



AMVEST LIVING & CARE FUND

Directors Report 2020



‘Our mission is to enrich the quality of life for those who need care by offering a place that each resident will want to call their home.’

CONTENTS

ABOUT	4
PORTFOLIO	5
KEY HIGHLIGHTS 2020	6
REPORT OF THE FUND MANAGER	8
Management team foreword	9
Market developments	11
Fund strategy	14
Fund and portfolio results 2020	16
Structure and governance	19
Risk management	20
Compliance	23
ANNEXES	25
KPIs for the purpose of non-financial data in the annual report	26
Resumes of the Management Team	34

ABOUT

We have a strong focus on creating and investing in energy-efficient care homes that are rented out to our care partners or people who live independently and have a low demand for care. We aim to provide comfortable, caring and sustainable environments for everyone who needs assistance in their daily life, regardless of their budget.



KEY CHARACTERISTICS:

- Established in 2013 by AEGON and PGGM.
- Dutch non-listed (residential related) healthcare real estate investment fund.
- Benchmarked by GRESB on sustainability.
- INREV and AIFMD compliant.
- Fiscally transparent Fund for joint account.
- Regionally diversified portfolio.
- Managed by a dedicated team.
- Strategic partnerships with care providers and real estate developers.
- Diversified focus on target groups (care and budget) through care providers.

Dagelijksleven
Gewoon, als thuis

FUTURA
WONEN ZORGEN LEVEN!

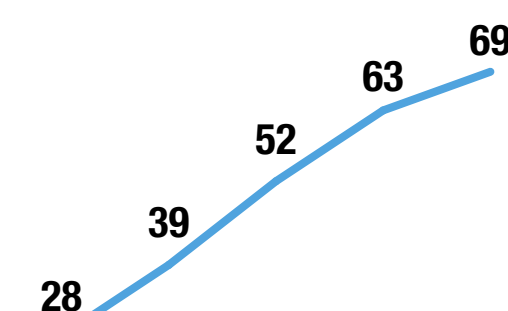
Zorggroep De Laren

**HET
CAST
EN
HUIS**



69

Number of
locations

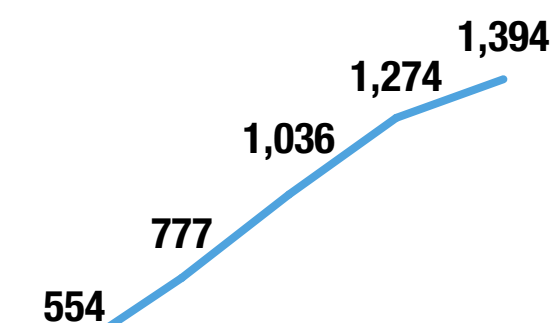


2016 2017 2018 2019 2020



1,394

Number of
units

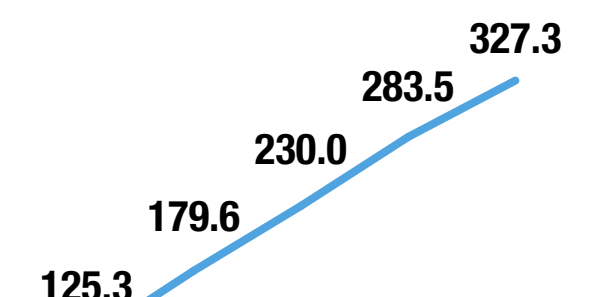


2016 2017 2018 2019 2020



327

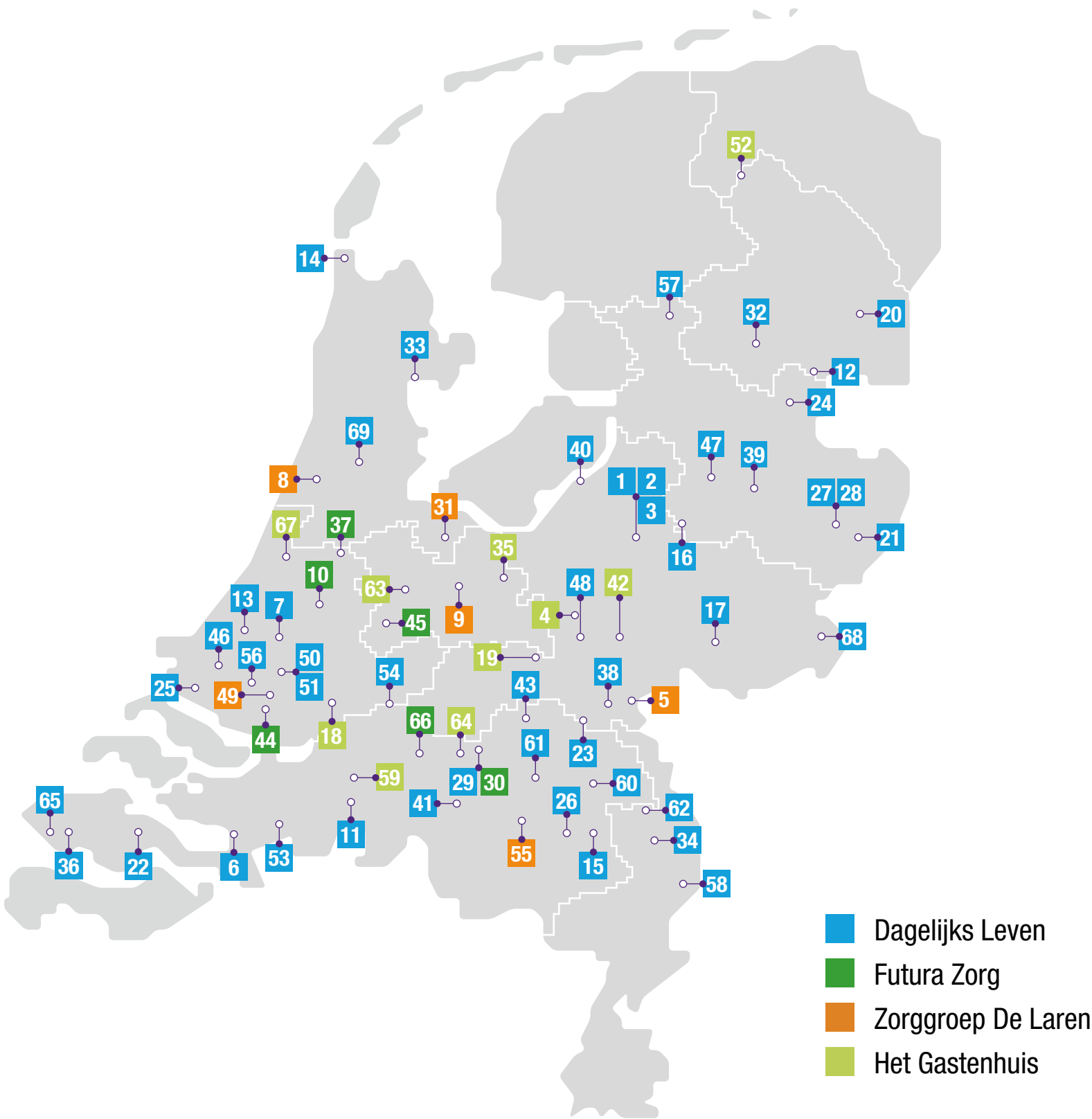
Total assets
(in million EUR)



2016 2017 2018 2019 2020

PORTFOLIO

PROPERTIES IN 2020



1	Apeldoorn	19	Druten	37	Nieuwveen	55	Son en Breugel
2	Apeldoorn II	20	Emmen	38	Nijmegen	56	Spijkenisse
3	Apeldoorn III	21	Enschede	39	Nijverdal	57	Steenwijk
4	Bennekom	22	Goes	40	Nunspeet	58	Tegelen
5	Berg en Dal	23	Grave	41	Oisterwijk	59	Teteringen
6	Bergen op Zoom	24	Hardenberg	42	Oosterbeek	60	Uden
7	Berkel	25	Hellevoetsluis	43	Oss	61	Veghel
8	Bloemendaal	26	Helmond	44	Oud-Beijerland	62	Venray
9	Bosch en Duin	27	Hengelo	45	Oudewater	63	Vleuten
10	Boskoop	28	Hengelo II	46	Pijnacker-Nootdorp	64	Vlijmen
11	Breda	29	's-Hertogenbosch	47	Raalte	65	Vlissingen
12	Coevorden	30	's-Hertogenbosch II	48	Renkum	66	Waalwijk
13	Delft	31	Hilversum	49	Rhoon	67	Warmond
14	Den Helder	32	Hoogeveen	50	Ridderkerk	68	Winterswijk
15	Deurne	33	Hoorn	51	Ridderkerk II	69	Zaandam
16	Deventer	34	Horst	52	Roden		
17	Doetinchem	35	Leusden	53	Roosendaal		
18	Dordrecht	36	Middelburg	54	Sleeuwijk		



KEY HIGHLIGHTS 2020



9.4¹⁾

Resident satisfaction for accommodation
(Zorgkaart Nederland)

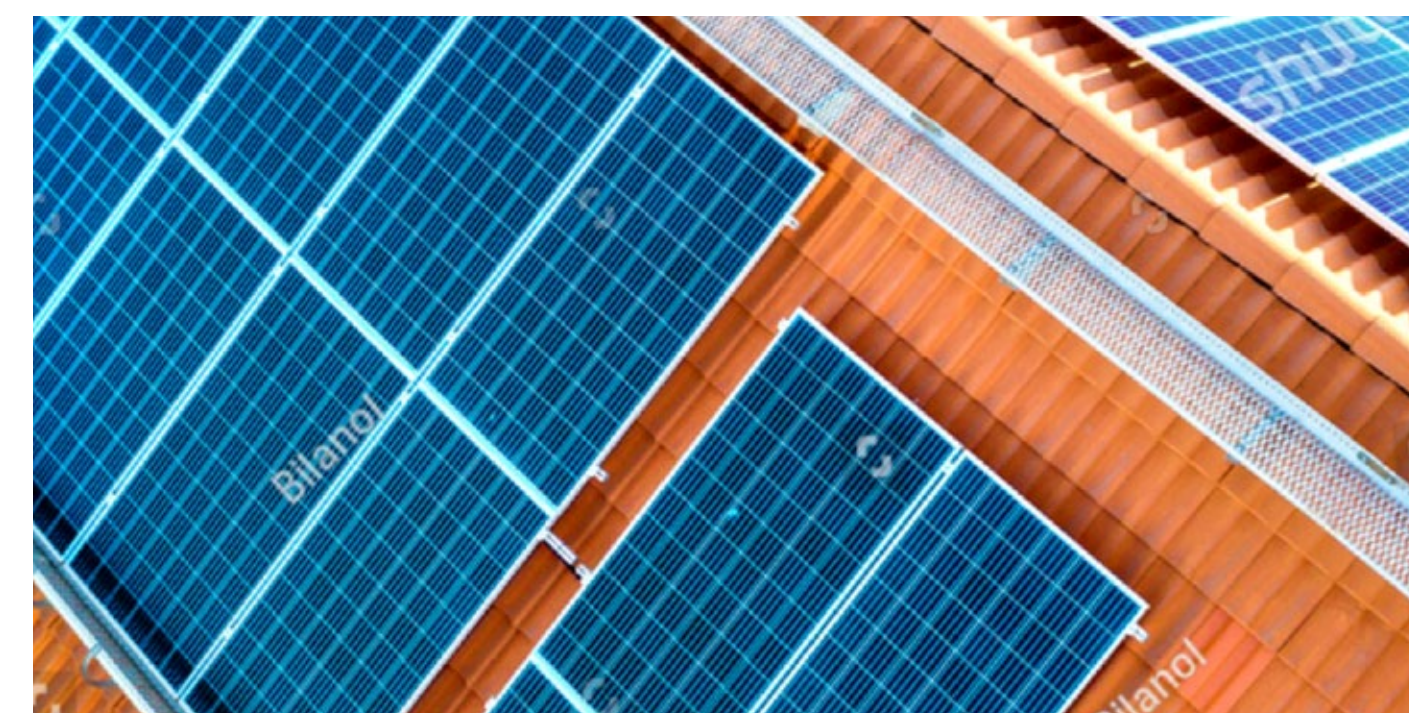


5 star¹⁾
GRESB rating
(91 out of 100 points)

GRESB SECTOR LEADER 2020:
Healthcare Global Sector Leader
Healthcare Global Non-listed Sector Leader
Healthcare Europe Regional Sector Leader
Healthcare Europe Regional Non-listed Sector Leader

4.7%

Dividend yield
distributed to the
Investors¹⁾



389,118 KWH

On site renewable energy produced
(saving 216 tons CO₂)



120 care
apartments added
(6 buildings)



Pipeline of 605
care apartments
(16 buildings)

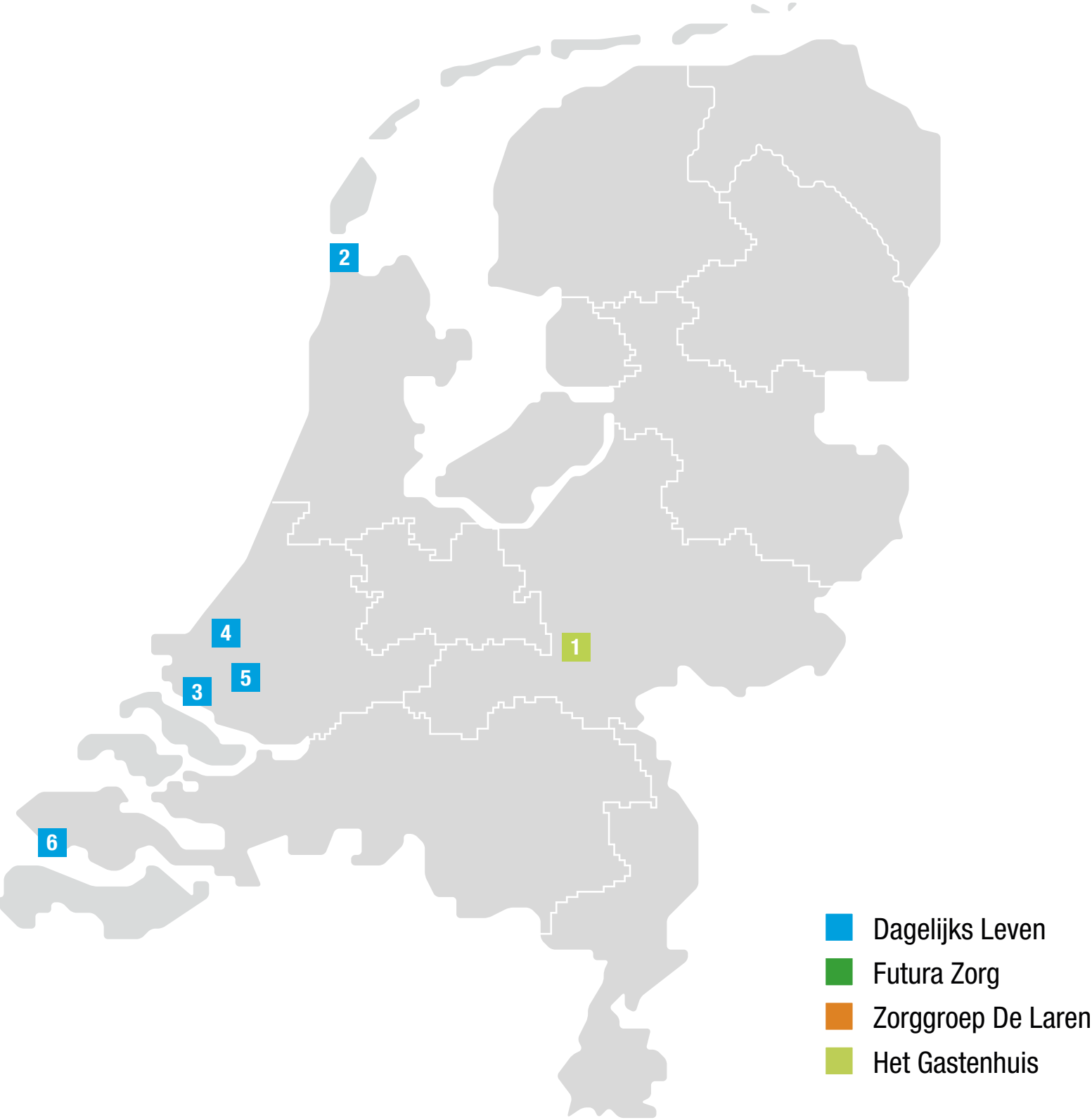
Average Energy
Use Intensity:
126.1 kWh/m²/year¹⁾

Average
carbon emission:
21.3 kg/m²/year¹⁾

1) Please refer to the KPI tables in the Annexes. KPI's include limited assurance by external auditor.

KEY HIGHLIGHTS 2020

PROPERTIES ADDED IN 2020



1 HET GASTENHUIS, Bennekom



2 DAGELIJKS LEVEN, Den Helder



3 DAGELIJKS LEVEN, Hellevoetsluis



4 DAGELIJKS LEVEN, Nootdorp



5 DAGELIJKS LEVEN, Ridderkerk II



6 DAGELIJKS LEVEN, Vlissingen

REPORT OF THE FUND MANAGER



DAGELIJKS LEVEN, Vlissingen

MANAGEMENT TEAM FOREWORD

VALUE GROWTH IN TIMES OF CRISIS

A suitable, safe home with high-quality care was never so important as it was in 2020. It was also a year in which the Living & Care Fund further expanded: not only in terms of breadth, but depth, which included the six new properties we completed and delivered, for a total of 132 new residents. In this interesting and challenging year we saw that our properties add value both from a social and financial perspective.

We have broadened and deepened the fund's strategy. And in 2020, we began seeing the first results. By further developing the concept for assisted living alongside our partnerships with the providers for extended care, we have added a number of attractive projects to our portfolio and sharpened our focus. With assisted living, our goal is to offer a residential product 'between a home and a care home'. In practice we see that people that only have a latent care need, do not wish to be living in a dedicated care property but at the same time seek a sense of security that the care is available should the need arrive. Within our projects, we provide for this varied and diverse set of needs, and we are fully engaged in developing new concepts to respond to these needs.

'By further developing the concept for assisted living alongside our partnerships with our extended care providers, we have added a number of attractive projects to our portfolio.'

Wim Wensing, Fund Director

IMPORTANCE OF A HOME THAT FEELS LIKE HOME

2020 was a year characterised by both challenges and mastering these challenges. We are proud of the way in which our care partners rose to the challenge of complying with the new measures that went into effect for care homes during the coronavirus pandemic. They were able to anticipate shortages and purchased their testing capacity and hygienic and protective equipment on time. That enabled them to be well-prepared for any outbreaks. During the first lockdown, residents were prohibited from receiving visitors, which underlined the importance of having a place to be comfortable in and call home. Many family members told us how relieved they were that their loved ones were in a safe, pleasant environment. When the care providers were able to open the doors again, we managed to quickly have clear-cut protocols for visitors in place.

CARE PROPERTY RETAINING VALUE

In 2020 our fund experienced further value growth. The skilful way our care partners Het Gastenhuis, Zorggroep De Laren, Dagelijks Leven and Futura Zorg were able to cope with the health crisis, made clear that even in difficult times care properties retain their value and are interesting as investments. We even saw that care properties became more visible on the investment radar. The degree of occupancy

during the crisis remained high, even though the restrictive measures meant that moving was more problematic. Initial yields in the market continued to decline over 2020. This resulted in an indirect yield of 2.7%. The achieved direct yield translated into a dividend distribution of 4.7%.

NEW PROPERTIES

In the past year, we have opened 6 new care properties, offering a total of 120 new homes for residents. In the process, we gained experience working with a number of partners on new and innovative concepts which will meet the demand for new forms of living and care, like De Trappenberg in Huizen. Through all of it, our guiding principle remains that the Amvest Living & Care Fund shall offer high-quality, affordable residential related healthcare real estate where people find it easy to socially interact and where excellent care is available when it is needed. We believe that an environment that keeps people active enables them to contribute to society together with others of their generation. A home must be a place where you can be yourself and keep doing what you have always done – your hobbies, helping your neighbours, a little gardening in the shared garden – even as your health may decline. We are always looking for new options in order to keep older people vital and active in today's society as long as possible.

'During 2020 our fund experienced further value growth, which underlines the strong investment interest in sound care concepts.'

Niclas von der Thüsen, Director of Finance and Risk

ZORGKAART NEDERLAND TOP 10

Fortunately, we're not the only ones who recognise that our care concepts stand for good homes for people. On Zorgkaart Nederland 2020, the map of the best care facilities in the Netherlands, you'll find two of our partners, Dagelijks Leven and Het Gastenhuis, among the top-ten best rated care homes in the country. Their high position on this list is driven by the ratings of residents and family members.

'The Amvest Living & Care Fund strives to offer high-quality, affordable homes where people find it easy to make social contacts and where excellent care is available.'

Susan van de Koppel-Nagelmaeker, Portfolio Manager

SUSTAINABILITY

For the fourth consecutive year, Amvest Living & Care Fund earned the maximum rating of five stars in the GRESB in 2020. In addition, the Fund earned the title of most sustainable healthcare real estate fund in the world, with a score of 'Sector Leader' in the following sectors: Healthcare Global, Healthcare Global Non-listed, Healthcare Europe Regional and Healthcare Europe Regional Non-listed. We remain committed to consistent sustainability improvement and are currently investigating the next steps we can take to make our new properties compliant with the Paris Climate Agreement. As we place such a high priority on the sustainability of our real estate, we closely monitor the energy consumption of our properties using a dashboard application, which is currently showing that our efforts are paying off.

THE FUTURE

We continue to see opportunities for concepts that will allow us to house residents with less extended care needs but who do have a need for social interaction in a safe environment and residents who are still healthy but who have a care needing partner. We are also investigating options for residential concepts for groups with specialised care needs. Our approach means that people can find the care that they need, while it will also be a place they can call home. The issues surrounding COVID-19 will be with us for some time to come. However, we do see that despite the crisis, the demand for care homes like the ones in our portfolio consistently continues to grow. With the arrival of vaccines,



Wim Wensing, Susan van de Koppel-Nagelmaeker and Niclas von der Thüsen

in combination with the lessons we learned in 2020, we have the right basis to continue the expansion of the portfolio in line with our strategy.

OUTLOOK

As for the majority of 2020, the outlook for 2021 remains challenging due to the persistence of the COVID-19 outbreak. The resulting health crisis continues to affect the well-being of our residents and the operation of our care providers. Although severe consequences so far were successfully mitigated, the situation poses special and hard-to-predict risks for the global economy and the economic condition of our care providers, which can also affect the AL&C Fund. Nevertheless, the rental market fundamentals for care properties remain favourable over the long-term. In addition the fund remains well capitalised to cope with any short-term financial impact as well as to fund new opportunities and further growth. The roll-out of the vaccination program provides encouraging signals, in particular to care providers and our vulnerable residents. However, given the fluid state of developments at this time, the Fund Manager will continue to frequently re-assess the health crisis impact on the execution of the AL&C Fund strategy and performance of its portfolio.

On behalf of the management team at Amvest Living & Care Fund,

Amsterdam, the Netherlands, 22 April 2021

Wim Wensing, Fund Director
Niclas von der Thüsen, Director Finance and Risk
Susan van de Koppel-Nagelmaeker, Portfolio Manager

MARKET DEVELOPMENTS

HISTORICAL DEEP ECONOMIC CRISIS IN 2020

The Corona pandemic has changed our world very rapidly. The lockdown measures in March and again in December not only kept people at home for a long period but also largely shut down the economy and therefore, for instance, household consumption showed a sharp decrease. After years of healthy economic growth and the appearance of a late cyclical economic situation, the GDP growth showed a historically sharp decline as from Q2 2020 due to Corona (CBS, 2020). An immediate effect of the Corona outbreak was an increase in unemployment.

Whereas in Q1 2020 the level of unemployment was historically low, at just under 3%, a sharp increase was seen after the first lockdown. Unemployment stood at 4.4% in Q3 2020, which translates to about 415,000 people of the Dutch workforce. Consumer confidence reacted instantly, falling from -2 at the beginning of 2020 to -28 in Q3 2020. During 2019, inflation (CPI) rose to a level of more than 2.5%, but the last three quarters of 2020 showed levels at or below 1.5%.

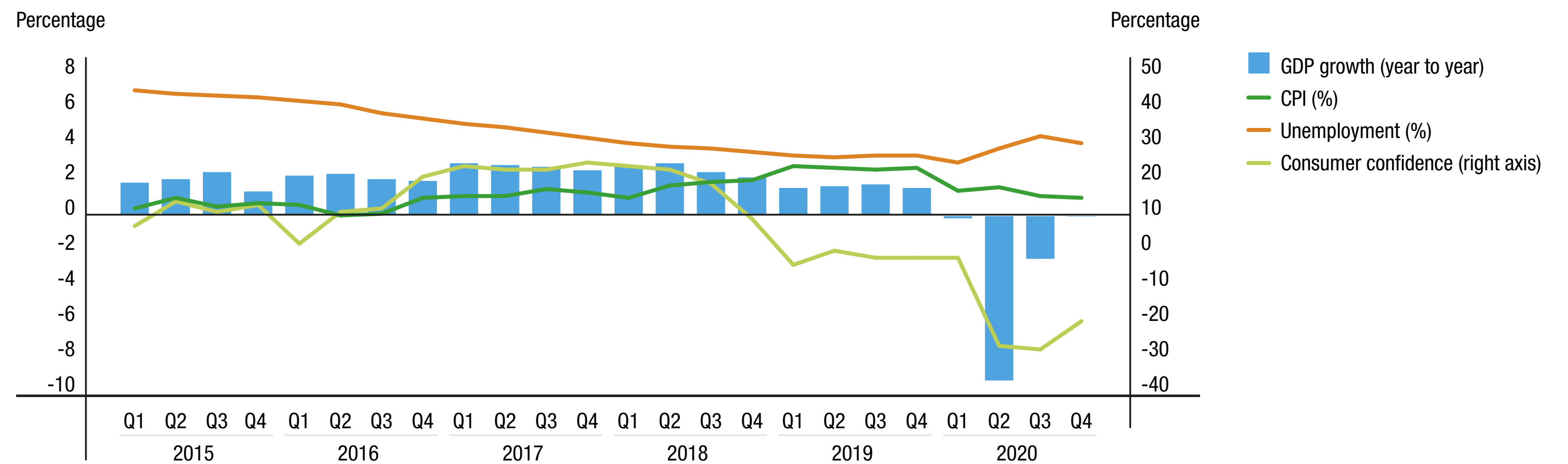
A deep but short economic crisis is foreseen. GDP has declined drastically in 2020 (-4.0%), but is also expected to recover quickly in 2021 (+3.0%) (CPB, November 2020). Unemployment is expected to increase to around 6.1% in 2021. All in all the Netherlands should prepare for a short but historical fierce economic downturn.

DOUBLE AGING

A double aging demographic trend is apparent in the Netherlands: the proportion of people over 65 is increasing and the average age of this group is also increasing. The number of seniors (65+) is therefore expected to increase substantially until 2040 (in absolute and relative terms), from 3.4 million in 2020 to more than 4.8 million in 2040. Within this age group, the sub-set age group of 75+ is expected to increase in particular, namely by 1.2 million (Primos, 2020), as the

1. POPULATION, >65 YEARS AND ALZHEIMER PATIENTS

Source: Statistics Netherlands



baby boom generation has come of age. In a relative sense, the ageing population will increase from the current 19% to about 26% in 2040. Consequently, the number of senior households shows the same trend. In 2020, there were nearly 2.3 million households with an average age over 65 in the Netherlands. In 2040, this number of households is expected to have increased to nearly 3.4 million, representing an increase of approximately 1.1 million households, or a growth of ca. 50% (Primos, 2020). This growth will occur predominantly in the 75+ age category. The share of senior households as part of the total number of households is expected to increase from 28% in 2020 to 37% in 2040. The average number of persons per senior household will likely remain around 1.5, which means that on average there is one single senior for each couple.

This growth of the ageing population makes it harder for people to find

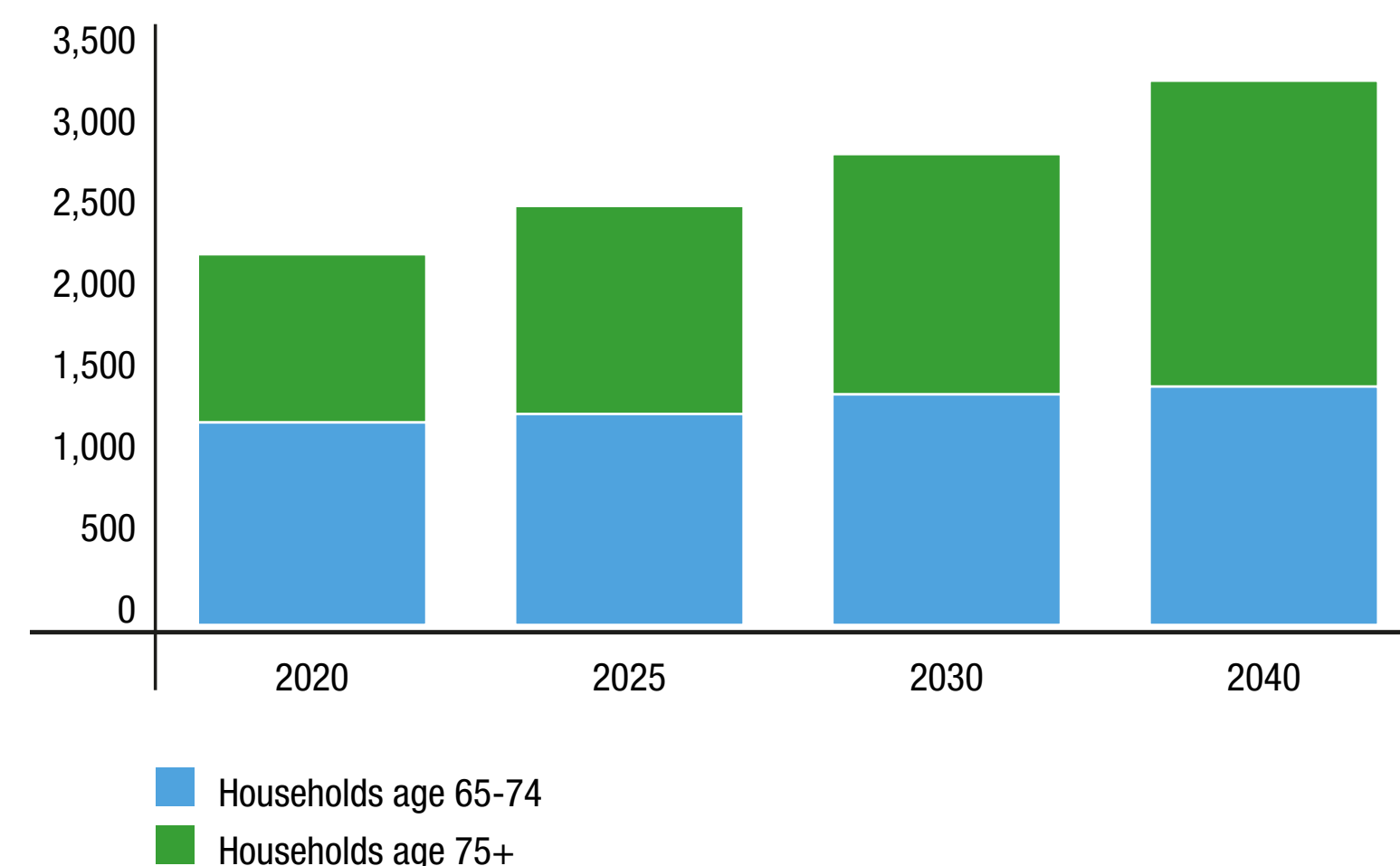
care and residential care facilities, as the new supply of care services is lagging a long way behind the increased demand. The high demand for healthcare is supported by increased interest from real estate investors for this sector. The search for suitable care locations remains challenging, despite increasing awareness from municipalities to facilitate new residential care developments.

As part of the increase in the number of seniors in the Netherlands, the number of people suffering from dementia is also expected to increase drastically. In the absence of a cure, it is likely to almost double, from ca. 280,000 in 2020 to ca. 520,000 in 2040 (Alzheimer Nederland, 2020).

2. HEALTHCARE REAL ESTATE INVESTMENT VOLUME

Source: CBRE research

In EUR thousand



INVESTMENT VOLUME DECREASES

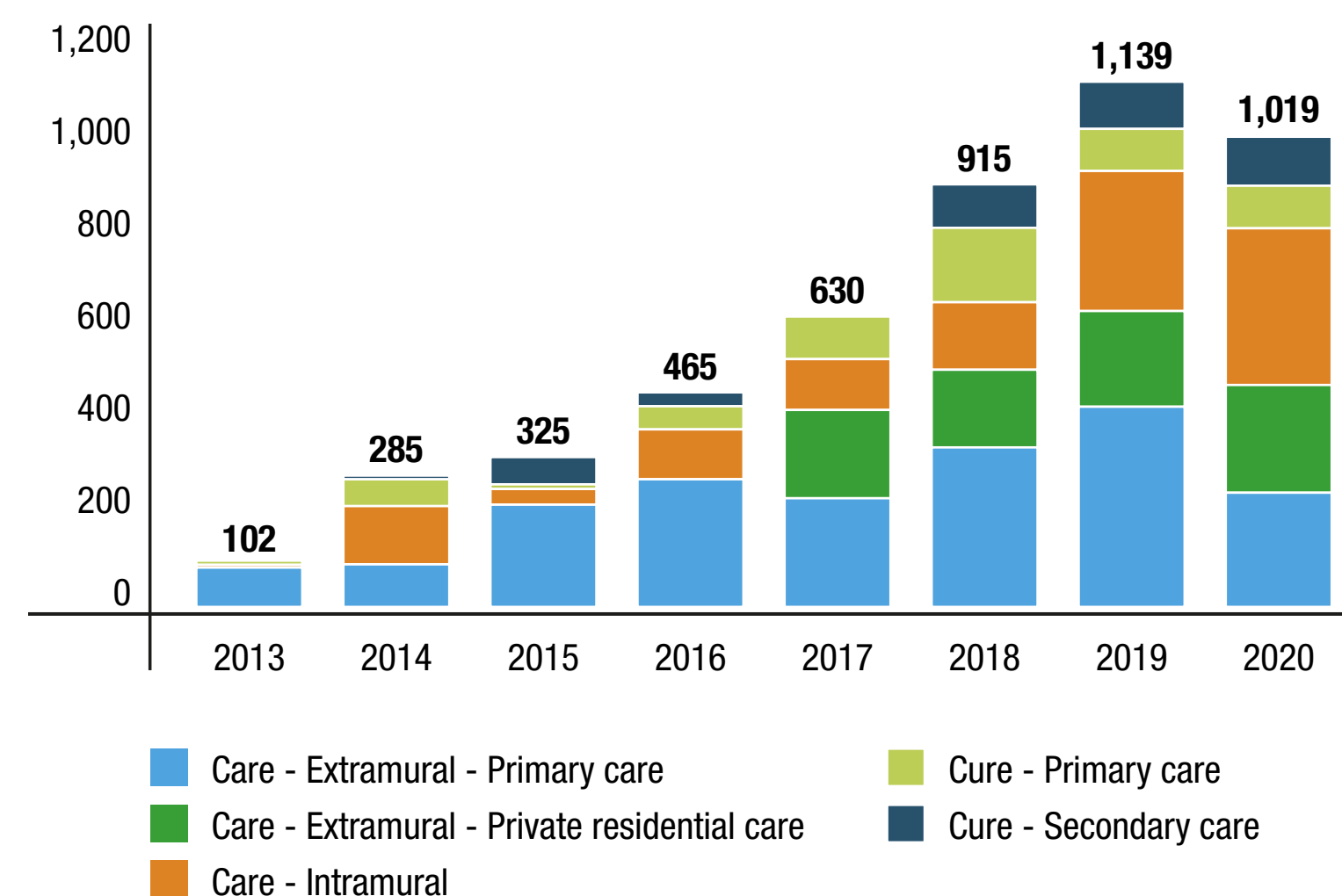
The investment volume in Dutch healthcare real estate experienced significant growth in recent years as it developed from less than EUR 500 million in 2016 to a record volume of EUR 1.1 billion in 2019, representing growth of approximately 140% over a three year period. As a result, the Dutch healthcare real estate investment market has matured at a rapid pace.

Just over EUR 1.0 billion of acquisitions were made in 2020, which is only slightly lower than a year earlier. This is quite remarkable, as at the end of the third quarter the total investment volume stood at only EUR 550 million, mainly due to a lack of suitable investment product. In the last quarter, a significant volume of transactions were completed. The extramural care apartments was the only category that showed a decline during 2020 compared to 2019, while the other segments were

3. HEALTHCARE REAL ESTATE INVESTMENT VOLUME

Source: CBRE research

In EUR billion



relatively stable. As demand outstripped supply, total volume for 2020 was restricted due to a general shortage of suitable investment product.

The number of investors active in the Netherlands has also increased considerably for a private portfolio in recent years. While some parties acquire only a single or limited number of assets, there are also various investors who intend to build up a portfolio. In general, the market is still dominated by a limited number of institutional parties.

The double aging effect, which is driving the demand side of senior households, as well as the low interest rates, are fuelling increased interest from real estate investors. The limited supply of suitable, high-quality healthcare real estate is causing a scarcity in the healthcare investment market and has led to a decrease in gross initial yields in recent years, especially in the private residential care segment.

While in 2016, the initial yields for prime properties in this segment were still 6.25%, in Q3 2020 the level had fallen to 4.8%.

POSITIVE EXPECTATIONS FOR 2021

In 2021, the investment volume in the Dutch healthcare real estate market is expected to continue to record relatively high levels. However, due to a scarcity of suitable investment products, the volumes from 2019 and 2020 might not be matched despite high investor demand. The effects of the Corona pandemic are likely to exacerbate investment demand as real estate investors shift their focus from other asset classes such as retail, offices and hotels. Healthcare is generally perceived as one of the relatively safe havens (in addition to residential and logistics).

Until now, institutional investors rarely dispose of acquired healthcare real estate, but are in the process of increasing their allocation and thus expanding their portfolios. At this moment, disposal programs are not part of their strategy.

In contrast, housing associations and healthcare institutions are actively selling off their healthcare real estate. However, total volume is limited and mostly represents somewhat older property. Further growth in investment activity will therefore mainly have to come from new construction which is more challenging due to longer lead times and high construction costs in combination with a (significant) lack of sites for healthcare real estate.

The resulting downward pressure on initial yields is leading to an increase in value and means that feasible business cases for new projects can still be made. It is expected that the initial yields for new healthcare real estate will show a continued modest decline in 2021.

For the segment of assisted living, it is also realistic to assume - in line with development of the mainstream rental housing market - that initial yields will decline further in 2021. Growth in overall investment volume is only possible if more locations become available in the short term.

STRENGTHS AND OPPORTUNITIES

- Substantial growth in the number of the elderly households up to 2040.
- Positive outlook for the residential real estate (investment) market in general.
- Further professionalisation and growth of the healthcare (investment) market.
- The government is encouraging the elderly to live independently and use outpatient care, increasing the demand for assisted living.
- Further segregation between costs of care and housing, which is likely to contribute to the creation of new concepts.
- Creation of combination healthcare concepts at mid-sized and larger locations.
- Increasing willingness of elderly households to move, preferably to a (rental) apartment.
- The national government is encouraging municipalities to work on an elderly (homes) policy and an increasing (although relatively small) number already has one in place.


WEAKNESSES AND THREATS


- Fierce investment competition for and lack of suitable locations for assisted living (facilities).
- This will lead to further pressure on the (gross) initial yields.
- Already high and further increasing cost of construction.
- Rising number of private care providers.
- Foreign players entering the Dutch healthcare market, both investors and operators.

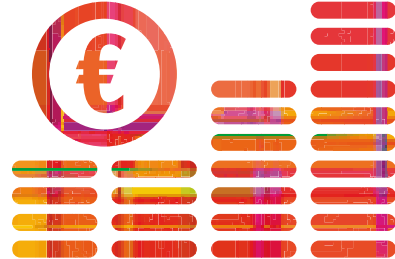
FUND STRATEGY

The strategy of the Amvest Living & Care Fund (AL&C Fund) is aligned with the growing demand for care homes and assisted living facilities. The AL&C Fund responds to this increase by offering sustainable accommodation to those who need assistance to continue the life they have lived. To offer sustainable accommodation, the AL&C Fund invests in comfortable and healthy facilities that are low in carbon emissions. These investments are realised by raising capital from institutional investors with a long-term investment horizon. The Fund aims to offer an attractive and stable cash return in combination with providing social impact. The management of the AL&C Fund is undertaken by a dedicated team and meets the professional standards for a non-listed real estate fund that is regulated under AIFMD.

This strategy is based on three pillars:

- 

1. Providing care homes for a large target group
- 

2. Building a sustainable real estate portfolio
- 

3. Investment focus on stable returns with a long-term horizon

1. PROVIDING CARE HOMES FOR A LARGE TARGET GROUP



There is an ageing population in the Netherlands. This will increase the future demand for care. For example, the number of people with Alzheimer's is expected to double in the coming 25 years, according to predictions from Alzheimer Nederland.

This is likely to trigger an exponential rise in the demand for high care homes

The real estate in which the AL&C Fund invests consists of three care categories:

- healthcare real estate occupied by elderly people who have a care indication due to somatic and / or psycho-geriatric limitations and who can no longer live independently ('nursing home care'). The property is rented by the care operator;
- healthcare real estate that is occupied by people with a mild to moderate demand for care, who can still live independently. The property is rented by the resident; and
- healthcare real estate occupied by people with a physical or mental disability who cannot live independently ('disabled care'). The property is rented by the care operator.

The investment strategy of the AL&CF Fund is centred around strategic partnerships with care providers who deliver care services in these three categories, based on the highest quality standards in the sector.

- In this category, the fund cooperates with four different care providers who all focus on a different target group in terms of pricing and quality. Through the cooperation with different providers, the AL&C fund can facilitate high quality care for people with low, average or high incomes.

Currently, the care market in the Netherlands is dominated by large-scale healthcare facilities, with a relatively high number of residents per facility. The large scale operation does not correspond with the vision of the AL&C Fund, as the Fund invests in small-scale homes in order to offer the residents personal attention and a high level of care.

The AL&C Fund has witnessed an increase in demand for these small-scale care homes with a dedicated focus on the personal needs of the residents. Therefore the strategy of the AL&C Fund is to continue to expand the portfolio for small-scale care homes in selected regions in the Netherlands.

The scalability of the business is important to the care provider for financial continuity, quality of care and the management of overhead expenses. This offers further growth potential to the AL&C Fund. The AL&C Fund only engages in tenant partnerships with scalable operating concepts that have a minimum potential of securing five locations. The degree of standardisation is specific to the concept and the sector in which the care provider is operating. The scalability of projects contributes to cost savings and efficiency that can be used for the delivery of care. As a result, there is more time and attention for care and it remains affordable.

		TYPE OF CARE	
		Somatic	Psychogeriatric
Pricing Segment (rent and services)	High	Zorggroep De laren	
	Medium	Futura Zorg	Het Gastenhuis
	Low		Dagelijks Leven

B. Light care real estate, or assisted living, is very similar in terms of real estate characteristics to normal homes. The strategic delineation is of great importance when the AL&C Fund invests in this type of property, as the Fund specifically focuses on healthcare related real estate and excludes mainstream residential real estate.

The Assisted Living category represents residential real estate, which is combined with an integrated concept that offers the residents services, activities, care and comfort. The aim is that people can live independently for a longer period without feeling lonely, in a comfortable way, surrounded by people in a community with the same interests. The development of 'The Trappenberg' is the first project acquired by the AL&C fund that will be completed in 2023.

The concept of Assisted Living contains the following ingredients:

- lifecycle-proof homes;
- equipped with common areas such as living room and kitchen;
- provided with sufficient (individual and common) outside space;
- a preferred partner for home care and a partner for the community;
- proximity to (public/general) facilities.

The existing as well as future demand for this healthcare segment is high. The challenge in this market is to offer a residential product that meets demand, as the traditional care home is no longer adequate for this growing target group. The proposition on offer should, as far as possible, match a normal home in terms of living experience, while the soft infrastructure in particular should be distinctive. This may include activities, means of communication and additional facilities. For the AL&C Fund, there is a great opportunity to realise a combination with intensive or extended care (as described under A) to offer a diversified housing proposition for people with light and high care needs at the same location.

C. Real estate for disabled care is very similar in terms of real estate characteristics to elderly homes. Each resident has a private apartment and there are common spaces for joint use. The strategy also makes it possible to enter into a partnership with a care provider focusing on disabled care. The experience which was gained in care for the elderly

with small-scale residential care concepts can be used in developing the investment proposition for the disabled care market. Disabled care is a segment in which the AL&C Fund is not yet active but the Fund expects opportunities to make a social impact by investing for this target group.

2. BUILDING A SUSTAINABLE REAL ESTATE PORTFOLIO



Considering the Paris agreement, the Dutch Climate Accord and the continuing focus on reducing national and international carbon emissions in order to mitigate climate change, the AL&C Fund has a sustainable and long-term mission.

The focus on lowering the portfolio's energy consumption and carbon emissions is an integral part of the strategy. The sustainable strategy of the Fund starts with the design of new buildings and their construction. Therefore the specification of the requirements set by the AL&C Fund for new buildings includes gas-free heating systems, solar panels and smart metering to monitor energy consumption. For the acquisition of existing buildings, which are subsequently transformed or renovated in order to suit the needs of the new tenants, the Fund also imposes specific requirements regarding the energy label of the building and the heating system.

Building operations are just as important as the specific requirements regarding the construction. That is why the Fund strives for transparency of energy use and the energy contracts of its tenants and engages with its tenants on this matter. The long-term goal is to invest in a carbon neutral real estate portfolio with a low energy use intensity (EUI). The EUI is the energy use per m² per year in kWh. By having an indicator that is calculated in one metric, all buildings can be compared despite the different heating systems, size of the building or other relevant factors.

3. INVESTMENT FOCUS ON STABLE RETURNS WITH A LONG-TERM HORIZON



The AL&C Fund matches its long-term investment horizon with the investment profile of its investors in order to be able to invest continuously in the sector, despite possible short-term cyclical fluctuations.

The result of this strategy is that the primary goal of the Fund is a stable direct return. Particularly in a relatively new real estate market, this creates the possibility to harmonise investments with the Fund's mission. On top of the cash return, the investors have a social impact. This means that the Fund not only increases the supply of care homes but also contributes to the major task in the Netherlands of realising suitable homes for the ageing population.

The satisfaction of the residents is an indicator for this social impact. Zorgkaart Nederland is used to measure resident satisfaction. This is a platform where the residents (and their families) can score healthcare facilities, ranging from a general practitioner to an academic hospital. The score consists of six factors, namely appointment, nursing, treatment by employees, quality of life, listening and accommodation.

As the AL&C Fund invests in a social sector with capital from institutional investors, the Fund is managed according to the highest available standards for the sector.

FUND AND PORTFOLIO RESULTS 2020

The AL&C Fund measures the impact of the Fund's strategy along its three pillars. To translate the strategy into KPIs, stakeholders have been interviewed in order to determine material aspects for the Fund. This materiality assessment has been performed in line with the GRI guidelines. A long list of aspects was presented to different internal and external stakeholders to determine which topics are material for the Fund. The results of the materiality assessment have been incorporated in our strategy. An overview of the translation of the materiality assessment into the Fund strategy is given in the Annex.

The performance of the AL&C Fund is measured based on the following topics:



1. Providing care homes for a broad target group



2. Building a sustainable real estate portfolio



3. Investment focus on stable returns with a long-term horizon

1. PROVIDING CARE HOMES FOR A BROAD TARGET GROUP



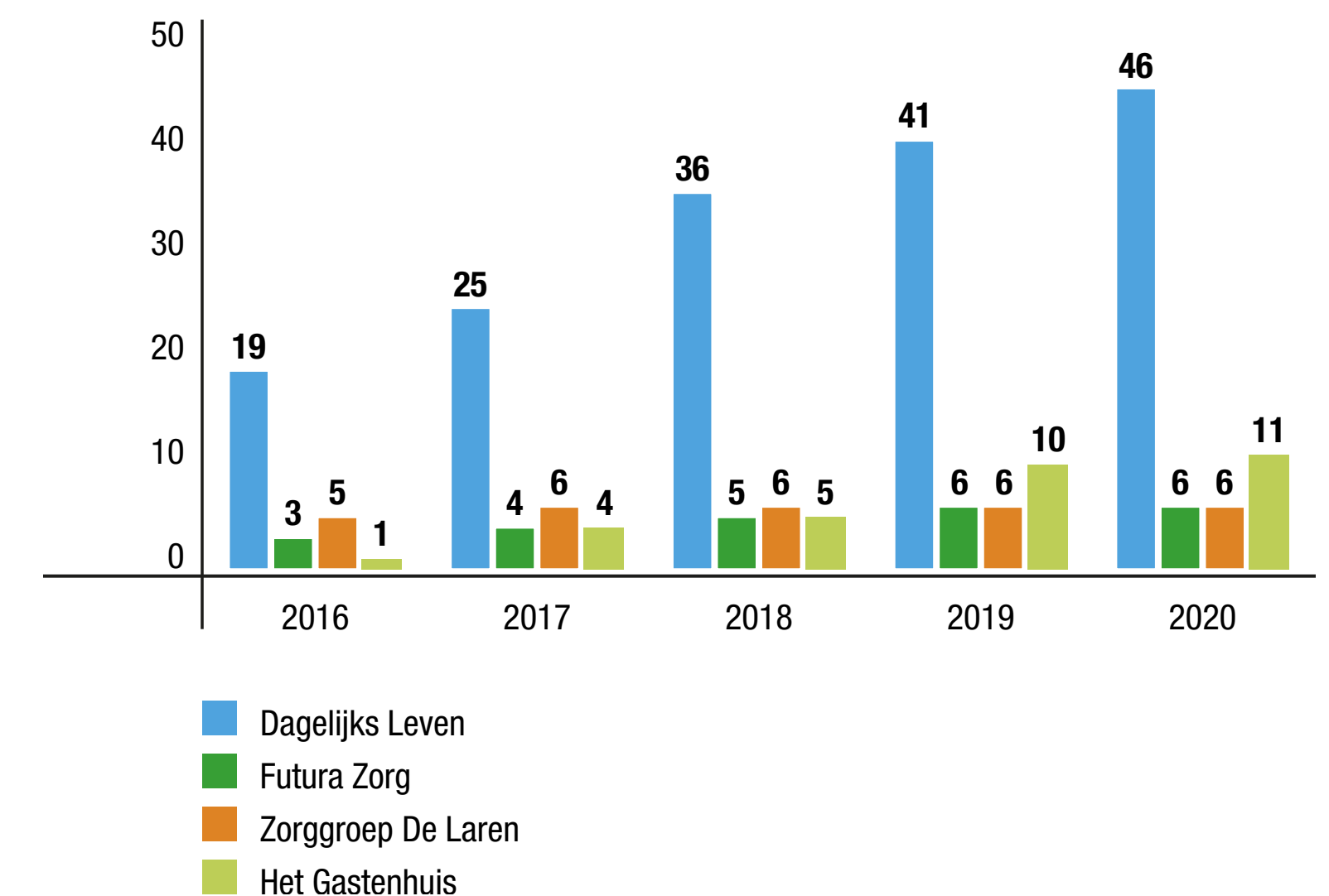
PARTNERSHIPS WITH SCALABLE, DISTINCTIVE AND INNOVATIVE CARE PROVIDERS

The Fund's mission is to provide comfortable, caring and sustainable environments for everyone, regardless of their budget. This is why the AL&C Fund has a partnership with four providers whose focuses vary, not only regarding the type of care, but also regarding the monthly budget of the residents. All care providers managed the challenges COVID-19 brought in 2020 very well. By handling the situation proactively, the standard of the quality of care was maintained at a high level. All partnerships were continued with the four care providers in 2020. Dagelijks Leven is an affordable proposition for those with only a monthly allowance by means of the General Old Age Pensions Act ('Algemene Ouderdoms Wet'), having a monthly budget for housing and services below EUR 1,000. Futura Zorg and Het Gastenhuis focus on the middle segment (EUR 1,500 - 2,500 per month), which makes Futura Zorg and Het Gastenhuis price-competitive with a government-regulated nursing home for a large target group on a moderate pension. Zorggroep de Laren operates in the top segment and offers more distinct care and (hotel) services to their residents.

The actual percentage of locations that provide care which is affordable for people with a low or middle class budget was 91% as at the end of 2020,¹⁾ translating into a share of 9% for high budget care.

4. NUMBER OF LOCATIONS PER PROVIDER

Number of locations

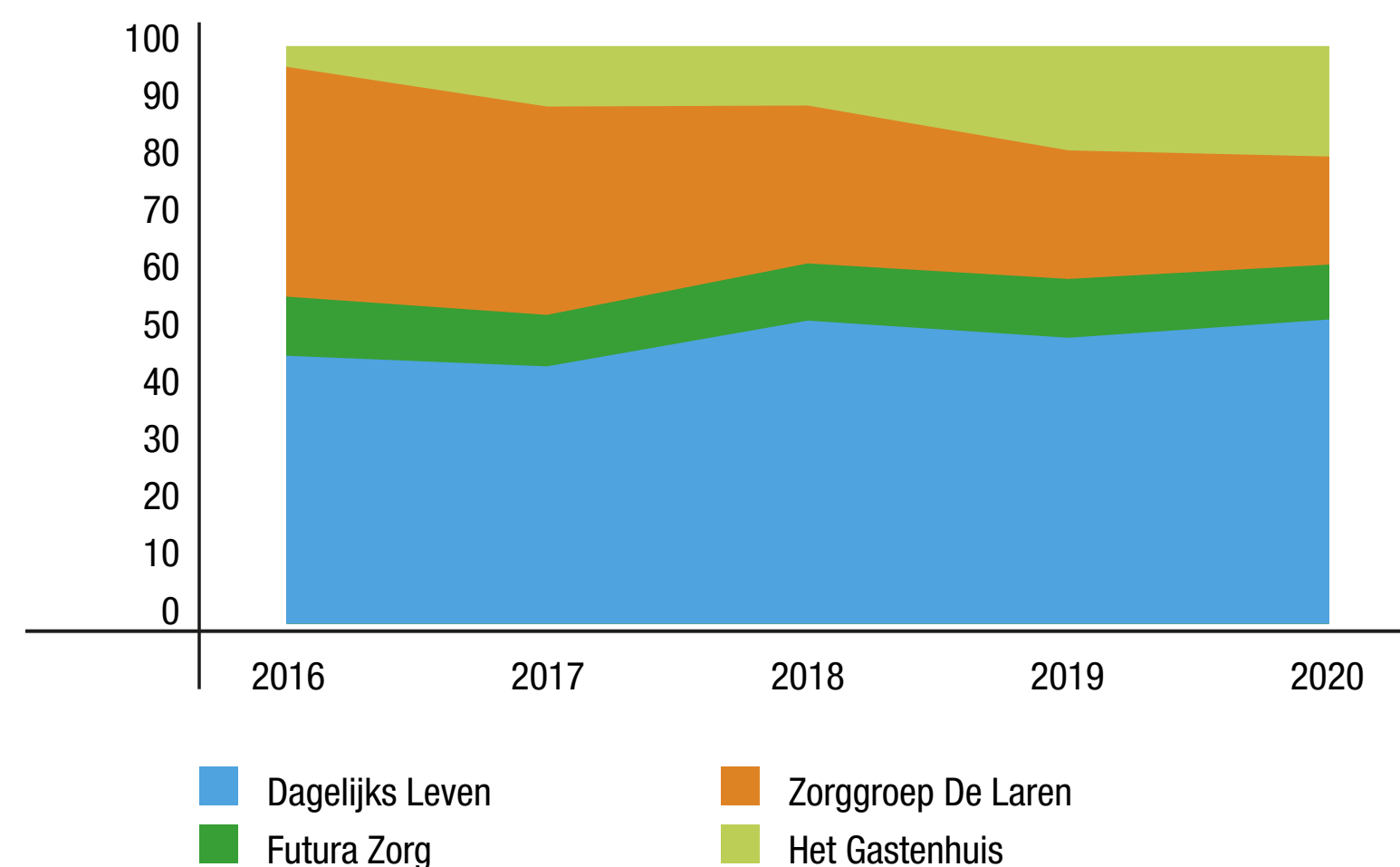


In 2020, despite the Corona crisis, the fund realised growth of more than 9% in the number of care homes compared to year-end 2019. In total, the Fund has 69 locations in operation, divided into 1,394 units for residents to live and receive the assistance they need. Dagelijks Leven showed a considerable growth, of five care homes last year, adding capacity for up to 100 units.

The aim is to continue this growth path by securing new locations in the coming years. This is reflected in the acquisition pipeline of the Fund covering both projects for homes for the elderly and for assisted living real estate.

1) Please refer to the KPI tables in the Annexes. KPI's include limited assurance by external auditor.

5. RELATIVE INVESTMENT VOLUME PER PROVIDER



COMMITMENTS

At the close of 2020, the pipeline consisted of 16 committed care home sites for the care providers. In addition to this pipeline, one large location has been secured for assisted living, comprising 282 multi-family homes, 3,300 GLA services and two sites for Het Gastenhuis.

The share of Dagelijks Leven and Het Gastenhuis has increased in recent years, while the share of De Laren continued to decline in 2020. Almost 92% of the locations were in the low (Dagelijks Leven) and middle segments (Futura Zorg and Het Gastenhuis) in 2020, where this was only 40% in 2015.

1) Please refer to the KPI tables in the Annexes. KPI's include limited assurance by external auditor.

RESIDENT SATISFACTION

Resident satisfaction is a material indicator for monitoring the Fund's performance to meet the need for comfortable care homes as well as how far the quality of care given by the care partners meets the expectations of their residents. In the year of the pandemic, resident satisfaction was never so important. After the lockdown the care providers setup protocols quickly, to allow visitors once again. Zorgkaart Nederland is used to measure resident satisfaction. This is a platform where the residents (and their families) can score healthcare facilities, ranging from a general practitioner to an academic hospital. The score consists of six factors, namely appointment, nursing, treatment by employees, quality of life, listening and accommodation. The accommodation factor is the most important for the AL&C Fund. The platform provides an insight into the score for accommodation of all care homes of the AL&C Fund that are rated. The score for accommodation was higher than the average benchmark score of the care home category for nearly all of the Fund's care homes.

All care homes of the care providers of the AL&C Fund are listed on Zorgkaart Nederland and rated on the defined six criteria. For the AL&C Fund, besides the overall score, the score for the 'accommodation' criterion is particularly relevant. The aim was formulated for 2020 to reach a score of at least 8.0 (out of 10) for 'accommodation'. The normal average of the scoring for 'accommodation' of the care providers for 2020 was a 9.4.¹⁾ The average score on a 4-year basis (2017-2020) per provider and the number of surveys are:

Dagelijks Leven	8.8 (615 surveys);
Het Gastenhuis	9.4 (69 surveys);
Zorggroep De Laren	7.0 (9 surveys);
Futura Zorg	8.6 (16 surveys).

The AL&C Fund encourages the care providers to participate on the platform in order to monitor resident satisfaction on a regular basis. The AL&C Fund regularly engages with the care providers on this topic. The satisfaction score is determined by the feedback received from residents and their families.

QUALITY OF CARE

The quality of care must be kept at a constant high level for every care provider. The Inspectorate for Healthcare and Youth (IGJ) randomly checks healthcare facilities. Several care homes of Dagelijks Leven, Het Gastenhuis and Zorggroep De Laren were checked in 2020. None of the care homes of the AL&C Fund is under ongoing supervision by the IGJ after a check by this institution¹⁾. In 2020, two of the four care providers, Dagelijks Leven and Het Gastenhuis, were winners of the award for 'Best appreciated elderly Carehomes' in the Netherlands by 'Zorgkaart Nederland'. The awards are based on votes of the residents as well as their families. This result means that both care providers are now ranked among the top 10 in the Netherlands.

FIRE SAFETY

Fire safety is a high priority topic for the Fund, as the residents need a high degree of care and are less independently mobile. This is why every care home meets the requirements for group care homes, even if not formally required by the applicable fire safety regulations. In 2020 almost all care homes (98.6%)¹⁾ had a certified fire alarm system. Due to COVID-19 and the risk of contamination and contamination in care homes, the inspection of the fire alarm system of 1 care home has been postponed over the year. It is expected that this care home will also have a certified fire alarm system by April 2021 (extensive inspection by Amvest). The necessary maintenance has been carried out, so the fire alarm system has always functioned properly.

2. BUILDING A SUSTAINABLE REAL ESTATE PORTFOLIO



For the Fund with its long-term investment horizon, it is of strategic importance that the care homes are energy efficient and carbon emissions are low, as real estate has a significant role in the energy transition from

fossil to non-fossil fuels. All buildings operated by the AL&C Fund have an energy label A with exception of the historic building Het Gastenhuis Dordrecht which has a listed status, restricting the possibilities for optimising design for energy efficiency purposes.

ENERGY AND WATER USE AND SAVINGS

The energy labels of the properties are a standardised indication of energy efficiency. In order to control energy and water use, energy performance and carbon footprint, the Fund has to have an insight into the energy and water use. Since 2019, the Fund has full data coverage of gas, electricity and water usage and/or district heat usage for each complex. This insight is necessary to be able to set realistic goals for the portfolio in relation to the reduction of the carbon footprint. For 2020, the goal was to analyse five properties with the highest EUI in the Fund's portfolio. After setting the KPIs for the Fund, the government required an analysis for buildings with consumption above a certain standard under the 'Environmental Management Activity Decree' (Activiteitenbesluit milieubeheer). Therefore the fund analysed 15 properties. The analysis per property contained 4 scenarios:

- Measures with a payback period of 5 years;
- Measures with a payback period of 25 years;
- Measures for Paris-proof;
- Measures for energy neutral.

The government demands that every healthcare institution to implement the measures with a payback time of <5 years. Because the portfolio consists a relatively high share of new buildings, only a few measures emerged that had to be adapted. This resulted in an outcome that the quick wins were limited, as almost all buildings are relatively new. In order to become Paris-proof, we will invest in sustainable installations in the future, such as WKO's and solar panels at a natural replacement moment at the end of their lifespan.

Smart gas, electricity and water meters are installed at all care homes in order to be able to read out meters online instead of on-site. The online portal enables the Fund to implement a dashboard which can be used for reporting on a building's energy use. The information can also be used to alert the tenants to the energy use and to plan further energy improvements of buildings (e.g. additional insulation or the installation of solar panels). As the average sizes of care homes and the

installations differ, the metric used for reporting on energy usage is the energy use intensity (EUI).

The EUI is the quantity of kWh per m² per year.

The average EUI of the AL&C Fund in 2020 was 126.1 kWh¹⁾, ranging from 42 kWh to 247 kWh. The range is relatively wide. The main reason for this is the type of building: renovations and transformation versus new builds.

Renovated buildings tend to have a higher energy consumption as the insulation possibilities are limited. The heating type is also relevant. If gas is the primary source for heating, this often increases the EUI of the building.

To determine the carbon footprint, consumption is measured and two aspects are checked:

1. the onsite generated renewable energy; and
2. the offsite generated renewable energy, generated by the energy companies.

Solar panels are installed on 41 of the Fund's buildings. These panels generated 389,118 kWh in 2020, which was used by the care providers. For each generated kWh of solar energy, 0.556 kg carbon has been saved, due to the use of materials.

Het Gastenhuis and Futura Zorg both use fossil-free electricity as well as gas and Dagelijks Leven uses green electricity. By making use of fossil-free electricity and gas, there are no carbon emissions (solar energy, wind energy). This adds up to a total of 1,778 ton kg of carbon. The average carbon emission of the AL&C Fund in 2020 was 21.3 kg/m² ¹⁾. The AL&C Fund also measures the water use of all buildings.

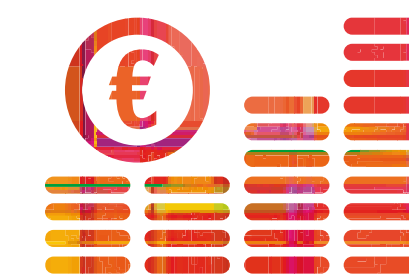
HOLISTIC VIEW OF SUSTAINABLE REAL ESTATE

The AL&C Fund focuses not just on energy efficiency. Other used sustainability indicators that are used include the impact on the environment, such as the materials used during construction. In order to gain an insight into the holistic sustainability of its portfolio, 42 of the Fund's buildings were assessed using the GPR Gebouw software. GPR Gebouw is a software tool which provides an insight into the sustainability of real estate and facilitates an assessment of the effect

of various modernisation alternatives. Five themes are assessed in GPR Gebouw: energy, environment, health, user quality and future value. The Fund aims to balance between energy efficiency and environmental impact of materials. When, for example, a large number of solar panels are installed, the energy use score will rise but the environment score will fall, due to the negative impact of the materials used to produce the solar panels.

In 2020, the AL&C Fund maintained the maximum five star¹⁾ GRESB rating and received the GRESB award for Sector Leader in four categories for sustainability performance in 2019. The GRESB, the global environmental, social and governance (ESG) benchmark, is a benchmark for real estate assets. The Global Sector Leader is regarded by the industry as top in class in taking measurable steps to incorporate sustainability into its operations and communicating its performance to investors and other stakeholders.

3. INVESTMENT FOCUS ON STABLE RETURNS WITH A LONG-TERM HORIZON



The AL&C Fund has a long-term horizon. The Fund targets a stable dividend yield of 4.5% that reflects the risk profile of the Fund. The dividend yield for 2020 was 4.7%¹⁾, which was 0.2% higher than the target.

The income return of the Fund was 4.7% in 2020. The operating costs are low as the AL&C Fund has a relatively new portfolio and the daily operating costs are the responsibility of the tenants. In 2020 the net/gross ratio was 94.9%.

No debt finance is used to fund the AL&C Fund. The AL&C Fund has two participants, AEGON and PfZW. Of the total EUR 500 million of available resources, EUR 227.7 million remained available at the close of 2020. EUR 38 million of equity was called in 2020. It is expected that the total commitment of EUR 500 million will be invested by 2022.

1) Please refer to the KPI tables in the Annexes. KPI's include limited assurance by external auditor.

STRUCTURE AND GOVERNANCE

STRUCTURE

The Amvest Living & Care Fund is structured as a closed-end fiscally transparent fund for joint account (FGR) with the Launching Investors AEGON and PfZW as the only two Investors. Amvest REIM B.V. is the Fund Manager and Amvest LCF Custodian B.V. is the custodian. The AL&C Fund's legal structure can be found in the Annexes.

TERM, INVESTORS, UNITS

The initial closing date of the AL&C Fund was 31 December 2013. The AL&C Fund has a long-term horizon with an indefinite term (first evaluation moment is before 1 January 2025).

In 2020, 3,050 units were issued amounting to EUR 38 million. As at 31 December 2020, the AL&C Fund has two Investors (AEGON and PfZW) and EUR 227.7 million of undrawn commitments.

PARTNERSHIP WITH AMVEST DEVELOPMENT FUND B.V.

Amvest Development Fund B.V. (ADF) is one of the leading property developers in the Dutch residential market. The company has extensive experience with integrated area development and complex co-development projects. Its experience and cooperation with long-term investment funds like the AL&C Fund makes ADF a partner of interest to public authorities and public-private partnerships.

The partnership with ADF is strategically beneficial to the AL&C Fund. ADF's extensive knowledge of markets (including rental markets) is the basis for developing high-quality properties for care operators as

tenants. In addition, the AL&C Fund has a Right of First Refusal (RoFR) agreement in place with ADF. This means that all residential related care properties developed by ADF must first be offered to the AL&C Fund, which has the right to acquire them on arm's length conditions. The AL&C Fund is entitled to waive this right. The RoFR provides the AL&C Fund with access to a high-quality pipeline of properties that are aligned with the AL&C Fund's strategy.

FUND MANAGEMENT AND GOVERNANCE

The authorities and responsibilities of the AL&C Fund are set out in the AL&C Fund's fund documents, including the Terms and Conditions, the Fund Services Agreement, and the Portfolio Plan. These documents describe the parameters within which Amvest is authorised to act as a Fund Manager, e.g. the annual investment volume and required returns for new investments and annual budgets.

A modern governance structure guarantees reliable, efficient, and professional advice and supervision by property experts and investors. The Fund Manager is responsible for both the overall portfolio and the risk management of the AL&C Fund.

The Advisory Board (consisting of representatives of both Launching Investors) plays a key role. Its duties include supervising the handling of conflicts of interest and approving the Portfolio Plan.

The Advisory Board met four times in 2020 while two Investors' Meetings were held in 2020.

RISK MANAGEMENT

RISK & COMPLIANCE OFFICER

In 2018, Mr. Maarten van der Lienden was appointed as corporate Risk & Compliance Officer (RCO) of Amvest, with the RCO position being independent of the Fund Manager. The RCO is not under the direct supervision of the operational line management, does not carry out any activities within line management and is remunerated independently of the performance of the AL&C Fund.

The RCO coordinates and tests risk management procedures in cooperation with the Director Finance and Risk. This safeguards that the Fund Manager adequately manages, controls and reports on risks on behalf of the AL&C Fund.

CORPORATE RISK STRATEGY AMVEST

Risk management is fully integrated into Amvest's strategic and operational processes.

Amvest's strategy focuses on two key activities:

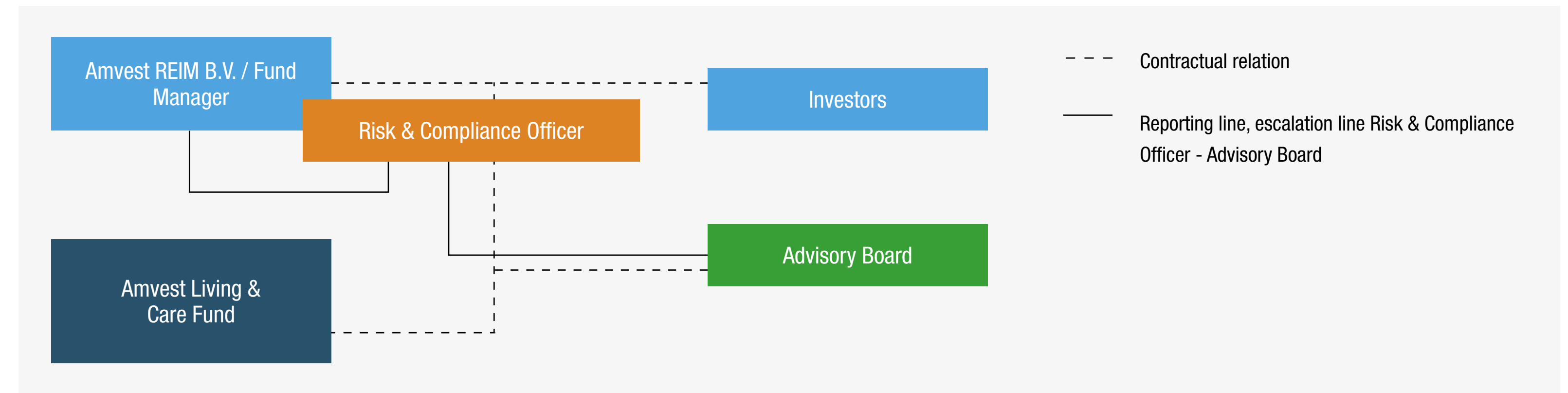
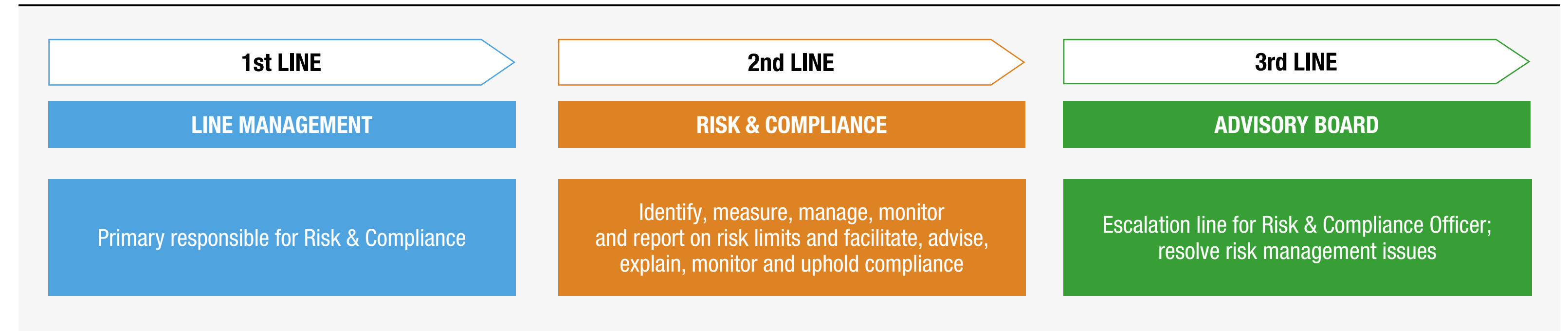
- Dutch residential area and property development activities in strong economic regions; and
- setting up and managing Dutch residential investment funds and portfolios.

With these two activities, Amvest operates across the value chain and creates and benefits from synergetic effects within this chain.

As part of this strategy, the 'Conflict of interest risk' is one of the risks that needs to be mitigated. In part, this risk is mitigated by the structure and governance of the AL&C Fund and the oversight role from the auditor, the depositary and the AFM.

1) Due to the size of the Amvest organisation, the auditor acts as independent third line with a limited role (financial statements and ISAE assurance). The auditor is not part of the Amvest organisation.

6. THREE LINES OF DEFENCE AL&C FUND



THREE LINES OF DEFENCE

The functional and hierarchical separation of the risk management function from the portfolio management function safeguards against conflicts of interest and forms the basis of a solid risk management system.

Amvest group is committed to a dedicated culture of risk management in combination with using a 'three lines of defence model':

- The first line of defence: line management (financial and portfolio management).

- The second line of defence: risk management (RCO; independent of line management).
- The third line of defence¹⁾: Advisory Board operating in its capacity as an escalation line for the Risk & Compliance Officer. The Advisory Board acts independently of line and risk management and is not part of the Amvest organisation.

The three lines of defence model within the Amvest organisation is visualised in graph 6.

RISK AND ASSURANCE

The Fund Manager is structured with an affiliated Fund Services Provider (Amvest Management B.V.), which employs all employees of Amvest group and provides relevant management services. An ISAE 3402 Type II framework is in place which supports a consistent, high-quality level of services by the Fund Services Provider to the Fund Manager.

Relevant processes carried out by the Fund Services Provider under the responsibility of the Fund Manager are described at an operational level and control objectives and controls as part of these processes are defined. These controls are assessed periodically, and the external auditor is appointed to provide assurance on the ISAE 3402 Type II report.

The ISAE process and control framework are evaluated on an annual basis. Fund Management undertakes a review in close consultation with the fund team, the RCO, the Fund Services Provider and the external auditor of the AL&C Fund. The external auditor has been appointed to provide assurance on the ISAE 3402 report. For 2020 (1 January 2020 - 30 November 2020) an unqualified ISAE 3402 type II report was issued by the external auditor.

RISK MANAGEMENT FRAMEWORK

The AL&C Fund has a Risk Management Framework with nine defined risks in place.

The Risk Management Framework is used to identify, measure, manage and monitor risks appropriately, and sets the risk limits and risk appetite for these risks. It also describes reporting lines to all relevant stakeholders.

The 'identify, measure, manage and monitor' cycle ensures that the risk profile disclosed to the Investors is made transparent according to the risk limits set.

IDENTIFIED RISKS OF THE AL&C FUND

- Rental risk:** the risk that a property cannot be rented out (again) within the envisaged period against the targeted rental price. In particular, with regard to the limited amount of care service providers (i.e. tenants) and the possibly challenging process of finding a (new) care provider for a care service home. The risk that the AL&C Fund is too dependent on one or more counterparties, care service providers in particular.
- Portfolio risk:** the risk that operational results and execution of the portfolio policy is not in line with the portfolio plan. Critical variables, impacting the results:
 - rising land and construction prices may lead to declining yields;
 - local authorities may become less positive regarding the care service concepts of the AL&C Fund due to lobbying by competitors/ current care providers;
 - delays in the realisation of the acquisition pipeline may arise
- Strategic risk:** the risk that developments outside of the AL&C Fund, including economic, political and demographic developments and disasters, force changes in the strategic objectives of the AL&C Fund and adjustments in the target portfolio. The most significant strategic risks for the AL&C Fund are:
 - care-related regulation is increasing rapidly and care related subsidies are under a downward pressure;
 - the competition amongst care service homes is increasing due to new entrants in the market;
 - the risk of the potential target group for the AL&C Fund decreasing due to innovation and the development of a cure for dementia.
- Counterparty risk:** the risk that a counterparty fails to fulfil contractual obligations and/or harms the reputation of the AL&C Fund. The main counterparties for the AL&C Fund are tenants (care service providers), Investors, property developers and appraisers.
- Liquidity risk:** the risk that liquidity shortages occur due to the lack of co-ordination (by timing and amount) of cash inflows and outflows in managing the AL&C Fund.
- Performance risk:** the risk that the targeted return and cash proceeds of the AL&C Fund are not achieved.

- Valuation risk:** the risk that the value of the real estate portfolio in the financial reports of the AL&C Fund does not represent the fair value and / or is not in line with the IFRS accounting principles.
- Operational risk:** the risk that daily management and business operations (sales and acquisitions, technical, administrative) are not performed in accordance with Fund documents, management agreements, budgets, contracts and the RoFR Agreement. Operational risk is identified at three levels in the organisation:
 - inadequate operational management by the Fund Manager;
 - acquisition of new care properties;
 - daily management and business operation of the care service providers.
- Conflict of interest risk:** the risk that the AL&C Fund or AL&C Fund structure is inadequately (in the perception of Investors) equipped (governance, checks and balances) to operate in the event of conflicts of interest and / or the risk that a conflict of interest occurs due to inadequate governance, checks and balances.

EVALUATION 2020

The Risk Management Framework is a dynamic framework. The Fund Manager will assess, monitor and review the risk management function, policy, framework and its risk appetite and limits at a minimum on an annual basis and report on these matters to the Advisory Board and Investors in the AL&C Fund. If necessary, the Fund Manager will adjust previously described risk items in close consultation with the AL&C Fund's stakeholders.

In 2020 the risk indicators and risk limits set by the Fund Manager for the defined risk categories were closely monitored.

As a result of the COVID-19 outbreak and its possible negative impact on the AL&C Fund's business and strategy execution, more frequent (event-driven) risk reviews and scenario analyses were undertaken.

The majority of financial and operational risks increased at the start of the pandemic and gradually declined during the remainder of the year

as the effects of the pandemic on the AL&C Fund's performance have been limited or were actively mitigated. Consequently, none of the risk limits set by the Fund Manager for the defined risk categories were exceeded.

FINDINGS

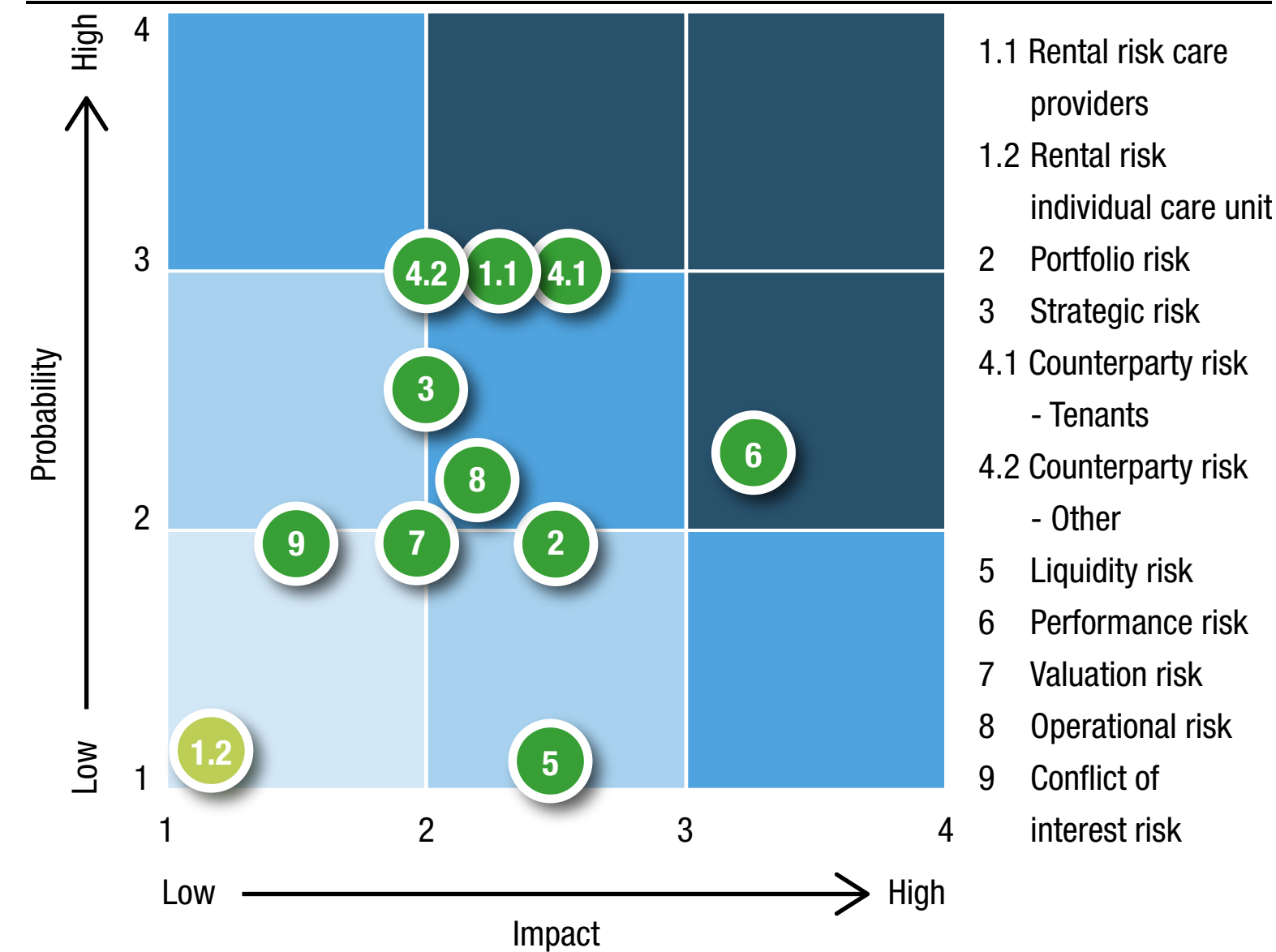
In 2020, risk limits as set by the Fund Manager were not exceeded. No material changes to the liquidity management systems and procedures occurred and stress testing on liquidity showed no breaches in relation to the distribution policy as described in the Terms and Conditions and the Portfolio Plan. Various scenarios on funding, cash and liquidity were calculated and monitored.

Uncalled commitments (EUR 227.7 million) combined with the cash position (EUR 11.9 million) create a solid funding position for the AL&C Fund.

IMPACT/PROBABILITY 'HEAT MAP'

The graph below plots the adjusted risk categories on an impact/probability axis.

19. PLOTTED RISKS, (IMPACT/PROBABILITY)



LIQUIDITY MANAGEMENT

Liquidity management is an important element of risk management. The Fund Manager uses several tools for monitoring its cash flows. Most important is the liquidity forecast, which forecasts all real estate and fund-related cash flows. In addition, the Fund Manager employs several control measures to prevent liquidity shortages and takes corrective actions if there is a liquidity shortage or if a liquidity shortage could arise in the near future, as indicated by stress test results.

As at 31 December 2020, the balance of cash and cash equivalents, receivables and payables amounts to EUR 8.3 million (positive). On top of this, the AL&C Fund has undrawn capital commitments from Investors amounting to EUR 228 million and no redemption requests pending. In conclusion, there is no need for additional external funding in the short term. However, due to the size of the pipeline and investment opportunities, liquidity needs from 2022 onwards are being closely monitored.

COMPLIANCE

COMPLIANCE PROGRAM

The corporate Compliance Program forms the structured basis for all relevant compliance related themes. This program consists of a Compliance Charter, an annual Compliance Plan and a Compliance Manual with all policies and procedures.

The Compliance Program provides insight into the activities that Amvest carries out to comply with legislation and regulations and has an informative role for everyone involved. This includes not only employees but also shareholders, investors, regulators, auditors and other stakeholders.

The Risk & Compliance Officer ('RCO'), as the internal supervisor of compliance with compliance regulations, is responsible for the execution of the Compliance Program.

INTEGRITY, CUSTOMER DUE DILIGENCE

Integrity and customer due diligence are key elements of Amvest's Compliance Program. In 2020, the Customer Due Diligence Policy and Anti Money Laundering Policy were updated, following the relevant adjustments in the Anti-Money Laundering and Counter-Terrorist Financing Act (Wwft).

Amvest maintains an internal complaints procedure as well as a confidant and an incident reporting system that is reviewed by the external auditor.

Integrity is a recurring agenda item at the Management Board and Supervisory Board meetings of Amvest.

At the AL&C Fund level, the RCO regularly attends the management team meetings with a minimum of one meeting per quarter.

The Fund Manager maintains a transaction register which is compliant with both the IVBN and NEPROM guidelines. The register is used to document the AL&C Fund's property transactions in a transparent manner. All business-to-business property transactions are monitored and documented so that they can be checked for correctness, legality, and integrity.

CODE OF CONDUCT

In 2020, all employees of Amvest were asked to sign the internal Amvest Code of Conduct. The Code of Conduct forms an inseparable part of the employment contract. An annual recurring moment creates integrity awareness and gives the opportunity to adjust the code when necessary.

The Code of Conduct is available on the Amvest website. Active compliance with the Code of Conduct concerns all Amvest employees and the Management Board.

The RCO acts as the central point of contact for all integrity related issues. All required information shall be made available to the RCO. If deemed necessary, the RCO will make use of the expertise of professional external advisors.

In 2020, there were no noteworthy incidents in relation to integrity. Amvest believes that the measures implemented as part of its corporate integrity policy have been effective.

In addition to the Amvest Code of Conduct, Amvest as a member of IVBN and the NEPROM complies with the codes of conduct applicable to members of these associations.

'WWFT/SW'

In 2020, as in 2019, the identified staff of the AL&C Fund and all other employees involved with transactions, Investors and other relevant business relations attended the annual training course on the provisions of the Anti-Money Laundering and Counter-Terrorist Financing Act ('Wwft')) and the Dutch Sanctions Act ('Sw'). It is important for client-related employees to be aware of related risks and the latest adjustments.

AIFMD AND DEPOSITARY

The AL&C Fund (the AIF) and its Fund Manager (Amvest REIM B.V., the AIFM) are fully within the scope of the AIFM Directive. The Fund Manager obtained its AIFM licence on 26 November 2014. Besides the AL&C Fund, the Fund Manager also manages the Amvest Residential Core Fund and De Utrechtse Fondsen Vastgoed C.V.

The Fund Manager has appointed Intertrust Depositary Services B.V. to act as depositary for the AL&C Fund and has entered into a depositary services agreement with the depositary for the benefit of the AL&C Fund and its Investors in accordance with article 4:37f AFS. The depositary is responsible for the supervision of certain aspects of the Fund's business in accordance with applicable law and the depositary services agreement.

On 23 December 2016, Amvest REIM B.V. as AIFM filed a request to register the AL&C Fund as an AIF under the licence of Amvest REIM B.V. This was approved by the Dutch Financial Markets Authority (AFM) on 23 January 2017.

PROFESSIONAL LIABILITY (ARTICLE 9(7) AIFMD)

To cover potential professional liability risks resulting from activities carried out by the Fund Manager, AIFMD provides the Fund Manager with two options:

1. hold additional funds which are appropriate in relation to the potential risks arising from professional negligence; or
2. carry a professional indemnity insurance against liabilities related to professional negligence, which is appropriate in relation to the potential risks.

The Fund Manager selected the first option when setting up the AL&C Fund. The amount of the additional funds is calculated in accordance with criteria set out in the AIFM Directive and discussed with the Dutch Central Bank (DNB).

At the close of every quarter, the Fund Manager recalculates the value of the portfolio (one of the AIFMD criteria) to determine if significant increases have occurred. If this is the case, the Fund Manager recalculates the additional own funds required without undue delay and adjusts the additional own funds accordingly. The Fund Manager ensures that the additional own funds are held in cash on the balance sheet of the Fund Manager.

LEVERAGE: GROSS AND COMMITMENT METHOD (ARTICLE 109(3) LEVEL II)

For the purpose of AIFMD (report to competent authorities), the leverage of the Fund is expressed as the ratio between the exposure of the Fund and its NAV. The Fund Manager calculates the exposure of the funds managed in accordance with the gross method and the commitment method. AIFMD stipulates a limit of three for the leverage.

Leverage - gross method: (total of assets + notional contract value derivatives -/- cash) / (INREV NAV).

Leverage - gross AL&C Fund:
 $(327,321 + 0 -/- 11,939) / 321,900 = 0.98$.

Leverage - commitment method: (total of assets) / (INREV NAV).

Leverage - commitment AL&C Fund: $327,321 / 321,900 = 1.02$.

DUTCH LAW

The AIFMD requires investment funds to prepare an annual report including fund manager's report according to Dutch law. Certain requirements included in the law should be disclosed in the fund manager's report. The AL&C Fund complies with these requirements. Requirements that are not applicable due to the nature and structure of the AL&C Fund are:

- disclosure on research and development (art 391.2 BW2) is not applicable due to nature of the Fund;
- disclosure on personnel developments (art 391.2 BW2) is not applicable as the Fund has no employees;
- disclosure on funding (art 391.2 BW2) is not applicable as the Fund does not bear external funding.

INREV

Since 2002, the European Association for Investors in Non-listed Real Estate Vehicles (INREV) has published various guidelines and recommendations that were incorporated into a set of standard INREV Guidelines (last major revision in 2014 with subsequent updates of modules). The ARC Fund follows these guidelines for all financial ratios, such as NAV, TER and REER (reference is made to the key figures).

As for property valuations, the appraisal process of the AL&C Fund is fully compliant with the INREV Guidelines and undertaken by external appraisers.

SUSTAINABLE FINANCE DISCLOSURE REGULATION

The European Union has set in motion a legislative programme regarding environmental, social and governance (ESG) for the financial services industry. Part of this package is the Sustainable Finance Disclosure Regulation (or 'SFDR'). The SFDR consists of two levels. The first level concerns high level disclosures on sustainability and has come into effect as of 10 March 2021. The second level concerns regulatory

technical standards ('RTS') which underpin the SFDR and demand more detail in disclosure. As it stands, the RTS will come into effect per January 2022.

One of the consequences of the SFDR coming into effect is that Amvest REIM B.V., as fund manager of alternative investment funds is required to disclose sustainability information to its (potential) investors and funds under its management should be classified ('grey'/'light green'/'dark green'). Although the RTS are still lacking clarity, based on our current knowledge, AL&C Fund has been classified as a 'light green' (article 8) fund. An article 8 fund promotes environmental or social characteristics and incorporates ESG themes in its strategy, acquisition and investment decision process and operations.

Amsterdam, the Netherlands, 22 April 2021

Wim Wensing, Fund Director and Portfolio Manager
 Niclas von der Thüsen, Director Finance and Risk
 Susan van de Koppel-Nagelmaeker, Portfolio Manager

ANNEXES



DAGELIJKS LEVEN, Nootdorp

KPIs FOR THE PURPOSE OF NON-FINANCIAL DATA IN THE DIRECTORS REPORT

RESIDENT SATISFACTION

Objective	Determine resident satisfaction
KPI owner	Amvest
Definition	The resident satisfaction score is the average score on the aspect 'accommodation' of all the rated locations of the AL&C Fund that are in operation. The score per location is the average score of the residents by filling out the questionnaire on the Patiëntenfederatie Nederland website on a scale from 0 to 10
Scale / unity	Absolute score on a scale from 0 (minimum) to 10 (maximum)
Calculation	The average score is calculated by means of the average per location of all individual scores on the aspect 'accommodation' who participated the questionnaire on the Patiëntenfederatie Nederland website per location divided by the number of locations in operation by the AL&C Fund.
Target	To achieve a score of 8.0 on average on the topic 'accommodation'
Scope	All residents from the AL&C Fund who participated the questionnaire relating to resident satisfaction on the website www.zorgkaartnederland.nl which is owned by Patiëntenfederatie Nederland
Frequency	Once a year
Reporting process	<ul style="list-style-type: none">• The resident fills out a score on a total of five components on the website www.zorgkaartnederland.nl and if relevant clarification• The Patiëntenfederatie Nederland checks a number of responses• The Patientenfederatie Nederland delivers a report with the average score per location including the number of responses to the AL&C Fund about the scores on the aspect 'accommodation' per location. The scores in the report go back four years.
Systems and sources	Website www.zorgkaartnederland.nl Tailor made report
Audit process	The resident satisfaction score is measured completely independently by Patiëntenfederatie Nederland. For the AL&C Fund there is no possibility to check this score.
Result 2020	Resident satisfaction: 9.1, aspect 'accommodation': 9.4

GRESB SCORE

Objective	Achieve a GRESB score
KPI owner	Global Real Estate Sustainability Benchmark
Definition	The GRESB score is an overall measure of ESG performance, represented as the number of stars.
Scale / unity	Number of stars from 1 (minimum) to 5 (maximum)
Calculation	The GRESB score is calculated by the GRESB organization based on the answers provided by the participant in a survey. For each question a maximum number of points is possible to be achieved. The number of stars are awarded based on the relative score in comparison with the other participants.
Target	To achieve the maximum 5 stars
Scope	The complete AL&C Fund
Frequency	Once a year
Reporting process	<ul style="list-style-type: none">• The survey is filled in by the AL&C Fund with the burden of proof and argumentation for the answers given• The GRESB organization checks the answers, the burden of proof and the argumentation and determines the score per question• The GRESB organization reports to the AL&C Fund the score of the Fund, how it is structured and how it scores in relation to the peer group
Systems and sources	Survey tool
Audit process	The GRESB organisation checks the answers, the burden of proof and the argumentation according to its (high) standards and can visit the Fund for a further check.
Result 2020	GRESB score: 5 stars (91/100) and achieved the additional titles 'Healthcare Global Sector Leader' and 'Healthcare Global Non-listed Sector Leader'

ENERGY USE INTENSITY (EUI)

Objective	Measure the energy consumption of the objects in the AL&C Fund portfolio	
KPI owner	Cushman & Wakefield / Amvest	
Definition	The total energy consumption in kWh per m² per year of all objects in the portfolio that have been in operation for the entire calendar year. The sum of the amount of electricity (in kWh) and gas (in m³) and district heat (in GJ) which is converted to kWh.	
Scale / unity	kWh / m² / year	
Calculation	Electricity:	<ul style="list-style-type: none">• Three connections are monitored for each building: supply from the grid operator, electricity generated by the solar panels (if applicable) and electricity supplied to the grid (if applicable)• Net consumption = supply grid operator + (generated electricity PV panels - / - electricity supplied back to grid)
	Gas:	<ul style="list-style-type: none">• Gas consumption in m³ is converted into kWh (factor 1 m³ = 9.769 kWh)• The total energy usage per building is divided by the total Gross Floor Area in m²
Target	Have all AL&C Fund buildings meet the energy use intensity requirement in accordance with the BENG for care homes in 2030	
Scope	All buildings in the AL&C Fund, from the date of completion (100% data coverage). The buildings that are not in use for a full calendar year fall outside the scope as this may distort the data due to seasonal effects.	
Frequency	Once a year	
Reporting process	<ul style="list-style-type: none">• Before the completion of a new building, all connections are put in the systems Eview (for new buildings, meters are delivered directly 'smart' (readable remotely)) or Meetdata.nl• From the date of completion, gas and electricity consumption are measured per 15 minutes on the basis of smart meters (automatically read, implemented by INNAX or Kenter)• In the first quarter after the relevant calendar year, an overview is drawn up of all buildings that have been in operation for the entire calendar year and the EUI	
Systems and sources	Eview (managed by INNAX, AL&C Fund has access), Kenter (for large business connection, this is linked to Eview via an API), CWING (managed by C&W, AL&C Fund has access) Excel for renewable energy. The data is retrieved from the solar panel inverter	
Audit process	<ul style="list-style-type: none">• It is checked on a monthly basis whether data from all complexes comes in• Data trends are analyzed annually (smallest and largest consumer based on gas / electricity consumption per m²)• Data report is created by C&W	
Result 2020	Average Energy Use Intensity 2020: 126.1 kWh / m² / year	

CARBON EMISSIONS

Objective	Measure carbon emissions from the AL&C Fund	
KPI owner	Amvest	
Definition	The total CO ₂ emissions in tonnes of the buildings of the AL&C Fund	
Scale / unity	# kg CO ₂ / m ² / year	
Calculation	Electricity:	<ul style="list-style-type: none"> The amount of electricity in kWh per building is made clear via Eview (see KPI Energy Use Intensity) The buildings for which 100% green electricity is purchased are taken from the total consumption in kWh The total amount of kWh of 'gray' electricity is converted to kg of CO₂ in accordance with the emission factors of www.emissiefactoren.nl. <p>2019: 1 kWh = 0.649 kg of CO₂</p> <p>2020: 1 kWh = 0.556 kg of CO₂</p>
	Gas:	<ul style="list-style-type: none"> The amount of gas in m³ per building is made clear via Eview (see KPI Energy Use Intensity) The buildings for which 100% green gas is purchased are taken from the total consumption in m³ The total amount of m³ natural gas is converted to kg CO₂ in accordance with the emission factors of www.co2emissiefactoren.nl. <p>2019: 1 m³ natural gas = 1.89 kg CO₂</p> <p>2020: 1 m³ natural gas = 1.88 kg CO₂</p>
Target	In 2050 the buildings of the AL&C Fund must be completely carbon neutral	
Scope	All buildings in the AL&C Fund, from the date of completion (100% data coverage)	
Frequency	Once a year	
Reporting process	<ul style="list-style-type: none"> The energy consumption is compiled based on the data as described in the KPI Energy Use Intensity Subsequently, the tenants are asked which energy contracts have been concluded for gas and electricity The total CO₂ emissions are determined based on energy consumption and contract types 	
Systems and sources	The systems used for the energy usage form the source	
Audit process	<ul style="list-style-type: none"> The data for the consumption is already checked by C&W by their system CWING The conversion factors are checked on the website of www.co2emissiefactoren.nl The calculation in Excel is checked using the four-eyes principle (Asset Manager and Portfolio Manager AL&C Fund)' 	
Result 2020	Average carbon emission 2020: 21.3 kg of CO ₂ / m ² / year.	

FIRE SAFETY

Objective	Measure fire safety of the buildings
KPI owner	Amvest
Definition	Certified fire alarm systems
Scale / unity	Percentage of portfolio (0 - 100%)
Calculation	The number of buildings that have a valid fire alarm certificate of the total number of buildings in explotation by AL&C Fund
Target	All AL&C Fund buildings have a certified fire alarm system
Scope	All buildings in the AL&C Fund, from the date of completion
Frequency	Once a year
Reporting process	The tenants of the AL&C Fund have to deliver a valid certificate of the fire alarm system. These certificates are upload in a management system of Amvest
Systems and sources	Tenants
Audit process	The uploaded certificates are checked by the technical manager of AL&C Fund by visiting the building and verifying the existence of the original certificate
Result 2020	98.55% (68 buildings) valid certificates and 1.45% (1 building) postponed inspection due to COVID-19, expected certificate in April 2021

QUALITY OF CARE

Objective	No location under increased supervision of the Healthcare Inspectorate (Inspectie voor de Gezondheidszorg en Jeugd, IGJ)
KPI owner	Amvest
Definition	The number of locations that are under increased supervision of the IGJ
Scale / unity	Number of locations in the portfolio
Calculation	The number of buildings that are under increased supervision
Target	Zero locations under increased supervision
Scope	All buildings in the AL&C Fund, from the date of completion
Frequency	Constant
Reporting process	The website of the IGJ is checked on a regular basis and the care providers are asked. The IGJ publishes all reports about increased supervision.
Systems and sources	Inspectie Gezondheidszorg en Jeugd
Audit process	www.igj.nl
Result 2020	No locations under increased supervision

HIGH-QUALITY AND AFFORDABLE HEALTHCARE REAL ESTATE

Objective	Invest in affordable healthcare real estate for a broad target group
KPI owner	Amvest
Definition	Percentage of Portfolio that is invested in healthcare real estate which is affordable for people with a low and middle class budget
Scale / unity	Percentage of portfolio (0 - 100%)
Calculation	The number of buildings that provide care to people with a low and middle class budget
Target	Maximum of 20% of the portfolio that provide care which is only affordable for people with a high budget
Scope	All buildings in the AL&C Fund, from the date of completion
Frequency	Once a year
Reporting process	The number of locations that provide care which is affordable for people with a low or middle class budget is divided by the total number of locations in the Fund portfolio
Systems and sources	Contractual terms with tenants
Audit process	Amvest financial systems
Result 2020	91% of the portfolio is affordable for people with a low or middle class budget

GENERATED ECONOMIC VALUE

Objective	Create a stable dividend yield for the funds investors
KPI owner	Amvest
Definition	The realised dividend yield of the AL&C Fund per calender year
Scale / unity	Absolute percentage
Calculation	The dividend of a calender year that is reserved for payment to the investors of the AL&C Fund as percentage of the NAV per 1/1
Target	Stable dividend yield of 4.5%
Scope	The dividend yield of the AL&C Fund
Frequency	Once a year
Reporting process	The financial staff of the fund calculates the yearly dividend yield and reports about it in the annual report
Systems and sources	Amvest financial systems
Audit process	Financial process of Amvest
Result 2020	4.7%

RESUMES OF THE MANAGEMENT TEAM



WIM WENSING
(Fund Director)

- Erasmus University Rotterdam, Business Economics
- University of Amsterdam, Master of Science in Real Estate
- Real Estate Manager, Housing Association (1995-1997)
- Account Manager, Meeùs Property Management (1997-2000)
- (Senior) Asset Manager, ING Real Estate Investment Management (2000-2004)
- Managing Director, ING Real Estate Investment Management (2004-2011)
- Director Investment Management, Amvest (since September 2011)
- Fund Director; Board member Fund Manager (Amvest REIM B.V.) (since September 2011)

Ancillary positions

- Board member Stivad (2011-2016)
- Board member Stichting ROZ Vastgoedindex (2017-2019)
- Member Royal Institution of Chartered Surveyors



NICLAS VON DER THÜSEN
(Director Finance and Risk)

- Hotelschool Den Haag, Financial Management and Strategic Management
- Vrije Universiteit Amsterdam, Postgraduate Treasury Management/ (RT)
- UvA Amsterdam, Postgraduate Register Controller/ (EMFC RC)
- Consultant Real Estate, Arthur Andersen (1997-1999)
- Associate Investment Services, Jones Lang LaSalle (1999-2001)
- Associate Director / Vice President, NIBC Bank (2001-2008)
- Manager Capital Markets, Multi Corporation B.V. (2008-2012)
- Treasurer, Vesteda (2012-2016)
- Manager Finance and Control, Vesteda (2016-2018)
- Director Finance and Risk; Board member Fund Manager (Amvest REIM B.V.) (since October 2018)



SUSAN VAN DE KOPPEL-NAGELMAEKER
(Portfolio Manager)

- Rijksuniversiteit of Groningen, Master of Science in Real Estate
- Amsterdam School of Real Estate, (postgraduate) Master of Real Estate
- Projectadviser zorgvastgoed, Syntrus Achmea Real Estate & Finance (2008-2009)
- Assetmanager healthcare and residential real estate, Syntrus Achmea Real Estate & Finance (2009-2015)
- Acquisition manager healthcare and residential real estate, Syntrus Achmea Real Estate & Finance (2015-2020)
- Senior consultant healthcare, CBRE (2020)
- Portfolio Manager, Amvest (since August 2020)

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