ANNUAL REPORT 2020

CBRE GLOBAL INVESTORS OPEN-ENDED FUNDS S.C.A. SICAV-SIF PAN EUROPEAN CORE FUND

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ANNUAL REPORT 2020

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Independent auditor's report

To the Shareholders of
CBRE Global Investors Open-Ended Funds S.C.A. SICAV-SIF
4 rue du Fort Wallis
L-2714 Luxembourg

Opinion

We have audited the consolidated financial statements of CBRE Global Investors Open-Ended Funds S.C.A. SICAV-SIF (the "Fund"), which comprise the consolidated statement of financial position as at 31 December 2020, and the consolidated comprehensive income statement, the consolidated statement of changes in net assets attributable to holders of redeemable shares and the consolidated cash flow statement for the year then ended, and the notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements give a true and fair view of the consolidated financial position of the Fund as at 31 December 2020, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union.

Basis for Opinion

We conducted our audit in accordance with the Law of 23 July 2016 on the audit profession (the "Law of 23 July 2016") and with International Standards on Auditing ("ISAs") as adopted for Luxembourg by the "Commission de Surveillance du Secteur Financier" ("CSSF"). Our responsibilities under the Law of 23 July 2016 and ISAs as adopted for Luxembourg by the CSSF are further described in the "responsibilities of the "réviseur d'entreprises agréé" for the audit of the consolidated financial statements" section of our report. We are also independent of the Fund in accordance with the International Code of Ethics for Professional Accountants, including International Independence Standards, issued by the International Ethics Standards Board for Accountants ("IESBA Code") as adopted for Luxembourg by the CSSF together with the ethical requirements that are relevant to our audit of the consolidated financial statements, and have fulfilled our other ethical responsibilities under those ethical requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

The Board of Managers of the General Partner of the Fund is responsible for the other information. The other information comprises the information included in the annual report but does not include the consolidated financial statements and our report of the "réviseur d'entreprises agréé" thereon.

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Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report this fact. We have nothing to report in this regard.

Responsibilities of the Board of Managers of the General Partner of the Fund for the consolidated financial statements

The Board of Managers of the General Partner of the Fund is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with IFRS as adopted by the European Union, and for such internal control as the Board of Managers of the General Partner of the Fund determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Board of Managers of the General Partner of the Fund is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Managers of the General Partner of the Fund either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

Responsibilities of the "réviseur d'entreprises agréé" for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a report of the "réviseur d'entreprises agréé" that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF will always detect a material misstatement when it exists. 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 consolidated financial statements.

As part of an audit in accordance with the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain 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.

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- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Managers of the General Partner of the Fund.
- Conclude on the appropriateness of the Board of Managers of the General Partner of the Fund's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report of the "réviseur d'entreprises agréé" to the related disclosures in the consolidated 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 report of the "réviseur d'entreprises agréé". However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities and business activities within the Fund to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Fund audit. We remain solely responsible for our audit opinion.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate to them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Ernst & Young
Société anonyme
Cabinet de révision agréé

René Ensch

Luxembourg, 10 March 2021

CONSOLIDATED FINANCIAL STATEMENTS IN ACCORDANCE WITH IFRS

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(Amounts in € '000, unless otherwise indicated)

	Notes	31 December 2020	31 December 2019
ASSETS			
Non-current assets			
Investment properties	1	5,127,933	4,749,473
Deferred tax assets	23	24,553	19,820
Other non-current assets	2	2,376	3,933
Total non-current assets		5,154,862	4,773,226
Current assets			
Accounts receivable from tenants and property managers	4	25,404	17,267
Prepayments and accrued income	5	10,114	9,713
Derivatives	6	-	430
Other receivables	7	34,151	24,871
Cash and cash equivalents		144,607	147,989
Total current assets		214,276	200,270
Assets held for sale	3	-	252,566
TOTAL ASSETS		5,369,138	5,226,062
LIABILITIES			
Non-current liabilities			
Provisions		12,320	11,626
Debt from credit institutions	9	525,929	679,175
Debt from associated companies	10	-	10,813
Deferred tax liability	23	108,180	96,226
Other non-current liabilities	11	34,137	47,430
Total non-current liabilities		680,566	845,270
Current liabilities			
Debt from credit institutions	9	275,319	155,621
Derivatives	6	824	2,095
Accounts payable		8,217	8,442
Accrued expenses and deferred income	12	52,493	51,296
Other current liabilities	13	37,813	34,283
Total current liabilities		374,666	251,737
Liabilities excluding net assets attributable to holders of redeemable shares		1,055,232	1,097,007
Attributable to non-controlling interests		-	(750)
Net assets attributable to holders of redeemable shares		4,313,906	4,129,805
TOTAL LIABILITIES		5,369,138	5,226,062

Notes 1-13, 23 see pages 145-151, 154.
The accompanying notes form an integral part of the consolidated financial statements.

CONSOLIDATED COMPREHENSIVE INCOME STATEMENT

(Amounts in € '000, unless otherwise indicated)

	Notes	2020	2019
Gross rental revenue	15	196,037	189,132
Recovered property costs charged to tenants	15	39,468	40,517
Other income	15	1,355	2,946
Total operating income		236,860	232,595
Operating costs	16	(38,582)	(22,439)
Recoverable property costs	15	(39,468)	(40,517)
Total operating expenses		(78,050)	(62,956)
NET RENTAL REVENUE		158,810	169,639
Professional services	17	(18,017)	(12,646)
Management expenses	18	(35,305)	(33,913)
Other expenses		(552)	(973)
Fund expenses		(53,874)	(47,532)
Changes in fair value of investment properties	1	(35,953)	260,647
Result on sales	21	9,671	(2,151)
Other (un)realised gains and losses		1,095	15
Result on foreign investments	22	(33,012)	(2,688)
Net gains/(losses) on investment property		(58,199)	255,823
OPERATIONAL RESULT		46,737	377,930
Finance income	19	327	141
Finance expense	20	(17,829)	(17,569)
Finance result		(17,502)	(17,428)
NET RESULT BEFORE TAX AND DISTRIBUTIONS TO HOLDERS OF REDEEMABLE SHARES		29,235	360,502
Corporate income tax	23	(23,597)	(47,513)
NET RESULT BEFORE DISTRIBUTIONS TO HOLDERS OF REDEEMABLE SHARES		5,638	312,989
Distribution to holders of redeemable shares		(98,510)	(100,450)
NET RESULT		(92,872)	212,539
Other comprehensive income that may be reclassified to profit or loss in subsequent periods:			
Changes in fair value of net investment hedge	14	842	(2,498)
Realised cash flows from foreign exchange hedge	14	9,427	(7,489)
Effect of foreign exchange rate differences	14	(572)	29,619
Realised gains/(losses) from foreign exchange hedge	14	(4,250)	(1,876)
OTHER COMPREHENSIVE INCOME		5,447	17,756
TOTAL CONSOLIDATED COMPREHENSIVE INCOME		(87,425)	230,295
Net result before distributions to holders of redeemable shares attributable to:			
Shareholders		5,638	313,161
Non-controlling interest		-	(172)
Basic and diluted net result per share (in €)		0.002	0.103
Number of shares (entitled to profit)	8	3,234,166,230	3,033,363,260
Consolidated comprehensive income attributable to:			
Shareholders		(87,425)	230,467
Non-controlling interest		-	(172)

Notes 1, 15-23 see pages 145, 152-154. The accompanying notes form an integral part of the consolidated financial statements.

CONSOLIDATED NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES[1)]

(Amounts in €, unless otherwise indicated)

	31 December 2020	31 December 2019	31 December 2018
Net assets value			
Share class A+	**279,210,717.62**	281,725,409.29	258,078,102.35
Share class A	**1,323,144,925.36**	1,316,511,814.55	1,216,796,150.30
Share class B	**1,773,625,447.53**	1,792,842,704.87	1,634,802,453.88
Share class C	**423,787,949.49**	302,521,916.26	271,882,782.17
Share class XP_A+	**-**	-	-
Share class XP_A	**106,418,740.35**	106,774,353.48	98,036,131.38
Share class XP_B	**365,293,827.68**	296,630,808.49	187,438,849.15
Share class XP_C	**42,424,171.30**	32,798,111.45	44,753,641.24
Share class I	**1.34**	1.36	1.29
Management share class	**1.34**	1.36	1.29
Total	**4,313,905,782.01**	4,129,805,121.13	3,711,788,113.05
Number of shares			
Share class A+	**209,213,148.5764**	206,801,710.3135	201,109,243.4832
Share class A	**991,664,117.0243**	966,644,078.2554	948,435,336.0830
Share class B	**1,329,982,544.0082**	1,317,064,463.1100	1,274,996,058.0353
Share class C	**317,809,247.1551**	222,354,051.4098	212,104,235.3758
Share class XP_A+	**-**	-	-
Share class XP_A	**79,781,794.4058**	78,418,398.9181	76,430,881.5846
Share class XP_B	**273,893,967.4991**	217,967,819.9676	145,994,655.2592
Share class XP_C	**31,821,409.0981**	24,112,736.1454	34,895,231.9287
Share class I	**1.0000**	1.0000	1.0000
Management share class	**1.0000**	1.0000	1.0000
Total	**3,234,166,229.7670**	3,033,363,260.1198	2,893,965,642.7498
Net asset value per share			
Share class A+	**1.3346**	1.3623	1.2833
Share class A	**1.3343**	1.3619	1.2830
Share class B	**1.3336**	1.3612	1.2822
Share class C	**1.3335**	1.3605	1.2818
Share class XP_A+	**-**	-	-
Share class XP_A	**1.3339**	1.3616	1.2827
Share class XP_B	**1.3337**	1.3609	1.2839
Share class XP_C	**1.3332**	1.3602	1.2825
Share class I	**1.3367**	1.3644	1.2854
Management share class	**1.3367**	1.3644	1.2854
Average net asset value per share	**1.3339**	1.3615	1.2826

The accompanying notes form an integral part of the consolidated financial statements.

1) For INREV NAV per share please refer to the INREV NAV statement.

CONSOLIDATED STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES

(Amounts in € '000, unless otherwise indicated)

	31 December 2020	31 December 2019	31 December 2018
Net assets attributable to holders of redeemable shares at the beginning of the year	**4,129,805**	3,711,788	2,340,052
Net result before distribution to holders of redeemable shares	**5,638**	313,161	146,872
Distribution to holders of redeemable shares	**(98,510)**	(100,450)	(79,565)
Other comprehensive income	**5,447**	17,756	(6,857)
Proceeds from shares issued	**306,540**	187,550	1,311,286
Disbursements from shares redeemed	**(35,014)**	-	-
Net assets attributable to holders of redeemable shares at the end of the year	4,313,906	4,129,805	3,711,788

The accompanying notes form an integral part of the consolidated financial statements.

CONSOLIDATED CASH FLOW STATEMENT

(Amounts in € '000, unless otherwise indicated)

	31 December 2020	31 December 2019
Cash flow from or used in operating activities		
Net result before tax and distributions to holders of redeemable shares	29,235	360,502
Adjustments to net operating cash flows		
Changes in fair value of investment properties	53,497	260,647)
Amortization of capitalised rent incentives	3,017	5,445
Amortization of capitalised fitting out incentives	1,315	564
Amortization of capitalised reletting expenses	967	1,968
Amortization of capitalised financing expenses	1,557	1,531
Allowance for doubtful debts	9,729	1,326
Operating cash flow before change in working capital	99,317	110,689
(Increase)/decrease in accounts receivable	(17,866)	3,350
(Increase)/decrease in prepayments and accrued income, other receivables and other assets	(9,435)	17,181
Increase/(decrease) in accounts payable	(225)	(717)
Increase/(decrease) in accruals and deferred income, other current liabilities and other liabilities	3,054	47,338
Change in working capital	(24,472)	67,152
Corporate income tax (paid)/received	(19,026)	(21,744)
NET CASH FROM OR USED IN OPERATING ACTIVITIES	55,819	156,097
Cash flow from or used in investing activities		
Investments in investment properties	(312,307)	(186,441)
Acquisition of subsidiaries, net of cash acquired	(140,425)	(19,886)
Acquisition expenses relating to investment properties	(11,528)	(8,453)
Capitalised subsequent expenditures investment properties	(35,883)	(52,566)
Capitalised incentives and expenses	(11,808)	(28,088)
Divestments of investment properties	297,015	-
NET CASH FROM OR USED IN INVESTING ACTIVITIES	(214,936)	(295,434)
Cash flow from or used in financing activities		
Issuance of shares - net/capital call/capital distribution	306,540	187,550
Reimbursement from redemption of shares	(35,014)	-
Distributions	(98,510)	(100,450)
Proceeds from debt from credit institutions	177,587	290,732
Repayment of debt from associated companies	(10,813)	-
Repayment of debt from credit institutions	(201,865)	(199,484)
Proceeds from or investments in derivatives	9,427	(7,489)
Other movements in loans/derivatives	842	(2,498)
Interest paid	(12,814)	(10,883)
Interest received	237	132
Net cash from or used in financing activities	135,617	157,610
NET MOVEMENT IN CASH AND CASH EQUIVALENTS	(23,499)	18,273
Cash and cash equivalents as at the beginning of the year	147,989	125,297
Impact of currency translations on cash	(625)	477
Impact of currency translations on financial position	20,742	3,942
Cash and cash equivalents as at the end of the year	144,607	147,989

Changes in liabilities arising from financing activities for the year ended 31 December 2020:

	Debt from credit institutions	Debt from related parties	Derivatives	Lease liabilities	Total
Balance as at the beginning of the period	834,796	10,813	1,665	23,491	870,765
Movements					
- Cash flows	(24,127)	(10,813)	9,427	-	(25,513)
- Changes in fair value	-	-	(10,268)	-	(10,268)
- Capitalised finance expenses	(151)	-	-	-	(151)
- Amortisation of finance expenses	1,557	-	-	-	1,557
- Reassessment and modification to leases	-	-	-	(3,940)	(3,940)
- Currency translation differences	(10,827)	-	-	(355)	(11,182)
Balance at the end of the period	801,248	-	824	19,196	821,268

Changes in liabilities arising from financing activities for the year ended 31 December 2019:

	Debt from credit institutions	Debt from related parties	Derivatives	Lease liabilities	Total
Balance as at the beginning of the period	732,915	10,813	(834)	19,994	762,888
Movements					
- Cash flows	93,434	-	(7,489)	-	85,945
- Changes in fair value	-	-	9,988	-	9,988
- Capitalised finance expenses	(2,186)	-	-	-	(2,186)
- Amortisation of finance expenses	1,531	-	-	-	1,531
- New leases	-	-	-	3,936	3,936
- Reassessment and modification to leases	-	-	-	(826)	(826)
- Currency translation differences	9,102	-	-	387	9,489
Balance at the end of the period	834,796	10,813	1,665	23,491	870,765

Out of the total cash and cash equivalents of EUR 144.6 million, EUR 14.1 million is tenant deposits and service charge cash, the remaining amount of EUR 130.5 million is Fund cash.

The accompanying notes form an integral part of the consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

ACCOUNTING PRINCIPLES

(Amounts in € '000, unless otherwise indicated)

GENERAL

The Fund is a partnership limited by shares (société en commandite par actions) that was established as an investment company with variable share capital (société d'investissement à capital variable) qualifying as an umbrella specialized investment fund under the law of 13 February 2007 on specialised investment funds (the "SIF Law") on 12 January 2010 and has its registered office and address at 4 rue de Fort Wallis, L-2714 Luxembourg.

The sub-fund CBRE Global Investors Open-Ended Funds S.C.A. SICAV-SIF Pan European Core Fund referred to as the "PEC Fund" or the "Fund", was formed to pursue core investments in retail, industrial, office, hotels and residential properties in Europe.

Its principal activities are to invest in and manage a portfolio of high-quality retail, industrial, office and residential properties in Europe. The intention is to deliver a total return between 8% and 10% per annum to investors net of fees, tax and performance fee payment. To achieve its investment objective, the PEC Fund will aim to deliver its returns primarily through investing in stabilised core properties which will produce long term, stable income streams.

The PEC Fund was established on 12 January 2010. CBRE Global Investors Open-Ended GP, S.à.r.l., a Luxembourg company, (the "General Partner") was established to act as the general partner of the PEC Fund. The General Partner adopted the calendar year as the financial year of the Fund. The investment advisor is CBRE Global Investors Luxembourg
S.à r.l. (the "Advisor"), a Luxembourg company and an affiliate of the General Partner. Information relating to administration, registered office and organisation of the PEC Fund are disclosed at the end of the notes to the consolidated financial statements. CBRE Global Investors affiliated companies in UK, France, Germany, Czech Republic, Poland, Belgium, Netherlands, Nordics, Spain and Italy may act as sub advisor to the Advisor.

Information pursuant to article 23 of the AIFMD or material changes thereto have been disclosed in this annual report, the placing documents and/or the amended fund documentation and presentations are provided at investor meetings.

Each of the Fund's legal entities in which the Fund participates reports statutory accounts under the local reporting standards of the country where the entity is established. For consolidation purposes, all entities are booked in CBRE Global Investors Open-Ended Funds S.C.A. SICAV-SIF in accordance with IFRS-EU.

The consolidated financial statements for the year ended 31 December 2020 have been authorised for issue in accordance with a resolution of Board of Managers of the General Partner on 10 March 2021. The Board of Managers of the General Partner will present the annual report in the annual meeting of Shareholders of the Fund and will request the approval of the consolidated financial statements.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of the consolidated financial statements of CBRE Global Investors Open-Ended Funds S.C.A. SICAV-SIF Pan European Core Fund (henceforth referred to as the "Fund") are set out below. These policies have been consistently applied to all years presented, unless otherwise stated.

BASIS OF PREPARATION

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards as adopted by the EU (IFRS-EU). The Fund's reporting currency as well as functional currency is the euro.

GOING CONCERN

The consolidated financial statements have been prepared on a going concern basis, applying a historical cost basis, except for investment properties and derivatives, that have been measured at fair value.

The outbreak of Covid-19 has a significant effect on the economic environment in which the Fund operates as detailed in the report of the General Partner on page 24. The impact of potential measures that might be (re)implemented by European governments to suppress the spread of the virus could have a significant effect on the Fund's performance and/or cashflow. However, the CBRE Global Investors Open-Ended Funds S.C.A. SICAV-SIF Pan European Core Fund has determined that they do not create a material uncertainty that casts significant doubt upon the Fund's ability to continue as a going concern. This is supported by a strong cash position (see Cash flow statement) of EUR 144.6 million and a positive operating cashflow for the year.

ADOPTION OF NEW AND REVISED STANDARDS

Standards and interpretations effective in the current period

Definition of a Business (Amendments to IFRS 3)
In October 2018, the International Accounting Standards Board (IASB) issued amendments to the definition of business in IFRS 3 Business Combinations which is intended to assist in determining whether an acquisition transaction should be accounted for as a business combination more clearly.

As the Fund did not have any business combinations during the year therefore amendments to IFRS 3 do not have a material impact on the financial position or performance of the Fund.

Covid-19 -Related Rent Concessions (Amendment to IFRS 16)

The International Accounting Standards Board (IASB) has published 'Covid-19-Related Rent Concessions (Amendment to IFRS 16)' amending the standard to provide lessees with an exemption from assessing whether a Covid-19-related rent concession is a lease modification. As the amendment is focused on the impact for lessees, the amendment does not have a material impact on the financial position or performance of the Fund.

Interest Rate Benchmark Reform (Amendments to IFRS 9, IAS 39 and IFRS 7)

In September 2019, the IASB issued Interest Rate Benchmark Reform (Amendments to IFRS 9, IAS 39 and IFRS 7). These amendments modify specific hedge accounting requirements to allow hedge accounting to continue for affected hedges during the period of uncertainty before the hedged items or hedging instruments affected by the current interest rate benchmarks are amended as a result of the on-going interest rate benchmark reforms.

As the Fund has no exposure to benchmark interest rates, the standard does not have a material impact on the financial position or performance of the Fund.

Other Standards and Interpretations effective in the current period

The following new and amended IFRS endorsed by the EU and IFRIC Interpretations are applicable for the financial statements 2020:

- Amendments to References to the Conceptual Framework in IFRS Standards
- Definition of Material (Amendments to IAS 1 and IAS 8) The Fund has assessed the impact of these amendments and found that these are either not applicable to the Fund or have no material impact on the Fund and its subsidiaries' financial position and performance.

Early adoption of standards and interpretations

Standards issued but not yet effective up to the date of issuance of the Fund's consolidated financial statements are listed below:

- IFRS 17 – Insurance Contracts including Amendments to IFRS 17, effective 1 January 2023*
- Classification of Liabilities as Current or Non-Current (Amendments to IAS 1), effective 1 January 2023*
- Reference to the Conceptual Framework (Amendments to IFRS 3), effective 1 January 2022*
- Property, Plant and Equipment — Proceeds before Intended Use (Amendments to IAS 16), effective 1 January 2022*
- Onerous Contracts — Cost of Fulfilling a Contract (Amendments to IAS 37), effective 1 January 2022*
- Annual Improvements to IFRS Standards 2018–2020, effective 1 January 2022*

(*) Not yet endorsed by the EU to date.

The Fund has not early adopted any new International Financial Reporting Standards or Interpretations. None of the standards are expected to have a material impact on the financial position or performance of the Fund.

CONSOLIDATION

The consolidated financial statements incorporate the financial statements of the Fund and entities controlled by the Fund up to 31 December, which are disclosed in Table A. Subsidiaries are all entities over which the Fund has control. The Fund controls an entity when the Fund is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Fund. They are deconsolidated from the date that control ceases.

The non-controlling interests (NCI) are stated at the minority's proportion of the fair values of the assets and liabilities recognised.

The results of subsidiaries where control is acquired or disposed of during the year are included in the consolidated comprehensive income statement from the effective date of acquisition or up to the effective date of disposal, as appropriate. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used in line with those used by other members of the Fund.

The relative part of total net assets and net income attributable to third parties is included as non-controlling interest in the consolidated statement of financial position and the consolidated statement of comprehensive income.

FOREIGN CURRENCY TRANSLATION

The reporting and functional currency of the Fund is the euro, whereas the functional currency of certain of its foreign subsidiaries is the local currency. The assets and liabilities of foreign subsidiaries are translated at the rate of exchange ruling on the statement of financial position date. The income statements of foreign subsidiaries are translated at the average exchange rate for the period. The exchange differences arising from the currency translation of foreign operations are charged or credited to other comprehensive income and recorded as a separate component of the net assets attributable to holders of redeemable shares.

Non-monetary assets and liabilities carried at fair value that are denominated in foreign currencies are translated at the rates prevailing on the date that the fair value was determined. Gains and losses arising on exchange are included in the net profit or loss for the period, except for exchange differences arising on non-monetary assets and liabilities where the changes in fair value are recognised directly to net assets attributable to holders of redeemable shares, and any exchange component of that gain and loss is also recognised directly in net assets attributable to holders of redeemable shares.

The year-end exchange rate used is (foreign currency compared to EUR 1):
British Pound (GBP) 0.893939. The average exchange rate used is GBP 0.902724 compared to EUR 1.
Norwegian Kroner (NOK) 10.481916. The average exchange rate used is NOK 10.759797 compared to EUR 1.
Swedish Kroner (SEK) 10.053519. The average exchange rate used is SEK 10.265855 compared to EUR 1.

PRINCIPLES OF VALUATION OF THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Unless otherwise stated, the assets and liabilities are stated at historical cost. If the fair value of the assets and liabilities deviates from value reported on the consolidated statement of financial position, the fair values are disclosed in the notes to the item(s) concerned.

SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

Judgements

In the process of applying the accounting policies, the General Partner has made the following judgements, which have the most significant effect on the amounts recognised in the consolidated financial statements:

The Fund may acquire subsidiaries that own real estate. At the time of acquisition, the Fund analyses whether the acquisition represents the acquisition of a business. The Fund accounts for
an acquisition as a business combination where
an integrated set of activities is acquired in addition to the property. More specifically, consideration is made of the extent to which significant processes are acquired and, in particular, the extent of ancillary services provided by the subsidiary (e.g., maintenance, cleaning, security, bookkeeping, etc.). The significance of any process is judged with reference to the guidance in IAS 40 about ancillary services. When the acquisition of subsidiaries does not represent a business, it is accounted for as an acquisition of a group of assets and liabilities. The cost of the acquisition is allocated to the assets and liabilities acquired based upon their relative fair values, and no goodwill or deferred tax is recognised.

For amounts due from loans receivable and amounts receivables from tenants and property managers carried at amortised costs, the Fund first assesses individually whether objective evidence of impairment exists. The Fund also assesses whether objective evidence for collective impairment exists. If there is objective evidence that an impairment loss has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows. The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognised in the consolidated comprehensive income statement, discounted against the original effective interest rate.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertain at the statement of financial position date that have a significant risk of causing a material adjustment to the carrying amounts of the assets and liabilities within the next financial year, are discussed in the principles of valuation of the consolidated statement of financial position below.

Fair value, in the case of investment property, is the valuation based on valuations by an independent expert taking into account the nature, location and condition of the specific asset. The valuation undertaken was based on an open market value, supported by market evidence in which assets could be exchanged between a knowledgeable willing buyer and a knowledgeable willing seller in an at arm's length transaction at the date of the valuation in accordance with the Appraisal and Valuation Manual published by the Royal Institute of Chartered Surveyors and International Valuation Standards. The valuations are based on the assumption that the properties are let and sold to third parties based on the actual letting status and are net of purchasers' costs. The portfolio is appraised based on an external desktop valuation each quarter and based on a valuation by independent expert at year-end. Valuations drawn up earlier in the year are updated if necessary to reflect the situation at year end.

In 2020, the properties in the portfolio were valued by the independent experts Jones Lang LaSalle Limited and Knight Frank.

The valuations are based on DCF analysis of each property combined – where necessary- with valuations based on market evidence. The DCFs have been adjusted to existing lease terms. This has been done in order to cover the full period of existing leases. The DCF analyses are based on calculations of the future rental revenue in accordance with the terms in existing leases, and estimations of the rental values when leases expire. The basis for the estimation of the discount rate is the nominal interest rate for 10-year government bonds. This rate should be raised with the risks that are involved with property investments.

The values stated in the valuation reports represent the objective opinion of the independent valuation experts of fair value in accordance with the definition set out above as of the date of the valuation. Amongst other things, this assumes that the properties had been properly marketed and that exchange of contracts took place on this date. However, short notice disposal price of assets might be lower than the current appraisal value. No adjustments are made to the valuation as determined by the external valuer.

TRANSACTIONS IN FOREIGN CURRENCIES REPORTED BY FUND'S SUBSIDIARIES

On each statement of financial position date, the Fund reviews the carrying amounts of its intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). The recoverable amount is the greater of net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

INVESTMENT PROPERTIES

Investment properties, which are properties held to generate long-term rental revenue and/or for capital appreciation, are initially accounted for at cost including transaction costs.

After initial recognition, investment properties are measured at fair value net of purchasers' costs, which reflects market conditions at the reporting date determined by an accredited external independent valuer. Therefore, no deduction provision for real estate transfer tax is recorded from valuation provided. An exception is for the Belgium asset, where the management expects, based on market evidence, that potential buyers of the investment property will acquire the property without paying property tax and as a result they would be willing to pay the net valuation amount without any deduction of transfer taxes. Therefore, no deduction provision for real estate transfer tax is recorded from valuation provided. Gains or losses arising from changes in the fair value of investment properties are included in the consolidated comprehensive income statement for the period in which they arise.

Investment properties are derecognised when they have either been disposed of or when the investment property is permanently withdrawn from use and no future benefit is expected from its disposal. Any gains or losses on derecognition of an investment property are recognised in the consolidated comprehensive income statement in the year of derecognition.

Investments, that have been made in existing properties since the last valuation was carried out, are capitalised at the cost value in addition to the carrying amount of the investment up to the next valuation.

INCENTIVES

Rent incentives

Straight-lined rent incentives are recognised in the consolidated statement of financial position at the moment the incentive is granted. The incentives are recognised as a reduction of gross rental revenue on a straight-line basis over the term of the lease contract. The fair value of the investment properties recognised in the consolidated statement of financial position include the net balance of the rent incentives. Accordingly, the revaluation of properties contains both the movement in value of the properties as well as the movement in straight-lined incentives during the year.

Letting fees

The Fund makes payments to agents for services in connection with negotiating lease contracts with the Funds lessees. The letting fees are capitalised within the carrying amount of the related investment property and amortised over the lease term. Accordingly, the revaluation of properties contains the movement in value of the properties as well as the movement in straight-lined incentives and letting fees during the year.

Letting fees are recognised as an increase of operating expenses on a straight-line basis over the lease term

LEASES

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at inception date: whether fulfilment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset.

The investment properties are leased out under operating leases because the Fund does not transfer all the risks and benefits of ownership of the investment property. Initial direct costs incurred in negotiating an operating lease are recognised over the lease term on the same basis as rental revenue. Contingent rents are recognised as revenue in the period in which they are earned.

FINANCIAL INSTRUMENTS

Financial assets

Financial assets are classified as financial assets at fair value through profit or loss, fair value through other comprehensive income and at amortised cost. 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.

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

Financial assets recognised in the consolidated statement of financial position as loans receivable, accounts receivable from tenants and property managers and other receivables are classified as loans and receivables. They are initially recognised at fair value (except trade receivables which are measured at their transaction price in accordance with IFRS 15) and subsequently measured at amortised cost using the effective interest method, less provision for impairment. These financial assets are held to collect contractual cashflows and consist of solely payments of principal and interest on the principal amount outstanding.

Financial assets (and liabilities) recognised in the consolidated statement of financial position as derivatives are classified as financial assets at fair value through profit or loss. Gains or losses arising from changes in fair value of derivatives are recognised in the consolidated statement of comprehensive income except when hedge accounting is applied for effective hedges.

Financial liabilities

Financial liabilities are classified as financial liabilities at fair value through profit or loss or financial liabilities at amortised cost as appropriate. The Fund determines the classification of its financial liabilities at initial recognition. At initial recognition, financial liabilities are measured at fair value, less, in the case of liabilities not at fair value through profit or loss, directly attributable transaction costs.

Financial liabilities are derecognised when the obligation under the liability is discharged, cancelled or expired.

Financial liabilities recognised in the consolidated statement of financial position as debt from credit institutions and debt from related parties are classified as loans. They are initially recognised at fair value less related transaction costs and subsequently measured at amortised cost using the effective interest method.

The other non-derivative financial liabilities, which comprise of accounts payable, accruals and other liabilities are initially measured at fair value and subsequently measured at amortised cost.

Hedge Accounting

The Fund uses derivative financial instruments such as forward currency contracts and interest rate swaps to hedge its risks associated with interest rate and foreign currency fluctuations. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value.

Derivatives are carried as assets when the fair value is positive and as liabilities when the fair value is negative.

For the purpose of hedge accounting, hedges are classified as:
- cash flow hedges when hedging exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a forecast transaction; or
- hedges of a net investment in a foreign operation.

The effective portion of the gain or loss on the cash flow hedge is recognised via other comprehensive income in the hedging reserve.
The gain or loss relating to the ineffective portion is recognised immediately in the income statement.

The effective portion of the gain or loss on the hedge of net investments in a foreign entity is recognised via other comprehensive income in the foreign currency translation reserve. Any ineffective portion of any hedge is recognised in the consolidated income statement.

To assess the effectiveness of the cashflow hedging relationship the Fund compares the term, interest payment dates, counterparty, floating interest percentage and notional amount of the hedging relationship. When there are no differences the Fund considers the hedge effective. When there are differences, the Fund performs a retrospective test to assess the (in)effectiveness. For net investment hedges, the exposure to a foreign investment is compared to the notional amount of the foreign currency forward contract, when this exposure is not significantly less than the notional of the contract, the hedge is considered effective.

ACCOUNTS RECEIVABLE AND OTHER RECEIVABLES

Accounts receivable and other receivables are initially carried at their transaction price and subsequently at amortised cost less any impairment losses. Accounts receivable, cash and other receivables are the major financial assets subject to the expected credit loss ('ECL') model within IFRS 9. The fund uses the simplified approach for the determination of the ECL. The calculation of allowances is based on the materiality of outstanding balances, ageing of accounts receivables, tenant's payment history, probability of defaults, whether covered by deposits/bank guarantees, type of tenant, and expected future economic condition of the tenant. Accounts of customers who are in financial difficulties or customers with unpaid invoices that are significantly overdue for more than 90 days, without reasonable expectation of recovery, are classified as doubtful debts. When there ceases to be any reasonable prospect of recovering such doubtful debts, they are written off. As the Fund has many counterparties in different jurisdictions and diverse industries, there is not considered to be any concentration of credit risk within these assets. For further information about credit risk exposure of the Fund, refer note 4.

Due to the outbreak of Covid-19, the Fund has agreed rent concessions with tenants. Rent concessions related to rental income over future periods qualifying as lease modification must be accounted for in accordance with IFRS 16 and therefore will be capitalised and amortised over the remaining lease term. A rent concession qualifies as a lease modification if it changes the scope or the consideration of a lease contract.

CASH AND CASH EQUIVALENTS

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

As bank balances are kept at banks with a solid credit rating, the Fund applies the low credit risk exemption to these balances.

The cash and cash equivalents are freely available unless otherwise disclosed (please refer to the consolidated cash flow statement for more information).

ASSETS 'HELD FOR SALE'

An asset is classified as held for sale when its carrying amounts will be recovered principally through a sale transaction rather than through continuing use, the plan for which has been approved and initiated.

The reclassification of an asset as an asset held for sale occurs when the following conditions are met:
- Sale of the asset within one year is highly probable and the management assesses the sale within one year highly probable when a signed letter of intent has been received from the buying party;
- Management is committed to the plan to sell the asset and the sale is expected to be completed within one year from the date of the classification;
- The asset must be available for immediate sale in its present condition.

Properties held for sale, which are reclassified from investment properties, are measured at fair value.

Costs to sell are the incremental costs directly attributable to the disposal of an asset excluding finance costs and income tax expense.

REDEEMABLE SHARES

Redeemable participating shares are redeemable at the shareholders' or at Fund's option and are classified as financial liabilities. Consequently, distributions payable to holders of redeemable shares are disclosed as a separate line item in the consolidated comprehensive income statement. The General Partner shall issue nine Classes of Shares. Shares shall be issued to Shareholders corresponding to their Capital Commitments, as follows:

Class A+ Shares will be issued to any Shareholder whose aggregate Capital Commitment amounts to EUR 250 million or greater;

Class XP_A+ Shares will be issued to any Shareholder whose aggregate Capital Commitment amounts to EUR 250 million or greater and elects not to be subject to a performance fee;

Class A Shares will be issued to any Shareholder whose aggregate Capital Commitment is equal to or more than EUR 100 million but less than EUR 250 million;

Class XP_A Shares will be issued to any Shareholder whose aggregate Capital Commitment is equal to or more than EUR 100 million but less than EUR 250 million and elects not to be subject to a performance fee;

Class B Shares will be issued to any Shareholder whose aggregate Capital Commitment is equal to or more than EUR 20 million but less than EUR 100 million;

Class XP_B Shares will be issued to any Shareholder whose aggregate Capital Commitment is equal to or more than EUR 20 million but less than EUR 100 million and elects not to be subject to a performance fee;

Class C Shares will be issued to any Shareholder whose aggregate Capital Commitment is less than EUR 20 million;

Class XP_C Shares will be issued to any Shareholder whose aggregate Capital Commitment is less than EUR 20 million and elects not to be subject to a performance fee;

One Class I Share will be issued at the Initial Issue Price to the Class I Shareholder on the Initial Closing Date. The sole purpose of the Class I Share is to provide entitlement to the performance payments.

Class A+, XP_A+, A, XP_A, B, XP_B, C and XP_C shares will be subject to a specific Management and Advisory Fee whereas Class I Share will not be subject to any Management and Advisory Fee.

The mechanism to redeem the shares and the redemption value of the shares (based on INREV NAV) are defined in the Private Placement.
Memorandum of the Fund dated October 2019 (and updated after the year end in January 2021).

Performance Fee

As the Fund applies the service model, the performance fee represents a remuneration for services provided by the General Partner. Fees are recognised in the consolidated statement of comprehensive income on an accrual basis.

Capital management

As a result of the ability to issue, repurchase and resell shares, the capital of the Fund may vary depending on the demand for redemptions and subscriptions to the Fund. The primary objective of the Fund's capital management is to maximise the shareholder's value. The Fund manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Fund may adjust the dividend payments to the shareholders, return capital to shareholders or issue shareholder's capital. Dividends are maximised for the part of the realised retained earnings.

The Fund monitors capital primarily using the loan-to-value ratio, which is calculated as the amount of outstanding debt (EUR 806 million) divided by the valuation of the investment portfolio (EUR 5,109 million). The Fund's objective is to keep its average loan-to-value ratio lower than 25% and operating in a band of between 20% to 30%. The actual loan-to-value ratio on 31 December 2020 is 15.8% (2019: 16.9%).

Cumulative unrealised gains and losses

The cumulative unrealised gains and losses consist of changes in fair value of investment properties, assets held for sale, straight lining of rent incentives, fit-outs and reletting expenses and deferred tax charges.

Foreign currency translation reserve

The foreign currency translation reserve is used to record exchange differences arising from the translation of the financial statements of the Fund's foreign subsidiaries. It is also used to record the effect of hedging the net investments in foreign operations. Foreign currency translation reserves arising from translation differences cannot be distributed, any cash received on net investment hedges can be distributed.

PROVISIONS

Provisions are recognised when the Fund has a present obligation as a result of a past event, when it is probable that the Fund will have to settle the obligation, and a reliable estimate can be made of the amount of the obligation. If the effect on the time-value of money is material, provisions are discounted using an estimated pre-tax discount rate that reflects, where appropriate, the risks specific to the liability. Provisions are recognised in accordance with best estimates regarding amounts and timing of cash flows.

Present obligations arising under onerous contracts are recognised and measured as provisions. An onerous contract is considered to exist where the Fund has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it.

DEBT FROM CREDIT INSTITUTIONS AND RELATED PARTIES AND FINANCING COSTS

All loans and borrowings are initially recognised at the fair value of the consideration received, less directly attributable transaction costs. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method. When liabilities are derecognised, gains and losses are recognised in net profit or loss.

PRINCIPLES FOR DETERMINATION OF RESULT

Income is increases in assets, or decreases in liabilities, that result in increases in net assets attributable to holders of redeemable shares, other than those relating to contributions from holders of net assets attributable to holders of redeemable shares claims.

Expenses are decreases in assets, or increases in liabilities, that result in decreases in net assets attributable to holders of redeemable shares, other than those relating to distributions to holders of net assets attributable to holders of redeemable shares claims.

GROSS RENTAL REVENUE

Gross rental revenue is the actual rents charged to tenants, including the net effect of straight-lining of granted rent incentives.

TENANT INCENTIVES

Tenant incentives are incentives granted to tenants that are used as a commercial instrument to encourage tenants to enter into a contract. Straight lining with regard to tenant incentives proportionally distributes the incentives over the contract period resulting in equal distribution of income and or expenses over the contract period. Tenant incentives could have the form of rent incentives when for example rent free periods are granted or could have the form of fitting out costs when grants are paid for refurbishment of units. Rent premiums are also recognised as an integral part of the net consideration and added to the rental revenue over the lease term, on a straight-line basis.

RECOVERED PROPERTY COSTS CHARGED TO TENANTS (SERVICE COSTS)

Under IFRS regulations, the Fund is obliged to present the service costs and service charges separately in the consolidated financial statements because the Fund controls the service and bears the risk of recovery of these costs from tenants and therefore is a principal rather than an agent.

FINANCE INCOME AND EXPENSES

Interest income and interest charges are recognised in the consolidated comprehensive income statement using the effective interest method. This method includes amortisation of any discounts or premiums or other differences (including transaction costs and related commissions) between the initial carrying amount of an interest-bearing instrument and the amount at maturity, calculated using the effective interest rate.

The interest expenses relate to debts, whether or not embodied in debt securities, financial liabilities at fair value through profit or loss , as well as commission in the nature of interest, penalties for unscheduled redemption and discounts. Penalty interest on unscheduled redemption, discounts, and gains and losses on debts, whether or not embodied in debt securities, are recognised using the effective interest method.

TAXATION

The Fund companies are subject to taxation in the countries in which they operate.

A provision is recognised for those matters for which the tax determination is uncertain but it is considered probable that there will be a future outflow of funds to a tax authority. The provisions are measured at the best estimate of the amount expected to become payable. The assessment is based on the judgement of tax professionals of the Fund supported by previous experience in respect of such activities and in certain cases based on specialist independent tax advice.

Some tax relief measures applied in Germany in terms of VAT rate reduction on services rendered in the second half of 2020 and in Poland in terms of suspension of the enforceability of certain provisions (i.e. exemption from minimum CIT tax payment and the suspension of the new WHT rules until 1 July 2021).

Current tax

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the Tax Authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the statement of financial position date.

Deferred tax

Deferred income tax is provided using the liability method on temporary differences at the statement of financial position date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry-forward of unused tax credits and unused tax losses can be utilised, except:

- where the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred income tax assets is reviewed at each statement of financial position date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised. Unrecognised deferred income tax assets are reassessed at each statement of financial position date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the statement of financial position date. Income tax relating to items recognised directly in net assets attributable to holders of redeemable shares is recognised in net assets attributable to holders of redeemable shares and not in the consolidated comprehensive income statement. Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities, and the deferred taxes relate to the same taxable entity and the same Tax Authorities.

PRINCIPLES FOR THE CONSOLIDATED CASH FLOW STATEMENT

The cash flow statement has been drawn up according to the indirect method, separating the cash flows from operating activities, investment activities and financing activities. The result has been adjusted for accounts in the consolidated comprehensive income statement and movements in the consolidated statement of financial position which have not resulted in cash flows in the financial year.

The cash and cash equivalents values in the consolidated cash flow statement include those assets that can be converted into cash without any restrictions and with insignificant changes in value as a result of the transaction.

Distributions are included in the cash flows from financing activities.

RELATED PARTY RELATIONSHIPS

All relationships with companies related to CBRE Global Investors are listed in a separate overview on page 155.

A CBRE Global Investors related party is the General Partner of the Fund and charges a management fee to the Fund. The charged amount is presented under management fees in the notes to the consolidated statement of comprehensive income.

Besides asset management fees, the General Partner is entitled under the Private Placement Memorandum to a performance fee based on the achievement of certain financial objectives as further explained in Note 18.

FINANCIAL RISK MANAGEMENT

CBRE Global Investors EMEA prepares internal risk reports in which analyses of exposure by degree and magnitude of risks are reflected. The Fund actively manages these risks based on these risk reports and implements measures to mitigate these financial risks as far as necessary based on the pre-defined acceptable boundaries. These boundaries are amongst others based on placing documents as well as (hedging) policies applicable to the Fund. The proposed measures are based on in-depth expertise, concerning domestic and international financial markets.

FUND RISK ASSESSMENT

CBRE Global Investors EMEA has established a risk management organization to help achieve its organizational and business objectives while keeping risks within acceptable boundaries and complying with (local) regulations.

As part of the risk management process, the Fund has also identified the main risks that are associated to the activities of the Fund and which could have an impact on the financial performance and position of the Fund. Management of these risks is part of the risk management organisation of CBRE Global Investors EMEA which results in mitigating the financial impact of these risks within the acceptable bounds as far as possible. The risk analysis below covers the risks related to the Fund and assets under management of the Fund. Risks related to the Fund management activities of CBRE Global Investors EMEA are not covered in this analysis.

MARKET RISK

Risk Category	Inherent Risk Level	Risk Assessment and Mitigationt
Interest rate risk	Low	The Fund has one loan with a floating interest rate of EUR 4 million. If interest rates rise, it could have an immaterial adverse effect. The Fund has a preference for fixed interest rates with either a fixed rate or a variable rate that is hedged with interest rate swaps. On 31 December 2020, 99.5% of interest rate exposure was fixed (the Duomo VAT is the only non-fixed loans). The valuation of derivatives could be subject to fluctuations due to changes in interest rates. Financial instruments are only used to hedge underlying positions and inherently include counterparty risk. The sensitivity analysis in Table B shows the impact of a 1% shift of the interest rates on result before tax.
Currency rate risk	Low	The Fund has a number of assets in foreign currency. If values of foreign currency fluctuate, it could have a material adverse effect. The Fund follows a policy of reducing currency exposure by taking local leverage on non-EUR assets. A currency swap is held where this is not possible. On 31 December 2020, 50% of foreign currency exposures were hedged. The value of foreign currency positions could be subject to fluctuations due to changes in the foreign currency rates. Financial instruments are only used to hedge underlying positions and inherently include counterparty risk.
Real estate risk (including Valuation risk)	Medium	The real estate portfolio of the Fund is assumed to be impacted by changes in macro-economic indicators of the different locations. These indicators are impacting consumer confidence, consumer spending and lease income. In addition, there could be more indirect effects, such as the real estate portfolio value and business growth prospects. Each investment is unique and requires a specific and progressive business plan. At CBRE Global Investors EMEA, each investment is executed by a dedicated asset management team. Each team focuses on a specific geography and style of investing, actively managing the assets by integrating local market intelligence, risk management tests and continuous performance monitoring into their decision-making processes. The market value of the assets is an important metric. The valuations can be affected by cash generated, the general macro-economic environment and local influences. A devaluation of the portfolio will result in lower net income and could affect the borrowing capacity and the possibilities to raise equity. CBRE Global Investors EMEA manages its assets in a responsible way and keeps them up to date in order to remain attractive. This is to ensure tenant retention at market prices. The properties are valued by external independent valuers. A number of valuers are used and they are frequently rotated to ensure sufficient expertise. In recent years, technological developments such as internet shopping and new ways of working have increased substantially. If this trend continues, the demand for retail and office space might decrease. On the other hand, an increase in logistics space is the counter development linked to these developments. CBRE Global Investors EMEA aims to keep its assets up to date by incorporating good design, diversified tenant mixes and latest trends in technology. The Fund has a significantly diversified Core portfolio in multiple sectors and geography across EMEA reducing exposure to any one market and thereby reducing risk factor.

FINANCIAL RISK

Risk Category	Inherent Risk Level	Risk Assessment and Mitigationt
Credit risk	Low	The risk that a counterparty will default on its contractual obligations resulting in financial loss to the Fund. Receivables from tenants and property managers consist of a large number of customers, spread across diverse industries and geographical areas. On-going credit evaluation is performed on the financial condition of accounts receivable and, where appropriate, a bank guarantee from tenants is obtained or a credit guarantee insurance cover is purchased. The Fund mitigates the credit risk on financial instruments by only dealing with banks with solid credit ratings assigned by international credit-rating agencies. The Fund's exposure and the credit ratings of its counterparties are monitored quarterly and the aggregate value of transactions concluded is spread amongst counterparties.
Liquidity risk	Low	Funding with debt involves refinancing risk. CBRE Global Investors EMEA aims for continuous access to the financial markets by means of prudent capital structures, the use of diversified funding sources, a well spread maturity profile of issued debt and a continuous dialogue with investors, banks and other financial institutions. The Fund has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral where appropriate, as a means of mitigating the risk of financial loss from defaults.

OPERATIONAL RISK

Please note that the following risks are primarily the responsibility of the asset managers, so the Fund is only indirectly exposed to these risks.

Risk Category	Inherent Risk Level	Risk Assessment and Mitigationt
Process risk	Low	When acquiring a property, the Fund may fail to uncover hidden deficiencies / defects in the building, fail to assess the financial strength of the tenants or overvalue the properties. Warranties from the seller may not be sufficient to cover the issue. There is an extensive transaction due diligence process in place with several checks and balances.
ICT-risk	Low	The reliable use of ICT infrastructure and applications is of utmost importance for the daily operations. Therefore the data integrity and ICT continuity are essential and several policies and plans (e.g. business continuity and disaster recovery) have been implemented. The funds themselves do not include operational activities, most activities are initiated by the Fund Manager or external property managers. the inherent ICT-risk exposure of the Fund is estimated low.
Third-Party risk	Medium	When hiring a third party the Fund or Fund manager may hire a party who, afterwards, is not able to meet CBRE standards. This is prevented by a service provider due diligence before contracting the service provider and monitoring of the service provided.

LEGAL, TAX AND REGULATORY RISK

Risk Category	Inherent Risk Level	Risk Assessment and Mitigationt
Legal risk	Medium	Legal risk is defined as the risk that can arise from unenforceable contracts, lawsuits, or adverse judgments which can disrupt or otherwise negatively affect the Fund. This risk is mitigated by specialised legal team and in case external expertise is required an external law firm is hired.
Regulatory Compliance risk	Medium	This risk may arise from violations or non-compliance with rules and regulations or ethical standards. This risk is mitigated by a specialised regulatory compliance team and a set of policies which are implemented to ensure compliance with the supervisory regulations. The Compliance team is monitoring the proper adherence to these policies.
Tax risk	High	This is the risk that transactions or business relationships may have unforeseen adverse fiscal events, including unexpected liabilities and the failure to obtain appropriate relief, and the adverse consequences of these events. This risk may arise from existing tax laws and practice, or from changes in tax laws and practice. The Tax team is involved during the set-up or restructuring of a Fund and monitors the developments regarding tax legislation.

Table A List of subsidiaries

Name	Registered office	2020 Interest		2019 Interest	
PEC Holdings S.à r.l	Luxembourg	100.0%	Consolidated	100.0%	Consolidated
PEC Anton S.à r.l	Luxembourg	100.0%	Consolidated	100.0%	Consolidated
PEC Brunnen S.à r.l	Luxembourg	100.0%	Consolidated	100.0%	Consolidated
PEC Friedrich S.à r.l	Luxembourg	100.0%	Consolidated	100.0%	Consolidated
PEC Mönchhof S.à r.l	Luxembourg	100.0%	Consolidated	100.0%	Consolidated
PEC Weiherfeld S.à r.l	Luxembourg	100.0%	Consolidated	100.0%	Consolidated
PEC Gabriel S.à r.l	Luxembourg	100.0%	Consolidated	100.0%	Consolidated
PEC Meyer S.à r.l	Luxembourg	100.0%	Consolidated	100.0%	Consolidated
PEC Werner S.à r.l	Luxembourg	100.0%	Consolidated	100.0%	Consolidated
PEC Koenig 1 S.à r.l	Luxembourg	100.0%	Consolidated	100.0%	Consolidated
PEC Koenig 2 S.à r.l	Luxembourg	100.0%	Consolidated	100.0%	Consolidated
PEC Koenig 3 S.à r.l	Luxembourg	100.0%	Consolidated	100.0%	Consolidated
PEC Koenig 4 S.à r.l	Luxembourg	100.0%	Consolidated	100.0%	Consolidated
PEC Koenig GP S.à r.l	Luxembourg	100.0%	Consolidated	100.0%	Consolidated
PEC Koenig Partnership S.C.S	Luxembourg	100.0%	Consolidated	100.0%	Consolidated
Steinstrasse S.à r.l & Co KG	Germany	100.0%	Consolidated	94.9%	Consolidated
Sevens S.à r.l & Co KG	Germany	100.0%	Consolidated	94.9%	Consolidated
PEC Pontis S.à r.l (formerly PEC Kammerwiese S.à r.l)	Luxembourg	100.0%	Consolidated	100.0%	Consolidated
PEC Wallis S.à r.l.	Luxembourg	100.0%	Consolidated	-	-
PEC Wallis 2 S.à r.l.	Luxembourg	100.0%	Consolidated	-	-
PEC Raiffeisenstrasse S.à r.l	Luxembourg	100.0%	Consolidated	100.0%	Consolidated
PEC Taxet S.à r.l	Luxembourg	100.0%	Consolidated	100.0%	Consolidated
PEC Berri SCI	France	100.0%	Consolidated	100.0%	Consolidated
Central Parc Villepinte SAS	France	100.0%	Consolidated	100.0%	Consolidated
PEC Alouette SAS	France	100.0%	Consolidated	100.0%	Consolidated
PEC Pyramide SAS	France	100.0%	Consolidated	100.0%	Consolidated
PEC Saint-Honoré SCI	France	100.0%	Consolidated	100.0%	Consolidated
PEC Erding GmbH & Co KG	Germany	100.0%	Consolidated	100.0%	Consolidated
PEC Erding management GmbH	Germany	100.0%	Consolidated	100.0%	Consolidated
Samera Verwaltung GmbH	Germany	100.0%	Consolidated	100.0%	Consolidated
PEC Dutch Holdings BV	Netherlands	100.0%	Consolidated	100.0%	Consolidated
PEC Musketierow Sp. z o.o.	Poland	100.0%	Consolidated	100.0%	Consolidated
PEC Szyszkowa Sp. z o.o.	Poland	100.0%	Consolidated	100.0%	Consolidated
PEC Dziatkowa Sp. z o.o.	Poland	100.0%	Consolidated	100.0%	Consolidated
PEC Belgium Aartselaar S.A.	Belgium	100.0%	Consolidated	100.0%	Consolidated
PEC Belgium Olen S.A.	Belgium	100.0%	Consolidated	-	-
PEC Bogstad AS	Norway	100.0%	Consolidated	100.0%	Consolidated
PEC Bogstad Holding AS	Norway	100.0%	Consolidated	100.0%	Consolidated
PEC Jersey Holdco Ltd	Jersey	100.0%	Consolidated	100.0%	Consolidated
PEC Neale Ltd	Jersey	100.0%	Consolidated	100.0%	Consolidated
PEC Parkfield Ltd	Jersey	100.0%	Consolidated	100.0%	Consolidated
PEC Conduit Ltd	Jersey	100.0%	Consolidated	100.0%	Consolidated
PEC Windmill Ltd	Isle of Man	100.0%	Consolidated	100.0%	Consolidated
PEC Campus Square s.r.o.	Czech Republic	100.0%	Consolidated	100.0%	Consolidated
PEC Ostrava s.r.o.	Czech Republic	100.0%	Consolidated	100.0%	Consolidated
PEC Plzen1, s.r.o.	Czech Republic	100.0%	Consolidated	100.0%	Consolidated
PEC Plzen2, s.r.o.	Czech Republic	100.0%	Consolidated	100.0%	Consolidated
PEC Holdings France SAS	France	100.0%	Consolidated	100.0%	Consolidated
PEC OPPCI SPPICAV	France	100.0%	Consolidated	100.0%	Consolidated
PEC Lognes SCI	France	100.0%	Consolidated	100.0%	Consolidated
PEC Croissy - Beaubourg SCI	France	100.0%	Consolidated	100.0%	Consolidated
PEC Saint-Cyr-en-Val SCI	France	100.0%	Consolidated	100.0%	Consolidated
PEC Wroclaw Sp. z.o.o.	Poland	100.0%	Consolidated	100.0%	Consolidated
PEC Bielsko-Biała Sp. z o.o.	Poland	100.0%	Consolidated	100.0%	Consolidated
PEC Gdansk Kowale 1 Sp. z o.o.	Poland	100.0%	Consolidated	100.0%	Consolidated
PEC Ozarow 1 Sp. z o.o.	Poland	100.0%	Consolidated	100.0%	Consolidated
PEC Hieronymus AS	Norway	-	Sold	100.0%	Consolidated
PEC Hieronymus Management Company AS	Norway	100.0%	Consolidated	100.0%	Consolidated
PEC Norway Holding AS	Norway	100.0%	Consolidated	100.0%	Consolidated
Karl Johans gate 12 AS	Norway	100.0%	Consolidated	100.0%	Consolidated
Kirkegaten 32 AS	Norway	100.0%	Consolidated	100.0%	Consolidated
PEC Seine S.à r.l	Luxembourg	100.0%	Consolidated	100.0%	Consolidated
Larby S.à r.l	Luxembourg	100.0%	Consolidated	100.0%	Consolidated
PEC Parkfield Ltd	Guernsey	100.0%	Consolidated	100.0%	Consolidated
PEC Ozarow 2 Sp. z o.o.	Poland	100.0%	Consolidated	100.0%	Consolidated
PEC NL Schiphol DC Pudongweg S.à r.l	Luxembourg	100.0%	Consolidated	100.0%	Consolidated
PEC NL Born DC Holtem-Noordweg S.à r.l	Luxembourg	100.0%	Consolidated	100.0%	Consolidated
PEC NL Nieuwegein DC Inundatiedok S.à r.l	Luxembourg	100.0%	Consolidated	100.0%	Consolidated
PEC NL sHeerenberg DC Transportweg S.à r.l	Luxembourg	100.0%	Consolidated	100.0%	Consolidated
PEC NL Utrecht DC Fermiweg S.à r.l	Luxembourg	100.0%	Consolidated	100.0%	Consolidated
PEC NL Utrecht DC Nucleonenweg S.à r.l	Luxembourg	100.0%	Consolidated	100.0%	Consolidated
PEC NL Utrecht DC Atoomweg S.à r.l	Luxembourg	100.0%	Consolidated	100.0%	Consolidated
PEC NL Wijchen DC Bijsterhuizen S.à r.l	Luxembourg	100.0%	Consolidated	100.0%	Consolidated

Name	Registered office	2020 Interest		2019 Interest	
PEC Herengracht S.à r.l	Luxembourg	100.0%	Consolidated	-	-
PEC Holdco Spain, S.L.U.	Spain	100.0%	Consolidated	100.0%	Consolidated
PEC Recoletos Colón, S.L.U.	Spain	-	Sold	100.0%	Consolidated
PEC Tobaksmonopolet AB	Sweden	100.0%	Consolidated	100.0%	Consolidated
PEC Italy SICAF S.p.A.	Italy	100.0%	Consolidated	100.0%	Consolidated
PEC Berri Holdco SAS	France	100.0%	Consolidated	100.0%	Consolidated
PEC Argan Holdco SAS	France	100.0%	Consolidated	100.0%	Consolidated
PEC Marengo SAS	France	100.0%	Consolidated	100.0%	Consolidated
PEC Saint-Honoré Holdco SAS	France	100.0%	Consolidated	100.0%	Consolidated
PEC Wiesenstrasse S.à r.l	Luxembourg	100.0%	Consolidated	100.0%	Consolidated
PEC Weiterstadt S.à r.l	Luxembourg	100.0%	Consolidated	100.0%	Consolidated
PEC Hanseviertel GP S.à r.l	Luxembourg	100.0%	Consolidated	100.0%	Consolidated
PEC Hanseviertel Limited Partner S.à r.l	Luxembourg	100.0%	Consolidated	100.0%	Consolidated
PEC Hanseviertel Partnership I SCS	Luxembourg	100.0%	Consolidated	100.0%	Consolidated
PEC Hanseviertel Partnership II SCS	Luxembourg	100.0%	Consolidated	100.0%	Consolidated
PEC Poststrasse SCS	Luxembourg	100.0%	Consolidated	100.0%	Consolidated
PEC Hohe Bleichen SCS	Luxembourg	100.0%	Consolidated	100.0%	Consolidated
PEC Uhland S.à r.l	Luxembourg	100.0%	Consolidated	100.0%	Consolidated
PEC Uhland Management GmbH	Germany	100.0%	Consolidated	100.0%	Consolidated
PEC Uhland GmbH & Co. KG	Germany	100.0%	Consolidated	100.0%	Consolidated
PEC Uhland PM GmbH	Germany	100.0%	Consolidated	100.0%	Consolidated
PEC Belziger GmbH	Germany	100.0%	Consolidated	-	-
PEC Pontis Management GmbH	Germany	100.0%	Consolidated	-	-
PEC Pontis GmbH & Co.KG	Germany	100.0%	Consolidated	-	-
PEC Ziemowita sp. z o.o.	Poland	100.0%	Consolidated	100.0%	Consolidated
PEC Gdansk Kowale 2 Sp. z o.o.	Poland	100.0%	Consolidated	100.0%	Consolidated
PEC Wroclaw 2 Sp. z o.o.	Poland	100.0%	Consolidated	100.0%	Consolidated
PEC Tangerine S.à r.l	Luxembourg	100.0%	Consolidated	100.0%	Consolidated
PEC Lime S.à r.l	Luxembourg	100.0%	Consolidated	100.0%	Consolidated
PEC Aloe S.à r.l	Luxembourg	100.0%	Consolidated	100.0%	Consolidated
PEC Mandarin S.à r.l	Luxembourg	100.0%	Consolidated	100.0%	Consolidated
PEC Coral S.à r.l	Luxembourg	100.0%	Consolidated	100.0%	Consolidated
PEC Emerald S.à r.l	Luxembourg	100.0%	Consolidated	100.0%	Consolidated
PEC Apricot S.à r.l	Luxembourg	100.0%	Consolidated	100.0%	Consolidated
PEC Peach S.à r.l	Luxembourg	100.0%	Consolidated	100.0%	Consolidated
PEC Terracotta S.à r.l	Luxembourg	100.0%	Consolidated	100.0%	Consolidated
PEC Ivy S.à r.l	Luxembourg	100.0%	Consolidated	100.0%	Consolidated
PEC Persimmon S.à r.l	Luxembourg	100.0%	Consolidated	100.0%	Consolidated
PEC Clerkenwell S.à r.l	Luxembourg	100.0%	Consolidated	100.0%	Consolidated
PEC Sweden Holding AB	Sweden	100.0%	Consolidated	100.0%	Consolidated
Société Immobiliere du Marché Saint-Honoré SAS	France	100.0%	Consolidated	100.0%	Consolidated
PEC Tournan SCI	France	100.0%	Consolidated	100.0%	Consolidated

Table B Sensitivity analyses

A number of external factors were identified where a change could affect the Fund's profit before tax. The following table summarises the results:

External factor	2020 Percentage increase / (decrease)	2020 Effect on result before tax	2019 Percentage increase / (decrease)	2019 Effect on result before tax
Current gross yield	0.25%	(301,450)	0.25%	(298,630)
Current gross yield	(0.25%)	341,785	(0.25%)	339,340
Gross rent	(5%)	(255,950)	(5%)	(253,886)
Interest rate	1%	122	1%	364
Foreign exchange rate (Currency)	10%	(35,445)	10%	(45,459)

Significant increases (decreases) in estimated rental value in isolation would result in an significantly higher (lower) fair value measurement. Significant increases (decreases) in the weighted average discount rate and average vacancy rate in isolation would result in significantly lower (higher) fair value measurement. Generally, a change in the assumption made for the estimated rental value is accompanied by a directionally:

- similar change in the discount rate
- opposite change in the average vacancy rate

Table C Fair value hierarchy

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorised according to the fair value hierarchy, described as follows; based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

There were no transfers between levels during 2020 or 2019.

The table below represents the valuation methods applied:

	Level	Fair value 2020	Fair value 2019
Investment properties	3	5,127,933	4,749,473
Accounts receivable from tenants and property managers	2	25,404	17,267
Other receivables	2	34,151	24,871
Cash and cash equivalents	1	144,607	147,989
Derivatives	2	(824)	(1,665)
Property accounts payable	2	(8,217)	(8,442)
Accrued expenses and deferred income	2	(52,493)	(51,296)
Other current liabilities	2	(37,813)	(34,283)
Debt from credit institutions	2	(810,309)	(842,680)
Liabilities from financial leases	2	(19,190)	(23,491)
Other non-current liabilities	2	(15,671)	(24,879)
Net assets attributable to holders of redeemable shares	3	(4,313,906)	(4,129,805)

For the level 3 reconciliation on investment in real estate further reference is made to notes to the consolidated statement of financial position.

Table D Undiscounted cash flows, by contractual maturity, of financial instruments exposed to fixed or floating rate

31 December 2020	<1 year €	1-5 years €	>5 years €	Total €
Debt from credit institutions	276,469	466,310	63,200	805,979
Interest due	12,016	24,258	242	36,516
Property accounts payable	8,217	-	-	8,217
Accrued expenses and deferred income	52,493	-	-	52,493
Other current liabilities	37,813	-	-	37,813
Other non-current liabilities	-	15,671	18,466	34,137
Net assets attributable to holders of redeemable shares	4,313,906	-	-	4,313,906

EUR 120 million loans secured against Duomo (1-5 years) was repaid on 3 February 2021. GBP 40 million (EUR 44.5 million) and GBP 69 million (EUR 76.7 million) loans secured against Mutual House and Angel Central (<1 year) were repaid on 11 February 2021.

31 December 2019	<1 year €	1-5 years €	>5 years €	Total €
Debt from credit institutions/associated companies	156,221	632,382	63,200	851,803
Interest due	13,491	36,986	554	51,031
Property accounts payable	8,442	-	-	8,442
Accrued expenses and deferred income	51,296	-	-	51,296
Other current liabilities	34,283	-	-	34,283
Other non-current liabilities	-	24,878	22,552	47,430
Net assets attributable to holders of redeemable shares	4,129,805	-	-	4,129,805

NOTES TO THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(Amounts in € '000, unless otherwise indicated)

NON-CURRENT ASSETS

1 Investment properties

	31 December 2020	31 December 2019
Balance as at the beginning of the year	4,749,473	4,417,682
Movements		
- Capitalised subsequent expenditures	35,883	52,566
- Acquisitions expenses	11,528	8,453
- Acquisitions (share deal)	147,008	21,127
- Acquisitions (asset deal)	316,302	182,874
- Recognition right-of-use assets	(3,995)	3,567
- Changes in fair value positive	146,644	312,726
- Changes in fair value negative	(200,141)	(52,079)
- Currency translation differences	(36,828)	35,012
- Capitalised rent incentives	4,906	18,919
- Amortised rent incentives	(3,017)	(5,445)
- Capitalised fitting out costs	5,213	4,979
- Amortised fitting out costs	(1,315)	(564)
- Capitalised reletting expenses	1,689	4,190
- Amortised reletting expenses	(967)	(1,968)
- Transfer from/(to) properties held for sale (refer Note 3)	-	(252,566)
- Divestments	(44,450)	-
Balance at the end of the year	5,127,933	4,749,473
- Historical cost	4,520,041	4,053,770
- Recognition right-of-use assets	20,691	24,686
- Rent incentives	33,564	31,675
- Fitting out costs	10,614	6,716
- Reletting expenses	4,127	3,405
- Cumulated changes in fair value[1)]	538,896	629,221
Total	5,127,933	4,749,473
Breakdown investment properties		
- Operating properties	5,127,933	4,749,473
Investment properties (on-balance)	5,127,933	4,749,473

1) Includes currency translation effect.

A detailed description of each asset (including reference to yields, sqm and rent) within the portfolio can be found in the Report of the General Partner.

The significant assumptions made relating to valuations are set out below:

	31 December 2020	31 December 2019
Current rent (EUR psqm)	27 - 2,617	0 - 2,533
Estimated rental value (EUR psqm)	42 - 2,885	42 - 2,638
Gross current yield	0.0% - 8.1%	0.0% - 7.9%
Net current yield	0.0% - 7.2%	2.3% - 7.3%
Gross reversionary yield	3.1% - 7.8%	3.0% - 8.0%
Average vacancy rate	34% - 100%	0% - 100%

During the year the Fund made the below acquisitions and dispositions and further details can be found in the Report of the General Partner.

Acquisitions	Location
Office	
Herenstaete	Netherlands
Pontishaus	Germany
Bricks	Germany
Logistics	
Olen Distribution Centre	Belgium
Residential	
Artemis Portfolio (acquired into Orange & Green portfolio)	Netherlands
Dispositions	
Retail	
Brunnenstrasse	Germany
Office	
Plaza Colón	Spain
Hieronymus	Nordics
Logistics	
's-Heerenberg Distribution Centre	Netherlands
Wijchen Distribution Centre	Netherlands

2 Other non current assets

	31 December 2020	31 December 2019
Balance as at the beginning of the year	3,933	3,933
Movements		
- Movement	(1,557)	-
Balance as at the end of the year	2,376	3,933

CURRENT ASSETS
3 Assets held for sale

	31 December 2020	31 December 2019
Balance as at the beginning of the year	252,566	-
Movements		
- Reclassification to assets held for sale	-	252,566
- Disposal	(252,566)	-
- Currency translation	-	-
Balance at the end of the year	-	252,566
- Historical cost	-	189,668
- Rent incentives	-	352
- Fitting out costs	-	2,171
- Cumulated changes in fair value	-	60,375
Total	-	252,566

Three assets held for sale on 31 December 2019: Brunnenstrasse, Plaza Colón & Hieronymus, were disposed of in 2020. For further information refer to page 93.

4 Accounts receivable from tenants and property managers

	31 December 2020	31 December 2019
Tenant receivables	34,308	17,745
Property managers	548	494
Other	1,675	1,358
Allowance for expected credit losses	(11,127)	(2,330)
Total	25,404	17,267
Movements allowance for expected credit losses		
Balance as at the beginning of the year	2,330	1,965
Movements		
- Write-off	(881)	(807)
- Allowance charged in comprehensive income statement	9,729	1,326
- Amounts recovered during the year	(51)	(154)
Balance at the end of the year	11,127	2,330

As at 31 December the ageing analysis of tenant receivables, property managers and other receivables is as follows:

	Total	Neither past due nor impaired	< 30 days	30-60 days	> 60 days
31-December-2020					
Expected credit loss rate	30%	0%	0%	0%	51%
Expected credit loss	11,127	-	-	-	11,127
Net accounts receivables	25,404	6,138	6,590	1,931	10,745
31-December-2019					
Expected credit loss rate	12%	0%	0%	0%	39%
Expected credit loss	2,330	-	-	-	2,330
Net accounts receivables	17,267	9,143	3,824	602	3,698

5 Prepayments and accrued income

	31 December 2020	31 December 2019
Accrued income	5,469	5,812
Prepaid property tax	987	1,075
Prepaid insurance	779	920
Prepaid rent / rent incentives	296	368
Prepaid construction costs	709	405
Prepaid leasehold	-	122
Other	1,874	1,011
Total	10,114	9,713

6 Derivatives

Derivatives – breakdown

Derivatives designated and effective as hedging instruments carried at fair value

	Current	
	31 December 2020	31 December 2019
Foreign currency forward contracts:		
Asset	-	430
Liability	(824)	(2,095)

Counterparty	Trade date	Maturity date	Local currency	Amount (local currency '000)	Amount (€ '000)	Buy/Sell	Fixed Rate %	Mark To Market (€ '000)
Foreign currency hedge								
Deutsche Bank AG - 8562247	17 Dec 2020	22 Mar 2021	NOK	179,545	17,129	BUY	n.a.	(94)
Deutsche Bank AG - 8562247	17 Dec 2020	22 Mar 2021	GBP	47,300	52,912	BUY	n.a.	(381)
Deutsche Bank AG - 8562247	17 Dec 2020	22 Mar 2021	GBP	27,450	30,707	BUY	n.a.	(221)
ING - 48201630	17 Dec 2020	22 Mar 2021	GBP	4,475	5,006	SELL	n.a.	(16)
Deutsche Bank AG - 8562247	17 Dec 2020	22 Mar 2021	SEK	112,910	11,231	BUY	n.a.	(112)
Interest rate swap								
Natixis	18 May 2017	18 May 2021	EUR	4,290	4,290	n.a.	0.75	-

HEDGE ACCOUNTING

Based on effectiveness testing the hedge relationship for interest rate swaps and foreign currency forward contracts qualify for hedge accounting under IFRS 9. The effective portion of the gain or loss on hedging instruments is recognised directly in net assets attributable to holders of redeemable shares. In the year 2020 the change in fair value of the financial derivatives amounts to EUR 0.8 million (2019: EUR -2.5 million).

The ineffective portion of the gain or loss on hedging instruments is recognised directly in the consolidated income statement. In the year 2020 there was no ineffective portion on hedging instruments (2019: nil) in the consolidated income statement.

The effect of the cash flow hedge and the net investment hedge in the consolidated income statement and other comprehensive income is as follows:

	Total hedging gain/(loss) recognised in OCI	Amount reclassified from OCI to statement of comprehensive income[1]
Year ended 31 December 2020	6,019	(4,250)
Year ended 31 December 2019	(11,863)	(1,876)

1) The reclassified amount is recognised in the statement of comprehensive income under 'Result on foreign investments'.

7 Other receivables

	31 December 2020	31 December 2019
Receivable VAT	21,954	21,187
Other taxes	1,820	2,635
Buyer/seller receivables	8,451	(120)
Other receivables	1,926	1,169
Total	34,151	24,871

Receivables includes an amount of EUR 2.5 million in relation to a rental guarantee as part of the disposal of Hieronymus which is expected to be released to the Fund due to the positive rental market for such units in Oslo.

NET ASSETS ATTRIBUTABLE TO REDEEMABLE SHAREHOLDERS

Redeemable shares

Issued redeemable shares

Investors whose Subscription Agreements were accepted during the Initial Closing Period have been drawn down pro rata to their aggregate Capital Commitments. Investors whose Subscription Agreements are accepted after the initial Closing Period may not be drawn down by the General Partner until all funds committed under existing Subscription Agreements have been drawn down (whether or not invested).

8 Movements in number of shares

As at 31 December 2020, the movements in the number of shares and drawn capital are as follows:

	2020	2019
Number of shares as at the beginning of the year	3,033,363,260	2,893,965,643
Issued shares per 1 January to 31 March	24,525,311	8,883,843
Issued shares per 1 April to 30 June	2	63,239,543
Issued shares per 1 July to 30 September	5,128,873	59,695,861
Issued shares per 1 October to 31 December	197,167,449	7,578,370
Redeemed shares per 1 April to 30 June	(26,018,666)	-
Number of shares as at the end of the year	3,234,166,230	3,033,363,260
Average quarterly number of shares issued	56,705,409	34,849,404
Capital drawn as at the end of the year	4,076,601,856	3,781,942,188
Capital to be called as at the end of the year	1,013,798,000	933,803,183
Total committed capital	5,090,399,856	4,715,745,371

During the year ended 31 December 2020 EUR 28.3 million (2019: EUR 44.6 million) of income distribution was reinvested as capital. The Fund redeemed shares during the year for a value of EUR 35.0 million (2019: nil).

NON-CURRENT LIABILITIES

9 Debt from credit institutions (including short-term portion)

	31 December 2020	31 December 2019
LONG-TERM DEBT		
Balance as at the beginning of the year	679,175	469,748
Movements		
- Loans taken	238	202,418
- Amortisation of expenses	1,138	1,172
- Capitalised financing cost	(11)	(2,186)
- Currency translation differences	(3,975)	8,734
- Reimbursements	-	(490)
- Reclassification to short-term loans	(150,636)	(221)
Balance at the end of the year	525,929	679,175
SHORT-TERM DEBT		
Balance as at the beginning of the year	155,621	263,167
Movements		
- Loans taken	177,500	90,500
- Amortisation of expenses	419	359
- Capitalised financing cost	(140)	-
- Currency translation differences	(6,852)	368
- Redemptions	(201,865)	(198,994)
- Reclassification from long-term loans	150,636	221
Balance at the end of the year	275,319	155,621
Total Debt from credit institutions	801,248	834,796
The fair value of the non-current debt from credit institutions is approximately	810,309	842,680

Under IFRS loans payable are valued at amortised cost, whereas under INREV these are valued at fair value. The fair value measurement of the loans payable includes the assessment of components like interest, spread and margin. Management considers spread and margin to be unobservable inputs and interest to be observable.

As at 31 December 2020 the debt from credit institutions including interest is repayable as follows:

Lender/credit rating	Principal €	Repayments < 1 year €	1-2 years €	2-3 years €	3-4 years €	4-5 years €	> 5 years €	Unamortised (re)financing expenses	All in rate %	Maturity date	Amortised Cost
Mortgage											
Deka/A+	63,200	-	-	-	-	-	63,200	750	0.49	9 Oct 2026	62,450
Deka/A+	28,500	-	-	-	28,500	-	-	343	0.29	9 Oct 2024	28,157
Natixis/A+ Deka/A+	70,000	-	70,000	-	-	-	-	235	1.37	5 Dec 2022	69,765
Helaba/A	100,000	-	-	100,000	-	-	-	286	1.24	31 Jan 2023	99,714
Canada Life/A+	51,849	-	-	-	51,849	-	-	347	2.10	27 Sep 2024	51,502
Natixis/A+	108,600	-	-	-	108,600	-	-	721	1.82	15 May 2024	107,879
Natixis/A+	7,500	-	-	-	7,500	-	-	10	1.40	15 May 2024	7,490
SEB/A+	50,729	-	-	50,729	-	-	-	681	2.07	9 Mar 2023	50,048
Bondholders	49,132	-	-	-	49,132	-	-	208	3.48	18 Jan 2024	48,924
TOTAL LONG-TERM	529,510	-	70,000	150,729	245,581	-	63,200	3,581			525,929
Short term											
DG Hyp/AA-	19,074	19,074	-	-	-	-	-	5	4.23	31 Aug 2021	19,069
Canada Life/A+	44,466	44,466	-	-	-	-	-	134	1.97	10 Mar 2022	44,332
Canada Life/A+	76,739	76,739	-	-	-	-	-	426	2.38	10 Apr 2024	76,314
Natixis/A+	4,290	4,290	-	-	-	-	-	5	1.10	14 May 2021	4,285
ING/A+ and ABN/A	131,900	131,900	-	-	-	-	-	580	-	1 Feb 2021	131,320
TOTAL SHORT-TERM	276,469	276,469	-	-	-	-	-	1,150			275,320
TOTAL	805,979	276,469	70,000	150,729	245,581	-	63,200	4,731			801,248

The above table reflects amounts drawn under the respective agreements.

All facilities other than the Revolving Credit Facility are signed at the local level and are secured against the asset. It is common that the shares of the SPV as well as the asset itself will be pledged to the lender. No other significant collateral or guarantees have been provided.

The Revolving Credit Facility with ING and ABN Amro for up to EUR 250 million is secured against a pool of Dutch and German logistic assets. The Revolving Credit Facility expires in September 2023, however the current tranche drawn on 31 December 2020 matured on 1 February 2021 and was fully repaid on maturity.

Loans secured by Mutual House and Angel Central were reclassified to short term and subsequently fully repaid in February 2021. Standstill letters from the lender, Canada Life, were in place up to the next covenant testing date (the maximum possible period of time for such standstill agreements) and there was no indication that another one would not be received should it have been required.

As at 31 December 2019 the debt from credit institutions including interest is repayable as follows:

Lender/credit rating	Principal €	Repayments < 1 year €	1-2 years €	2-3 years €	3-4 years €	4-5 years €	> 5 years €	Unamortised (re)financing expenses	All in rate %	Maturity date	Amortised Cost
Mortgage											
DG Hyp/AA-	19,294	221	19,073	-	-	-	-	13	4.23	31 Aug 2021	19,281
SEB/A+	48,582	-	-	-	48,582	-	-	936	2.07	09 Mar 2023	47,646
Deka/A+	63,200	-	-	-	-	-	63,200	870	0.49	09 Oct 2026	62,330
Deka/A+	28,500	-	-	-	-	28,500	-	429	0.29	09 Oct 2024	28,071
Natixis/A+ Deka/A+	70,000	-	-	70,000	-	-	-	357	1.37	05 Dec 2022	69,643
Helaba/A+	100,000	-	-	-	100,000	-	-	423	1.24	31 Jan 2023	99,577
Canada Life/A+	46,996	-	-	46,996	-	-	-	261	1.97	10 Mar 2022	46,735
Canada Life/A+	81,105	-	-	-	-	81,105	-	586	2.38	10 Apr 2024	80,519
Canada Life/A+	54,799	-	-	-	-	54,799	-	458	2.10	27 Sep 2024	54,341
Natixis/A+	108,600	-	-	-	-	108,600	-	934	1.82	15 May 2024	107,666
Natixis/A+	7,262	-	-	-	-	7,262	-	13	1.40	15 May 2024	7,249
Natixis/A+	4,334	-	4,334	-	-	-	-	20	1.10	14 May 2021	4,314
Bondholders	52,318	-	-	-	-	52,318	-	295	3.48	18 Jan 2024	52,023
TOTAL LONG TERM	684,990	221	23,407	116,996	148,582	332,584	63,200	5,595			679,395
Short term											
ING/A+ and ABN/A	156,000	156,000	-	-	-	-	-	600	-	23 Mar 2020	155,400
TOTAL	840,990	156,221	23,407	116,996	148,582	332,584	63,200	6,195			834,795

10 Debt from associated companies (Including short-term portion)

	31 December 2020	31 December 2019
Long-term debt		
Balance as at the beginning of the year	**10,813**	10,813
Movements		
- Reclassification (to)/ from non-current liabilities	**(10,813)**	-
Balance at the end of the year	**-**	10,813
Short-term debt		
Balance as at the beginning of the year	-	-
Movements		
- Reimbursements	(10,813)	-
- Reclassification (to)/ from non-current liabilities	10,813	-
Balance at the end of the year	**-**	-
The fair value of the debt from associated companies is approximately	-	-

The loans from associated companies were fully repaid in November 2020 following the acquisition of the minority interest.

11 Other non-current liabilities

	31 December 2020	31 December 2019
Lease liabilities	**18,466**	22,551
Security deposits	**15,671**	14,335
Other	**-**	10,544
Total	**34,137**	47,430

The lease obligation is held in Mutual House for EUR 6.0 million (2019: EUR 6.3 million) and Hanseviertel P1 for EUR 12.5 million (2019: EUR 12.5 million).

The land lease liabilities are calculated based on a non-perpetual view. These land leases require quarterly payments. The lease liabilities are re-assessed and re-measured when the lease payments are changed after a certain time frame by the landlord based on contractual terms.

Maturity analysis of undiscounted cash flows for lease liabilities:

	31 December 2020	31 December 2019
Less than 1 year	725	940
More than 1 and less than 5 years	2,899	3,760
More than 5 years	77,933	86,394
Total	81,557	91,094

The weighted average discount rate used for discounting the lease payments is 3.7%.

The Fund had total cash outflows for leases of EUR 0.7 million (2019: EUR 0.9 million). For disclosure about interest expense on lease liabilities, refer to Note 20. The Fund had no non-cash additions to right-of-use assets and lease liabilities in 2020 (2019: EUR 3.9 million).

Other non-current liabilities of last year refers principally to the OPPCI exit tax payable over four years (c. EUR 10 million) until 2021.

CURRENT LIABILITIES

12 Accrued expenses and deferred income

	31 December 2020	31 December 2019
Deferred rental income	18,520	13,754
Operating costs properties	14,815	19,226
Accrued interest	3,508	4,155
Accrued fund expenses	3,130	5,224
Management and advisory fees	3,298	3,612
Accrued capex expenses	5,156	1,100
Other	4,066	4,225
Total	52,493	51,296

13 Other current liabilities

	31 December 2020	31 December 2019
VAT payable	10,878	10,098
Corporate Income tax	10,520	2,430
Other taxes	15,125	10,493
Other	1,290	11,262
Total	37,813	34,283

Corporate Income tax includes EUR 8.9 million of CIT generated by the disposal of assets and is almost fully (EUR 8.5 million) balanced by a reduction in deferred tax. Other taxes include EUR 5 million of RETT payable in relation to the acquisition of Bricks.

14 Currency translation reserve

	31 December 2020	31 December 2019
Balance (loss)/gain as at the beginning of the year	(55,814)	(73,815)
Movements		
- Changes in fair value of net investment hedge	842	(2,498)
- Realised cash flows from foreign exchange hedge	9,427	(7,489)
- Effect of foreign exchange rate differences	(572)	29,619
- Realised gains/(losses) from foreign exchange hedge	(4,250)	(1,876)
- Allocation of retained earnings to currency translation reserve	(1,184)	245
Balance (loss)/gain as at the end of the year	(51,551)	(55,814)

NOTES TO THE CONSOLIDATED COMPREHENSIVE INCOME STATEMENT

(Amounts in € '000, unless otherwise indicated)

15 Gross rental revenue

	2020	2019
Rent	192,814	185,738
Parking revenues	3,223	3,394
Total	196,037	189,132
Gross rental revenue	196,037	189,132
Other property related income	1,355	2,946
Recovered property costs charged to tenants	39,468	40,517
Recoverable cost of properties	(39,468)	(40,517)
Operating costs properties	(38,582)	(22,439)
Total	158,810	169,639

For information regarding theoretical rental revenue please refer to the report of the general partner.

The overview of the undiscounted lease payments from tenants is as follows:

Overview of the undiscounted lease payments from tenants:	Total rent	%
1	182,920	22.1
2	163,841	19.8
3	144,389	17.5
4	119,307	14.4
5	102,891	12.4
> 5	113,559	13.7
Total	826,907	100.0

16 Operating costs

	2020	2019
Maintenance	5,157	5,621
Straight-lined fitting out costs	4,316	531
Property management expenses	1,613	1,362
Marketing	1,633	1,904
Fixed charges	408	501
Non-reclaimable VAT	916	-
Contribution associations	-	1
Reletting expenses	1,653	1,043
Real estate taxes	4,152	3,269
Bad debt expenses	9,652	1,326
Professional services property	1,634	1,419
Insurance	956	394
Other operating costs	6,492	4,491
Total	38,582	22,439

An amount of EUR 3.6 million (2019: EUR 1.2 million) relates to cost of vacant units that did not generate rental revenue during the period under review.

17 Professional services

	2020	2019
Valuation expenses	1,193	1,206
Audit fees	1,045	879
Legal fees	1,687	1,504
Tax advisory fees	1,149	1,265
Trust expenses	3,843	3,749
Acquisition expenses	6,900	2,362
Other advisory services	2,021	1,327
Non-reclaimable VAT	179	354
Total	18,017	12,646

Acquisition expenses related to share deal acquisition of Bricks. Under INREV Guidelines such costs are capitalised and amortised over a five year period.

The audit fees relate only to audit services provided by the auditor Ernst & Young, Luxembourg to the Fund and requirements for stand-alone audits in local countries.

18 Management expenses

	2020	2019
Management and advisory fees	35,305	33,913
Total	35,305	33,913

The Advisor is entitled to receive remuneration from the Fund equal to a management fee rate of between 0.60% and 1.20% of the Fund's net asset value calculated according to their proportionate shareholding in the Fund and their class of shares.

The Class I Shareholder is entitled to an annual performance payment equal to 10% of the amount by which the cumulative total return to the Shareholders each year exceeds a cumulative hurdle total return of 8% per annum (with no performance fee payable for any return in excess of 10% per annum), calculated over a three year rolling period.

Payment of the performance fee in respect of any Performance Period is also conditional on the Fund achieving a 4% total return per annum over the shorter of i) a ten year rolling period and ii) the life of the Fund. A catchup payment will be made at the end of the life of the Fund.

For the purpose of calculating the Issue Price and the Redemption Price of each Share Class, the performance fee payment due in respect of each Performance Period shall accrue on each quarter end prior to the relevant Performance Calculation Date.

During the year ended 31 December 2020 no performance fee payable (2019: nil) was recorded in the consolidated statement of comprehensive income.

19 Finance income

	2020	2019
Interest credit institutions	327	141
Total	327	141

20 Finance expenses

	2020	2019
Interest credit institutions	13,766	14,267
Interest related parties	544	593
Bank charges	671	319
Other	2,848	2,390
Total	17,829	17,569

Other finance expenses include the interest expenses related to the finance lease amounting to EUR 0.7 million.

21 Result on sales

	2020	2019
Result on sales of investment properties	12,685	-
Result on sales of subsidiaries	(1,252)	-
Result on sales – transaction costs	(1,687)	(2,151)
Result on sales – other	(75)	-
Total	9,671	(2,151)
Result on sales of investment properties		
Proceeds of sales	112,135	-
Historical costs of properties sold	(67,690)	-
Accrued cost regarding rental guarantees relating to sold properties	-	-
Realised gains on historical cost	44,445	-
Cumulative changes in fair value of properties sold	(31,760)	-
Total	12,685	-
Result on sales of subsidiaries		
Proceeds of sales	131,827	-
Book value of subsidiaries	(133,079)	-
Cumulative share in result of subsidiaries	-	-
Total	(1,252)	-

Result on sales relate to the disposal of Brunnenstrasse, Plaza Colón, Hieronymus, 's-Heerenberg Distribution Centre and Wijchen Distribution Centre.

22 Result on foreign investments

	2020	2019
Realised foreign exchange gains/(losses)	(33,051)	(3,006)
Unrealised gains / (losses)	39	318
Total	(33,012)	(2,688)

Realised foreign exchange gains/(losses) are primarily related to amounts reclassified from the OCI to the income statement and include EUR 10 million related to the Hieronymus sale and EUR 23 million from the restructuring of the internal loans in the Jersey property holding companies.

23 Corporate income tax

Income tax recognised in Consolidated Statement of Comprehensive Income	2020	2019
Current income tax charge	11,330	4,199
Withholding tax	3,992	7,116
Allocation to / (release of) deferred tax liabilities	13,060	43,720
(Allocation to) / release of deferred tax assets	(4,785)	(7,522)
Total charge for income tax	23,597	47,513

Deferred tax:	2020	2019
Deferred tax assets:		
Tax losses carried forward	24,553	19,820
Total	24,553	19,820
Deferred tax liabilities:		
Temporary differences between tax and book basis of properties	108,180	96,226
Total	108,180	96,226

Reconciliation of tax expense and the accounting profit:	2020	2019
Consolidated net result before tax	29,235	360,502
Tax calculated at domestic tax rate applicable to individual group entities	(29,575)	(48,465)
Reconciliation:		
Income not subject to tax	34,913	16,335
Expenses not deductible for tax purposes	(23,730)	(10,726)
Differences due to rate	(1,167)	2,459
Withholding tax	(4,038)	(7,116)
Total corporate income tax	(23,597)	(47,513)
EFFECTIVE INCOME TAX	81%	13%

Some deferred tax liabilities are not presented on the balance sheet as a result of the initial recognition exemption under IAS 12. The nominal value of the deferred tax liabilities, including the exempt balances, amounts to EUR 181 million (2019: EUR 172.9 million).

PERSONNEL

During 2020, the Fund did not have any directly employed personnel but the salary of the Fund Administrator and Treasury Controller are recharged to the Fund's direct subsidiary, PEC Holdings S.à r.l and the salary of local finance executive recharged to PEC Dutch Holding BV.

RELATED PARTY RELATIONSHIPS

		Income statement		Balance sheet	
Name related party	Service provided	2020	2019	2020	2019
CBRE related					
CBRE	Accounting	928	839	38	331
CBRE	Brokerage/Agency fees	1,011	1,717	25	1,221
CBRE	Building management fees	-	27	-	-
CBRE	Letting fees	635	648	34	78
CBRE	Other	155	149	-	-
CBRE	Other professional fees	233	216	58	26
CBRE	Other services	36	13	-	9
CBRE	Property management	3,337	4,159	247	359
CBRE	Property management fees on works	4	2	-	-
CBRE	Staff costs	482	305	30	8
CBRE GIA	Accounting fees	85	234	-	-
CBRE GIA	Fund administration fees	1,069	537	387	537
CBRE Global Investors	AIFM fees	4,927	5,312	1,352	1,369
CBRE Global Investors	Asset management fees	17,385	16,901	6,642	6,424
CBRE Global Investors	Staff costs	175	222	28	99
CBRE Global Investors	Domiciliation fees	238	198	70	160
CBRE Global Investors	GP fees	140	140	35	35
CBRE Global Investors	Other	309	93	258	28
CBRE Global Investors	Strategic advisory fees	12,978	12,245	3,417	3,690
Total		44,127	43,957	12,621	14,374

Parties related to the Fund may be engaged on arm's length terms and must be disclosed to Investors. See section V of the Private Placement Memorandum, "Affiliated Service Providers to the Company" for further details.

SEGMENTAL REPORTING BY SECTOR & GEOGRAPHY

(Amounts in € '000, unless otherwise indicated)

Consolidated statement of financial position	Logistics	Office	Retail	Hotel & other	Residential	31 December 2020
Investment Properties	1,698,324	1,343,593	1,326,497	204,099	555,420	5,127,933
Investment property held for sale	-	-	-	-	-	-
Other non current and current assets	-	-	-	-	-	241,205
Loans and borrowings	-	192,158	428,864	48,924	-	801,249
Other non current and current liabilities	-	-	-	-	-	253,983
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES						4,313,906

Investment properties by Geography & Sector	Logistics	Office	Retail	Hotel & other	Residential	31 December 2020
Germany	409,144	348,100	542,961	97,402	-	1,397,607
France	342,690	550,040	166,600	-	-	1,059,330
Netherlands	295,100	52,500	-	-	555,420	903,020
United Kingdom	-	269,034	260,561	-	-	529,595
Poland	371,500	-	-	-	-	371,500
Belgium	80,790	-	-	-	-	80,790
Italy	-	-	265,350	-	-	265,350
Sweden	-	123,919	-	-	-	123,919
Norway	-	-	25,825	106,697	-	132,522
Spain	-	-	-	-	-	-
Czech Rep	199,100	-	65,200	-	-	264,300
Investment properties	1,698,324	1,343,593	1,326,497	204,099	555,420	5,127,933

Consolidated statement of financial position	Logistics	Office	Retail	Hotel & other	Residential	31 December 2019
Investment Properties	1,583,500	1,006,094	1,461,558	220,225	478,096	4,749,473
Investment property held for sale	-	194,721	55,000	-	-	252,566
Other non current and current assets	-	-	-	-	-	224,023
Loans and borrowings	-	192,387	445,797	52,025	-	845,609
Other non current and current liabilities	-	-	-	-	-	251,398
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES						4,129,055

Investment properties by Geography & Sector	Logistics	Office	Retail	Hotel & other	Residential	31 December 2019
Germany	369,000	45,500	584,137	112,956	-	1,111,593
France	322,120	552,610	168,800	-	-	1,043,530
Netherlands	315,300	-	-	-	478,096	793,396
United Kingdom	-	291,966	318,539	-	-	610,505
Poland	372,830	-	-	-	-	372,830
Belgium	22,600	-	-	-	-	22,600
Italy	-	-	269,100	-	-	269,100
Sweden	-	116,018	-	-	-	116,018
Norway	-	-	51,282	107,269	-	158,551
Spain	-	-	-	-	-	-
Czech Rep	181,650	-	69,700	-	-	251,350
Investment properties	1,583,500	1,006,094	1,461,558	220,225	478,096	4,749,473

SEGMENTAL REPORTING BY SECTOR & GEOGRAPHY

(Amounts in € '000, unless otherwise indicated)

Consolidated income statement by Sector	Logistics	Office	Retail	Hotel & other	Residential	2020
Gross rental revenue	84,607	35,433	52,671	7,477	15,849	196,037
Operating costs	(8,467)	(7,374)	(15,773)	(1,823)	(4,737)	(38,582)
Other income	818	176	344	14	3	1,355
Net rental revenue	76,958	28,235	37,242	5,668	11,115	158,810
Fund expenses	-	-	-	-	-	(53,874)
Change in fair value of investment properties	91,141	11,160	(132,877)	(19,317)	13,940	(35,953)
Result on sales	11,512	(2,693)	854	(1)	-	9,671
Other expenses	-	-	-	-	-	(31,917)
Net gains/ (losses) on investment property	102,653	8,467	(132,023)	(19,318)	13,940	(58,199)
Finance result	(147)	(3,154)	(9,596)	(2,284)	(74)	(17,502)
NET RESULT BEFORE TAX AND DISTRIBUTIONS TO HOLDERS OF REDEEMABLE SHARES	179,464	33,548	(104,377)	(15,934)	24,981	29,235

Gross rental revenue by Geography & Sector	Logistics	Office	Retail	Hotel & other	Residential	2020
Germany	18,419	1,927	24,607	3,815	-	48,768
France	17,138	15,612	4,785	-	-	37,535
Netherlands	15,098	-	-	-	15,849	30,946
United Kingdom	-	10,913	10,087	-	-	21,000
Poland	21,482	-	-	-	-	21,482
Belgium	1,593	-	-	-	-	1,593
Italy	-	-	6,770	-	-	6,770
Sweden	-	4,831	-	-	-	4,831
Norway	-	2,036	2,115	3,663	-	7,814
Spain	-	115	-	-	-	115
Czech Rep	10,876	-	4,307	-	-	15,183
Gross rental revenue	84,607	35,433	52,671	7,477	15,849	196,037

Consolidated income statement by Sector	Logistics	Office	Retail	Hotel & other	Residential	2019
Gross rental revenue	80,161	32,562	53,432	7,999	14,978	189,132
Operating costs	(5,598)	(1,825)	(9,856)	(989)	(3,545)	(22,439)
Other income	2,330	345	270	(1)	2	2,946
Net rental revenue	76,893	31,082	43,846	7,009	11,435	169,639
Fund expenses	-	-	-	-	-	(47,532)
Change in fair value of investment properties	102,945	94,626	16,631	8,132	38,313	260,647
Result on sales	-	(705)	(1,374)	-	-	(2,151)
Other expenses	-	-	-	-	-	(2,673)
Net gains/ (losses) on investment property	102,945	93,921	15,257	8,132	38,313	255,823
Finance result	(133)	(2,850)	(10,112)	(1,816)	(206)	(17,428)
NET RESULT BEFORE TAX AND DISTRIBUTIONS TO HOLDERS OF REDEEMABLE SHARES	179,705	122,153	48,991	13,325	49,542	360,502

Gross rental revenue by Geography & Sector	Logistics	Office	Retail	Hotel & other	Residential	2019
Germany	19,006	1,250	26,269	3,906	-	50,431
France	13,991	15,464	4,696	-	-	34,151
Netherlands	13,548	-	-	-	14,978	28,526
United Kingdom	-	7,237	11,600	-	-	18,837
Poland	21,364	-	-	-	-	21,364
Belgium	1,540	-	-	-	-	1,540
Italy	-	-	4,153	-	-	4,153
Sweden	-	4,465	-	-	-	4,465
Norway	-	3,606	2,262	4,092	-	9,960
Spain	-	540	-	-	-	540
Czech Rep	10,713	-	4,452	-	-	15,165
Gross rental revenue	80,161	32,562	53,432	7,999	14,978	189,132

SUBSEQUENT EVENTS

We continue to monitor the pandemic situation and will take further action as necessary in response to the economic disruptions.

Green bond issuance on 27 January 2021: The Fund issued its inaugural green bond for an amount of EUR 500 million for a coupon rate of 0.5% and a tenor of seven years.

Capital Call #46: The Fund issued a capital call notice for EUR 260 million with a value date of 22 January 2021.

Funds from the capital call were used to acquire Atlantic House which completed on 16 February 2021.

Repayment of Duomo loans: Three loans from Natixis secured by Duomo (VAT loan guaranteed by SICAV SIF) totalling EUR 120 million were repaid on 3 February 2021.

Repayment of Canada Life loans: Two loans from Canada Life secured by Mutual House, GBP 40 million, (EUR 44.5 million) and Angel Central, GBP 69 million (EUR 76.7 million), were fully repaid on 11 February 2021.

In January 2021 a new Placement Memorandum was visaed by the CSSF. The only significant change is the addition of a new share class XP_A++. In March 2021 a new Placement Memorandum was visaed by the CSSF to bring the Fund in line with SFDR.

COMMITMENTS AND CONTINGENCIES

The Fund has forward commitments based on developers meeting certain criteria per the below list. Details can be found in the Investments in Real Estate section of the Report of the General Partner.

- Utrecht Fermiweg Distribution Centre, Netherlands: estimated purchase price c. EUR 20 million, estimated purchase date Q4 2021,
- Schiphol Distribution Centre (Phase 3), Netherlands: estimated purchase price c. EUR 22 million, estimated purchase date Q4 2021, and
- Ursvik, Sweden: estimated purchase price SEK 589 million, estimated completion date 2023.

VALUATION EXPERTS

The valuations were performed by Jones Lang LaSalle and Knight Frank, accredited independent valuers with a recognised and relevant professional qualification and with recent experience in the location and category of the investment property being valued.

PROPERTY MANAGEMENT

The Fund has outsourced the activities related to property management to several specialised companies.

COVID-19

The defining event of 2020 was the Covid-19 pandemic and the impact that the associated restrictions had following the first wave of lockdowns in March. The Funds independent valuers added a “material uncertainty clause” to all valuations on 31 March, however, by Q3 there was sufficient evidence of transactions for well located, prime real estate and on 30 September all “material uncertainty clauses” were removed.

Rent collection was an area of key focus for the Fund in 2020 as Covid-19 restrictions impacted. In May the Fund team reviewed the portfolio in detail and assessed the likely collection rate for the years rent as 96%. At the time of reporting rent has been collected at a rate of 93% and it is expected that 96% will ultimately be collected in line with the early assessment and at a cost of 20 bps to the Fund’s income return.

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