112	68	1988	Leasehold	Rotterdam region
Rotterdam	Oosterflank	102	-	1985	Leasehold	Rotterdam region
Rotterdam	Oostplein	69	44	1991	Leasehold	Rotterdam region
Rotterdam	Oostplein, retail	-	-	1991	Leasehold	Rotterdam region
Rotterdam	Prinsenland I	138	-	1991	Leasehold	Rotterdam region
Rotterdam	Prinsenland II	99	-	1990	Leasehold	Rotterdam region
Rotterdam	Prinsenland III	70	68	1994	Leasehold	Rotterdam region
Rotterdam	Prinsenland IV	18	19	2010	Leasehold	Rotterdam region
Rotterdam	Prinsenvakbuurt	60	8	1995	Leasehold	Rotterdam region
Rotterdam	Reijssendaal	60	65	2022	Freehold	Rotterdam region
Rotterdam	Up Town	150	90	2019	Freehold	Rotterdam region

Municipality	Street name/ property name	No. of residential units	No. of parking units	Year of construction	Land ownership	Core region
Rotterdam	Zevenkamp IV	126	-	1985	Leasehold	Rotterdam region
'S-Hertogenbosch	Paleiskwartier	224	196	2017	Freehold	Eindhoven region
The Hague	Bomenbuurt	42	42	1990	Leasehold	The Hague region
The Hague	CentreCourt	122	-	2002	Freehold	The Hague region
The Hague	Cityprince	50	45	2015	Leasehold	The Hague region
The Hague	Cityprince COG	-	-	2015	Leasehold	The Hague region
The Hague	De Wateringen	30	30	2020	Freehold	The Hague region
The Hague	Landouwen I	29	29	2006	Freehold	The Hague region
The Hague	Landouwen II	29	29	2006	Freehold	The Hague region
The Hague	Landouwen III	29	29	2006	Freehold	The Hague region
The Hague	Landouwen IV	29	29	2006	Freehold	The Hague region
The Hague	Landouwen V	29	29	2006	Freehold	The Hague region
The Hague	Oostduinlaan	146	146	2019	Freehold	The Hague region
The Hague	Oostduinlaan, Short Stay	-	-	2019	Freehold	The Hague region
The Hague	Prinsenhof	203	-	2006	Leasehold	The Hague region
The Hague	Riethof I	56	-	2003	Leasehold	The Hague region
The Hague	Riethof II	60	60	2003	Leasehold	The Hague region
Tilburg	De Noorderstreek	76	76	2017	Freehold	Eindhoven region
Utrecht	3 FNV	3	-	1940	Freehold	Utrecht region
Utrecht	Boemerang, offices	-	18	2006	Leasehold	Utrecht region
Utrecht	De Bongerd I	33	33	2009	Leasehold	Utrecht region
Utrecht	De Bongerd II	38	38	2010	Leasehold	Utrecht region
Utrecht	Dichterswijk	124	123	2005	Leasehold	Utrecht region
Utrecht	Haarzicht	126	93	2019	Freehold	Utrecht region
Utrecht	Langerak I	10	-	1999	Leasehold	Utrecht region
Utrecht	Langerak II	20	-	1999	Leasehold	Utrecht region
Utrecht	Langerak III	80	80	2005	Leasehold	Utrecht region
Utrecht	Meyster's Buiten I	25	25	2015	Leasehold	Utrecht region
Utrecht	Meyster's Buiten II	24	24	2015	Leasehold	Utrecht region
Utrecht	Parkwijk Het Zand	98	98	2005	Leasehold	Utrecht region
Utrecht	Parkwijk Noord	89	61	2002	Leasehold	Utrecht region
Utrecht	Parkwijk Zuid veld 22	91	88	2003	Leasehold	Utrecht region
Utrecht	Parkwijk Zuid veld 25	70	70	2003	Leasehold	Utrecht region
Utrecht	Rachmaninoff	132	76	2020	Freehold	Utrecht region
Utrecht	Terweijde Zuid	100	106	2010	Leasehold	Utrecht region
Utrecht	Terwijde 14/15 I	38	38	2004	Leasehold	Utrecht region
Utrecht	Terwijde 14/15 II	67	67	2004	Leasehold	Utrecht region
Utrecht	Tuinpark I	74	71	2006	Leasehold	Utrecht region
Utrecht	Tuinpark II	187	197	2006	Leasehold	Utrecht region
Utrecht	Van der Marckhof	46	46	2018	Freehold	Utrecht region
Utrecht	Veemarkt City	65	50	2016	Freehold	Utrecht region
Utrecht	Veemarkt I	45	45	2015	Leasehold	Utrecht region
Utrecht	Veemarkt Portiek	47	47	2016	Leasehold	Utrecht region
Utrecht	Vredenburgplein	60	-	2017	Freehold	Utrecht region
Utrecht	Zijdebalen I	104	94	2017	Freehold	Utrecht region
Utrecht	Zijdebalen II	73	44	2017	Freehold	Utrecht region
Utrecht	Zijdebalen III	73	54	2018	Freehold	Utrecht region
Utrecht	Zijdebalen IV	52	34	2019	Freehold	Utrecht region
Veldhoven	Heikant Oost III	58	6	1987	Freehold	Eindhoven region
Veldhoven	Huysackers	17	17	2020	Freehold	Eindhoven region
Veldhoven	Zandven	22	-	2020	Freehold	Eindhoven region
Velserbroek	Bastion	110	-	1992	Freehold	Amsterdam region
Vlijmen	De Grassen I	23	-	2018	Freehold	Eindhoven region

Municipality	Street name/ property name	No. of residential units	No. of parking units	Year of construction	Land ownership	Core region
Zaandam	Westerwatering IV	24	24	1990	Leasehold	Amsterdam region
Zeist	Licht & Lucht	48	63	2022	Freehold	Utrecht region
Zoetermeer	Buytenwegh de Leyens I	81	-	1984	Freehold	The Hague region
Zoetermeer	Buytenwegh de Leyens II	50	-	1985	Freehold	The Hague region
Zoetermeer	Rokkeveen	91	9	1988	Freehold	The Hague region
Zoetermeer	Rokkeveen Rad	244	-	1988	Freehold	The Hague region
Zoetermeer	Stadscentrum	71	-	1987	Freehold	The Hague region
Zoetermeer	Stadscentrum, retail	-	-	1987	Freehold	The Hague region
Zwolle	Bewegingshuis	93	95	2005	Freehold	East region
Zwolle	Duinzicht	43	24	2021	Freehold	East region
Zwolle	Havezate	57	-	2013	Freehold	East region
Zwolle	Schoolwoningen	24	37	2005	Freehold	East region
Zwolle	Stadshagen Haven	37	37	2002	Freehold	East region
Zwolle	Stadshagen I	33	-	1998	Freehold	East region
Zwolle	Stadshagen II	138	154	1998	Freehold	East region
Zwolle	Stadshagen III	64	-	1999	Freehold	East region
Zwolle	Stadshagen IV	12	-	2000	Freehold	East region
Zwolle	Stadshagen V	21	-	2000	Freehold	East region
Zwolle	Vrij Werkeren	46	52	2018	Freehold	East region
Zwolle	Wetering	32	-	2021	Freehold	East region
		18,820	9,396			

Periodic disclosure under SFDR

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

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

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

Product name: Bouwinvest Residential Fund

Environmental and/or social characteristics

Did this financial product have a sustainable investment objective?

Yes No

<p><input type="checkbox"/> It made sustainable investments with an environmental objective: ___%</p> <ul style="list-style-type: none"> <input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy <p><input type="checkbox"/> It made sustainable investments with a social objective: ___%</p>	<p><input checked="" type="checkbox"/> It promoted Environmental/Social (E/S) characteristics and while it did not have as its objective a sustainable investment, it had a proportion of 44% of sustainable investments</p> <ul style="list-style-type: none"> <input checked="" type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> with a social objective <p><input type="checkbox"/> It promoted E/S characteristics, but did not make any sustainable investments</p>
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Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.



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

- *How did the sustainability indicators perform?*
- *...and compared to previous periods?*

During the reporting period from January 1, 2022 to December 31, 2022, this financial product promoted the following environmental and/or social characteristics as part of the four ESG objectives:

ESG objective	Promoted environmental and social characteristics
I. Building a future proof and sustainable portfolio	Ia. Above average sustainable fund Ib. Above average sustainable buildings
II. Reducing environmental impact	Ila. Combatting Climate Change: Source of energy Iib. Combatting Climate Change: Energy efficiency of buildings
III. Livable, affordable, attainable & inclusive places where people want to reside - now and in the future	III. Product accountability
IV. Contributing to healthy, safe and responsible operations	IV. Considerate constructors scheme (construction sites)

The Fund has used one or more sustainability indicators to measure the attainment of each E/S characteristic promoted. During the reference period the Fund improved its sustainability indicators to have a better fit with the objectives of the Fund. The table below shows the indicators per promote over the applicable time-period for the past three years. The indicators market with an asterisk (*) are applicable until and including 2022 and will be replaced by other indicators as of 2023. The other indicators concern current indicators.

E/S char.	Indicator	2022	2021	2020
Ia.	UN PRI score (Strategy & Governance / Property / Listed)*	95 points (5 stars) of direct real estate	N/A	A+ / A+ / B
	GRESB score	91	90	88 points
	GRESB star rating	5-star rating	5-star rating	5-star rating
Ib.	Building certificate GPR-Gebouw score	6.53	6.48	6.5
Ila.	LFL energy consumption*	-2%	-5%	-8%
	LFL GHG emissions*	3%	-9%	-10%
	Renewable energy (PV panels)*	17,966	16,427	13,726 kWp
Iib.	Energy labels*	79% A-label	62% A-label	53% A-label
	Green leases*	40%	25%	9%
III.	Tenant satisfaction	7.3	7.3	7.3
IV.	AED availability to tenants*	100%	100%	100%
	Considerate construction scheme (construction sites)	87%	82%	67%

The performance on most sustainability indicators was in line with the plan of the Fund for 2022. Only for the indicator renewable energy the Fund improved its performance and came close to achieving its goal for 2022.

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

● **What were the objectives of the sustainable investments that the financial product partially made and how did the sustainable investment contribute to such objectives?**

Some investments of the Fund contribute to two environmental objectives as included in Article 9 of the Taxonomy Regulation (TR), these being ‘climate change mitigation’ and ‘climate change adaptation’.

● **How did the sustainable investments that the financial product partially made not cause significant harm to any environmental or social sustainable investment objective?**

— *How were the indicators for adverse impacts on sustainability factors taken into account?*

The Sustainable investments have been assessed based on the technical screening criteria established by the European Commission.

— *Were sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:*

The Sustainable investments are carried out in compliance with the minimum safeguards laid down in Article 18 of the TR.

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

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

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



How did this financial product consider principal adverse impacts on sustainability factors?

The Principal Adverse Impact indicators for real estate are for one part integrated in our ESG performance indicators and adverse impacts in general is integrated in our ESG risk methodology. That way the Fund ensures sufficient attention for those indicators.

The list includes the investments constituting the **greatest proportion of investments** of the financial product during the reference period which is the top 5 AuM



What were the top investments of this financial product?

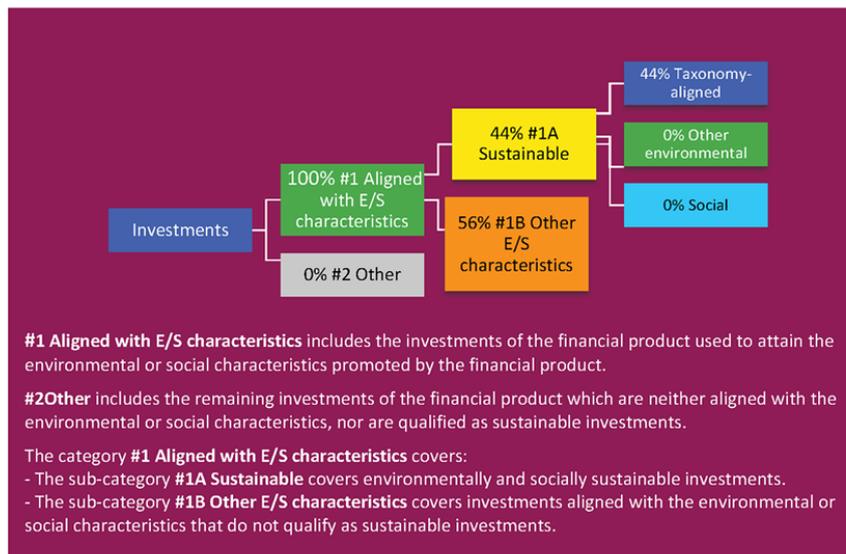
Largest investments	Sector	% Assets	Country
Pontsteiger	Real estate - Residential	2%	Netherlands
Het Dok	Real estate - Residential	2%	Netherlands
Sluishuis	Real estate - Residential	2%	Netherlands
Koploper	Real estate - Residential	2%	Netherlands
Borneo Eiland I	Real estate - Residential	1%	Netherlands

Asset allocation describes the share of investments in specific assets.



What was the proportion of sustainability-related investments?

● What was the asset allocation?



● In which economic sectors were the investments made?

The Fund's asset allocation is 100% towards direct real estate assets.

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

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

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

Taxonomy-aligned activities are expressed as a share of:

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



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

The current NAV of the portfolio stands at € 7,613 million, 44% of which (GAR) is EU Taxonomy aligned. Split into two different objectives, the results are:

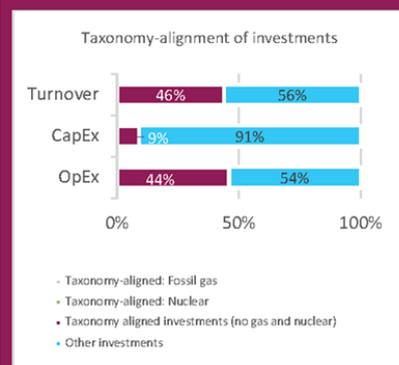
34% of the Fund's underlying investments are aligned with the technical screening criteria related to a substantial contribution to 'climate change mitigation' due to the number of A or better energy labels and the fact that the economic activities do not significantly harm any other environmental objectives due to the limited physical climate risks.

10% of the Fund's underlying investments that are not aligned with 'climate change mitigation' do contribute substantially to 'climate change adaptation', due to the limited physical climate risks and the fact that the economic activities do not significantly harm any other environmental objectives due to the number of B or C energy labels.

● Did the financial product invest in fossil gas and/or nuclear energy related activities complying with the EU Taxonomy¹?

No

The graphs below show in green the percentage of investments that were aligned with the EU Taxonomy. As there is no appropriate methodology to determine the taxonomy-alignment of sovereign bonds only one graph is shown.



¹ Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective - see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

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

● **What was the share of investments made in transitional and enabling activities?**

Not applicable for the Fund.

● **How did the percentage of investments that were aligned with the EU Taxonomy compare with previous reference periods?**

There was no previous reference period.



What was the share of sustainable investments with an environmental objective not aligned with the EU Taxonomy?

There is too limited market practice available to determine which investments can be tagged as environmental sustainable investments under the SFDR and not aligned with the EU Taxonomy.



What was the share of socially sustainable investments?

There is too limited market practice available to determine which investments can be tagged as social sustainable investments under the SFDR and not aligned with the EU Taxonomy.



What investments were included under “other”, what was their purpose and were there any minimum environmental or social safeguards?

Not applicable. The Fund has no “other” investments in its portfolio.



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

- By improving the general performance on data and reductions related to energy consumption, GHG emissions, water en waste, the Fund enhanced the GRESB score and retained its five-star GRESB rating.
- During 2022 the Fund continued its investments in sustainability measures (i.e. adding solar panels) in existing buildings and added several new energy-efficient buildings to its portfolio. This resulted in an increase of the average building sustainability score (GPR-Gebouw), energy label A, installed renewable energy (solar panels).
- During 2022 the Fund was able to include a sustainability clause to rental contracts (green lease). In addition the fund adds an additional appendix to the dos and don'ts for the use of its homes, the Fund wants to accelerate the realisation of its sustainability goals and ambition by informing tenants about .
- Giving tenants the opportunity to handle all their rental matters easily via an app, was the next step in the plans to improve the Fund's services. This app was first introduced for three buildings and the Fund plans to roll the app out across multiple (new-build)

complexes. The Fund will continue to work on the further development and optimisation of this app to increase tenant satisfaction and engagement.

- The Fund added more AEDs to buildings and achieved its target by end of 2022 to have an AED available for all its tenants and communities. The Fund also installs AEDs at all new assets it adds to its portfolio.
- The Fund ensured that more acquisition projects are registered with the considerate constructor scheme.



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

How did this financial product perform compared to the reference benchmark?

There is no reference benchmark available in the market for this financial product.

- *How does the reference benchmark differ from a broad market index?*
- *How did this financial product perform with regard to the sustainability indicators to determine the alignment of the reference benchmark with the environmental or social characteristics promoted?*
- *How did this financial product perform compared with the reference benchmark?*
- *How did this financial product perform compared with the broad market index?*

Glossary

Considerate constructors scheme

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

Direct property return

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

Distributable result

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

Energy index of the portfolio

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

Estimated rental value

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

Financial occupancy rate

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

Fund capital growth (INREV)

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

Fund income return (INREV)

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

Fund total return (INREV)

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

Green portfolio

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

GRESB score

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

GRESB star rating

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

Gross Asset Value (GAV)

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

Gross initial yield (passing)

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

Gross initial yield (market)

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

Gross rental income

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

Indirect property return

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

INREV NAV

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

Investment property

Property that is fully operational on the reporting date

Investment property under construction

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

Lease incentive

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

Like-for-like gross rental income

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

Membership of industry associations

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

MSCI Property Index

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

Net asset value (NAV)

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

Net initial yield

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

Net rental income

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

On-site solar power

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

Passing rent

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

Pay-out ratio of distributable earnings

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

Property value

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

Real Estate Expense Ratio (REER)

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

Reduction of energy consumption

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

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

Residential units in mid-rental segment

The total number of acquired units with rental prices between € 764 and € 1,060 per month (price level 2022) in the reporting period.

Sustainably certified portfolio

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

Theoretical rent

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

Total Global Expense Ratio (TGER)

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

Transactions

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

Zero-energy projects

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

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