



Annual report

CBRE Global Investors Open-Ended Funds S.C.A.
SICAV-SIF - Pan European Core Fund

2023



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Projects displayed in this Annual Report



Rubin, Berlin, Germany

7 >



Green Business District, Barcelona, Spain

26 >



Nacka, Stockholm, Sweden

49 >



Saphir, Munich, Germany

82 >



Sundbyberg, Stockholm, Sweden

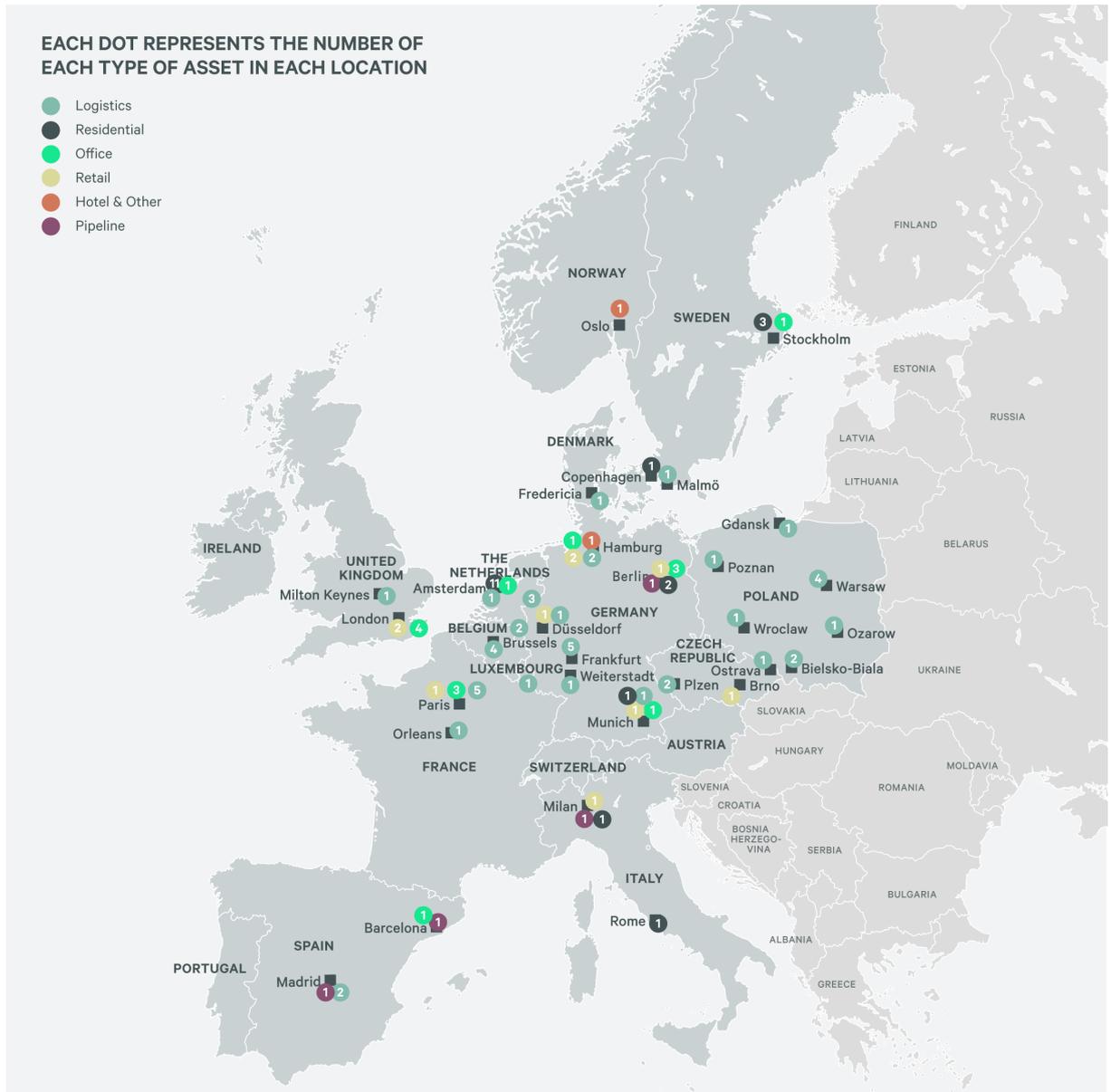
134 >



Täby, Stockholm, Sweden

146 >

Location of properties



Pan European core portfolio

Assets Under Management **EUR 6,838 million**¹
 Assets held **92**
 Countries invested in **13**
 Financial Occupancy **95.3%**
 Weighted average unexpired lease term **4.6 years**
 Net initial yield **3.9%**
 Gross reversionary yield **5.5%**

Strong capital structure

INREV Vehicle LTV/Property LTV **19.9%/21.1%**²
 Weighted average cost of debt **1.7%**
 Fixed rate debt **79%**
 Undrawn commitment **EUR 30 million**
 Credit rating (S&P) **BBB+**

CBRE investment management

Platform³
 Assets Under Management **USD 147.5 bn**
 Offices **31**
 Employees **1125**

¹ EUR 6,838 million includes Investment properties under construction, assets held for sale and excludes finance leases.

² INREV Vehicle loan to value (INREV Vehicle LTV) is calculated by dividing the nominal value of debt over INREV gross asset value and Property loan to value (Property LTV) is calculated by dividing the nominal value of debt over the assets under management.

³ Assets under management (AUM) refers to the fair market value of real asset-related investments with respect to which CBRE Investment Management's provides, on a global basis, oversight, investment management services and other advice and which generally consist of investments in real assets; equity in funds and joint ventures; securities portfolios; operating companies and real asset-related loans. This AUM is intended principally to reflect the extent of CBRE Investment Management's presence in the global real asset market, and its calculation of AUM may differ from the calculations of other asset managers.

Rubin



Berlin, Germany

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Annual report 2023

Executive report

To our shareholders

This report provides an overview of the activities of the CBRE Global Investors Open-Ended Funds S.C.A. SICAV-SIF, which is composed of the sub-fund CBRE Global Investors Open-Ended Funds S.C.A. SICAV-SIF Pan European Core Fund, referred to herein as the "PEC Fund" or "Fund", for the year ended 31 December 2023.

The Fund is comprised of its Luxembourg subsidiary PEC Holdings S.à r.l. (referred to as "Holdco"), its direct and indirect subsidiaries, PEC OPPCI SPPPICAV (referred to as "OPPCI") and PEC Italy SICAF S.p.A. (referred to as the "Italian SICAF"). The financial report comprises the audited consolidated financial statements of the Fund for the year ended 31 December 2023.

During 2023, interest rates continued to rise as central banks used the tools available to them to tackle inflation, and while it is widely expected that rates have reached or are close to their peak, the negative impact on real estate is still being felt. Yields have moved out, reducing values, and understandably this has led to a lack of liquidity with investment levels down 50% compared to 2022¹.

Inflation fell steadily throughout the year, and the harmonised index of consumer prices (HICP) in the Eurozone was 2.9% at December 2023 (December 2022: 9.2%)² which has reduced some of the pressures on tenants and the consumer, contributing to a sense of stability. Economic activity has remained relatively steady and while values continue to correct in line with interest rates, the occupier market has been resilient.

In light of these circumstances, the Fund remains committed to its long-term strategy, which aims to withstand fluctuations in the property market. This strategy is built upon several key elements. Firstly, the Fund focuses on high-quality buildings in prime locations that generate sustainable income and exhibit strong demand in the rental market. Moreover, the Fund strives to align itself with sectors benefiting from long-term structural tailwinds, while also being able to seize attractive buying opportunities in emerging sectors.

The Fund also maintains a clear Environmental, Social, and Governance (ESG) strategy, which aligns with its commitment to responsible investing. Additionally, the Fund has implemented a flexible debt policy to take advantage of favourable financing options available for scaled products. Leveraging the resources of CBRE Investment Management and the wider CBRE platform in Europe further fortifies the strength of the Fund's capabilities. Despite challenging market conditions, the Fund is well-positioned, equipped with a robust portfolio of assets coupled with an unwavering focus on long-term strategy.

The Fund ended the year with the International Financial Reporting Standards as adopted by the EU ("IFRS") fair value of real estate investments of EUR 6,838 million³ (2022: EUR 6,818 million). The IFRS gross asset value ("GAV") and INREV net asset value ("NAV") for year end 2023 were EUR 7,208 million (2022: EUR 7,200 million) and EUR 5,457 million (2022: EUR 5,899 million) respectively.

The Fund's non-Euro exposure includes assets that are in GBP, SEK, NOK and DKK⁴. After local currency financing, and hedges investor exposure to non-EUR assets at the year-end was a total of 13.6% of the INREV NAV (11.6% excluding DKK) compared to 12.4% on 31 December 2022.

The Fund has shown strong performance compared to the PEPFI and ODCE indexes over one year, three years, and five years. In terms of total net return, the Fund returned -9.8% in EUR for the year, surpassing both PEPFI (-10.2%) and ODCE (-10.3%). The local currency return for the year was -9.7%. Over a rolling three-year period, the Fund achieved a total return of -0.8% in EUR, outperforming PEPFI (-1.2%) and ODCE (-1.2%), while the local currency return was 0.8%. For the five-year rolling period, the Fund achieved a return of 0.9% in EUR, surpassing PEPFI (0.6%) and ODCE (0.5%), with a local currency return of 1.0%.⁵

During 2023 the Fund made seven acquisitions (six new assets and one extension to a current investment) for a total net purchase price of around EUR 522 million (excl acquisition costs). At the end of 2023, the sector allocation was: logistics 32.9%, residential 20.0%, office 24.0%, retail 15.6%, hotel & other 2.4% and cash & others 5.1%, of which 2.8% is cash (2.4% is Fund cash) and 2.3% is other non-current and current assets.

¹ Source: "Real Capital Analytics"

² "European Commission, Eurostat, 'The euro area annual inflation rate was 10.4%', January 17, 2024, accessed 20 February 2024, [https://ec.europa.eu/eurostat/documents/2995521/18343103/2-17012024-AP-EN.pdf.]

³ EUR 6,838 million includes investment properties under construction, assets held for sale and excludes finance leases.

⁴ The Fund also holds assets in DKK. Due to the effective currency peg to the Euro the Fund does not hedge against this exposure.

⁵ Past performance is not necessarily indicative of future results.



The Fund successfully disposed of one asset in 2023: a logistics asset in Germany (EUR 50 million) at over 100% higher than valuation. This resulted in a net unlevered IRR for the asset of 15.25%.

In 2023, the bond market experienced heightened activity, resulting in fluctuations in the fair value of the bonds.⁶ These fluctuations contributed negatively to the total return, with a decrease of -1.9%. However, during the fourth quarter of 2023, market conditions improved, leading to an upward trend in the valuations of the green bonds. By the end of December 2023, the fair value of the Green bonds had surged to EUR 860 million, indicating both the market's receptiveness to new issuances and the positive impact on the bond market.

In September the Fund signed an amendment to the Revolving Credit Facility to increase the facility to EUR 750 million (2022: EUR 350 million). The margin of the facility increased by 10 basis points and the tenor reset to a new 5-year term with 2 x 1-year extensions potentially taking it to September 2030. On signing the increased RCF the bridge facility of EUR 172 million was repaid and cancelled.

The long term financing strategy remains unchanged with a target Property LTV of 25% within a bandwidth of 20-30%.

During 2023 the weighted average cost of debt ("WACD") increased to 1.7% (2022: 1.1%) and weighted average maturity of debt ("WAMD") slightly reduced to 4.6 years (2022: 4.8 years). INREV Vehicle LTV is 19.9% (2022: 18.2%) and the Property LTV⁷ was 21.1% (2022 19.3).

Financial Occupancy is stable at 95.3% (2022: 95.4%) and rent collection currently stands at 97% for the year (2022: 98%)⁸.

The annual Fund Investor Meeting will take place on 4 and 5 June 2024 in Amsterdam. The Advisor will provide a detailed update on the performance strategy and progress made in the various development and income enhancement projects.

⁶ As per INREV guidelines the Fund holds the bonds at Fair Value which is the mid-point of the bid-offer spread as measured on Refinitiv on the reporting date.

⁷ INREV Vehicle loan to value (LTV) is calculated by dividing the nominal value of debt over INREV gross asset value and Property loan to value (LTV) is calculated by dividing the nominal value of debt over the assets under management

⁸ This report presents rental statistics data that was disclosed to investors on 12 January 2024.

Fund fact sheet

31 December 2023

The following figures are based on the consolidated financial statements in accordance with IFRS-EU, unless otherwise indicated.

(Amounts in € '000, unless otherwise indicated)

General fund information			Key portfolio metrics		
Structure	Luxembourg SICAV SIF		Number of real estate investments	92	
Investment strategy	Core		Fair value of real estate investments ⁴	6,837,628	
Countries of investment	Pan-European		YTD Change in fair value of real estate ⁵	(527,847)	
Property types	Logistics, Residential, Office, Retail, Hotel & other		YTD Change in fair value of real estate (%)	(7.8%)	
Fund inception date	12 January 2010		GAV	7,207,504	
Investment end date	Open-Ended		Net initial yield	3.9%	
Fund maturity date	Perpetual life		Gross reversionary yield	5.5%	
Return objective (total net return)	8-10%		Net rentable area (sqm)	2,647,498	
Number of shareholders ¹	144		Occupancy (financial) ⁶	95.3%	
Rolling total net return (last 4 quarters)	(9.8%)		Number of leases	5,306	
			Weighted average unexpired lease term (years) ⁷	4.6	
			Weighted average cost of debt	1.7%	
Investment restrictions			Fund allocation target		
	Restriction %	Actual %	Target % ⁸ Actual %		
% GAV invested in single largest asset	<15.0	3.7	Asset type allocation		
% GAV invested in single largest country	<30.0	29.3	Logistics	35.0	32.9
% GAV invested in development projects	<15.0	8.6	Residential	20.0	20.0
% GAV invested in single largest JV	<10.0	—	Office	25.0	24.0
% NAV represented by liquid assets ²	<49.0	3.9	Retail	15.0	15.6
			Hotel & other	3.0	2.4
			Cash & other current / non-current assets ²	2.0	5.1
			Geographical allocation		
			UK	15.0	11.5
			Germany	23.0	29.3
			France	20.0	13.4
			CEE	5.0	10.2
			Southern Europe	10.0	7.0
			Nordics	10.0	7.2
			Benelux	15.0	16.3
			Cash & other current / non-current	2.0	5.1
			Other		
			Vehicle Loan-to-value	n.a.	19.9
			Property Loan-to-value	25.0	21.1
			AIFMD leverage (gross method) ⁹	n.a.	176.2
			AIFMD leverage (commitment method) ⁹	n.a.	173.4

¹ The number of Investors committed to the Fund is 144, which includes the GP and the I share, but some are not drawn as of 31 December 2023.

² The cash & others figure as a percentage of IFRS GAV is broken down as 2.8% of cash (of which 2.4% is Fund cash) and 2.3% of other current and non-current assets including financial leases; the cash only figure is shown as liquid assets in the investment restrictions and held for sale.

³ Amounts expressed in whole figures, except for the number of shares and the NAV per share.

⁴ Fair value of real estate investments includes investment properties under construction and excludes finance leases.

⁵ The changes in fair value of like for like real estate considers the effect of currency translation differences. For more detailed information, please refer to the Investment Properties table.

⁶ Occupancy excludes residential assets.

⁷ Average remaining lease term in years where the shorter of the first tenant break or the lease expiry is used, weighed by current headline rent per annum.

⁸ In the December Webcast, sector and country allocation targets were updated and the PM is currently being updated. For more information on the updated sector and country target allocation, please refer to the "Investment Targets" section on page 49.

⁹ AIFMD leverage calculations are based on IFRS-EU.

Green Business District



Barcelona,
Spain

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Report of the
General Partner

Capital structure

19.9%	21.1%	79%
INREV Vehicle loan to value	Property loan to value	Fixed rate debt
€ 30M	1.7%	BBB +
Undrawn commitment	Weighted average cost of debt	Credit Rating (S&P)

In line with the Fund's long-term debt policy, the Fund maintained a target Property LTV of 25%. However, due to the anticipated economic environment disturbance and subsequent potential reduction in capital values, all acquisitions during 2023 were financed exclusively with equity to temporarily lower the LTV. As a result, the Vehicle LTV¹ at 19.9% and the Property LTV² stood at 21.1% as of 31 December 2023.

At the end of the third quarter the Fund signed an amendment to the Revolving Credit Facility to increase the facility to EUR 750 million. The margin of the facility increased by 10 basis points and the tenor reset to a new 5-year term with two 1-year extensions potentially taking it to September 2030. On signing the RCF, the bridge facility of EUR 172 million was repaid and cancelled using the RCF.

During 2023 the weighted average cost of debt ("WACD") increased to 1.7% from 1.1%, which was mainly driven by increase in borrowing costs of the RCF facility. Weighted average maturity of debt ("WAMD") remained rather stable at 4.6 years (2022: 4.8 years).

During 2023 there was an increase in activity within the bond market. From the second quarter of 2023, the market conditions improved, leading to increased valuations of the Green bonds. By the end of December 2023, the fair value of the Green bonds had increased to EUR 860 million.

The Fund reduces the impact of currency movements with either local currency (non-EUR) debt, where accretive, or through a currency forward contract covering 50% of the non-EUR valued assets at Fair Market Value. Through the CBRE Investment Management Treasury & Debt Finance team, the Fund has access to a wide range of debt financing sources and uses a mix of local asset finance, unsecured notes, together with a Sustainable RCF. The Fund has strong relationships with a large number of lenders, giving access to short term finance options which facilitate further growth.

¹ Vehicle loan to value (LTV) is calculated by dividing the nominal value of debt over INREV gross asset value.

² Property loan to value (LTV) is calculated by dividing the nominal value of debt over the assets under management.

Debt mix

Unsecured notes

The Fund issued its inaugural Green bond of EUR 500 million on 27 January 2021 with a term of seven years and a coupon rate of 0.50%. The Fund issued its second Green bond of EUR 500 million on 12 October 2021 with a term of eight years and a coupon rate of 0.90%.

The unsecured bonds have a conservative financial covenant framework, including:

- Fund leverage must be lower than 60%,
- Secured debt must be lower than 40% of assets under management,
- Consolidated income available for debt service must be more than 2.0x amount required for debt service, and
- Total unencumbered assets must be greater than 200% of total unsecured debt.

The proceeds of both Green bonds were fully allocated to Eligible Green Projects in 2022.

There were no further bonds issued during 2023.

Revolving Credit Facility

The Fund has a Sustainable RCF of EUR 750 million to actively manage cash balances and liquidity within the Fund. The facility is secured against a pool of German and Dutch and British logistic assets. The interest rate is three months Euribor (with a floor of zero) plus a variable margin based on Fund credit rating, facility LTV and four Sustainable KPIs. The variable margin as at 31 December 2023 was 1.0%. The facility matures in September 2028 and has two 1-year extensions available on request.

The undrawn balance of the Sustainable RCF as at 31 December 2023 was EUR 442.0 million. The Fund complied with all Sustainable RCF covenants as at 31 December 2023.

The RCF has the following covenants framework:

- Fund leverage must be lower than 50%,
- Secured debt must be lower than 40% of assets under management,
- Consolidated income available for debt service must be more than 2.0x amount required for debt service,
- Total unencumbered assets must be greater than 200% of total unsecured debt; and
- The Fund must ensure that the interest cover in relation to the properties is at least 200%.

Secured asset finance

The Fund has three loans secured against investment properties. One loan secured against a Norwegian hotel was refinanced with the RCF on maturity in January 2024. Two further loans secured against Paris offices mature in October 2024 and October 2026.

As at 31 December 2023, the Fund had EUR 137 million (EUR 141 million as at 31 December 2022) of secured asset financing outstanding. The current percentage of encumbered assets is 25.9% which includes the assets in the security pool for the Sustainable RCF.

The Fund complied with all secured asset finance covenants throughout 2023.

Bridge finance

During Q3 2023 the Bridge loan facility was fully repaid using the Sustainable RCF facility.

Table 1 Liquidity profile

	2023 EUR million	2022 EUR million
Source of liquidity:		
Uncalled equity from investors	30	246
Undrawn balance from Revolving Credit Facility	442	300
Undrawn balance from Bridge loan	—	63
Cash	205	180
Total available liquidity	677	789
Debt maturities in 1 year	74	172
Total short-term liquidity available	603	617
Debt maturities in 1-2 years	—	78
Debt maturities in 2-3 years	63	—
Debt maturities in 3-4 years	—	63
Debt maturities in 4-5 years	808 ³	—
Debt maturities in >5 years	500	1,000
Total long-term liquidity available	(768)	(524)

The Fund has significant liquidity available to it to manage in the short and medium term. Two EUR 500 million Green bonds mature in January 2028 and October 2029 and liquidity will be in place to manage those maturities when necessary.

³ The outstanding balance for the RCF is rolling every three months, but the facility has an end date of 5 years with the potential for two-year extensions. Currently, we are assuming that the facility will only be repaid in 5 years. However, the IFRS financial statements are treating it as a short-term facility.

Table 2 Fair value EUR millions year on year

Sector	2022	FV adjustment like for like	Disposal	Acquisition	CAPEX	FV adjustment on acquisitions & disposals & Capex	FX	2023	Y on Y variance % (excl FX)	like for like % variance (excl FX)
Logistics	2,483	(102)	50	14	43	(130)	16	2,374	(9.3)%	(4.1)%
Residential	1,011	(58)	-	442	30	14	-	1,439	(4.4)%	(5.7)%
Office	1,903	(257)	-	66	34	(28)	10	1,728	(15.0)%	(13.5)%
Retail	1,235	(117)	-	-	19	(19)	4	1,122	(11.0)%	(9.5)%
Hotel & Other	186	(4)	-	-	9	(9)	(7)	175	(7.0)%	(2.2)%
Total	6,818	(538)	50	522	135	(172)	23	6,838	(10.4)%	(7.9)%

Portfolio acquisitions

Table 3 Acquisitions in 2023

Asset	Sector	Country	Whole/ Extension	Acquisition Date	Acquisition valuation Local	Acquisition valuation EUR	Yield	WAULT years
Nacka	Residential	Sweden	Whole	April 2023	318,500,000	27,059,468	3.38%	n.a.
Fredericia Distribution Centre	Logistics	Denmark	Extension	April 2023	102,700,000	13,793,748	n.a.	n.a.
Taby	Residential	Sweden	Whole	October 2023	409,000,000	36,748,914	3.18%	n.a.
Green Business District	Office	Spain	Whole	October 2023	71,120,000	71,120,000	5.30%	1.5
Rubin	Residential	Germany	Whole	October 2023	166,600,000	166,600,000	3.00%	n.a.
Saphir	Residential	Germany	Whole	October 2023	203,700,000	203,700,000	2.12%	n.a.
Manifatture Tabacchi	Residential	Italy	Whole	December 2023	50,900,000	50,900,000	4.73%	n.a.

Portfolio disposals

Table 4 Disposals in 2023

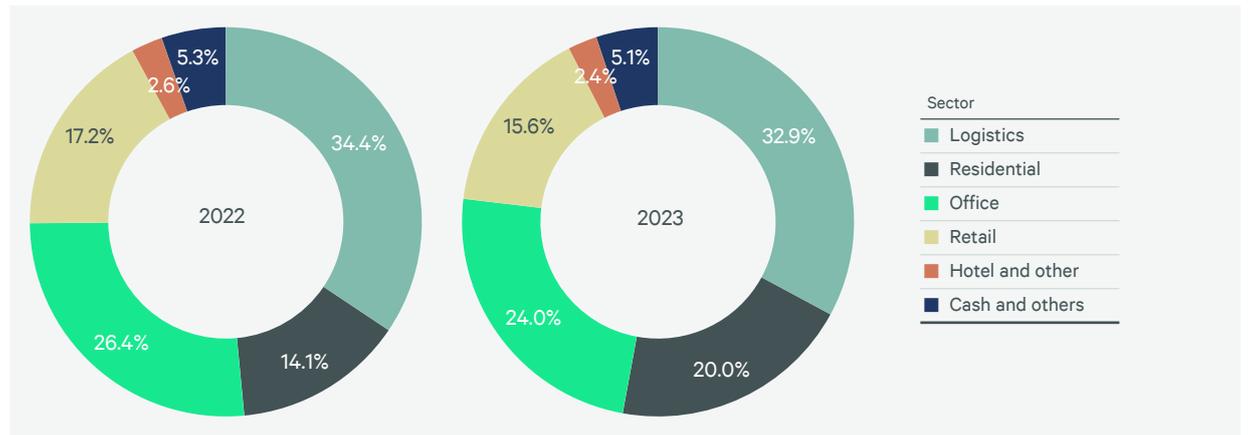
Asset	Sector	Country	Acquisition Date	Disposal Date	FMV at disposal local currency	FMV at disposal EUR	Unlevered IRR (acquisition EIC)	Unlevered IRR (disposal EIC)
Dietzenbach Distribution Centre	Logistics	Germany	July 2015	November 2023	50,000,000	50,000,000	6.9%	15.3%

Sector allocation

Table 5 Sector allocation

Sector	2021	2022	2023	Target
Logistics	33.6%	34.4%	32.9%	35.0
Residential	14.1%	14.1%	20.0%	20.0
Office	25.7%	26.4%	24.0%	25.0
Retail	19.2%	17.2%	15.6%	15.0
Hotel & other	2.8%	2.6%	2.4%	3.0
Cash and others	4.6%	5.3%	5.1%	2.0

Figure 6 Sector allocation



Geographic allocation

Table 6 Geographic allocation

Sector	2021	2022	2023	Target
UK	15.2%	12.4%	11.5%	15.0
Germany	26.3%	28.1%	29.3%	23.0
France	16.8%	14.6%	13.4%	20.0
CEE	10.6%	10.3%	10.2%	5.0
Southern Europe	3.9%	5.6%	7.0%	10.0
Nordics	6.1%	6.0%	7.2%	10.0
Benelux	16.5%	17.7%	16.3%	15.0
Cash and others	4.6%	5.3%	5.1%	2.0

Figure 7 Geographical allocation

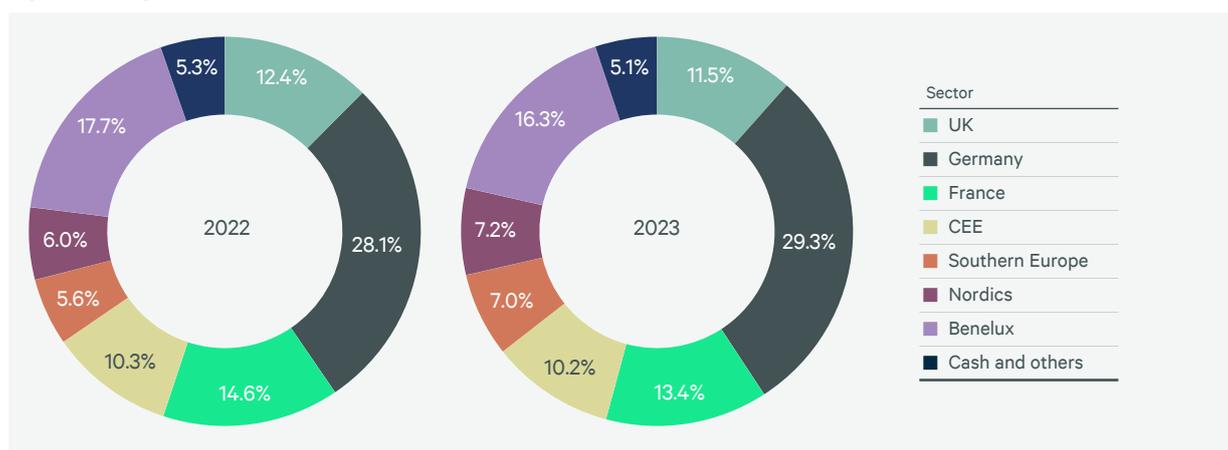


Table 7 Portfolio values by sector and geographical region

(Amounts in € millions)

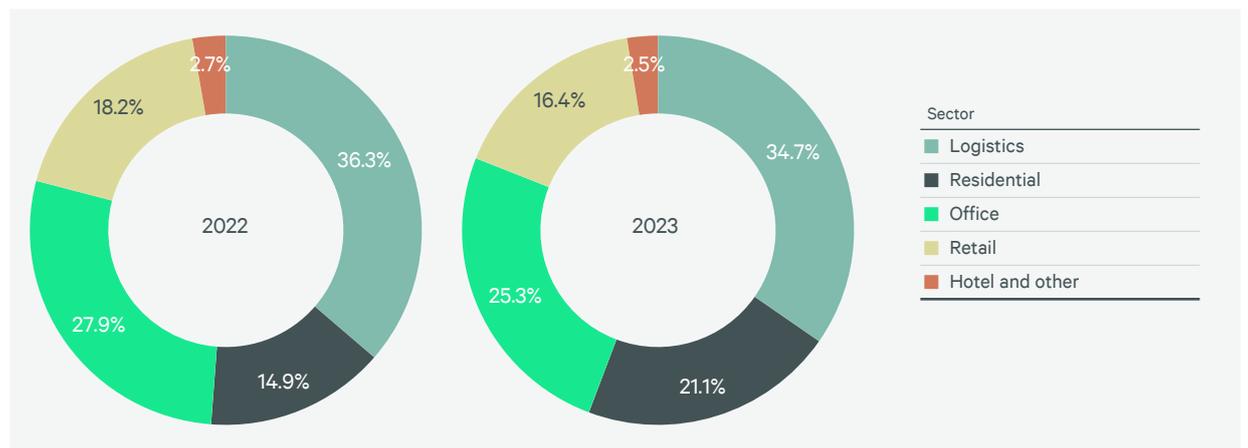
	AUM	Logistics	Residential	Office	Retail	Hotel & other
United Kingdom	828	115	-	503	211	-
Germany	2,116	433	595	543	470	75
France	961	361	-	451	148	-
CEE	738	675	-	-	63	-
Southern Europe	504	65	137	71	231	-
Nordics	515	109	192	113	-	100
Benelux	1,177	616	514	46	-	-
Total	6,838	2,373	1,439	1,728	1,123	175

Fund

Table 8 Fund key metrics

	2022	2023
AUM (€ million)	6,818	6,838
GLA (sqm)	2,479,119	2,647,498
Financial Occupancy	95.4%	95.3%
Physical Occupancy	96.8%	97.0%
WAULT (years)	4.7	4.6
Contracted Rent (€ sqm)	112.5	114.7
Reversionary potential ((Total ERV – Contracted Rent)/Contracted Rent)	20.0%	30.3%

Figure 8 Fund key metrics

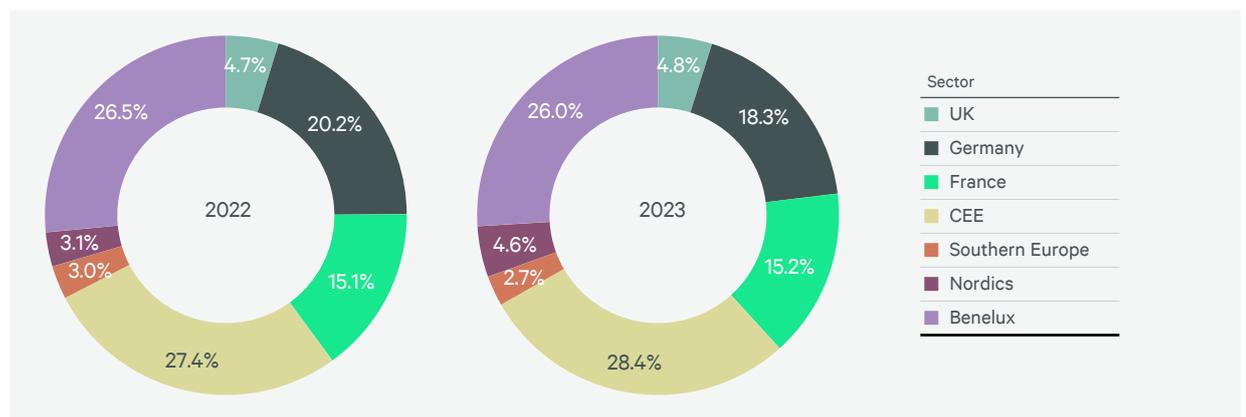


Logistics

Table 9 Logistics key metrics

	2022	2023
AUM (€ million)	2,482	2,373
GLA (sqm)	2,020,372	2,054,632
Financial Occupancy	97.3%	97.4%
Physical Occupancy	97.3%	97.9%
WAULT (years)	5.3	5.1
Total ERV (€m pa)	132.6	142.4
Contracted Rent (€m pa)	123.9	132.8
Contracted Rent (€ sqm)	71.9	64.6
Reversionary potential ((Total ERV - Contracted Rent)/Contracted Rent)	7.0%	7.2%

Figure 9 Logistics AUM allocation by geographic area

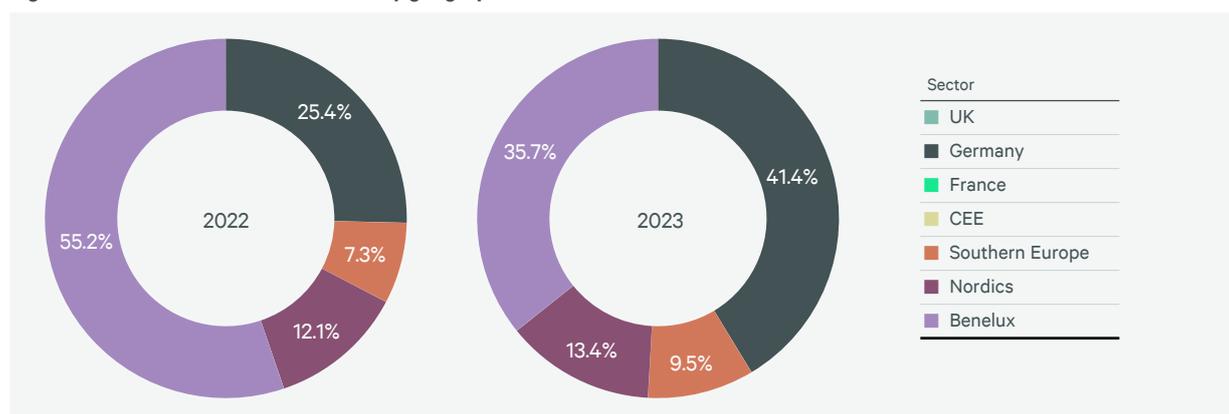


Residential

Table 10 Residential key metrics

	2022	2023
AUM (€ million)	1,011	1,439
GLA (sqm)	136,005	248,512
Financial Occupancy	98.1%	93.7%
Physical Occupancy	97.9%	95.9%
WAULT (years)	n.a.	n.a.
Total ERV (€m pa)	48.2	72.3
Contracted Rent (€m pa)	31.9	50.9
Contracted Rent (€ sqm)	234.6	204.8
Reversionary potential ((Total ERV - Contracted Rent)/Contracted Rent)	51.1%	42.0%

Figure 10 Residential AUM allocation by geographic area

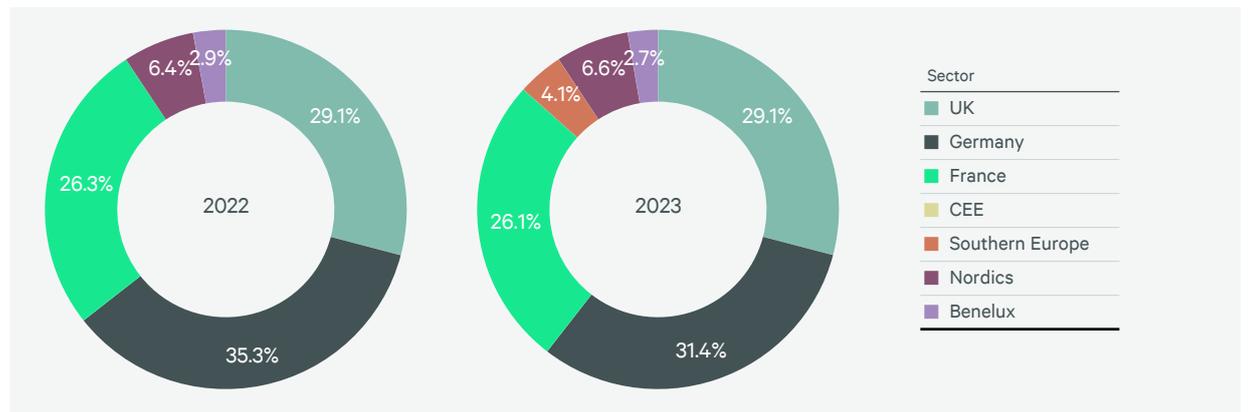


Office

Table 11 Office key metrics

	2022	2023
AUM (€ million)	1,903	1,728
GLA (sqm)	163,936	185,529
Financial Occupancy	93.2%	93.3%
Physical Occupancy	94.0%	81.4%
WAULT (years)	2.9	2.9
Total ERV (€m pa)	96.4	108.2
Contracted Rent (€m pa)	62.9	56.8
Contracted Rent (€ sqm)	383.7	305.9
Reversionary potential ((Total ERV - Contracted Rent)/Contracted Rent)	53.3%	90.7%

Figure 11 Office AUM allocation by geographic area

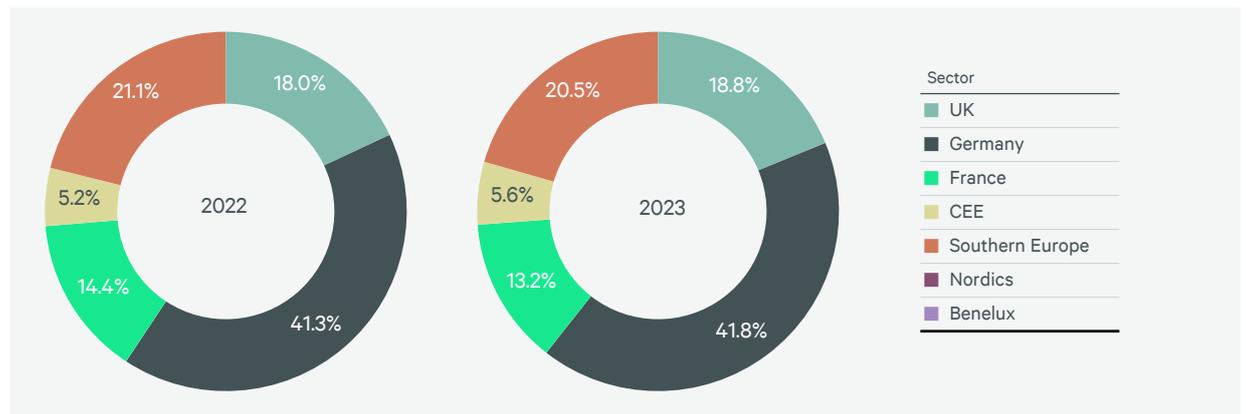


Retail

Table 12 Retail key metrics

	2022	2023
AUM (€ million)	1,235	1,123
GLA (sqm)	128,914	128,891
Financial Occupancy	92.8%	94.1%
Physical Occupancy	91.5%	91.9%
WAULT (years)	5.2	4.8
Total ERV (€m pa)	59.5	61.7
Contracted Rent (€m pa)	51.5	54.0
Contracted Rent (€ sqm)	399.3	418.9
Reversionary potential ((Total ERV - Contracted Rent)/Contracted Rent)	15.5%	14.3%

Figure 12 Retail AUM allocation by geographic area

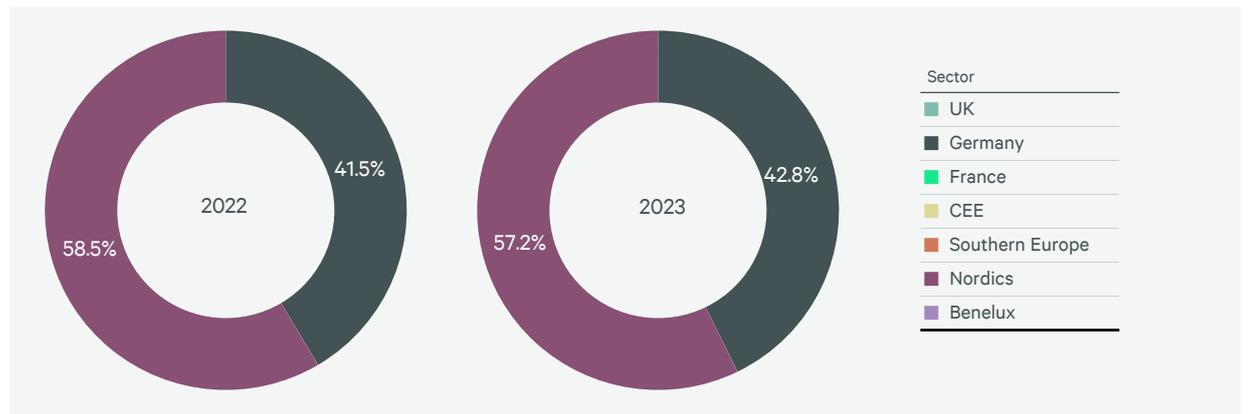


Hotel & other

Table 13 Hotel key metrics

	2022	2023
AUM (€ million)	186	175
GLA (sqm)	29,892	29,934
Financial Occupancy	90.8%	92.4%
Physical Occupancy	92.0%	93.5%
WAULT (years)	7.4	6.3
Total ERV (€m pa)	10.0	11.1
Contracted Rent (€m pa)	8.6	9.2
Contracted Rent (€ sqm)	288.9	306.7
Reversionary potential (Total ERV – Contracted Rent)/Contracted Rent)	15.6%	21.4%

Figure 13 Hotel & other AUM allocation by geographic area



Investment targets

Table 14 Investment targets by sector

Sector	Target	Bandwith
Retail	15.0%	10.0% - 20.5%
Office	15.0%	10.0% - 20.0%
Industrial	37.5%	32.5% - 42.5%
Residential	27.5%	22.5% - 27.5%
Other	3.0%	—% - 6.0%
Cash	2.0%	—% - 4.0%

Table 15 Investment targets by region

Region	Target	Bandwith
Germany	25.0%	20.0% - 30.0%
France	20.0%	15.0% - 25.0%
UK	10.0%	5.0% - 15.0%
CEE	6.0%	1.0% - 11.0%
Southern Europe	12.5%	7.5% - 17.5%
Nordics	7.5%	2.5% - 12.5%
Benelux	17.0%	12.0% - 22.0%
Cash	2.0%	—% - 4.0%

In ensuring the PEC weightings are consistent with CBRE Investment Management House model portfolio, both sector and country allocations have been revised, resulting in the following changes:

In ensuring the PEC weightings are consistent with CBRE Investment Management House model portfolio, both sector and country allocations have been revised, resulting in the following changes:

PEC is already significantly underweight to offices vs its peer group, both in terms of the portfolio and the target. But given the structural headwinds facing the sector, the analysis feeding the model portfolio suggested this underweight position becomes more relevant. For that reason PEC's target office weighting moves from 25% to 15%.

Residential is the next largest change. Our model portfolio has a significant overweight position here, and moving the PEC target from 20% to 27.5% also gives PEC a significant overweight. It's worth noting residential is a bit underrepresented amongst the peer group, so that benchmark is expected to increase over coming years.

Logistics is another significant overweight position in our model portfolio. PEC already has a high target here of 35%. Pushing it much higher would see the benefits offset by increasing concentration risk, but it will move slightly higher to 37.5%. The retail and niche target weights are unchanged.

In terms of country allocations, the changes from previous targets are smaller.

PEC is a Euro-denominated fund which creates a bias towards Euro markets to avoid currency volatility and hedging costs. Partly for this reason, the UK target has been reduced from 15% to 10%. Higher volatility and a lack of index-linked leases were also considerations here. This becomes a marginal underweight position vs the peer group. Despite that, it is recognized that the rapid repricing in the UK may create attractive opportunities in the short-term. Also, to reduce PEC's active weights in non-Euro markets, the target Nordics allocation is reduced from 10% to 7.5%. PEC also maintains an underweight position in the CEE markets, despite the absolute allocation ticking up marginally.

Offsetting these lower targets; Germany, Benelux and Southern Europe see their targets increase. Despite short-term economic weakness, Germany is a high conviction market for us both short-term and long-term. An increased Benelux allocation is a reflection of PEC's preference for core Euro exposure. In respect of Southern Europe, these markets may be amongst the best source of retail opportunities going forward.

Nacka



Stockholm,
Sweden

Annual sustainability update

2023 Firm sustainability accomplishments

At CBRE Investment Management, we believe that taking a holistic approach to sustainability, considering our climate and people is fundamental to maximising long-term investment returns and is essential to risk mitigation and value creation. The convergence of sustainable practices and financial performance is becoming a focal point for prudent investors and incorporated in the new sustainability and climate reporting standards issued by the International Sustainability Standards Board (ISSB). 2023 was a pivotal year for sustainability as we completed our Net Zero Asset Managers initiative (NZAMi) target setting and accelerated a shift from strategy and planning to execution. We enhanced the sustainability information discussed in investment committees, portfolio oversight committees and in our asset management process. We also sought to more deeply embed sustainability understanding and practice across the organisation. The Sustainability Team grew this year, which allowed us to provide greater support across our strategies and functions. We achieved many firm-wide milestones in 2023.¹ Below are highlights for the firm followed by portfolio-level achievements and 2024 objectives.

Striving for industry leadership in sustainability

Global Net Zero Commitment: Established firm-wide net zero targets under our NZAMi commitment, including interim and long-term targets across investment strategies.² The link for our published commitment is [here](#).

ESG Team: Grew the Sustainability Team by 44% to 13 dedicated professionals.³

Reporting and Benchmarking: Continued to provide our clients with transparent reporting, including:

- Published our second annual TCFD-aligned Climate Report.
- Submitted 74 direct real asset portfolios/infrastructure portfolio companies to GRESB⁴ with strong results.
 - We achieved a four-point increase in our real estate average score and a 13-point increase in our infrastructure average score.
 - Our average real estate score was 10 points higher than the GRESB averages for performance and development.
 - We received 30 out of 30 for our GRESB management score for the fourth consecutive year.
- Disclosed SFDR information for all in-scope portfolios.
- Completed the PRI reporting framework for the firm and four investment strategies.

Influence: Sought to drive positive outcomes through our collaborative participation in industry working groups, boards and committees to help shape the frameworks and guidance needed to advance the industry. In 2023, we were involved with 19 sustainability-related industry groups and participated throughout the year in many sustainability-related interviews, panels and articles. Highlights of our organisational involvement include the following:

- ULI Greenprint Center steering committee to help establish CRREM pathways for North America.
- GRESB Real Estate Standards Committee.
- Real Estate Roundtable Sustainability Committee.
- PRI's Sustainable Systems Investment Managers Reference Group (SSIMRG).
- Active participant in the development of the ISO Net Zero Guidelines.
- Vice Chair of the Institute for Corporate Responsibility and Sustainability (ICRS).
- Steering committee member for Mapping ESG: A Landscape Review of Certifications, Reporting Frameworks and Practices sponsored by ULI, INREV and PRI and contributed a best practice case study in the report.

¹ May not be applicable to all strategies, funds and accounts.

² Direct Private Real Estate, Indirect Private Real Estate, Private Infrastructure and Listed Real Assets.

³ From 9 in Q4 2022 to 13 as of 11 December 2023.

⁴ Please note that the GRESB Survey is conducted annually with results published in Q3 every year. There can be no assurance that the GRESB average takes into account all relevant peer firms.



Accelerating action and embedding sustainability

Launched Decarbonisation Programme: Formalised a decarbonisation audit process and have begun asset audits. Launched Project Helios, a global rooftop solar initiative to support decarbonisation efforts.

Building Sustainability Fluency & Accountability: Delivered 1,600+ hours of sustainability training, in addition to special trainings and webinars on a variety of sustainability-related topics. Expanded and evolved our Sustainability Ambassador programme with over 120 professionals globally who are trained and tasked with integrating sustainability within their relevant function and geography.

Corporate Sustainability: Launched global CBRE IM Office Sustainability Guidelines.

Diversity, Equity & Inclusion (DE&I): We continued to strengthen and evolve our culture, so each person feels safe, valued and heard and has the opportunity to succeed. In 2023, we continued to build programmes around DE&I pillars: culture, talent and community.

2024 Firm sustainability outlook

The sustainability landscape continues to evolve and be influenced by dynamic market forces, regulatory shifts, and amplified stakeholder expectations. Looking ahead to 2024⁵, it will be important for us to focus on managing the risk and opportunities created by this evolving environment and landscape. In 2024, we will seek to continue to build on the foundation set out in prior years to execute on our commitments and more deeply embed sustainability into our operations and investment process. We will also seek to continue to actively engage with investors, underlying managers, portfolio companies, and tenants, as well as industry organisations to advance global sustainability strategies and bring the best market-based solutions to fruition.

⁵ Based on CBRE Investment Management's subjective views and subject to change. There can be no assurance any targets or business initiatives will occur as expected. Forecasts are inherently uncertain and subject to change.

Metrics and targets

Table 15 Real estate ESG scorecard

Category	Target	2022	Change YoY (%)	
ENERGY CONSUMPTION				
Data Coverage				
Energy Coverage (by time and area)	95	91	↓	(4)
Water Coverage (by time and area)	95	84	↑	1
Waste Coverage (by area only)	95.0	61	↑	28
Environmental performance				
Carbon intensity (kgCO ₂ e/m ²)*	20	18	↓	(43)
Energy intensity (kWh/m ²)*	70	110	↓	(15)
Water intensity (L/m ²)*	tbd	205	↑	4
Waste diversion (% total tonne wasted)	100	45	↓	(21)
% Renewable energy (% total kWh)	100	37	↑	24
Portfolio Performance				
Standing Assets; Absolute GRESB Score	75-100	90	↑	3
Standing Assets; GRESB Star Rating	4	★★★★★		—
Standing Assets; Relative peer GRESB performance: rank		8		
Standing Assets; Relative peer GRESB performance: out of		53		
Standing Assets; Relative peer GRESB performance: percentile	Top 20% of peer group	15		
Development; Absolute GRESB Score	75-100	94	↑	1
Development; GRESB Star Rating	4	★★★★	↓	(1)
Development; Relative peer GRESB performance: rank		8		
Development; Relative peer GRESB performance: out of		20		
Development; Relative peer GRESB performance: percentile	Top 20% of peer group	40		

Important notes

Change YoY (%) shows the difference between 2022 and 2021 as per the latest available GRESB report or latest available data for carbon emissions, energy and water intensity.

*Carbon emissions, energy, and water intensity are calculated from the latest available data from 2022 and 2021 and are therefore subject to differ from the 2023 GRESB report and previous Scorecards. When aggregating asset level intensities to portfolio level environmental performance, CBRE IM only include assets with good data coverage (75%+) that are within GRESB's expected range. Carbon intensity is calculated using a market-based approach.

Emission factors for national electricity grids are taken from the most recent publicly available International Energy Agency (IEA) dataset (2019). CBRE IM is working to obtain the most recent available emission factors for future reports.

Source: GRESB, Measurabl, CBREIM, IEA

Table 16 Key performance

Total portfolio floor area		Year			Change vs Last Year
		2020	2021	2022	
Total Portfolio Floor Area (m2)		2,268,391	2,266,295	2,339,697	3.24%

Energy consumption		Year			Change vs Last Year	
		2020	2021	2022		
INREV ID	Unit	2020	2021	2022	Change vs Last Year	
ENV1	Energy consumption - landlord's control	kWh	154,043,593	124,037,095	110,419,987	(10.98%)
ENV2	Energy consumption - tenant's control	kWh	4,657,118	73,937,825	76,388,880	3.32%
ENV3	Estimated energy consumption ¹	kWh	46,642,166	56,653,404	74,197,406	30.97%
ENV4	Total energy consumption	kWh	205,342,878	254,628,324	261,006,274	2.50%
ENV5	Total energy data coverage ²	% of m2	80%	83%	92%	8.74%

Renewable energy		Year			Change vs Last Year	
		2020	2021	2022		
INREV ID	Unit	2020	2021	2022	Change vs Last Year	
ENV8	Generated & consumed on-site by landlord	kWh	27,838	766,846	516,170	(32.69%)
ENV9	Generated on-site and exported by landlord	kWh	618,449	6,118,711	8,416,212	37.55%
ENV10	Generated & consumed on-site by tenant	kWh	999,792	-	1,553	
ENV11	Generated off-site and purchased by landlord	kWh	12,097,071	30,247,718	67,023,284	121.58%
ENV12	Generated off-site and purchased by tenant	kWh	5,334,621	11,393,634	12,347,057	8.37%
ENV13	Renewable energy data coverage	% of m2	n/a	n/a	n/a	

GHG emissions		Year			Change vs Last Year	
		2020	2021	2022		
INREV ID	Unit	2020	2021	2022	Change vs Last Year	
ENV14	Direct emissions - Scope 1 ³	tCO2e	11,276	7,280	6,091	(16.34%)
ENV15	Indirect emissions - Scope 2 ³	tCO2e	42,997	41,789	40,923	(2.07%)
ENV16	Indirect emissions - Scope 3 ^{3,4}	tCO2e	9,543	27,488	26,518	(3.53%)
ENV17	Estimated emissions - Scope 1 ³	tCO2e	3,074	3,260	3,128	(4.03%)
ENV17	Estimated emissions - Scope 2 ^{1,3}	tCO2e	11,775	9,767	14,034	43.70%
ENV17	Estimated emissions - Scope 3 ^{1,3,4}	tCO2e	9,560	17,777	21,276	19.68%
ENV18	Total operational carbon ^{3,4}	tCO2e	88,226	107,361	111,971	4.29%
ENV19	Total operational carbon data coverage	% of m2	80%	83%	92%	8.74%

Climate change		Year			Change vs Last Year	
		2020	2021	2022		
INREV ID	Unit	2020	2021	2022	Change vs Last Year	
ENV22	Exposure to fossil fuels ⁵	% of AUM	N/A	N/A	N/A	
ENV23	Assets that fall into low physical risk ⁶	% of AUM	N/A	N/A	6%	
ENV23	Assets that fall into medium physical risk ⁶	% of AUM	N/A	N/A	58%	
ENV23	Assets that fall into high physical risk ⁶	% of AUM	N/A	N/A	36%	

Water consumption & waste management		Year			Change vs Last Year	
		2020	2021	2022		
INREV ID	Unit	2020	2021	2022	Change vs Last Year	
ENV24	Water consumption - landlord's control	m3	332,194	455,105	403,138	(11.42%)
ENV25	Hazardous waste generated - landlord	tonnes	0	99	1,195	1106.10%
ENV25	Non-hazardous waste generated - landlord	tonnes	1,342	5,318	4,544	(14.56%)

¹ CBRE IM estimate data for assets that satisfy one of more of these criteria: unreasonably low floor area (less than 5 m2), insufficient data coverage (less than 75%), and/or intensities that fall outside of GRESB's reasonable range.

² Total energy data coverage only represents operational assets in each reporting year.

³ Carbon emissions are calculated using a location-based approach, applying the latest publicly available datasets from sources including the International Energy Agency (IEA) emission factors (2019) for national electricity grids. CBRE IM is working to obtain the most recent available emission factors for future reports. Please note that the CBRE IM Scorecard reports market-based emissions, and as such is expected to present different results.

⁴ At present, emissions from waste disposal and Whole Life-Cycle GHGs are not included as part of Scope 3 emissions reporting, but the Fund will continue to assess whether and when it will have sufficient data to include this.

⁵ This metric was introduced with the EU Sustainable Finance Disclosure Regulation, which was finalised during the 2022 calendar year. As such this is not available for the years covered in this report, but is reported by CBRE IM's Article 8 and 9 funds for calendar year 2023.

⁶ CBRE IM utilises Moody's Climate on Demand for physical climate risk screening, which includes floods, heat stress, hurricanes and typhoons, sea level rise, water stress, wildfires and earthquakes. This data is available for 2022 (data as at July 2023) as CBRE IM historically ran these analyses continuously. Moody's analysis is purely based on a location and does not take into account assets level resiliency or where further analysis refuted the risk (example: where more detailed level floodplains were examined).

Building certifications & energy ratings					Year	Change
INREV ID		Unit	2020	2021	2022	vs Last Year
ENV26	Assets with a building certificate	% of m2	59%	68%	68%	(0.39%)
ENV27	Assets with an energy rating ⁷	% of m2			76%	
ENV28	Exposure to energy-inefficient assets - actual ⁵	% of AUM	N/A	N/A	N/A	
ENV28	Exposure to energy-inefficient assets - proxy ⁵	% of AUM	N/A	N/A	N/A	

Intensity performance

Energy (kWh/m2)					Year	Change
INREV ID		Unit	2020	2021	2022	vs Last Year
ENV7	Industrial	kWh/m2	92.8	108.8	91.1	(16.30%)
ENV7	Office	kWh/m2	205.3	283.2	274.7	(3.00%)
ENV7	Residential	kWh/m2	129.3	140.1	136.8	(2.35%)
ENV7	Retail	kWh/m2	171.0	220.0	190.4	(13.45%)
ENV7	Other	kWh/m2	131.6	260.5	231.1	(11.29%)
ENV6	Total	kWh/m2	106.7	129.5	109.6	(15.36%)

GHG (kgCO2e/m2)					Year	Change
INREV ID		Unit	2020	2021	2022	vs Last Year
ENV21	Industrial ³	kgCO2e/m2	37.3	45.3	41.7	(7.92%)
ENV21	Office ³	kgCO2e/m2	35.8	57.4	57.3	(0.08%)
ENV21	Residential ³	kgCO2e/m2	28.6	35.6	32.7	(8.08%)
ENV21	Retail ³	kgCO2e/m2	62.6	70.0	67.0	(4.19%)
ENV21	Other ³	kgCO2e/m2	39.3	85.8	59.3	(30.84%)
ENV20	Total³	kgCO2e/m2	38.5	47.5	43.8	(7.87%)

⁷ Any assets without energy ratings are exempt from mandatory rating schemes. At present, EU Energy Performance Certificate (EPC) ratings and European equivalents are the only schemes considered in the calculation.

Operational sites - awarded during construction design (as at 31 December 2023)

Certification	Level	Floor area (m2)	% Portfolio ¹	Sites
BREEAM New Construction	Excellent	249,712	9.4%	3
BREEAM New Construction	Very Good	133,527	5.0%	5
BREEAM New Construction	Good	44,844	1.7%	2
BREEAM Refurbishment	Excellent	17,755	0.7%	1
LEED Core & Shell New Construction	Platinum	15,412	0.6%	1
LEED Core & Shell New Construction	Gold	23,069	0.9%	2
LEED Core & Shell Development	Silver	51,969	2.0%	1
DGBN New Construction	Gold	72,683	2.7%	3
DGBN New Construction	Silver	26,670	1.0%	1
NF HQE – Renovation	Excellent	8,861	0.3%	1

Operational sites - awarded during operation (as at 31 December 2023)

Certification	Level	Floor area (m2)	% Portfolio ¹	Sites
BREEAM In-use	Very Good	553,455	20.9%	10
BREEAM In-use	Good	425,988	16.1%	10
BREEAM In-use	Pass	161,047	6.1%	7
BREEAM In-use	Acceptable	85,806	3.2%	5
GPR Gebouw	Certified	34,744	1.3%	4
Fitwel	Stars	17,755	0.7%	1

New construction & major renovation sites - expected for completed sites (as at 31 December 2023)

Certification	Level	Floor area (m2)	% Portfolio ²	Sites
Miljöbignad	Silver	9,747	1	
LEED Core and Shell New Construction	Gold	15,996	1	
BREEAM New Construction	Excellent	199,238	2	

2023 Portfolio achievements

- Executed environmental audits for 48% (39 assets) of the portfolio including all assets with a stranding year before 2030 (based on 2021 consumption data) and capex (EUR 174M) for the recommended improvements have been included in the asset business plans.
- Executed life cycle assessments on the development plans of Marché Saint Honoré and Sevens.
- Four different tenant engagement surveys completed by an independent party, Kingsley, for logistics-, residential-, office- and retail assets.
- Herenstaete and Green Business District completed in alignment with WELL Platinum criteria. Certifications to be received after first occupation.
- Further invested in affordable housing through the acquisition of Rubin and Saphir in Berlin.
- Improved score to 90/100 for standing investments resulting in 5-stars and retained score of 94/100 for developments receiving a 4-star rating.
- Data coverage improved to 92% (last year: 88%) for Energy, 83% (last year: 82%) for Water and 61% (last year: 53%) for Waste
- Increased green lease coverage to 40%.
- Improved consumption data coverage, especially on water and waste.
- Complete BREEAM assessments and submitted for certification for:
 - Campus Square (retail)
 - Central Parc (logistics)
 - Delta Distribution Centre (logistics)
 - St Cyr en Val Distribution Centre (logistics)
 - WS Distribution Centre (logistics)
 - Warsaw East Distribution Centre (logistics)

¹ % of total GLA

² % of GLA of assets under development in 2022

- Marmorbyen (Residential)
- Ostrava Distribution Centre (logistics)
- Wroclaw Distribution Centre (logistics)
- Erding Retail Park (Retail)
- Milton Keynes Distribution Centre (logistics)

2024 Annual sustainability objectives

- Execution of the recommended retrofit actions for the year 2024 from the environmental reports subject to further investigation on technical and financial feasibility.
- Complete portfolio level physical climate hazard screening and pilot EU taxonomy compliant climate adaptation assessments, including drafting mitigation plans for assets at risk.
- Finalising environmental audits for all operational assets in the portfolio.
- Refurbishment of Lognes Distribution Centre to be completed with a BREEAM New Construction Excellent certificate and a BBCA certificate evaluating the carbon footprint throughout the lifecycle of the property.
- Complete refurbishment of the 2nd floor of Marengo, targeting HQE Excellent certification
- Complete refurbishment of Sevens and Marché Saint Honoré targeting respectively DGNB Gold and BREEAM Excellent / HQE Excellent certification
- 80% green building certification coverage for the operational portfolio
- Initiate WELL (pre-)assessments for Marengo, Bricks, Pontishaus and Tobaksmonopolet
- Evaluate and draft action plans following the outcome of the tenant engagement surveys
- Initiate marketing campaigns for all German retail assets that will include social/community events
- Install smart meters in residential portfolio to improve data quality and data coverage
- Maintain 5-star GRESB rating for standing assets and regain 5-star rating for Developments.

Sustainability Important Information

The information contained herein is given as of December 2023, unless indicated otherwise. CBRE Investment Management has not made any representation or warranty, express or implied, with respect to the fairness, correctness, accuracy, reasonableness or completeness of any of the information contained herein (including but not limited to information obtained from third parties), and they expressly disclaim any responsibility or liability therefore. CBRE Investment Management does not have any responsibility to update or correct any of the information provided in this presentation. Certain assumptions may have been made in the analysis which resulted in any information and returns/results detailed herein. No representation is made that any results/returns indicated will be achieved or that all assumptions in achieving these returns have been considered or stated. Additional information is available on request. Opinions and estimates offered constitute our judgment and are subject to change without notice, as are statements of financial market trends, which are based on market conditions. Unless otherwise indicated, figures presented are preliminary, unaudited, subject to change and do not constitute CBRE Investment Management's standard books and records.

Statements contained in this presentation that are not historical facts are based on current expectations, estimates, projections, opinions and beliefs of the investment vehicle's manager. Such statements involve known and unknown risks, uncertainties and other factors, and undue reliance should not be placed thereon. Additionally, this presentation contains "forward looking statements." Actual events or results or the actual performance of any investment vehicle may differ materially from those reflected or contemplated in such forward looking statements.

It should not be assumed that any sustainability principles, initiatives, standards, or metrics described herein will apply to each investment strategy or asset in which CBRE Investment Management invests or that they have applied to each of CBRE Investment Management's prior investments. While CBRE Investment Management considers sustainability in connection with pursuing the investment strategies described herein, sustainability is only one of the many factors that CBRE Investment Management will consider in making an investment, and other considerations can be expected in certain circumstances to outweigh sustainability considerations. There is no guarantee that CBRE Investment Management will successfully implement and make investments in companies that are sustainable or that otherwise create positive environmental, social or governance impact while enhancing long-term shareholder value and achieving financial returns. The information provided in this presentation is intended solely to provide an indication of the sustainability principles, initiatives and standards that CBRE Investment Management applies when seeking to evaluate and/or improve the sustainability characteristics of an asset as part of the larger goal of maximising financial returns on reinvestments. Accordingly, certain investments and strategies may exhibit characteristics that are inconsistent with the principles, initiatives, standards, or metrics described in this material.

It should not be assumed that the successful implementation of any individual sustainability initiatives will have any positive impact on financial performance of any fund or account sponsored by CBRE Investment Management. Considering sustainability qualities when evaluating an investment may result in the selection or exclusion of certain investments based on CBRE Investment Management's view of certain sustainability-related and other factors, and while CBRE Investment Management believes considering these qualities will lead to maximizing long-term returns of its clients, this approach carries the risk that the strategies described herein (or other strategies that incorporate sustainability factors) may underperform strategies that do not take sustainability-related factors into account because the market may ultimately have a different view of a particular investment's performance than that anticipated by CBRE Investment Management.

Successful engagement efforts on the part of CBRE Investment Management will depend on CBRE Investment Management's skill in properly identifying and analysing sustainability and other sustainability factors and their impact-related value, and there can be no assurance that the strategy or techniques employed will be successful. Consideration of sustainability factors may affect CBRE Investment Management's exposure to certain companies, sectors, regions, countries or types of investments, which could negatively impact CBRE Investment Management's performance depending on whether such investments are in or out of favour. Applying impact investing goals to investment decisions is qualitative and subjective by nature, and there is no guarantee that the criteria utilized by CBRE Investment Management or any judgment exercised by CBRE Investment Management will reflect the beliefs or values of any particular investor.

In evaluating an investment, CBRE Investment Management is dependent upon information and data obtained through voluntary or third-party reporting that may be incomplete, inaccurate or unavailable, which could cause CBRE Investment Management to incorrectly assess an investment's sustainability practices and/or related risks and opportunities. Sustainability-related practices differ by region, industry and issue and are evolving accordingly, and a company's sustainability-related practices or CBRE Investment Management's assessment of such practices may change over time.

Annex IV periodic disclosure

ANNEX IV

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

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

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

Product name: CBRE Open-Ended Funds S.C.A. SICAV-SIF – Pan European Core Fund (the “Fund”)

Legal entity identifier: 529900J5H3JGJ83AUZ88

Environmental and/or social characteristics

Did this financial product have a sustainable investment objective? *[tick and fill in as relevant, the percentage figure represents the minimum commitment to sustainable investments]*

<input checked="" type="radio"/> <input checked="" type="radio"/> <input type="checkbox"/> Yes	<input type="radio"/> <input type="radio"/> <input checked="" type="checkbox"/> No
<p><input type="checkbox"/> It made sustainable investments with an environmental objective: ___%</p> <ul style="list-style-type: none"> <input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy <p><input type="checkbox"/> It made sustainable investments with a social objective: ___%</p>	<p><input checked="" type="checkbox"/> It promoted Environmental/Social (E/S) characteristics and while it did not have as its objective a sustainable investment, it had a proportion of 8.7% of sustainable investments</p> <ul style="list-style-type: none"> <input checked="" type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> with a social objective <p><input type="checkbox"/> It promoted E/S characteristics, but did not make any sustainable investments</p>

To what extent were the environmental and/or social characteristics promoted by this financial product met? *[list the environmental and/or social characteristics promoted by the financial product. For the financial products referred to in Article 6, first paragraph, of Regulation (EU) 2020/852, in respect of sustainable investments with environmental objectives, list the environmental objectives set out in Article 9 of that Regulation to which the sustainable investment underlying the financial product contributed. For financial products that made sustainable investments with social objectives, list the social objectives]*

In the reporting period, the Fund updated its pre-contractual disclosure to align with the Regulatory Technical Standards ("RTS") on gas and nuclear energy activities, published in the Official Journal on 17 February 2023, and that entered into force on 20 February 2023, supplementing the Sustainable Finance Disclosure Regulation ((EU) 2019/2088) ("SFDR"). The Fund also continued to promote climate change mitigation and well-being

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.



and exceeded its expectations on performance against the sustainability indicators as described below.

How did the sustainability indicators perform?

In the reporting period, the Fund exceeded its target sustainable investment commitment with 8.7% of gross asset value (“GAV”) in sustainable investments within the portfolio, all of which aligned with the EU Taxonomy.

The Fund’s performance against the principal adverse impact (“PAI”) indicators and EU Taxonomy KPIs was tracked using proprietary ESG toolkits for portfolio, asset, and transaction management.

Sustainability indicator	2023 performance ³	
Exposure to fossil fuels through real estate assets Share of investments in real estate assets involved in the extraction, storage, transport or manufacture of fossil fuels	0.0%	
Exposure to energy-inefficient assets Share of investments in energy-inefficient real estate assets	55.6%	
GHG emissions Absolute emissions ^{1,2,4}	Scope 1 (tCO2e)	8,196
	Scope 2 (tCO2e)	28,520
	Scope 3 (tCO2e)	48,257
	Total (tCO2e)	84,973
Energy consumption intensity (GWh/m2)	0.000123	
Exposure to WELL certified assets	0.0%	

¹ GHG emissions are reported using a combination of measured and estimated data. CBRE IM estimate data for assets that satisfy one of more of these criteria: unreasonably low floor area (less than 5 m2), insufficient data coverage (less than 75%) and/or intensities that fall outside of GRESB’s reasonable range (source: GRESB Asset Portal Guide).

² GHG and energy consumption intensity reflect assets that were operational in the reference period. At present, emissions from waste disposal and Whole Life-Cycle GHGs are not included as part of Scope 3 emissions reporting, but the Fund will continue to assess whether and when it will have sufficient data to include this.

³ Any assets without energy ratings are exempt from mandatory rating schemes and are as such not included in the exposure to inefficient assets analysis for buildings built before the end of 2020.

⁴ GHG emissions are calculated using a location-based approach, applying the latest publicly available datasets from sources including the International Energy Agency (IEA) emission factors (2019) for national electricity grids. CBRE IM is

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

working to obtain a license for the most recent available emission factors for future reports. Please note that the CBRE IM Scorecard reports market-based emissions, and as such is expected to present different results.

The proprietary CBRE Investment Management's ("CBRE IM") SFDR Calculation Methodology builds on the guidance provided in the RTS and incorporates assumptions to ensure a precise approach is defined. The full methodology is available upon request.

Key assumptions applied:

- Exposure to fossil fuels through real estate assets: CBRE IM considers assets that are purpose-built for the extraction, storage, transport or manufacture of fossil fuels to be defined as exposed to fossil fuels.
- Exposure to energy inefficient buildings: CBRE IM apply final energy demand in such calculations when primary energy demand is not available. For buildings without letter-based EPC ratings, a proxy approach is applied comparing the typical energy consumption intensity for each EPC rating per country with the assets energy performance.
- GHG emissions: CBRE IM calculate GHG emissions in alignment with PCAF and the GHG Protocol as defined in the Firm's GHG Management Framework which is aligned with ISO14064-1. Any gaps in data coverage are filled using an estimation methodology to ensure comparability across years, and the actual data coverage is provided for reference.
- Energy consumption intensity: If no data is available, CBRE IM apply a region-specific benchmark intensity.

● **...and compared to previous periods?** *[include for financial products where at least one previous periodic report was provided]*

Sustainability indicator	2023 performance	2022 performance
Exposure to fossil fuels through real estate assets Share of investments in real estate assets involved in the extraction, storage, transport or manufacture of fossil fuels	0.0%	2023 is the first reporting period; N/A
Exposure to energy-inefficient assets Share of investments in energy-inefficient real estate assets	55.6%	N/A
GHG emissions* Absolute emissions	tCO2e	8,196
	tCO2e	28,520
	tCO2e	48,257
	tCO2e	84,973
Energy consumption intensity (GWh/m2)	0.0001233	N/A
Exposure to WELL certified assets	0.0%	N/A

● **What were the objectives of the sustainable investments that the financial product partially made and how did the sustainable investment contribute to such objectives?** *[include for financial products that made sustainable investments, where not included in the reply to the above question, describe the objectives. Describe how the sustainable investments contributed to the sustainable investment objective. For the financial products referred to in Article 6, first paragraph, of Regulation (EU) 2020/852, list the environmental objectives set out in Article 9 of that Regulation to which the sustainable investment underlying the financial product contributed]*

During the reference period, the Fund continued to hold a proportion of sustainable assets aligned with the EU Taxonomy through its primary economic activity of acquisition and ownership of buildings. These assets had as their objective to contribute substantially to climate change mitigation in line with the EU Taxonomy Regulation.

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

The sustainability indicators used by the Fund to assess whether the sustainable investments caused significant harm to the environmentally sustainable investment objective included relevant PAI Indicators, as set out in Tables 1 and 2 of Annex I of Commission Delegated Regulation (EU) 2022/1288.

The mandatory PAI Indicators used for this purpose are exposure to fossil fuels through real estate assets and exposure to energy-inefficient real estate assets. The Fund has also selected to use two additional PAI indicators: GHG emissions and energy consumption intensity.

With respect to GHG emissions, the Fund focused on Scope 1 and 2 emissions, as well as Scope 3 emissions generated by tenants, which included fuel, district and electricity consumption, as well as any value chain emissions from landlord-controlled areas such as transmission and distribution emissions. At present, emissions from waste disposal and Whole Life-Cycle GHGs are not included as part of Scope 3 emissions reporting, but the Fund will continue to assess whether and when it will have sufficient data to include this. This could include the GHG emissions resulting from the materials, construction and use of a building over its entire life, including its demolition and disposal.

As the RTS did not include any social PAI indicators for real estate investments, the Fund has not reported on social PAIs (Table 3). The Fund continues to include social considerations, such as accessibility and hazardous materials, as part of the acquisition process. The Fund will review any further PAI Indicators focused on social sustainability PAIs, as and when they are introduced for investments in real estate assets in the future.

The Fund continues to work towards CBRE IM's net zero target by 2050 or sooner and, as such, is simultaneously working towards improving the energy and GHG performance of any assets under management. These actions also drive

improved EPC ratings and feature in engagement with tenants.

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

The Fund refers to relevant indicators for adverse impacts on sustainability factors set out in Annex I, Tables 1 and 2 of the RTS in assessing whether its sustainable investments cause any significant harm to environmental or social factors and these indicators are incorporated into three key processes internally: portfolio management, asset management and acquisitions. Other investments that are promoting environmental or social characteristics follow the same approach.

Portfolio management:

The CBRE IM proprietary Portfolio Management ESG Toolkit allows the Fund team to assess the ESG performance of the portfolio in aggregate and make strategic decisions regarding improvements. The Portfolio Management Toolkit includes the CBRE IM ESG Scorecard and the SFDR Tool, which analyses the Fund's ESG performance for internal decision making and includes PAI indicators and Taxonomy KPIs. This approach allows us to screen assets within the portfolio using ESG criteria and prioritise actions at the asset level.

The outputs from the ESG Scorecard are also presented to the Portfolio Oversight Committee for review as part of the standard performance review process.

Asset management of standing assets:

The CBRE IM proprietary Asset Management ESG Toolkit allows the asset managers to assess the ESG performance of each individual asset within the portfolio and subsequent prioritization of further actions. The ESG Asset Analytics Tool is part of this toolkit, and this allows the asset and portfolio managers to analyse the energy and GHG performance of each asset against relevant GRESB and CRREM benchmark values. EPC ratings were also reviewed as part of this process and supported prioritisation for action plans to improve performance.

Acquisition of assets:

For the acquisition process for new assets during the reporting period, relevant PAIs are considered as part of the analysis in the screening process of new investments using the ESG Acquisition Toolkit. All potential acquisitions are presented to the Investment Committee where a senior member of the Sustainability Team is a voting member and uses the output from the ESG Acquisition tool to make their decision.

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

As a member of the CBRE Group platform, CBRE Investment Management is

subject to and benefits from the CBRE Human Rights Policy which details the firm’s commitment to the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights.

The Fund seeks to also introduce contractual assurances and ongoing due diligence for service providers, to enable monitoring of potential breaches throughout the contracted time frame.

Considering the above-mentioned policies and processes in place, the Fund has concluded that sustainable investments are aligned with the minimum safeguards.



How did this financial product consider principal adverse impacts on sustainability factors? *[include section if the financial product considered principal adverse impacts on sustainability factors]*

Please see the processes detailed under the question “How were the indicators for adverse impacts on sustainability factors taken into account?” above.



What were the top investments of this financial product?

Seven new acquisitions were made by the Fund in the reporting period. The table below sets out the 15 largest assets in the portfolio during the reference period by GAV.

The list includes the investments constituting the greatest proportion of investments of the financial product during the reference period which is: 1 January - 31 December 2023

Largest investments	Sector	% Assets	Country
Marche Saint Honore	Real Estate	4%	France
Atlantic House	Real Estate	4%	United Kingdom
Duomo	Real Estate	3%	Italy
Suedkreuz	Real Estate	3%	Germany
Saphir	Real Estate	3%	Germany
Tournan Distribution Centre	Real Estate	3%	France
Rubin	Real Estate	2%	Germany
Living Berlin	Real Estate	2%	Germany
Sevens	Real Estate	2%	Germany
Ghent Distribution Centre	Real Estate	2%	Belgium
St Honore	Real Estate	2%	France
Tetris Berlin	Real Estate	2%	Germany
Bricks	Real Estate	2%	Germany
Angel Central	Real Estate	2%	United Kingdom
Marengo	Real Estate	2%	France



What was the proportion of sustainability-related investments?

Please see the asset allocation of the Fund set out below. This demonstrates the proportion of the Fund invested in sustainable investments, aligned with the EU Taxonomy's significant contribution criteria for Acquisition and Ownership of Buildings, the relevant Do No Significant Harm criteria, and the Minimum Safeguards. Green Business District and Rubin are examples of such investments.

Asset allocation describes the share of investments in specific assets.

[include note only for the financial products referred to in Article 6, first paragraph, of Regulation (EU) 2020/852]

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

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

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

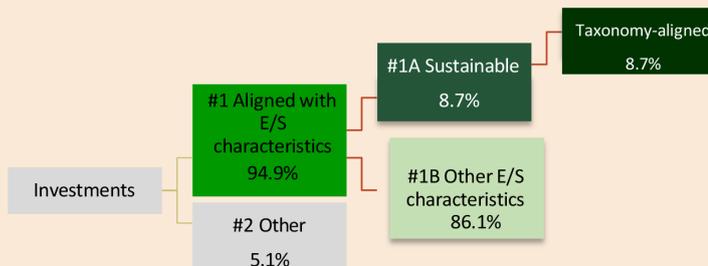
What was the asset allocation?

The Fund committed to be 5% invested in assets which are '#1A Sustainable'. The Fund understands that this is a binding limit that should not be breached.

In accordance with its last pre-contractual disclosure, the Fund committed to being 90% invested in assets which are '#1 Aligned with E/S characteristics', of which 5% are '#1A Sustainable' and 'Taxonomy-aligned', and 85% are '#1B Other E/S characteristics'. The Fund also expected to have a long term average of cash holding up to 10% , reserved for upcoming investments, which whilst having a neutral impact on the E/S characteristics promoted by the Fund, it is classified as '#2 Other' under SFDR.

Details on the asset allocation in the reference period are included in the illustration below.

[Include only relevant boxes, remove irrelevant ones for the financial product]



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2 Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

[include the note below where the financial product made sustainable investments]

The category **#1 Aligned with E/S characteristics** covers:

- The sub-category **#1A Sustainable** covers environmentally and socially sustainable investments.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

In which economic sectors were the investments made?

The Fund invested in real estate assets, of which 24.0% in offices, 20.0% in residential, 32.9% in logistics, 15.6% in retail and 2.4% in hotels and other real estate asset investments.



To what extent were the sustainable investments with an environmental objective aligned with the EU Taxonomy¹? *[include section for the financial products referred to in Article 6, first paragraph, of Regulation (EU) 2020/852 and include information in accordance with Article 51 of this Regulation]*

All sustainable investments in the Fund aligned with the EU Taxonomy.

- **Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy**

Yes: *[Specify below, and details in the graph of the box]*

In fossil gas **In nuclear energy**

No

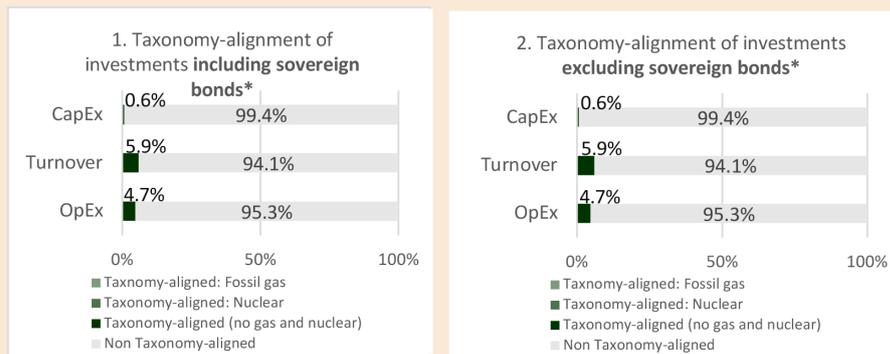
¹Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change (“climate change mitigation”) and do not significantly harm any EU Taxonomy objective – see explanatory note in the left-hand margin. The full criteria for fossil gas and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

[include note for the financial products referred to in Article 6, first paragraph, of Regulation (EU) 2020/852

Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflects the “greenness” of investee companies today.
- **capital expenditure (CapEx)** shows the green investments made by investee companies, relevant for a transition to a green economy.
- **operational expenditure (OpEx)** reflects the green operational activities of investee companies.

The graphs below show in green the percentage of investments that were aligned with the EU Taxonomy. As there is no appropriate methodology to determine the taxonomy-alignment of sovereign bonds, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.*



**For the purpose of these graphs, ‘sovereign bonds’ consist of all sovereign exposures*

For the purpose of the above graphs, EU Taxonomy alignment is presented as turnover, CAPEX, and

OPEX associated with the Fund’s sustainable investments within the reporting period, where turnover represents gross annual rental income.

- **What was the share of investments made in transitional and enabling activities?** *[include a breakdown of the proportions of investments during the reference period]*
For the sustainable investments that were Taxonomy-aligned, there were no transitional or enabling activities during the reference period which were included for the purposes of calculating the Fund’s overall Taxonomy alignment.
- **How did the percentage of investments that were aligned with the EU Taxonomy compare with previous reference periods?** *[include where at least one previous periodic report was provided]*

EU Taxonomy-eligible primary economic activity	2023 portfolio alignment	2022 portfolio alignment
Acquisition and Ownership of Buildings	8.7%	5.9%

Alignment has increased compared to 2023, as a result of the completion of refurbishments that are EU taxonomy-eligible and new EU taxonomy-eligible investments that have been acquired in 2023.

[include note for the financial products referred to in Article 6, first paragraph, of Regulation (EU) 2020/852 that invest in environmental economic activities that are not environmentally sustainable economic activities]



What was the share of sustainable investments with an environmental objective not aligned with the EU Taxonomy? *[include section only for the financial products referred to in Article 6, first subparagraph, of Regulation (EU) 2020/852 where the financial product included sustainable investments with an environmental objective that invested in economic activities that are not environmentally sustainable economic activities, and explain why the financial product invested in economic activities that were not Taxonomy-aligned]*

Not applicable. The Fund did not commit to making any sustainable investments with an environmental objective that were not aligned with the EU Taxonomy and in practice did not make any such investments.

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



What was the share of socially sustainable investments? *[include only where the financial product included sustainable investments with a social objective]*

Not applicable. The Fund did not commit to making any sustainable investments with a socially sustainable investment objective and in practice did not make any such investments.



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

Investments included under “#2 Not sustainable” relate to cash and cash equivalents

held as ancillary liquidity. The Fund did not use any investments for hedging purposes.



What actions have been taken to meet the environmental and/or social characteristics during the reference period? *[list the actions taken within in the period covered by the periodic report to meet the environmental or social characteristics promoted by the financial product, including shareholder engagement as referred to in Article 3g of Directive 2007/36/EC and any other engagement relating to the environmental or social characteristics promoted by the financial product]*

[list the actions taken within in the period covered by the periodic report to meet the environmental or social characteristics promoted by the financial product, including shareholder engagement as referred to in Article 3g of Directive 2007/36/EC and any other engagement relating to the environmental or social characteristics promoted by the financial product]

The Fund followed its ESG Strategy throughout the reporting period and prioritised improving assets to meet the target requirements. This included:

- Executed environmental audits for 48% (39 assets) of the portfolio including all assets with a stranding year before 2030 (based on 2021 consumption data) and capex (EUR 174M) for the recommended improvements have been included in the asset business plans.
- Refurbishment of Herenstaete completed, resulting in a monumental, high-quality and energy efficient office building with no fossil fuel connections. Herenstaete has received an A+++ EPC label and will receive a WELL certification (Platinum targeted) after first occupation.
- Acquisition of Green Business District, a newly built high-quality and energy efficient office building (EPC A). The building received a LEED Platinum certification and will receive a a WELL certification (Platinum targeted) after first occupation.



How did this financial product perform compared to the reference benchmark? *[include section where an index has been designated as a reference benchmark for the purpose of attaining the environmental or social characteristics promoted by the financial product and indicate where the methodology used for the calculation of the designated index can be found]*

[include section where an index has been designated as a reference benchmark for the purpose of attaining the environmental or social characteristics promoted by the financial product and indicate where the methodology used for the calculation of the designated index can be found]

There is no applicable reference benchmark index currently available for private real estate investment and, therefore, no reference benchmark has been designated for the purpose of attaining the environmental characteristics promoted by the Fund.

- **How does the reference benchmark differ from a broad market index?**
Not applicable.
- **How did this financial product perform with regard to the sustainability indicators to determine the alignment of the reference benchmark with the environmental or social characteristics promoted?**
Not applicable.
- **How did this financial product perform compared with the reference benchmark?**
Not applicable.
- **How did this financial product perform compared with the broad market**

[include note for financial products where an index has been designated as a reference benchmark for the purpose of attaining the environmental or social characteristics promoted by the financial product]

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

Risk appetite and risk management

Risk appetite

Strategic and business risks

CBRE Investment Management EMEA manages real estate and real estate related investments for its investors. CBRE Investment Management EMEA strives to provide best in class service to its investors. To ensure CBRE Investment Management EMEA will meet its targets, operating conditions have been incorporated to effectively employ the resources and procedures that are necessary for the proper performance of its business activities. All policies, procedures and process flowcharts are documented.

The Fund has a documented strategy to pursue growth within a well-defined asset class, acquisition criteria and geography. Within this strategy, CBRE Investment Management EMEA is prepared to take risks in a responsible and sustainable way that is in line with the interest and appetite of its stakeholders, which is detailed in the Fund documentation.

Our investment management activities are based on strong corporate governance, transparency, consistent and regular reporting, active portfolio and asset management through effective risk management and proactive investor relations. Together, these are essential criteria for building and maintaining our long-term client relationships.

The principal risks, along with investment and economic uncertainties that the Fund might face, are included in the consolidated financial statements, as well as in the placing documents.

Financial risks

In respect of financial risks, the Fund has an investment policy in place that covers the overall funding position of the Fund. The aim of this policy is to manage the interest rate, liquidity and, if applicable, foreign currency risks in line with Fund documentation.

All assets of the Fund are subject to commercial insurance coverage to limit the financial impact of events that can affect the assets.

Compliance risks

One of our key values is transparency and this means that CBRE Investment Management EMEA and its employees are responsible to act with Respect, Integrity, Service and Excellence, the 'RISE Corporate Values'.

The RISE Corporate Values support the highest standards regarding the internal control environment. These Corporate Values (part of the Standards of Business Conduct) are incorporated in the policies and procedures that are in place. CBRE Investment Management EMEA has implemented measures to ensure compliance with laws and regulations wherever the Funds and assets under management are active.

Risk related with our efforts to create this environment will be balanced by the related rewards, which are documented in our remuneration policy.

Risk management

Sound risk management is of utmost importance to our business. For that reason, CBRE Investment Management EMEA has established a risk management framework to help achieve its organisational and business objectives while keeping risks within acceptable boundaries and complying with (local) regulations.

CBRE Investment Management EMEA has implemented risk management processes in order to ensure that risks are properly dealt with. This process includes the following items: identifying, assessment, mitigation and monitoring of risks.

Effective risk monitoring requires a structure of reporting and review to ensure that risks are effectively identified and assessed. Risks are reported through three key information reporting flows:

1. Investment proposal: For all capital transactions, including new product approval, an investment proposal is submitted that should cover mitigating controls for identified relevant risks. This risk assessment includes an assessment of the economic environment as well as technical developments that are relevant for the proposed transaction.
2. Portfolio Performance Review: On a bi-annual basis, the portfolio performance and issues are reviewed and assessed by the RMC (Risk Management Committee) and reported, including RMC advice, to the Investment Committee and the board of directors of the Luxembourg AIFM. The portfolio performance review includes the impact of the developments in the economic environment as well as foreseen trends. Based on this information, hold/sell analyses are performed on an annual basis to maintain the quality of the portfolio in line with Fund requirements.
3. Risk Reporting: On a quarterly basis, emerging and ongoing risks are reported to the board of directors of the Luxembourg AIFM, through the RMC. This risk report covers compliance risks, operational risks, financial and investment risks, legal, and tax related to the Fund and investment management activities that are performed by CBRE Investment Management EMEA.

To embed risk management within the organisation, it is structured along a three lines of defence model. Within this governance structure of CBRE Investment Management EMEA, it is essential that the three lines of defence work closely together to provide advice and support in order to mitigate the risks that (may) have an impact on the organisational and business objectives of CBRE Investment Management EMEA, while maintaining their independent roles and responsibilities.

The three lines of defence model ensures proper segregation of duties and clear responsibilities and accountabilities for decision making. It also facilitates independent reporting and effective risk management.



1st Line of Defence Responsibilities

The first line of defence lies with the business and process owners. The first line takes risks and is directly responsible for the operational management of those risks, to facilitate the achievement of the organisation's objectives.

The first line owns the risk and is responsible for the design and execution of mitigating controls and is responsible to ensure that the business activities are in compliance with external and internal requirements. Furthermore, the first line is responsible for staying within the limits of the company's risk appetite, investment strategy risk appetite and criteria as described in policies. For that purpose, the first line should have appropriate processes and controls in place that aim to ensure that risks are identified, assessed, mitigated, monitored, and reported.

2nd Line of Defence Responsibilities

Second line risk management is responsible for the design and monitoring of second line policies. Furthermore, it facilitates and challenges the implementation of policies and a sound internal control framework in the first line, throughout the company, to identify, assess, mitigate, monitor and report risks relevant for both the company and for each investment strategy (both fund and investment mandates, collectively "programmes"). This is to ensure that the internal control framework is properly designed and effective.



The second line of defence includes risk management and compliance, who help to ensure processes, procedures, and controls, implemented by the first line of defence, are designed appropriately and operating as intended (keeping in mind the requirements as prescribed in the applicable Risk Management/Compliance Policies). The second line of defence is separate from the first line of defence but is still under the control and direction of senior management and typically performs some management functions. The second line essentially manages and/or oversees the whole risk management cycle.

Risk management facilitates the implementation of a sound internal control framework throughout the company and has responsibility for further identifying, assessing, mitigating, monitoring, and reporting on risks and forming a holistic view on all risks. Risk management will implement effective second line policies and procedures to identify, assess, mitigate, monitor, and report periodically, all relevant risks the company and the programmes are or may be exposed to (including risk profiles, appetites and limits).

Compliance establishes, implements and maintains adequate second line compliance policies and procedures sufficiently to ensure compliance with the company's regulatory obligations and monitors and assesses the adequacy of those policies and procedures. Compliance assists and provides advice on compliance to the management body and other relevant staff.

Both risk management and compliance may act as their second line responsibility prescribes and intervene to ensure the modification of internal control and risk management systems within the first line of defence where necessary.

3rd Line of Defence Responsibilities

The third line provides independent assurance to senior management and the board by critically assessing the adequacy and effectiveness of the company's systems, internal control mechanisms and arrangements in order to assist the senior management and the board to enable them to have the best control over their activities and the risks related thereto and thus to protect its organisation and reputation. The independent internal audit function, as the third line of defence, conducts risk-based and general audits and reviews the internal governance arrangements, processes and mechanisms to ascertain that they are sound and effective, implemented and consistently applied. The internal audit function is also in charge of the independent review of the first two lines of defence. The internal audit function performs its tasks fully independently of the other lines of defence and follows a three year audit plan.

For more details on the main risks identified for the Fund we refer to the risk section in the accounting principles on page [102](#).

Remuneration policy

Purpose and scope

The investment culture of CBRE Investment Management EMEA stems from one simple yet profound precept which is always to place the interests of our investors and clients first. This precept is ingrained by our leadership into all of our employees at all levels of CBRE Investment Management EMEA, not because we are altruists but rather because if we abide by it, we will be successful in the long run, even if in the short run it can sometimes conflict with CBRE Investment Management EMEA's interests. As a result, we have designed our remuneration policy to foster co-operation and team spirit in our employees as it is in our clients' collective interest. The remuneration policy is applicable to CBRE Investment Management EMEA and is amended from time to time. CBRE Investment Management EMEA's remuneration framework is designed to support business strategy, CBRE's RISE values and the long-term interests of CBRE Investment Management EMEA, Investors and other stakeholders and it contains measures that prevent conflicts of interest. In addition to best market practices, it takes into account the following key principles:

1. CBRE Investment Management EMEA's remuneration policy takes into account its specific activities and risk profile as well as various local and/or regional rules and regulations applicable to it.
2. The remuneration policy has been designed so as to take into account the Group's (CBRE Group, Inc.) remuneration policies where required, as long as they are aligned with local regulations. It sets principles for their application at the level of CBRE Investment Management EMEA.
3. The remuneration policy of CBRE Investment Management EMEA is designed so as not to encourage the taking of excessive risk. In that context, it integrates – in its performance management system – risk criteria specific to the activities and business lines concerned.

The remuneration policy applies to all employees, including 'identified staff' in respect of CBRE Investment Management EMEA and therefore covers (i) members of the Manager, (ii) employees in control functions and (iii) any other employees who have a material impact on the risk profile of CBRE Investment Management EMEA ('Risk takers') or the investment funds under management. Definitions for each category of identified staff have been established and documented.

Governance

The remuneration policy is in line with general remuneration principles as set by the Global Remuneration Framework and subject to annual approval by the EMEA Remuneration Governance Committee and relevant Boards. The EMEA Remuneration Governance Committee advises on the annual variable remuneration and merit budget and the relevant Boards approve. The Global Remuneration Committee reviews and approves the EMEA annual variable remuneration and merit amounts and will seek further approval from the Group where required. The implementation of the remuneration policy is subject, at least on an annual basis, to central and independent internal review by Internal Auditor or by a Group Auditor for compliance with policies and procedures defined/updated by the Global Head of People and the Compliance Officer. They report on the outcome of this review to the Global Head of People and the Global Remuneration Committee.

Remuneration framework

CBRE Investment Management has a total remuneration approach to compensation acknowledging the importance of well-balanced but different remuneration packages derived from business and local market needs, as well as the importance of compensation being consistent with and promoting sound and effective risk management, not encouraging excessive risk-taking or counteracting our long-term interests. Identified staff are required to undertake not to use personal hedging strategies or remuneration- and liability-related insurance to undermine the risk alignment effects embedded in their remuneration arrangements.

Main components of the remuneration framework

The remuneration policy defines the purpose of each remuneration component, eligibility and overall performance criteria as well as a description on governance, application and follow-up. The remuneration components described in the policy are:

- Fixed remuneration (including fixed supplements), the fixed remuneration is determined by reference to the relevant external peer group of companies as well as internal peers. The peer group benchmark is completed annually;
- Variable performance based remuneration, rather than based on the profits of particular funds or client accounts, the bonus pools are based on the annual result of CBRE Investment Management EMEA. The individual performance is evaluated during his/her annual appraisal. Individual objectives are set based using SMART principle which include financial and non-financial measures;

- Pension schemes (where appropriate);
- Employee Co-Investments in Investment Products (where appropriate); to further align the interests of investors and employees;
- Employee Carried Interest in Investment Products (where appropriate); to further align the interests of investors and employees;
- Stock Awards (in exceptional cases only);
- Other Benefits (what and where appropriate).

The remuneration packages are in general determined based on local market conditions which take into consideration the individual employee's job, responsibilities and skills. The Job Architecture Framework forms the basis for the assessment of an employee's job including level, job function and career step. The fixed salary of the staff should cover at least the basic cost of living. Staff is not dependent on the variable remuneration for the basic cost of living.

Additional information regarding variable performance based remuneration

All bonuses are paid or vest only if they are sustainable according to the financial situation of CBRE Investment Management Luxembourg AIFM S.à r.l. as a whole, and justified according to the performance of the group, company and the individual concerned.

CBRE Investment Management EMEA has embedded in the EMEA Remuneration Policy the right to hold back (by way of applying a malus) unpaid or unvested variable remuneration and to claw back paid/vested variable remuneration from any current (or ex-) identified staff in circumstances outlined in the EMEA remuneration policy.

Table 17 Remuneration

(Amounts in € '000, unless otherwise indicated)

All employees allocating time to CBRE Investment Management Luxembourg AIFM S.à r.l.	2023	2022
Number of employees (average over the year)	25	24
Remuneration¹		
Fixed salary expenses	3,095	2613
Variable salary expenses ²	3,568	2568

Table 18 Remuneration

2023	All employees CBRE Investment Management Luxembourg AIFM S.à r.l. ³	'Identified Staff' in senior management functions ⁴	All other Staff	Total
Number of employees	9	7	9	25
Remuneration⁵				
Fixed salary expenses	1,021	1,315	758	3,094
Variable salary expenses ⁶	604	2,269	695	3,568

This is the allocated remuneration of all employees allocating time to CBRE Investment Management Luxembourg AIFM S.à r.l. which is the alternative investment fund manager ('AIFM') of twenty-three real estate funds, managing total assets under management of EUR 15.6 billion as at 31 December 2023 (EUR 15.3 billion as at 31 December 2022). Four employees received remuneration in excess of EUR 1 million. The total remuneration related to all these employees (not only for time allocated to CBRE Investment Management Luxembourg AIFM S.à r.l.) amounts to EUR 16.4. million, of which EUR 4.1 million relates to management staff and EUR 12.3 million relates to other staff members.

Luxembourg, 11 March 2024

¹ The remuneration includes social premiums, pension premiums and other staff related expenses

² The variable remuneration expenses mainly relate to the pay out of the bonus granted to our staff for their performance in the preceding year

³ Includes identified staff and risk takers directly allocated to CBRE Investment Management Luxembourg AIFM S.à r.l.

⁴ Includes identified staff and risk takers that are indirectly allocated to CBRE Investment Management Luxembourg AIFM S.à r.l. (e.g. fund managers)

⁵ Based on pro-rata allocation to CBRE Investment Management Luxembourg AIFM S.à r.l.

⁶ The variable remuneration expenses mainly relate to the pay out of the bonus granted to our staff for their performance in the preceding year



Audit report

To the General Partner of
CBRE Global Investors Open-Ended Funds S.C.A. SICAV-SIF

Our opinion

In our opinion, the accompanying consolidated financial statements give a true and fair view of the consolidated financial position of CBRE Global Investors Open-Ended Funds S.C.A. SICAV-SIF and its subsidiaries (the “Fund”) as at 31 December 2023, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards as adopted by the European Union.

What we have audited

The Fund’s consolidated financial statements comprise:

- the consolidated statement of financial position as at 31 December 2023;
- the consolidated statement of comprehensive income for the year then ended;
- the consolidated statement of changes in net assets attributable to holders of redeemable shares and equity for the year then ended;
- the consolidated cash flows statement for the year then ended; and
- the notes to the consolidated financial statements, including material accounting policy information and other explanatory information.

Basis for opinion

We conducted our audit in accordance with the Law of 23 July 2016 on the audit profession (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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

We are 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. We have fulfilled our other ethical responsibilities under those ethical requirements.

Other information

The General Partner is responsible for the other information. The other information comprises the information stated in the annual report but does not include the consolidated financial statements and our audit report thereon.

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R.C.S. Luxembourg B 65 477 - TVA LU25482518*



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 identified above 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 that fact. We have nothing to report in this regard.

Responsibilities of the General Partner for the consolidated financial statements

The General Partner is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS Accounting Standards as adopted by the European Union, and for such internal control as the General Partner 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 General Partner 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 General Partner 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

The objectives of our audit 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 an audit report 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;
- 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 General Partner;
- conclude on the appropriateness of the General Partner'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 audit report 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 audit report. 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.

Restriction on distribution and use

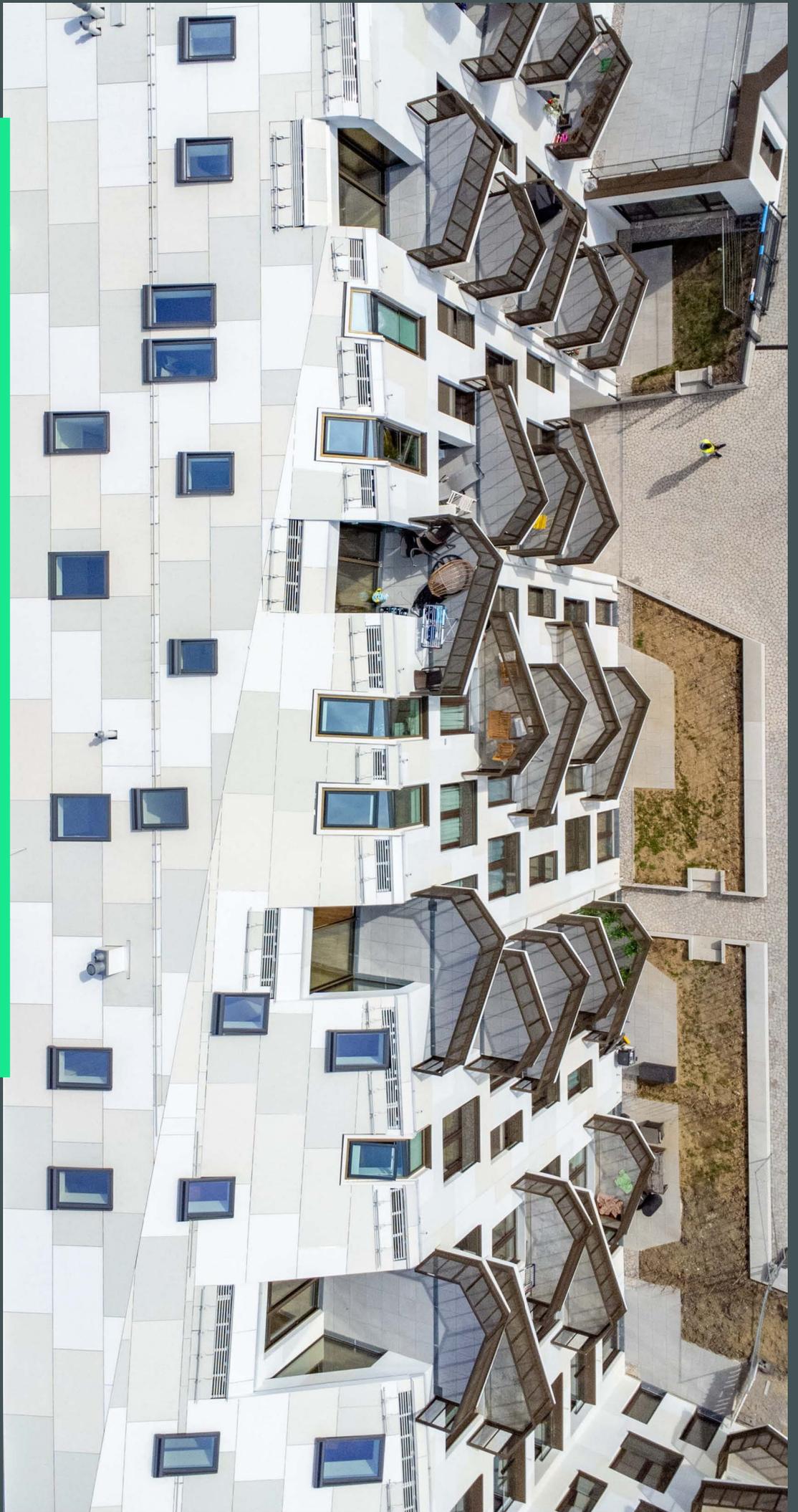
This report, including the opinion, has been prepared for and only for the General Partner and the Shareholders in accordance with the terms of our engagement letter and is not suitable for any other purpose. We do not accept any responsibility to any other party to whom it may be distributed.

PricewaterhouseCoopers, Société coopérative
Represented by

Luxembourg, 11 March 2024

John Ravoisin

Saphir



München,
Germany

3

Financial statements

Consolidated financial statements
in accordance with IFRS-EU

Financial statements

Consolidated statement of financial position

(Amounts in €'000, unless otherwise indicated)

	Notes	31 December 2023	31 December 2022
ASSETS			
Non-current assets			
Investment properties	1	6,450,487	6,767,005
Investment properties under construction	2	349,500	107,750
Deferred tax assets	26	2,656	21,928
Other non-current assets	3	13,302	13,181
Total non-current assets		6,815,945	6,909,864
Current assets			
Trade and other receivable	4	27,508	22,727
Prepayments	5	9,661	10,677
Derivatives	6	1,368	6,797
Other current assets	7	43,932	70,526
Cash and cash equivalents	9	204,824	179,766
Total current assets		287,293	290,493
Assets held for sale	8	104,266	—
TOTAL ASSETS		7,207,504	7,200,357
LIABILITIES			
Non-current liabilities			
Provisions	11	84	84
Loans and borrowings	12	1,055,151	1,130,831
Debt from related parties	13	5,222	4,981
Deferred tax liability	26	118,432	185,531
Other non-current liabilities	14	87,252	77,415
Total non-current liabilities		1,266,141	1,398,842
Current liabilities			
Loans and borrowings	12	379,794	170,697
Derivatives	6	492	—
Trade and other payable	16	273,501	64,796
Deferred income	15	22,697	20,621
Other current liabilities	17	34,665	16,248
Total current liabilities		711,149	272,362
Liabilities held for sale	8	1,563	—
Total liabilities excluding net assets attributable to holders of redeemable shares and non-controlling interests		1,978,853	1,671,204
Net assets attributable to holders of redeemable shares		5,225,231	5,524,718
Attributable to non-controlling interests		3,420	4,435
TOTAL LIABILITIES AND EQUITY		7,207,504	7,200,357

Notes 1 - 9, 11 - 17, 26 see pages 112 – 123, 127.

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

Consolidated statement of comprehensive income

(Amounts in € '000, unless otherwise indicated)

	Notes	Year ended 31 December 2023	Year ended 31 December 2022
Gross rental revenue	18	273,103	250,394
Recovered property costs charged to tenants	18	59,792	55,469
Other income	18	4,549	2,375
Total operating income		337,444	308,238
Operating costs	19	(41,811)	(35,144)
Recoverable property costs	18	(59,792)	(55,469)
		(101,603)	(90,613)
NET RENTAL REVENUE		235,841	217,625
Professional services	20	(17,789)	(20,451)
Management fees	21	(47,614)	(49,608)
Other expenses		(878)	(1,028)
Fund expenses		(66,281)	(71,087)
Changes in fair value of investment properties and assets held for sale	1, 8	(578,270)	(452,151)
Changes in fair value of right of use assets	1	(860)	(485)
Changes in fair value of investment properties under construction	2	(44,534)	(10,408)
Gain/ (loss) from sales	24	(879)	(1,865)
Other (un)realized gains and losses		1,335	(2,175)
Result on foreign investments	25	(2,917)	(2,501)
Net gains/(losses)		(626,125)	(469,585)
OPERATIONAL RESULT		(456,565)	(323,047)
Finance income	22	738	65
Finance expense	23	(24,489)	(17,323)
Finance result		(23,751)	(17,258)
NET RESULT BEFORE TAX AND DISTRIBUTIONS TO HOLDERS OF REDEEMABLE SHARES		(480,316)	(340,305)
Corporate income tax	26	34,969	1,030
NET RESULT BEFORE DISTRIBUTIONS TO HOLDERS OF REDEEMABLE SHARES		(445,347)	(339,275)
Distribution to holders of redeemable shares		(148,493)	(135,350)
NET RESULT		(593,840)	(474,625)
Other comprehensive income that may be reclassified to income statement in subsequent periods			
Changes in fair value of net investment hedge		(5,921)	15,555
The effective portion of gains/ losses on hedging instruments in a cash flow hedge		(11,817)	10,687
Exchange differences on translation of foreign operations		19,534	(65,572)
Other comprehensive income		1,796	(39,330)
TOTAL CONSOLIDATED COMPREHENSIVE INCOME		(592,044)	(513,955)

Net result before distributions to holders of redeemable shares attributable to:		
Shareholders	(443,871)	(338,683)
Non-controlling interest	(1,476)	(592)
<hr/>		
Basic and diluted net result before distribution per share (in €)	(0.100)	(0.088)
Number of shares (entitled to profit)	4,427,535,631	4,206,355,638
<hr/>		
Consolidated comprehensive income attributable to:		
Shareholders	(590,679)	(513,219)
Non-controlling interest	(1,365)	(736)

Notes 1-2, 18-26 see pages 112-114, 124 – 128.

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

Consolidated net assets attributable to holders of redeemable shares and equity

(Amounts in €, unless otherwise indicated)

	31 December 2023	31 December 2022	31 December 2021
Net asset value			
Share class A+	533,515,847	591,625,195	493,759,863
Share class A	958,123,153	1,193,929,248	1,349,557,850
Share class B	2,216,188,833	2,396,576,488	2,190,332,942
Share class C	431,204,059	475,190,483	450,884,600
Share class XP_A++	—	—	—
Share class XP_A+	—	—	—
Share class XP_A	551,553,375	310,430,530	127,633,242
Share class XP_B	499,026,912	517,445,926	531,330,167
Share class XP_C	35,618,909	39,520,470	49,785,208
Share class I	1	1	1
Management share class	1	1	1
TOTAL	5,225,231,090	5,524,718,342	5,193,283,876
Number of shares			
Share class A+	451,777,259.5544	450,153,101.3048	345,642,372.5804
Share class A	811,665,923.0226	908,720,470.1086	944,962,605.5014
Share class B	1,878,180,807.8445	1,824,971,046.3546	1,534,446,788.8911
Share class C	365,614,754.0567	362,029,447.5367	316,060,857.7079
Share class XP_A++	—	—	—
Share class XP_A+	—	—	—
Share class XP_A	467,078,843.0618	236,228,355.9168	89,388,498.8896
Share class XP_B	423,008,615.2031	394,131,970.6825	372,320,549.3800
Share class XP_C	30,209,426.6090	30,121,243.9848	34,901,445.8289
Share class I	1.0000	1.0000	1.0000
Management share class	1.0000	1.0000	1.0000
TOTAL	4,427,535,631.3521	4,206,355,637.8888	3,637,723,120.7793
Net asset value per share			
Share class A+	1.1809	1.3143	1.4285
Share class A	1.1804	1.3139	1.4282
Share class B	1.1800	1.3132	1.4274
Share class C	1.1794	1.3126	1.4266
Share class XP_A++	—	—	—
Share class XP_A+	—	—	—
Share class XP_A	1.1809	1.3141	1.4278
Share class XP_B	1.1797	1.3129	1.4271
Share class XP_C	1.1791	1.3120	1.4265
Share class I	n.a.	n.a.	n.a.
Management share class	n.a.	n.a.	n.a.
AVERAGE NET ASSET VALUE PER SHARE	1.1802	1.3134	1.4276

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

Consolidated statement of changes in net assets attributable to holders of redeemable shares and equity

(Amounts in €'000, unless otherwise indicated)

	Net assets attributable to holders of redeemable shares		Equity		Total
	Issued cumulative shares €'000	Increase/(Decrease) in NAV €'000	Non-controlling interest €'000	Currency translation reserves €'000	
As at 01 January 2022	4,611,505	574,179	3,204	7,600	5,196,488
Increase/(Decrease) in net assets before the impact of transaction with equity holders of NCI and other comprehensive income/ (loss)	—	(341,178)	1,967	1,903	(337,308)
Distribution to holders of redeemable share	(135,350)	—	—	—	(135,350)
Proceeds from shares issued and reinvestments	844,653	—	—	—	844,653
Net assets attributable to non controlling interests	—	592	(592)	—	—
Other comprehensive income: Currency translation differences	—	—	(144)	(39,186)	(39,330)
As at 31 December 2022	5,320,808	233,593	4,435	(29,683)	5,529,153
As at 01 January 2023	5,320,808	233,593	4,435	(29,683)	5,529,153
Increase/(Decrease) in net assets before the impact of transaction with equity holders of NCI and other comprehensive income/ (loss)	—	(445,141)	351	(206)	(444,996)
Distribution to holders of redeemable share	(148,493)	—	—	—	(148,493)
Proceeds from shares issued and reinvestments	291,191	—	—	—	291,191
Net assets attributable to non controlling interests	—	1,476	(1,476)	—	—
Other comprehensive income: Currency translation differences	—	—	110	1,686	1,796
As at 31 December 2023	5,463,506	(210,072)	3,420	(28,203)	5,228,651

	31 December 2023
Capital contribution	
24 March 2023	12,858
12 April 2023	74,620
02 June 2023	8,587
20 July 2023	39,500
25 August 2023	7,856
13 October 2023	43,974
18 October 2023	96,125
24 November 2023	7,671
Subtotal	A 291,191
Income distribution	
24 March 2023	(36,800)
02 June 2023	(33,693)
25 August 2023	(40,000)
24 November 2023	(38,000)
Subtotal	B (148,493)
TOTAL	C = A + B 142,698

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

Consolidated cash flows statement

(Amounts in €'000, unless otherwise indicated)

	Notes	Year ended 31 December 2023	Year ended 31 December 2022
Cash flows from or used in operating activities			
Net result before tax and distributions to holders of redeemable shares		(480,316)	(340,305)
Adjustments to net operating cash flows			
Changes in fair value of investment properties	1,8	578,270	452,151
(Gain) / loss from sales	24	879	1,865
Amortization of capitalised rent incentives	1,8	16,130	8,622
Amortization of capitalised fitting out incentives	1,8	2,691	2,010
Amortization of capitalised reletting expenses	1,8	3,074	1,867
Changes in fair value of investment properties under construction	2	44,534	10,408
Changes in fair value of right-of-use assets	1	860	485
Acquisition expenses relating to subsidiaries		—	(42)
Interest expense to credit institutions	23	12,557	5,904
Interest expense - Bond	23	7,000	6,979
Interest expense to related parties	23	200	121
Amortisation of capitalised finance expenses	12	2,277	2,313
Loss allowance on financial assets	4	2,098	339
Foreign currency loss / (gain)		9,157	(11,661)
Operating cash flows before changes in working capital		199,411	141,056
(Increase)/decrease in trade and other receivable		(9,863)	(305)
(Increase)/decrease in prepayments		989	(3,344)
(Increase)/decrease in accounts receivable from associated companies		—	642
(Increase)/decrease in other receivables and other assets		24,881	(10,863)
Increase/(decrease) in trade and other payable		864	5,085
Increase/(decrease) in deferred income		2,076	2,888
Increase/(decrease) in other current liabilities and other liabilities		10,118	(12,345)
Changes in working capital		29,065	(18,242)
Corporate income tax paid		(7,615)	(11,528)
Net cash from or used in operating activities		220,861	111,286
Cash flows from or used in investing activities			
Investments in investment properties	1	(183,862)	(453,463)
Investments in investment properties under construction	2	—	(62,660)
Acquisition of subsidiaries, net of cash acquired	1, 2	(148,239)	(151,126)
Acquisition expenses relating to investment properties	1	(2,919)	(21,322)
Acquisition expenses relating to investment properties under construction	2	112	(957)
Acquisition expenses relating to subsidiaries	1,2	(2,231)	(4,841)
Capitalised subsequent expenditures investment properties	1,8	(84,770)	(41,015)
Capitalised incentives and expenses	1,8	(23,633)	(14,676)
Divestment of subsidiaries	24	(24)	(394)
Divestments of investment properties	8, 24	49,488	51,789
Capitalised subsequent expenditures investment properties under construction	2	(36,516)	(24,466)
Interest received		476	62
Proceeds from or investments in derivatives		(17,738)	26,242
Net cash from or used in investing activities		(449,856)	(696,827)
Cash flow from or used in financing activities			

	Notes	Year ended 31 December 2023	Year ended 31 December 2022
Issuance of participations- capital call		291,191	844,652
Distributions		(148,493)	(135,350)
Proceeds from loans and borrowings	12	485,746	705,912
Repayment of loans and borrowings	12	(351,400)	(797,400)
Proceeds from debt from associated companies	13	241	1,877
Repayment of lease liabilities		(2,799)	(1,959)
Interest paid		(20,011)	(12,207)
Net cash from or used in financing activities		254,475	605,525
NET MOVEMENT IN CASH AND CASH EQUIVALENTS		25,480	19,984
Cash and cash equivalents at beginning of the year		179,766	160,476
Impact of currency translations on cash		372	(694)
Cash and cash equivalents at end of the year		205,618	179,766
Cash classified as held for sale		(794)	—
Cash and cash equivalents without held for sale at end of the year		204,824	179,766

Notes 1-2, 4, 6 12-13, 24-25 see pages 112 - 114, 115, 116, 119-122, 126.

Changes in liabilities arising from financing activities for the year ended 31 December 2023:

	Loans and borrowings	Debt from associated parties	Derivatives	Lease liabilities	Total
Balance as at the beginning of the year	1,301,528	4,981	(6,797)	56,843	1,356,555
Net movements					—
- Cash flows	136,000	241	(11,817)	—	124,424
- Changes in fair value	—	—	17,738	—	17,738
- Capitalised finance expenses	(1,654)	—	—	—	(1,654)
- Amortisation of finance expenses	2,277	—	—	—	2,277
- New leases	—	—	—	3,878	3,878
- Reassessment and modification to leases	—	—	—	3,499	3,499
- Currency translation differences	(3,206)	—	—	227	(2,979)
Balance at the end of the year	1,434,945	5,222	(876)	64,447	1,503,738

Changes in liabilities arising from financing activities for the year ended 31 December 2022:

	Loans and borrowings	Debt from associated parties	Derivatives	Lease liabilities	Total
Balance as at the beginning of the year	1,392,962	3,104	8,758	35,456	1,440,280
Net movements					—
- Cash flows	(90,000)	1,877	10,687	—	(77,436)
- Changes in fair value	—	—	(26,242)	—	(26,242)
- Capitalised finance expenses	(1,488)	—	—	—	(1,488)
- Amortisation of finance expenses	2,313	—	—	—	2,313
- New leases	—	—	—	22,245	22,245
- Reassessment and modification to leases	—	—	—	76	76
- Currency translation differences	(2,259)	—	—	(934)	(3,193)
Balance at the end of the year	1,301,528	4,981	(6,797)	56,843	1,356,555

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

CBRE Global Investors Open-Ended Funds S.C.A. SICAV-SIF (the "Fund" or the "PEC 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 du Fort Wallis, L-2714 Luxembourg.

The sub-fund CBRE Global Investors Open-Ended Funds S.C.A. SICAV-SIF-Pan European Core Fund was formed to pursue core investments in logistics, residential, office, retail, hotel and other properties in Europe. At the year ended 31 December 2023, there are no other sub-funds formed.

Its principal activities are to invest in and manage a portfolio of high-quality logistics, residential, office, retail, hotel and other 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 Investment Management Luxembourg S.à r.l. (formerly named CBRE Global Investors Luxembourg S.à r.l.) (the "Advisor"), a Luxembourg company and an affiliate of the General Partner. CBRE Investment Management affiliated companies in United Kingdom, Germany, France, Czech Republic, Poland, Denmark, Norway, Sweden, Belgium, the Netherlands, Luxembourg, 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 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 2023 have been authorized for issue in accordance with a resolution of the Board of Managers of the General Partner on 8 March 2024. The Board of Managers of the General Partner will present the consolidated financial statements in the annual meeting of shareholders of the Fund and will request the approval of the consolidated financial statements and the appropriation of result.

The Fund appointed CBRE Investment Management Luxembourg AIFM S.à r.l. (formerly 'CBRE Global Investors Luxembourg S.à r.l.') as its regulated investment manager (the 'AIFM') within the meaning of Article 4 of the Luxembourg Law of 12 July 2013 on Alternative Investment Fund Managers. Consequently, the Fund is operated under the license of the AIFM.

Summary of material 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 (the "Group" or 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 Accounting Standards as adopted by the EU (IFRS-EU). The Fund's reporting currency as well as functional currency is the Euro.

Certain figures in the comparative financial statements have been reclassified in order to ensure the comparability with the current year figures.

Going concern

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

Adoption of new and revised standards

Standards and interpretations effective in current period

There were several amendments that became effective in the current period, these are listed below:

- IFRS 17 – Insurance Contracts including Amendments to IFRS 17, effective 1 January 2023;
- Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2), effective 1 January 2023;
- Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12), effective 1 January 2023;
- Definition of Accounting Estimates (Amendments to IAS 8) effective 1 January 2023;
- Initial Application of IFRS 17 and IFRS 9 – Comparative Information (Amendment to IFRS 17), effective 1 January 2023;
- Amendment to IAS 12 - International tax reform - pillar two model rules effective 1 January 2023.

The Manager has assessed the impact of the amendments, none of the amendments have a material impact on the financial position or performance of the Fund.

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:

- Classification of Liabilities as Current or Non-Current (Amendments to IAS 1), effective 1 January 2024*;
- Amendments to IFRS 16 Leases: Lease Liability in a Sale and Leaseback effective 1 January 2024;
- Amendments to IAS 7 and IFRS 7 on Supplier finance arrangements, effective 1 January 2024*;
- Amendments to IAS 21 on lack of Exchangeability effective 1 January 2025*;
- IFRS 10 and IAS 28 – Amendments – Sale or contribution of assets between an investor and its associate or joint venture.

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

The Fund has not early adopted any new International Financial Reporting standards, interpretations or amendments that has been issued but is not yet effective. None of the standards, interpretations or amendments are expected to have a material impact on the financial position or performance of the Fund.

Material accounting judgements and estimates

Judgements

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

Business combination vs Asset acquisition

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 or acquisition of an asset. For this purpose a concentration test is applied in line with IFRS 3 i.e the consideration paid is allocated to the identifiable assets and liabilities acquired on the basis of their relative fair values at the acquisition date to assess concentration. If substantially all of the fair value of the gross assets acquired are concentrated in a single identifiable asset or group of similar identifiable assets then set of activities is not a business and is rather an asset acquisition than business combination.

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 i.e. concentration test is met, it is accounted for as an acquisition of a group of assets and liabilities (i.e. As asset acquisition). The transaction cost in case of asset acquisition is allocated to the assets and liabilities acquired based upon their relative fair values, and no goodwill or deferred tax is recognized whereas its expenses in case of business combination.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty 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 below.

Fair value of investment properties and investment properties under construction

Fair value, in the case of investment property and investment property under construction, is the valuation based on valuations by two independent experts taking into account the nature, location and condition of the specific assets. In 2023, the properties in the portfolio were valued by the independent experts Jones Lang LaSalle and Knight Frank. 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 experts at year-end. Valuations drawn up earlier in the year are updated if necessary to reflect the situation at year end.

The valuations are prepared in line with (i) the hardcore capitalisation method of income valuation, which assesses the value of the property based on its income flow capitalised by yield (capitalisation rate) or (ii) the valuations are based on DCF analysis of each property combined – where necessary – with valuations based on market evidence. 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 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. The significant assumptions related to the valuations are set out in note 1 and 2.

Leases - Estimating the incremental borrowing rate

When the fund cannot readily determine the interest rate implicit in leases where it is the lessee, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the fund would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the fund 'would have to pay', which requires estimation when no observable rates are available (such as for subsidiary that do not enter into financing transactions) or when they need to be adjusted to reflect the terms and conditions of the lease (for example, when leases are not in the subsidiary's functional currency).

Provision for expected Credit losses on trade receivable and contract assets

Trade and other receivable (Refer note 4), cash and other receivables are the major financial assets are subject to the expected credit loss ("ECL") model within IFRS 9. The Fund uses the simplified approach for the determination of the ECL. The Group applied the practical expedient to calculate ECL using a provision matrix. The calculation of allowances is based on the materiality of outstanding balances, ageing of trade and other 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, these include financial factors affecting the tenant such as rising costs of operations as a result of rising inflation. Funds will need to consider if the simplified ECL approach model is still applicable as a result of rising inflation and associated costs. 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 classed 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.

The ECLs relating to cash and short-term deposits of the Group rounds to zero.

Deferred Taxes

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.

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.

Some subsidiaries in the Fund have losses carried forward from prior years. The manager has assessed the recoverability of these losses based on local regulations and forecasted results. For the part of the losses that are deemed recoverable, the Fund has recognised a deferred tax asset. For more information refer to note 26 of page 127.

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 21. 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 their 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 subsidiaries 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 presentation and functional currency of the Fund is the Euro, whereas the functional currency of certain of its foreign subsidiaries is the local currency.

Transactions and balances

Transactions in foreign currencies are initially recorded by the Fund's entities at their respective functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Differences arising on settlement or translation of monetary items are recognised in profit or loss, with the exception of monetary items that are designated as part of the hedge of the Fund's net investment of a foreign operation. These are recognised in other comprehensive income ("OCI") until the net investment is disposed of, at which time, the cumulative amount is reclassified to profit or loss. Tax charges and credits attributable to exchange differences on those monetary items are also recognised in OCI. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of gain or loss on change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

Group companies

On consolidation, the assets and liabilities of foreign operations are translated into Euro at the rate of exchange prevailing at the reporting date and their statements of comprehensive income are translated at exchange rates prevailing at the dates of the transactions. The exchange differences arising on translation for consolidation are recognised in OCI. On disposal of a foreign operation, the component of OCI relating to that particular foreign operation is reclassified to comprehensive income.

The year-end exchange rate used is (foreign currency compared to EUR 1):

- British Pound (GBP) 0.866667. The average exchange rate used is GBP 0.866613 compared to EUR 1.
- Norwegian Krone (NOK) 11.221965. The average exchange rate used is NOK 11.638388 compared to EUR 1.
- Swedish Krona (SEK) 11.129581. The average exchange rate used is SEK 11.454000 compared to EUR 1.
- Danish Krone (DKK) 7.454194. The average exchange rate used is DKK 7.457609 compared to EUR 1.

Principles of recognition and measurement of the consolidated statement of financial position

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, which reflects market conditions at the reporting date determined by an accredited external independent valuer. 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

Properties under construction subject to forward purchase agreements

The Fund may enter into forward purchases of real estate assets under construction, where the legal title is transferred in the future, at completion. The Fund recognises the purchase when the control over asset is obtained; control refers to the ability to obtain substantially all of the remaining benefits from the asset.

When the following conditions are met, the asset is recognised as investment property under construction;

1. transaction is binding,
2. the purchase price is substantially fixed and payable in full regardless of any cancellation intention of the buyer for reasons other than seller's fault,
3. the features of the asset cannot be significantly changed unilaterally by the seller,
4. the asset cannot be substituted.

The investment property under construction is initially recognised at cost on the consolidated statement of financial position. Subsequently, at each reporting period, the investment property under construction is measured at fair value, any changes to fair value are recognised in the consolidated statement of comprehensive income as Changes in fair value of investment properties under construction. In case the control is not transferred such an advance for purchase of property is recognised as prepayment.

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 Fund's 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.

Investment properties under construction

Investment properties under construction (IPUC), which are properties that are being constructed or developed for future use as an investment property, are initially accounted for at cost.

After initial recognition, investment properties under construction are measured at fair value, assuming the fair value of such property can be reliably determined.

Gains or losses arising from changes in the fair value of investment properties under construction are included in the consolidated comprehensive income statement for the year in which they arise. However, where fair value is not reliably measurable, the property is measured at cost and tested for impairment until the earlier of the date construction is completed or the date at which fair value becomes a reliable measure.

Investment properties under construction are derecognised when they have been moved to investment properties or disposed. Any gains or losses on the derecognition of an investment property under construction are recognised in the consolidated comprehensive income statement in the year of derecognition.

Investment properties under construction are not subject to depreciation. If applicable, borrowing costs regarding loans needed to invest in investment properties are capitalised during the development period.

Revaluation is the difference between the market value at year-end and the market value at the beginning of the year including the capitalised subsequent expenditure.

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.

As a lessee

The Fund uses the exemption to exclude short term leases and low value leases from recognition in accordance with IFRS 16. For measurement of the right-of-use asset at the date on first-time adoption, initial direct costs were not taken into account. The right-of-use asset that meets the definition of an investment property or investment property under construction is presented as such on the consolidated statement of financial position and is initially recognised against the lease liability, plus any lease payments made at or before the commencement date, less any lease incentives received and initial direct costs incurred. The right-of-use asset is subsequently valued at fair value. The lease liability is initially recognised against the present value of lease payments and subsequently increased to reflect interest on the lease liability and decreased to reflect lease payments. For the determination of the right-of-use asset and the lease liability, the Fund considers the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised. The discount rate applied is equal to the interest rate implicit in the lease contract. If that rate is not available the Fund uses the incremental borrowing rate which is the rate of interest that the Fund would have to pay to borrow over a similar term, and with a similar security, the Funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. To assess the IBR, the Fund uses the interest rate used by the municipality or land owner, the discount rate is applied as calculated based on interest rates for comparable loans or in case not available the government bond rates and if required adjusted appropriately. For details on the rates used, refer to note 1 and 2 on pages 112-114. When there are changes in the lease payments or lease term, the value of the right-of-use asset and lease liability shall be remeasured.

As a lessor

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 in accordance with conditions from IFRS 9. The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows. 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 financial assets not at fair value through profit or loss, directly attributable transaction costs.

Financial assets are not reclassified subsequent to their initial recognition unless the Fund changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model. The Fund makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Fund considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition.

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 statement of financial position as loans receivable, trade and other receivable and other current assets are classified as financial assets measured at amortised cost. 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 liabilities

Financial liabilities are classified as financial liabilities at fair value through profit or loss or financial liabilities at amortised cost as in accordance with conditions from IFRS 9. 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 statement of financial position as loans and borrowings including debt from associated companies are measured at amortised cost. They are initially recognised at fair value less related transaction costs and subsequently measured at amortised cost using the effective interest method. When liabilities are derecognised, gains and losses are recognised in other comprehensive income.

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

Derivatives

Financial assets (and liabilities) recognised in the statement of financial position as derivatives are classified as financial assets (and liabilities) 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 other comprehensive income, except when hedge accounting is applied for effective hedges.

Hedge accounting

The Fund uses derivative financial instruments such as forward currency contracts to hedge its risks associated with 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 gain or loss relating to the ineffective portion is recognised immediately in the consolidated statement of comprehensive income, and is included in the 'Changes in fair value of investments at fair value through profit and loss'.

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

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.

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.

Trade and other receivables

Trade and other receivables are initially recognised at their transaction price and subsequently at amortised cost less any impairment losses.

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

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.

The cash and cash equivalents are freely available unless otherwise disclosed.

Assets and liabilities “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 from reclassification as held for sale is highly probable and the management assesses the sale within one year highly probable when a signed Purchase agreement 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.

Property once classified as non-current asset held for sale should continue to be measured at fair value until disposal (in accordance with guidance given by IAS40 para 33-55) and not at the lower of their carrying amount and fair value less cost to sell as required by IFRS5.

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

If the asset is expected to be sold in a share deal, all corresponding assets and liabilities are considered part of the transaction. Therefore, all assets and liabilities are reclassified as held for sale and reported separately as current assets and current liabilities.

Net assets attributable to holders of redeemable shares

Redeemable shares

Redeemable participating shares are redeemable at the shareholders' or at Fund's option and are classified as financial liabilities in accordance with IAS 32. These are subsequently measured at Fair value through Profit and Loss as the value is essentially the Net asset value of the fund. 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 10 Classes of Shares. Shares shall be issued to Shareholders corresponding to their Capital Commitments, as follows:

- Class XP_A++ Shares will be issued to any Shareholder whose aggregate Capital Commitment amounts to EUR 450 million or greater,
- Class A+ Shares will be issued to any Shareholder whose aggregate Capital Commitment amounts to EUR 250 million or greater, but less than EUR 450 million,
- Class XP_A+ Shares will be issued to any Shareholder whose aggregate Capital Commitment amounts to EUR 250 million or greater, but less than EUR 450 million 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 XP_A++, 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 January 2024.

Cumulative unrealised gains and losses

The cumulative unrealised gains and losses consist of changes in fair value of investment properties and investment properties under construction, 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.

Performance fee

As the Fund applies the service model, the performance fee represents a remuneration for services provided (Class I shareholder). Fees are recognised in the statement of comprehensive income on an accrual basis. Please refer also to note 21.

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.

Principles for determination of result

Income is increases in assets, or decreases in liabilities, that result in increases in equity 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 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.

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

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.

Property costs charged to tenants (service costs)

Under IFRS 15, 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.

Recovered property costs charged to tenants

Where there are service contracts with third parties, service charges are recovered from tenants. They mainly relate to gas, water, electricity, cleaning and security which are shown on gross basis in consolidated statement of comprehensive income as part of revenue.

Recoverable property costs

Recoverable property costs are the costs that can be directly allocated to the recovered property costs charged to tenants in consolidated statement of comprehensive income on accrual basis as part of revenue.

Finance income and expenses

Interest income and interest charges are recognised in the statement of consolidated comprehensive income 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 charges relate to loans and borrowing, lease liabilities, 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, 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.

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 equity is recognised in equity 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 consolidated cash flow statement has been drawn up according to the indirect method, separating the cash flows from operating activities, investing 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.

In the consolidated cash flow statement, the Fund chose to present the interest received as cash flows from investing activities and the interest paid as cash flows from financing activities.

Related party relationships

All relationships with companies related to the Fund and to CBRE Investment Management are listed in a separate overview on page 128.

A CBRE Investment Management 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 Class I shareholder (CB Richard Ellis Investors Funds PEC CarryCo LLC) is entitled under the Private Placement Memorandum to a performance fee based on the achievement of certain financial objectives as further explained in Note 28.

Financial risk management

CBRE Investment Management 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.

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 capital of the Fund is represented by the Net assets attributable to holders of redeemable shares. 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.

The Fund monitors capital primarily using the loan to value ratio, which is calculated as the amount of outstanding debt (EUR 1,446 million) divided by the valuation of the investment portfolio (EUR 6,838 million). The Fund's objective is to keep its loan to value ratio at 25% and operating in a band of between 20% and 30%. The actual loan to value ratio on 31 December 2023 is 21.1% (2022: 19.3%).

Fund risk assessment

CBRE Investment Management EMEA has established a risk management organisation to help achieve its organisational 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 Investment Management 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 Investment Management EMEA are not covered in this analysis.

Table 20 Fund risk assessment

Market risk

Risk Category	Inherent Risk Level	Risk Assessment and Mitigation
Interest rate risk	Low	The Fund has a preference for fixed interest rates with either a fixed rate or a variable rate that is hedged with interest. On 31 December 2023, 79% of interest rate exposure was fixed. 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 22 shows the impact of a 1% and -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 2023, 50% of foreign currency exposures were hedged with the exception of DKK which is not hedged due to the effective peg to the EUR. 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.
Geopolitical risk	Low	As a result of the ongoing conflicts in the Middle East and between Russia and Ukraine, potential impacts on the regional and global economy remain uncertain and are difficult to assess in terms of duration and severity. The uncertainty could have an adverse impact on the Fund, including but not limited to the fair market value of its investments and/or cash flow; the potential impact of this cannot be fully and reliably estimated. The General Partner will continue to monitor market conditions as information becomes available and to evaluate the potential impact, if any, on the value of the Fund's real estate investments and its operations going forward.
Real estate risk (including valuation risk)	High	<p>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 Investment Management 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.</p> <p>The market value of our assets is an important metric. These 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 Investment Management 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.</p> <p>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 Investment Management EMEA aims to keep its assets up to date by incorporating good design, diversified tenant mixes and latest trends in technology.</p>
ESG risks linked to real estate	Low	<p>The real estate portfolio of the Fund is assumed to be impacted by climate change linked to the different locations as well as the ESG rating of the investment based on ESG assessment. These changes may result in additional risk of losses linked to these assets.</p> <p>As part of the investment management process the risks linked to climate change are assessed and are considered as a part of the decision-making process. Furthermore, the portfolio of assets are insured for catastrophic risks which are linked to climate change. Based on these risk measurements we assess if the financial impact of increased risk linked to climate change is within the acceptable bandwidth and are largely covered by an insurance policy.</p>

Financial risk

Risk Category	Inherent Risk Level	Risk Assessment and Mitigation
Credit risk	Low	<p>The risk that a counterparty will default on its contractual obligations resulting in financial loss to the Fund.</p> <p>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 trade and other receivable and, where appropriate, a bank guarantee from tenants is obtained or a credit guarantee insurance cover is purchased.</p> <p>The Fund mitigates the credit risk on financial instruments by only dealing with banks with solid credit ratings assigned by international credit-rating agencies (a range from A-2 to A-1+ based on the S&P rating). 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.</p>
Liquidity risk	Low	<p>Funding with loans and borrowings involves refinancing risk. CBRE Investment Management 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.</p>

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 Mitigation
Process risk	Low	<p>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.</p>
Financial reporting	Low	<p>Reporting to the investors and other stakeholders is key to report on performance regarding the investment management activities. Financial reporting by the Fund is based on general accounting principles applied by real estate industry and for the key driver of the performance, real estate valuations, external independent appraisers are engaged by the Fund. The financial reporting, including the processing of the underlying data as well as valuation reports are outsourced to an external party. The performance of this external party is monitored on a periodical basis. Because of engaging external independent appraisers for real estate valuations and other items which are part of the financial reporting are to lesser extent subject to significant estimations the financial reporting is considered to be low.</p>
ICT-risk	Low	<p>The reliable use of ICT infrastructure and applications is of utmost importance for the daily operations in order to sufficiently be prepared for any cybersecurity risk. We are also aware of the increase in global uncertainty, heightened by the war in the Ukraine. Specifically, terrorism remains a threat, as is the risk of cyber security breaches. 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 Funds is estimated low.</p>
Third-party risk	Medium	<p>When hiring a third party the Fund or Fund manager may hire a party who, afterwards, is not able to meet our standards. This is prevented by a service provider due diligence before contracting the service provider and monitoring of the service provided.</p>

Legal, Tax and Regulatory risk

Risk Category	Inherent Risk Level	Risk Assessment and Mitigation
Legal Risk	Medium	<p>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 Funds. The global geopolitical environment remains uncertain, heightened by the recent war in Ukraine, with potential impacts on security, cyber risks, sanctions compliance, supply chains and reputational risks. This risk is mitigated by a specialised legal team and in case external expertise is required an external law firm is hired.</p>
Regulatory compliance risk	Low	<p>This risk may arise from failure (or perceived failure) to comply with laws, regulations and internal compliance rules and policies which could lead to legal or regulatory sanctions and/or financial loss. This risk is mitigated by the establishment, implementation and maintenance of a framework of internal policies, procedures and controls. Compliance risks are overseen and monitored by a dedicated compliance function.</p>
Tax risk	High	<p>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.</p>

Table 22 Sensitivity analysis

A number of external factors were identified where a change could affect the Fund's profit before tax. The real estate sensitivity affects the unrealised gains or losses, the interest rate sensitivity affects the finance result. The following table summarises the results:

External factor	2023			2022		
	Percentage increase / (decrease)	Effect on result before tax	Effect on net assets attributable to holders of redeemable shares	Percentage increase / (decrease)	Effect on result before tax	Effect on net assets attributable to holders of redeemable shares
Real estate sensitivity						
Current gross yield	0.25 %	(367,709)	(367,709)	0.25%	(400,955)	(400,955)
Reversionary yield	0.25 %	(309,806)	(309,806)	0.25 %	(358,914)	(358,914)
Estimated rental value	(1.00)%	(68,370)	(68,370)	(1.00)%	(68,172)	(68,172)
Interest rate sensitivity¹						
Interest rate	1.00%	(3,728)	(3,728)	1.00%	(2,361)	(2,361)
Interest rate	(1.00%)	(2,209)	(2,209)	(1.00%)	853	853
Other sensitivity²						
Foreign exchange rate [GBP]	10.00%	(37,642)	(37,642)	10.00%	(40,487)	(40,487)
Foreign exchange rate [SEK]	10.00%	(12,653)	(12,653)	10.00%	(8,421)	(8,421)
Foreign exchange rate [NOK]	10.00%	(4,549)	(4,549)	10.00%	(4,941)	(4,941)

The most significant inputs are considered in the sensitivity analysis.

¹ For interest rate risk analysis, liabilities of EUR 308 million were considered.

² For foreign currency risk analysis, assets of GBP 717.7 million, SEK 3.1 billion and NOK 1.1 billion and liabilities of NOK 515 million were considered.

Table 23 Foreign exchange risk

The tables below summarise the reports provided to key management personnel and are used to monitor the Group's exposure to foreign currency risk arising from financial instruments as at 31 December. The Group's financial assets and liabilities are included in the table categorised by currency at their carrying amount.

As at 31 December 2023	EUR	GBP	DKK	NOK	SEK	Total
Financial assets- Loans and receivables						
Trade and other receivables	22,390	4,605	250	—	263	27,508
- Other financial assets	25,275	46	21	—	61	25,403
Cash and cash equivalents	183,115	14,241	3,023	50	4,395	204,824
Derivatives	1,368	—	—	—	—	1,368
Assets of disposal groups classified as held for sale:						
- Trade and other receivables	—	—	—	3,342	—	3,342
- Cash and cash equivalents	—	—	—	794	—	794
Total Financial assets	232,148	18,892	3,294	4,186	4,719	263,239
Financial liabilities measured at amortised cost						
Non-current borrowings:						
- Bank borrowings	1,055,151	—	—	—	—	1,055,151
- Debt from related parties	5,222	—	—	—	—	5,222
- Lease liabilities	46,034	7,330	—	—	8,195	61,559
Tenant deposits - non-current	20,989	1,635	2,890	—	144	25,658
Trade and other payables	219,525	2,707	443	7	2,430	225,112
- Other financial liabilities	3,876	—	—	1,522	—	5,398
Tenant deposits - current	1,627	—	—	—	—	1,627
Derivatives	492	—	—	—	—	492
Current borrowings including lease liabilities	336,220	288	—	45,887	286	382,681
Liabilities of disposal groups classified as held for sale						
- Trade and other payables	—	—	—	1,563	—	1,563
Total financial Liabilities	1,689,136	11,960	3,333	48,979	11,055	1,764,463

Table 24 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 2023 or 2022.

FV hierarchy table below reflects the classification of the financial instruments based on the inputs /valuation technique used to determine their fair value. This is done to ensure that the FV hierarchy table includes all financial instruments for which the carrying amount does not approximate their fair value at the end of the reporting date.

The table below represents the valuation methods applied for investment properties, investment properties under construction, assets held for sale, financial instruments measured at amortised costs, and net assets for which the fair value is disclosed:

	Level	Fair value 2023	Fair value 2022
Investments in real estate			
Investment properties	3	6,450,487	6,767,005
Investment properties under construction	3	349,500	107,750
Financial instruments			
Derivatives	2	876	6,797
Loans and borrowings	2	1,299,113	1,049,299
Loans from associated companies	2	5,222	4,981
Net assets to holders of redeemable shares	3	5,225,231	5,524,718

For other financial assets and liabilities measured at amortised cost and for which fair value is not disclosed, the fair value of such financial assets and liabilities approximate the carrying amount.

For the level 3 reconciliation on investment in real estate together with key inputs for valuation, further reference is made to notes to the consolidated statement of financial position (please refer to note 1).

To determine the fair value of loans and borrowings, components considered as significant are margin, base rate and embedded floor valuation. For margin valuation, the Fund has benchmarked the expected range of margin on the basis of sector and geography performed on an assumed leverage of 50% on a core asset for a non-recourse financing. For margin valuation calculation, at market margin range is compared against current margin i.e., is the contractual margin and or spread as defined in the facility agreement. When the current margin falls within market margin range, no action is taken as carrying value of loans and borrowings is considered to be at fair value. For loans and borrowings with a margin that falls outside the range, the fair value is calculated by discounting all future cashflows resulting from the current margin with the closest upper or lower end of the range as that would be the closest at market rate achievable and to be prudent with the impact.

The base rate valuation (for both floating and fixed rate loan) together with embedded floor valuation component is calculated by Treasury Management in accordance with the methodology described below.

For level 2 reconciliation on loans and borrowings, further reference is made to notes to the consolidated statement of financial position. For the undiscounted cash flows refer to Table 25. For further details on each loan refer to loans and borrowings overview.

The fair value of the individual derivative is based on the calculation from Treasury Management.

The approved methodology to determine these fair values is based on:

1. Estimating the future cash flows;
2. Discounting these future cash flows to its NPV.

Table 25 Undiscounted cash flows, by contractual maturity, of financial instruments exposed to fixed or floating rate
Fixed Rate

		<1 year	1-5 years	>5 years	Total
31 December 2023	Notes	€'000	€'000	€'000	€'000
Non Derivative Financial Assets/Liabilities					
Secured loans and borrowings	11	79,344	371,753	—	451,097
Unsecured loans and borrowings	11	7,000	525,616	503,514	1,036,130
Loans from associated companies	12	201	804	6,831	7,836
Obligations under finance leases and hire purchase contracts	13	2,799	11,197	149,045	163,041
Other non-current liabilities	13	—	25,693	—	25,693
Net assets attributable to holders of redeemable shares		48,900	5,176,331	—	5,225,231
Derivative Financial Assets/Liabilities					
Derivatives	6	(876)	—	—	(876)
31 December 2022					
	Notes	€'000	€'000	€'000	€'000
Non Derivative Financial Assets/Liabilities					
Secured loans and borrowings	11	2,258	141,819	—	144,077
Unsecured loans and borrowings	11	181,217	28,000	1,003,699	1,212,916
Loans from associated companies	12	126	506	6,119	6,752
Obligations under finance leases and hire purchase contracts	13	2,322	9,288	126,162	137,772
Other non-current liabilities	13	—	22,922	—	22,922
Net assets attributable to holders of redeemable shares		—	5,524,718	—	5,524,718
Derivative Financial Assets/Liabilities					
Derivatives	6	(6,797)	—	—	(6,797)

Loans and borrowings include undiscounted interests.

Notes to the consolidated statement of financial position

(Amounts in € '000, unless otherwise indicated)

Non-current assets

1 Investment properties

	31 December 2023	31 December 2022
Balance as at the beginning of the year	6,767,005	6,640,485
Movements		
- Capitalised subsequent expenditures	96,991	45,241
- Acquisition expenses	20,868	26,206
- Asset acquisitions through subsidiaries	151,163	150,015
- Direct asset acquisitions	369,058	453,463
- Right-of-use assets initial recognition	8,290	22,753
- Changes in fair value positive	97,217	29,899
- Changes in fair value negative	(675,487)	(482,050)
- Changes in fair value of right of use asset	(860)	(485)
- Unrealised gain/losses from foreign currency	12,932	(67,439)
- Capitalised rent incentives	13,168	7,363
- Amortised rent incentives	(16,130)	(8,622)
- Capitalised fitting out costs	6,259	3,482
- Amortised fitting out costs	(2,691)	(2,010)
- Capitalised reletting expenses	4,206	3,831
- Amortised reletting expenses	(3,074)	(1,867)
- Transfer to properties held for sale	(100,072)	—
- Transfer to investment properties under construction	(248,013)	—
- Direct asset divestments (incl. reversal of prior years cumulative change in fair value of investment properties sold)	(50,343)	(53,260)
Balance at the end of the year	6,450,487	6,767,005
Historical cost	6,632,990	6,331,311
Recognition right-of-use assets	65,879	57,409
Rent incentives	28,075	30,974
Fitting out costs	13,498	10,071
Reletting expenses	7,186	6,103
Cumulated changes in fair value	(295,709)	331,704
Cumulated changes in fair value of right of use asset	(1,432)	(567)
Total	6,450,487	6,767,005

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. For segmental reporting by sector and country please refer to Note 29.

One logistics asset was disposed during the year in Germany.

Four acquisitions were carried out during the year: three assets acquired through subsidiaries, one office asset in Spain and two residential assets in Sweden, and one logistics extension acquired in Denmark (EUR 148.3 million). Three assets were acquired through direct acquisitions: one residential asset in Italy and two residential assets in Germany (EUR 369.0 million).

A hotel asset in Norway was recognised as held for sale asset in 2023, expected to be sold during 2024.

The above investment properties overview includes asset acquisitions during the reporting period (acquired through share deals under INREV principles). The opening balances of these transactions are presented below:

	Fredericia (phase 5)	Nacka	Green Business District	Taby	Total
ASSETS					
Investment properties	13,797	32,138	63,964	41,126	151,025
Total non-current assets	13,797	32,138	63,964	41,126	151,025
Total current assets	681	436	715	414	2,246
TOTAL ASSETS	14,478	32,574	64,679	41,540	153,271
Net assets	4,817	967	39,741	12,115	57,640
Loans and borrowings	9,658	31,075	23,100	28,896	92,729
Total non-current liabilities	9,658	31,075	23,100	28,896	92,729
Total current liabilities	3	532	1,838	529	2,902
TOTAL NET ASSETS AND LIABILITIES	14,478	32,574	64,679	41,540	153,271

In the table above the acquisition of subsidiaries acquired consists mainly of: (i) EUR 57.6 million payment on net assets and (ii) EUR 92.7 million non-current liabilities.

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

	31 December 2023	31 December 2022
Current rent (€/sqm)	42 - 2,854	41 - 2,704
Estimated rental value (€/sqm)	44 - 3,130	44 - 2,999
Gross current yield (%)	1.8%-8.5%	1.5% - 7.4%
Net current yield (%)	(1.8%)-8.5%	(1.8%) - 7.3%
Gross reversionary yield (%)	3.7%-8.5%	3.0% - 6.9%
Portfolio vacancy (by ERV) (%)	4.7 %	4.6 %
Incremental borrowing rate (right-of-use assets) (%)	2.85 %	2.66 %

Acquisitions & Disposals	Location
ACQUISITIONS	
2 Residential assets	Germany
2 Residential assets	Sweden
1 Residential asset	Italy
1 Office asset	Spain
EXTENSIONS	
1 Logistics asset	Denmark
DISPOSAL	
1 Logistic asset	Germany

2 Investment properties under construction

	31 December 2023	31 December 2022
Balance as at the beginning of the year	107,750	30,725
Movements		
- Capitalised subsequent expenditures	37,645	26,391
- Acquisition expenses	80	957
- Direct asset acquisitions	—	62,660
- Changes in fair value positive	—	917
- Changes in fair value negative	(44,534)	(11,325)
- Unrealised gain/losses from foreign currency	546	(2,575)
- Transfer from investment properties	297,700	—
- Transfer to investment properties	(49,687)	—
Balance at the end of the year	349,500	107,750
Historical cost ¹	384,272	106,548
Cumulated changes in fair value	(34,772)	1,202
Total	349,500	107,750

1 The historical cost include the capitalised subsequent expenses (EUR 41.7 million) and acquisition costs.

Investment properties under construction are related to two residential assets acquired in Italy in 2022 and an office asset located in France reclassified from investment property as complete refurbishment work started in 2023. A residential asset located in Sweden acquired in 2021, finalized construction work in 2023 and was classified as investment property at the end of 2023.

For segmental reporting by sector and country please refer to Note 29.

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

	31 December 2023	31 December 2022
Average initial yield on completion	6.1%	5.1%
Long term vacancy rate (%)	1% of Market rent	1% of Market rent
Long term growth in real rental rates (%)	CPI	CPI
Estimated average percentage pre-let (%)	100%	100%
Estimated average development profit on completion (%)	n.a.	n.a.
Estimated average percentage of completion (%)	49%	59%
Construction cost (€)	164,326	64,716

3 Other non-current assets

	31 December 2023	31 December 2022
Balance as at the beginning of the year	13,181	16,169
Movements		
- Increase	227	1,738
- Decrease	(106)	(4,726)
Balance at the end of the year	13,302	13,181

As at 31 December 2023, other non-current assets are mainly related to deposits of EUR 11.0 million for a future acquisition of an asset in Spain (2022: EUR 11.0 million) expected to occur in Q1 2025.

Current assets

4 Trade and other receivables

	31 December 2023	31 December 2022
Tenant receivables	31,079	23,720
Property managers	—	5
Accrued income	4,089	5,448
Other	748	843
Loss allowance on financial assets	(8,408)	(7,289)
Total	27,508	22,727
Movements in Loss allowance on financial assets		
Balance as at the beginning of the year	7,289	8,219
Movements		
- Write-off	(1,121)	(828)
- Allowance charged in comprehensive income statement	2,098	339
- Amount recovered during the year	—	(441)
- Currency translation differences	142	—
Balance at the end of the year	8,408	7,289

The ageing analysis of tenants and property managers is as follows:

31 December 2023	Total	Neither past due nor impaired	<30 days	30-60 days	>60 days
Expected credit loss rate	56%	— %	— %	11 %	64%
Expected credit loss	8,408	—	23	47	8,338
Net Trade and other receivables	23,419	11,133	7,221	371	4,694
31 December 2022	Total	Neither past due nor impaired	<30 days	30-60 days	>60 days
Expected credit loss rate	30%	—	—	—	73%
Expected credit loss	7,289	—	—	—	7,289
Net Trade and other receivables	17,279	12,177	1,574	806	2,722

5 Prepayments

	31 December 2023	31 December 2022
Prepaid property tax	1,078	1,224
Prepaid insurance	1,512	1,973
Prepaid rent / rent incentives	32	179
Prepaid interest	118	—
Prepaid service charges	200	1,350
Prepaid construction costs	374	1,853
Prepaid leasehold	396	259
Other	5,951	3,839
Total	9,661	10,677

As at 31 December 2023, other prepayments are mainly related to fit out contribution of EUR 2.5 million in Poland, prepaid legal expenses of EUR 0.8 million in Sweden and compensation to tenant of EUR 0.4 million in France.

6 Derivatives

Derivatives designated and effective as hedging instruments carried at fair value

	31 December 2023	31 December 2022
Foreign currency forward contracts		
Asset	1,368	6,797
Liability	(492)	—
Total	876	6,797

Counterparty	Trade date	Maturity date	Local currency	Amount (local currency '000)	Amount (€ '000)	Fixed Rate %	Mark To Market (€ '000)
Foreign currency hedge							
Deutsche Bank AG - 8562247	20 Dec 2023	22 Mar 2024	SEK	203,000	18,196	n.a.	(89)
Deutsche Bank AG - 8562247	20 Dec 2023	22 Mar 2024	NOK	46,500	4,124	n.a.	(17)
Deutsche Bank AG - 8562247	20 Dec 2023	22 Mar 2024	SEK	630,300	56,599	n.a.	(173)
Deutsche Bank AG - 8562247	20 Dec 2023	22 Mar 2024	SEK	276,500	24,829	n.a.	(76)
Deutsche Bank AG - 8562247	20 Dec 2023	22 Mar 2024	GBP	40,125	46,248	n.a.	130
Deutsche Bank AG - 8562247	20 Dec 2023	22 Mar 2024	GBP	21,100	24,320	n.a.	68
Deutsche Bank AG - 8562247	20 Dec 2023	22 Mar 2024	GBP	112,400	129,553	n.a.	363
ING - 48201630	20 Dec 2023	22 Mar 2024	GBP	44,400	51,134	n.a.	194
ING - 48201630	20 Dec 2023	22 Mar 2024	GBP	32,950	37,947	n.a.	144
ING - 48201630	20 Dec 2023	22 Mar 2024	GBP	49,625	57,151	n.a.	216
ING - 48201630	20 Dec 2023	22 Mar 2024	GBP	57,975	66,768	n.a.	253
ING - 48201630	20 Dec 2023	22 Mar 2024	SEK	155,000	13,919	n.a.	(49)
ING - 48201630	20 Dec 2023	22 Mar 2024	SEK	282,100	25,333	n.a.	(88)
Total							876

Hedge accounting

Based on the effectiveness testing the hedge relationship for foreign currency forward contracts qualify for hedge accounting under IFRS 9. The effective portion of the gain or loss on hedging instruments is recorded in other comprehensive income. In the year 2023 the net fair value of the financial derivatives amounts to EUR 0.9 million (2022: EUR 6.8 million).

The ineffective portion of the gain or loss on hedging instruments is recognised directly in the income statement. In the year 2023 there was no ineffective portion on hedging instruments (2022: nil) in the consolidated statement of comprehensive income.

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

	Total hedging gain/(loss) recognised in OCI	Ineffectiveness recognised in statement of comprehensive income ¹	Cost of hedging recognised in OCI	Amount reclassified from OCI to statement of comprehensive income ²
Year ended 31 December 2023	17,738	—	—	—
Year ended 31 December 2022	26,242	—	—	—

¹ The ineffectiveness is recognised in the statement of comprehensive income under 'Changes in fair value of investments at fair value through profit and loss'.

² The reclassified amount is recognised in the statement of comprehensive income under 'Result on foreign investments'.

7 Other current assets

	31 December 2023	31 December 2022
VAT receivable	23,843	25,495
Income tax receivable	3,232	—
Business tax receivable	12	—
Other tax receivable	817	3,326
Rental guarantee	2,476	—
Insurance	2,260	—
Deposits for acquisition	11,172	38,534
Other receivables	120	3,171
Total	43,932	70,526

As at 31 December 2023, deposits of EUR 11.2 million are mostly related to forward acquisitions in Spain (EUR 11.0 million; 2022: EUR 25.7 million).

8 Assets and liabilities held for sale

	31 December 2023	31 December 2022
Assets		
Properties held for sale (see below)	100,072	—
Trade and other receivable	32	—
Prepayments	26	—
Other receivables	3,342	—
Cash	794	—
Total	104,266	—

	31 December 2023	31 December 2022
Properties held for sale		
<i>Balance as at the beginning of the year</i>	—	—
Movements		
- Capitalised subsequent expenditures	—	—
- Changes in fair value positive	—	—
- Changes in fair value negative	—	—
- Capitalised rent incentives	—	—
- Amortised rent incentives	—	—
- Amortised fitting out costs	—	—
- Amortised reletting expenses	—	—
- Currency translation differences	—	—
- Transfer from investment properties	100,072	—
- Disposal	—	—
Balance at the end of the year	100,072	—
Historical cost	98,983	—
Rent incentives	110	—
Fitting out costs	161	—
Reletting expenses	49	—
Cumulated changes in fair value	769	—
Total	100,072	—

	31 December 2023	31 December 2022
Liabilities		
Deferred tax liability	1,108	—
Trade and other payable	467	—
Other current assets	(12)	—
Total	1,563	—

9 Cash and cash equivalents

	31 December 2023	31 December 2022
Current assets		
Cash at bank and in hand	167,963	150,764
Security deposits	29,361	29,002
Term deposits	7,500	—
Cash and cash equivalents	204,824	179,766

The security deposits include mainly tenant deposits that refer to the obligation to safeguard and hold the security deposits paid by tenants. These deposits are returned to the tenant at the end of the lease term, minus any deductions for repairs beyond normal wear and tear or unpaid dues. These deposits are handled according to each country's respective legal requirements, including holding in bank accounts (in Spain the legal requirement is for deposits to be held with the local governing authority), providing receipts, and returning them within the legally defined timeframe after the lease ends.

Term deposits are presented as cash equivalents if they have a maturity of three months or less from the date of acquisition and are repayable with 24 hours' notice with no loss of interest.

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).

10 Movements in number of shares

As at 31 December 2023, the movements in the number of shares and drawn capital are as follows:

	31 December 2023	31 December 2022
Number of shares as at the beginning of the year	4,206,355,638	3,637,723,121
Issued shares per 1 January to 31 March	9,161,447	98,921,300
Issued shares per 1 April to 30 June	60,461,806	6,727,870
Issued shares per 1 July to 30 September	35,881,615	318,295,890
Issued shares per 1 October to 31 December	115,675,125	144,687,457
Number of shares as at the end of the year	4,427,535,631	4,206,355,638
Average number of shares issued	55,294,998	142,158,129
Capital drawn as at the end of the year	5,897,530,286	5,582,893,363
Capital to be called as at the end of the year	30,000,000	245,619,709
Total committed capital	5,927,530,286	5,828,513,072

During the year ended 31 December 2023 EUR 37.0 million (2022: EUR 45.0 million) of income distribution was reinvested as capital. The Fund redeemed no shares during the year (2022: nil).

A new Placement Memorandum was visaed by the CSSF in January 2024. The main amendments were in relation to disclosures with regards to marketing of the Fund to investors in the U.S. and Canada, addition of a target return disclaimer and revisions to the SFDR disclosures in Annex II.

As at 31 December 2023, the number of shares is 4,427,535,631 (2022: 4,206,355,638) without a par value amount per share.

Non-current liabilities

11 Provisions

	31 December 2023	31 December 2022
Balance as at the beginning of the year	84	1,109
Movements		
- Increase	—	59
- Decrease	—	(1,084)
Balance at the end of the year	84	84

12 Loans and borrowings (including short term portion)

	31 December 2023	31 December 2022
Long-term loans and borrowing		
Balance as at the beginning of the year	1,130,831	1,131,354
Movements		
- Amortisation of expenses	1,689	1,852
- Capitalised financing cost	—	(116)
- Currency translation differences	—	(2,259)
- Reclassification to short-term loans	(77,369)	—
Balance at the end of the year	1,055,151	1,130,831
Short-term loans and borrowings		
Balance as at the beginning of the year	170,697	261,608
Movements		
- Loans taken	487,400	707,400
- Amortisation of expenses	588	461
- Capitalised financing cost	(1,654)	(1,372)
- Currency translation differences	(3,206)	—
- Loans repaid	(351,400)	(797,400)
- Reclassification from long-term loans	77,369	—
Balance at the end of the year	379,794	170,697
Total loans and borrowings	1,434,945	1,301,528
The fair value of the non-current loans and borrowings is approximately	1,299,113	1,049,299

For the loans and borrowings that are pledged on assets, the carrying amount of such assets is EUR 1.9 billion.

The unsecured Green bonds have a conservative financial covenant structure, with a Fund leverage below 50%. The secured Revolving Credit Facility has a covenant LTV below 60%. Two loans secured by French assets have a covenant of 65%, and one loan secured by a Norwegian asset has a covenant of 75%.

Throughout 2023, the Fund successfully complied with all unsecured and secured asset finance covenants.

As at 31 December 2023, the loans and borrowings based on undiscounted contractual cash flows including interest is repayable as follows:

Lender	Principal €	Repayment						Unamortised (re)financing expenses	Effective interest rate %	Contractual interest rate %	Maturity date	Amortised cost €
		<1 year €	1-2 year €	2-3 year €	3-4 year €	4-5 year €	>5 year €					
Long-term												
Deka/A	63,200	—	—	63,200	—	—	—	360	0.49	fix+0.85	9 Oct 2026	62,840
Bondholders	500,000	—	—	—	—	—	500,000	4,369	0.90	0.90	12 Oct 2029	495,631
Bondholders	500,000	—	—	—	—	500,000	—	3,321	0.50	0.50	27 Jan 2028	496,679
Subtotal	1,063,200	—	—	63,200	—	500,000	500,000	8,050				1,055,150
Short-term												
Deka/A	28,500	28,500	—	—	—	—	—	71	0.29	fix+0.75	9 Oct 2024	28,429
Norwegian bondholders	45,892	45,892	—	—	—	—	—	5	3.48	fix+1.60	18 Jan 2024	45,887
ING/A+ and ABN/A	286,500	286,500	—	—	—	—	—	2,521	4.93	3M Euribor+1.00	28 Sep 2028	305,479
ING/A+ and ABN/A	14,000	14,000	—	—	—	—	—	—	4.92	3M Euribor+1.00	28 Sep 2028	—
ING/A+ and ABN/A	7,500	7,500	—	—	—	—	—	—	4.92	3M Euribor+1.00	28 Sep 2028	—
Subtotal	382,392	382,392	—	—	—	—	—	2,597				379,795
Total	1,445,592	382,392	—	63,200	—	500,000	500,000	10,647				1,434,945
Total interest payment		11,952	7,312	7,241	7,000	4,616	3,514					
TOTAL	1,445,592	394,344	7,312	70,441	7,000	504,616	503,514	10,647				1,434,945

RCF facility is due to mature in five years. In accounting data maturity is considered next rolling date rather than maturity date of the facility.

As at 31 December 2022 the loans and borrowings based on undiscounted contractual cash flows including interest is repayable as follows:

Lender	Principal €	Repayment						Unamortised re(financing) expenses	Effective interest rate %	Contractual interest rate %	Maturity date	Amortised cost €
		<1 year €	1-2 year €	2-3 year €	3-4 year €	4-5 year €	>5 year €					
Long-term												
Deka/A	63,200	—	—	—	63,200	—	—	490	0.49	fix+0.85	9 Oct 2026	62,710
Deka/A	28,500	—	28,500	—	—	—	—	162	0.29	fix+0.75	9 Oct 2024	28,339
Norwegian Bondholders	49,104	—	49,104	—	—	—	—	72	3.48	fix+1.60	18 Jan 2024	49,031
Bondholders	500,000	—	—	—	—	—	500,000	5,119	0.9	0.9	12 Oct 2029	494,881
Bondholders	500,000	—	—	—	—	—	500,000	4,130	0.5	0.5	27 Jan 2028	495,870
Subtotal	1,140,804	—	77,604	—	63,200	—	1,000,000	9,973				1,130,831
Short-term												
ABN Amro, ING and Goldman Sachs	134,000	134,000	—	—	—	—	—	—	2.98	1.0	9 Jun 2023	134,000
ABN Amro, ING and Goldman Sachs	38,000	38,000	—	—	—	—	—	—	3.04	1.0	9 Jun 2023	38,000
ING/A+ and ABN/A	—	—	—	—	—	—	—	1,303	0.95	3M Euribor+0.95	28 Sep 2027	(1,303)
Subtotal	172,000	172,000	—	—	—	—	—	1,303				170,697
Total	1,312,804	172,000	77,604	—	63,200	—	1,000,000	11,276				1,301,528
Total interest payment		11,475	7,462	7,312	7,241	7,000	3,699					
TOTAL	1,312,804	183,475	85,066	7,312	70,441	7,000	1,003,699	11,276				1,301,528

The above table reflects amounts drawn under the respective agreements.

All secured 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.

During the year, an amendment was signed to enhance the Revolving Credit Facility (RCF) of the Fund, increasing its amount to EUR 750 million. This facility, with a 105 basis points margin, has been extended until September 2028 and includes two further one-year extensions, potentially setting the expiry date as September 2030. The pre-existing bridge facility worth EUR 172 million was repaid and terminated using the RCF upon its execution. The upfront fees were 0.14% (EUR 1.05 million). During the year, several draw downs occurred for a total amount of EUR 487 million and a total amount of EUR 179 million was repaid. The Revolving Credit Facility expires in September 2028 and the undrawn balance of the RCF at 31 December 2023 was EUR 442 million.

Further disclosure to the fair value of the loans and borrowings is outlined in the table of the financial risk management paragraph in the accounting and valuation principles on page 102.

13 Debt from related parties

	31 December 2023	31 December 2022
LONG-TERM DEBT FROM RELATED PARTIES		
Balance as at the beginning of the year	4,981	3,104
Movements		
- Loans taken	348	1,877
- Redemptions	(107)	—
Balance at the end of the year	5,222	4,981
The fair value of the long-term debt from related parties is approximately	5,222	4,981

The associated loan with a minority shareholder is related to the acquisition of the portfolio of logistics assets in Belgium, Denmark, Sweden and Luxembourg during December 2021, the years 2022 and 2023.

The associated loan with the minority shareholder has an interest rate of 3.35% and a maturity date as at 31 December 2036.

14 Other non-current liabilities

	31 December 2023	31 December 2022
Security deposits	25,658	22,924
Lease liability	61,559	54,494
Other	35	(3)
Total	87,252	77,415

The lease obligation is held in the United Kingdom for EUR 7.3 million (2022: EUR 7.2 million), in Germany for EUR 13.9 million (2022: EUR 12.5 million), in Belgium for EUR 23.4 million (2022: EUR 21.6 million), in the Netherlands for EUR 5.1 million (2022: 5.0 million), in Poland for EUR 3.6 million (2022: nil) and in Sweden for EUR 8.2 million (2022: EUR 8.2 million).

The security deposits and lease liabilities are financial non-current liabilities.

Maturity analysis of undiscounted cash flows for lease liabilities:

Year	31 December 2023	31 December 2022
Less than 1 year	2,799	2,322
More than 1 years and less than 2 years	2,799	2,322
More than 2 years and less than 3 years	2,799	2,322
More than 3 years and less than 4 years	2,799	2,322
More than 4 years and less than 5 years	2,799	2,322
More than 5 year	149,045	126,162
Total	163,040	137,772

The weighted average discount rate used for discounting the lease payments is 2.85%.

The Fund had total cash outflows for leases of EUR 2.8 million (2022: EUR 1.9 million). For disclosure about interest expense on lease liabilities, refer to note 23. The Fund also had non-cash additions to right-of-use assets and lease liabilities for EUR 3.9 million (2022: 22.3 million) for logistics assets.

Current liabilities

15 Deferred income

	31 December 2023	31 December 2022
Deferred rental income	22,697	20,621
Total	22,697	20,621

16 Trade and other payable

	31 December 2023	31 December 2022
Accounts payable to the sellers	200,770	14,657
Accrued operating costs properties	25,476	14,329
Operating costs properties payable	14,210	13,651
Accounts payable to related parties	8,063	6,204
Accrued fund expenses	375	143
Accrued management and advisory fees	5,139	4,807
Accrued capex expenses	17,295	10,347
Other accrued expenses and payable	2,173	658
Total	273,501	64,796

The accounts payable to the seller are mostly related to an acquisition of a residential asset in Germany, for which only 10% of the price was paid during 2023 for EUR 187.4 million.

17 Other current liabilities

	31 December 2023	31 December 2022
VAT payable	5,154	(901)
Real estate taxes	10,326	1,526
Corporate income tax	7,799	2,338
Other taxes	1,095	3,023
Other	378	819
Total other non-financial liabilities	24,752	6,805
Tenant deposits	1,627	1,892
Accrued interest expenses	5,398	5,202
Lease liability	2,888	2,349
Total other financial liabilities	9,913	9,443
Total	34,665	16,248

The accrued real estate taxes increased compared to the previous financial year due to the Real Estate Transfer tax related to the acquisition of the residential asset in Germany.

Notes to the statement of consolidated comprehensive income

(Amounts in €'000, unless otherwise indicated)

18 Gross rental revenue

	Year ended 31 December 2023	Year ended 31 December 2022
Rent	282,037	258,536
Rent incentives given	(7,657)	(8,929)
Fit-out incentives given	(6,259)	(3,421)
Adjustment for straight-lining of rent incentives	(2,964)	(1,259)
Adjustment for straight-lining of fit-out incentives	3,568	1,464
Parking revenues	4,378	4,003
Total	273,103	250,394
Gross rental revenue	273,103	250,394
Other property related income	4,549	2,375
Recovered property costs charged to tenants	59,792	55,469
Recoverable cost of properties	(59,792)	(55,469)
Operating cost properties	(41,811)	(35,144)
Total	235,841	217,625

The aggregate contractual rent, excluding residential, as at 31 December 2023 that remains unexpired at each subsequent year end is as follows:

	Annual rent 2023		Annual rent 2022	
		%		%
1st year	274,438	91 %	249,574	89 %
2nd year	236,190	78 %	223,258	80 %
3rd year	195,800	65 %	189,396	68 %
4th year	155,504	52 %	153,224	55 %
5th year	126,615	42 %	116,808	42 %

19 Operating costs

	Year ended 31 December 2023	Year ended 31 December 2022
Maintenance	10,533	6,666
Real estate taxes	4,526	3,731
Professional services property	3,961	3,122
Property management expenses	3,649	2,374
Reletting expenses	3,546	2,433
Marketing	2,225	2,961
Bad debt expenses	2,098	339
Fixed charges	1,524	1,130
Non-reclaimable VAT	1,489	1,563
Insurance	(37)	(297)
Other operating costs	8,297	11,122
Total	41,811	35,144

Other operating costs of EUR 8.3 million (2022: EUR 11.1 million) are mainly related to charges of vacant units that did not generate rental revenue during the period under review of EUR 4.3 million (2022: EUR 3.2 million).

20 Professional services

	Year ended 31 December 2023	Year ended 31 December 2022
Valuation expenses	1,465	1,272
Audit fees	1,477	1,179
Legal fees	1,970	1,319
Tax advisory fees	2,107	2,016
Trust expenses	4,928	4,720
Acquisition expenses	—	(72)
Bank charges	421	789
Other advisory services	2,162	1,830
Non-reclaimable VAT	3,259	7,398
Total	17,789	20,451

The audit fees relate to audit services provided by the auditors Pricewaterhouse Coopers, société coopérative, Luxembourg to the Fund and requirements for stand-alone audits in local countries.

21 Management fees

	Year ended 31 December 2023	Year ended 31 December 2022
Management fee	47,614	49,608
Total	47,614	49,608

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 the investors' proportionate shareholding in the Fund and their class of shares.

The Class I Shareholder is entitled to an annual promote fee 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 catch up 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 2023, no performance fee payable (2022: nil) was recorded in the consolidated statement of comprehensive income.

22 Finance income

	Year ended 31 December 2023	Year ended 31 December 2022
Other interest Income	738	64
Other finance Income	—	1
Total	738	65

23 Finance expenses

	Year ended 31 December 2023	Year ended 31 December 2022
Interest credit institutions	12,557	5,904
Interest on bonds	7,000	6,979
Interest related parties	200	121
Other interest expense	3	17
Loan arrangement fees	468	390
Amortisation of financing expenses	2,277	2,313
Interest on lease	1,982	1,362
Other finance expense	2	237
Total	24,489	17,323

24 Gain/ (loss) on sales

	Year ended 31 December 2023	Year ended 31 December 2022
Gain/ (loss) from sales of investment properties	(28)	(760)
Gain/ (loss) from sales of subsidiaries	(24)	(376)
Gain/ (loss) from sales - transaction costs	(827)	(729)
Total	(879)	(1,865)
Gain/ (loss) from sales of investment properties		
Proceeds of sales	50,315	52,500
Historical costs of properties sold	(16,434)	(38,324)
Realised gains on historical cost	33,881	14,176
Cumulative changes in fair value of properties sold	(33,909)	(14,936)
Total	(28)	(760)
Gain/ (loss) from sales of subsidiaries		
Proceeds of sales	(24)	(376)
Total	(24)	(376)

In 2023 the proceeds of sales relate to the disposal of a logistics asset in Germany and a price adjustment for a logistics asset in Poland disposed in 2021.

For reporting purposes fair value changes are recognised on a quarterly basis. Unrealised gains or losses refer to changes in fair value that have occurred, but have not been realised through a sale or transaction. Due to this, and at the time of the sale, most of the gain/loss from the sale of the asset is classified as unrealised as the final sale price matches the last fair value appraised by the external valuer of the asset.

25 Result on foreign investment

	Year ended 31 December 2023	Year ended 31 December 2022
Realised foreign exchange gains/ (losses)	(3,897)	(2,582)
Unrealised gains/ (losses)	980	81
Total	(2,917)	(2,501)

Realised foreign exchange gains/ (losses) are related to the FX effects on the conversion currency of the loans.

26 Corporate income tax

Income tax recognised in consolidated statement of comprehensive income

	Year ended 31 December 2023	Year ended 31 December 2022
Current income tax charge	12,303	8,404
Withholding tax	(14,775)	10,931
Subscription tax	536	567
Allocation to / (release of) deferred tax liabilities	(33,399)	(21,100)
Allocation to / (release of) deferred tax assets	366	168
Total charge for income tax	(34,969)	(1,030)

Deferred tax

	31 December 2023		31 December 2022	
	Balance sheet position	Charge to income statement	Balance sheet position	Charge to income statement
Deferred tax assets:				
Tax losses carried forward	18,118	366	21,928	168
Total	18,118	366	21,928	168
Deferred tax liabilities:				
Differences between tax and book basis of properties	120,488	(33,399)	155,889	(21,100)
Deferred tax liabilities – withholding tax on capital gains on French OPPCI	13,406	(16,236)	29,642	8,969
Total	133,894	(49,635)	185,531	(12,131)

As at 31 December 2023, the total amount of deferred tax assets is EUR 18.1 million, mostly related to tax losses carried forward. Out of this amount, EUR 15.4 million are netted off against the deferred tax liability of EUR 120.5 million related to the fair value changes of the investment properties.

Reconciliation of tax expense and the accounting profit

	Year ended 31 December 2023	Year ended 31 December 2022
Consolidated net result before tax and distributions to holders of redeemable shares	(480,316)	(340,305)
Tax calculated at domestic tax rate applicable to individual group entities	(21,436)	(23,461)
Income not subject to tax	52,184	42,751
Expenses not deductible for tax purposes	(10,514)	(7,151)
Adjustments from previous years	(2)	(80)
Differences due to rate	(38)	(98)
Withholding tax	14,775	(10,931)
Total corporate income tax	34,969	1,030

The difference between the average tax rate and the effective income tax rate is due to local statutory and IFRS-EU accounting. A number of entities within the Fund structure are subject to corporate income tax charges at an average tax rate of 0% due mainly to the loss recorded during the year and the release of deferred tax liabilities. The Fund itself is tax transparent.

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 212.2 million (2022: EUR 248.1 million).

The Fund will however be subject to subscription tax at an annual rate of 0.01% based on the NAV, payable on a quarterly basis. The amount of subscription tax applicable for the year is EUR 0.5 million (2022: EUR 0.6 million).

The withholding tax is composed of a decrease in withholding tax accrued on capital gains distributable by the OPPCI for an amount of EUR 16.2 million (2022: increase of EUR 9.0 million) and withholding tax paid on the dividend received during the year from OPPCI for an amount of EUR 0.8 million (2022: EUR 1.9 million).

The Czech government presented a comprehensive plan to address rising budget deficits, which includes reducing subsidies and raising taxes starting as of 1 January 2024. The Czech Republic corporation tax rate will increase from 19% to 21%. As a result, the relevant deferred tax balances have been remeasured.

The impact of the change in the tax rate has been recognised in tax expenses in the consolidated statement of comprehensive income, except to the extent that it relates to items previously recognised outside of the consolidated statement of comprehensive income.

In 2023 the main tax rate for corporate income tax in the United Kingdom changed from 19% to 25%.

In December 2021, the members of the OECD's Inclusive Framework reached an agreement on reforms to the international tax system as part of the solution for addressing the tax challenges of the digital economy. This included the introduction of 'top-up' tax rules to ensure a minimum effective taxation of 15% in each jurisdiction where multinational enterprise groups with a consolidated revenue of at least EUR 750 million have a taxable presence. In December 2022, the European Union Council Directive 2022/2523 formalised the implementation of the so-called Pillar 2 into European Union Law.

Pillar 2 has been enacted or substantially enacted in jurisdictions where the Fund has a presence. The key consolidated revenue criterion being lower than EUR 750 million threshold over two of the four preceding years, Pillar 2 should not apply to the Fund. The Fund's consolidated revenue will be monitored accordingly going forward.

27 Personnel

During 2023, 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.

28 Related party relationships

Name of related party	Service provided	Income statement		Balance sheet	
		Year ended 31 December 2023	Year ended 31 December 2022	Year ended 31 December 2023	Year ended 31 December 2022
MG Logistic Holding S.à r.l.	Financing	200	121	5,222	4,981
CBRE	Accounting	1,542	1,470	44	172
CBRE	Brokerage/Agency fees	1,115	1,763	770	541
CBRE	Letting fees	2,038	2,233	359	198
CBRE	Other	99	154	—	8
CBRE	Other professional fees	743	98	17	14
CBRE	Other services	29	4	—	—
CBRE	Property management	3,369	3,261	336	189
CBRE	Staff costs	698	652	44	18
CBRE GIA	Accounting fees	883	17	8	—
CBRE GIA	Fund administration fees	730	1,508	1,070	400
CBRE IM	AIFM fees	6,593	7,201	—	416
CBRE IM	Asset management fees	22,700	23,430	7,488	4,945
CBRE IM	Staff costs	263	234	—	37
CBRE IM	Domiciliation fees	312	373	10	98
CBRE IM	GP fees	140	140	—	—
CBRE IM	Other	114	114	—	114
CBRE IM	Strategic advisory fees	18,618	19,199	7,784	4,615
Total		60,186	61,972	23,152	16,746

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. Affiliates of CBRE Group, Inc. may be retained by the Company to provide services to any of the Funds including, but not limited to, property acquisitions and sales brokerage, due diligence, leasing brokerage, property management, debt origination and servicing, and corporate domiciliation services. The terms of such arrangements will be no less favourable to the Company and the Funds than would be quoted or charged by a comparably qualified unaffiliated third party within the applicable market and at the time such services are to be provided; and the fees will be no greater than the applicable affiliate would charge an unaffiliated third-party for similar quality services in each case within the applicable market for arrangements of similar scale at the time such services are to be provided.

29 Segmental reporting by sector & geography

The Fund's properties are aggregated into segments with similar economic characteristics such as the nature of the property and the occupier market it serves. The General Partner considers that this is best achieved with logistics, residential, office, retail, and hotel & other reportable segments, summarised as follows.

There is no aggregation of operating segments into any reportable segments. Consequently, the Group is considered to have five reportable segments, as follows:

1. Logistics – acquires, holds and leases warehouses.
2. Residential – acquires, holds and leases residential property.
3. Office – acquires, holds and leases offices.
4. Retail – acquires, holds and leases shopping malls and high street units.
5. Hotel & other – acquires, holds and leases hotels.

The relevant gross rental revenue, net rental revenue, net result and net assets, being the measures of segment revenue, segment result and segment assets used by the management of the business, are set out below.

For investment property and loans and borrowings, discrete financial information is provided on a property-by-property basis to members of the Board of Managers of the General Partner, who collectively comprise the chief operating decision maker ("CODM").

No customer exceeded 10% of the Group's revenues in either year.

(Amounts in € '000, unless otherwise indicated)

Consolidated income statement by segment	Logistics	Residential	Office	Retail	Hotel & other	Unallocated	Year ended 31 December 2023
Gross rental revenue	123,953	36,876	52,606	50,694	8,974	—	273,103
Recovered property costs charged to tenants	37,106	3,937	7,358	10,024	1,367	—	59,792
Other income	1,439	358	1,677	802	2	271	4,549
Operating costs	(11,305)	(9,616)	(6,650)	(10,829)	(2,901)	(510)	(41,811)
Recoverable property costs	(37,106)	(3,937)	(7,358)	(10,024)	(1,367)	—	(59,792)
Net rental revenue	114,087	27,618	47,633	40,667	6,075	(239)	235,841
Fund expenses	—	—	—	—	—	(66,281)	(66,281)
Change in fair value of investment properties and investment properties under construction ¹	(122,573)	(67,565)	(284,450)	(137,102)	(11,974)	—	(623,664)
Result on sales	(861)	(33)	—	39	(24)	—	(879)
Other expenses	—	—	—	—	—	(1,582)	(1,582)
NET GAINS / (LOSSES) ON INVESTMENT PROPERTIES	(123,434)	(67,598)	(284,450)	(137,063)	(11,998)	(1,582)	(626,125)
Finance income	29	277	102	228	48	54	738
Finance expense	(1,010)	(142)	(669)	(235)	(590)	(21,843)	(24,489)
NET RESULT BEFORE TAX AND DISTRIBUTIONS TO HOLDERS OF REDEEMABLE SHARES	(10,328)	(39,845)	(237,384)	(96,403)	(6,465)	(89,891)	(480,316)

Consolidated income statement by segment	Logistics	Residential	Office	Retail	Hotel & other	Unallocated	Year ended 31 December 2022
Gross rental revenue	105,783	30,627	55,544	49,819	8,621	—	250,394
Recovered property costs charged to tenants	32,872	3,204	8,050	9,324	2,019	—	55,469
Other income	1,708	39	311	99	—	218	2,375
Operating costs	(9,261)	(8,517)	(6,335)	(8,359)	(2,038)	(634)	(35,144)
Recoverable property costs	(32,872)	(3,204)	(8,050)	(9,324)	(2,019)	—	(55,469)
Net rental revenue	98,230	22,149	49,520	41,559	6,583	(416)	217,625
Fund expenses	—	—	—	—	—	(71,087)	(71,087)
Change in fair value of investment properties and investment properties under construction ¹	(134,436)	(61,323)	(199,723)	(61,226)	(6,336)	—	(463,044)
Result on sales	(1,181)	—	—	(290)	—	(394)	(1,865)
Other expenses	—	—	—	—	—	(4,676)	(4,676)
NET GAINS / (LOSSES) ON INVESTMENT PROPERTIES	(135,617)	(61,323)	(199,723)	(61,516)	(6,336)	(5,070)	(469,585)
Finance income	6	—	6	2	34	17	65
Finance expense	(479)	(232)	(683)	(366)	(529)	(15,034)	(17,323)
NET RESULT BEFORE TAX AND DISTRIBUTIONS TO HOLDERS OF REDEEMABLE SHARES	(37,860)	(39,406)	(150,880)	(20,321)	(248)	(91,590)	(340,305)

¹ The change in fair value of investment properties and investment properties under construction includes the change in fair value of financial lease.

Gross rental revenue by geography & segment	Logistics	Residential	Office	Retail	Hotel & other	Unallocated	Year ended 31 December 2023
United Kingdom	5,771	—	23,588	11,234	—	—	40,593
Germany	21,840	9,944	18,378	19,142	3,709	—	73,013
France	16,193	—	6,565	5,260	—	—	28,018
Czech Republic	13,194	—	—	5,570	—	—	18,764
Poland	25,285	—	—	—	—	—	25,285
Italy	—	149	—	9,488	—	—	9,637
Spain	3,469	—	—	—	—	—	3,469
Denmark	2,906	3,755	—	—	—	—	6,661
Norway	—	—	—	—	5,265	—	5,265
Sweden	1,665	2,239	4,075	—	—	—	7,979
Belgium	14,544	—	—	—	—	—	14,544
Netherlands	17,269	20,789	—	—	—	—	38,058
Luxembourg	1,817	—	—	—	—	—	1,817
Gross rental revenue	123,953	36,876	52,606	50,694	8,974	—	273,103

Gross rental revenue by geography & segment	Logistics	Residential	Office	Retail	Hotel & other	Unallocated	Year ended 31 December 2022
United Kingdom	5,717	—	23,313	11,341	—	—	40,371
Germany	20,566	7,703	11,954	19,805	3,139	—	63,167
France	15,873	—	15,170	4,975	—	—	36,018
Czech Republic	12,247	—	—	4,996	—	—	17,243
Poland	23,035	—	—	—	—	—	23,035
Italy	—	—	—	8,702	—	—	8,702
Spain	819	—	—	—	—	—	819
Denmark	810	3,538	—	—	—	—	4,348
Norway	—	—	—	—	5,482	—	5,482
Sweden	1,470	—	5,107	—	—	—	6,577
Belgium	8,866	—	—	—	—	—	8,866
Netherlands	15,097	19,386	—	—	—	—	34,483
Luxembourg	1,283	—	—	—	—	—	1,283
Gross rental revenue	105,783	30,627	55,544	49,819	8,621	—	250,394

Consolidated statement of financial position	Logistics	Residential	Office	Retail	Hotel & other	Unallocated	31 December 2023
Investment properties	2,410,042	1,356,024	1,465,936	1,129,159	89,326	—	6,450,487
Investment properties under construction	—	86,200	263,300	—	—	—	349,500
Investment properties held for sale	—	—	—	—	100,072	—	100,072
Other non-current and current assets	—	—	—	—	—	307,445	307,445
Loans and borrowings	—	—	91,269	—	—	1,348,898	1,440,167
Other non-current and current liabilities	—	—	—	—	—	538,686	538,686
Non-controlling interest	—	—	—	—	—	3,420	3,420
Net assets attributable to holders of redeemable shares							5,225,231

Investment properties and investment properties under construction by geography & segment	Logistics	Residential	Office	Retail	Hotel & other	Unallocated	31 December 2023
United Kingdom (functional currency GBP)	114,519	—	503,994	217,220	—	—	835,733
Germany	433,120	593,184	542,920	469,639	89,326	—	2,128,189
France	360,730	—	451,410	148,400	—	—	960,540
Czech Republic	231,900	—	—	63,400	—	—	295,300
Poland	446,730	—	—	—	—	—	446,730
Italy	—	137,100	—	230,500	—	—	367,600
Spain	64,950	—	71,120	—	—	—	136,070
Denmark (functional currency DKK)	58,558	77,849	—	—	—	—	136,407
Norway (functional currency NOK)	—	—	—	—	100,072	—	100,072
Sweden (functional currency SEK)	58,815	114,649	113,392	—	—	—	286,856
Belgium	309,550	—	—	—	—	—	309,550
Netherlands	309,950	519,442	46,400	—	—	—	875,792
Luxembourg	21,220	—	—	—	—	—	21,220
Investment properties and investment properties under construction	2,410,042	1,442,224	1,729,236	1,129,159	189,398	—	6,900,059

Consolidated statement of financial position	Logistics	Residential	Office	Retail	Hotel & other	Unallocated	31 December 2022
Investment properties	2,513,478	908,646	1,904,461	1,241,683	198,737	—	6,767,005
Investment properties under construction	—	107,750	—	—	—	—	107,750
Other non-current and current assets	—	—	—	—	—	325,602	325,602
Loans and borrowings	—	—	91,049	—	—	1,215,460	1,306,509
Other non-current and current liabilities	—	—	—	—	—	364,695	364,695
Non-controlling interest	—	—	—	—	—	4,435	4,435
Net assets attributable to holders of redeemable shares							5,524,718

Investment properties and investment properties under construction by Geography & Segment	Logistics	Residential	Office	Retail	Hotel & other	Unallocated	31 December 2022
United Kingdom (functional currency GBP)	115,430	—	554,192	228,556	—	—	898,178
Germany	500,500	256,400	673,100	510,927	90,040	—	2,030,967
France	374,880	—	500,340	177,500	—	—	1,052,720
Czech Republic	225,000	—	—	64,000	—	—	289,000
Poland	456,050	—	—	—	—	—	456,050
Italy	—	74,150	—	260,700	—	—	334,850
Spain	73,300	—	—	—	—	—	73,300
Denmark (functional currency DKK)	49,258	88,458	—	—	—	—	137,716
Norway (functional currency NOK)	—	—	—	—	108,697	—	108,697
Sweden (functional currency SEK)	37,384	33,600	122,329	—	—	—	193,313
Belgium	326,126	—	—	—	—	—	326,126
Netherlands	330,950	563,788	54,500	—	—	—	949,238
Luxembourg	24,600	—	—	—	—	—	24,600
Investment properties and investment properties under construction	2,513,478	1,016,396	1,904,461	1,241,683	198,737	—	6,874,755

30 Contingent assets and liabilities

The Fund has forward commitments based on developers meeting certain criteria per the below list.

- Logistics development in Spain: estimated purchase price EUR 110.5 million, estimated completion date Q2 2024,
- Residential development in Germany: estimated purchase price EUR 289 million, estimated completion date Q4 2024, and
- Residential development in Spain: estimated purchase price EUR 106 million, estimated completion date Q1 2025.

As at 31 December 2023 the effective redemptions were EUR 496 million, (EUR 49 million was repaid in January 2024). The remaining redemptions will be repaid with proceeds of disposals.

31 Subsequent events

The Fund's assessment of the impact of the war in Ukraine, both before and after the balance sheet date, can be found in the Report of the General Manager.

The Fund continues to monitor the Russian-Ukrainian war situation and will take further action as necessary in response to the economic disruptions.

In January and February 2024, the Fund utilised EUR 115 million from the Sustainable RCF facility to finance capital expenditure for development projects. The Fund also repaid EUR 48.9 million in redemptions at the beginning of January.

On January 18, the bond secured against Karl Johans Gate of EUR 45,892,142 (NOK 515 million) matured on 18 January and was fully repaid at that date.

There were additional capital calls made by the Fund: one on 19 January for EUR 25 million and on 14 February for EUR 5 million.

On 5 March capital call notice was given for EUR 12 million, the funds will be received on 25 March.

32 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.

33 Property management

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

Sundbyberg



Sundbyberg,
Sweden

Täby



Täby,
Sweden

5

Appendices

Appendix 1: Guidelines and regulations

INREV Guidelines compliance statement

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

INREV provides an Assessment Tool to determine a vehicle's compliance rate with the INREV Guidelines as a whole and its modules in particular.

The overall INREV Guidelines compliance rate of the Fund is 99%, based on 9 out of 9 assessments. The compliance rate for each completed module is:

- Reporting 99%
- Fee and expense metrics 100%
- Property valuation 100%
- INREV NAV 100%
- Liquidity 100%
- Sustainability 100%
- Corporate governance 98%
- Performance measurement 100%
- Code of tax conduct 97%

Other governance principles

Alternative investment Fund Managers Directive (AIFMD)

As a result of the AIFMD, the AIFM is supervised by financial regulators. The Fund is domiciled in Luxembourg and appointed CBRE Investment Management Luxembourg AIFM S.à r.l. as its AIFM.

Liquidity arrangements

The investments made by the Fund in real estate assets are generally illiquid by nature. This illiquidity tends to limit the ability of the General Partner to offer liquidity for the Shareholders. However, the Fund offers a liquidity possibility by the right of Shareholders to offer their shares for redemption at specific times during the lifetime of the Fund.

During the reporting period no changes have been made to the redemption mechanism as laid down in the Placement Memorandum. For more information we refer to the latest version of the PPM dated January 2024.

Leverage

During the reporting period the maximum ratio between the utilised facility on property financing and the fair value of all properties (the loan to value), calculated at Fund level, has not been adjusted and remains at the level of 40% as mentioned in the Private Placement Memorandum dated January 2024.

Governance

During the reporting period no material changes to the Fund documentation and governance became effective.

Commodity Futures Trading Commission (CFTC)

The U.S. Commodity Futures Trading Commission (CFTC) has authority as a result of the Dodd-Frank law to regulate the use of derivatives for hedging purposes. The Fund may be considered to be using U.S. jurisdictional means by the CFTC and, as a result, may have to comply with various U.S. regulatory requirements. These regulatory requirements may include, among others, filing exemptions from registration requirements as a commodity pool operator, ongoing and historical reporting of certain trade data to trade repositories, clearing and executing certain transactions on swap execution facilities or claiming exemptions to these requirements, obtaining legal entity identifiers (LEI codes), making certain representations and disclosures to its counterparties, and posting margin. The Fund will continue to monitor and comply with the applicable regulatory requirements as they develop.

The general partner has filed a notice of claim of exemption pursuant to CFTC Regulation 4.13(a)(3), which exempts certain commodity pool operators that engage in a de minimis amount of commodity interest transactions from registration with the CFTC. The general partner does not expect the CFTC rules to have an adverse effect on its operations.

Foreign Account Tax Compliance Act (FATCA)

The purpose of the U.S. Foreign Account Tax Compliance Act (FATCA) legislation is to prevent a perceived tax abuse by U.S. persons through the use of off-shore financial accounts. FATCA will impose material U.S. tax documentation, reporting and withholding requirements on many banks, insurance companies, investment Funds (like the Fund) and other financial institutions located outside the U.S. FATCA requires Foreign Financial Institutions (FFIs) to provide the Internal Revenue Service (“IRS”) with information on U.S. persons invested in accounts outside of the U.S. and for non-U.S. entities to provide information about any U.S. owners. All investments (U.S. source and non-U.S. source) and all revenues and proceeds from investments undertaken by a U.S. person need to be reported to the IRS. To incentivise FFIs to provide the required information, FATCA imposes a 30% withholding tax on payments made to FFIs that do not enter into an agreement with the IRS.

The United States collaborated with other governments to develop two model intergovernmental agreements (IGAs) to implement FATCA. All IGAs contemplate that a partner government will require all FFIs located in its jurisdiction (that are not otherwise exempt) to identify U.S. accounts and report information about U.S. accounts. Most European governments have entered into an IGA with the U.S. Under the IGA, the reporting and other compliance burdens on the financial institutions in those jurisdictions will be simplified. The management organisation of the Fund is taking all necessary measures to comply with the requirements of FATCA, if and where applicable.

European Market Infrastructure Regulation (EMIR)

Regulation (EU) No 648/2012 of the European Parliament and of the Council of 4 July 2012 on OTC derivatives, central counterparties and trade repositories (EMIR) entered into force on 16 August 2012. The aim of EMIR is to introduce greater transparency and better risk management to the ‘over the counter’ (OTC) derivatives market. Concretely EMIR introduced: i) a clearing obligation for eligible OTC derivatives with measures to reduce counterparty credit risk and operational risk for bilaterally cleared OTC derivatives, ii) common rules for central counterparties (CCPs), iii) a reporting obligation for OTC derivatives, iv) rules on the establishment of interoperability between CCPs and v) the concept of data trade repositories. All or some of the different obligations apply depending on the situation of the entity entering into OTC derivative contracts. The management organisation of the Fund has taken all necessary measures to comply with the requirements of the EMIR. If and where applicable the Fund has extended the licensing for the LEI code which is for one necessary to comply with the reporting requirements under EMIR.

OECD Global Anti-Base Erosion Model Rules (Pillar 2)

In December 2021, the members of the OECD’s Inclusive Framework reached an agreement on reforms to international tax system as part of the solution for addressing the tax challenges of the digital economy. This included the introduction of ‘top-up’ tax rules to ensure a minimum effective taxation of 15% in each jurisdiction where multinational enterprise groups with a consolidated revenue of at least EUR 750 million have a taxable presence. In December 2022, the European Union Council Directive 2022/2523 formalized the implementation of the so-called Pillar 2 into European Union Law.

Pillar 2 has been enacted or substantially enacted in jurisdictions where the Fund has a presence. The key consolidated revenue criterion being lower than EUR 750 million threshold over two of the four preceding years, Pillar 2 should not apply to the Fund. The Fund’s consolidated revenue will be monitored accordingly going forward.

Appendix 2: Definitions

The Fund utilises certain defined terms as described in the Private Placement Memorandum. Certain of these defined terms or definitions used in this Annual Report are described below. Where applicable reference is made to the comparable or equivalent INREV definition.

The INREV definitions are part of the INREV Integrated Guidelines and cover a wide range of Fund, reporting and real estate definitions. A number of INREV definitions are not used in this Annual Report or are not relevant. Furthermore, some INREV definitions may differ from the Funds constitutional terms, corporate governance provisions and fees and costs provisions as defined in the Private Placement Memorandum. The regulations and provisions of the Private Placement Memorandum supersede the INREV definitions and therefore no reference to these INREV definitions are incorporated in this Annual Report.

Definitions

AIFMD commitment leverage

The AIFMD commitment leverage is calculated by dividing the commitment exposure by NAV, whereby commitment exposure is equal to the gross exposure subject to derivative positions which are converted to their fair value if certain criteria are met and the inclusion of cash & cash equivalents. For more details we refer to the Directive 2011/61/EU of the European Parliament and the council of 8 June 2011 and subsequent supplements and guidelines.

AIFMD gross leverage

The AIFMD gross leverage is calculated by dividing the gross exposure by NAV, whereby gross exposure means the sum of absolute values of all positions, excluding cash & cash equivalents, including long- and short-term assets and liabilities, borrowings, derivative instruments and any other method increasing the exposure where the risks and rewards of assets and liabilities are with the Fund, and all other positions that make up the net asset value. Derivative positions (interest rate swaps or options and currency rate swaps) are included at their notional amount of their respective underlying asset. For more details we refer to the Directive 2011/61/EU of the European Parliament and the council of 8 June 2011 and subsequent supplements and guidelines.

AIFMD leverage

Any method by which the AIFM increases the exposure of an AIF it manages whether through borrowing of cash or securities, or leverage embedded in derivative positions or by any other means. Leverage of a Fund is expressed as the ratio between the exposure of a Fund and its net asset value (NAV). For more details we refer to the Directive 2011/61/EU of the European Parliament and the council of 8 June 2011 and subsequent supplements and guidelines.

Average gross yield

Gross yield is gross rental revenue over the last four quarters divided by the average market value of the properties over the last four quarters.

The definition deviates from the INREV definition 'gross initial yield'.

Average net yield

Net yield is net rental revenue over the last four quarters divided by the average market value of the properties over the last four quarters.

The definition deviates from the INREV definition 'net initial yield'.

Base rent

Base rent is part of gross rental revenue. The calculation is based on the actual fixed rents as agreed upon in the contract.

Book value

The book value is the amount for which a property is recorded in the administration of the Fund. This amount includes the cost price plus accumulated changes in fair value.

BREEAM

Building Research Establishment Environmental Assessment Method (BREEAM) is a sustainability benchmarking scheme providing third party certification for the built environment, including planning, new construction, refurbishment and operation. Certification is awarded by Building Research Establishment (BRE) 5 level scale from 'Pass' to 'Outstanding'.

Capital growth to the investors

Capital growth to the investor is the geometrically linked capital growth per quarter, based on growth in net asset value.

Capital return

The appreciation return is the realised and unrealised capital gain/loss on assets during the period as a percentage of the time-weighted average NAV over the same period.

Carbon emissions

Emissions of greenhouse gases measured in tons of carbon dioxide equivalent (CO₂e) using the global warming potential of each greenhouse gas.

Carbon footprinting

A measure of the total amount of emissions caused by an individual, event, organisation, or product, calculated as carbon dioxide equivalent (CO₂e), using the relevant 100-year global warming potential.

Committed property

Real property (acquired or) committed to be acquired by the Fund or any of the Fund entities under any binding contractual agreement, arrangement, promise, commitment, contract, instrument or understanding, where such real property is not generating income for the benefit of the Fund or any of the Fund entities as of the reporting date.

Environmental, social and governance (ESG)

Environmental, Social and Governance (ESG) issues are assessed by investors to screen non-financial or sustainability performance and inform responsible investment. Environmental issues include how a company performs in terms of energy and water consumption, waste, carbon emissions, biodiversity and water management. Social issues include how a company manages relationships with its employees, suppliers, customers and the communities in which it operates. Governance issues include board diversity, equitable pay, internal ethical policies and controls and shareholder rights.

Estimated rental value

The estimated rental value is the current rent at which space/vacant units within the property could reasonably be expected to be let given the current market conditions. This is in line with INREV definition.

Fair value

The price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The IFRS-EU definition of fair value is assumed in the INREV Guidelines, except where specifically mentioned otherwise.

Forward acquisitions (off-balance)

Off-balance-sheet commitments are contractual obligations for the purchase of investment property, in which the purchase price for the property has not been fixed. Off-balance-sheet commitments are not capitalised but disclosed in the notes to the consolidated statement of financial position.

Forward acquisitions (on-balance)

On-balance-sheet commitments are contractual obligations for the purchase of investment properties at a fixed price. On-balance-sheet commitments are capitalised in the consolidated statement of financial position until the moment of conveyance. The property is classified as investment property after the moment of conveyance.

Greenhouse gases (GHGs)

Gases that contribute to the greenhouse effect by absorbing net heat energy and reradiating it back into Earth's atmosphere. This traps heat energy within the earth system and increases temperatures. Major GHGs include carbon dioxide (CO₂); methane (CH₄); nitrous oxide (N₂O); hydrofluorocarbons (HFCs); perfluorocarbons (PFCs); and sulphur hexafluoride (SF₆). Variations in GHG concentrations can drive climate change; GHG concentrations are particularly high during warm climatic periods and low during cold periods.

Gross Asset Value

The gross asset value is equal to total assets as per vehicle's financial statements under the chosen GAAP.

Gross initial (current) yield

Gross initial yield is the passing rent divided by the property value. The definition is the same as the INREV Definition 'gross initial yield'.

Gross lettable area

Gross lettable area is the total floor area of an investment property to be occupied by tenants as at the reporting date.

Gross rental revenue

Gross rental revenue is the actual rents charged to tenants plus turnover rent, mall revenue and parking revenues including the net effect of straight-lining of granted rent incentives.

Identified staff

Based on article 22 sub 2 of the Alternative Investment Fund Managers Directive (AIFMD) and section XIII (Guidelines on disclosure) of 'ESMA Guidelines on sound remuneration policies under the AIFMD', managers should report on the remuneration of staff that materially influences the risk profile of the AIF ("identified staff").

Income return to the investors

The income return represents the net operational income of the Fund excluding straight lining of tenant incentives as a percentage of the time-weighted average NAV over the same period.

Interest coverage ratio

The interest coverage ratio (ICR) is net operating income divided by the net financing costs over the last four quarters.

Loan to value ratio

The loan to value is calculated as the utilised facility on property related financing divided by the fair value of the investment property including property under construction. The INREV Definition of loan to value is the consolidated total external leverage/ gearing at the Fund level as a percentage of the gross asset value of the Fund.

Net asset value

The net asset value is equal to the shareholders' net assets attributable to holders of redeemable shares of the Fund.

Net asset value per share

Net asset value divided by the number of shares as at the reporting date.

Net initial (current) yield

Net initial yield is the passing rent (net of operating costs, recoverable and non-recoverable) or net operating income divided by the gross property value including notional acquisition costs. The definition is the same as the INREV Definition 'net initial yield'.

Net rental revenue

Net rental revenue is gross rental revenue less operating costs, being those costs relating to owning and using the property, such as the costs of maintenance, property tax, insurance premiums, marketing expenses and property management expenses (excluding the management fee as defined in the Private Placement Memorandum).

The definition is comparable to the INREV Definition "net operating income".

Occupancy rate (financial)

The financial occupancy rate of the portfolio is calculated based on rental revenue according to contracts as at the reporting date, as a percentage of the theoretical rental revenue.

Operating property

Real property owned by the Fund or any of the Fund entities, where such real property is generating income for the benefit of the Fund or any of the Fund entities.

Revaluation

The revaluation is calculated as the change in fair value of investment properties (as presented in the consolidated comprehensive income statement) divided by the weighted average fair value of investment properties including property under construction.

Rent incentives

Rent incentives are a form of tenant incentives, granted to tenants that are used as a commercial instrument to encourage tenants to enter into a contract. Straight-lining with regard to rent incentives proportionally distributes rent incentives over the contract period resulting in equal distribution of rent over the contract period. Rent incentives are recognised as rent in the rent-free period, and they are subsequently recorded as decrease of base rent on a linear basis during the contract period.

Reversionary yield

Reversionary yield is the estimated rental value as a percentage of gross property value which is in line with INREV.

RISE

The CBRE corporate values, consisting of Respect (Treat everyone with dignity, value their contributions, and help one another succeed), Integrity (Uphold the highest ethical standards in our business practices), Service (Dedicate ourselves to making a meaningful impact with our clients and in our communities) and Excellence (Aspire to be the best in everything we do and drive for continuous improvement).

Service costs/service charges

Service costs are expenses that are made for a property as a whole but charged to the individual tenants at cost. The nature of service costs can vary widely by property or contract, but they often include: electricity, central heating, water, lighting, security, cleaning, etc. Service costs and service charges are not balanced in the comprehensive income statement but presented separately. If properties are (partly) vacant, the service charges might be proportionally divided among other tenants or the Fund is liable for the service costs attributable to the vacant units. The service costs for the Fund are recognised under the operating cost of properties.

Tenant incentives

Tenant incentives are incentives granted to tenants that are used as a commercial instrument to encourage tenants to enter into a contract. Tenant incentive could have the form of rent incentives or could have the form of fitting out costs when grants are paid for refurbishment of units.

Theoretical rental revenue

The theoretical rental revenue is the expected rental revenue without taking into account any vacancy or other loss of rent. The theoretical rental revenue is based on passing rent of existing contracts for leased units and the estimated market rent (estimated rental value as given in the valuation report) for vacant units. 'Revenue' is the IFRS-EU compliant term for the more general term 'income'. Theoretical rental revenue is an alternative performance measure not defined by IFRS and therefore may not be comparable to similarly titled measures presented by other real estate Funds.

The theoretical rental revenue is comparable to the INREV Definition 'Estimated Rental Value'.

Total return

The total return is the change in the market value of the portfolio, adjusted for all capital expenditures (subtracted), net proceeds from sales (added), and investment income accrues (added) during the measurement period expressed as a percentage of the capital employed in the portfolio over the measurement period.

Total return gross

The total return before fees and carried interest.

Total return net

The total return after fees and carried interest.

Total return to the investor

Total return to the investor is the geometrically linked total return per quarter.

Turnover rent

Turnover rent is a variable lease income which is classified part of gross rental revenue. The lease income depends on the turnover of the tenant.

Utilised facility

The utilised facility is the short-term and long-term Loans and borrowings including capitalised interest, excluding VAT financing, unamortised financing cost, accrued interest and Loans and borrowings used for financing of operational activities.

Vacancy (Based on estimated rental value)

Estimated rental income of vacant space / (contractual rental income of occupied space + estimated rental income of vacant space).

Vacancy (Based on leasable floor space)

A measure of the level of vacant space, which is calculated based on net leasable floor space.



Void rate

A measure of the level of vacant space, which is calculated based on floor space or estimated rental value.

Weighted average cost of loans and borrowings

Weighted average cost of Loans and borrowings is the interest rate on each external Loans and borrowings in the Fund weighted by the size of such instruments.

Appendix 3: Administration

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