AXA Logistics Europe Master S.C.A.

An open-ended corporate partnership limited by shares (*société en commandite par actions*) under the laws of the Grand Duchy of Luxembourg

Annual report and audited consolidated financial statements

For the period from 27 June 2019 (date of incorporation) to 31 December 2019

R.C.S. Luxembourg B 235 921
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L - 2453 Luxembourg
Grand Duchy of Luxembourg

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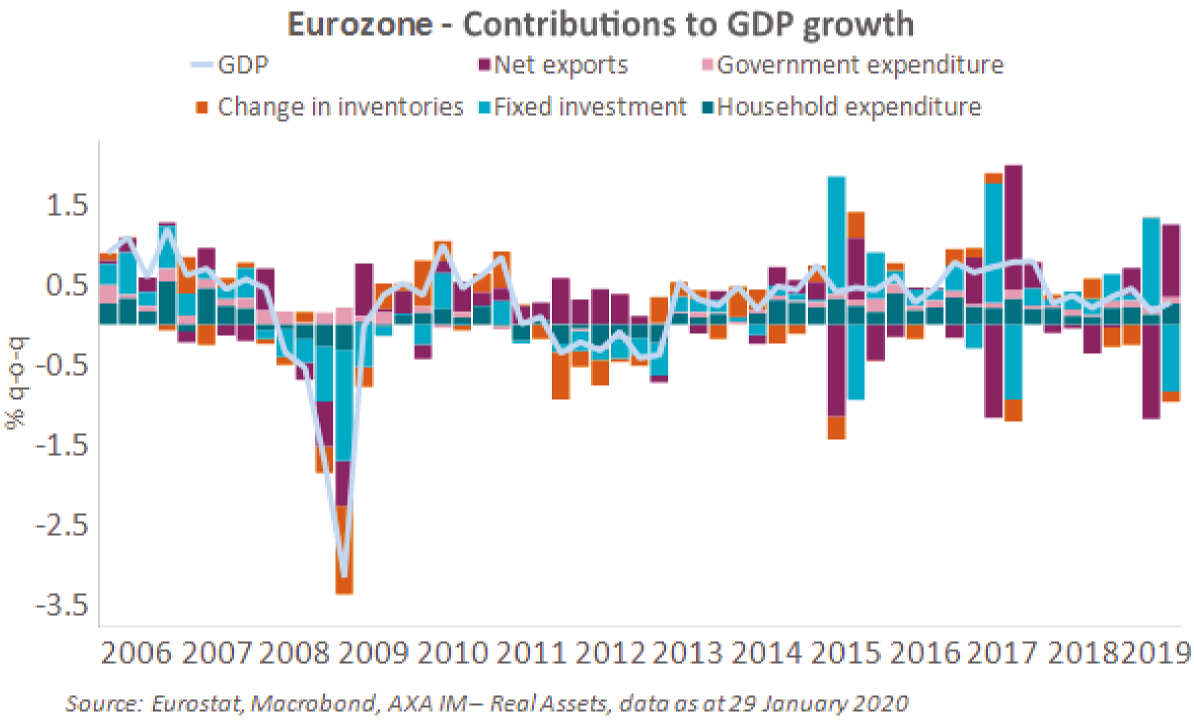
MANAGEMENT AND ADMINISTRATION

Registered Office:	**c/o The Bank of New York Mellon SA/NV, Luxembourg Branch** 2 - 4, rue Eugène Ruppert L-2453 Luxembourg Grand Duchy of Luxembourg
General Partner:	**AXA Logistics Europe GP S.à.r.l.** 21, boulevard Grande-Duchesse Charlotte L-1331 Luxembourg Grand Duchy of Luxembourg
Board of Managers of the General Partner:	Nadine Pereira Michael Kidd Thierry Drinka
Alternative Investment Fund Manager (the "AIFM"):	**AXA Real Estate Investment Managers SGP** Tour Majunga 6 place de la Pyramide 92908 Paris - La Défense Cedex France
Depositary and Paying Agent:	**The Bank of New York Mellon SA/NV, Luxembourg Branch** 2 - 4, rue Eugène Ruppert L-2453 Luxembourg Grand Duchy of Luxembourg
Central Administration, Registrar and Transfer Agent:	**The Bank of New York Mellon SA/NV, Luxembourg Branch** 2 - 4, rue Eugène Ruppert L-2453 Luxembourg Grand Duchy of Luxembourg
Auditor:	**PricewaterhouseCoopers, Société Coopérative** 2 rue Gerhard Mercator, B.P. 1443 L-1014 Luxembourg Grand Duchy of Luxembourg
Legal Advisor:	**Clifford Chance Europe LLP** 10 Boulevard Grande-Duchesse Charlotte, 1147 Luxembourg Grand Duchy of Luxembourg
Tax Advisor:	**Clifford Chance Europe LLP** 10 Boulevard Grande-Duchesse Charlotte, 1147 Luxembourg Grand Duchy of Luxembourg
Real Estate Appraiser:	**CBRE Limited** Henrietta House Henrietta Place London W1G 0NB United Kingdom

MANAGEMENT REPORT

European economy

Eurozone GDP growth remained relatively weak in Q3 2019, expanding by 0.3% quarter-on-quarter (q-o-q) after growing by 0.2% q-o-q in Q2 2019. Household consumption, government spending and net trade supported the expansion, while fixed investment and inventory changes contributed negatively to GDP.



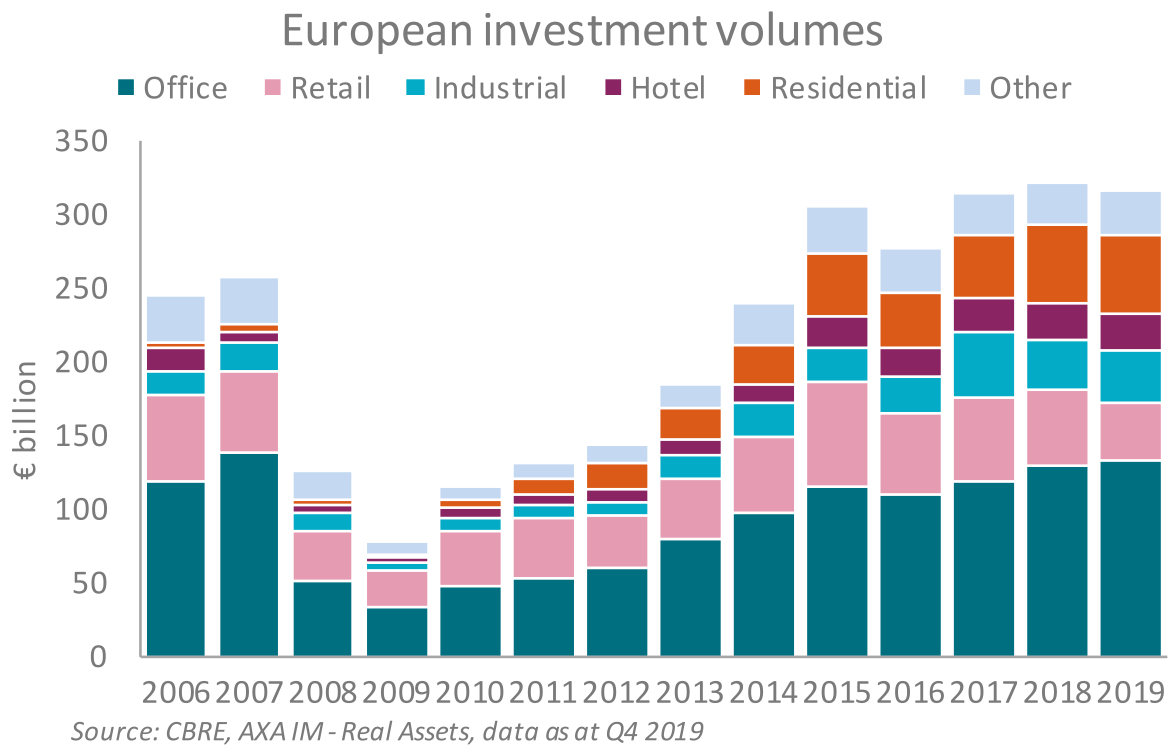
Although the Eurozone flash composite PMI remained stable in January 2020, its composition looked more encouraging. The manufacturing PMI rose and service sector expectations improved further. While the PMIs point to a weak start to 2020 in Southern Europe, strikes likely explain some of the weakness in French services. The German PMI strengthened significantly, especially in manufacturing. Growth accelerated sharply in the UK, expanding by 0.4% q-o-q in Q3 2019 after declining by 0.2% q-o-q in Q2 2019. Overall, strength in US housing, the recent pick-up in Chinese data, and somewhat diminished risks around both a global trade war and Brexit have caused uncertainty to moderate. A more expansionary fiscal policy in Germany should further support European growth in 2020. Nonetheless, AXA IM Research forecasts GDP to grow by a modest 0.7% in 2020.

Eurozone inflation has firmed in recent months, with year-on-year (y-o-y) core HICP inflation climbing to 1.3% in December 2019. While some of the recent uptick can be attributed to noisy price components, most of the increase in sequential core inflation came from more persistent and cyclically sensitive categories. Measures of underlying inflation have therefore moved up gradually and suggest that most of the recent core increase is likely to persist. The AXA IM Research inflation forecast remains below 2% across the forecast horizon. The ECB's Governing Council signaled rising confidence in the outlook, indicating that downside risks have receded, and that underlying inflation has increased "moderately." At the same time, President Lagarde highlighted the need for patience and again provided a favorable assessment of negative rates.

European Investment

Total investment volumes in 2019 were €315 billion, down 1.9% y-o-y. However, the final quarter saw a significant uptick in most markets, with €118.4 billion transacted across all sectors. German investment volumes in 2019 were the highest on record, at €83.8 billion, €33.2 alone recorded in Q4. The UK recorded €60 billion for the year, down 18.8% over the previous year, but €23.8 billion in Q4 2019, reflecting a rise of 84% q-o-q. Elsewhere, France posted €15 billion in Q4, which brought the total for 2019 to €38.6 billion (also a new record for France), an 11.6% increase on 2018.

European Investment (continued)



While offices and logistics remained the most popular traditional sectors recording modest transaction growth in 2019 of 3.4% and 2.9% y-o-y respectively, and net retail disposals continued, it was the residential sector that undershot expectations. Residential volumes declined 1.6% to €52.4 billion (ex-France) in 2019, having risen 27% in 2018: This possibly reflected a lack of stock in many markets during H1 2019, as investment volumes in the final quarter rose 3.3% versus the same period a year earlier.

From a city perspective, Paris (€7.8 billion) and London (€6 billion) offices accounted for the largest city volumes in Q4 2019. Milan, with c. €2.6 billion across all sectors in Q4, recorded the largest quarterly rise of all the cities (460%), also driven by offices. Of more than 15 deals in Milan, Galleria Passarella, acquired by DeA Capital from Goldman Sachs for €280 million, was the largest.

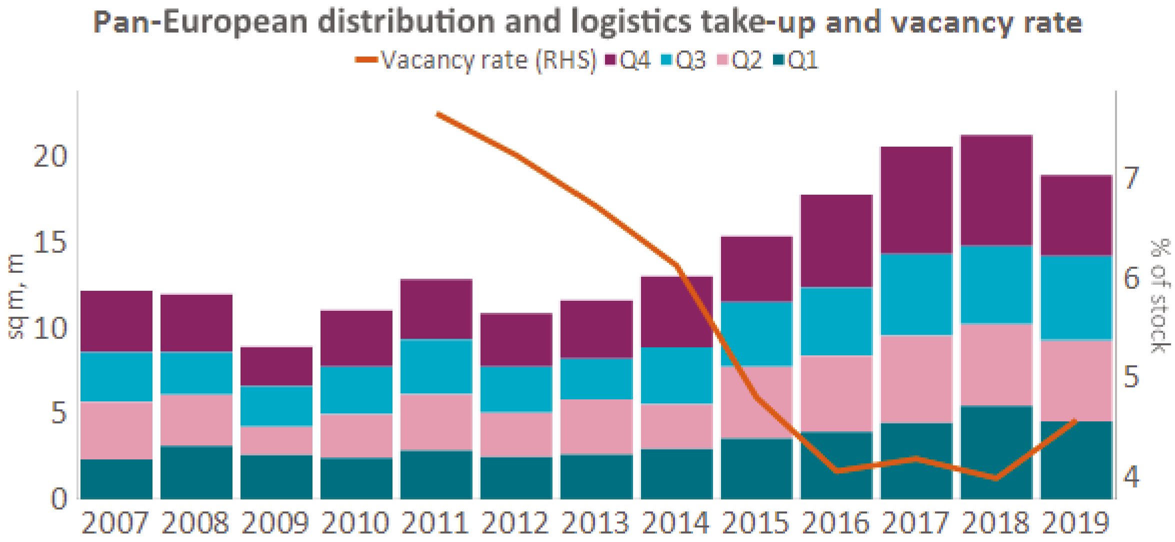
Average prime net initial yields were 3.5% for offices, 4.85% for logistics, 4.95% for shopping centres and 3.25% for residential at the end of 2019. Positive investor attitudes toward commercial real estate and expectations for interest rates to remain low for longer are expected to support further growth in transactions in 2020.

European Logistics

After a record 2018, data from JLL suggests European distribution and logistics take-up slowed marginally in 2019. Around 18.9 million sq m (units of 10,000+ sq m in the UK, 5,000+ sq m elsewhere) was taken-up, an 11% decline on 2018 but still the third strongest year on record (after 2017 and 2018). In some markets, a lack of suitable, available space has restrained take-up. Logistics take-up is expected to remain solid in the short to medium term, as growing e-commerce is forecast to remain a major area for business investment.

MANAGEMENT REPORT (continued)

European Logistics (continued)



Source: JLL, Macrobond, AXA IM – Real Assets, data as at 31 January 2020
NB: European logistics markets - Belgium, France, Germany, Italy, Netherlands, Spain, UK, Czech Republic, Hungary and Poland
NB: Modern warehousing units 5,000+ sq m; 10,000+ sq m in the UK

JLL data suggests 13.3 million sqm was under construction in Europe at the end of 2019, equivalent to around 6.2% of stock. However, the majority of space was built-to-suit (BTS), with 24% estimated to be speculative. Robust take-up and modest speculative development have resulted in a scarcity of suitable, available space in many European logistics markets. However, the recent increase in development has pushed up the vacancy rate slightly in some markets, with data from JLL suggesting the overall European vacancy rate for modern warehousing units had risen to 4.6% in Q4 2019; there were considerable differences between markets, with the rate at 2.8% in Germany and 4.2% in France, but 9% in the UK.

Despite rising occupier demand and low availability, prime logistics rental growth has been modest on aggregate in Europe. This is partly because yield compression has enabled developers to offer competitive rental terms on BTS space, but also because some local authorities are more concerned about job growth and tax-take than profits when releasing land for development. However, JLL's data suggests five of Europe's 37 top logistics markets experienced rental growth over Q4. With yield compression expected to slow, capital growth is likely to increasingly rely on rental value growth. Prime rental growth is forecast in all major European logistics markets over the 2019-2023 period, driven by robust demand for logistics space as a result of structural changes, but also by the increasing cost of land and construction.

Portfolio as of December 31st 2019

1. Introduction

AXA Logistics Europe Master S.C.A. was launched in July 2019 with an initial seed portfolio of €1.2bn. The investment objective of the Fund is to build a diversified portfolio of Logistics assets with a view to provide investors with regular income distributions and a long-term capital appreciation.

The Fund ended 2019 year with a €1.4bn (excluding non-controlling interest) logistics portfolio across 6 countries in Europe.

MANAGEMENT REPORT (continued)

Portfolio as of December 31st 2019 (continued)

2. Asset Management

The following letting events have recently allowed AXA Logistics Europe Master S.C.A to increase its occupancy ratio to 99% as at Q4 2019:

• Basse-Ham – 63k sqm logistics property in Eastern part of France

A new lease agreement was signed with a major player of the automotive industry (Renault) on October 1st, 2019. This property had remained vacant for 18 months following the departure of Transalliance (3PL). The covenant strength of the occupier (Renault) together with the terms of the lease agreement (which now provides a WALB of 4.5 years) are expected to enhance the liquidity of the property which we are planning to dispose in the short term. The Asset Management team has received several offers out of the acquisition bidding process with indicative prices above the reported Net market Value of the property as at December 2019.

• St Martin de Crau – 23k sqm cold storage property in Marseille region

A lease renewal was signed with the existing tenant (Transgourmet) which now provides a 6 years extension until 31st December 2025. This achievement has led to a discussion with Transgourmet on the lease prolongation related to another cold storage which the Fund hold in Castelnau (Toulouse region). As outlined in previous communication, these two assets will be considered for a disposal once maximum potential of value creation will be reached.

• Lieusaint – 27k sqm distribution Warehouse in Paris region

Lease contracts were signed in Q3 2019 with two occupiers which have leased up circa 60% of the lettable area of the property. Discussions with prospect clients are progressing and now at an advanced stage to lease the remaining space.

Various Asset Management initiatives are led to strengthen relationships with key occupiers and increase the resilience of the portfolio as we believe proximity is critical to continuously assess the risk return profile of each property. Amongst these initiatives, please find hereafter a brief summary of the extension's project we are leading closely with our tenant (Maisons du Monde) on a property located in the Marseille region (Fos-sur-Mer).

• Fos-sur-Mer – 86k sqm distribution Warehouse in Marseille region

We have been approached by Maisons du Monde in order to realize an extension of circa 5k sqm out of an existing property of circa 85k sqm. The project was monitored in close relationship with the tenant to meet its business requirements without affecting the intrinsic quality of the building. A building permit for the extension was obtained in Q4 2019. The lease agreement for the additional space is expected to be signed by early March together with the corresponding fixed price contract. Construction works should start in April 2020 with completion date scheduled for end of 2020. The terms of the lease are set up to target 6.5% return out of the investment for the construction works.

MANAGEMENT REPORT (continued)

3. Acquisitions

• Venette/Stokomani (France)

In Q3 2019, the Fund acquired (through the OneLog JV, 67.98% ownership for the Fund) a c. 72,371 sqm built-to-suit Class A warehouse located in Venette, within an established logistics area 75 km north of Paris. The property is expected to be delivered in Q3 2020, and fully let to Stokomani on the basis of an 11.5-year fixed term lease. The tenant is a growing French discount retailer, with Venette being chosen as a strategic location for its activities: close to Stokomani's HQ in Creil (37 km), and its Paris Oise warehouses (15 km). The property has excellent accessibility to the A1 motorway, which is 8 km from the site. It is a core product in terms of location, with standard specifications for a new logistics platform despite its built-to-suit nature. The targeted environmental certification upon building delivery is BREEAM Good.

The total investment volume is c. €26.9m (Fund share), implying a future Net Initial Yield (NIY) at delivery of 4.1%. It has significant upward rent potential upon tenant departure, thereby limiting the downside risk of the deal. This investment will strengthen the income profile of the Fund (long WALB), while being resilient from a capital value standpoint – acquired at a price of c. €540/sqm, which is well below recent market comparable transactions for brand new Class A properties in strong locations.

• Prism Portfolio (France/Italy/Netherlands)

In Q4 2019, the Fund acquired (through the OneLog JV, 67.98% ownership for the Fund) a c. 274,362 sqm portfolio of six logistics assets: three in France, two in Italy, and one in The Netherlands. The portfolio originally consisted of seven assets; however, as a result of our due diligence findings, the single largest asset located in Italy was carved out. The portfolio is located within established logistics markets including Paris, Lyon, Eindhoven and Milan, and is the Fund's first investment in the Italian market. It is fully let to a diversified mix of seven tenants with strong covenants, with a WALB of more than six years.

The total investment volume is €122.2m (Fund share), representing a Net Initial Yield (NIY) of 5.1%. It is an attractive portfolio in terms of size and income visibility, providing additional geographical diversification to the Fund. It consists of assets with an average age of 10 years, featuring standard technical specifications, mainly in locations providing rent growth perspectives.

4. Disposal

• Rotterdam (Netherlands) – Office – Sold Q4 2019

In November 2019 the office property in Rotterdam was sold to Risea on an asset deal basis for a total value of € 15.3m (c. €0.2m above last valuation). Please note that the Fund share is € 10.5m. This asset was previously purchased as part of a large portfolio transaction and has been targeted for disposal due to its non-logistics nature.

5. Compliance with the Fund's guidelines

As at today's report date, there are no breaches in investment guidelines of the Fund.

MANAGEMENT REPORT (continued)

Risk profile

1. **Risk profile of the portfolio**

The risk profile of the portfolio is in line with the management objective.

2. **Investment risks**

a- Market risk

Market risk is the risk of changes in market prices, such as real estate assets prices, foreign exchange rates, interest rates and equity prices, affecting the portfolio's income and/or the value of its holdings in real estate assets, financial instruments and assets held in currency.

✓ **Market risk on commercial real estate assets**

The values of real estate assets mainly depend on:

- the real estate market situation which is subject to fluctuations particularly regarding rents and prices determined by the supply, the demand and the general economic conditions, and
- the specificities of each real estate asset.

A downturn of real estate market conditions may have an adverse effect on the value of the real estate assets in which the portfolio is invested.

✓ **Market risk on financial assets**

Financial derivative instruments (Interest Rate Swaps) are used to hedge the market risk linked to assets financed thanks to floating rate external debt.

The valuation of derivative positions depends on various market parameters and a variation of these parameters may have a negative impact on the valuation of the portfolio.

✓ **Currency risk**

No currency risk is identified at the end of 2019, as the portfolio operates only in Euro so far.

✓ **Credit and counterparty risk**

Credit and counterparty risk is the risk of financial loss if the issuer, the borrower or any counterparty fail to meet its obligations. For this fund, these risks may arise with banks providing cash deposit services, with financial counterparties to derivative transactions and with tenants.

✓ **Credit risk of issuers or borrowers**

No risk is identified at the end of 2019.

✓ **Counterparty risk**

The portfolio exposure to counterparty risk comes mainly from:

- *Interest rate swap*: in case of external debt used to finance a property acquisition, the interest rate risk can be hedged by an OTC derivative such as an interest rate swap or cap. The swap is usually undertaken at the SPV level which is categorized by the regulation as "Non-financial counterparties". Therefore, there is no obligation to collateralize the mark to market value of the position. Any potential loss resulting from a default of the OTC counterparty when the OTC has a positive value is a risk born by the investors.
- The default risk of tenants of the buildings that are physically held by the portfolio. In order to mitigate this risk, security deposit, bank security or first demand guarantee are systematically required from the tenants.

b- Liquidity risk

Liquidity risk represents the risk of not being able to dispose of the assets in the portfolio in a timely manner so that liquidity requirements can be met, such as:

- Investors redemptions within the limits and under the conditions set out in the Investment and Shareholders Agreement,
- Operating losses or significant capital expenditures,
- Significant collateral cash payments linked to collateral agreements related to derivatives positions,
- Loans reimbursements (principal and interests).

Given the current market conditions, the quality and the current composition of the portfolio, the sale of the real estate assets should be carried out within a period of 6 to 9 months.

c- Leverage

The use of *leverage* (through derivatives instruments) increases the level of market, counterparty and liquidity risks.

3. <u>Investment risk monitoring</u>

The investment risks monitoring within AXA REIM SGP is shared between Portfolio and Asset Management teams, the Risk Department and the Compliance and Internal Control Department. It allows to identify, measure, manage and control the risks portfolios are subject to. The monitoring is operated through:

- The risk assessment allowing to ensure the risk level is aligned on the management strategy,
- The risk assessment related to specific management actions (investments and divestments),
- A process of identification of all investment risk types and definition of relevant risk indicators (KRIs) allowing to measure the level of risks of each portfolio, given the nature and composition of the portfolios,
- The stress-testing of potential changes in market conditions that might have an adverse impact on each asset during the due-diligence and investment process,
- A periodic review of:
  - investment guidelines (regulatory, contractual and internal) applying to each portfolio,
  - relevant risk indicators (KRIs) of each portfolio,
- Stress tests to evaluate the impact of market and normal/exceptional liquidity conditions on the portfolio. Each stress test is conducted on the basis of reliable and up to date quantitative and qualitative information. The stress tests include all constraints of the investment policy, potential redemptions, constraints related to period of assets sale and all the information regarding the real estate market movement.
- A back testing of the risk process to review the pertinence of the risk indicators used for the fund.

As of 31/12/2019, existing regulatory or contractual risk limits have not been exceeded. Risk indicators that are monitored on the portfolio do not reveal any alert or abnormal level of risk.

MANAGEMENT REPORT (continued)

4. Operational risk

Operational risk means the risk of loss arising from:

- Inadequate or failed internal processes, people and systems,
- external events which include, but are not limited to, legal risk and documentation risk,
- negotiation, settlement and valuation procedures (the risk that the reported value of an asset may differ from its realizable value) applied to the AIF.

5. Operational risk monitoring

The Company carries out an operational risk program to ensure operational risk is both appropriately measured and effectively managed. The monitoring of operational risks is mainly based on:

- the existence of procedures tailored to the nature of the Company's business,
- a control system that is independent of the business operations,
- a mapping of the operational risk sources and potential impacts on that basis.

AIFM DIRECTIVE DISCLOSURE – LIQUIDITY ARRANGEMENT & REMUNERATION

1. Information related to redemption-related liquidity and "special arrangements" within the meaning of the AIFM Directive

a- Information on the redemption-related liquidity

The redemption of the AIF is subject to the limits and under the conditions set out in the Investment and Shareholders Agreement.

b- ''Special arrangements" within the meaning of the AIFM Directive

Pursuant to the AIFM Directive, a "special arrangement" means an arrangement that arises as a direct consequence of the illiquid nature of the assets of an AIF which impacts the specific redemption rights of investors in a type of units or shares of the AIF and which is a bespoke or separate arrangement from the general redemption rights of investors.

None of the portfolio's assets are subject to such arrangements.

2. Information regarding the remuneration policy statement

According to regulatory requirements on remuneration disclosure applicable to asset management companies, this disclosure provides an overview of the approach on remuneration taken by AXA Investment Managers (hereafter "AXA IM"). Further information on the composition of the Remuneration Committee and driving principles of the Remuneration Policy is available on AXA IM website: www.axa-im.com/remuneration. A copy of this information is available upon request free of charge.

Governance - AXA IM's Remuneration Policy, which is reviewed and approved by the AXA IM Remuneration Committee every year, sets out the principles relating to remuneration within all entities of AXA IM and takes into account AXA IM's business strategy, objectives, and risk tolerance, as well as the long-term interests of AXA IM's shareholders, clients and employees. The AXA IM Remuneration Committee, in line with the remuneration policies and procedures set and validated at AXA Group level, ensures consistency and fair application of the Remuneration Policy within AXA IM, as well as compliance with applicable regulations.

The central and independent review that the effective implementation of the AXA IM's Remuneration Policy complies with the procedures and policies adopted by AXA IM Group level, is performed by the AXA IM Internal Audit Department, who present each year its conclusions to the AXA IM Remuneration Committee to enable it to perform its diligences.

These conclusions did not mention any particular comment regarding the compliance of the effective implementation of the AXA IM's Remuneration Policy.

The result of the annual exam by the AXA IM Remuneration Committee is presented to the Board of Directors of AXA Real Estate Investment Managers SGP (hereafter "AXA REIM SGP") along with the amendments implemented into the AXA IM's Remuneration Policy.

The Global Remuneration Policy has been reviewed to ensure compliance with all governing regulations and alignment with the AXA IM business and Human Resource strategies, and, was revised on the proposed deferral structure and on the AXA IM Performance shares attribution.

Quantitative information – Data provided below are those of AXA Investment Managers covering all subsidiaries of the AXA IM Group and types of portfolios as at 31 December 2019 after application on remuneration data of the AXA Logistics Europe Master S.C.A. weighted Asset Under Management allocation key.

Total amount of remuneration paid and/or awarded to staff for the year ended December 31, 2019 [(1)]	
Fixed Pay [(2)] ('000 EUR)	315
Variable Pay [(3)] ('000 EUR)	360
Number of employees [(4)]	2 530 among which 116 for AXA REIM SGP

AIFM DIRECTIVE DISCLOSURE – LIQUIDITY ARRANGEMENT & REMUNERATION (continued)

2. Information regarding the remuneration policy statement

Aggregate amount of remuneration paid and / or awarded to risk takers and senior management whose activities have a significant impact on the risk profile of portfolios (1)	
Fixed Pay and Variable Pay ('000 EUR) (2) (3)	220 317
Number of identified employees (5)	325 among which 18 within AXA REIM SGP among which 3 Senior Managers

(1) Excluding social charges, after application of the fund's weighted Asset Under Management allocation key.

(2) Fixed Pay amount is based on Fixed Pay effective for all staff at AXA IM on January 1st, 2019.

(3) Variable Pay, composed of discretionary, upfront and deferred items, includes:
- Amounts awarded for the performance of the previous year and fully paid over the financial year under review (non-deferred variable pay)
- Amounts awarded for the performance of previous years and the performance of the year under review (deferred variable pay),
- Long-Term Incentives awarded by the AXA Group.

(4) Number of employees includes Permanent and Temporary contracts excluding interns as at 31/12/2019.

(5) Number of identified employees within AXA IM Group level and AXA REIM SGP as at 31/12/2019.

AIFM DIRECTIVE DISCLOSURE – LEVERAGE & MATERIAL CHANGES

1 . Leverage

AIFM, Articles 6 to 11 of the Regulation provide two methods for calculating the exposure of an AIF:

- the gross method,
- the commitment method

Leverage can be defined as:

$$Leverage = \frac{AIF\ Total\ Exposure}{AIF\ Net\ Asset\ Value}$$

- Total Exposure (gross method) =

  Σ (Total value of consolidated assets) = Bottom line of the consolidated AIF balance sheet

  – (Value of any cash and cash equivalents)

  \+ (Nominal value of derivatives)

- Total Exposure (commitment method) =

  Σ (Total value of consolidated assets) = Bottom line of the consolidated AIF balance sheet applying netting and hedging arrangements

  The maximum AIFMD leverage as per the commitment method is equal to 200%

Method	**Leverage as of 31/12/2019**
Gross method	**164%**
Commitment method	**164%**

2 . Material Changes

No material change.

Audit report

To the Shareholders of
AXA Logistics Europe Master S.C.A.

Our opinion

In our opinion, the accompanying consolidated financial statements give a true and fair view of the consolidated financial position of AXA Logistics Europe Master S.C.A. and its subsidiaries (the "Fund") as at 31 December 2019, and of its consolidated financial performance and its consolidated cash flows for the period from 27 June 2019 (date of incorporation) to 31 December 2019 in accordance with International Financial Reporting Standards (IFRSs) 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 2019;
- the consolidated statement of comprehensive income for the period from 27 June 2019 (date of incorporation) to 31 December 2019;
- the consolidated statement of cash flows for the period from 27 June 2019 (date of incorporation) to 31 December 2019;
- the consolidated statement of changes in net assets attributable to the partners for the period from 27 June 2019 (date of incorporation) to 31 December 2019;
- the consolidated statement of changes in number of shares in issue and net assets per unit attributable to the partners for the period from 27 June 2019 (date of incorporation) to 31 December 2019; and
- the notes to the consolidated financial statements, which include a summary of significant accounting policies.

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 Ethics Standards Board for Accountants' Code of Ethics for Professional 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 Fund's 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.

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 Fund's General Partner for the consolidated financial statements

The Fund's General Partner is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRSs as adopted by the European Union, and for such internal control as the Fund's 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 Fund's 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 Fund's 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 Fund's General Partner;

- conclude on the appropriateness of the Fund's 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.

PricewaterhouseCoopers, Société coopérative
Represented by

Luxembourg, 19 June 2020

Electronically signed by:
Amaury Evrard

Amaury Evrard

	Note	31 December 2019 €
Assets		
Non-current assets		
Investment property	5	1,880,697,987
Total non-current assets		**1,880,697,987**
Current assets		
Other receivables and prepayments	6	27,067,669
Cash and cash equivalents	7	109,123,390
Total current assets		**136,191,059**
Total assets		**2,016,889,046**
Liabilities		
Current liabilities		
Derivatives at fair value through profit or loss	17	122,846
Deferred income		3,819,610
Taxation payable	18	2,900,925
Borrowings	12	35,012,128
Trade and other payables	8	52,044,927
Total current liabilities		**93,900,436**
Non-current liabilities		
Borrowings	12	1,320,848,069
Deferred tax liabilities	18	20,250,680
Derivatives at fair value through profit or loss	17	3,996,607
Total non-current liabilities		**1,345,095,356**
Non-controlling interests	14	**120,881,268**
Net assets attributable to the Partners		457,011,986
Total liabilities		**2,016,889,046**
Adjustments from net assets attributable to the Partners to adjusted subscription net asset value	4	4,197,083
Adjusted Subscription Net Asset Value		**461,209,069**

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

Consolidated Statement of Comprehensive Income for the period from 27 June 2019 (date of incorporation) to 31 December 2019

	Note	Period ended 31 December 2019 €
Income		
Rental income	9	55,094,572
Net gain from fair value adjustment on investment property	5	75,846,953
Gain on disposal of investment property	5	776,310
Operating expenses	10	(14,038,950)
Operating profit		**117,678,885**
Finance income	11	684,181
Finance expense	11	(26,698,262)
Finance result		**(26,014,081)**
Profit before tax and distributions to the Partners		**91,664,804**
Taxation expense	18	(3,029,520)
Deferred taxation	18	(20,250,680)
Total tax		**(23,280,200)**
Profit for the period after tax		**68,384,604**
Total comprehensive income for the period		**68,384,604**
Total comprehensive income for the period is attributable to:		
Partners		52,371,194
Non-controlling interests	14	16,013,410
Net increase in net assets attributable to the Partners for the period		**52,371,194**
Adjustments from net assets attributable to the Partners to adjusted subscription net asset value		4,197,083
Net increase in subscription net asset value		**56,568,277**

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

	Note	Period ended 31 December 2019 €
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax and distributions to the Partners		91,664,804
Adjustments		
Net realised and unrealised gain on investment property	5	(76,623,263)
Finance result	11	26,014,081
Increase/decrease in operating assets		
Increase in other receivables and prepayments (excluding interest and taxation)	6	(2,480,309)
Increase in deferred income		827,815
Increase in trade and other payables (excluding interest and taxation)	8	19,886,650
Cash generated from operations		59,289,778
Taxation paid		(2,228,577)
Interest received		190,516
Interest and bank charges paid		(14,792,926)
Net cash generated from operating activities		42,458,791
CASH FLOW FROM INVESTING ACTIVITIES		
Acquisition of subsidiaries, net of cash acquired	15	(7,777,007)
Purchase of investment property	5	(137,088,599)
Capitalised lease incentives		(5,735,734)
Sale of investment property	5	15,300,000
Net cash used in investing activities		**(135,301,340)**
CASH FLOW FROM FINANCING ACTIVITIES		
Subscriptions received		30,100
Drawdown on borrowings	12	196,032,184
Repayment of borrowings	12	(11,147,625)
Net proceeds from non-controlling interests		13,307,149
Net payment on hedging		3,744,131
Net cash provided by financing activities		**201,965,939**
Net increase in cash and cash equivalents		**109,123,390**
Cash and cash equivalents at beginning of the period		-
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD		**109,123,390**

Supplementary information for non-cash flow transactions

Capital contributions in specie (see Note 15 for further detail)	404,610,692
Shareholder loan contributed (see Note 12 for further detail)	567,321,137

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

AXA Logistics Europe Master S.C.A.
Consolidated Statement of Changes in Net Assets attributable to the Partners for the period from 27 June 2019 (date of incorporation) to 31 December 2019

		Limited Partner*			General Partner			
	Note	Share Capital €	Retained Earnings €	Total Limited Partners €	Share Capital €	Retained Earnings €	Total General Partner €	Total €
Net assets attributable to the Partners at beginning of the period (IFRS)		-	-	-	-	-	-	-
Capital contributions		404,640,692	-	**404,640,692**	100	-	100	404,640,792
Net increase in net assets attributable to the Partner		-	52,371,180	**52,371,180**	-	14	14	52,371,194
Net assets attributable to the Partners as at 31 December 2019 (IFRS)		**404,640,692**	**52,371,180**	**457,011,872**	**100**	**14**	**114**	**457,011,986**
Adjustments from net assets attributable to the Partner to adjusted subscription net asset value	4	-	4,197,083	**4,197,083**	-	-	-	4,197,083
Net assets attributable to the Partners as at 31 December 2019 (Adjusted Subscription NAV)		**404,640,692**	**56,568,263**	**461,208,955**	**100**	**14**	**114**	**461,209,069**

*** All Partners are presented as a liability in the Statement of Financial Position**

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

NUMBER OF SHARES IN ISSUE (Expressed in units)	**Period ended 31 December 2019**
Class A Shares	
Shares in issue at the beginning of the period	-
Shares subscribed	404,910
Shares redeemed	-
Class A Shares in issue at the end of the period	404,910
Class C Shares	
Shares in issue at the beginning of the period	-
Shares subscribed	1
Shares redeemed	-
Class C Shares in issue at the end of the period	1

NET ASSETS PER SHARE (IFRS NAV) Expressed in (€)	**31 December 2019 €**
Class A shares	1,128.68
Class C shares	113.99

NET ASSETS PER SHARE (SUBSCRIPTION NAV) Expressed in (€)	**31 December 2019 €**
Class A shares	1,139.04
Class C shares	113.99

Note 1 - General

AXA Logistics Europe Master S.C.A., (the "Master Fund") is a corporate partnership limited by shares *(société en commandite par actions ("S.C.A.")* domiciled and incorporated in the Grand Duchy of Luxembourg on 27 June 2019 for an unlimited duration. The subscription, sale and holding of shares of the Master Fund are restricted to Institutional Investors.

The Master Fund is registered with the Luxembourg Trade and Companies Register under number B 235 921.

The registered office is established at 2-4 rue Eugène Ruppert, L-2453 Luxembourg, Grand Duchy of Luxembourg.

The Master Fund is an alternative investment fund ("AIF") in accordance with the Directive 2011/61/EU of the European Parliament and of the Council of 8 June 2011 on Alternative Investment Fund Managers ("AIFM Directive"). For these purposes, the General Partner has appointed AXA Real Estate Investment Managers SGP, as the legal person responsible for performing the portfolio and risk management of the Master Fund, has been identified as the Alternative Investment Fund Manager ("AIFM") of the Fund, as disclosed in the Investment and Shareholders Agreement ("ISA").

These consolidated financial statements present the consolidated financial position of the Master Fund and the Master Fund's subsidiaries (the "Group"). For details of all the consolidated entities, please refer to Note 20.

The Group's investment activities are managed by its General Partner, AXA Logistics Europe GP S.à r.l. (the "General Partner"), a private limited liability company incorporated under the law of Grand Duchy of Luxembourg with registration number B 235 839. The administration of the Group is managed by The Bank of New York Mellon SA/NV Luxembourg Branch.

The financial period of the Master Fund starts on 1 January and ends on 31 December, except for the first period starting on 27 June 2019 (date of incorporation) and ending on 31 December 2019. The Group's accounts are prepared in Euro ("EUR" or "€").

The investment objective of the Master Fund will be to seek current income combined with long-term capital appreciation through investment directly or indirectly via its subsidiaries in a diversified portfolio of European Real Estate Assets exposed to logistics with a limited exposure to investments in cash in accordance with its investment objective and the investment guidelines.

The Group was incorporated on 27 June 2019 with an initial capital commitment drawdown on the date of incorporation.

The consolidated financial statements of AXA Logistics Europe Master S.C.A., were authorised for issue by the General Partner on 19 June 2020.

Note 2 - Summary of significant accounting policies

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

2.1 Basis of preparation

(a) Statement of compliance
The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and as adopted by the European Union and interpretations issued from the IFRS Interpretation Committee ("IFRIC") and adopted by the European Union.

(b) Historical cost convention
The consolidated financial statements have been prepared on a going concern basis, applying the historical cost convention, except for the measurement of investment properties at fair value, other financial assets and derivative financial instruments that have been measured at fair value. The consolidated financial statements are presented in Euro and the presentation currency of the consolidated information is Euro.

Note 2 - Summary of significant accounting policies (continued)

2.1 Basis of preparation (continued)

(b) Historical cost convention (continued)
The consolidated statement of comprehensive income is presented by nature of expenses. The consolidated statement of cash flows from operating activities is presented using the indirect method. The acquisition of investment property is disclosed as cash flows from investing activities because this most appropriately reflects the Group's business activities. See Note 2.3 for information on the Group's financial assets and liabilities.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates and assumptions. It also requires the Board of Managers of the General Partner to exercise its judgement in the process of applying the Group's accounting policies. Changes in assumptions may have a significant impact on the financial statements in the period the assumptions changed. The Board of Managers of the General Partner believes that the underlying assumptions are appropriate. Key estimates, assumptions and judgement that have significant risk of causing material adjustment to the carrying amount of assets and liabilities within the next financial period are outlined in Note 2.2.

(c) New and amended standards adopted by the Group
The Group has adopted all standards and interpretations issued by the IASB and the International Financial Reporting Interpretations Committee of the IASB and as adopted by the European Union that are relevant to its operations and effective for annual reporting periods beginning on or after 27 June 2019.

(d) New standards and interpretations not yet adopted
A number of amendments to standards and interpretations are effective for annual periods beginning on or after 1 January 2020, and have not been applied in preparing these consolidated financial statements. None of these are expected to have a significant effect on the consolidated financial statements of the Group.

2.2 Significant accounting estimates and judgements

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

Critical accounting estimates and assumptions

Management makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates, assumptions and management judgements that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial period are outlined below.

a) Fair value of derivatives financial instruments
The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined by using valuation techniques. The Group uses its judgement to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of each reporting period. See further disclosure in Note 17.

(b) Investment property
The fair value of investment property is based on a valuation as performed by an independent valuer. Independent valuations may be indicative and not executable or binding. See Note 5 for further details of the judgements and assumptions made.

(c) Income taxes
The Group is subject to income taxes in numerous jurisdictions. Significant estimates are required in determining the worldwide provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain. The Group recognises liabilities for anticipated tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current tax and deferred tax provisions.

(d) Functional and presentation currency
The Board of Managers of the General Partner consider the € as the currency that represents the economic effect of the underlying transactions, events and conditions. The Group intends to invest mainly in activities which are denominated in €.

Note 2 - Summary of significant accounting policies (continued)

2.2 Significant accounting estimates and judgements (continued)

Critical accounting estimates and assumptions (continued)

(e) Business combinations
The Group acquires subsidiaries that own real estate. At the time of acquisition, the Group considers whether each acquisition represents the acquisition of a business or the acquisition of an asset. The Group accounts for an acquisition as a business combination where an integrated set of activities and assets, including property, is acquired. More specifically, consideration is given to the extent to which significant processes are acquired and, in particular, the extent of services provided by the subsidiary (e.g., maintenance, cleaning, security, bookkeeping, hotel services, etc.).

When the acquisition of subsidiaries does not represent a business combination, it is accounted for as an acquisition of a group of assets and liabilities. The cost of the acquisition is allocated to the assets and liabilities acquired based upon their relative fair values, and no goodwill or deferred tax is recognised.

When accounting for a business combination, the excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill. Goodwill is subject to an annual impairment test.

As the assessment of whether there is objective evidence of impairment may require significant management judgement and the estimates for impairment could change from period to period based on future events that may or may not occur, the Group considers this to be a critical accounting estimate.

(f) Investment entity
The Board of Managers of the General Partner has determined that the Group does not qualify as an investment entity under IFRS 10 – *Consolidated Financial Statements* ("IFRS 10"), and is required to prepare consolidated financial statements.

The Group:
i) Does not obtain funds from one or more investors for the purpose of providing those investor(s) with investment management services;
ii) Commits to its investor(s) that its business purpose is to invest funds solely for returns from capital appreciation, investment income, or both; and
iii) Does not measure and evaluate the performance of substantially all of its investments on a fair value basis.

The Board of Managers of the General Partner has determined that the entities that the Group has invested in are not structured entities.

The Group did not make any other material critical accounting judgements in the period ended 31 December 2019.

2.3 Financial assets and financial liabilities

Financial assets and financial liabilities are classified and measured in accordance with IFRS 9 – *Financial instruments* ("IFRS 9").

<u>Financial assets</u>
Financial assets are measured at fair value at initial recognition, and are subsequently classified and measured at amortised cost, fair value through profit or loss or fair value through other comprehensive income on the basis of both:

- The Group's business model for managing the financial assets
- The contractual cash flow characteristics of the financial asset

Financial assets measured at amortised cost:
Financial assets held at amortised cost are measured at amortised cost if they are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding. Assets with maturities of less than 12 months after the statement of financial position date are included in current assets and those assets exceeding 12 months are included in non-current assets.

The Group includes short-term non-financing receivables including other receivables in this category.

Note 2 - Summary of significant accounting policies (continued)

2.3 Financial assets and financial liabilities (continued)

Financial assets measured at fair value through profit or loss:

A financial asset is measured at fair value through profit or loss if:

a. Its contractual terms do not give rise to cash flows on specified dates that are solely payments of principal and interest ("SPPI") on the principal amount outstanding; or
b. It is not held within a business model whose objective is either to collect contractual cash flows, or to both collect contractual cash flows and sell; or
c. At initial recognition, an equity instrument is irrevocably designated as measured at fair value through profit or loss when doing so eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise from measuring assets or liabilities or recognising the gains and loss on them different bases.

Due to the cash flow characteristics and the business model for managing the assets, the Group has classified the below as financial assets measured at fair value through profit or loss:

The Group has included derivatives in this category unless they are designated as hedges. The Group does not apply hedge accounting.

The Group has not classified any financial assets as fair value through other comprehensive income.

Financial liabilities
Financial liabilities measured at fair value through profit or loss:
A financial liability is measured at fair value through profit or loss if it meets the definition of held for trading. The Group includes in this category, derivative contracts in a liability position.

Financial liabilities measured at amortised cost:
This category includes all financial liabilities, other than those measured at fair value through profit or loss. The Group includes in this category, borrowings (see Note 2.15 for the accounting policy on borrowings) and trade and other payables.

Recognition and Measurement
The Group recognises a financial asset or a financial liability when it becomes a party to the contractual provisions of the instrument.

Regular purchases of financial assets are recognised on the trade date – the date on which the Group commits to purchase or sell the asset. Investments are initially recognised at fair value minus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value and transaction costs are expensed in the Consolidated Statement of Comprehensive Income. Financial assets at fair value through profit or loss are subsequently carried at fair value. Loans and receivables are carried at amortised cost using the effective interest method. Financial liabilities which are not classified as financial liabilities at fair value through profit or loss are recognised initially at fair value and subsequently carried at amortised cost.

Transfers between levels of the fair value hierarchy
Transfers between levels of the fair value hierarchy, if applicable, are deemed to have occurred at the end of the reporting period.

Derecognition
A financial asset is derecognised when the Group loses control over the contractual rights that comprise the asset. This occurs when the rights are realised, expired or are surrendered. A financial liability is derecognised when the obligation specified in the contract is extinguished. Assets held-for-trading that are sold are derecognised and corresponding receivables from the buyer for the payment are recognised as of the date the Group commits to sell the assets.

Note 2 - Summary of significant accounting policies (continued)

2.3 Financial assets and financial liabilities (continued)

Impairment of financial assets
The Group recognises an allowance for expected credit losses ("ECLs") for all financial assets not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For short-term receivables, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date.

Offsetting
The Group only offsets financial assets and liabilities at fair value through profit or loss if the Group has a legally enforceable right to set off the recognised amounts and either intends to settle on a net basis, or to realise the asset and settle the liability simultaneously.

2.4 Foreign currency translation

Functional and presentation currency
Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the 'functional currency'). The Group transacts predominantly in €. The consolidated financial statements are presented in €, which is the Group functional currency.

Transactions and balances
Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of such transactions. Foreign currency gains and losses resulting from the settlement of such transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the consolidated statement of comprehensive income.

Group companies
The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

i) assets and liabilities in the consolidated statement of financial position presented are translated at the closing rate at the date of that consolidated statement of financial position;
ii) income and expenses in the consolidated statement of comprehensive income are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions); and
iii) all resulting exchange differences are recognised in other comprehensive income.

On the disposal of a foreign operation, (that is the disposal of the Group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation) all of the exchange differences accumulated in other comprehensive income in respect of that operation attributable to the equity holders of the company are reclassified to profit or loss.

2.5 Deferred income

Deferred income represents rental income received in advance in respect of future periods.

2.6 Cash and cash equivalents

Cash includes cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the consolidated statement of financial position.

Note 2 - Summary of significant accounting policies (continued)

2.7 Prepayments

Prepayments are carried at cost, less any accumulated impairment losses.

2.8 Expenses

All expenses, including management fees, are recognised in the consolidated statement of comprehensive income on an accruals basis.

2.9 Interest income and expense

Interest income and expense are recognised within "interest income" and "finance costs" in the consolidated statement of comprehensive income using the effective interest rate method.

2.10 Group formation expenses

The Group’s formation expenses are recognised as an expense when accrued.

2.11 Provisions

Provisions are recognised when there is a legal or constructive obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation; and the amount can be reliably measured. Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as a finance cost. Provisions are stated at their original amount if the effect of discounting is immaterial.

2.12 Consolidation

(a) Subsidiaries

Control
Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group 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 Group.

All the Group companies have 31 December as their period-end. Consolidated financial statements are prepared using uniform accounting policies for like transactions. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Inter-company transactions, balances and unrealised gains or losses on transactions between Group companies are eliminated except where there are indications for impairment.

Accounting for business combinations
The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary that meets the definition of a business is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of the acquiree’s identifiable net assets.

Acquisition-related costs are expensed as incurred.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date; any gains or losses arising from such re-measurement are recognised in profit or loss.

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in profit or loss. Contingent consideration that is classified as equity is not re-measured, and its subsequent settlement is accounted for within equity.

Note 2 - Summary of significant accounting policies (continued)

2.12 Consolidation (continued)

Accounting for business combinations (continued)
The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill. If the total of consideration transferred, non-controlling interest recognised and previously held interest measured is less than the fair value of the net assets of the business acquired in the case of a bargain purchase, the difference is recognised directly in the consolidated statement of comprehensive income.

Accounting for asset acquisitions
For acquisition of a subsidiary not meeting the definition of a business, the Group allocates the cost between the individual identifiable assets and liabilities in the Group based on their relative fair values at the date of acquisition. Such transactions or events do not give rise to goodwill.

(b) Changes in ownership interests in subsidiaries without change of control

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions – that is, as transactions with the owners in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

(c) Disposal of subsidiaries

When the Group ceases to have control any retained interest in the entity is re-measured to its fair value at the date when control is lost, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

2.13 Investment property

Investment property are property held to earn rentals and/or for capital appreciation. Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at fair value. Gains and losses arising from changes in the fair value of investment properties are included in the consolidated statement of comprehensive income in the period in which they arise.

When the Group begins to redevelop an existing investment property for continued future use as an investment property, or with a view to disposal, the property continues to be held as an investment property.

Leases that meet the definition of investment property are classified as investment property and measured at fair value.

Investment property under construction is measured at fair value if the fair value is considered to be reliably determinable. Investment property under construction for which the fair value cannot be determined reliably but for which the Group expects that the fair value of the property will be reliably determinable when construction is complete , are measured at cost less impairment until the fair value becomes reliably determinable or construction is completed – whichever is earlier.

See Note 5 for details on valuation of investment properties.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the consolidated statement of comprehensive income in the period in which the property is derecognised.

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

Note 2 - Summary of significant accounting policies (continued)

2.14 Leases

a. Group is the lessee

(i) At initial recognition

The Group acting as lessee recognises a right-of-use asset and a lease liability for all leases with a term of more than 12 months, unless the underlying asset is of low value.

The right-of-use asset is measured at its cost which includes the amount of the initial measurement of the lease liability, any lease payments made at or before the commencement date (less any lease incentives received), any initial direct costs incurred by the Group; and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease, unless those costs are incurred to produce inventories.

The lease liability is measured at the present value of the lease payments that are not paid at the date of the consolidated statement of financial position.

- Lease liabilities include the net present value of the following lease payments;
- fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- variable lease payments that depend on an index or rate, initially measured at the applicable index or rate at the lease commencement date;
- the exercise price of a purchase option if the Group is reasonably certain to exercise that option, or the penalty payable on the exercise of a termination option unless the Group is reasonably certain not to exercise the option; and
- any amounts expected to be payable under residual value guarantees.

The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Group is using the lessee’s incremental borrowing rate, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

(ii) Subsequent measurement
The Group measures the right-of-use assets that meet the definition of investment property using the fair value model applied to its investment property.

The lease liability is measured as follows:
a) increasing the carrying amount to reflect interest on the lease liability;
b) reducing the carrying amount to reflect the lease payments made; and
c) remeasuring the carrying amount to reflect any reassessment or lease modifications, or to reflect revised in-substance fixed lease payments.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

b. Group is the lessor
Lease income from operating leases where the Group is a lessor is recognised in income on a straight-line basis over the lease term. Initial direct costs incurred in obtaining an operating lease are added to the carrying amount of the underlying asset and recognised as expense over the lease term on the same basis as lease income. The respective leased assets are included in the balance sheet in accordance with their nature.

The Group elected to recognise lease income for variable payment that depends on an index or a rate on a straight-line basis.

At the commencement date, the Group assesses whether the lessee is reasonably certain to exercise an option to extend the lease or to purchase the underlying asset, or not to exercise an option to terminate the lease. The Group considers all relevant facts and circumstances that create an economic incentive for the lessee to exercise, or not to exercise, the option, including any expected changes in facts and circumstances from the commencement date until the exercise date of the option.

Note 2 - Summary of significant accounting policies (continued)

2.15 Revenue recognition

Revenue includes rental income, service charges and management charges from properties. Rental income from operating leases and initial direct costs are recognised on a straight-line basis over the term of the relevant lease.

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

Revenue from service and management charges is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances, rebates and amounts collected on behalf of third parties.

The Group recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the Group's activities as described below.

The Group bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

Service and management charges are recognised in the accounting period in which the services are rendered. When the Group is acting as an agent, only the net service charge is recognised in the consolidated statement of comprehensive income.

2.16 Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised as finance cost over the period of the borrowings using the effective interest method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the date of the consolidated statement of financial position.

2.17 Taxation

The entities of the Group are subject to taxation in the countries in which they operate. The Group may also incur withholding taxes imposed by certain countries on investment income and capital gains. Such income or gains are recorded gross of withholding taxes in the consolidated statement of comprehensive income.

The tax expense for the period comprises current and deferred tax. Tax is recognised in the consolidated statement of comprehensive income, except to the extent that it relates to items recognised directly in other comprehensive income or equity - in which case, the tax is also recognised in other comprehensive income or equity.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the date of the statement of financial position in the countries where the Group operates. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation, and establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the date of the consolidated statement of financial position and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Note 2 - Summary of significant accounting policies (continued)

2.17 Taxation (continued)

The carrying value of the Group's investment property is assumed to be realised by sale at the end of use. The capital gains tax rate applied is that which would apply on a direct sale of the property recorded in the consolidated statement of financial position regardless of whether the Group would structure the sale via the disposal of the subsidiary holding the asset, to which a different tax rate may apply. The deferred tax is then calculated based on the respective temporary differences and tax consequences arising from recovery through sale.

Deferred income tax is provided on temporary differences arising on investments in subsidiaries, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

2.18 Redeemable shares

The Master Fund can issue one or more classes of redeemable shares, which may be redeemed by the holder at quarter ends. Such shares are classified as financial liabilities.

2.19 Non-controlling interests

Non-controlling interests in the net assets of consolidated subsidiaries are identified separately from the Group's net assets therein. Non-controlling interests consist of the amount of those interests at the date of the acquisition and the non-controlling shareholder's share of net assets since the date of the acquisition.

The Group recognises non-controlling interests in an acquired entity either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets. This decision is made on an acquisition-by-acquisition basis.

Note 3 – Fair value estimation

<u>Fair value measurement recognised in the consolidated statement of financial position</u>

The Group uses the following hierarchy for determining and disclosing the fair values of assets and liabilities:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable input).

The following table provides an analysis of the Group's assets and liabilities that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value inputs are observable.

	Level 1 €	Level 2 €	Level 3 €	Total €
As at 31 December 2019				
Investment property*	-	-	1,880,697,987	1,880,697,987
Interest rate swaps	-	(4,119,453)	-	(4,119,453)

*See Note 5 for further information in relation to the fair value of investment properties.

There were no transfers between levels during the period ended 31 December 2019.

Note 3 – Fair value estimation (continued)

Financial instruments in Level 2

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instruments are observable, the instruments is included in Level 2.

If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3.

Specific valuation techniques used to value financial instruments include:

- Quoted market prices or dealer quotes for similar instruments;
- The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows based on observable yield curves;
- Other techniques, such as discounted cash flow analysis are used to determine fair value for the remaining financial instruments.

<u>Assets and liabilities not carried at fair value</u>

The following table analyses within the fair value hierarchy the Group's assets and liabilities (by class) not measured at fair value at 31 December 2019.

	Level 1 €	Level 2 €	Level 3 €	Total €
As at 31 December 2019				
Assets				
Other receivables and prepayments	-	27,067,669	-	27,067,669
Cash and cash equivalents	109,123,390	-	-	109,123,390
Total	**109,123,390**	**27,067,669**	-	**136,191,059**
Liabilities				
Taxation payable	-	2,900,925	-	2,900,925
Trade and other payables	-	52,044,927	-	52,044,927
Borrowings	-	1,355,860,197	-	1,355,860,197
Total	-	**1,410,806,049**	-	**1,410,806,049**

Note 4 - Financial risk management

The Board of Managers of the General Partner have overall responsibility for the establishment and oversight of the Group's risk management framework. The Group's activities expose it to a variety of financial risks. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group.

The Board of Managers of the General Partner supervises and maintains control of risk management and delegates the implementation of the day-to-day operation to the AIFM. The day-to-day investment risk measurement and management elements of risk management are undertaken by the risk management department of the AIFM. The functional and hierarchical separation of the risk management department of the AIFM is ensured throughout the hierarchical structure of the AIFM.

The risk management department of the AIFM implements and maintains risk management policies and procedures designed to identify, measure, manage and monitor (i) the material risks which have been identified relevant to the Group's investment strategies; and (ii) the positions in the Group and their contribution to the overall risk profile of the Group. Liquidity risk is monitored on an ongoing basis as part of the risk management system.

Note 4 - Financial risk management (continued)

The Group has exposures to the following risks from its use of financial instruments:
(a) Market risk (including foreign currency, price and interest rate risk);
(b) Credit risk; and
(c) Liquidity risk.

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing these risks.

a) Market risk

Market risk is the risk that the fair value or future cash flows of an asset will fluctuate because of changes in market prices. The Group's market risks arise from open positions in (a) foreign currencies and (b) interest-bearing assets and liabilities, as well as (c) equity securities price movements, to the extent that these are exposed to general and specific market movements. Management sets limits on the exposure to real estate and interest rate risk as well as security prices that may be accepted, which are monitored on a monthly basis (see details below). However, the use of this approach does not prevent losses outside of these limits in the event of more significant market movements.

Sensitivities to market risks included below are based on a change in one factor while holding all other factors constant. In practice, this is unlikely to occur, and changes in some of the factors may be correlated - for example, changes in interest rate and changes in foreign currency rates.

i. Foreign currency risk

Foreign currency risk arises in respect of those recognised monetary financial assets and liabilities that are not in the functional currency of the respective Group entity.

The Group does not have any significant exposure to foreign currency risk. All rental contracts are denominated in Euro.

As the Group's exposure to foreign exchange risk is not deemed to be material, no sensitivity analysis has been presented.

ii. Price risk

The Group is exposed to price risk other than in respect of financial instruments, such as property price risk including property rentals risk (Note 5).

The values of real estate assets mainly depend on:

- the real estate market valuation which is subject to fluctuations particularly regarding rents and prices determined by the supply, demand and the general economic conditions, and
- the specificities of each real estate asset. The portfolio is wholly composed of logistics assets located in areas around Europe.

A downturn of real estate market conditions may have an adverse effect on the value of the real estate assets in which the portfolio is invested.

iii. Interest rate risk

The Group is subject to interest rate risk due to fluctuations in the prevailing levels of market interest rates. The Group's interest bearing financial assets and liabilities include cash and cash equivalents which earns interest at short-term market rates and floating rate bank loans whose interests are linked to EURIBOR.

As at 31 December 2019, the Group held a number of interest rate swaps for the purpose of hedging the interest on the bank loans. Any gains or losses recognised on the open interest rate swaps is offset by changes in the interest rates charged on the bank loans. Further details of the interest rate swaps held by the Group can be found in Note 17.

Note 4 - Financial risk management (continued)

a) Market risk (continued)

iii. Interest rate risk (continued)

As at 31 December 2019, had market interest rates increased by 100 basis points with all other variables held constant, the impact on the net assets would be a decrease of €2,805,792. A decrease in market interest rates by 100 basis points with all other variables held constant, the impact on the net assets would be an increase of €257,500.

The average effective interest rates of financial instruments at the date of the consolidated statement of financial position, based on reports reviewed by key management personnel, were as follows:

	31 December 2019
	€
Bank borrowings (see note 12)	1.60%
Shareholder loan (see note 12)	3.49%

b) Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Group has no significant concentrations of credit risk. Credit risk arises from cash and cash equivalents held at banks, trade receivables including rental receivables from lessees and rental guarantees. Credit risk is managed on a Group basis. The Group structures the levels of credit risk it accepts by placing limits on its exposure to a single counterparty, or groups of counterparties, and to geographical and industry segments. Such risks are subject to a quarterly or more frequent review. The Group has policies in place to ensure that rental property contracts are entered into only with lessees with an appropriate credit history, but the Group does not monitor the credit quality of receivables on an ongoing basis. Cash balances are held only with financial institutions with strong credit standing. The Group has policies that limit the amount of credit exposure to any financial institution. Limits on the level of credit risk by category and territory are approved quarterly by the Board of Managers of the General Partner. The utilisation of credit limits is regularly monitored.

The Group's maximum exposure to credit risk by class of financial asset other than derivatives is as follows:

	31 December 2019
	€
Other receivables	27,067,669
Cash and cash equivalents	109,123,390
	136,191,059

There are no financial assets that are past due or impaired. There are no collateral nor other credit enhancements held by the Group.

c) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash, the availability of funding through an adequate amount of capital commitments and the ability to close out market positions.

An investment in the Master Fund may provide limited liquidity since the Master Fund may be restricted in its ability to liquidate its investments. This could also impair the Master Fund's ability to distribute redemption proceeds to a redeeming Unitholder in a timely manner. The ISA of the Master Fund permits quarterly redemptions from the Master Fund at each quarter end subject to Redemption Queue and suspension mechanism, subject to the following conditions:

a) All Redemption Notices accepted on the same Quarter End will be grouped into the same Redemption Vintage.

b) Investors' Shares in a Redemption Vintage will be redeemed on a *pro rata* basis having regard to the total amounts of Shares presented for redemption on the Redemption Vintage in the same Redemption Vintage and *pari passu* with other Shares in the same Redemption Vintage.

Note 4 - Financial risk management (continued)

c) Liquidity risk (continued)

c) If, at the General Partner's sole discretion, a portion or all of the redemption requests of the same Redemption Vintage cannot be satisfied on the relevant Quarter End, a queuing system shall be operated in respect of the outstanding redemption requests

d) Each Redemption Vintage will be redeemed in turn before the next Redemption Vintage in the Redemption Queue. Redemptions may be suspended for a period not exceeding 18months if (i) the outstanding redemptions requests in the Redemption Queue represent more than 15% of the NAV of the Master Fund as at any given date, or (ii) the AIFM considers that there are special market or adverse conditions.

In addition to Shareholder loan, the Group has entered into loan facility agreements with the following banks (See Note 12 for further information on bank borrowings):

- Deka
- BerlinHyp AG
- NIBC
- BayernLB
- Helaba
- ING
- HSBC

The Group's liquidity position is monitored on a daily basis by the management and is reviewed quarterly by the Board of Managers of the General Partner. A summary table with maturity of financial liabilities presented below is used by key management personnel to manage liquidity risks and is derived from managerial reports at company level.

The amounts disclosed in the tables below are the contractual undiscounted cash flows. Undiscounted cash flows in respect of balances due within 12 months generally equal their carrying amounts in the consolidated statement of financial position, as the impact of discounting is not significant.

The maturity analysis at 31 December 2019 is as follows:

	On demand / < 1 month €	1 month to 1 year €	1 to 5 years €	Later than 5 years €	Total €
Liabilities					
Derivatives at fair value through profit or loss	-	(122,846)	-	(3,996,607)	(4,119,453)
Trade and other payables	-	(52,044,927)	-	-	(52,044,927)
Taxation payable	-	(2,900,925)	-	-	(2,900,925)
Borrowings (net of hedging)	-	(30,114,628)	-	(604,210,815)	(634,325,443)
Lease liability	-	(3,976,727)	(20,003,938)	(5,259,443)	(29,240,108)
Shareholder loan	-	-	-	(714,273,730)	(714,273,730)
	-	(89,160,053)	(20,003,938)	(1,327,740,595)	(1,436,904,586)

The amount of contractual undiscounted cash flows related to bank financing is calculated after hedging with the interest rate swap.

Capital risk management

The capital of the Group is represented by the net assets attributable to the partners, which can change significantly on a quarterly basis because of Group's performance and market evolution (mainly property prices, foreign currency and interest rate markets). The Group's objective when managing capital is to safeguard the Group's ability to continue as a going concern in order to provide returns for unitholders, provide benefits to other stakeholders and maintain a strong capital base to support the development of the investment activities of the Group.

In order to maintain the capital structure, the Group's policy is to perform the following:

- Monitor the level of cash held and required within one month and adjust the amount of distribution the Master Fund pays, in particular, in the context of unit buy back

Note 4 - Financial risk management (continued)

Capital risk management (continued)

- Buy back and issue new shares in accordance with the constitutional documents of the Master Fund

The Board of Managers of the General Partner and the AIFM monitor capital on the basis of the value of net assets attributable to unitholders in accordance with the principles defined in the ISA.

The Master Fund deploys a certain level of third party debt to finance part of the Master Fund's investments in real estate assets, to the extent that such financing is available. Such financing may include unsecured borrowings and non-recourse project level debt secured by the mortgage of one or more real estate assets themselves. The Master Fund has an absolute limit set at 45% loan to value ("LTV") in aggregate at portfolio level. As at 31 December 2019, the leverage of the real estate portfolio was 21.5% LTV.

The trading NAV is calculated based on the European Association for Investors in Non-Listed Real Estate Vehicles ("INREV") NAV guidelines.

The subscription NAV is calculated as set out in clause 17.1.2 of the ISA by performing adjustments compared to the IFRS NAV, including:
(i) The acquisition costs (including debt issuance costs) should be amortised over 10 years whereas these costs are fully expensed under IFRS.
(ii) The formation expenses should be amortised over a period of 10 years whereas these expenses are fully expensed under IFRS.
(iii) The tax adjustment corresponds mainly to discounts on latent capital gains tax and revaluations in case of exit on a share debt basis.

The table below shows the subscription NAV adjustments:

	31 December 2019
	€
Total net assets attributable to partners as per IFRS consolidated financial statements	**457,011,986**
Adjustments	
Set up costs adjustment	419,170
Acquisition expenses adjustment	11,070,794
Revaluation to fair value of savings of purchaser's costs such as transfer taxes	40,545,298
Revaluation to fair value of deferred taxes and tax effect of INREV NAV adjustments	(47,838,179)
Total adjustments	**4,197,083**
Subscription net asset value	**461,209,069**

Note 5 - Investment property

The Group invests in logistics real estate assets. Logistics real estate assets include predominantly industrial real estate assets such as operating industrial warehouse and logistics buildings such as bulk, trans-shipment, flex, light industrial, cold-storage, cross dock warehouses and parcel hubs. Industrial real assets can also include land utilised for trailer or container storage, parking or similar purposes.

The valuation of the Investment Properties was carried out by the external valuer in accordance with the RICS Valuation – Global Standards 2017 published by the Royal Institution of Chartered Surveyors on the basis of Fair Value. Fair Value is 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 table below shows the movement of investment properties held by the Group for the period ended 31 December 2019:

	27 June 2019 (Date of incorporation) Fair value	Purchases	Unrealised gain	Realised gain	Acquired through acquisition of subsidiaries	Sales	Capitalised lease incentives	31 December 2019 Fair value
	€	€	€	€	€	€	€	€
Investment property	-	137,088,599	75,846,953	776,310	1,676,550,391	(15,300,000)	5,735,734	1,880,697,987
Total	**-**	**137,088,599**	**75,846,953**	**776,310**	**1,676,550,391**	**(15,300,000)**	**5,735,734**	**1,880,697,987**

During the period ended 31 December 2019, the Group entered into the following transactions in respect of investment properties;

- As part of the acquisition of OneLog Invest (Lux) S.à r.l. (an asset acquisition, see Note 15), the Group acquired 38 logistics assets located across four European Markets; Germany, France, the Netherlands, and Poland. The initial fair value of the investment properties at the date of acquisition was €1,072m.
- The Group acquired LOG FR SAS (an asset acquisition, see Note 15), which owned 20 assets, among which eight were owned directly and twelve through its five subsidiaries. The initial fair value of the investment properties at the date of acquisition was €467m.
- As part of the PRISM transaction, the Group acquired both directly and indirectly a logistics facility currently under development in France and also 6 logistics assets located in Italy, France and the Netherlands through a combination of share deals and assets deals. The initial fair value of the investment properties acquired as part of the share deals was €138m (refer to Logistica Bentivolgio SPA, SPA Salvo and Helmond NL B.V. in Note 15), while the investment properties acquired directly were purchased at a cost of €80.3m.
- Acquired a distribution warehouse in Spain for €44.8m (excluding acquisition costs) through its subsidiary Log SP Partners S.L.U.
- Acquired two distribution warehouses in Netherlands for €13.2m (excluding acquisition costs), through its subsidiary Log NL B.V.
- Disposed of office property in Rotterdam for a total value of €15.3m.

Valuation process

The Group's investment properties were valued as at 31 December 2019 by an independent professional qualified valuer, CBRE Limited, who hold a recognised relevant professional qualification and relevant experience in the locations and segments of the investment properties valued. For all investment properties, their current use equals the highest and best use. The AIFM and the General Partner reviewed the valuations performed by the independent valuer for financial reporting purposes. The AIFM has established a process through its Valuation Committee to identify and review material movements in assets and also to ensure valuation trends are in line with market expectations.

Note 5 - Investment property (continued)

Valuation process (continued)

As at 31 December 2019, the Group has invested in the following investment properties:

Country	Valuation technique	Stabilised Yield	Estimated Rental Value €	Market Value €	Right of use asset €	Fair Value €
France	Income capitalisation approach	5.40%	50,500,000	809,076,230	-	809,076,230
Germany	Income capitalisation approach	4.80%	26,800,000	520,376,400	-	520,376,400
Netherlands	Income capitalisation approach	5.90%	20,500,000	353,235,106	2,426,493	355,661,599
Poland	Income capitalisation	6.80%	4,400,000	59,928,000	-	59,928,000
Spain	Income capitalisation approach	5.20%	2,600,000	45,055,758	-	45,055,758
Italy	Income capitalisation approach	5.90%	6,300,000	90,600,000	-	90,600,000
				1,878,271,494	**2,426,493**	**1,880,697,987**

As at 31 December 2019, the Group has classified the fair value of investment properties as Level 3.

As at 31 December 2019, if rental yield rates had been 0.5% higher, with all other variables held constant, the valuation of investment properties would have been €158,402,089 lower. As at 31 December 2019, if rental yield rates had been 0.5% lower, with all other variables held constant, the valuation of investment properties would have been €182,716,341 higher.

As at 31 December 2019, if rental income rates had been 5% higher, with all other variables held constant, the valuation of investment properties would have been €85,522,982 higher. As at 31 December 2019, if rental income rates had been 5% lower, with all other variables held constant, the valuation of investment properties would have been €94,183,351 lower.

Valuation techniques underlying management's estimation of fair value

Both the income capitalisation method and the discounted cash flow method are based on significant unobservable inputs including:

- Future rental cash inflows based on the actual location, type and quality of the properties and supported by the terms of any existing lease, other contracts or external evidence such as current market rents for similar properties;
- Discount rates reflecting current market assessments of the uncertainty in the amount and timing of cash flows;
- Estimated vacancy rates based on current and expected future market conditions after expiry of any current lease;
- Capitalisation rates based on actual location, size and quality of the properties and taking into account market data at the valuation date;
- Terminal value taking into account assumptions regarding maintenance costs, vacancy rates and market rents.

Note 6 - Other receivables and prepayments

	31 December 2019
	€
Value added tax receivable	610,057
Rent receivable	9,297,510
Tenant deposits	735,796
Accrued income	4,636,579
Receivable from property managers	1,658,631
Other taxation paid in advance	2,644,017
Property related expenses receivable	6,502,335
Other receivables and prepayments	982,744
	27,067,669

Note 7 – Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks and other short term highly liquid investments with original maturities of three months or less. All cash and cash equivalents available are held at banks with credit risk rating within the "good" category of at least one of the three main rating agencies: Moodys, Fitch, and Standard & Poors.

Note 8 – Trade and other payables

	31 December 2019
	€
Accounting fees	27,475
Administration fees	93,070
Audit fees	289,051
Bank loan interest payable	4,077,298
Shareholder loans interest payable	6,210,432
Value Added Tax payable	1,367,491
Depositary fees accrued	91,280
Fixed asset accruals	141,817
Legal fees	38,638
Management fees	1,710,080
Refundable deposits	7,473,313
Refinancing fees	2,241,433
Property costs	7,411,723
Early repayment fees	5,402,614
Tax fees	6,368
Trade creditors	1,996,534
Valuation fees	11,660
Accrued operating expenses	11,509,910
Other payables and accrued expenses	1,944,740
	52,044,927

Note 9 – Rental income

	31 December 2019
	€
Rental income	55,094,572
	55,094,572

At period-end the total contractually agreed rental income based on the leases in operation (excluding rental guarantees received) is as follows:

	31 December 2019
	€
No later than 1 year	84,319,651
Later than 1 year and no later than 2 years	79,007,173
Later than 2 years and no later than 3 years	66,474,463
Later than 3 years and no later than 4 years	53,561,699
Later than 4 years and no later than 5 years	41,278,434
Later than 5 years	114,572,895
Total	439,214,315

Note 10 - Operating expenses

	31 December 2019
	€
Accounting and professional fees	1,138,425
Administration fees	205,278
Audit fees	750,000
Legal fees	277,245
Management fees	2,811,754
Other property expenses	5,536,320
Real estate expenses	157,348
Tax fees	464,922
Valuation fees	424,728
Corporate costs	913,011
Other operating expenses	1,359,919
	14,038,950

Note 11 - Finance result

	31 December 2019
	€
Realised foreign exchange gains	17,868
Unrealised gain on derivatives	450,406
Unrealised foreign exchange gains	14,391
Interest income bank accounts	201,516
Finance income	**684,181**
Interest expense on bank loans	5,270,273
Interest expenses on shareholder's loans	11,737,876
Bank charges	5,908,787
Interest expense on derivatives	857,987
Other interest expense	2,163,720
Debt issue fees	759,619
Finance expense	**26,698,262**
Finance result	**(26,014,081)**

Note 12 - Borrowings

The table below shows the Group’s bank borrowings and Shareholder loan facility as at 31 December 2019:

	31 December 2019
Non-Current	€
Bank loans	403,445,303
Shareholder loans	714,273,730
Loans from non-controlling interests	177,865,655
Lease liability	25,263,381
Total non-current borrowings	**1,320,848,069**
Current	
Bank loans	32,894,664
Debt issuance costs	(2,618,882)
Amortisation of debt issuance	759,619
Lease liability	3,976,727
Total current borrowings	**35,012,128**
Total borrowings	**1,355,860,197**

Bank loans & finance lease

- The Group, through its subsidiary OneLog Invest (Lux) S.à r.l., has entered into the following loan facility agreements:
  - Loan facility agreements with Deka for a combined principal amount of EUR 157.4m. The loans bear fixed interest of 1.6% and 3.1% per annum and mature on 16 November 2023 and 17 December 2020.
  - A loan facility agreement with BerlinHyp AG for a principal amount of EUR 109.4m. The loan bears floating interest of 3 month EURIBOR and a margin of 1.3 % per annum and matures on 31 December 2022.
  - Loan facility agreements with NIBC bank for a combined principal amount of EUR 24.8m. The loans bear floating interest of 3 month EURIBOR and a margin of 3.0 % per annum and mature on 02 December 2020 and 28 June 2023.
  - A loan facility agreement with BayernLB for a principal amount of EUR 10.5m. The loan bears floating interest of 6 month EURIBOR and a margin of 1.2 % per annum and matures on 31 March 2020.

Note 12 – Borrowings (continued)

Bank loans & finance lease (continued)

- A loan facility agreement with Helaba for a principal amount of EUR 23.5m. The loan bears floating interest of 3 month EURIBOR and a margin of 2.1 % per annum and matures on 25 April 2021.
- Loan facility agreements with ING bank for principal amounts of EUR 33.5m and EUR 5.6m. The loans bear floating interest of 3 month EURIBOR and margins of 1.4 % and 1.9% per annum and mature on 6 January 2024 and 22 July 2023 respectively.
- On 15 October 2019, OneLog Invest (Lux) S.à r.l. entered into a short term bridge facility agreement with HSBC France for a principal amount of EUR 71.8m to finance the acquisition of a portfolio that spans 3 European countries (See Note 5). This loan bears interest of 3 month EURIBOR plus a margin of 1% per annum and matures on 15 April 2020.

Lease liability
The Group, as part of the OIL transaction, has entered into finance lease agreements through a subsidiary named GPE Feuillane22 (FR) SCI. The Group has recognised lease liabilities in respect of a property located in the Marseille region (Fos-sur-Mer) of France and two properties located in The Netherlands.

Shareholder loan
On 6 August 2019, the Master Fund entered into a Shareholder loan agreement with Logistics Europe AXA Feeder S.C.A. (the "Sole Limited Shareholder") for a shareholder loan facility that corresponds to its Investor Capital Commitment reduced by any amount corresponding to any drawdown allocated from time to time to the subscription of Class A shares. This agreement is effective for thirty years beginning from the effective date of the agreement. The loan bears interest at a rate that equals the average interest rate applicable on the Subordinated Loans provided by the Master Fund to Local Property Companies where it owns an equity stake directly or indirectly.

For the period ended 31 December 2019, the balance of the loan facility was €714.2m with accrued interest payable of €6.2m. Interest expense for the period ended 31 December 2019 amounted to €11.7m.

Reconciliation of liabilities arising from financial activities

		Cash flows		Non cash changes		
	27 June 2019	Loan drawdowns	Repayments	Amortisation of debt issue costs	Acquired on acquisition of subsidiaries	31 December 2019
	€	€	€	€	€	€
Bank loans	-	40,550,848	-		395,789,119	436,339,967
Shareholder loans	-	158,100,218	(11,147,625)		567,321,137	714,273,730
Loans from non-controlling interests	-	-	-		177,865,655	177,865,655
Lease liability	-	-	-		29,240,108	29,240,108
Debt issuance costs	-	(2,618,882)	-	759,619	-	(1,859,263)
	-	196,032,184	(11,147,625)	759,619	1,170,216,019	1,355,860,197

Note 13 - Related party transactions

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial or operating decisions or vice versa or where the Group and other parties are subject to common control or common significant influence. Related parties may be individuals or entities. The Group considers the AIFM, General Partner and their affiliates to be related parties.

Shareholder loan
For details of the shareholder loan, please refer to Note 12.

Note 13 - Related party transactions (continued)

Management fees
The Group appointed, as Alternative Investment Fund Manager, AXA Real Estate Investment Managers SGP (the "AIFM"), a French regulated management company, which is subject to French regulation and accordingly manages clients' portfolios on real estate investments, securities or other debt products which may be directly or indirectly secured by real estate assets, properties or rights, as advisor to source and to advise on the investment in financial assets owned by the Group and their sales and on the management of certain administrative services in relation with the financial assets of the Group.

The General Partner, the AIFM and their affiliates shall receive from the Group an annual Management Fee that equals 0.55% of the Group's aggregate share value and the NAV per unit of the Class C shares.

Management fees charged for the period ended 31 December 2019 amounted to €2,811,754, of which €1,710,080 was payable at the period end.

Note 14 – Non-controlling interests

As at 31 December 2019, the Group held 67.98% interest in OneLog Invest (Lux) S.à r.l., (see Note 18). The remaining 32.02% is held by a third party, ACEF Holding S.C.A., who has a non-controlling interest in the investment. Within the OneLog Invest (Lux) S.à r.l subgroup, there are also a number of entities in which a third party has a non-controlling interest of between 5.1% and 6%, none of which are individually material to the Group. The following analysis has been presented at the level of the consolidated OneLog Invest (Lux) S.à r.l. subgroup.

Movements in non-controlling interests are detailed in the table below.

	Period ended 31 December 2019 €
Opening balance	-
Acquired (see Note 15)	91,560,709
Additions	13,307,149
Profit allocated during the period	16,013,410
Closing balance	120,881,268

Note 14 – Non-controlling interests (continued)

Below is the summarised financial information for each subgroup that has non-controlling interests that are material to the Group. The amounts disclosed for each subgroup are before inter-company eliminations.

OneLog Invest (Lux) S.à r.l. Summarised balance sheet	31 December 2019 Total €
Non-current assets	1,326,745,683
Current assets	107,199,109
Current liabilities	49,903,815
Net current assets	57,295,294
Non-current liabilities	1,027,425,620
Non-controlling interest	9,845,588
Net assets	**346,769,769**
Accumulated non-controlling interests	**120,881,268**

Summarised statement of comprehensive income	**Period ended 31 December 2019 €**
Revenue	94,735,528.50
Profit for the period before allocation of profit to non-controlling interest	**47,084,788**
Profit allocated to non-controlling interest	**(1,378,142)**
Total comprehensive income	**45,706,646**
Total profit allocated to non-controlling interest	**16,013,410**

Note 15 – Acquisition of subsidiaries

On 25 July 2019, the Master Fund entered into a Contribution Agreement with its Sole Limited Partner. By the terms of Contribution Agreement, the Sole Limited Partner has contributed 8,498 (67.98%) shares of OneLog Invest (Lux) S.à r.l. having a value of €178.8m, 2,081,387 shares (100%) of LOG FR SAS having a value of €225.79m and 1,000 shares of Log NL B.V. (100%) having a value €1,000 as contribution in kind to subscribe 404,610 shares issued by the Master Fund having a value of €40,461,000 together with the share premium of €364,149,692. Refer Note 20 for further details of indirect subsidiaries acquired as part of the acquisition of OneLog Invest (Lux) S.à r.l. and LOG FR SAS.

The table below shows the assets and liabilities recognised in the consolidated statement of financial position at the date of acquisition. Log NL B.V. had no assets or liabilities at the acquisition date.

	OneLog Invest (Lux) S.à r.l.	LOG FR SAS	Logistica Bentivolgio SPA	SPA San Salvo	Helmond NL B.V.	Total
	€	€	€	€	€	€
Investment property (see Note 5)	1,072,275,890	466,272,952	66,525,996	20,467,346	51,008,207	1,676,550,391
Cash and cash equivalents	53,049,552	12,383,210	1,293,000	518,099	618,142	67,862,003
Borrowings (see Note 12)	(855,706,234)	(250,999,254)	(34,756,000)	(10,500,000)	(18,254,531)	(1,170,216,019)
Other receivables	16,043,779	6,128,989	267,000	5,925	133,843	22,579,536
Deferred income	(2,058,384)	(933,411)	-	-	-	(2,991,795)
Tax payable	-	(103,158)	-	-	-	(103,158)
Other payables	(13,225,252)	(6,958,278)	(1,665,000)	(23,017)	-	(21,871,547)
Non-controlling interest (see Note 14)	(91,560,709)	-	-	-	-	(91,560,709)
Total purchase consideration	**178,818,642**	**225,791,050**	**31,664,996**	**10,468,353**	**33,505,661**	**480,248,702**
Capital contributions in specie	178,818,642	225,791,050	-	-	-	404,609,692
Net inflow/outflow of cash and cash equivalents	53,049,552	12,383,210	(30,371,996)	(9,950,254)	(32,887,519)	(7,777,007)

Note 16 – Share capital

As at 31 December 2019, the Master Fund had an issued and fully paid up share capital of €40,491,100.

Note 17 – Derivatives at fair value through profit or loss

The Group uses forward currency contracts, which represents commitments to purchase domestic currency to hedge against foreign currency exposures. The Group also uses interest rate swaps, which relates to contracts taken out by the Group with major brokers in which the Group either receives or pays a floating rate of interest in return for paying or receiving, respectively, a fixed rate of interest. These derivatives are accounted for as trading instruments.

The notional/transaction amounts of certain types of financial instruments provide a basis for comparison with instruments recognised on the statement of financial position but do not necessarily indicate the amounts of future cash flows involved or the current fair value of the instruments and, therefore, do not indicate the Group's exposure to credit or price risks.

The derivative instruments become favourable (assets) or unfavourable (liabilities) as a result of fluctuations in interest rates relative to the terms. The aggregate transaction or notional amount of derivative financial instruments on hand, the extent to which instruments are favourable or unfavourable, and thus the aggregate fair value of derivative financial assets and liabilities, can fluctuate significantly from time to time.

The fair values of derivative instruments held are set out below:

	Contract / notional amount	Fair values	
		Assets	Liabilities
	€	€	€
As at 31 December 2019			
Interest rate swaps			
Current	22,470,000	-	(122,846)
Non-current	190,906,498	-	(3,996,607)

Maturities for interest rate swaps held at 31 December 2019 ranged from March 2020 to January 2024.

Note 18 - Taxation

The Group is liable to income tax and other taxes in Luxembourg. The table below shows the total amount charged for the period, split by type of taxation as follows:

	Charge for the period ended 31 December 2019	Accrual 31 December 2019
	€	€
Income tax *	2,247,910	2,900,788
Non recoverable value added tax	90,897	-
Other tax	690,713	137
Taxation expense	3,029,520	2,900,925
Deferred tax	20,250,680	20,250,680
Total taxation	23,280,200	23,151,605

* The tax on the Group's profit before tax differs from the theoretical amount that would arise using the weighted average tax rate on the applicable profits of the consolidated companies as follows:

	31 December 2019
Profit before tax	91,664,804
Theoretical tax rate	25.50%
Theoretical tax expense	23,374,525
Other	(94,325)
Taxation expense	23,280,200

The weighted average applicable tax rate in France, Germany, Netherlands, Poland, Luxembourg and Spain during the period was 25.5% .

Note 19 – Commitments and contingent liabilities

As at 31 December 2019, the total commitment of the investors in the Fund amounts to €1,705,518,306. As at 31 December 2019 €575,456,159, has not yet been called.

The Master Fund had no commitments to third parties.

According to the sale and purchase agreement (“SPA”) signed between Onelog NL Ridderkerk B.V. and the seller on 5 September 2018, the purchase price of the Ridderkerk property is subject to a 30% increase based on the difference between the market value at delivery date (December 2019) and the original purchase price (€24.3m), if the building is (partially) unconditionally leased to a tenant within a period of three months after the delivery date (refer to Note 21 for subsequent event update).

As at 31 December 2019, the shares and/or properties from underlying subsidiaries of OneLog Invest (Lux) S.à r.l. have been pledged when a bank loan is used to finance the asset. As from February 2020, the OneLog Invest (Lux) S.à r.l. entered into a Share pledge agreement (as “Pledgor”) with Natixis Pfandbriefbank AG (as “Pledgee”) in connection with a common terms and facilities agreement made between, amongst others, OneLog Invest (Lux) S.à r.l. as topco, OneLog treasury S.à r.l. as centralising entity, HSBC France, Natixis, Natixis Pfandbriefbank AG, Société Générale S.A. Frankfurt Branch as original lenders and Natixis Pfandbriefbank AG as facility agent and security agent. All the shares owned from time to time by OneLog Invest (Lux) S.à r.l. now and in the future in its subsidiaries have been pledged in favour of Natixis Pfandbriefbank AG as first ranking security for the secured liabilities.

Note 20 – Group information

The consolidated financial statements of the Group includes the following entities:

Name of company	Registered office of the company	Nature of relationship	Effective ownership percentage 31 December 2019	Consolidation method
AXA Logistics Europe Master S.C.A.	Luxembourg			
OneLog Invest (Lux) S.à r.l.*	Luxembourg	Subsidiary	67.98%	Full consolidation
LOG FR SAS**	Luxembourg	Subsidiary	100.00%	Full consolidation
Onelog NL TZA B.V.*	Netherlands	Subsidiary	67.98%	Full consolidation
Onelog NL Ridderkerk B.V.*	Netherlands	Subsidiary	67.98%	Full consolidation
Meerane 14 (Lux) S.à r.l.*	Luxembourg	Subsidiary	64.51%	Full consolidation
Heinsberg 17 (Lux) S.à r.l.*	Luxembourg	Subsidiary	64.51%	Full consolidation
Castrop S.à r.l.*	Luxembourg	Subsidiary	67.98%	Full consolidation
LOG Peninsular Industry SLU	Spain	Subsidiary	100.00%	Full consolidation
LOG SP Partners S.L.U	Spain	Subsidiary	100.00%	Full consolidation
Duerrholz 1 (Lux) S.à r.l.*	Luxembourg	Subsidiary	64.51%	Full consolidation
Friedrichspark 3 (Lux) S.à r.l.*	Luxembourg	Subsidiary	64.51%	Full consolidation
Frechen 7 (Lux) S.à r.l.*	Luxembourg	Subsidiary	64.51%	Full consolidation
Juechen 8 (Lux) S.à r.l.*	Luxembourg	Subsidiary	64.51%	Full consolidation
PDC Industrial Center 47 sp.z.o.o.*	Poland	Subsidiary	67.98%	Full consolidation
Manua sp.z.o.o.*	Poland	Subsidiary	67.98%	Full consolidation
Tabosa sp.z.o.o.*	Poland	Subsidiary	67.98%	Full consolidation
OneLog NL Venray B.V.*	Netherlands	Subsidiary	67.98%	Full consolidation
OneLog NL Utrecht B.V.*	Netherlands	Subsidiary	67.98%	Full consolidation
OneLog Properties France SPPPICAV*	France	Subsidiary	67.98%	Full consolidation
Vendôme Logistique OPPCI**	France	Subsidiary	100.00%	Full consolidation
Princeton Holdings (Lux) S.à r.l.*	Luxembourg	Subsidiary	64.51%	Full consolidation
Carmine Logistics (Lux) S.à r.l.*	Luxembourg	Subsidiary	64.51%	Full consolidation
Sepia Logistics (Lux) S.à r.l.*	Luxembourg	Subsidiary	64.51%	Full consolidation
Princeton Participation GmbH & Co KG*	Germany	Subsidiary	60.64%	Full consolidation
Princeton Investments (Lux) S.à r.l.*	Luxembourg	Subsidiary	64.51%	Full consolidation
Princeton Participation Management GmbH*	Germany	Subsidiary	64.51%	Full consolidation
Langenbach Logistics (Lux) S.à r.l.*	Luxembourg	Subsidiary	64.28%	Full consolidation
Celestite Logistics (Lux) S.à r.l.*	Luxembourg	Subsidiary	64.28%	Full consolidation
Marcasite Logistics (Lux) S.à r.l.*	Luxembourg	Subsidiary	64.28%	Full consolidation
Vanilla Logistics (Lux) S.à r.l.*	Luxembourg	Subsidiary	64.28%	Full consolidation
Coriander Logistics (Lux) S.à r.l.*	Luxembourg	Subsidiary	64.28%	Full consolidation
Aventurine Logistics (Lux) S.à r.l.*	Luxembourg	Subsidiary	64.28%	Full consolidation
OneLog France Holding SAS*	France	Subsidiary	67.98%	Full consolidation
OnePost SCI*	France	Subsidiary	67.98%	Full consolidation
GPE Douai Holding 23 (FR) SAS*	France	Subsidiary	67.98%	Full consolidation
GPE Feuillane Holding 21 (FR) SAS*	France	Subsidiary	67.98%	Full consolidation
GPE Chester Holding 25 (FR) SAS*	France	Subsidiary	67.98%	Full consolidation
GPE Feuillane 22 (FR) SCI*	France	Subsidiary	67.98%	Full consolidation
SCI Castelnau 1*	France	Subsidiary	67.98%	Full consolidation
SCI St Martin*	France	Subsidiary	67.98%	Full consolidation
Douai Logistics (France) SCI*	France	Subsidiary	67.98%	Full consolidation
OneLog NL Holding 2 B.V.*	Netherlands	Subsidiary	67.98%	Full consolidation
OneLog NL Holding 1 B.V.*	Netherlands	Subsidiary	67.98%	Full consolidation
OneLog NL Uden B.V.*	Netherlands	Subsidiary	67.98%	Full consolidation

Note 20 – Group information (continued)

Name of company	Registered office of the company	Nature of relationship	Effective ownership percentage 31 December 2019	Consolidation method
OneLog NL Amsterdam B.V.*	Netherlands	Subsidiary	67.98%	Full consolidation
OneLog NL Tiel B.V.*	Netherlands	Subsidiary	67.98%	Full consolidation
OneLog NL Zaandam B.V.*	Netherlands	Subsidiary	67.98%	Full consolidation
OneLog NL Kerkrade B.V.*	Netherlands	Subsidiary	67.98%	Full consolidation
OneLog NL OBP B.V.*	Netherlands	Subsidiary	67.98%	Full consolidation
OneLog NL Breda B.V.*	Netherlands	Subsidiary	67.98%	Full consolidation
OneLog NL Holding 3 B.V.*	Netherlands	Subsidiary	67.98%	Full consolidation
Logistis Helmond B.V.	Netherlands	Subsidiary	67.98%	Full consolidation
Onesotoko SCI	France	Subsidiary	67.98%	Full consolidation
OneGrenay SCI	France	Subsidiary	67.98%	Full consolidation
OneSaintVulbas SCI	France	Subsidiary	67.98%	Full consolidation
One Tigery SCI	France	Subsidiary	67.98%	Full consolidation
SPA San Salvo	Italy	Subsidiary	67.98%	Full consolidation
Logistica Bentivolgio SPA	Italy	Subsidiary	67.98%	Full consolidation
PrismItaly S.à r.l.	Luxembourg	Subsidiary	67.98%	Full consolidation
OneLog Treasury S.à r.l.	Luxembourg	Subsidiary	67.98%	Full consolidation
Angers Marly Logistics Investments SCI**	France	Subsidiary	100.00%	Full consolidation
FOS Distriport Logistics Investments SCI**	France	Subsidiary	100.00%	Full consolidation
Meaux Vert St Denis Logistics Investments SCI*	France	Subsidiary	100.00%	Full consolidation
St Georges Esp. Logistics Investments SCI**	France	Subsidiary	100.00%	Full consolidation
LOG NL B.V.	Netherlands	Subsidiary	100.00%	Full consolidation

*represents entities acquired through acquisition of OneLog Invest (Lux) S.à r.l.
**represents entities acquired through acquisition of LOG FR SAS

Note 21 – Subsequent events

In February 2020, OneLog Invest (Lux) S.à r.l. went through a refinancing project (the Facility A) of all its subsidiaries (except the Italian ones) by which the current Shareholder loans to affiliated undertakings have been reimbursed and new shareholder loans have been issued. The refinancing of the Italian subsidiaries (the Facility B) took place in April/May 2020. Following the refinancing, shares of the underlying entities have been pledged.

In March 2020, a further €100,000,000 was committed to the Master Fund by investors.

On 28 May, 2020, OneLog Invest (Lux) S.à r.l. signed a Share Purchase Agreement to acquire a portfolio of four Dutch companies, each of them owning a logistics asset. Among these four companies, three were acquired on 28 May and one is going to be bought at the end of June, following the delivery of the asset. For the purpose of such acquisition and to finance some development costs on OneStoko (the Venette asset, also known as "Stokomani" in relation with the name of its future tenant, is a development project in the Parisian suburb that should be delivered in August 2020).

To finance the above mentioned investment activity, the Master Fund called a total capital of EUR 35,232,200 from the investors.

Covid-19 pandemic situation

The outbreak of the novel coronavirus (Covid-19), declared by the World Health Organization as a "Global Pandemic" on March 11, 2020, has impacted global financial markets. Travel restrictions have been implemented by many countries. While it is possible to identify the real estate sectors most exposed over the short term to Covid-19, logistics is not expected to be as impacted by Covid-19 as other sectors such as hospitality and retail. This is partly due to the accelerating growth in e-commerce (which typically requires more logistics space to service it than is the case for in-store retail) but also because a large proportion of activity related to logistics is defined as 'essential' (such as the delivery of food and other supplies).

Note 21 – Subsequent events (continued)

Covid-19 pandemic situation (continued)

Nonetheless, the global recession that is likely underway is expected to affect demand for logistics space, but this will vary by market, customer sector (e.g. food retailer v clothing retailer) and assets. Low availability in most markets and a modest speculative development pipeline (which is expected to be cut further due to labour and materials shortages, concerns over safe working practices on site and the perceived higher risk of development) should help under-pin prime rents and yields.

As of today, the management of the Group is not aware of major events on the Group's portfolio that would impact materially Group liquidity.

The volatility incurred by financial markets over the past few weeks illustrates the difficulty of precisely quantifying the financial impact of current events and as a matter of fact, we understand that valuers will likely add a warning on material uncertainty to their valuations at the end of Q1 2020 regarding the impact of Covid-19 in line with the RICS Red Book Global which is not yet, if any, taken into account in their valuations at the end of Q4. Consequently, less certainty – and a higher degree of caution – shall be attached to these valuations than would normally be the case.

Logistics investment volumes were strong in Q1 but are likely to slow in Q2, partly because COVID-19 containment measures mean investors are having difficulties accessing sites and completing due diligence, but also because increased caution by banks may mean some investors have difficulties accessing new lending at appropriate prices. However, with the COVID-19 crisis highlighting the key role played by logistics, the sector is expected to remain of interest to investors.

In addition, some new regulations are about to be put in place in several European countries to protect tenants from insolvency. The Group will comply with these new regulations once officially released.

Following the Covid-19 crisis, two lease amendments have been signed with tenants of German assets:

- Duerrholz 1 (Lux) S.à r.l.: a lease amendment has been signed with Reifen Gundlach to expand the lease duration from 10 to 15 years as compensation for the rent-free period granted from 1 April to 31 August 2020 (service charges for the property during the related months need however to be paid);

- Juechen 8 (Lux) S.à r.l.: a lease amendment has been signed with Polo Motorrad, allowing for a 100% deferral of the April and May rents. Payment of the deferred rents has to be done by 31 March 2021, with commitment to pay a first partial amount by 30 June 2020.

In France, an agreement has been found with 10 tenants in relation with the payment of rent and charges related to Q2 2020: payment made by third, at the end of the month (instead of quarterly in advance).

The Group has included in Note 19 an undrawn capital commitment of €42.3m, which is linked to the Prism transaction. As the 7th asset of the Prism portfolio will not be acquired, the undrawn capital commitment has expired on March 31, 2020.

The contingent liability associated with the Ridderkerk property (see Note 19) has not crystallised as the property has not been let (even partially) within 3 months of its delivery (i.e. no tenant by end of March 2020). Therefore, the contingent liability has expired and no price adjustment has been paid.

There were no other material events affecting the Group since the period end.