Real Assets

AXA CoRE Europe Fund S.C.S., SICAV-SIF

An open-ended variable capital investment fund *(société d'investissement à capital variable-fonds d'investissement spécialisé)* incorporated as a common limited partnership *(société en commandite simple)* under the laws of the Grand Duchy of Luxembourg

Annual Report and Audited Consolidated Financial Statements for the year ended 31 December 2023

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Index

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Sylvie Reisen
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Fund summary

MANAGEMENT REPORT

Eight years following the launch of AXA CoRE Europe, the Fund has established a diversified portfolio of 401 assets of high standard and technical features, in 5 sectors located across 15 European countries. The Fund is among the largest pan-European core real estate funds and offers investors stability and resilience in the current market environment. In 2023, AXA CoRE Europe Fund continued to evolve its portfolio to enhance the overall quality. The Fund invested c. €330m in new acquisitions in the logistics and residential sectors, reflecting continued convictions for the sectors, whilst also realizing disposals of a number of non-strategic assets with limited value potential in France, Denmark, and Ireland.
In Q4 2023, the Fund has delivered a total performance of -5.1% which is driven by -5.8% of capital return (incl. -1.3% of MtM of fixed debt) and 0.7% of income return and YTD total performance of -12.8% (+2,8% of income and -15.3% capital returns).

AXA CoRE Europe, among the largest pan-European core real estate Funds, is very pleased to have achieved its 2023 GRESB target of 5 stars for standing and developments investments, with a score of 88/100 (above peer average). This success is a significant milestone for the Fund, representing 4 points increase compared to 2022, and demonstrates the emphasis the Fund and Asset Management teams have placed on the initiatives taken across the portfolio to enhance the ESG profile of assets. The Fund, in line with AXA IM Alts' ESG strategy, intends to continue decarbonizing the portfolio, furthering collection and monitoring of ESG data, and improving ESG scores. ESG is a strong focus for AXA CoRE Europe, emphasizing its considerations at acquisition and the integration of initiatives through our asset management team to reduce energy consumption, retention of tenants through additional benefits for the occupiers, and to increase the attractiveness and liquidity of the assets.

European economy

The Eurozone economy stagnated quarter-on-quarter (q-o-q) in Q4 2023, up from a growth rate of 0.1% q-o-q contraction in Q3 2023. The performance is primarily attributable to exports remaining flat and imports increasing, and changes in inventories continued to be a drag on growth. Household consumption remained sluggish but, on a brighter note, both fixed investment and public spending advanced significantly. Looking at 2023 as a whole, GDP grew by 0.4%, marking a sharp decline from a 3.4% expansion in 2022. The UK economy shrank by 0.3% q-o-q in Q4 2023, down from 0.1% decline q-o-q in Q3 2023. Considering 2023 in full, GDP in the UK edged up 0.1%. Amidst significant geopolitical risks, AXA IM Research expects a deceleration in advanced economies as monetary tightening weighs more obviously, forecasting slowing growth in the US, Eurozone and Japan. AXA IM Research forecasts Eurozone growth at 0.3% in 2024 and 0.8% in 2025. The UK is expected to see GDP of 0.4% in 2024 and 0.8% in 2025.

Eurostat's final Eurozone December HICP print was in line with the flash estimate. Headline inflation increased by 0.5 percentage points to 2.9%. The pick-up in headline inflation reflected a comparison with a year earlier when several governments were heavily subsidising gas, electricity and food costs with measures they have since started to withdraw. The core rate, excluding volatile food and energy prices, cooled, slowing to 3.4%, its lowest point since March 2022. As we enter 2024, shipping issues in the Red Sea may lead to upward price pressures. In the UK, annual inflation unexpectedly rose to 4% in December 2023 from a nearly two-year low of 3.9% in November. AXA IM Research expect both Eurozone and UK CPI inflation to decelerate and reach target by 2025.

Accordingly, AXA IM Research have pencilled June 2024 for the first ECB rate cut, with rates expected to be cut by 25 basis points (bps) a quarter to reach 3.25% by year-end, down from currently 4%. This will, however, continue to depend on the pace of underlying price pressures cooling. The BoE is expected to start loosening from August 2024, with the Bank rate expected to be cut to 4.50% by end-2024, down from currently 5.25%.

European Investment

Investors are navigating a more uncertain environment. High interest rates, falling but still high inflation, a slow economic environment, the risk of government or central bank policy errors, and political conflict on several fronts continue to weigh on investment volumes and pricing. Pricing expectations between buyers and sellers still diverge, although they have narrowed.

CBRE estimates European real estate investment volumes reached a below average €43 billion in Q4 2023, up 17% q-o-q but down 32% year-on-year (y-o-y), and the lowest figure for the final quarter of a year since 2011. This took volumes for the year to €162 billion, the lowest annual figure since 2012 and a 48% decline on 2022.

Fund summary

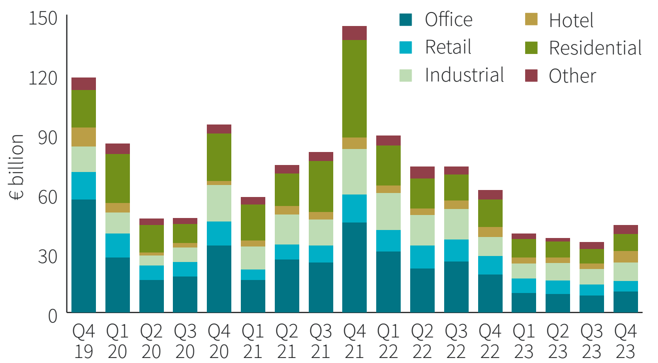
MANAGEMENT REPORT (CONTINUED)

All major Western European countries posted double-digit y-o-y declines in volumes in 2023. The UK had the highest investment volumes in 2023, at €50 billion, 31% below 2022, followed by Germany with €29 billion (-56% y-o-y) and France with €16 billion (-56% y-o-y).

All the key sectors posted double-digit y-o-y declines in investment volumes in 2023. Offices remained the largest sector, with €37.4 billion and 23% of the total, followed by industrial & logistics (€33.6 billion, 21%), residential (€33.3 billion, 21%) and retail (€25.0 billion, 15%).

CBRE data suggests EMEA yields moved upwards in the vast majority of sectors and segments in 2023. Office yields moved out an estimated 86 bps, multi-family residential 56 bps, industrial 49 bps, retail 40 bps and hotels 36 bps.

European investment volumes



Source: CBRE, AXA IM Alts. Data as at 19 January 2024.

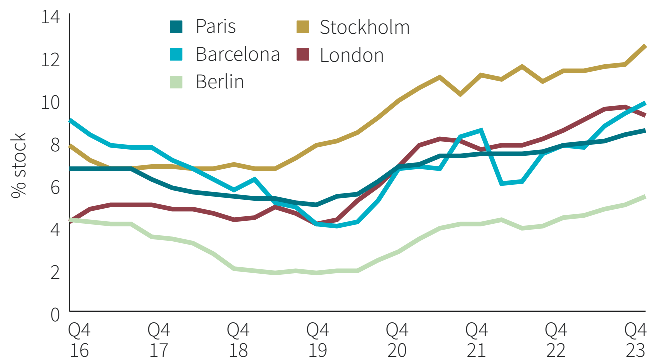
European Offices

2023 brought many challenges to European office markets. Beyond the ongoing effects of inflation and supply chain issues, which have driven up costs for occupiers, there have also been wider structural changes that are impacting office occupier markets. After weak take-up in the first three quarters of 2023, leasing activity in the 10 key European markets (Amsterdam, Barcelona, Berlin, Dublin, London, Madrid, Milan, Munich, Paris, Stockholm) saw an uptick of 12% q-o-q to 5.6 million sq m in Q4.

Total annual take-up fell, nevertheless, by almost 20% y-o-y and was 13.5% short of the annual average for the last 15 years. Three markets reported above trend leasing activity – London, Madrid and Milan, with the latter seeing the strongest take-up ever recorded in a quarter in Q4. The weakest performers in 2023 in comparison to their long-term trends were Dublin (46% below) and Munich (35% below). The slowdown in take-up is mainly due to companies' higher efficiency regarding their floorspace and increasing renewals due to rising economic uncertainty. Take-up remains focused on best-in class, sustainable and centrally located offices. Many businesses are reducing their office footprint to be able to pay a premium for higher quality space.

The aggregated European office vacancy of the 10 key European markets increased by 7.2% in 2023 and has now risen by 72% since its trough at the end of 2019. The strongest increases in vacancy rates in 2023 were seen in Stockholm (200bps) and Dublin (160 bps).

Office vacancy rates in Europe



Source: JLL, AXA IM - Real Assets. Data as at Q4 2023.

The clear occupier preference for better quality space has resulted in strong rental value growth in recent years. Apart from Dublin, all of the 10 key European markets experienced an increase in prime rent in 2023. Munich (13.6%) and London (7.7%) saw the strongest growth in 2023, whereas Barcelona and Milan only grew by 0.9% and 1.4% y-o-y respectively; rents remained stable in Dublin. Occupancy and pricing fundamentals for prime offices have fared far better than for lower quality space.

European Retail

Retail has held up above expectations in the face of the cost-of-living crisis and is ahead in the correcting cycle. In 2023, footfall and retailers' performance have surprised on the upside and leasing activity has been very active. Short-term uncertainty remains in the consumer space with fading post-Covid buffers i.e. depleted excess savings and potential lagging effects of quantitative tightening on economies via slowing growth and higher interest rates. However, overall, the outlook remains positive in the medium-term, as real incomes improve and retailers continue to acknowledge the key role of physical

Fund summary

MANAGEMENT REPORT (CONTINUED)

stores, reinforcing prime assets' income and occupational prospects.

The penetration rate of e-commerce has materially slowed in Europe compared to the pandemic peak. Nonetheless, PMA expects it to increase to 19.5% by 2028, compared to 6.9% in 2018.

Overall, luxury-orientated players remain resilient, while high street mid-range fashion and department stores continue to struggle across Europe (for example, Joules in the UK, Galleria Karstadt Kaufhof in Germany, and Camaieu, Go Sport, Jennyfer, DPAM and Sergent Major in France).

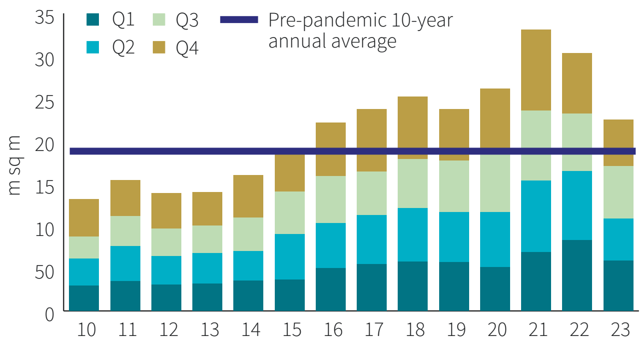
High street and shopping centre rents largely remained stable overall during 2023, with pockets of growth even reported in some markets. However, high street and shopping centre yields moved out significantly during the year across most jurisdictions, especially in Germany (between 75 and 100 bps) and France (25 to 100 bps). Being well ahead in the correction cycle, London saw no decompression in high street yields in 2023, indeed CBRE reported prime West End yields compressed by 25 bps to 2.5%. In the rest of the UK, very little decompression was seen, except for in Glasgow and Edinburgh. Shopping centre yields were also largely stable in most UK markets in 2023 and have moved out by 50 bps or less since 2021.

Retail investment has remained relatively resilient compared to the other traditional sectors, with €25 billion transacted in 2023, a 42% decline y-o-y, which is a relatively good performance in the context of collapsing investment transactions (-61% y-o-y for offices over the same period). Nonetheless, retail assets will continue to raise questions in the context of degraded economic perspectives, structural changes and uncertainty in the consumer space.

European Logistics

Continued uncertainty coupled with the lack of suitable, available space in some markets has resulted in a slowdown in distribution warehouse and logistics take-up. Data from CBRE suggests take-up in Europe fell 11% q-o-q in Q4 2023, to 5.5 million sq m (NB: only includes Belgium, Czech Republic, France, Germany, Hungary, Italy, Netherlands, Poland, Spain and the UK). Nonetheless, occupier markets remain relatively active - whilst take-up in 2023, at 22.5 million sq m, was 26% down on 2022, it was still well above the 10-year pre-pandemic annual average. However, only Belgium and Italy experienced an increase in take-up in 2023 in comparison to 2022.

Europe - Distribution/logistics take-up



Source: CBRE, AXA IM Alts, data as at 24 January 2024
NB: Modern warehousing units 5,000+ sq m; 10,000+ sq m in the UK
NB: Q4 2023 data are preliminary

There is a scarcity of suitable, available space in many core European logistics markets. Having fallen to a record low of 2.3% as at the end of Q3 2022, the vacancy rate in Europe had risen to an estimated 4.0% by Q4 2023. Nonetheless, vacancy rates remain below their long-term averages in most Western European countries - Spain and the UK being the exceptions.

CBRE data suggests 21 million sq m of stock was completed in Europe in 2023, down 7.5% from the record 23 million sq m completed in 2022. JLL data suggests the volume of space under construction in Europe declined for the seventh consecutive quarter in Q4 2023, with the construction of both speculative and built-to-suit/owner-occupied space falling. High external funding costs, construction costs and exit yields are expected to continue to put development under pressure.

Rental growth continues to spread through Europe's key logistics markets. JLL data suggests 17 of their 38 markets experienced q-o-q rental growth and 36 saw y-o-y rental growth in Q4 2023. Indeed, growth of 10% y-o-y or more was reported in 16 markets. Although it appears to be decelerating in several markets, further rental growth is expected, notably in markets where the demand-supply balance is tight.

European residential

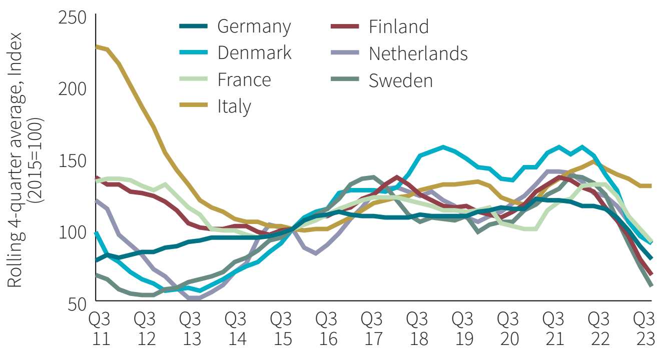
Looking back at 2023, the European living sector continued to be supported by both cyclical and non-cyclical factors. Ageing populations and rising life expectancy serve as catalysts for senior living demand, whilst privately rented and student accommodation sectors grapple with inadequate supply in a context of resumed urbanisation, declining homeownership rates and a rise in global student numbers.

Fund summary

MANAGEMENT REPORT (CONTINUED)

Despite easing inflation and a reduction in the cost of building materials, the effects of prolonged high construction and financing costs are visible in reduced homebuilding activity. According to Eurostat, residential building permits declined 14% year-to-date (y-t-d) on average across Europe up to Q3 2023. The strongest declines occurred in the Nordics, led by Norway and Sweden, falling 42% and 41% y-t-d respectively, while Ireland and Portugal were outliers with permits rising 19% and 3% respectively.

Residential building permits



Source: Eurostat, AXA IM Alts, data as at September 2023

Operating fundamentals remained robust, supported by high occupancy rates, resilient labour markets and excess demand due to affordability pressures in the for-sale market. According to CBRE, prime rents continued to outperform the long-term average, increasing 9% y-o-y across Europe in 2023, with the largest increases observed across major cities in the Netherlands, Poland and Germany.

Capital markets remained under pressure as asset prices continued adjusting to higher funding costs. According to CBRE, residential investment volumes declined 46% y-o-y in 2023. However, activity saw a noticeable pick up in Q4, rising 15% q-o-q. This was largely driven by the UK, which experienced a rise in both Build-to-Rent and Single-Family-Housing transactions. Average prime multifamily yields across Europe increased 60 bps y-o-y in Q4, to around 4.6%. Annual decompression was strongest in Vienna and Berlin while yields experienced the least impact in the Spanish markets.

European hotels

Global travel volumes continued to rebound throughout 2023. According to IATA, industry-wide passenger traffic as measured by revenue passenger-kilometres (RPKs), industry-wide RPKs increased 25.3% y-o-y growth in December. In 2023, industry RPKs reached 94.1% of 2019 levels. The macroeconomic outlook does, however, remain challenging, with relatively high inflation and slowing growth continuing to be some of the biggest risk factors likely impacting European hotel demand in 2024. According to STR, European Revenue Per Available Room (RevPAR) was, as of December 2023, up 15.7% y-o-y, y-t-d. Occupancy stood at 69.1%, up 7.2% y-o-y, y-t-d. RevPAR and Average Daily Rate (ADR) were up 21.9% and 27.2% compared to their respective 2019 figures, while occupancy remained 4.2% below its peak. Italy, France and Spain saw increases in RevPAR amounting to 22.2%, 18.1% and 16.3% y-o-y, y-t-d respectively. German and UK end-of-year RevPAR readings were up 18.5% and 14.5% y-o-y, y-t-d respectively. More generally, European hotel profitability has shown resilience and has nearly recovered to pre-pandemic levels. The normalisation of job vacancies has alleviated some of the pressures stemming from wage cost inflation. However, the lasting effects of energy price hikes remain visible, posing an ongoing hurdle. Consequently, the number of European hotel rooms under construction continues to fall, currently amounting to 3% of total room stock according to STR. According to PMA as of Q4 2023, European gateway room stock is expected to grow by less than 2% p.a. over the next five years, slower than pre-Covid. Gateway markets that are likely to see particularly dynamic room growth include Dublin, Frankfurt, Edinburgh and Manchester. More than half the hotels that are anticipated to complete over the next two to three years in Europe are expected to be upscale or better.

In 2023, Europe saw hotel investment volumes amount to €14.0 billion, down from €16.6 billion in 2022, according to CBRE. Investors are primarily focusing on geographies with strong operating fundamentals, such as France, Spain and the UK, all of which saw hotel investment volumes exceed €2 billion. CBRE data suggests hotel yields remained stable in some markets but moved out in other major European markets in Q4 2023. For example, Paris saw yields on hotel leases move out by 55 bps to stand at 5.25%, up from 4.25% in Q4 2019. German key markets saw yields move out by 25 bps to 5.25%, up from 3.75% in Q4 2019. London and Amsterdam saw hotel yields remain stable in Q4 2023. On average, yields on management contracts moved out by 10 bps, those for leases by 15 bps.

Fund summary

MANAGEMENT REPORT (CONTINUED)

Portfolio as of 31 December 2023

1. Transactions to date

In the current context, the Fund focused on building a robust and diversified portfolio of high-quality assets. A significant aspect of the Fund's strategy was portfolio rotation, particularly evident in the disposal of Italie 2 Shopping Center and the adjoining office development Grand Écran in Paris, as well as some non-strategic assets from the logistics portfolio. As a result of this strategy, the Fund subsequently reinvested the proceeds from these sales into logistics assets. This move not only demonstrated effective cash reinvestment capabilities but also aligned with the Fund's strategic focus on sectors with higher growth potential. Additionally, the Fund undertook substantial capital expenditures, focusing on refurbishments in both residential and office assets, in London, Milan and Paris in order to enhance the sustainable value of these properties.

During last financial year the fund acquired directly and indirectly 17 properties through Joint Ventures and subsidiaries (4 residential assets in France and 11 industrial assets in France and 2 in Norway). In 2023, the fund disposed 1 shopping center in France, 1 office building in France, 1 industrial asset in Denmark and some residential units in Ireland.

a) JV Cronos – Residential building in Paris Area, France

The Fund acquired 4 new residential development projects in the Paris region, France, as add-on investments to the existing Cronos JV partnership with affordable housing operator In'li (Fund share: 21%). The portfolio now comprises almost 150 assets, with the newly acquired projects expected to be completed in 2024 and 2025.

b) Logistic assets, Pan European portfolio, existing JV with AXA Group (32% ownership)

In France, the Fund signed legally binding documentation to purchase a portfolio of 4 logistics development projects, totaling c. 110,000 sqm. The projects are acquired on a forward funding basis and are scheduled for deliveries in 2024 and 2025. For all assets the minimum target certification level will be BREEAM "Very Good", with potential to upgrade to "Excellent" for several projects.

Additionally, the Fund acquired a core logistics asset totaling 44,802 sqm, located in Dourges (North of France) in a sale leaseback scheme with 2 XL, a European 3 PL.

c) Falcon portfolio – Logistics assets, Norway

The Fund acquired its first 100% ownership logistics investment in Oslo, Norway, with an attractive Net Initial Yield (NIY) of 5.3% and long remaining lease term (WALT) in excess of 10 years. This portfolio consists of two newly built logistics freehold assets featuring modern warehouse infrastructure. The fund strategically increased its exposure to one of its preferred sectors. This addition contributes to improving the overall returns and occupancy of the fund, enhancing the potential for stable growth and resilient income.

d) Olympe portfolio - Logistics assets, France

The Fund acquired an important logistics portfolio in France on December 19th 2023. This deal comprises six logistics properties, totaling over 190,000 sqm located in key French logistics centers. Each property boasts a BREEAM 'Very Good' certification and incorporates environmentally friendly elements like complete LED lighting and solar panels on selected sites. These properties are leased to a diversified group of tenants, with an average lease term of 8.1 years.

e) Disposals

In March 2023, the Fund disposed its 37,5% share of the Italie 2 shopping centre in Central Paris, France (57,000 sqm), and its 50% share in Grand Ecran (15,300 sqm), an adjoining office development, to Ingka Centres, part of the Ingka Group. This transaction reflects the strength of the platform to execute disposals in the current market environment, achieving a disposal price above the last unaffected valuation. This disposal significantly reduced the Fund's retail allocation to c. 6% (previously c. 9%), strengthening the portfolio's exposure to sectors with higher rental growth potential.

2. Compliance with the Fund's guidelines

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

Fund summary

MANAGEMENT REPORT (CONTINUED)

Portfolio as of 31 December 2023 continued

3. **Target return**

   The Fund will target a return of 7%, after corporate expenses and taxes but before management fees, over a long-term investment horizon of 7+ years (the "Target Gross Return"). The Target Gross Return should not be considered to be indicative of the target net return.

   Each investor should consult the management fee applicable to its class of units and deduct the relevant fees accordingly to determine the target net return.

   Many factors could have an adverse effect on the Target Gross Return and no assurance or guarantee is given that the Target Gross Return will be achieved. The Target Gross Return is hypothetical and is not a guarantee or a prediction or projection of future performance. The Target Gross Return is based on a number of assumptions that depend on multiple external factors (including economic and market conditions) that may vary over time. There is no guarantee that the conditions on which the assumptions are based will materialise as anticipated or will apply to the Fund's investments. The AIFM reserves the right to amend the level of the Target Gross Return set out in this section from time to time without the consent of investors in the case where the AIFM determines in its absolute discretion that such amendment is warranted by a material change in circumstances.

Fund summary

AIFM REPORT – RISK MANAGEMENT

Risk profile

The risk management and controls activities are done at each level of the organisation and shared between Investment teams (1st level of control) , the independent Risk Management Department and the Compliance Department (2nd level of control) and Internal Audit Department (3rd level of control).

The risk management department of the AIFM implements and maintains risk management policies and procedures designed to identify, measure, manage and monitor investment and operational risks.

For each AIF, the management of investment risks at fund level is done through:

- An assessment of the risk profile of each fund against its defined investment objectives,
- An identification of the type of investment risks applicable to each fund,
- A monitoring of investment guidelines (regulatory, contractual and internal if applicable) for each fund,
- In addition to the investment guidelines, a definition of internal risk indicators (KRIs) to periodically monitor changes in risks exposures of each fund,
- The performance of stress-tests to assess impacts of unfavorable market and liquidity conditions on each fund.

The AIFM also 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,
- An incident management system

Fund summary

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 offering memorandum.

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.

The Fund did not use any such arrangement during the past financial year.

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 comments 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.

Fund summary

AIFM DIRECTIVE DISCLOSURE - LIQUIDITY ARRANGEMENT & REMUNERATION

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 2023 after application on remuneration data of the Fund's weighted Asset Under Management allocation key.

Total amount of remuneration paid and/or awarded to staff

for the year ended 31 December 2023(1)	
Fixed Pay(2) (€ '000)	4,912
Variable Pay(3) (€ '000)	3,055
Number of employees(4)	2.808 among which 102 for AXA Real Estate Investment Managers SGP

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)

	Employees with a direct impact on the risk profile of investment vehicles	Senior Managers/ Executives	Total
Fixed Pay and Variable Pay (€ '000)(2)(3)	1,720	769	2,489
Number of identified employees (5)	277 among which 18 within AXA Real Estate Investment Managers SGP	62 among which 2 within AXA Real Estate Investment Managers SGP	339 among which 20 within AXA Real Estate Investment Managers SGP

(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 1 January 2023.
(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 December 2023.
(5) Number of identified employees within AXA IM Group level and AXA REIM SGP as at 31 December 2023.

Fund summary

AIFM DIRECTIVE DISCLOSURE - LEVERAGE & MATERIAL CHANGES

1. Leverage

In accordance with the EU Commission Delegated Regulation (EU) No 231/13 (the "AIFM Regulation"), leverage is defined as any method which increases the Fund's exposure, including the borrowing of cash and the use of derivatives.

It is expressed as a percentage of the Fund's exposure to its net asset value and is calculated under both a gross and commitment method.

The Fund exposure under both the gross and commitment method is calculated as follows:

- Total Exposure (gross method) = Sum of consolidated assets with derivative instruments converted into equivalent positions in their underlying asset, excluding cash or cash equivalent positions.
- Total Exposure (commitment method) = Sum of consolidated assets with derivative instruments converted into equivalent positions in their underlying asset, taking into account netting and hedging arrangements.

The calculation of the exposure takes into account transparently the debt and derivatives instruments of controlled equity interests, in proportion to the share held.

Method	Leverage as of 31/12/2023	Maximum leverage authorized
Gross method	169%	300%
Commitment method	143%	200%

2. Material Changes

No material changes.

Audit report

To the Partners of
AXA CoRE Europe Fund S.C.S., SICAV-SIF

Our opinion

In our opinion, the accompanying consolidated financial statements give a true and fair view of the consolidated financial position of AXA CoRE Europe Fund S.C.S., SICAV-SIF (the "Fund") and its subsidiaries (the "Group") as at 31 December 2023, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards as adopted by the European Union.

What we have audited

The Group's consolidated financial statements comprise:

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

Basis for opinion

We conducted our audit in accordance with the Law of 23 July 2016 on the audit profession (Law of 23 July 2016) and with International Standards on Auditing (ISAs) as adopted for Luxembourg by the "Commission de Surveillance du Secteur Financier" (CSSF). Our responsibilities under the Law of 23 July 2016 and ISAs as adopted for Luxembourg by the CSSF are further described in the "Responsibilities of the "Réviseur d'entreprises agréé" for the audit of the consolidated financial statements" section of our report.

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

We are independent of the Group in accordance with the International Code of Ethics for Professional Accountants, including International Independence Standards, issued by the International Ethics Standards Board for Accountants (IESBA Code) as adopted for Luxembourg by the CSSF together with the ethical requirements that are relevant to our audit of the consolidated financial statements. We have fulfilled our other ethical responsibilities under those ethical requirements.

Other information

The 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 IFRS Accounting Standards 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 Group'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 Group 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 Group'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 Group'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 Group 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 Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

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

Restriction on distribution and use

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

PricewaterhouseCoopers, Société coopérative
Represented by

Luxembourg, 11 April 2024

Electronically signed by:
Amaury Evrard

Amaury Evrard


Coopers Cross, Dublin


Logistics platform Miribel, Lyon

Consolidated financial statements

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2023

	Note	31 December 2023 €	31 December 2022 €
Assets			
Non-current assets			
Investment property	5	3,333,091,894	3,200,247,550
Investments in associates and joint ventures	6	986,071,317	1,160,781,540
Loans to associates and joint ventures	6	1,093,660,444	1,297,454,955
Financial assets at fair value through profit or loss	7	30,092,275	8,454,722
Investment held at amortised cost	8	-	5,000,000
Deferred tax assets	24	164,359	1,137,522
Trade and other receivables	9	19,133,461	18,657,997
Prepayments		3,433,132	7,573,126
Derivatives at fair value through profit or loss (assets)	10	40,049,393	48,404,806
Total non-current assets		**5,505,696,275**	**5,747,712,218**
Current assets			
Interest receivable from financial assets		221,414	-
Interest receivable from associates and joint ventures	6	21,227,932	21,466,939
Trade and other receivables	9	84,371,660	50,703,131
Derivatives at fair value through profit or loss (assets)	10	311,691	26,956,662
Cash and cash equivalents	11	326,269,423	196,258,289
Total current assets		**432,402,120**	**295,385,021**
Total assets		**5,938,098,395**	**6,043,097,239**
Liabilities			
Non-current liabilities			
Borrowings	17	1,784,312,721	1,660,211,989
Deferred tax liabilities	24	34,798,971	54,735,304
Trade and other payables	12	1,312,330	1,252,712
Derivatives at fair value through profit or loss (liabilities)	10	3,496,908	-
Total non-current liabilities		**1,823,920,930**	**1,716,200,005**
Current liabilities			
Borrowings	17	10,336,400	9,035,494
Derivatives at fair value through profit or loss (liabilities)	10	8,344,299	2,050,231
Deferred income	18	9,917,932	14,225,757
Taxation payable	24	6,493,473	10,313,878
Subscriptions received in advance	23	86,287,932	12,440,852
Trade and other payables	12	126,842,371	93,747,355
Total current liabilities		**248,222,407**	**141,813,567**
Net assets attributable to the partners		**3,621,480,688**	**3,910,573,676**
Total liabilities		**5,693,624,025**	**5,768,587,248**
Non-controlling interests	20	**244,474,370**	**274,509,991**
Adjustments from net assets attributable to the partners to subscription net asset value		223,843,670	366,726,465
Adjusted Subscription Net Asset Value*		**3,845,324,358**	**4,277,300,141**

*Calculated in accordance with Note 2.27.

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

Consolidated financial statements

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2023

	Note	Year ended 31 December 2023 €	Year ended 31 December 2022 €
Operating income			
Rental income	13	153,568,312	143,973,210
Dividend income		72,766	1,774,579
Interest income from financial assets	6	230,126	-
Interest income from associates and joint ventures	6	37,599,423	33,169,971
Other income		563,402	1,005,239
Net unrealised loss from fair value adjustment on investment property	5	(394,777,666)	(56,666,884)
Realised gain/(loss) on disposal of subsidiary	16	1,631,768	(5,495,911)
Net unrealised loss on investments in associates and joint ventures held at fair value	6	-	(3,767,023)
Share of net loss of associates and joint ventures accounted for using the equity method	6	(167,246,148)	(67,181,066)
Gain on sale of joint venture	6	14,220,727	-
Net unrealised loss on financial assets held at fair value	7	(1,106,717)	(3,880,856)
Impairment of investments held at amortised cost	8	(5,000,000)	-
Impairment on loans to associates and joint ventures	6	(21,050,789)	(9,440,449)
Total operating income		**(381,294,796)**	**33,490,810**
Operating expenses	14	(88,780,840)	(80,316,970)
Operating loss		**(470,075,636)**	**(46,826,160)**
Finance income	15	35,909,327	88,044,768
Finance expense	15	(84,962,604)	(67,883,134)
Finance result		**(49,053,277)**	**20,161,634**
Loss before tax and distributions to the partners		**(519,128,913)**	**(26,664,526)**
Taxation expense	24	(886,539)	(6,340,393)
Deferred taxation	24	18,963,170	(3,751,075)
Total tax		**18,076,631**	**(10,091,468)**
Distribution to the partners	22	**(115,699,237)**	**(107,972,509)**
Loss for the year after tax		**(616,751,519)**	**(144,728,503)**
Other comprehensive income, net of tax:			
Items that may be subsequently reclassified to profit or loss			
Foreign currency translation reserve		7,159,294	(20,387,548)
Total comprehensive loss for the year		**(609,592,225)**	**(165,116,051)**
Loss for the year attributable to:			
Partners		(549,818,399)	(183,780,888)
Non-controlling interests	20	(66,933,120)	39,052,385
Total comprehensive loss for the year is attributable to:			
Partners		(548,060,374)	(191,715,088)
Non-controlling interests	20	(61,531,851)	26,599,037
Net decrease in net assets for the year		**(549,818,399)**	**(183,780,888)**
Adjustments from net assets attributable to the partners to subscription net asset value		(142,882,795)	273,887,278
Net (decrease)/increase in subscription net asset value		**(685,541,900)**	**69,718,842**

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

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CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2023

	Note	Year ended 31 December 2023 €	Year ended 31 December 2022 €
Cash flow from operating activities			
Loss before tax and distributions to the partners		(519,128,913)	(26,664,526)
Adjustments			
Interest income from financial assets		(230,126)	-
Interest income from associates and joint ventures	6	(37,599,423)	(33,169,971)
Net unrealised (gain) from fair value adjustment on investment property	5	394,777,666	56,666,884
Net unrealised loss/(gain) on investments in associates and joint ventures held at fair value	6	-	3,767,023
Share of net (profit) of associates and joint ventures accounted for using the equity method	6	167,246,148	67,181,066
Gain on sale of joint venture	6	(14,220,727)	-
Realised (gain)/loss on disposal of subsidiary	16	(1,631,768)	5,495,911
Net unrealised loss on financial assets held at fair value	7	1,106,717	3,880,856
Finance result	15	49,053,277	(20,161,634)
Impairment of loans to associates and joint ventures	6	21,050,789	9,440,449
Impairment of investments held at amortised cost	8	5,000,000	-
Increase/decrease in operating assets (excluding effect of acquisitions)			
Increase in trade and other receivables		(4,981,579)	(3,921,373)
Decrease/(increase) in prepayments		4,139,994	(2,738,108)
(Decrease)/increase in deferred income		(4,307,825)	1,758,102
Increase in trade and other payables		22,851,624	3,569,064
Cash generated from operations		**83,125,854**	**65,103,743**
Taxation paid		(4,837,250)	(3,922,537)
Interest received		54,191,598	31,443,213
Interest paid		(40,591,329)	(24,739,545)
Net cash generated from operating activities		**91,888,873**	**67,884,874**
Cash flow from investing activities			
Acquisition of subsidiaries, net of cash acquired	16	(218,621,836)	-
Purchases of investment property	5	-	(120,056,775)
Disposal of subsidiary net of cash sold	16	-	171,314,942
Capital expenditure on investment property	5	(188,891,425)	(51,613,151)
Investments in associates and joint ventures	6	(34,067,194)	(67,185,217)
Proceeds from sale of joint venture	6	20,474,775	-
Return of capital on investments in associates and joint ventures	6	35,277,221	15,257,940
Additions to financial assets at fair value	7	(22,744,270)	-
Loans to associates and joint ventures issued		(78,408,752)	(181,964,978)
Loans to associates and joint ventures repaid		261,152,474	35,147,690
Net cash used in investing activities		**(225,829,007)**	**(199,099,549)**

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

Consolidated financial statements

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

	Note	Year ended 31 December 2023 €	Year ended 31 December 2022 €
Cash flow from financing activities			
Subscriptions received*		415,639,015	224,473,961
Redemptions paid		(120,425,909)	(87,720,129)
Bank and other borrowings - loans received	17	-	5,236,200
Bank and other borrowings - loans repaid	17	(5,236,200)	(73,466,677)
Non-controlling interests borrowings received	17	31,315,309	15,092,335
Distribution to the partners	22	(83,499,146)	(73,919,989)
Distribution to non-controlling interests		(2,100,000)	-
Net proceeds from non-controlling interests	20	20,198,173	-
Net receipt on hedging		6,257,832	11,589,888
Net cash provided by financing activities		**262,149,074**	**21,285,589**
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		**128,208,940**	**(109,929,086)**
Cash and cash equivalents at beginning of the year		**196,258,289**	**305,141,930**
Net currency translation differences		1,802,194	1,045,445
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR		**326,269,423**	**196,258,289**

*Amount includes movement of subscriptions received in advance and excludes amount of distributions re-invested into the Fund during the year as these are considered non-cash transactions.

Consolidated financial statements

CONSOLIDATED STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO THE PARTNERS FOR THE YEAR ENDED 31 DECEMBER 2023

		Limited Partners *				
		Share Capital	Retained Earnings	Foreign Currency Translation Reserve	Other Reserve	Total Limited Partners
	Note	€	€	€	€	€
Net assets attributable to the Partners as at 31 December 2021 (IFRS)		**3,565,110,977**	**28,482,769**	**24,086,288**	**2,519,317**	**3,620,199,351**
Capital contributions		582,262,768	-	-	-	582,262,768
Redemptions		(87,720,129)	-	-	-	(87,720,129)
Profit/(loss) for the year after tax		-	(183,780,889)	-	-	(183,780,889)
Other comprehensive loss		-	-	(20,387,548)	-	(20,387,548)
Reclassification of other reserve		-	2,519,317	-	(2,519,317)	-
Net assets attributable to the Partners as at 31 December 2022 (IFRS)		**4,059,653,616**	**(152,778,803)**	**3,698,740**	**-**	**3,910,573,553**
Adjustments from net assets attributable to the Partners to adjusted subscription net asset value	4	-	366,726,465	-	-	366,726,465
Net assets attributable to the Partners as at 31 December 2022 (Adjusted Subscription NAV)		**4,059,653,616**	**213,947,662**	**3,698,740**	**-**	**4,277,300,018**
Capital contributions		373,992,026	-	-	-	373,992,026
Redemptions		(120,425,909)	-	-	-	(120,425,909)
Profit/(loss) for the year after tax		-	(549,818,400)	-	-	(549,818,400)
Other comprehensive loss	2,4	-	-	7,159,294	-	7,159,294
Reclassifications of other reserve		-	-	-		-
Net assets attributable to the Partners as at 31 December 2023 (IFRS)		**4,313,219,733**	**(702,597,203)**	**10,858,034**	**-**	**3,621,480,564**
Adjustments from net assets attributable to the Partners to adjusted subscription net asset value	4	-	223,843,670	-	-	223,843,670
Net assets attributable to the Partners as at 31 December 2023 (Adjusted Subscription NAV)		**4,313,219,733**	**(478,753,533)**	**10,858,034**	**-**	**3,845,324,234**

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

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

Consolidated financial statements

CONSOLIDATED STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO THE PARTNERS FOR THE YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

		General Partner				
		Share Capital	Retained Earnings	Foreign Currency Translation Reserve	Total General Partner	Total
	Note	€	€	€	€	€
Net assets attributable to the Partners as at 31 December 2021 (IFRS)		**100**	**22**	**-**	**122**	**3,620,199,473**
Capital contributions		-	-	-	-	582,262,768
Redemptions		-	-	-	-	(87,720,129)
Profit/(loss) for the year after tax		-	1	-	1	(183,780,888)
Other comprehensive loss		-	-	-	-	(20,387,548)
Reclassification of other reserve		-	-	-	-	-
Net assets attributable to the Partners as at 31 December 2022 (IFRS)		**100**	**23**	**-**	**123**	**3,910,573,676**
Adjustments from net assets attributable to the Partners to adjusted subscription net asset value	4	-	-	-	-	366,726,465
Net assets attributable to the Partners as at 31 December 2022 (Adjusted Subscription NAV)		**100**	**23**	**-**	**123**	**4,277,300,141**
Capital contributions		-	-	-	-	373,992,026
Redemptions		-	-	-	-	(120,425,909)
Profit/(loss) for the year after tax		-	1	-	1	(549,818,399)
Other comprehensive loss	2,4	-	-	-	-	7,159,294
Reclassifications of other reserve		-	-	-	-	-
Net assets attributable to the Partners as at 31 December 2023 (IFRS)		**100**	**24**	**-**	**124**	**3,621,480,688**
Adjustments from net assets attributable to the Partners to adjusted subscription net asset value	4	-	-	-	-	223,843,670
Net assets attributable to the Partners as at 31 December 2023 (Adjusted Subscription NAV)		**100**	**24**	**-**	**124**	**3,845,324,358**

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

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STATEMENT OF CHANGES IN NUMBER OF UNITS IN ISSUE FOR THE YEAR ENDED 31 DECEMBER 2023

Number of units in issue	Year ended 31 December 2023	Year ended 31 December 2022
	units	units
Class A1 units		
Units in issue at the beginning of the year	3,489,414.12	3,135,437.49
Units subscribed	566,573.50	600,425.15
Units redeemed	(25,513.50)	(15,338.48)
Switch to class A2	-	(274,971.04)
Switch from class A8	-	43,861.00
Class A1 units in issue at the end of the year	**4,030,474.12**	**3,489,414.12**
Class A2 units		
Units in issue at the beginning of the year	3,677,021.39	3,119,447.53
Units subscribed	825,361.85	16,426.96
Switch from class A1 and A6	-	541,146.90
Class A2 units in issue at the end of the year	**4,502,383.24**	**3,677,021.39**
Class A3 units		
Units in issue at the beginning of the year	3,785,792.71	2,918,814.13
Units subscribed	1,227,092.86	866,978.58
Switch to class A9	(207,130.00)	-
Class A3 units in issue at the end of the year	**4,805,755.57**	**3,785,792.71**
Class A4 units		
Units in issue at the beginning of the year	1,480,200.90	1,480,200.90
Class A4 units in issue at the end of the year	**1,480,200.90**	**1,480,200.90**
Class A5 units		
Units in issue at the beginning of the year	2,457,221.69	1,487,682.73
Units subscribed	38,717.76	969,538.96
Switch to class A9	(2,495,939.45)	-
Class A5 units in issue at the end of the year	**-**	**2,457,221.69**
Class A6 units		
Units in issue at the beginning of the year	11,499,297.01	10,335,806.28
Units subscribed	830,576.43	1,417,580.91
Switch to class A2	-	(254,090.18)
Class A6 units in issue at the end of the year	**12,329,873.44**	**11,499,297.01**
Class A7 units		
Units in issue at the beginning of the year	3,723,068.98	2,989,248.43
Units subscribed	76,691.05	733,820.55
Class A7 units in issue at the end of the year	**3,799,760.03**	**3,723,068.98**

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

Consolidated financial statements

STATEMENT OF CHANGES IN NUMBER OF UNITS IN ISSUE FOR THE YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

Number of units in issue	Year ended 31 December 2023	Year ended 31 December 2022
	units	units
Class A8 units		
Units in issue at the beginning of the year	8,115,933.19	8,321,902.86
Units subscribed	34,039.84	578,163.27
Units redeemed	(1,154,582.99)	(739,823.94)
Switch to class A1	-	(44,309.00)
Class A8 units in issue at the end of the year	**6,995,390.04**	**8,115,933.19**
Class A9 units		
Units in issue at the beginning of the year	-	-
Switch from class A3 and A5	2,616,149.10	-
Class A9 units in issue at the end of the year	**2,616,149.10**	**-**
Class B units		
Units in issue at the beginning of the year	1.00	1.00
Class B units in issue at the end of the year	**1.00**	**1.00**

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

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CONSOLIDATED NET ASSETS PER UNIT ATTRIBUTABLE TO THE PARTNERS FOR THE YEAR ENDED 31 DECEMBER 2023

Net assets per units (IFRS NAV)*	31 December 2023	31 December 2022	31 December 2021
	€	€	€
Class A1 units	88.62	101.63	106.34
Class A2 units	88.76	101.79	106.52
Class A3 units	83.07	95.29	99.72
Class A4 units	83.02	95.23	99.67
Class A5 units	-	98.08	102.66
Class A6 units	92.97	106.66	111.66
Class A7 units	92.72	106.40	111.36
Class A8 units	87.69	100.58	105.29
Class A9 units**	88.12	-	-
Class B units	119.33	132.28	134.00

Net assets per units (subscription NAV)*	31 December 2023	31 December 2022	31 December 2021
	€	€	€
Class A1 units	94.10	111.16	109.07
Class A2 units	94.24	111.34	109.25
Class A3 units	88.21	104.22	102.28
Class A4 units	88.15	104.16	102.23
Class A5 units	-	107.27	105.29
Class A6 units	98.71	116.66	114.52
Class A7 units	98.45	116.37	114.22
Class A8 units	93.11	110.02	107.99
Class A9 units**	93.56	-	-
Class B units	126.33	144.28	137.30

* Refer to reconciliation of IFRS NAV to Subscription NAV in Note 4.
** Class A9 were subscribed to during the year ended 31 December 2023.

Notes to the Consolidated Financial Statements

AS AT 31 DECEMBER 2023

1 General information

AXA CoRE Europe Fund S.C.S., SICAV-SIF (the "Fund") is an open-ended variable capital investment fund (*société 'investissement à capital variable-fonds d'investissement spécialisé*) domiciled and incorporated in Grand Duchy of Luxembourg on 17 December 2015 with an initial capital commitment drawdown on 29 February 2016. The Fund is established in the form of a common limited partnership (*société en commandite simple - SCS*) in accordance with the provisions of the Law of 10 August 1915 on commercial companies, as amended, and the Law on Specialised Investment Funds dated 13 February 2007, as amended. The subscription, sale and holding of shares of the Fund are restricted to Institutional Investors with an initial capital commitment drawdown on 29 February 2016.

The Fund has been incorporated for an unlimited duration. It is registered with the Trade Register under number B 202 722.

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

The 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, AXA Real Estate Investment Managers SGP, as the legal person responsible for performing the portfolio and risk management of the Fund, has been identified as the Alternative Investment Fund Manager ("AIFM") of the Fund, as disclosed in the Offering Memorandum.

These consolidated financial statements present the consolidated financial position of the Fund and the Fund's subsidiaries (the "Group"). For details of all the consolidated entities, please refer to Note 26.

The financial year of the Fund starts on 1 January and ends on 31 December. The Group's accounts are prepared in Euro ("EUR" or "€").

The Investment Objective of the Group is to seek current income combined with long-term capital appreciation through investment in a diversified portfolio of primarily European Real Estate Assets and also, to a lesser extent, cash and securities in accordance with its Investment Policy and the Investment Guidelines, as defined in the Offering Memorandum (the "Offering Memorandum").

The Investment Policy of the Group is to invest directly, or indirectly via subsidiaries, in a diversified portfolio of European Core Real Estate Assets across the office, retail, residential, logistics and hotels real estate sectors (for example as part of an operating company or a property company structure).

The Group's investment activities are managed by its General Partner, AXA CoRE Europe GP S.à r.l. (the 'General Partner'), a limited liability company incorporated under the law of Grand Duchy of Luxembourg (R.C.S. Luxembourg B 202 828) and a subsidiary of AXA Real Estate Investment Managers SGP, incorporated in France. The administration of the Group is managed by The Bank of New York Mellon SA/NV Luxembourg Branch.

The most recent Offering Memorandum for the Fund was issued in August 2023. The key changes in the most recent Offering Memorandum were:

- Creation of Class A9 units.
- Changes necessary or expedient for tax, legal or regulatory reasons.
- Clarification made to the re-investment program section to confirm that amount of units re-invested according to the re-investment program will be deemed to increase drawn capital commitment of the relevant Investor.
- Update of the definition of Seed Consultant.

The Fund is subject to reporting under Article 8 of Requlation 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector. The financial product promotes environmental and social characteristics, but does not have as its objective sustainable investment. The SFDR Disclosure referred to in Article 11 (1) of SFDR under environmental or social characteristics is included in the Annex to these financial statements, which is unaudited.

The consolidated financial statements of AXA CoRE Europe Fund S.C.S., SICAV-SIF were authorised for issue by the General Partner on 9 April 2024.

Notes to the Consolidated Financial Statements

2 Summary of material 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 IFRS Accounting Standards as 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 property at fair value, investments in associates and joint ventures, financial assets classified as fair value through profit or loss, investment property held for sale 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.

(c) Income and cash flow statement

The Group has elected to present a single consolidated statement of comprehensive income and presents its expenses by nature. The consolidated statement of cash flows from operating activities is presented using the indirect method. Interest received and interest paid are shown separately within operating cash flows. The acquisition of investment properties are 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.

Even if some of the derivatives held by the Group are settled gross by distinct delivery of the two legs of the agreements, because of the reduced short timing difference between paying and receiving legs, the Group presents all the payments on hedging instruments on a net basis in the consolidated statement of cash flows.

(d) Accounting estimates and judgements

The preparation of consolidated financial statements in conformity with IFRS Accounting Standards 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 consolidated financial statements in the period the assumptions changed. The Board of Managers of the General Partner believe that the underlying assumptions are appropriate. Key estimates, assumptions and judgement that have significant risk of causing material adjustment to carrying amount of assets and liabilities within the next financial year are outlined in Note 2.2.

(e) New and amended standards adopted by the Group

There are no standards, amendments to standards or interpretations that are effective for annual periods beginning on 1 January 2023 that have a material effect on the financial statements of the Group.

(f) New standards and interpretations not yet adopted

Certain new accounting standards, amendment and interpretations have been published that are not mandatory for 31 December 2023 reporting periods and have not been early adopted by the Group.

The following new and amended standards and interpretations are not expected to have a significant impact on the Group's financial statements.

- IFRS S1 General requirements for Disclosure of Sustainability-related Financial Information – Original issue (effective 1 January 2024).
- IFRS S2 Climate-related Disclosures – Original issue (effective 1 January 2024).
- IFRS 7 Financial Instruments: Disclosures – Amendments regarding supplier finance arrangements (effective 1 January 2024).
- IAS 1 Presentation of Financial Statements – Amendments to defer the effective date of the January 2020 amendments (effective 1 January 2024).
- IAS 1 Presentation of Financial Statements – Amendments regarding the classification of debt with covenants (effective 1 January 2024).
- IAS 7 Statement of Cash Flows – Amendments regarding supplier finance arrangements (effective 1 January 2024).
- IAS 21 The Effects of Changes in Foreign Exchange Rates – Amendments regarding lack of exchangeability (effective 1 January 2025).
- IFRS 16 Leases – Amendment regarding lease liability in a sale and leaseback (effective 1 January 2025).

Notes to the Consolidated Financial Statements

2 Summary of material accounting policies (continued)

2.1 Basis of preparation(continued)

(g) Changes to comparative presentation and classification

The presentation and classification of some items in the financial statements from the prior financial year were changed to be in line with the disclosures for the current year consolidated financial statements if it gives a more accurate presentation.

2.2 Critical 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 year are outlined below.

(a) Financial instruments at fair value through profit or loss

Where the fair value of financial assets and financial liabilities recorded on the consolidated statement of financial position cannot be derived from active markets, they are determined using a variety of valuation methods and if the valuation method does not fairly represent the fair value, adjustments to the valuation are made by the Group to obtain the best estimate of fair value, using other methods it considers appropriate. Observable market data are used where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. The judgements include considerations of liquidity and other associated market risks. Changes in assumption about these factors could affect the reported fair value of financial instruments (see Note 7).

(b) Fair value of derivatives and other 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 10.

(c) Investment property

The fair value of the investment property held 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.

(d) 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 audits 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. The deferred taxes recognised as at 31 December 2023 and 31 December 2022 are mainly deriving from temporary differences linked to investment properties for which sensitivity analysis is provided in Note 5 to the consolidated financial statements.

(e) Joint arrangements and investments in associates

Under IFRS 11 - *Joint Arrangements* (“IFRS 11”), investments in joint arrangements are classified as either joint operations or joint ventures. The classification depends on the contractual rights and obligations of each investor, rather than the legal structure of the joint arrangement. The Group has joint ventures.

Interests in joint ventures are accounted for using the equity method, after initially being recognised at cost in the consolidated balance sheet.

Associates are all entities over which the group has significant influence but not control or joint control. This is generally the case where the group holds between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting.

Notes to the Consolidated Financial Statements

2 Summary of material accounting policies (continued)

2.2 Critical accounting estimates and judgements (continued)

Critical accounting estimates and assumptions (continued)

(e) Joint arrangements and investments in associates (continued)

In considering whether significant influence over an investee exists, the Group considers the voting rights held in the investee, representation on the Board of Directors over the investee, participation in the investee's policy making process and other relevant facts and circumstances.

IAS 28 allows exemption from the equity method of accounting where an investment in an associate or joint venture is a mutual fund and can be accounted for at fair value in accordance with IFRS 9.

The exemption from equity accounting in IAS 28 also applies to mutual funds, unit trusts and similar entities including investment-linked insurance funds. Unit trusts, mutual funds and similar funds typically pay a return on their liabilities that is contractually linked to changes in the fair value of an asset or a pool of assets. The application of the exemption avoids a mismatch between the measurement of the assets and liabilities.

The exemption might be applied by these types of entity where changes in the returns on the trust's or fund's liabilities are contractually linked to the fair value of associate investments or a pool of assets that includes the associate investments.

(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 Fund has several investors that are related parties.

In addition to that, the Fund does not evaluate the performance solely on a fair value basis. Although the Fund reports its investment properties (or indirectly through the equity accounting of investments in joint ventures and associates) at fair value in accordance with IAS 40, fair value is not the primary measurement attribute used to evaluate the performance of its investments.

The Fund and its investors use other measures, including information about expected cashflows, rental revenues and expenses to assess performance and to make the investment decisions. Similarly, the exit strategy is not only driven by the fair value of the investment properties. It is impacted by macro-economic factors as well as legal and tax regulations changes in specific jurisdictions.

Fair value is only a part of a group of equally relevant key performance indicators.

(g) Impairment of trade receivables and loans to associates and joint ventures

The Group applies the expected credit losses methodology to estimate the recoverability of trade receivables. No material recoverability issues have been identified as at 31 December 2023 and 31 December 2022.

The Group performs the analysis on recoverability of loans to associates and joint ventures when it expects the recoverability issues based on the net asset value of the associates and joint ventures. No major recoverability issues were identified as at 31 December 2023.

The Group did not make any other material critical accounting judgements in the financial years ended 31 December 2023 or 31 December 2022.

Notes to the Consolidated Financial Statements

2 Summary of material accounting policies (continued)

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").

Financial assets

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; and
- The contractual cash flow characteristics of the financial asset.

Financial assets measured at amortised cost:

Loans to associates are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in non-current assets, except for maturities less than 12 months after the statement of financial position date. These are classified as current assets.

Loans to associates and joint ventures and investment in receivable instruments 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.

The Group also includes short-term non-financing receivables including interest receivable, prepayments and other receivables in this category.

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 gain and loss on them on a different basis.

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

- Equity instruments: included within equity instruments are investments in entities where the Group does not have significant control or influence.
- Debt instruments: included within debt instruments are receivable instruments which are not held at amortised cost based on SPPI test.
- Instruments held for trading: This category includes financial instruments, which are acquired principally for the purpose of generating a profit from short-term fluctuations in price. Derivatives are also categorised as held for trading unless they are designated as hedges. Derivatives in this category are classified as current assets. The Group does not apply hedge accounting.

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

Notes to the Consolidated Financial Statements

2 Summary of material accounting policies (continued)

2.3 Financial assets and financial liabilities (continued)

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 of financial assets and liabilities

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.

Transfer 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 of financial assets and liabilities

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's consolidated statement of financial position) when:

- The rights to receive cash flows from the asset have expired; or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

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

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the profit or loss.

Impairment of financial assets

The Group assesses, on a forward-looking basis, the expected credit losses ("ECL") associated with its debt instruments carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. The different stages for these financial instruments are as follows:

- Stage 1 - No significant increase in credit risk since acquisition
- Stage 2 - Existence of a significant increase in credit risk compared to original expectations but no losses yet incurred
- Stage 3 - Expected losses to be recognised due to asset being credit impaired

The Group assesses on a forward-looking basis the ECLs associated with its financial instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

Notes to the Consolidated Financial Statements

2 Summary of material accounting policies (continued)

2.3 Financial assets and financial liabilities (continued)

Impairment of financial assets (continued)

Stage 1
The expected credit loss is measured over the next twelve months and interest is still computed on the gross carrying amount.

Stage 2 and stage 3

The expected credit loss is computed over the remaining lifetime of the instrument and interest is computed on the net carrying amount after deduction of the expected credit loss.

Significant financial difficulties of the borrower, probability that the borrower will enter bankruptcy or financial reorganisation, and default in payments are all considered indicators that a loss allowance may be required.

A significant increase in credit risk is presumed if interest and/or principal repayments are 30 days past due or when the probability of default with the counterparty is increased as per balance sheet date in comparison of the loan origination.

The Group considers a financial instrument to be in default or credit impaired, when the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to action such as realising security (if any is held) or the financial asset is more than 90 days past due.

A debt instrument carried at amortised cost is written off when there is no reasonable expectation of recovering the contractual cash flows.

For each stage, the Group compute expected credit loss in a way that reflects:
- an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- the time value of money; and
- reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

All the loans granted by the Group are granted to associates and joint ventures and form long-term interests in associates or joint ventures. Long-term interests are interests that, in substance, form part of the net investment but are not accounted for using equity accounting.

The Group applies IFRS 9 expected credit loss requirements to long-term interests before applying the loss allocation and impairment requirements of IAS 28; and the Group does not take into account any adjustments to the carrying amount of long-term interests that result from the application of IAS 28, when applying the IFRS 9 requirements.

Management expects that a default or impairment on these loans would approximate to an excess of net losses of a joint venture or an associate to the amount originally invested.

For trade receivables the Group applies AXA Real Assets bad and doubtful debt policy that is based on the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables. The methodology considers the historic actual default rate, the current actual default rate with a forward-looking assessment of whether the current default rate is adequate given specific macro-economic and sector specific factors which may apply.

Trade receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, among others, the probability of insolvency or significant financial difficulties of the debtor. Impaired debts are derecognised when they are assessed as uncollectible.

Expected credit loss allowances are recognised in the consolidated statement of comprehensive income.

A significant increase in credit risk is presumed if interest and/or principal repayments are 30 days past due or when the probability of default with the counterparty is increased as per balance sheet date in comparison of the loan origination.

Details on estimates and assumptions used are given in Note 2.2 “Critical accounting estimates and assumptions”.

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.

Notes to the Consolidated Financial Statements

2 Summary of material accounting policies (continued)

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 operates with the following currencies: British Pound ("GBP" or "£"), Danish Krone ("DKK"), Norwegian Krone ("NOK"), Swedish Krona ("SEK") and Euro ("EUR"). The consolidated financial statements are presented in Euro, which is the parent company's functional currency and the Group's presentational currency.

Transactions and balances

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

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented net in the income statement within finance costs and finance income respectively, unless they are capitalised as explained in note 2.15. All other foreign exchange gains and losses are presented net 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 as a separate component of net assets attributable to partners.

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 equity 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. All items included within cash and cash equivalents are highly liquid instruments that are subject to insignificant risk of changes in value.

2.7 Expenses

All expenses, including management fees, are recognised in the consolidated statement of comprehensive income on an accrual basis, in the period in which they are incurred.

Notes to the Consolidated Financial Statements

2 Summary of material accounting policies (continued)

2.8 Interest income and expense

Interest income and expense are recognised within “finance income” and “finance costs” in the consolidated statement of comprehensive income using the effective interest rate method. The effective interest method is a method of calculating the amortised cost of a financial asset or a financial liability and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts throughout the expected life of the financial instrument, or a shorter period where appropriate, to the net carrying amount of the financial asset or financial liability. When calculating the effective interest rate, the Group estimates cash flows considering all contractual terms of the financial instrument (for example, pre-payment options) but does not consider future credit losses. The calculation includes all fees and points paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums or discounts.

2.9 Group formation expenses

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

2.10 Provisions

Provisions are recognised when there is a present 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 obligations; 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.

2.11 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. They are deconsolidated from the date that control ceases.

All the Group companies have 31 December as their year-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 may elect to apply the optional concentration test in IFRS 3 to assess whether an acquisition must be accounted for as a business combination. When substantially all of the fair value of the gross assets acquired is concentrated in a single asset (or a group of similar assets), the transaction is accounted for as an asset acquisition. The consideration paid is allocated to the identifiable assets and liabilities acquired on the basis of their relative fair values at the acquisition date.

Where an acquisition does not satisfy the concentration test and the acquired set of activities meets the definition of a business, the Group applies the acquisition method of accounting.

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.

Notes to the Consolidated Financial Statements

2 Summary of material accounting policies (continued)

2.11 Consolidation (continued)

(a) Subsidiaries (continued)

Accounting for business combinations (continued)

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.

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 the acquisition of a subsidiary that does not meet 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.

Associates

Associated companies are those companies in which the Group generally has between 20% and 50% of the voting rights, or over which the Group exercises significant influence, but which it does not control. Investments in associated companies are accounted for under the equity method or investment at fair value through profit or loss under IFRS 9 where certain criteria are met under IAS 28.

See Note 6 for further details on investments in associates and joint ventures.

Joint arrangements

Under IFRS 11 investments in joint arrangements are classified as either joint operations or joint ventures. The classification of a joint arrangement as a joint operation or a joint venture depends upon the rights and obligations of the parties to the arrangement rather than the legal structure of the joint arrangement. An entity determines the type of joint arrangement in which it is involved by considering the structure and form of the arrangement, the terms agreed by the parties in the contractual arrangement and other facts and circumstances.

The Group recognises in relation to its interest in a joint operation:

- its assets, including its share of any assets held jointly;
- its liabilities, including its share of liabilities incurred jointly;
- its revenue from the sale of its share of the output of the joint operation and
- its expenses, including its share of any expenses incurred jointly.

Interests in joint ventures are accounted for using the equity method (see below), after initially being recognised at cost in the consolidated statement of financial position.

Notes to the Consolidated Financial Statements

2 Summary of material accounting policies (continued)

2.11 Consolidation (continued)

(a) Subsidiaries (continued)

Equity method

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses of the investee in profit or loss, and the Group's share of movements in other comprehensive income of the investee in other comprehensive income. Distributions received or receivable from associates and joint ventures can take the form of a return on capital (dividend) or a return of capital (repayment of contributed capital). These distributions are recognised as a reduction in the carrying amount of the investment.

When the Group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealised gains on transactions between the Group and its associates and joint ventures are eliminated to the extent of the Group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity accounted investees have been changed where necessary to ensure consistency with the policies adopted by the Group.

(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.

2.12 Investment property

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the companies in the consolidated Group, is classified as investment property. Investment property also includes property that is being constructed or developed for future use as investment property. 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 properties 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.

Notes to the Consolidated Financial Statements

2 Summary of material accounting policies (continued)

2.12 Investment property (continued)

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.

2.13 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.

(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.

Notes to the Consolidated Financial Statements

2 Summary of material accounting policies (continued)

2.13 Leases (continued)

(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.

2.14 Revenue recognition

Revenue includes rental income, and 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 is measured at the transaction price agreed under the contract. Amounts disclosed as revenue are net of variable consideration and payments to customers, which are not for distinct services, this consideration may include discounts, trade allowances, rebates and amounts collected on behalf of third parties. For arrangements that include deferred payment terms that exceed twelve months, the Group adjusts the transaction price for the financing component, with the impact recognised as interest income using the effective interest rate method over the period of the financing.

A receivable is recognised when services are provided as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

When the Group is acting as an agent, the commission rather than gross income is recorded as revenue.

Revenue from service and property management charges is recognised in the accounting period in which control of the services are passed to the customer, which is when the service is rendered. For certain service contracts, revenue is recognised based on the actual service provided to the end of the reporting period as a proportion of the total services to be provided because the customer receives and uses the benefits simultaneously.

Some property management contracts may include multiple elements of service, which are provided to tenants. The Group assesses whether individual elements of service in contract are separate performance obligations. Where the contracts include multiple performance obligations and/or lease and non-lease components, the transaction price will be allocated to each performance obligation (lease and non-lease component) based on the stand-alone selling prices. Where these selling prices are not directly observable, they are estimated based on an expected cost plus margin. In the case of fixed price contracts, the customer pays the fixed amount based on a payment schedule. If the services rendered by the Group exceed the payment, a contract asset is recognised. If the payments exceed the services rendered, a contract liability is recognised.

2.15 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.

Notes to the Consolidated Financial Statements

2 Summary of material accounting policies (continued)

2.15 Borrowings (continued)

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.

2.16 Taxation

Under the current legislation, the Group is not subject to any Luxembourg taxes on profits, income or capital gains. However, the Group is liable to subscription tax in Luxembourg at a rate of 0.01% per annum based on the net asset value ("NAV") of the Group at the end of each quarter. 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 entities of the Group are subject to taxation in the countries in which they operate.

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 consolidated 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.

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.

2.17 Redeemable units

Redeemable units are carried at amortised cost, which correspond to the redemption amount that is payable at the consolidated statement of financial position date if the holder exercises the right to put the share back to the Fund. The mechanism for redemption of units is outlined in Note 4.

Notes to the Consolidated Financial Statements

2 Summary of material accounting policies (continued)

2.18 Impairment of non-financial assets

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

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.

Non-controlling interests comply with the "equity" classification criteria of IAS 32 para 11 and are classified as equity.

2.20 Non-current assets held for sale

The Group classifies non-current assets (principally investment property) and disposal groups as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. Non-current assets and disposal groups classified as held for sale (except for investment property measured at fair value) are measured at the lower of their carrying amount and fair value less costs to sell. Costs to sell are the incremental costs directly attributable to the disposal of an asset (disposal group), excluding finance costs and income tax expense.

The criteria for held for sale classification is regarded as met only when the sale is highly probable and the asset or disposal group is available for immediate sale in its present condition. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn. Management must be committed to the plan to sell the asset and the sale is expected to be completed within one year from the date of the classification.

Investment property held for sale continues to be measured at fair value. Assets and liabilities classified as held for sale are presented separately in the statement of financial position.

A disposal group qualifies as discontinued operation if it is a component of an entity that either has been disposed of, or is classified as held for sale, and:

- represents a separate major line of business or geographical area of operations;
- is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations: or
- is a subsidiary acquired exclusively with a view to resale.

Notes to the Consolidated Financial Statements

2 Summary of material accounting policies (continued)

2.21 Goodwill

Goodwill arises on the acquisition of businesses and represents 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. If the total of consideration transferred, non– controlling interest recognised and previously held interest measured at fair value is less than the fair value of the net assets of the business acquired, in case of a bargain purchase, the difference is recognised directly in the consolidated statement of comprehensive income.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the cash generating units (CGUs), or groups of CGUs that is expected to benefit from the synergies of the combination. Each unit or group of units to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes. Goodwill is monitored at the operating segment level. Goodwill impairment reviews are undertaken annually or more frequently if events or changes in circumstances indicate a potential impairment. The carrying value of the CGU containing the goodwill is compared to the recoverable amount, which is the higher of value in use and the fair value less costs of disposal. Any impairment is recognised immediately as an expense and is not subsequently reversed.

2.22 Distribution to the partners

Distributions to the partners are recognised in the consolidated statement of comprehensive income in the period in which the dividends are approved.

2.23 Operating segments

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker is the person or group that allocates resources to and assesses the performance of the operating segments of the Group. The Group has determined that its chief operating decision-maker is the Board of Managers of the General Partner of the Fund.

2.24 Trade payables

Trade and other payables are recognised initially at fair value and subsequently are measured at amortised cost using the effective interest method. The fair value of a non-interest-bearing liability is its discounted repayment amount. If the due date of the liability is less than one year, discounting is omitted. Certain Group companies obtain deposits from tenants as a guarantee for returning the property at the end of the lease term in a specified good condition or for the lease payments for a period ranging from 1 to 24 months. The Group has elected to treat such deposits as financial liabilities in accordance with IFRS 9, and they are initially recognised at fair value. The deposit is subsequently measured at amortised cost.

2.25 Loan commitments

Loan commitments provided by the Group are measured as the amount of the loss allowance (calculated as described in Note 2.3). The Group has not provided any commitment to provide loans at a below- market interest rate, or that can be settled net in cash or by delivering or issuing another financial instrument. For loan commitments the loss allowance is recognised as a provision. However, for contracts that include both a loan and an undrawn commitment and the Group cannot separately identify the expected credit losses on the undrawn commitment component from those on the loan component, the expected credit losses on the undrawn commitment are recognised together with the loss allowance for the loan. To the extent that the combined expected credit losses exceed the gross carrying amount of the loan, the expected credit losses are recognised as a provision.

2.26 Prepayments

Prepayments are carried at cost less any accumulated impairment losses.

2.27 Adjustments from net assets attributable to the partners to subscription net asset value

The subscription NAV is computed in accordance with the principles of the European Association for Investors in Non-Listed Real Estate Vehicles ("INREV") Guidelines with the exception of the real estate acquisition costs and the Fund formation costs that are amortised over 10 years, the "Adjusted INREV NAV".

Notes to the Consolidated Financial Statements

2 Summary of material accounting policies (continued)

2.27 Adjustments from net assets attributable to the partners to subscription net asset value (continued)

The subscription NAV is calculated as set out in clause 5.4.5 of the Offering Memorandum by performing adjustments compared to the IFRS NAV, including:

(i) The acquisition 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) Revaluation to fair value of savings of purchaser's costs such as transfer taxes for some investments. Based on market practices in some jurisdictions, the characteristics of the intended method of disposal may result in a reduction of the transfer taxes and purchaser's costs for the benefit of the seller. This deduction is mainly applied for properties and structures held in Austria, France, Netherlands, and Portugal under certain conditions.

(iv) Revaluation to fair value of deferred taxes (DTL). This adjustment represents the impact on the NAV of the difference between the carrying value of deferred tax calculated in accordance with IFRS and the estimate of deferred tax (DTL) under the settlement consideration. In some jurisdictions sale of shares in a property-owning vehicle may lead to a saving rate up to 50%. The amount of saving rate depends on the current tax legislation. The deduction is mainly applied for entities and structures held in Finland, Germany, Netherlands, Norway, Portugal and Sweden in certain conditions.

(v) The debt issuance cost adjustment relates to debt issuance costs associated with subsidiaries acquired which have been fully expensed in IFRS NAV. Such debt issue costs were adjusted to be amortised throughout the duration of the loan.

(vi) Other adjustments mainly relate to:

1 The adjustment related to the revaluation to fair value of financial assets and financial liabilities excluding the tax effect of fair value uplift of those financial assets/financial liabilities. The notes issued were valued based on the closing price.

2 Revaluation to fair value of indirect investments not consolidated: Indirect investments in real estate, such as investments in associates and joint ventures are accounted under equity method. The adjustment represents the impact on NAV of the revaluation of Associates investment in Portugal to fair value.

3 Fair value estimation

Fair value measurement recognised in the consolidated statement of financial position

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 included inputs for the asset or liability that are not based on observable market data (unobservable input).

Notes to the Consolidated Financial Statements

3 Fair value estimation (continued)

Fair value measurement recognised in the consolidated statement of financial position (continued)

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.

Assets and liabilities at fair value through profit or loss	Level 1	Level 2	Level 3	Total
	€	€	€	€
As at 31 December 2023				
Investment property*	-	-	3,333,091,894	3,333,091,894
Financial assets at fair value through profit or loss	30,092,275	-	-	30,092,275
Interest rate swaps/caps	-	37,786,430	-	37,786,430
Currency forward contracts	-	(8,032,608)	-	(8,032,608)
Currency option / swaps	-	(1,233,945)	-	(1,233,945)
As at 31 December 2022				
Investment property*	-	-	3,200,247,550	3,200,247,550
Financial assets at fair value through profit or loss	8,454,722	-	-	8,454,722
Put option	-	-	(1,797,531)	(1,797,531)
Interest rate swaps/caps	-	55,230,863	-	55,230,863
Currency forward contracts	-	16,026,899	-	16,026,899
Currency option / swaps	-	3,851,006	-	3,851,006

* See Note 5 for further information in relation to the fair value of investment properties.
** See Note 6 for further information in relation to the fair value of investments in associates and joint ventures.

There were no transfers between levels during the year ended 31 December 2023 or during the year ended 31 December 2022.

Financial instruments in level 2 and level 3

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 instrument are observable, the instrument is included in level 2.

Financial instruments at Level 2 are not traded in active market, but these has observable market data. These are measured based on rates in market, so there is available market data.

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;
- The fair value of currency forward contracts is determined using forward exchange rates at the consolidated statement of financial position date, with the resulting value discounted back to present value;
- Other techniques, such as discounted cash flow analysis, are used to determine fair value for the remaining financial instruments.

The fair value of the investments in associates and joint ventures are determined on the basis of the underlying properties (see Note 6).

Notes to the Consolidated Financial Statements

3 Fair value estimation (continued)

Assets and liabilities not carried at fair value but for which fair value is disclosed

The following tables analyses within the fair value hierarchy the Group's assets and liabilities (by class) not measured at fair value at 31 December 2023 and 31 December 2022 but for which fair value is disclosed.

	Level 1	Level 2	Level 3	Total
	€	€	€	€
As at 31 December 2023				
Assets				
Investments in associates and joint ventures*	-	-	986,071,317	986,071,317
Loans to associates and joint ventures	-	1,093,660,444	-	1,093,660,444
Interest receivable from financial assets		221,414	-	221,414
Interest receivable from associates and joint ventures	-	21,227,932	-	21,227,932
Trade and other receivables**	-	91,950,449	-	91,950,449
Cash and cash equivalents	326,269,423	-	-	326,269,423
Total	**326,269,423**	**1,207,060,239**	**986,071,317**	**2,519,400,979**
Liabilities				
Trade and other payables**	-	124,875,299	-	124,875,299
Borrowings**^	991,072,677	807,536,201	-	1,798,608,878
Net assets attributable to the Partners	-	-	3,621,480,688	3,621,480,688
Total	**991,072,677**	**932,411,500**	**3,621,480,688**	**5,544,964,865**

	Level 1	Level 2	Level 3	Total
	€	€	€	€
As at 31 December 2022				
Assets				
Investments in associates and joint ventures*	-	-	1,160,781,540	1,160,781,540
Loans to associates and joint ventures	-	1,297,454,955	-	1,297,454,955
Investment held at amortised cost	-	5,000,000	-	5,000,000
Interest receivable from associates and joint ventures	-	21,466,939	-	21,466,939
Trade and other receivables**	-	58,664,039	-	58,664,039
Cash and cash equivalents	196,258,289	-	-	196,258,289
Total	**196,258,289**	**1,382,585,933**	**1,160,781,540**	**2,739,625,762**
Liabilities				
Trade and other payables**	-	82,875,449	-	82,875,449
Borrowings**^	989,410,161	685,133,338	-	1,674,543,499
Net assets attributable to the Partners	-	-	3,910,573,676	3,910,573,676
Total	**989,410,161**	**768,008,787**	**3,910,573,676**	**5,667,992,624**

* The valuation techniques, as well as related inputs, for the underlying investment properties held by investments in associates and joint ventures, being the main driver of their valuation, are similar to the ones used for investment properties directly held by the Fund as disclosed in note 5.

** Amounts exclude non-financial assets and liabilities (see Notes 9, 12 and 17).

^ Amounts presented are based on amortised cost, as disclosed in Note 17.

Notes to the Consolidated Financial Statements

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.

The Group has exposures to the following risks from its use of financial instruments:

(a) Market 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 a financial instrument 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, where relevant, on the exposure to currency and interest rate risk as well as security prices that may be accepted, which are monitored on a regular 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 exchange risk

The Group operates internationally and is exposed to foreign exchange risk, primarily with respect to the British Pound, Danish Krone, Swedish Krona and Norwegian Krone. Foreign exchange 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's policy is to enter into currency hedging transactions with currency forward contracts; however, it does not opt to use hedge accounting in accordance with the requirements of IFRS 9.

The Group has various financial assets and liabilities such as derivative financial instruments, trade and other receivables and cash and short-term deposits that arise directly from its operations.

The Group's principal financial liabilities, besides derivative financial liabilities, comprise bank loans and trade and other payables. The main purpose of these financial liabilities is to finance the Group's operations.

The derivative transactions the Group enters into are primarily currency forward contracts and currency options / swaps. The purpose is to manage the currency risks arising from the Group's operations and its sources of finance (economy hedges).

The tables below summarise the reports provided to key management personnel and used to monitor the Group's exposure to foreign currency risk arising from financial instruments at 31 December 2023 and 31 December 2022 before hedging. The Group's financial assets and liabilities are included in the table categorised by currency at their carrying amount.

Notes to the Consolidated Financial Statements

4 Financial risk management (continued)

(a) Market risk (continued)

(i) Foreign exchange risk (continued)

	Note	DKK	NOK	SEK	EUR	GBP	Total €
As at 31 December 2023							
Financial assets							
Loans to associates and joint ventures	6	11,717,349	33,993,308	76,611,881	971,337,906	-	1,093,660,444
Financial assets at fair value through profit or loss	7	-	-	-	30,092,275	-	30,092,275
Interest receivable		14,115	43,202	1,861,440	19,530,589	-	21,449,346
Trade and other receivables*	9	176,379	1,656,691	-	49,485,789	40,631,590	91,950,449
Cash and cash equivalents	11	2,602,606	5,942,127	1,448,219	251,186,187	65,090,284	326,269,423
Derivatives at fair value through profit or loss	10	-	-	-	5,768,107	34,592,977	40,361,084
Total financial assets		**14,510,449**	**41,635,328**	**79,921,540**	**1,327,400,853**	**140,314,851**	**1,603,783,021**
Financial liabilities							
Borrowings*	17	58,271,086	-	-	1,008,602,503	721,398,889	1,788,272,478
Borrowings (current)		-	-	-	-	10,336,400	10,336,400
Trade and other payables*	12	1,931,610	223,460	-	90,744,526	31,975,703	124,875,299
Derivatives at fair value through profit or loss (liabilities)	10	-	-	-	11,841,207	-	11,841,207
Total financial liabilities		**60,202,696**	**223,460**		**1,111,188,236**	**763,710,992**	**1,935,325,384**

	Note	DKK	NOK	SEK	EUR	GBP	Total €
As at 31 December 2022							
Financial assets							
Loans to associates and joint ventures	6	12,037,508	21,369,624	76,696,228	1,187,351,595	-	1,297,454,955
Financial assets at fair value through profit or loss	7	-	-	-	8,454,722	-	8,454,722
Interest receivable		41,820	33,869	2,512,350	18,878,900	-	21,466,939
Investment held at amortised cost	8	-	-	-	5,000,000	-	5,000,000
Trade and other receivables*	9	951,609	-	-	29,049,539	28,662,891	58,664,039
Cash and cash equivalents	11	2,617,982	1,213,505	-	124,896,577	67,530,225	196,258,289
Derivatives at fair value through profit or loss	10	-	-	-	24,978,222	50,383,246	75,361,468
Total financial assets		**15,648,919**	**22,616,998**	**79,208,578**	**1,398,609,555**	**146,576,362**	**1,662,660,412**
Financial liabilities							
Borrowings*	17	-	-	-	1,165,035,752	509,507,747	1,674,543,499
Borrowings (current)	17	-	-	-	9,035,494	-	9,035,494
Trade and other payables*	12	1,832,925	-	-	66,844,542	14,197,982	82,875,449
Derivatives at fair value through profit or loss (liabilities)	10	-	-	-	2,050,231	-	2,050,231
Total financial liabilities		**1,832,925**			**1,242,966,019**	**523,705,729**	**1,768,504,673**

*Amounts exclude non-financial assets (see Note 9) and non-financial liabilities (see Notes 12 and 17).

Notes to the Consolidated Financial Statements

4 Financial risk management (continued)

(a) Market risk (continued)

(i) Foreign exchange risk (continued)

The Fund operates internationally and holds both monetary and non-monetary assets denominated in currencies other than the euro, the functional currency. Foreign currency risk, as defined in IFRS 7, arises as the value of future transactions, recognised monetary assets and monetary liabilities denominated in other currencies fluctuate due to changes in foreign exchange rates. IFRS 7 considers the foreign exchange exposure relating to non-monetary assets and liabilities to be a component of market price risk not foreign currency risk.

In order to efficiently manage foreign currency risk, management monitors and hedges the Group's exposure to foreign currency at Group level, not at individual company level.

Nevertheless, the Group does not apply hedge accounting in accordance with IFRS 9. In addition, the Group manages foreign currency risk by matching its principal cash outflows to the currency in which the principal cash inflows are denominated. This is generally achieved by obtaining loan finance in the relevant currency and by entering into currency forward contracts.

The functional currency of the Group is the Euro; the functional currencies of the Group's principal subsidiaries are Euro, DKK GBP, NOK and SEK. The Company and each of its subsidiaries are exposed to currency risk arising from financial instruments held in currencies other than their individual functional currencies.

The following paragraph presents sensitivities of profit and loss to reasonably possible changes in exchange rates applied at the financial position date relative to the functional currency of the respective Group entities, with all other variables held constant.

As at 31 December 2023 had GBP weakened/strengthened by 5% against the euro, post-tax loss for the year would have been €31,280,905 higher/lower. As at 31 December 2022 had GBP weakened/strengthened by 5% against the euro, post-tax profit for the year would have been €18,856,468 higher/lower.

Foreign exchange risk arising from DKK, NOK and SEK exposure is not considered material to the Group and therefore sensitivity to these currencies have not been presented.

(ii) Price risk

The Group is exposed to price risks in respect of its investments in financial assets at fair value through profit and loss (Note 7).

(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 2023 and 31 December 2022, the Group held a number of interest rate derivative instruments for the purpose of hedging the interest on the bank loans. Any gains or losses recognised on the open interest rate derivative instruments is offset by changes in the interest rates charged on the bank loans. Further details of the interest rate derivative instruments held by the Group can be found in Note 10.

Management considered a shift of 100 basis points for sensitivity purposes as being relevant considering the Group's current exposure and historical volatility on variable rates to which it is exposed.

As at 31 December 2023, had market interest rates increased by 100 basis points with all other variables held constant, the impact on the net assets and profit/(loss) for the year would be a decrease of €764,500 (2022: €1,528,500). Had market interest rates decreased by 100 basis points (2022: 5 basis points) or LIBOR / SONIA interest rates decreased to zero with all other variables held constant, the impact on the net assets would be an increase of €4,183,362 (2022: €71,263).

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

	31 December 2023		31 December 2022	
	€	GBP	€	GBP
Bank financing and notes issued (prior to impact of interest rate hedging)	1.17%	6.92%	1.04%	4.63%

Refer to Note 17 for details of fixed and variable interest rates on borrowings.

Notes to the Consolidated Financial Statements

4 Financial risk management (continued)

(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, receivable instruments and derivatives. Credit risk is managed on a Group basis. The Group structures the levels of credit risk it accepts by placing, where appropriate, 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, where appropriate. The Group has policies in place to ensure that rental investment 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 and derivatives are agreed with financial institutions within a list of approved counterparties that is regularly monitored and based mainly on the counterparty's creditworthiness. For derivative instruments concluded at Fund level, collateral agreements have been entered to, in order to reduce the credit counterparty risk. Interest rate derivative instruments concluded at the level of subsidiaries partly or wholly owned by Fund in relation to a financing are not collateralised, and the default of the financial counterparty for such derivative could lead to potential losses that could negatively impact the performance of the Group.

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 2023	31 December 2022
	€	€
Loans to associates and joint ventures	1,093,660,444	1,297,454,955
Financial assets at fair value through profit or loss	30,092,275	8,454,722
Investment held at amortised cost	-	5,000,000
Interest receivable from financial assets	221,414	-
Interest receivable from associates and joint ventures	21,227,932	21,466,939
Trade and other receivables*	91,950,449	58,664,039
Cash and cash equivalents	326,269,423	196,258,289
Total	**1,563,421,937**	**1,587,298,944**

* Amount excludes non-financial assets (see Note 9).

Refer to Note 6 for details of impairment on loans to associates and joint ventures. Refer to Note 9 for details of impairment on other receivables. There are no other material financial assets that are past due or impaired.

All financial loan commitments to which the Group is exposed are given in note 6 to the consolidated financial statements.

There are no other 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 Fund may provide limited liquidity since the Fund may be restricted in its ability to liquidate its investments.

This could also impair the Fund's ability to distribute redemption proceeds to a redeeming Unitholder in a timely manner. The Offering Memorandum of the Fund permits quarterly redemptions from the Fund at each quarter end, subject to Redemption Queue and suspension mechanism, subject to the following conditions (as defined in the Offering Memorandum):

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

b) Investors' Units in a Redemption Vintage will be redeemed on a pro rata and pari passu basis in the same Redemption Vintage. 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.

Notes to the Consolidated Financial Statements

4 Financial risk management (continued)

(c) Liquidity risk (continued)

c) 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 18 months if (i) the outstanding redemptions requests in the Redemption Queue represent more than 15% of the NAV as at any given date, or (ii) the General Partner considers that there are special market or adverse conditions.

The Group has entered into loan facility agreements with the following banks (see Note 17 for further information on bank borrowings):

- Landesbank Hessen-Thueringen Girozentrale
- M&G Investment Limited.
- Natixis
- CA-CIB
- BNP Paribas
- Societe Generale
- ING Bank N.V

The Group's liquidity position is monitored on a regular 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 2023 is as follows:

	On demand / < 1 month	1 to 3 months	3 to 12 months	More than 1 year	Later than 5 years	Total
	€	€	€	€	€	€
Liabilities						
Derivatives at fair value through profit or loss	(2,886,988)	(960,024)	(4,497,287)	(1,418,298)	(2,078,610)	(11,841,207)
Trade and other payables**	-	(123,562,969)	-	(1,312,330)	-	(124,875,299)
Net assets attributable to the partners*	-	(3,580,728)	(46,842,516)	-	(3,571,057,444)	(3,621,480,688)
Borrowings (net of hedging)	(74,183,253)	(2,183,285)	(29,948,678)	(1,162,539,519)	(592,522,138)	(1,861,376,873)
	(77,070,241)	**(130,287,006)**	**(81,288,481)**	**(1,165,270,147)**	**(4,165,658,192)**	**(5,619,574,067)**

The maturity analysis of financial liabilities at 31 December 2022 is as follows:

	On demand / < 1 month	1 to 3 months	3 to 12 months	More than 1 year	Later than 5 years	Total
	€	€	€	€	€	€
Liabilities						
Derivatives at fair value through profit or loss	-	-	(2,050,231)	-	-	(2,050,231)
Trade and other payables**	-	(81,622,737)	-	(1,252,712)	-	(82,875,449)
Net assets attributable to the partners*	-	-	(124,580,035)	-	(3,785,993,641)	(3,910,573,676)
Borrowings (net of hedging)	(1,956,680)	(1,416,287)	(20,801,123)	(689,729,600)	(1,107,190,347)	(1,821,094,037)
	(1,956,680)	**(83,039,024)**	**(147,431,389)**	**(690,982,312)**	**(4,893,183,988)**	**(5,816,593,393)**

* Based on the investment profile of the underlying investments (real estate) and the exit mechanism of the Fund as per the Offering Memorandum, the above classification represents the investment horizon of the Fund.

** Amounts exclude non-financial assets (see Note 9) and non-financial liabilities (see Note 12).

In respect of financial loan commitments, maturity as well as commitments are given in note 6 to the consolidated financial statements. The amount of contractual undiscounted cash flows related to bank financing is calculated after hedging with the interest rate swaps.

Notes to the Consolidated Financial Statements

4 Financial risk management (continued)

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 exchange 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 partners, 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 Fund pays, in particular, in the context of share buy back
- Buy back and issue new shares in accordance with the constitutional documents of the Fund

The Board of Managers of the General Partner and the Alternative Investment Fund Manager monitor capital on the basis of the value of net assets attributable to the partners in accordance with the principles defined in the Offering Memorandum.

The subscription NAV is calculated as set out in clause 5.4.5 of the Offering Memorandum by performing adjustments compared to the IFRS NAV, including:

(i) The acquisition 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) Revaluation to fair value of savings of purchaser's costs such as transfer taxes for some investments. Based on market practices in some jurisdictions, the characteristics of the intended method of disposal may result in a reduction of the transfer taxes and purchaser's costs for the benefit of the seller. This deduction is mainly applied for properties and structures held in France, Netherlands, and Germany under certain conditions.

(iv) Revaluation to fair value of deferred taxes (DTL). This adjustment represents the impact on the NAV of the difference between the carrying value of deferred tax calculated in accordance with IFRS and the estimate of deferred tax (DTL) under the settlement consideration. In some jurisdictions sale of shares in a property-owning vehicle may lead to a saving rate up to 50%. The amount of saving rate depends on the current tax legislation. The deduction is mainly applied for entities and structures held in Germany, Portugal, Netherlands, in certain conditions.

(v) The debt issuance cost adjustment relates to debt issuance costs associated with subsidiaries acquired which have been fully expensed in IFRS NAV. Such debt issue costs was adjusted to be amortised throughout the duration of the loan.

The table below shows the subscription NAV adjustments:

	31 December 2023	31 December 2022
	€	€
Total net assets attributable to partners as per IFRS consolidated financial statements	**3,621,480,688**	**3,910,573,676**
Adjustments		
Formation expenses adjustment	616,691	758,837
Acquisition costs adjustment	78,912,048	92,828,921
Revaluation to fair value of savings of purchasers costs such as transfer taxes	38,853,395	50,541,384
Revaluation to fair value of deferred taxes	(67,522,856)	(74,627,080)
Revaluation to fair value of indirect investments not consolidated	(288,175)	(171,547)
Revaluation to fair value of financial assets and financial liabilities*	172,615,202	296,587,170
Other adjustments**	657,365	808,780
Total adjustments	**223,843,670**	**366,726,465**
Subscription net asset value	**3,845,324,358**	**4,277,300,141**

* Notes issued were valued based on closing prices on the market.
** Other adjustments in accordance with INREV guidelines were considered by Management.

Notes to the Consolidated Financial Statements

5 Investment property

The Group invests in commercial real estate investment properties.

The valuation of the investment properties was carried out by the External Valuers in accordance with the RICS Valuation – Global Standards 2022 published by the Royal Institution of Chartered Surveyors on the basis of Fair Value in accordance with IFRS 13 or, in the case of investment property held for sale, with reference to the agreed sales price. 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 year ended 31 December 2023:

	Total investment property
	€
Fair value as at 1 January 2023	**3,200,247,550**
Purchases	306,638,104
Capitalised expenditure	184,376,888
Unrealised gain/(loss)	(394,777,666)
Currency translation loss	30,727,725
Acquired through acquisition of subsidiaries (other than business combination)	-
Acquired through business combination	-
Disposal through sale of subsidiaries	-
Movement on right of use asset	5,879,293
Fair value as at 31 December 2023	**3,333,091,894**
Fair value as at 1 January 2022	**3,337,506,334**
Purchases	120,056,775
Capitalised expenditure	51,613,151
Unrealised gain/(loss)	(56,666,884)
Currency translation loss	(71,841,973)
Acquired through acquisition of subsidiaries (other than business combination)	-
Acquired through business combination	-
Disposal through sale of subsidiaries	(180,419,853)
Movement on right of use asset	-
Fair value as at 31 December 2022	**3,200,247,550**

During the year ended 31 December 2023, the Fund's subsidiaries acquired the following investment properties which are significant to the Group:

- On 20 June 2023, the Fund acquired its first 100% ownership logistics investment in Oslo, Norway, totalling for circa 105,923sqm.
- On 19 December 2023, the Fund acquired via a share deal a logistics portfolio. This deal comprises six logistics properties, totalling over 190,000 sqm located in key French logistics centres.

During the year ended 31 December 2022, the Fund's subsidiaries had acquired the following investment properties which are significant to the Group:

- As part of the Mendez Alvaro Transaction, the Group acquired a 258-unit residential complex located in Méndez Álvaro area of in Madrid, Spain. The initial fair value of the investment properties at the date of acquisition was amounting to €120m.

Valuation process

The Group's investment properties were valued as at 31 December 2023 and 31 December 2022 by independent professionally qualified valuers who hold a recognised relevant professional qualification and relevant experience in the locations and segments of the investment properties valued or, in the case of investment property held for sale, with reference to the agreed sales price. For all investment properties, their current use equals the highest and best use. The AIFM and the General Partner review 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.

Notes to the Consolidated Financial Statements

5 Investment property (continued)

Right of use asset

Right of use assets held by the Group related to land held under ground leases in Finland and Germany that meet the definition of investment properties amounted to €8,421,761 (2022: €2,542,468).

As at 31 December 2023, the Group has invested in the following investment properties:

Country	Valuation technique	Rental yield	Estimated rental value	Fair value	Right of use asset - Ground Lease	Fair Value including right of use asset
			€	€	€	€
United Kingdom	Discounted cash flow/Hardcore method	0% - 9%	73,800,000	1,182,189,150	-	1,182,189,150
France	Discounted cash flow	0% - 7%	30,800,000	521,660,000	-	521,660,000
Spain	Discounted cash flow	3% - 7%	14,500,000	223,977,728	-	223,977,728
Luxembourg	Discounted cash flow	5% - 6%	10,900,000	181,600,000	-	181,600,000
Italy	Discounted cash flow	4% - 5%	1,200,000	21,800,000	-	21,800,000
Finland	Discounted cash flow	4% - 5.5%	5,800,000	89,300,000	2,735,769	92,035,769
Norway	Discounted cash flow	5% - 6%	7,100,000	127,272,156		127,272,156
Denmark	Discounted cash flow	4% - 5%	6,000,000	120,731,099	-	120,731,099
Germany	Discounted cash flow	2% - 6.5%	50,500,000	856,140,000	5,685,992	861,825,992
				3,324,670,133	**8,421,761**	**3,333,091,894**

As at 31 December 2022, the Group had invested in the following investment properties:

Country	Valuation technique	Rental yield	Estimated rental value	Fair value	Right of use asset - Ground Lease	Fair Value including right of use asset
			€	€	€	€
United Kingdom	Income capitalisation/Hardcore method	0% - 7%	66,900,000	1,173,876,928	-	1,173,876,928
France	Term and reversion method/Hardcore method/Discounted cash flow	0% - 6%	21,000,000	408,090,000	-	408,090,000
Spain	Discounted cash flow	2% - 7%	13,300,000	235,022,731	-	235,022,731
Luxembourg	Hardcore Method	4% - 5%	10,800,000	202,570,000	-	202,570,000
Italy	Discounted cash flow	3% - 5%	1,200,000	21,600,000	-	21,600,000
Finland	Discounted cash flow	4% - 5%	5,800,000	96,000,000	2,542,468	98,542,468
Denmark	Discounted cash flow	3% - 4%	5,900,000	138,045,423	-	138,045,423
Germany	Discounted cash flow	3% - 6%	49,200,000	922,500,000	-	922,500,000
				3,197,705,082	**2,542,468**	**3,200,247,550**

As at 31 December 2023 and 31 December 2022, the Group has classified the fair value of investment properties as Level 3.

As at 31 December 2023, if rental yield rates had been 0.5% higher, with all other variables held constant, net assets attributable to the partners and profit/(loss) for the year would have been €134,288,716 (2022: €255,767,400) lower. As at 31 December 2023, if rental yield rates had been 0.5% lower, with all other variables held constant, net assets attributable to partners and profit/(loss) for the year would have been €322,313,081 (2022: €324,107,108) higher.

As at 31 December 2023, if rental income rates had been 5% lower, with all other variables held constant, net assets attributable to partners and profit/(loss) for the year would have been €235,692,003 (2022: €239,279,350) lower. As at 31 December 2023, if rental income rates had been 5% higher, with all other variables held constant, net assets attributable to partners and profit/(loss) for the year would have been €129,225,718 (2022: €121,977,619) higher.

Notes to the Consolidated Financial Statements

5 Investment property (continued)

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 capital costs, maintenance costs, vacancy rates and market rents.

6 Investments in associates and joint ventures

	SCI IMMO C47(1)	Avicdale Limited(1)	Iberubbo Imobilaria Lda(1)	Paunsdorf Center Luxco S.à r.l.(2)	Alpha Log Fund(2)	Selectiv Core Italy SICAF(1)	SCI Backin(3)
	€	€	€	€	€	€	€
As at 31 December 2023							
Opening balance	163,655,011	102,228,228	53,902,567	20,650,345	151,825,107	135,638,222	-
Additions/disposals during the period:							
- Additions/(disposals)	-	2,326,683	(4,500,000)	4,277,969	3,517,791	8,829,214	-
Distribution	-	-	-	-	-	-	-
Net unrealised (loss)/gain on investments in associates and joint ventures held at fair value	-	-	-	-	-	-	-
Dividends distributed	(6,810,483)	(1,483,488)	-	-	(4,824,419)	-	-
Share of net loss of associates and joint ventures accounted for using the equity method	(34,808,241)	(17,693,733)	(6,533,789)	(3,746,186)	(5,678,858)	(4,929,491)	-
Closing balance	**122,036,287**	**85,377,690**	**42,868,778**	**21,182,128**	**144,839,621**	**139,537,945**	**-**

	Log Italy Fund REIF(2)	Luxembourg Investment Company 327 S.à r.l. (1)	JV FORTE S.à r.l.(1)	Core FR 14 SAS & Saturne Habitat (1)	OneLog Invest (Lux) S.à r.l. (2)	Claypole Limited(1)	Total
	€	€	€	€	€	€	€
As at 31 December 2023							
Opening balance	13,109,519	6,235,832	22,448,704	194,764,804	274,189,714	22,133,487	1,160,781,540
Additions/disposals during the period:							
- Additions/(disposals)	-	-	-	(7,410,436)	-	-	7,041,221
Distributions	-	-	-	-	-	-	-
Net unrealised (loss)/gain on investments in associates and joint ventures held at fair value	-	-	-	-	-	-	-
Dividends distributed	(536,907)	-	-		-	(849,999)	(14,505,296)
Share of net loss of associates and joint ventures accounted for using the equity method	(467,185)	(6,235,832)	(3,285,899)	(39,772,221)	(36,806,026)	(7,288,687)	(167,246,148)
Closing balance	**12,105,427**	**-**	**19,162,805**	**147,582,147**	**237,383,688**	**13,994,801**	**986,071,317**

During Q1 2023, the Fund's associates and joint ventures disposed of its 37.5% share of the Italie 2 shopping centre in Central Paris, France (57,000 sqm), and its 50% share in Grand Ecran (15,300 sqm), and adjoining office development, to Ingka Centras, part of the Ingka Group. The total proceeds on the sale amounted to €20,474,775, and the resulting gain on the sale amounted to €14,220,727.

(1) Joint venture accounted for using the equity method.
(2) Associate accounted for using the equity method.
(3) Associate accounted for as investment at fair value through profit and loss under IFRS 9.

Notes to the Consolidated Financial Statements

6 Investments in associates and joint ventures (continued)

	SCI IMMO C47[1]	Avicdale Limited[1]	Iberubbo Imobilaria Lda[1]	Paunsdorf Center Luxco S.à r.l.[2]	Alpha Log Fund[2]	Selectiv Core Italy SICAF[1]	SCI Backin[3]
	€	€	€	€	€	€	€
As at 31 December 2022							
Opening balance	182,347,752	101,677,693	48,708,649	21,584,572	147,168,686	112,039,919	3,767,023
Additions/disposals during the period:							
- Additions/(disposals)	1,519,210	1,658,114	-	-	15,670,161	25,218,949	-
Distribution	-		-	-	-	-	-
Net unrealised (loss)/gain on investments in associates and joint ventures held at fair value	-	-	-	-	-	-	(3,767,023)
Dividends distributed	(6,889,328)	(1,454,400)	-	-	(3,550,963)	-	-
Share of net profit/(loss) of associates and joint ventures accounted for using the equity method	(13,322,623)	346,821	5,193,918	(934,227)	(7,462,777)	(1,620,646)	-
Closing balance	**163,655,011**	**102,228,228**	**53,902,567**	**20,650,345**	**151,825,107**	**135,638,222**	**-**

	Log Italy Fund REIF[2]	Luxembourg Investment Company 327 S.à r.l. [1]	JV FORTE S.à r.l.[1]	Core FR 14 SAS & Core FR 15 SAS & Saturne Habitat [1]	OneLog Invest (Lux) S.à r.l. [2]	Claypole Limited[1]	Total
	€	€	€	€	€	€	€
As at 31 December 2022							
Opening balance	14,277,330	1,192,432	23,042,651	175,232,161	312,971,484	24,042,000	1,168,052,352
Additions/disposals during the period:							
- Additions/(disposals)	-	-	-	-	34,868,783	-	78,935,217
Distributions	-	-	-	-	-	-	-
Net unrealised (loss)/gain on investments in associates and joint ventures held at fair value	-	-	-	-	-	-	(3,767,023)
Dividends distributed	(325,377)	-	-	(1,975,374)	-	(1,062,498)	(15,257,940)
Share of net profit/(loss) of associates and joint ventures accounted for using the equity method	(842,434)	5,043,400	(593,947)	21,508,017	(73,650,553)	(846,015)	(67,181,066)
Closing balance	**13,109,519**	**6,235,832**	**22,448,704**	**194,764,804**	**274,189,714**	**22,133,487**	**1,160,781,540**

During the year ended 31 December 2022, the Group converted its loans receivable from Selective CORE Italy SICAF SPA into equity investments amounting to €11,750,000. Additions during the year relates to capital calls made by the underlying associates and joint ventures during the year.

(1) Joint venture accounted for using the equity method.
(2) Associate accounted for using the equity method.
(3) Associate accounted for as investment at fair value through profit and loss under IFRS 9.

Notes to the Consolidated Financial Statements

6 Investments in associates and joint ventures (continued)

Loans to associates and joint ventures are as follows:

Borrower	Lender	Interest rate	Maturity	Local Currency	Maximum value of	31 December 2023 Gross value	31 December 2023 Impairment	Carrying value
					€	€	€	€
SCI Backin	ACEF SPPPICAV	0.00%	31/03/2026	EUR	€100m	83,610,787	(29,729,599)	53,881,188
OneLog Invest (Lux) S.à r.l.*	ACEF Holding S.C.A.	2.69%	05/09/2049	EUR	n/a	399,582,832	-	399,582,832
OneLog Invest (Lux) S.à r.l.	ACEF Holding S.C.A.	1.56%	30/11/2029	EUR	n/a	143,973,038	-	143,973,038
OneLog Invest (Lux) S.à r.l.	ACEF Holding S.C.A.	1.82%	30/11/2029	DKK	n/a	11,717,379	-	11,717,379
OneLog Invest (Lux) S.à r.l.	ACEF Holding S.C.A.	3.38%	05/09/2049	NOK	n/a	20,026,689	-	20,026,689
OneLog Invest (Lux) S.à r.l.	ACEF Holding S.C.A.	3.87%	05/09/2049	SEK	n/a	40,885,929	-	40,885,929
OneLog Invest (Lux) S.à r.l.	ACEF Holding S.C.A.	2.79%	30/11/2029	SEK	n/a	35,726,338	-	35,726,338
Paunsdorf Center Luxco S.à r.l.**	ACEF Holding S.C.A.	6.80%	31/03/2028	EUR	€15.0m	2,859,518	-	2,859,518
Iberubbo Imobilaria, Lda.	ACEF Holding S.C.A.	5.40%	08/01/2028	EUR	€56.9m	53,373,375	-	53,373,375
Luxembourg Investment Company 327 S.à r.l.	ACEF Holding S.C.A.	4.30%	06/12/2024	EUR	€136.4m	134,399,998	(761,640)	133,638,358
JV FORTE S.à r.l.	ACEF Holding S.C.A.	2.68%	02/12/2024	EUR	€51.4m	51,373,289	-	51,373,289
SCI IMMO C47	CORE FR 2018 2 SCI	0.00%	n/a	EUR	n/a	255,896	-	255,896
Saturne Habitat 2	ACEF 2 SPPPICAV	5.57%	31/12/2027	EUR	€154.0m	146,366,615	-	146,366,615
						1,124,151,683	**(30,491,239)**	**1,093,660,444**

Borrower	Lender	Interest rate	Maturity	Local Currency	Maximum value of	31 December 2022 Gross value	31 December 2022 Impairment	Carrying value
					€	€	€	€
SCI Backin	ACEF SPPPICAV	0.00%	31/03/2026	EUR	€100m	53,113,833	(9,440,449)	43,673,384
OneLog Invest (Lux) S.à r.l.*	ACEF Holding S.C.A.	2.74%	05/09/2049	EUR	n/a	372,693,717	-	372,693,717
OneLog Invest (Lux) S.à r.l.	ACEF Holding S.C.A.	1.55%	30/11/2029	EUR	n/a	180,305,366	-	180,305,366
OneLog Invest (Lux) S.à r.l.	ACEF Holding S.C.A.	1.83%	30/11/2029	DKK	n/a	12,037,533	-	12,037,533
OneLog Invest (Lux) S.à r.l.	ACEF Holding S.C.A.	3.38%	05/09/2049	NOK	n/a	21,369,531	-	21,369,531
OneLog Invest (Lux) S.à r.l.	ACEF Holding S.C.A.	3.88%	05/09/2049	SEK	n/a	40,930,534	-	40,930,534
OneLog Invest (Lux) S.à r.l.	ACEF Holding S.C.A.	2.80%	30/11/2029	SEK	n/a	35,765,315	-	35,765,315
Paunsdorf Center Luxco S.à r.l.**	ACEF Holding S.C.A.	0.50%	31/03/2023	EUR	€15.0m	3,677,286	-	3,677,286
Iberubbo Imobilaria, Lda.	ACEF Holding S.C.A.	5.40%	08/01/2028	EUR	€56.9m	53,373,375	-	53,373,375
CoRE FR 14 SAS	ACEF 2 SPPPICAV	1.87%	31/03/2026	EUR	n/a	165,178,800	-	165,178,800
CoRE FR 15 SAS	ACEF 2 SPPPICAV	1.87%	31/03/2026	EUR	n/a	57,077,000	-	57,077,000
Luxembourg Investment Company 327 S.à r.l.	ACEF Holding S.C.A.	4.30%	06/12/2024	EUR	€136.4m	134,399,998	-	134,399,998
JV FORTE S.à r.l.	ACEF Holding S.C.A.	2.68%	02/12/2024	EUR	€51.4m	51,373,289	-	51,373,289
SCI IMMO C47	CORE FR 2018 2 SCI	0.00%	n/a	EUR	n/a	255,896	-	255,896
Saturne Habitat 2	ACEF 2 SPPPICAV	1.87%	31/12/2027	EUR	€148.3m	125,343,932	-	125,343,932
						1,306,895,404	**(9,440,449)**	**1,297,454,955**

* Under the loan agreement between ACEF Holding S.C.A. and OneLog Invest (Lux) S.à r.l., the interest rate corresponds to the average interest rate applied on the subordinated loans (i.e. between OneLog Invest (Lux) S.à r.l. and its subsidiaries) minus a margin, determined by Transfer Pricing analysis.

** The original maturity date was 31/03/2023, the maturity date has been extended for another 5 years.

Notes to the Consolidated Financial Statements

6 Investments in associates and joint ventures (continued)

For the year ended 31 December 2023, interest income recognised on the loans to associates and joint ventures amounted to €37,599,423 (2022: €33,169,971). Accrued interest as at 31 December 2023 amounted to €21,227,932 (2022: €21,466,939).

Investments in associates and joint ventures are accounted for under the equity method under IAS 28. These entities are investing in real estate properties. The most significant factor in the carrying value of the investments is the fair value of the underlying properties held directly / indirectly by these entities. These properties are held at fair value in accordance with IAS 40 Investment Property, with changes in fair value being recognised in profit or loss. The valuation techniques used in the valuation of these properties include: discounted cash flow, hardcore method, investment method and income capitalisation method. The key unobservable inputs used in the valuation include: rental yield and estimated rental value.

Therefore the Group would classify the fair value of its investments in associates and joint ventures as Level 3 (see Note 3).

IAS 28 allows exemption from the equity method of accounting where an investment in an associate or joint venture is a mutual fund and can be accounted for at fair value in accordance with IFRS 9.

The Group has applied this exemption in the case of the following associate:

SCI Backin

SCI Backin is held (at a level of 16.67%) by SPPICAV, a French regulated Fund i.e. a French OPCI, meeting the definition of a mutual fund.

As at 31 December 2023 and 31 December 2022, SCI Backin had invested in the following investment property:

Country	Valuation technique	Rental yield	Estimated rental value	Fair value
			€	€
As at 31 December 2023				
France	Income capitalisation approach	7.17%	40,465,882	519,130,000
As at 31 December 2022				
France	Income capitalisation approach	4.9% - 5.3%	40,465,881	657,900,000

As at 31 December 2023, if rental yield rates in relation to these investment properties had been 0.5% higher, with all other variables held constant, net assets attributable to the partners and profit/(loss) for the year would have been €5,879,509 (2022: €9,201,840) lower. As at 31 December 2023, if rental yield rates in relation to these investment properties had been 0.5% lower, with all other variables held constant, net assets attributable to the partners and profit/(loss) for the year would have been €6,808,028 (2022: €11,042,208) higher.

As at 31 December 2023, if rental income rates in relation to these investment properties had been 5% higher, with all other variables held constant, net assets attributable to the partners and profit/(loss) for the year would have been €4,329,199 (2022: €5,477,762) higher.

As at 31 December 2023, if rental income rates in relation to this investment properties had been 5% lower, with all other variables held constant, net assets attributable to the partners and profit/(loss) for the year would have been €4,325,865 (2022: €5,489,431) lower.

See Note 21 for details of Group financial commitments towards associates and joint ventures.

The Group had no other contingent liabilities or contingent assets at 31 December 2023 or at 31 December 2022.

Notes to the Consolidated Financial Statements

6 Investments in associates and joint ventures (continued)

Summarised information – joint ventures and associates

The tables below provide summarised financial information for those joint ventures and associates that are material to the Group. The information disclosed reflects the amounts presented in the financial statements of the relevant associates and joint ventures and not the Group's share of those amounts.

	SCI IMMO C47	Avicdale Limited	Iberubbo Imobilaria Lda	Paunsdorf Center Luxco S.à r.l.	Log Italy Fund REIF	Selectiv Core Italy SICAF	SCI Backin
	€	€	€	€	€	€	€
As at 31 December 2023							
Non current assets	250,440,000	289,221,499	251,195,587	202,640,804	35,800,000	277,900,000	416,611,607
Current assets	2,535,752	4,819,281	27,318,910	27,222,000	2,220,868	6,823,429	504,882
Total assets	**252,975,752**	**294,040,780**	**278,514,497**	**229,862,804**	**38,020,868**	**284,723,429**	**417,116,489**
Non current liabilities	-	-	118,607,500	131,486,000	-	-	595,486,283
Current liabilities	3,922,104	545,798	64,643,044	13,648,285	215,042	5,647,544	7,800
Total liabilities	**3,922,104**	**545,798**	**183,250,544**	**145,134,285**	**215,042**	**5,647,544**	**595,494,083**
Net assets	**249,053,648**	**293,494,982**	**95,263,953**	**84,728,519**	**37,805,826**	**279,075,885**	**(178,377,594)**
Group investment in associate/joint venture	49.00%	29.09%	45.00%	25.00%	32.02%	50.00%	16.67%
Carrying amount	**122,036,288**	**85,377,690**	**42,868,779**	**28,182,130**	**12,105,425**	**139,537,943**	**-**
Total revenues	**15,581,007**	**-**	**16,879,529**	**15,800,000**	**2,043,277**	**(1,842,815)**	**-**
Realised gain on disposal of investment property	-	-	-	-	-	-	-
Net unrealised gain/(loss) from fair value on investment property	(85,760,000)	(77,168,617)	(9,153,823)	(18,351,196)	(3,329,310)	(6,041,940)	(121,689,389)
Total expenses	**(823,304)**	**(1,383,436)**	**(11,927,139)**	**(5,636,000)**	**(172,963)**	**(915,757)**	**(28,860)**
Profit/(loss) from continuing operations	(71,002,297)	(78,552,053)	(4,201,433)	(8,187,196)	(1,458,996)	(8,800,512)	(121,718,249)
Taxation	(20,906)	9,732,552	(10,318,097)	936,715	(46)	(4,980)	-
Profit/(loss) after taxation from continuing operations	(71,023,203)	(68,819,501)	(14,519,530)	(7,250,481)	(1,459,042)	(8,805,492)	(121,718,249)
Other comprehensive income	-	-	-	-	-	-	-
Total comprehensive income	**(71,023,203)**	**(68,819,501)**	**(14,519,530)**	**(7,250,481)**	**(1,459,042)**	**(8,805,492)**	**(121,718,249)**
As at 31 December 2022							
Non current assets	336,200,000	369,706,877	250,524,045	214,778,000	39,100,000	266,000,000	369,034,508
Current assets	2,031,329	2,463,689	31,900,451	25,870,000	2,076,999	10,886,110	3,530,947
Total assets	**338,231,329**	**372,170,566**	**282,424,496**	**240,648,000**	**41,176,999**	**276,886,110**	**372,565,455**
Non current liabilities	-	20,083,989	130,395,767	139,407,000	-	-	429,203,145 -
Current liabilities	4,241,508	666,062	32,245,245	9,262,000	235,347	5,609,671	5,008
Total liabilities	**4,241,508**	**20,750,051**	**162,641,013**	**148,669,000**	**235,347**	**5,609,671**	**429,208,153**
Net assets	**333,989,821**	**351,420,515**	**119,783,484**	**91,979,000**	**40,941,652**	**271,276,439**	**(56,642,698)**
Group investment in associate/joint venture	49.00%	29.09%	45.00%	22.45%	32.02%	50.00%	16.67%
Carrying amount	**163,655,013**	**102,228,228**	**53,902,568**	**20,650,345**	**13,109,517**	**135,638,220**	**-**
Total revenues	**14,474,508**	**-**	**16,118,323**	**14,706,000**	**1,765,260**	**(1,721,394)**	**-**
Realised gain on disposal of investment property	-	-	-	-	-	-	-
Net unrealised gain/(loss) from fair value on investment property	(40,700,000)	15,744,304	(131,250)	(17,454,000)	(4,124,000)	(657,721)	(70,739,112)
Total expenses	**(862,668)**	**(1,399,994)**	**(9,115,423)**	**(1,899,000)**	**(272,203)**	**(918,981)**	**(444,830)**
Profit/(loss) from continuing operations	(27,088,160)	14,344,310	6,871,650	(4,647,000)	(2,630,943)	(3,298,096)	(71,183,942)
Taxation	(90,596)	(12,245,284)	2,542,605	478,988	(18)	(28,153)	-
Profit/(loss) after taxation from continuing operations	(27,178,756)	2,099,026	9,414,255	(4,168,012)	(2,630,961)	(3,326,249)	(71,183,942)
Other comprehensive income	-	-	-	-	-	-	-
Total comprehensive income	**(27,178,756)**	**2,099,026**	**9,414,255**	**(4,168,012)**	**(2,630,961)**	**(3,326,249)**	**(71,183,942)**

Notes to the Consolidated Financial Statements

6 Investments in associates and joint ventures (continued)

Summarised information – joint ventures and associates (continued)

	Saturne Habitat 2*	Alpha Log Fund	Luxembourg Investment Company 327 S.à r.l.	JV FORTE S.à r.l. (formerly Luxembourg Investment Company 359 S.à r.l.)	OneLog Invest (Lux) S.à r.l.	CoRE FR 14 SAS	CoRE FR 15 SAS	Claypole Limited
	€	€	€	€	€	€	€	€
As at 31 December 2023								
Non current assets	1,059,597,021	433,830,000	512,200,000	230,518,807	2,832,056,488	-		54,193,539
Current assets	284,192	27,503,410	31,007,957	4,522,887	157,890,894	2,864,176		1,894,067
Total assets	**1,059,881,213**	**461,333,410**	**543,207,957**	**235,041,694**	**2,989,947,382**	**2,864,176**	**-**	**56,087,606**
Non current liabilities	522,160,469	-	512,803,119	4,264,370	2,181,746,496	-		-
Current liabilities	16,186,051	8,992,305	30,404,838	173,283,164	66,840,219	73,270		108,397
Total liabilities	**538,346,520**	**8,992,305**	**543,207,957**	**177,547,534**	**2,248,586,715**	**73,270**	**-**	108,397
Net assets	**521,534,693**	**452,341,105**	**-**	**57,494,160**	**741,360,667**	**2,790,906**	**-**	**55,979,209**
Group investment in associate/joint venture	28.03%	32.02%	40.00%	33.33%	32.02%	50.00%	50.00%	25.00%
Carrying amount	**146,187,444**	**144,839,622**	**-**	**19,162,804**	**237,383,686**	**1,395,453**	**-**	**13,994,802**
Total revenues	**-**	**18,700,348**	**24,949,017**	**4,174,436**	**130,859,167**	**-**	**(581,781)**	**-**
Realised gain on disposal of investment property	-	-	-	-	(1,040,759)	(9,836,737)	-	-
Net unrealised gain/(loss) from fair value on investment property	(105,369,045)	(34,690,861)	(19,207,811)	(11,239,877)	(172,319,326)	-	10,060,449	(27,816,816)
Total expenses	**(10,910,872)**	**(1,292,321)**	**(25,295,437)**	**(5,264,050)**	**(77,922,369)**	**(4,520,614)**	**(1,201,155)**	**(362,075)**
Profit/(loss) from continuing operations	(116,279,917)	(17,282,834)	(19,554,231)	(12,329,491)	(120,423,287)	(14,357,351)	8,277,513	(28,178,891)
Taxation	-	(902)	640,298	2,470,808	400,879	-	-	(1,152,901)
Profit/(loss) after taxation from continuing operations	(116,279,917)	(17,283,736)	(18,913,933)	(9,858,683)	(120,022,408)	(14,357,351)	8,277,513	(29,331,792)
Other comprehensive income	-	-	-	-	-	-	-	-
Total comprehensive income	**(116,279,917)**	**(17,283,736)**	**(18,913,933)**	**(9,858,683)**	**(120,022,408)**	**(14,357,351)**	**8,277,513**	**(29,331,792)**
As at 31 December 2022								
Non current assets	1,045,227,456	451,110,460	525,272,000	240,264,096	2,980,583,811	372,901,583	125,360,000	87,561,329
Current assets	191,257	28,553,637	36,635,802	3,816,512	237,209,325	6,698,384	8,754,242	1,397,149
Total assets	**1,045,418,713**	**479,664,097**	**561,907,802**	**244,080,608**	**3,217,793,136**	**379,599,967**	**134,114,242**	**88,958,478**
Non current liabilities	447,160,469	-	511,584,244	160,629,237	2,200,233,579	330,357,600	114,154,000	234,874
Current liabilities	5,443,636	6,098,569	34,733,980	16,098,528	161,251,799	4,554,110	7,452,147	189,654
Total liabilities	**452,604,105**	**6,098,569**	**546,318,224**	**176,727,765**	**2,361,485,378**	**334,911,710**	**121,606,147**	424,528
Net assets	**592,814,608**	**473,565,528**	**15,589,578**	**67,352,843**	**856,307,758**	**44,688,257**	**12,508,095**	**88,533,950**
Group investment in associate/joint venture	28.03%	32.05%	40.00%	33.33%	32.02%	50.00%	50.00%	25.00%
Carrying amount	**166,167,378**	**151,825,108**	**6,235,831**	**22,448,703**	**274,189,713**	**22,344,129**	**6,254,048**	**22,133,488**
Total revenues	**-**	**13,201,860**	**31,280,708**	**2,749,443**	**115,583,791**	**9,000,000**	**(1,993,838)**	**-**
Realised gain on disposal of investment property	-	-	-	-	7,885,138	-	-	-
Net unrealised gain/(loss) from fair value on investment property	116,970,296	(34,762,603)	8,543,648	1,742,956	(266,410,222)	(12,395,754)	(5,044,584)	(7,670,928)
Total expenses	**(3,319,311)**	**(2,110,596)**	**(20,517,929)**	**(5,144,932)**	**(85,364,165)**	**(7,210,562)**	**(3,052,788)**	**(377,034)**
Profit/(loss) from continuing operations	113,650,985	(23,671,339)	19,306,427	(652,533)	(228,305,458)	(10,606,316)	(10,091,211)	(8,047,962)
Taxation	-	(13,179)	(3,750,335)	(1,271,678)	(433,687)	-	266	1,919,426
Profit/(loss) after taxation from continuing operations	113,650,985	(23,684,518)	15,556,092	(1,924,211)	(228,739,145)	(10,606,316)	(10,090,945)	(6,128,536)
Other comprehensive income	-	-	-	-	-	-	-	-
Total comprehensive income	**113,650,985**	**(23,684,518)**	**15,556,092**	**(1,924,211)**	**(228,739,145)**	**(10,606,316)**	**(10,090,945)**	**(6,128,536)**

* The information of Marteau, Gran Ecran and Saturne are consolidated within Saturne Habitat 2.

Notes to the Consolidated Financial Statements

7. Financial assets at fair value through profit or loss

	31 December 2023	31 December 2022
	€	€
Vitura SA		
Opening balance	8,454,722	12,335,578
- Net gain/(loss) on shares held in Vitura	(3,776,905)	(3,880,856)
	4,677,817	8,454,722
Bonds held at fair value		
Opening balance	-	-
- Acquired in asset acquisition	22,744,270	-
- Net gain on bonds held at fair value	2,670,188	-
	25,414,458	
Closing balance	**30,092,275**	**8,454,722**

The Group holds less than 5.00% investment in Vitura SA. This investment is treated as an investment in financial assets. Vitura SA owns interests in commercial properties in Paris, France. Unrealised losses arising from fair value changes for the year ended 31 December 2023 amounted to € 3,776,905 (2022: €3,880,856 loss).

During the year ended 31 December 2023, the Group purchased corporate bonds. The maturity range of the bonds held as at 31 December 2023 is 2028 to 2030, and the coupon range is 0.75% to 1.25%. Unrealised gains arising from fair value changes for the year ended 31 December 2023 amounted to € 2,670,188 (2022: € Nil).

As at 31 December 2023, if the fair value of financial assets had been 1.0% higher/lower, with all other variables held constant, net assets attributable to partners and profit/(loss) for the year would have been € 300,923 (2022: €84,547) higher/lower.

8. Investment held at amortised cost

The Group holds an investment in receivable instruments through an underlying fully owned subsidiary, Symbol Holdco C-T S.à r.l. The receivable is accounted for at amortised cost.

	31 December 2023	31 December 2022
	€	€
Opening balance	5,000,000	5,000,000
Impairment	(5,000,000)	-
Closing balance	**-**	**5,000,000**

As at 31 December 2023, the Group, based on current market information, impaired the receivable to € Nil.

Notes to the Consolidated Financial Statements

9. Trade and other receivables

	31 December 2023	31 December 2022
	€	€
Current assets		
Cash collateral and escrow accounts	18,043,098	1,908,223
Gross rent receivable	14,409,510	15,508,778
Restricted cash	4,762,308	-
Tax receivables*	11,554,672	10,697,089
Accrued income	6,958,216	3,795,664
Deposits held for investments	2,832,855	3,221,356
Receivable from seller	2,322,650	2,583,515
Security deposits	1,775,183	1,779,090
Receivable from joint venture	1,470,000	1,470,000
Other receivables from tenants	1,312,330	445,614
Cash held by property managers	3,124,545	1,565,903
Allowance for bad debts - Rent	(4,459,678)	(2,247,952)
Other receivables	20,265,971	9,975,851
Total current assets	**84,371,660**	**50,703,131**
Non-current assets		
Other long term deposits	17,821,131	17,405,285
Other receivables from tenants	1,312,330	1,252,712
Total non-current assets	**19,133,461**	**18,657,997**
Total trade and other receivables	**103,505,121**	**69,361,128**

* Amounts considered as non-financial assets.

Other long term deposits includes funds on interest blocked account.

Amounts of cash collateral paid (receivable)/cash collateral received (payable) at year end is dependent on the fair value of the forward exchange contract as at year end.

The estimated fair values of receivables are the discounted amount of the estimated future cash flows expected to be received and approximate their carrying amounts. Expected cash flows are discounted at current market rates to determine fair values.

10. Derivatives at fair value through profit or loss

The Group uses currency forward contracts and currency options and swaps, which represent commitments to purchase domestic currency to hedge against foreign currency exposures. The Group also uses interest rate swaps and caps, which relate 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.

The notional/transaction amounts of certain types of financial instruments provide a basis for comparison with instruments recognised on the consolidated 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 foreign exchange rates and 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.

Gains and losses recognised on the derivatives are disclosed in Note 15.

Notes to the Consolidated Financial Statements

10. Derivatives at fair value through profit or loss (continued)

The fair values of derivative instruments held are set out below (based on maturity):

	Assets			Liabilities			
	Current	Non-current	Total	Current	Non-current	Total	Net
	€	€	€	€	€	€	€
As at 31 December 2023							
Interest rate caps	-	37,786,430	37,786,430	-	-	-	37,786,430
Currency forward contracts	311,691	-	311,691	(8,344,299)	-	(8,344,299)	(8,032,608)
Currency option / swaps	-	2,262,963	2,262,963	-	(3,496,908)	(3,496,908)	(1,233,945)
	311,691	**40,049,393**	**40,361,084**	**(8,344,299)**	**(3,496,908)**	**(11,841,207)**	**28,519,877**
As at 31 December 2022							
Put option	-	-		(1,797,531)	-	(1,797,531)	(1,797,531)
Interest rate caps	10,677,063	44,553,800	55,230,863	-	-	-	55,230,863
Currency forward contracts	16,279,599	-	16,279,599	(252,700)	-	(252,700)	16,026,899
Currency option / swaps	-	3,851,006	3,851,006	-	-	-	3,851,006
	26,956,662	**48,404,806**	**75,361,468**	**(2,050,231)**	**-**	**(2,050,231)**	**73,311,237**

The fair values and nominal values (by currency) of derivative instruments held are set out below:

	Nominal value (in local currency)					Fair Value		
						Assets	Liabilities	Net
	€	GBP	DKK	NOK	SEK	€	€	€
As at 31 December 2023								
Derivatives at fair value through profit or loss								
Interest rate caps	76,450,000	362,500,000	-	-	-	37,786,430	-	37,786,430
Currency forward contracts	-	371,040,000	1,204,253,000	1,276,393,700	1,400,295,000	311,691	(8,344,299)	(8,032,608)
Currency option / swaps	100,000,000	150,000,000	-	700,000,000	-	2,262,963	(3,496,908)	(1,233,945)
Total derivatives at fair value through profit or loss	**176,450,000**	**883,540,000**	**1,204,253,000**	**1,976,393,700**	**1,400,295,000**	**40,361,084**	**(11,841,207)**	**28,519,877**
As at 31 December 2022								
Derivatives at fair value through profit or loss								
Put option	-	-	-	-	-	-	(1,797,531)	(1,797,531)
Interest rate caps	76,450,000	725,000,000	-	-	-	55,230,863	-	55,230,863
Currency forward contracts	-	448,690,537	1,363,273,830	487,970,395	1,544,100,460	16,279,599	(252,700)	16,026,899
Currency option / swaps	-	150,000,000	-	-	-	3,851,006	-	3,851,006
Total derivatives at fair value through profit or loss	**76,450,000**	**1,323,690,537**	**1,363,273,830**	**487,970,395**	**1,544,100,460**	**75,361,468**	**(2,050,231)**	**73,311,237**

Maturities for interest rate caps held as at 31 December 2023 ranged from May 2025 to July 2026 (31 December 2022 range: July 2023 to July 2026).

Maturities for currency forward contracts held as at 31 December 2023 ranged from January 2024 to November 2024 (31 December 2022: February 2023 to November 2023).

Notes to the Consolidated Financial Statements

11. 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. The table below shows cash and cash equivalents by institution, and by the S&P credit ratings of those institutions.

	31 December 2023	31 December 2022	31 December 2023	31 December 2022
	S&P Rating	S&P Rating	€	€
The Bank of New York Mellon, NA/NV	AA-	AA-	154,237,197	90,337,176
Société Générale Luxembourg SA	A	A	24,770,378	1,707,204
J.P. Morgan Bank Luxembourg SA	A-	A+	48,688,550	32,241,529
Barclays Bank UK PLC	A+	A	20,685,248	19,531,403
Berliner Sparkasse - Landesbank Berlin AG	N/A	N/A	14,579,985	17,641,309
CA Indosuez Wealth (Europe) SA	A+	A+	-	1,864,963
Bank of America NT and SA	A-	A+	7,548,248	7,626,362
BNP Paribas Securities Services SCA	A+	A+	27,595,111	3,105,580
ABN AMRO Bank N.V.	A	A	1,512,580	1,514,115
Danske Bank A/S	A+	A	3,424,187	1,496,420
Santander Bank SA	A	A	12,139,859	8,549,063
Nordea Bank Oyj	AA-	AA-	1,443,304	1,478,497
State Street Bank International GmbH	A	A	948,287	696,693
BNP Paribas SA	A+	A+	1,617,661	3,097,368
Other	N/A	N/A	7,078,828	5,370,607
			326,269,423	**196,258,289**

Notes to the Consolidated Financial Statements

12. Trade and other payables

	31 December 2023	31 December 2022
	€	€
Current liabilities		
Accrued property related expenses	37,583,084	10,765,272
Trade creditors	23,023,457	9,816,209
Payable for investment in subsidiaries **	15,320,022	-
Refundable deposits	14,669,933	13,994,559
Management fees	9,100,177	11,136,761
Fixed asset and capital expenditure accruals	8,498,860	5,611,367
Cash collateral payable (Note 9)	3,200,000	17,200,000
Other tax*	1,711,983	8,403,093
Value added tax payable*	1,562,929	3,509,906
Audit fees	915,659	1,534,278
Distributions payable	617,322	-
Administration fees	501,120	318,102
Accounting fees	498,817	279,900
Depositary fees accrued	329,926	174,185
Tax fees	165,749	119,295
Legal fees	85,844	343,022
Valuation fees	72,395	97,455
Withholding tax*	4,490	211,619
Interest payable	17,444	17,444
Service charges in advance	-	4,784,041
Other payables	8,963,160	5,430,847
Total current liabilities	**126,842,371**	**93,747,355**
Non-current liabilities		
Other payables and accrued expenses	1,312,330	1,252,712
Total non-current liabilities	**1,312,330**	**1,252,712**
Total trade and other payables	**128,154,701**	**95,000,067**

* Amounts considered as non-financial liabilities.

** This relates to the remaining price to the paid to the seller for the acquisition of ACEF 3 SPPPICAV, and arises as a result of the difference between the ACEF 3 SPPICAV net asset value at the date of the acquisition on 19 December 2023 versus the price paid by the Fund on acquisition, which was based on historical net asset value (refer to Note 16).

The estimated fair values of the above financial liabilities are the discounted amounts of the estimated future cash flows expected to be received and approximate their carrying amounts. Other payables includes accrued corporate costs and other accruals.

Notes to the Consolidated Financial Statements

13. Rental income

	31 December 2023	31 December 2022
	€	€
Rental income	153,568,312	143,973,210
	153,568,312	**143,973,210**

At year-end the total contractually agreed rental income based on the leases in operation is as follows:

	31 December 2023	31 December 2022
	€	€
No later than 1 year	93,098,795	88,213,003
Later than 1 year and no later than 2 years	73,271,044	63,648,757
Later than 2 years and no later than 3 years	48,209,468	49,595,463
Later than 3 years and no later than 4 years	34,904,181	29,022,214
Later than 4 years and no later than 5 years	28,741,911	19,516,692
Later than 5 years	87,272,260	54,020,246
Total	**365,497,659**	**304,016,375**

14. Operating expenses

	31 December 2023	31 December 2022
	€	€
Other property expenses	33,460,099	29,086,061
Management fees	21,397,396	23,525,281
Real estate expenses	14,734,190	9,031,288
Other corporate costs	5,697,438	3,104,093
Non recoverable value added tax	2,951,655	2,499,624
Other taxes	1,554,738	3,567,063
Legal fees expense	1,539,070	613,868
Accounting and professional fees	1,489,900	1,160,009
Audit fees	1,303,930	926,389
Tax fees	894,451	591,523
Bank charges	225,962	779,285
Administration fees	625,122	970,994
Valuation fees	578,600	527,463
Net service fee expense	398,557	377,088
Withholding tax	95,621	2,031,132
Organisational costs	22,411	190,263
Subscription tax	426,633	429,648
Other expenses	1,385,067	905,898
	88,780,840	**80,316,970**

Other taxes include additional taxes following tax assessment.

Notes to the Consolidated Financial Statements

15. Finance result

	31 December 2023	31 December 2022
	€	€
Realised foreign exchange gains on forward contracts	-	11,027,447
Other finance income	7,456,902	494,916
Unrealised foreign exchange gains	9,357,137	73,627
Interest income on derivatives	16,344,456	2,733,699
Unrealised gains on derivatives	-	72,516,679
Realised foreign exchange gains	2,750,832	1,198,400
Finance income	**35,909,327**	**88,044,768**
Interest expense on external loans	36,859,405	24,199,726
Interest expense on joint venture loans	4,536,303	3,085,020
Interest expense on cross currency swaps	1,870,663	996,186
Realised foreign exchange losses on forward contracts	9,539,788	-
Unrealised losses on derivatives	27,123,078	-
Unrealised foreign exchange losses	-	35,331,907
Debt issue fees	3,495,302	4,270,295
Other finance expense	1,538,065	-
Finance expense	**84,962,604**	**67,883,134**
Finance result	**(49,053,277)**	**20,161,634**

16. Asset disposal and acquisitions

(a) Asset disposal

On August 2022, the Group disposed 100% of the share capital of Prime UK Portman-T S.à r.l. (“Portman UK”).

The assets and liabilities of Portman UK derecognised in the consolidated statement of financial position on the date of sale during 2022 were:

	Prime UK Portman-T S.à r.l.
	€
Investment property (Note 5)	180,419,853
Cash and cash equivalents	7,127,576
Other receivables and prepayments	226,069
Trade and other payables	(941,776)
Deferred income	(1,218,866)
Taxation payable	(5,570,179)
Net assets of subsidiary sold	180,042,677
Less cash and cash equivalents of subsidiary sold	(7,127,576)
Less loss on disposal of subsidiary	(1,600,159)
Net inflow of cash and cash equivalents on sale	**171,314,942**

Included in the realised loss on disposal of subsidiary presented in the consolidated statement of comprehensive income is fair value movement of the investment property held by Portman UK amounting to €3,895,752 prior to the sale. This amount was reclassed to realised loss on sale of subsidiary in the consolidated statement of comprehensive income on the date of sale.

Notes to the Consolidated Financial Statements

16. Asset disposal and acquisitions (continued)

(b) Asset acquisitions

On 20 June 2023, the Group acquired 100% of the share capital of Falcon BidCo AS ("Project Falcon"). The Company acquired a portfolio comprising two newly built logistics and freehold assets located south of Oslo in Norway. Both properties are freehold assets with a total lettable area of circa 105,923 sqm including a c.23,000 sqm standard modern warehouse let to JAS and a c. 82,700 sqm of same quality let to Europris comprising standard modern warehouse and a high-bay logistics part representing 18% of the property (c. 15,000 sqm). The acquisition was executed by way of share deal. The Fund, through ACEF Holding SCA, acquired 100% of the shares of the two property companies owning the assets via a newly established Norwegian company – Falcon BidCo AS.

The purchase price was NOK 1,459m.

On 13 October 2023, the Group, entered into a shares Purchase Agreement with CBRE French Logistics Venture SCSp SICAV- SIF and Virtuo Industrial Property ("Olympe"). CBRE French Logistics Venture SCSp SICAV-SIF held all of the three hundred million (300,000,000) shares (the "OPPCI Shares") representing the entire share capital and voting rights of FLDV OPPCI ("OPPCI") (subsequently renamed ACEF 3). ACEF 3 is a predominantly real estate investment company with variable capital in the form of a simplified joint-stock company (société professionnelle de placement à prépondérance immobilière à capital variable sous la forme de société par actions simplifiée) organised and existing under the laws of France.

The purchase price was EUR97m. As at 31 December 2023, the Company has paid EUR 81.4m. As at 31 December 2023, an amount of €15,320,022 is included in trade and other payables, which relates to the remaining price to be paid to the seller for the Olympe acquisition, and arises as a result of the difference between the ACEF 3 SPPICAV net asset value at the date of the acquisition on 19 December 2023 versus the price paid by the Fund on acquisition, which was based on historical net asset value.

The assets and liabilities of Falcon BidCO AS and ACEF 3 SPPICAV recognised in the consolidated statement of financial position on the date of acquisition were:

	Olympe	Falcon
	€	€
Investment property (Note 5)	181,254,002	124,510,056
Cash and cash equivalents	3,068,691	1,125,984
Other receivables	7,488,577	456,709
Tax payables	-	(130,306)
External loans	(85,096,401)	-
Other payables	(9,974,200)	(760,647)
Net identifiable assets acquired	**96,740,669**	**125,201,796**
Less cash and cash equivalents of subsidiary acquired	(3,068,691)	(1,125,984)
Net outflow of cash and cash equivalents on acquisition	**93,671,978**	**124,075,812**

Notes to the Consolidated Financial Statements

17. Borrowings

The table below shows the Group borrowings as at 31 December 2023 and 31 December 2022:

	31 December 2023	31 December 2022
	€	€
Non-current		
Bank borrowings	655,732,565	560,874,542
Loans from non-controlling interests	138,509,912	107,194,603
Loans from joint venture	-	5,236,200
Debt issue costs*	(5,521,805)	(5,981,255)
Amortisation of debt issue costs*	1,562,048	685,239
Lease liabilities	2,957,324	2,792,499
Notes issued	991,072,677	989,410,161
Total non-current	**1,784,312,721**	**1,660,211,989**
Current		
Accrued interest	10,336,400	9,035,494
	1,794,649,121	**1,669,247,483**

*Amounts considered as non-financial liability.

As at 31 December 2023 and 31 December 2022, all bank borrowings are secured on investment properties. As at 31 December 2023, fair value of investment properties pledged amounted to €1,463,590,162 (2022: €1,234,665,895).

Note issued

On 7 June 2021, the Group issued a note, 0.75% Green Euro Notes, due 2028, at an issue price of 99.36%, for an amount of €500m and on 19 October 2021, the Group issued another note, 1.250% Green Euro Notes, due 2030, at an issue price of 99.292%, for €500m. The discount on the note issued is amortised over the life of the notes issued. The objective of the issuance of notes is to refinance eligible green projects. Both notes are listed on Euronext Dublin – Global Exchange Market.

Bank borrowings

- On 13 June 2017, the Group, through its 85% subsidiary, Area Sur Shopping, S.L., entered into a loan facility agreement with Santander and CaixaBank for a principal amount of up €50,000,000, to refinance the cost of acquisition of a property in Spain. The loan bears interest at a variable 6 month EURIBOR floating rate plus a spread margin of 1.80% per annum. This loan was repaid in 13 June 2022.
- On 25 July 2019, the Group, through its 65% owned subsidiaries, the Dutch B.V.s, entered into a loan facility agreement with Landesbank Hessen-Thuringen Girozentrale for a principal amount of €84,000,000, to refinance the cost of acquisition of properties in Germany. The loan bears interest at a fixed rate of 1.38% per annum and matures on 31 July 2024. During 2021, the term of this loan facility was renegotiated and the revised principal amount is €150,350,000 at fixed interest rate of 1.21% per annum and matures on 1 April 2026.
- The Group, through subsidiaries acquired as part of the NRE transaction, has entered into the following loan facility agreements:
  - Loan facility agreements with Helaba for a principal amount of €61,432,500, to refinance the cost of acquisition of properties in Germany. The loans bear floating interest of 3 month EURIBOR and a fixed interest of 1 % per annum and mature on 1 July 2025. During the year ended on 31 December 2021, a portion of this facility agreement associated with a property in Munster, Germany has been repaid.
- On 29 October 2021, the Group signed a revolving credit facility of €75,000,000 (the “Facility”) with CA-CIB, comprise of 2 tranches (A/B). Tranche A facility and Tranche B mature on 29 October 2026. The Facility carries a commitment fee on undrawn amounts, which is 40% of the margin of 1% per annum. The Facility also carries a utilisation fee on drawdown amounts, which is EURIBOR + margin (depending on the LTV), 10/20/25/35 bps of the drawdown amounts. The SG contract was signed in August 2022 for €50,000,000, at a rate of Euribor plus a margin of 1%. The maturity date on this contract is 3 August 2022 and has been repaid in 2022.

Notes to the Consolidated Financial Statements

17. Borrowings (continued)

Bank borrowings (continued)

- The Group, through its 51% owned subsidiary Dolphin Square Estate Limited, has entered into a loan facility agreement with M&G for a principal amount of GBP 362,500,000, to finance the cost of acquisition of properties in the United Kingdom. On 18 June 2021, the Company refinanced the existing loan for the same amount of GBP 362,500,000. The loan bears interest at a variable SONIA rate plus a fixed margin of SONIA + 1.7% per annum and matures on 2 July 2026.
- On 22 December 2021, the Group signed a revolving credit facility of €75,000,000 (the "Facility") with BNP PARIBAS, with a facility period ending 22 December 2026. The Facility carries a commitment fee on undrawn amounts, which is EURIBOR + margin (depending on the rating) per annum. The Facility also carries an utilisation fee on drawdown amounts, which is 20/30/40 bps of the drawdown amounts.
- On 17 October 2023, the Group entered into a revolving credit facility (the " Credit Facility") for a principal amount of
- €100,000,000 with Natixis, with a facility period ending 17 October 2024. The Credit Facility carries a commitment fee on undrawn amounts, which is 40% of the applicable margin per annum. The applicable margin is 1.37 % per year.
- Following the acquisition of Olympe, the French logistic portfolio in December 2023, the Group has entered into a loan facility with ING Bank B.V. for the total amount of €85,096,400. The loan facility matures on 7 February 2027 and bears fixed rate varying from 1.45% to 1.80% and margin from 0.04% to 3.16% depending on the corresponding asset.

As at 31 December 2023 and 2022, the Group has complied with all loan covenants.

Loans from non-controlling interests

- On 9 June 2017, the Group, through its 85% subsidiary, Area Sur Shopping, S.L, entered into a loan facility agreement with Axnae Spain Holdings, S.L., for a principal amount of up to €1,950,000 to refinance the cost of acquisition of a property in Spain. The loan bears interest at a fixed rate of 3.5% and matures on 14 December 2027.
- As part of the acquisition of a 65% share in the seven Dutch B.V.s, the Group has acquired a loan facility with Sirius Finance (Guernsey) Limited, for a principal amount of up to €44,278,063. The loan bears interest at a fixed rate of 7% and matures on 31 December 2026.
- As part of the Nighthawk portfolio, SCI SAPI has subscribed asset linked preferred equity certificates issued by a Group entity, Trias Pool I-T S.à r.l. and Prime Pool I-T S.à r.l. for €6,829,302. The Group also entered into a loan facility agreement with SCI SAPI for a total amount of €5,451,022.
- As the part of the acquisition of 51% share in the Dolphin Square entities (see Note 16), the Group entered into a loan facility with AXA JV partners for a total facility amount of up to GBP 73,800,653 - Drawdowns as of 31/12/2023: GBP 6,125,000, of which the principal amount outstanding as at 31 December 2023 was GBP 18,121,109. The loan bears interest at a fixed rate of 1.9% and matures 16 September 2030.

As at 31 December 2023 the balance of the loan facilities was €1,794,649,121 (2022: €1,669,247,483) including accrued interest payable of €10,336,400 (2022: €9,035,494). Interest expense for the year amounted to €41,395,708 (2022: €27,284,746). There were no default events during the financial year ended 31 December 2023 and 31 December 2022.

Lease liability

The Group has recognised a lease liability in respect of a ground lease on assets held in Finland and Germany. The corresponding right of use asset has been recognised in investment property.

Notes to the Consolidated Financial Statements

17. Borrowings (continued)

Reconciliation of liabilities arising from financing activities

	Borrowings - bank financing	Borrowings - non-controlling interests	Borrowings - joint venture	Debt issuance costs	Lease Liability	Notes issued	Total
	€	€			€	€	€
As at 1 January 2023	**560,874,542**	**107,194,603**	**5,236,200**	**(5,296,016)**	**2,792,499**	**989,410,161**	**1,660,211,989**
Cash flows							
Loan drawdowns	-	31,315,309	-	-	-	-	**31,315,309**
Payments	-	-	(5,236,200)	-	-	-	**(5,236,200)**
Acquired on acquisition of subsidiaries	85,096,401	-	-	-	-	-	**85,096,401**
Non cash changes							
Lease liabilities	-	-	-	-	164,825	-	**164,825**
Borrowings directly associated with investment property held for sale	-	-	-	-	-	-	**-**
Amortisation of debt issue costs*	-	-	-	1,336,259	-	1,662,516	**2,998,775**
Foreign exchange	9,761,622	-	-	-	-	-	**9,761,622**
31 December 2023	**655,732,565**	**138,509,912**	**-**	**(3,959,757)**	**2,957,324**	**991,072,677**	**1,784,312,721**

	Borrowings - bank financing	Borrowings - non-controlling interests	Borrowings - joint venture	Debt issuance costs	Lease Liability	Notes issued	Total
	€	€			€	€	€
As at 1 January 2022	**634,341,219**	**92,102,268**	**-**	**(5,915,316)**	**2,742,693**	**987,760,531**	**1,711,031,395**
Cash flows							
Loan drawdowns	-	15,092,335	5,236,200	-	-	-	**20,328,535**
Payments	(73,466,677)	-	-	-	-	-	**(73,466,677)**
Acquired on acquisition of subsidiaries	-	-	-	-	-	-	**-**
Non cash changes							
Lease liabilities	-	-	-	-	49,806	-	**49,806**
Borrowings directly associated with investment property held for sale	-	-	-	-	-	-	**-**
Amortisation of debt issue costs	-	-	-	619,300	-	1,649,630	**2,268,930**
Foreign exchange	-	-	-	-	-	-	**-**
31 December 2022	**560,874,542**	**107,194,603**	**5,236,200**	**(5,296,016)**	**2,792,499**	**989,410,161**	**1,660,211,989**

18. Deferred income

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

Notes to the Consolidated Financial Statements

19. 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 AXA Real Estate Investment Managers SGP, the General Partner and their affiliates to be related parties.

Investments in associates and joint ventures, loans to associates and joint ventures are disclosed in Note 6. Borrowings from joint venture is disclosed in Note 17.

Management fees

The Group appointed, as Alternative Investment Fund Manager, AXA Real Estate Investment Managers SGP, 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 in accordance with the table below and shared in such proportion among them as they shall determine by mutual agreement.

The annual Management Fee to be paid by the Group in relation to each Class of Units shall be as follows:

Class of Units	Capital Commitments of Investor	Management Fee
A1	<EUR 30,000,000	1.15% of the Fund's NAV
A2	≥EUR 30,000,000 <EUR 75,000,000	1.00% of the Fund's NAV
A3	≥EUR 75,000,000 <EUR150,000,000	0.85% of the Fund's NAV
A4	≥EUR150,000,000<EUR250,000,000	0.70% of the Fund's NAV
A5	≥EUR250,000,000	0.62% of the Fund's NAV
A6	N/A	0.45% of the Fund's NAV
A7	N/A	0.60% of the Fund's NAV attributable to this Class if Investors' Capital Commitments are less than EUR 400,000,000, and 0.50% otherwise.
A8	N/A	0.60% of the Fund's NAV
A9	N/A	0.50% of the Fund's NAV

Management fee recognised during the period is disclosed in Note 14, with outstanding payable is disclosed in Note 12.

Notes to the Consolidated Financial Statements

20. Non-controlling interests

Movements in non-controlling interests in 2023 are detailed in the table below:

	Dolphin Square entities	NRE entities	Dutch B.V.s	Area Sur Shopping, S.L.	Total
	€	€	€	€	€
As at 31 December 2023					
Opening balance	230,547,323	9,969,560	25,189,562	8,803,546	**274,509,991**
Additions during the year	34,196,229	-	-	-	**34,196,229**
Foreign exchange movement (recognised in other comprehensive income)	5,401,270	-	-	-	**5,401,270**
Other adjustments	-	-	-	-	**-**
Distributions during the year	-	-	(2,100,000)	-	**(2,100,000)**
Share premium distribution	-	-	-	(600,000)	**(600,000)**
Gain on acquisition of non-controlling interests	-	-	-	-	**-**
(Loss)/gain allocated during the year	(63,925,185)	(2,821,585)	(963,370)	777,020	**(66,933,120)**
Closing balance	**206,219,637**	**7,147,975**	**22,126,192**	**8,980,566**	**244,474,370**

During the financial year ended December 2023, the Group has not acquired any new entity with non-controlling interest.

Movements in non-controlling interests in 2022 are detailed in the table below:

	Dolphin Square entities	NRE entities	Dutch B.V.s	Area Sur Shopping, S.L.	Total
	€	€	€	€	€
As at 31 December 2022					
Opening balance	209,074,613	10,247,285	20,968,671	7,620,385	**247,910,954**
Additions during the year	-	-	-	-	**-**
Foreign exchange movement (recognised in other comprehensive income)	(12,453,348)	-	-	-	**(12,453,348)**
Other adjustments	-	-	-	-	**-**
Distributions during the year	-	-	-	-	**-**
Acquisition of non-controlling interests	-	-	-	-	**-**
Gain on acquisition of non-controlling interests	-	-	-	-	**-**
Gain/(loss) allocated during the year	33,926,058	(277,725)	4,220,891	1,183,161	**39,052,385**
Closing balance	**230,547,323**	**9,969,560**	**25,189,562**	**8,803,546**	**274,509,991**

During the financial year ended December 2022, the Group did not acquire any new entity with non-controlling interest.

The Group holds a 51% freehold interest in a large private rented residential complex in London via a subsidiary ("Dolphin Square entities", see Note 26). The remaining 49% interest is held by a third parties who have a non-controlling interest in the investment.

As at 31 December 2023 and 31 December 2022, out of a total of 23 NRE entities, there were 9 NRE entities in which a non- controlling interest was held by third parties, amounting to 5.1% in each case. Non-controlling interests in respect of NRE entities are not material with respect to the sub-consolidated level at NRE entities or at the Group level and hence the summarised financial information of NRE entities which have a non-controlling interest has not been presented.

Notes to the Consolidated Financial Statements

20. Non-controlling interests (continued)

Set out below is summarised financial information for each subsidiary (with the exception of the NRE entities) that has non-controlling interests that are material to the Group. The amounts disclosed for each subsidiary are before inter-company eliminations.

Summarised balance sheet

	Dolphin Square entities	Dutch B.V.s	Area Sur Shopping, S.L.	Total
	€	€	€	€
As at 31 December 2023				
Non-current assets	924,245,315	359,460,433	121,631,968	**1,405,337,716**
Current assets	115,463,847	25,606,781	12,700,012	**153,770,640**
Current liabilities	(19,107,254)	(26,045,516)	(6,687,343)	**(51,840,113)**
Net current assets	134,571,101	51,652,297	19,387,355	**205,610,753**
Non-current liabilities	(599,745,401)	(295,804,163)	(67,773,766)	**(963,323,330)**
Net assets	**1,658,561,817**	**706,916,893**	**208,793,089**	**2,574,271,799**
Accumulated non-controlling interest	**206,219,637**	**22,126,192**	**8,980,566**	**237,326,395**

Summarised statement of comprehensive income

	Dolphin Square entities	Dutch B.V.s	Area Sur Shopping, S.L.	Total
	€	€	€	€
As at 31 December 2023				
Revenue	**€ 24,469,744**	**€ 41,334,475**	**€ 10,245,298**	**€ 76,049,517**
Profit/(loss) for the year	**(129,374,803)**	**(8,752,488)**	**5,180,132**	**(132,947,159)**
Other comprehensive income	-	-	-	-
Total comprehensive income/(loss)	**(129,374,803)**	**(8,752,488)**	**5,180,132**	**(132,947,159)**
Loss allocated to non-controlling interest	**(63,925,185)**	**(963,370)**	**777,020**	**(64,111,535)**

Summarised balance sheet

	Dolphin Square entities	Dutch B.V.s	Area Sur Shopping, S.L.	Total
	€	€	€	€
As at 31 December 2022				
Non-current assets	907,660,308	357,177,249	118,580,966	**1,383,418,523**
Current assets	99,670,303	25,437,922	11,886,728	**136,994,953**
Current liabilities	16,900,922	15,218,735	5,473,396	**37,593,053**
Net current assets	82,769,381	10,219,187	6,413,332	**99,401,900**
Non-current liabilities	521,009,528	295,247,519	66,303,560	**882,560,607**
Net assets	**469,420,161**	**72,148,917**	**58,690,738**	**600,259,816**
Accumulated non-controlling interest	**230,547,323**	**25,189,562**	**8,803,546**	**264,540,431**

Notes to the Consolidated Financial Statements

20. Non-controlling interests (continued)

Summarised statement of comprehensive income

	Dolphin Square entities	Dutch BVs	Area Sur Shopping, S.L.	Total
	€	€	€	€
As at 31 December 2022				
Revenue	**21,240,616**	**37,244,030**	**9,554,524**	**68,039,170**
Profit/(loss) for the year	**68,152,097**	**12,238,485**	**7,814,065**	**88,204,647**
Other comprehensive income	-	-	-	-
Total comprehensive income/(loss)	**68,152,097**	**12,238,485**	**7,814,065**	**88,204,647**
Profit allocated to non-controlling interest	**33,926,058**	**4,220,891**	**1,183,161**	**39,330,110**

21. Commitments

As at 31 December 2023, the total commitment of the investors in the Fund (after redemptions) amounts to €4,378,029,334 (2022: €4,325,843,583). As at 31 December 2023 €248,398,250 (2022: €415,349,250), has not yet been called.

The Group has capital commitments of €16.4m (2022: €46,9m), €12.1m (2022: €11,3m), €2m (2022: €2m), €3.6m (2022: €3.6m) and €7.6m (2022: €22,9m) towards SCI Backin, Paunsdorf Center Luxco S.à r.l., Luxembourg Investment Company 327 S.à r.l., Iberubbo Imobilaria, Lda. and Saturne Habitat 2.

22. Distributions to the Partners

The following distributions were declared and paid by the Group during the year:

	31 December 2023	31 December 2022
	€	€
Class A1 - 2.38 (2022: 2.27) EUR per unit	8,947,076	7,561,541
Class A2 - 2.54 (2022: 2.44) EUR per unit	10,671,750	8,957,815
Class A3 - 2.53 (2022: 2.45) EUR per unit	11,566,636	9,078,805
Class A4 - 2.68 (2022: 2.61) EUR per unit	3,966,938	3,863,324
Class A5 - 1.57 (2022: 2.78) EUR per unit	3,857,838	6,831,076
Class A6 - 3.27 (2022: 3.24) EUR per unit	38,969,945	36,396,419
Class A7 - 3.15 (2022: 3.04) EUR per unit	11,895,083	11,264,742
Class A8 - 2.92 (2022: 2.88) EUR per unit	22,266,008	24,018,787
Class A9 - 1.36 (2022: 0) EUR per unit	3,557,963	-
	115,699,237	**107,972,509**

Included in the above distributions are amounts of €31,548,921 (2022: €34,052,520) which were re-invested into the Fund during the financial year ended 31 December 2023. During the year ended 31 December 2023, of the €31,548,921 re-invested, €11,789,682 are subscriptions received in advance and will be converted into units of the Fund in January 2024. During the year ended 31 December 2022, of the €34,052,520 re-invested, €12,440,852 was subscriptions received in advance and which was converted into units of the Fund in January 2023.

Notes to the Consolidated Financial Statements

23. Subscriptions received in advance

Subscriptions received in advance at the year end represent cash amounts received from investors in advance of the issuance of units in the Fund. The relevant investors will be remain as an unsecured creditor of the Fund in respect of amounts paid until the issuance of the units has been completed.

	31 December 2023	31 December 2022
	€	€
Subscriptions received in advance	86,287,932	12,440,852

Of the €86,287,932 subscriptions received in advance as at 31 December 2023, €11,789,682 relates to distributions in 2023, that were reinvested into the Fund in January 2024. The amount of subscriptions received in advance as at 31 December 2022, related to distributions in 2022 that were reinvested to the Fund in January 2023 amounting to €12,440,852.

24. Taxation

The table below shows the total amount charged for the year amounting to €886,539 (2022: €6,340,393), and the amount payable at the year end amounting to €6,493,473 (2022: €10,313,878), split by type of taxation.

	Charge for the year ended 31 December 2023	Accrual 31 December 2023	Charge for the year ended 31 December 2022	Accrual 31 December 2022
	€	€	€	€
Taxation expense	886,539	6,493,473	6,340,393	10,313,878
Deferred tax	(18,963,170)	34,798,971	3,751,075	54,735,304
Total taxation	**(18,076,631)**	**41,292,444**	**10,091,468**	**65,049,182**

The tax on the Fund's profit before tax differs from the theoretical amount that would arise using the weighted average tax rate of 24.94% on the applicable profits of the consolidated companies as follows:

	31 December 2023	31 December 2022
	€	€
(Loss) / Profit before tax and distributions to the partners	(519,128,913)	(26,664,526)
Theoretical tax rate	24.94%	24.94%
Theoretical tax expense	(129,470,751)	(6,650,133)
Income not subject to taxes	47,676,219	(173,469)
Expenses not deductible	2,845,766	(2,998,694)
Income taxes not recognised	70,706,713	8,862,446
Effect of different foreign tax rate	(9,834,578)	11,051,318
Taxation expense	**(18,076,631)**	**10,091,468**

Notes to the Consolidated Financial Statements

24. Taxation (continued)

Deferred taxation arises in respect of items where there are timing differences between their treatment for accounting purposes and their treatment for taxation purposes. The following table details the movement in deferred taxation during the period.

	31 December 2023	31 December 2022
	€	€
Deferred tax assets		
The balance comprises temporary timing differences attributable to:		
Other:		
Derivatives held for trading	391	391
Fair value of investment properties	-	808,896
Other	163,968	328,235
	164,359	**1,137,522**
Total deferred tax assets	164,359	1,137,522
Set-off of deferred tax liabilities	-	-
Net deferred tax assets	**164,359**	**1,137,522**
	Other	**Other**
Movements	€	€
Balance as at 1 January	1,137,522	356,100
(Charged)/credited to profit or loss	(973,163)	781,422
Balance as at 31 December	**164,359**	**1,137,522**
Deferred tax liabilities		
The balance comprises temporary timing differences attributable to:		
Other:		
Fair value of investment properties	34,798,971	54,735,304
	34,798,971	**54,735,304**
Total deferred tax liabilities	34,798,971	54,735,304
Set-off of deferred tax assets	-	-
Net deferred tax assets	**34,798,971**	**54,735,304**
	Other	**Other**
Movements	€	€
Balance as at 1 January	54,735,304	50,202,807
Charged/(credited) to profit or loss	(19,936,333)	4,532,497
Balance as at 31 December	**34,798,971**	**54,735,304**

Notes to the Consolidated Financial Statements

25. Operating segments

The Board of Managers of the General Partner of the Fund has determined the Group as one operating segment, since the performance is assessed on an overall Group level, and not based on some geographical/other division. The operating segments derive their revenue primarily from rental income from lessees.

The segment information provided to the Board of Managers of the General Partner of the Fund for the operating segments for the year ended 31 December 2023 and 31 December 2022 is as follows:

	31 December 2023	31 December 2022
Total rental income	153,568,312	143,973,210
Operating profit	(470,075,636)	(46,826,160)
Net unrealised loss from fair value adjustment on investment property	(394,777,666)	(56,666,884)
Net unrealised loss on investments in associates and joint ventures held at fair value	-	(3,767,023)
Net unrealised loss on financial assets held at fair value	(1,106,717)	(3,880,856)
Not included in operating profit:		
Finance income	35,909,327	88,044,768
Finance expense	(84,962,604)	(67,883,134)
Taxation expense	(886,539)	(6,340,393)
Total assets	**5,938,098,395**	**6,043,097,239**
Total liabilities	**5,693,624,025**	**5,768,587,248**

The Board of Managers of the General Partner of the Fund assesses the performance of the operating segment based on a measure of operating profit.

The operating profit and profit or loss of the Group's operating segment reported to the Board of Managers of the General Partner are measured in a manner consistent with that in profit or loss. The amounts provided to the Board of Managers of the General Partner of the Fund in respect of total assets and total liabilities are measured in a manner consistent with that of the consolidated financial statements. Since there is no difference between the operating profit and total assets and total liabilities as per operating segment and consolidated financial statements, no reconciliation is required.

The Group has no single tenant or group under common control which contributed to more than 10% of the Group's revenues.

Notes to the Consolidated Financial Statements

26. Group information

The consolidated financial statements include the following entities material to the Group:

Name of company	Registered office of the company	Nature of relationship	Effective ownership percentage	Effective ownership percentage	Consolidation method
			31 December 2023	31 December 2022	
AXA CoRE Europe Fund S.C.S., SICAV-SIF	Luxembourg				
ACEF Holding S.C.A.	Luxembourg	Subsidiary	100.00%	100.00%	Full consolidation
ACEF SPPPICAV	France	Subsidiary	100.00%	100.00%	Full consolidation
ACEF 2 SPPPICAV	France	Subsidiary	100.00%	100.00%	Full consolidation
ACEF 3 SPPPICAV	France	Subsidiary	100.00%	0.00%	Full consolidation
ACEF Campus GmbH	Germany	Subsidiary	100.00%	100.00%	Full consolidation
CORE UK 2016 1 S.à r.l.	Luxembourg	Subsidiary	100.00%	100.00%	Full consolidation
CORE UK 2016 3 S.à r.l.	Luxembourg	Subsidiary	100.00%	100.00%	Full consolidation
CORE SP 2017 5, S.L.	Spain	Subsidiary	100.00%	100.00%	Full consolidation
CORE UK 2021 19 S.à r.l.	Luxembourg	Subsidiary	100.00%	100.00%	Full consolidation
Area Sur Shopping, S.L.	Spain	Subsidiary	85.00%	85.00%	Full consolidation
CoRE Spain Holdco SOCIMI S.A.U	Spain	Subsidiary	100.00%	0.00%	Full consolidation
ACEF Spain Propco S.L.U	Spain	Subsidiary	100.00%	0.00%	Full consolidation
CORE Fin 2017 6 Oy	Finland	Subsidiary	100.00%	100.00%	Full consolidation
CORE Regulated Italian Fund	Italy	Subsidiary	100.00%	100.00%	Full consolidation
CORE Lux 2018 7 S.à r.l.	Luxembourg	Subsidiary	100.00%	100.00%	Full consolidation
CORE NL 2018 4 S.à r.l.	Luxembourg	Subsidiary	100.00%	100.00%	Full consolidation
CORE FR 2018 2 SCI	France	Subsidiary	100.00%	100.00%	Full consolidation
CORE FR 2018 8 SCI	France	Subsidiary	100.00%	100.00%	Full consolidation
CoRE Holding Bully 1 SAS	France	Subsidiary	100.00%	0.00%	Full consolidation
CoRE Holding Bully 2 SAS	France	Subsidiary	100.00%	0.00%	Full consolidation
CoRE Holding Miribel SAS	France	Subsidiary	100.00%	0.00%	Full consolidation
CoRE Holding Fos 1 SAS	France	Subsidiary	100.00%	0.00%	Full consolidation
CoRE Holding Fos 2 SAS	France	Subsidiary	100.00%	0.00%	Full consolidation
CoRE Holding Courcelles SAS	France	Subsidiary	100.00%	0.00%	Full consolidation
CoRE Bully SCI	France	Subsidiary	100.00%	0.00%	Full consolidation
CoRE Bully 2 SCI	France	Subsidiary	100.00%	0.00%	Full consolidation
CoRE Miribel SCI	France	Subsidiary	100.00%	0.00%	Full consolidation
CoRE Fos 1 SCI	France	Subsidiary	100.00%	0.00%	Full consolidation
CoRE Fos 2 SCI	France	Subsidiary	100.00%	0.00%	Full consolidation
CoRE Courcelles SCI	France	Subsidiary	100.00%	0.00%	Full consolidation
Core DK 2019 16 S.à r.l.	Luxembourg	Subsidiary	100.00%	100.00%	Full consolidation
Core DK 2019 17 S.à r.l.	Luxembourg	Subsidiary	100.00%	100.00%	Full consolidation
Core DK 2019 18 S.à r.l.	Luxembourg	Subsidiary	100.00%	100.00%	Full consolidation
Dolphin Square Estate Holding S.à.r.l.	Luxembourg	Subsidiary	51.00%	51.00%	Full consolidation
Dolphin Operation Holding S.à.r.l.	Luxembourg	Subsidiary	51.00%	51.00%	Full consolidation
The Dolphin Square Estate S.à r.l.	Luxembourg	Subsidiary	51.00%	51.00%	Full consolidation
Dolphin Square Operator Limited	United Kingdom	Subsidiary	51.00%	51.00%	Full consolidation
CORE PANEURO 2019 13 S.à r.l.	Luxembourg	Subsidiary	100.00%	100.00%	Full consolidation
Core DE 2019 10 S.à r.l.	Luxembourg	Subsidiary	100.00%	100.00%	Full consolidation
DDS Edelweiss BV	Netherlands	Subsidiary	65.00%	65.00%	Full consolidation

Notes to the Consolidated Financial Statements

26. Group information (continued)

Name of company	Registered office of the company	Nature of relationship	Effective ownership percentage	Effective ownership percentage	Consolidation method
			31 December 2023	31 December 2022	
DDS Lime BV	Netherlands	Subsidiary	65.00%	65.00%	Full consolidation
DDS Maple BV	Netherlands	Subsidiary	65.00%	65.00%	Full consolidation
Falcon BidCO AS	Norway	Subsidiary	100.00%	0.00%	Full consolidation
Osfold Lagerbygg AS	Norway	Subsidiary	100.00%	0.00%	Full consolidation
Moss Lagerbygg AS	Norway	Subsidiary	100.00%	0.00%	Full consolidation
Sirius Labarnum BV	Netherlands	Subsidiary	65.00%	65.00%	Full consolidation
Sirius Orchid BV	Netherlands	Subsidiary	65.00%	65.00%	Full consolidation
Sirius Boxwood BV	Netherlands	Subsidiary	65.00%	65.00%	Full consolidation
DDS Daisy BV	Netherlands	Subsidiary	65.00%	65.00%	Full consolidation
Marpa Pear BV	Netherlands	Subsidiary	65.00%	65.00%	Full consolidation
Prime Holdco C-T S.à r.l.	Luxembourg	Subsidiary	100.00%	100.00%	Full consolidation
Prime UK Condor-T S.à r.l.	Luxembourg	Subsidiary	100.00%	100.00%	Full consolidation
Prime GER Dammtorwall-T S.à r.l.	Luxembourg	Subsidiary	94.90%	94.90%	Full consolidation
Prime GER Drehbahn-T S.à r.l.	Luxembourg	Subsidiary	94.90%	94.90%	Full consolidation
Prime GER Valentinskamp-T S.à r.l.	Luxembourg	Subsidiary	94.90%	94.90%	Full consolidation
Prime Pool I-T S.à.r.l	Luxembourg	Subsidiary	94.90%	94.90%	Full consolidation
Prime Pool II-T S.à r.l.	Luxembourg	Subsidiary	100.00%	100.00%	Full consolidation
OPCI Prime	France	Subsidiary	100.00%	100.00%	Full consolidation
SCI Prime FRA Issy-T	France	Subsidiary	100.00%	100.00%	Full consolidation
SCI Prime FRA Macdonald-T	France	Subsidiary	100.00%	100.00%	Full consolidation
Symbol Holdco C-T S.à r.l.	Luxembourg	Subsidiary	100.00%	100.00%	Full consolidation
Trias Pool III - T S.à r.l.	Luxembourg	Subsidiary	100.00%	100.00%	Full consolidation
Trias Pool III - TPG S.à.r.l.	Luxembourg	Subsidiary	0.00%	100.00%	Full consolidation
Trias Pool III - TLP S.à.r.l.*	Luxembourg	Subsidiary	100.00%	100.00%	Full consolidation
TRIAS FRA JOUBERT - T SAS	France	Subsidiary	100.00%	100.00%	Full consolidation
TRIAS FRA MARCEAU - T SCI	France	Subsidiary	100.00%	100.00%	Full consolidation
Trias Pool I-T S.à r.l.	Luxembourg	Subsidiary	94.90%	94.90%	Full consolidation
Trias GER Ludwigstrasse - T S.à r.l.	Luxembourg	Subsidiary	94.90%	94.90%	Full consolidation
Trias GER Ibis Berlin - T S.à r.l.	Luxembourg	Subsidiary	94.90%	94.90%	Full consolidation
Trias GER IC Berlin - T S.à r.l.	Luxembourg	Subsidiary	94.90%	94.90%	Full consolidation
Trias GER Parexel - T S.à r.l.	Luxembourg	Subsidiary	94.90%	94.90%	Full consolidation

* Trias Pool III – TLP SCA was converted to Trias Pool III – TLP S.à r.l. during the year ended 31 December 2023.

Notes to the Consolidated Financial Statements

26. Group information (continued)

The following entities are included in the Group's consolidated financial statements as associates:

	Registered office of the company	Nature of relationship	Effective ownership percentage	Effective ownership percentage	Consolidation method
			31 December 2023	31 December 2022	
SCI Backin	France	Associate	16.67%	16.67%	Fair value
Log Italy Fund REIF	Italy	Associate	32.02%	32.02%	Equity method
OneLog Invest (Lux) S.à r.l.	Luxembourg	Associate	32.02%	32.02%	Equity method
Alpha Log Fund	Italy	Associate	32.02%	32.02%	Equity method
Saturne Habitat 2	France	Associate	28.03%	28.03%	Equity method
Paunsdorf Center Luxco S.à r.l.	Luxembourg	Associate	25.00%	22.45%	Equity method

The following entities are included in the Group's consolidated financial statements as joint ventures:

	Registered office of the company	Nature of relationship	Effective ownership percentage	Effective ownership percentage	Consolidation method
			31 December 2023	31 December 2022	
Selectiv CORE Italy SICAF	Italy	Joint venture	50.00%	50.00%	Equity method
Iberubbo Imobiliaria, Lda.	Portugal	Joint venture	45.00%	45.00%	Equity method
SCI IMMO C47	France	Joint venture	49.00%	49.00%	Equity method
Avicdale Limited	Ireland	Joint venture	29.09%	29.09%	Equity method
Luxembourg Investment Company 327 S.à r.l.	Luxembourg	Joint venture	40.00%	40.00%	Equity method
JV FORTE	Luxembourg	Joint venture	33.33%	33.33%	Equity method
CoRE FR 14 SAS	France	Joint venture	50.00%	50.00%	Equity method
CoRE FR 15 SAS	France	Joint venture	0.00%	50.00%	Equity method
Claypole Limited	Ireland	Joint venture	25.00%	25.00%	Equity method

27. Significant events

Other than as disclosed in the notes to the consolidated financial statements, there no significant events during the year.

28. Subsequent events

There were no material events affecting the Group since the year end.

Unaudited Annex

PERIODIC DISCLOSURE FOR THE FINANCIAL PRODUCTS REFERRED TO IN ARTICLE 8, PARAGRAPHS 1, 2 AND 2A, OF REGULATION (EU) 2019/2088 AND ARTICLE 6, FIRST PARAGRAPH, OF REGULATION (EU) 2020/852

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

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

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

Product name: AXA CoRE Europe Fund SCS, SICAV-SIF (the "Financial Product" or the "Fund") (the "Financial Product")

Environmental and/or social characteristics

Did this financial product have a sustainable investment objective?

☐ **Yes**	☒ **No**
☐ It made **sustainable investments with an environmental objective:** ___%	☒ It **promoted Environmental/Social (E/S) characteristics** and while it did not have as its objective a sustainable investment, it had a proportion of ...% of sustainable investments[1]
☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy	☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy	☒ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
	☐ with a social objective
☐ It made **sustainable investments with a social objective:** ___%	☐ It promoted E/S characteristics, but **did not make any sustainable investments**

Capitalised terms not otherwise defined in this appendix shall have the meaning ascribed to them in the legal documentation of the Financial Product.

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

The environmental characteristics promoted by the Financial Product consist in investing in a minimum of assets considering the ESG Scoring Process described in the legal documentation of the Financial Product, based on a proprietary methodology. The Financial Product invests in and

[1] Sustainable Investment proportion will be disclosed when 2023 ESG Data will be available.

PERIODIC DISCLOSURE FOR THE FINANCIAL PRODUCTS REFERRED TO IN ARTICLE 8, PARAGRAPHS 1, 2 AND 2A, OF REGULATION (EU) 2019/2088 AND ARTICLE 6, FIRST PARAGRAPH, OF REGULATION (EU) 2020/852 (CONTINUED)

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

manages real estate assets aiming at reducing the carbon footprint of such assets and/or having a positive impact on the environment.

The Financial Product has met the commitments related to the environmental and social characteristics promoted for the reference period by investing, in assets taking into account the ESG Scoring Process described in the Financial Product documentation.

How did the sustainability indicators perform?

In order to give the most accurate picture of the sustainability performance of the Financial Product, the performance of the indicators for the reference period from 1st January 2023 to 31 December 2023 will be given at a later date, upon the data being available.

The indicators below are based on latest available data, as from 31 December 2022.

Sustainability indicator[2]	Value	Unit
Proportion in the Financial Product's portfolio of the Investments having an Investment ESG Score equal or greater than [1.4] according to the of ESG Scoring Process	98.66	Percentage
Global Investment ESG Score average of the Financial Product's portfolio	6.57	Score out of 10
Proportion of certified assets as % of AuM[3]	74.18	Percentage
Proportion of utility data coverage as % of AuM[4]	90.88	Percentage
Relative carbon emissions (scope 1 and 2) (per square meter of area)[5]	28.31	kgCO2eq / sqm
Proportion of assets with EPC performance level A or B as % of AuM	63.00	Percentage
GRESB Score Standing assets	88	Score out of 100
GRESB Score: Development assets	98	Score out of 100

[2] Indicators apply to all standing real estate assets owned during the full year of reporting (i.e. excluding excluding i) irrelevant assets (parking, land, cellars, etc.), ii) assets under development and iii) assets not covered by an asset management agreement)

[3] Calculates the proportion assets being certified by at least one ESG certification among the list provided in the GRESB reference guide.

[4] An asset is included in the data coverage only if it has 'complete' actual data for all utilities and has been owned during the full year of reporting. Data is considered as 'complete' if coverage in time and surface is above 90%.

[5] Only asset with 'complete' scope 1 and 2 data have been included in the calculation of the indicator.

PERIODIC DISCLOSURE FOR THE FINANCIAL PRODUCTS REFERRED TO IN ARTICLE 8, PARAGRAPHS 1, 2 AND 2A, OF REGULATION (EU) 2019/2088 AND ARTICLE 6, FIRST PARAGRAPH, OF REGULATION (EU) 2020/852 (CONTINUED)

…and compared to previous periods?

Sustainability indicator[6]	Value for N-1	Value for N	Unit
Proportion in the Financial Product's portfolio of the Investments having an Investment ESG Score equal or greater than [1.4] according to the ESG Scoring Process	100.00	98.66	Percentage
Global Investment ESG Score average of the Financial Product's portfolio	5.83	6.57	Score out of 10
Proportion of certified assets as % of AuM[7]	59.51	74.18	Percentage
Proportion of utility data coverage as % of AuM[8]	30.83	90.88	Percentage
Relative carbon emissions (scope 1 and 2) (per square meter of area)[9]	19.22	28.31	kgCO2eq / sqm
Proportion of assets with EPC performance level A or B as % of AuM	29.39	63.00	Percentage
GRESB Score Standing assets	84	88	Score out of 100
GRESB Score: Development assets	94	98	Score out of 100

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

The objective pursued by the sustainable investments that the Financial Product partially made during the reference period was contributing to climate change mitigation.

The sustainable investments made by the Financial Product contributed to such objectives through the following dimensions:

1. *The Energy Performance Certificate ("EPC") of the asset should be A or B. The EPC is a European standard, serving as a benchmark to assess the energy efficiency of assets. To extend the applicability of the definition beyond European countries and/or countries which does not apply such standard, our approach involves incorporating such countries into our analysis by referencing to an equivalence table for energy ratings based on EPC.*
2. *Additional criteria:*
    a. *The asset should be certified by an independent third party. Sustainability certifications accepted by the GRESB (Global Real Estate Sustainability*

[6] Indicators apply to all standing real estate assets owned during the full year of reporting (i.e. excluding excluding i) irrelevant assets (parking, land, cellars, etc.), ii) assets under development and iii) assets not covered by an asset management agreement).

[7] Calculates the proportion of assets being certified by at least one ESG certification among the list provided in the GRESB reference guide .

[8] An asset is included in the data coverage only if it has 'complete' actual data for all utilities and has been owned during the full year of reporting. Data is considered as 'complete' if coverage in time and surface is above 90%.

[9] Only asset with 'complete' scope 1 and 2 data have been included in the calculation of the indicator.

PERIODIC DISCLOSURE FOR THE FINANCIAL PRODUCTS REFERRED TO IN ARTICLE 8, PARAGRAPHS 1, 2 AND 2A, OF REGULATION (EU) 2019/2088 AND ARTICLE 6, FIRST PARAGRAPH, OF REGULATION (EU) 2020/852 (CONTINUED)

Benchmark), which is a widely recognized body by the real estate investors community, are considered as applicable for this criteria[10]. The certification must be valid during the reporting period to be accepted; or

b. *The asset is a residential real estate asset; or*

c. *The asset is a healthcare real estate asset.*

We exclude asset being exposed to fossil fuel[11], the exposure to fossil fuels in real estate assets being defined as the share of investments in real estate assets involved in the exploration, mining, extraction, production, processing, storage, refining or distribution, including transportation, storage and trade of fossil fuels.

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

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

The Financial Product has ensured the sustainable investments that it has partially made did not cause significant harm to any environmental or social sustainable investment objective through:

(i) *the application of AXA IM sectorial exclusion policies and AXA IM ESG standards as described in the legal documentation of the Financial Product,*

PARIS

(ii) *the exclusion of asset exposed to fossil fuel as described above,*

(iii) *the exclusion of energy inefficient real estate assets, as defined by Commission Delegated Regulation (EU) 2022/1288 of 6 April 2022, and*

(iv) *the consideration and reporting of indicators for adverse impacts on sustainability factors as described below.*

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

The indicators for adverse impact were taken into account as described under section "How did this financial product consider principal adverse impacts on sustainability factors?"

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

[10] Such certifications includes notably BREEAM, LEED, DGNB, HQE etc.

[11] As of today, our data management system only identifies the "main" use of an asset. Meaning that if an asset hosts different activities, only the main activity will be reflected. Due to this limitation, for now we can only identify assets whose main activity is the storage/sale of fossil fuels (e.g. petrol stations) but we can not identify assets that would host a secondary activity related to fossil fuel (e.g. petrol station in a shopping center, fossil fuel storage in a logistics asset, etc). Nonetheless, such secondary activity related to fossil fuel is expected to represent a marginal share of the investment.

PERIODIC DISCLOSURE FOR THE FINANCIAL PRODUCTS REFERRED TO IN ARTICLE 8, PARAGRAPHS 1, 2 AND 2A, OF REGULATION (EU) 2019/2088 AND ARTICLE 6, FIRST PARAGRAPH, OF REGULATION (EU) 2020/852 (CONTINUED)

The Financial Product invests in the real estate and construction sectors – this question has therefore limited application for the investments performed by the Financial Product.

As part of its ESG standards policy, the Investment Manager avoids investing in companies which cause, contribute or are linked to violations of international norms and standards in a material manner, focusing in particular on UN Global Compact Principles, International Labor Organization (ILO) Conventions, OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights (UNGPs). Those standards notably focus on human rights, society, labor and environment.

The Investment Manager also assesses the good practices of the investee companies through the application of the AXA IM exclusions to direct investment.

The Fund acquires or incorporates companies holding ultimately real estate assets. Due diligence (including KYC checks, UNGC breach exclusion) are performed before investing and good governance safeguards (including exclusion and ban list) resulting from the AXA IM exclusions are applied.

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

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

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

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

Reporting on certain principal adverse impact ("PAI") indicators may be limited or may reflect reporting periods prior to 2023 due to data availability. Not all companies and counterparties currently report on all sustainability factors. AXA IM Alts may rely on a third party data provider. The reports are based on the data available at the time of this report. Therefore, possible date discrepancies may occur (in particular regarding data provided by third parties). AXA IM Alts may change its third party data provider at any time and at its own discretion, which may result in changes in relation to the data and or methodologies used for the same instruments or investments in future reports.

PAIs have been considered through the application of (i) qualitative and (ii) quantitative approaches described in the Financial Product legal documentation, during the reporting period.

PERIODIC DISCLOSURE FOR THE FINANCIAL PRODUCTS REFERRED TO IN ARTICLE 8, PARAGRAPHS 1, 2 AND 2A, OF REGULATION (EU) 2019/2088 AND ARTICLE 6, FIRST PARAGRAPH, OF REGULATION (EU) 2020/852 (CONTINUED)

(i) The qualitative approach to considering PAIs is based on exclusion policies that were followed throughout the reporting period[12].

(ii) Under the quantitative approach, the integration of several relevant PAI indicators into the ESG Scoring Process as well as the limitation of low-rated investments allowed for the consideration of PAIs during the reporting period.

The annual measurement of the PAI indicators for the reference period from 1st January 2023 to 31 December 2023 will be provided at a later date to allow for the most relevant collection and better processing of the data related to these indicators, in order to give the most accurate picture of the negative impacts related to the Financial Product. These indicators will be disseminated upon the data being available.

The indicators below are based on latest available data, as from 31 December 2022.

Principal Adverse Impact indicator[13]	Value	Unit	Coverage Rate (%)
Exposure to fossil fuels through real estate assets	0.00	Percentage	89.08
Exposure to energy-inefficient real estate assets	51.92	Percentage	58.35
Total Greenhouse Gas Emissions Scope 1	1 860 931.9	kgCO2eq	92.43
Total Greenhouse Gas Emissions Scope 2	10 315 828.2	kgCO2eq	84.57
Total Greenhouse Gas Emissions Scope 3	12 686 577.4	kgCO2eq	40.65
Total Greenhouse Gas Emissions (scope 1, 2 and 3)	24 863 337.5	kgCO2eq	81.19

What were the top investments of this financial product?

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

Largest investments[14]	Sector	% Assets	Country
Dolphin Square	*Residential*	*8.9%*	*UK*
Le Dôme	*Office*	*3.4%*	*Luxembourg*
Monte Rosa	*Office*	*2.6%*	*Italy*
Ubbo	*Retail*	*2.3%*	*Portugal*
Smartside	*Office*	*2.3%*	*France*
Issy	*Office*	*2.2%*	*France*
Condor	*Office*	*2.2%*	*UK*
Area Sur	*Retail*	*2.0%*	*Spain*
Mezquite Mendez Alvaro	*Residential*	*1.9%*	*Spain*
Aachen – The Rocks	*Office*	*1.9%*	*Germany*

[12] Exclusion policies have specific limitations of application on alternative investments.

[13] Basis of calculation for this indicator in 2022 has been eligible assets (i.e. standing real estate assets). Basis of calculation for this indicator in 2023 is "current value of all Investments" as defined by Commission Delegated Regulation (EU) 2022/1288.

[14] Unaudited AXA IM data as of December 31st, 2023.

PERIODIC DISCLOSURE FOR THE FINANCIAL PRODUCTS REFERRED TO IN ARTICLE 8, PARAGRAPHS 1, 2 AND 2A, OF REGULATION (EU) 2019/2088 AND ARTICLE 6, FIRST PARAGRAPH, OF REGULATION (EU) 2020/852 (CONTINUED)

Largest investments[14]	Sector	% Assets	Country
Parexel	*Office*	*1.9%*	*Germany*
Moss Vestre Vanemej 40	*Industrial*	*1.8%*	*Norway*
Asticus	*Office*	*1.7%*	*UK*
Tour First	*Office*	*1.6%*	*France*
Valentinskamp	*Office*	*1.6%*	*Germany*
City One	*Office*	*1.3%*	*France*
Drehbahn	*Office*	*1.3%*	*Germany*
Macdonald	*Office*	*1.2%*	*France*
Marceau	*Office*	*1.2%*	*France*
Sirius Business Park	*Industrial*	*1.1%*	*Germany*
Warwick	*Office*	*1.0%*	*UK*
Paunsdorf	*Retail*	*1.0%*	*Germany*
Halldorhus (Plot 7)	*Residential*	*0.9%*	*Denmark*
Sirius Business Park Berlin	*Industrial*	*0.9%*	*Germany*
Logistic platform Miribel	*Industrial*	*0.8%*	*France*
Ludwigstrasse	*Office*	*0.8%*	*Germany*

Asset allocation describes the share of investments in specific assets.

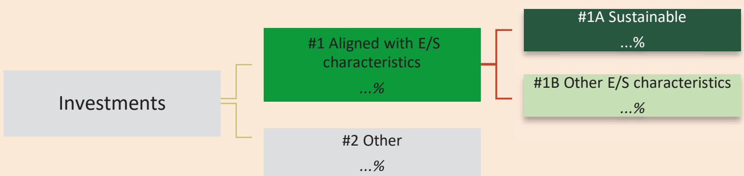
What was the proportion of sustainability-related investments?

What was the asset allocation?

The AIFM uses a combination of actual data, external data providers, research and information gathered through stakeholder surveys to assess the asset allocation.

In order to give the most accurate picture of the asset allocation of the Financial Product, the asset allocation for the reference period from 1st January 2023 to 31 December 2023 will be given at a later date upon 2023 data being available.

However, in accordance with the regulations in force, the asset allocation will be published before June 30th of this year.



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

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

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

PERIODIC DISCLOSURE FOR THE FINANCIAL PRODUCTS REFERRED TO IN ARTICLE 8, PARAGRAPHS 1, 2 AND 2A, OF REGULATION (EU) 2019/2088 AND ARTICLE 6, FIRST PARAGRAPH, OF REGULATION (EU) 2020/852 (CONTINUED)

Category #1A "Sustainable" is described under question "What were the objectives of the sustainable investments that the financial product partially made and how did the sustainable investment contribute to such objectives?".

Category #1B "Other E/S characteristics" includes investments that are covered by the ESG Scoring Process and having an ESG Score above 1.4.

Category #2 "Other" is described under question "What investments were included under "#2 Other", what was their purpose and were there any minimum environmental or social safeguards?".

In which economic sectors were the investments made?

Investments were made in the construction and real estate sectors.

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

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

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

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

The Financial Product did not take into account the EU Taxonomy's environmental objectives criteria. The Financial Product did not take into account the "do no significant harm" criteria of the EU Taxonomy.

PERIODIC DISCLOSURE FOR THE FINANCIAL PRODUCTS REFERRED TO IN ARTICLE 8, PARAGRAPHS 1, 2 AND 2A, OF REGULATION (EU) 2019/2088 AND ARTICLE 6, FIRST PARAGRAPH, OF REGULATION (EU) 2020/852 (CONTINUED)

Taxonomy-aligned activities are expressed as a share of:
- **turnover** reflects the "greenness" of investee companies today.
- **capital expenditure** (CapEx) shows the green investments made by investee companies, relevant for a transition to a green economy.
- **operational expenditure** (OpEx) reflects the green operational activities of investee companies.

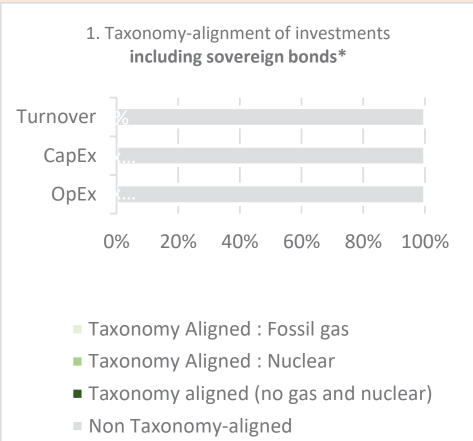
Did the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy[15]?

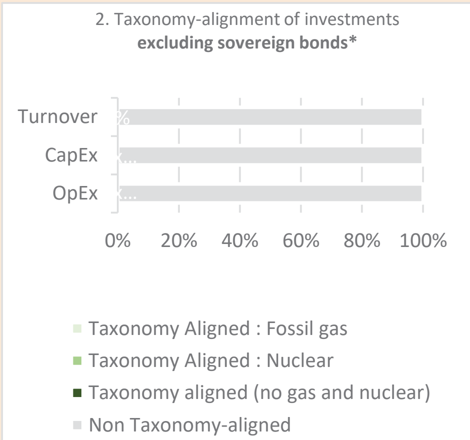
☐ Yes :

In fossil gas ☐ In nuclear energy ☐

☒ No

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





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

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

The share of investments in transitional and enabling activities invested in by the Financial Product was …% of the Financial Product gross asset value.

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

Not applicable

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

PERIODIC DISCLOSURE FOR THE FINANCIAL PRODUCTS REFERRED TO IN ARTICLE 8, PARAGRAPHS 1, 2 AND 2A, OF REGULATION (EU) 2019/2088 AND ARTICLE 6, FIRST PARAGRAPH, OF REGULATION (EU) 2020/852 (CONTINUED)

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

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

The share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy invested in by the Financial Product was … % of the the Financial Productgross asset value.i

What was the share of socially sustainable investments?

The share of socially sustainable investments was … % of the the Financial Product gross asset value.

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

The “Other" assets in which the Fund invest consisted of :

- *Cash and securities used in accordance with the legal documentation of the Financial Product (being specified that any money market instrument/fund qualified as article 8 SFDR shall be included under #1B Other E/S characteristics);*
- *Derivatives used in accordance with the legal documentation of the Financial Product; and*
- *Other instruments eligible to the Fund and that are not covered by the ESG Scoring Process mentioned above, or the ESG score of which is <1.4.*

Environmental or social safeguards have been applied and assessed on all "other" assets with the exception of (i) derivatives other than those relating to a single issuer, and (ii) the cash and cash equivalent investments described above.

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

This part will be filled once 2023 ESG data will be available (Q2 2024).

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

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

Not applicable

- ***How does the reference benchmark differ from a broad market index?***

  Not applicable

- ***How did this financial product perform with regard to the sustainability indicators to determine the alignment of the reference benchmark with the environmental or social characteristics promoted?***

  Not applicable

- ***How did this financial product perform compared with the reference benchmark?***

  Not applicable

- ***How did this financial product perform compared with the broad market index?***

  Not applicable

ANNEX TO PERIODIC REPORTS FOR PRODUCTS COVERED BY ART.29 LEC

Annex to periodic reports for products covered by Art.29 LEC

Pursuant to Article 29 of the French Law n°2019-1147 on November 8, 2019 ("Loi énergie-climat" – or LEC), AXA IM's climate and biodiversity strategies and approach to ESG risks are presented in the paragraphs below.

The fund has also embedded specific ESG features that are described in the Annex pursuant to the Regulation (EU) 2019/2088 ("Sustainable Finance Disclosure Regulation" – or SFDR) of the fund's annual report.

AXA IM Climate strategy

As a founding investor of the Net Zero Asset Managers (NZAM) initiative launched in December 2020, AXA IM is committed to work in partnership with asset owner clients on decarbonisation goals, consistent with an ambition to reach net zero emissions [1] across our portfolios by 2050 or sooner, as well as playing a key role in helping our clients better understand climate change and how it may impact their portfolios and support them in adapting their investment decisions accordingly. As direct Real Estate Asset Manager, it is also our responsibility to engage with tenants to ensure we maintain open channels that can enable improved behaviours in building use to the benefit of society and the planet.

Our Climate strategy is aligned with the frameworks proposed by the Task Force on Climate-related Financial Disclosures (TCFD), the Institutional Investor Group on Climate Change (IIGCC) and the Paris Aligned Investment Initiative (PAII) coordinated by the IIGCC, and is evidenced by our active involvement international initiatives such as Climate Action 100+ (CA 100+) or the Climate Bonds Initiative. It consists in:

- **Net Zero Targets[2]**:
    - AXA IM published its first net zero target in October 2021, as part of the first NZAM progress report[3]. This target was subsequently revised in April 2022[4], and covers 65% of AXA IM total AUM at end of 2022[5].
    - Specific Net zero frameworks for Listed Corporates (Fixed Income and Listed Equity), Sovereigns, and directly managed Real Estate asset classes which follows industry standards[6] considering internal and external information have been set and allow to determine the Net zero profile of our investments.
- **Stewardship[7]**:
    - Engagement and continued dialogue with companies, clients and tenants are crucial to influencing the net zero trajectories. As for tenants, we target to progressively embed ESG clause in all new lease signed or renewal covering data sharing, asset certification or energy efficiency measures implementation, when possible. We also monitor tenant satisfaction through annual surveys conducted each year on a sample of assets and require our Property Managers to conduct green committees to share key ESG information.
- **Exclusions:** we exclude investments which fail to meet certain climate change criteria, focusing in particular on coal, as well as unconventional oil & gas. Our investment portfolios exclude coal-based electric power generating utilities and coal mining assets that are not credibly demonstrating a commitment to energy transition. Since early 2022 we also exclude

[1] "Our road to net zero", AXA Investment Managers, https://www.axa-im.com/who-we-are/our-road-net-zero
[2] AXA IM has set an initial milestone of 25% reduction by 2025 compared to 2019 at the entity-level, and will soon set a 2030 climate target, in line with our 2050 net zero target: see sections 6. "Climate strategy" of the 2022 AXA IM Climate report.
[3] See NZAM 2021 progress report, December 2021: NZAM-Progress-Report.pdf (netzeroassetmanagers.org)
[4] See NZAM Initial target disclosure report, May 2022: NZAM-Initial-Target-Disclosure-Report-May-2022-1.pdf (netzeroassetmanagers.org)
[5] These objectives are not currently implemented to other alternative asset classes (i.e., Alternative credit, and Structured finance).
[6] The Task Force on Climate-related Financial Disclosures (TCFD) recommendations on metrics and targets, the IIGCC's Net Zero Investment Framework, the Carbon Risk Real Estate Monitor (CRREM) decarbonisation pathways and the Germanwatch's Climate Change Performance Index (CCPI).
[7] See AXA IM's Stewardship & Engagement policies: Stewardship & Engagement | Responsible Investing | AXA IM Corporate (axa-im.com). This policy does not apply to real estate assets.

ANNEX TO PERIODIC REPORTS FOR PRODUCTS COVERED BY ART.29 LEC (CONTINUED)

companies in the unconventional oil & gas sector focusing in particular on tar sands, arctic and shale. More recently, since April 2023, we have tightened multiple exclusion criteria on coal, oil & gas, i) putting a stricter exclusion threshold to companies generating more that 15% of revenues from thermal coal mining and/or power generation (against 30% before), ii) excluding all companies with new coal mining or power generation projects or expansion plans, and iii) putting a stricter exclusion threshold to companies generating more than 5% of revenues from oil sands production (against 20% before). The exclusion threshold based on coal revenues is also planned to be reduced at 10% starting 2026 in OECD countries as part of our commitment to exit from coal by 2030 in OECD countries, and we are committed to exit all coal investments in OECD countries by the end of this decade, and throughout the rest of the world by 2040. This commitment will be implemented over time, using exclusion but also engagement approaches. Investors should note that exclusion policies have limited application for real estate assets.

- **Transparency:** since 2022, the ESG reporting available for our Article 8 and Article 9 products include an enhanced climate section, detailing historic metrics (carbon intensity for scope 1 and 2 as well as upstream scope 3).

The detailed climate strategy applied by AXA IM and, by extension, by the fund, pursuant to the implementation decree of Article 29 of the LEC is described in the AXA IM annual Climate Report (TCFD – Article 29 LEC combined report)[8]: Policies and reports | AXA IM Corporate (axa-im.com)

AXA IM Biodiversity strategy[9]

AXA IM is engaged to protect biodiversity. We have strengthened our strategy to better integrate the challenges relating to biodiversity protection in our investment process and fundamental research. As an investor we consider that we have a role to play to:
- Increase understandings of biodiversity impacts on economic activities;
- Integrate risk and opportunities associated with biodiversity in our investment decision and asset management priorities;
- Drive capital flows towards solving biodiversity loss impacts.

Exclusions

AXA IM has been applying a palm oil exclusion policy on all its AUM since 2014 excluding investments that have negative impacts on forest, natural ecosystems, and local communities. In 2021, AXA IM extended this policy to cover investments incorporating significant land use controversies and responsible for biodiversity loss in relation to soy, cattle, and timber. Faced with these consequences, AXA IM actively pursues a rigorous policy as part of its forest investments in selecting its assets, its forest management partners, and in adapting management practices to meet these global challenges. Investors should note that exclusion policies have limited application for real estate assets.

Metrics

We work in close collaboration with data providers, in particular Iceberg Data Lab (IDL), to support the development of biodiversity-related metrics. We currently pilot a corporate biodiversity footprint (CBF) that measures negative impact in terms of biodiversity loss associated with the pressure on biodiversity generated by corporate investees' economic activities across their value chain. The pressures relate to drivers of biodiversity loss identified by IPBES. The CBF currently covers pressures related to land use change, GHG emissions, water and air pollution. As an innovative and relatively new metric, the CBF is still evolving and is subject to planned methodological improvements such as, for example, greater coverage of pressures. Other biodiversity-related metrics are under development by IDL such as dependencies and positive impacts. We continue to be involved in such advancements.

AXA IM is working on pilot projects to test biodiversity metrics applicable to the direct real estate. In 2023, AXA IM participated to a UN pilot on TNFD (Task Force on Related-Financial Disclosure) reporting, in collaboration with AXA

[8] This includes the entire scope of AXA IM climate strategy: its quantitative targets (both at the entity level and for each main asset class), their time horizons, the underlying metrics and baselines: see sections 6. "Climate strategy" of the 2022 AXA IM Climate report.
[9] While this biodiversity strategy is being implemented at AXA IM level globally, it should be noted that it has inherent limitations for certain asset classes.

ANNEX TO PERIODIC REPORTS FOR PRODUCTS COVERED BY ART.29 LEC (CONTINUED)

Climate. The objective was to test different methodologies that can help companies assess their biodiversity footprint. Together, we explored how our assets interact with their environments, what are the key material issues for the real estate sector and what nature-based scenarios look like. During this pilot, we focused on the first two parts of the LEAP approach: Locate and Evaluate, on a sample of circa 250 assets. While the Locate part focused on identifying assets located in water stressed and biodiversity rich areas, the Evaluate part measured our main nature-related dependencies and impacts per activity. Based on this first assessment, AXA IM plans to extend such analysis in 2024 to better understand real estate equity portfolio biodiversity impacts and better inform decision making.

Initiatives[10]

AXA IM conducts constructive discussions on biodiversity topics with WWF, CDP, Ceres, and other external experts. In 2022, AXA IM became member of two collaborative engagement initiatives described above: the Investor Initiative on Hazardous Chemicals supported by ChemSec[11]; and collaborative engagement on Waste & Pollution led by FAIRR[12]. In 2023, we joined the Emerging Markets Investor Alliance where we are a member of the Consumer Staples working group that undertakes advocacy to support sustainable and transparent best practices in emerging markets on various topics including deforestation. Moreover, we are a part of Nature Action 100 (NA100), a key initiative expected to raise global biodiversity momentum even higher. NA100 was operationally launched in September 2023. AXA IM was a member of the launching investor group, and is currently a member of the steering group. NA100 seeks to engage companies in key sectors deemed to be systemically important in reversing nature and biodiversity loss by 2030. AXA IM also continues to participate actively in the sector-leading initiatives by the Finance for Biodiversity Foundation[13], the organisation behind the Finance for Biodiversity Pledge[14].

In November 2023, AXA IM participated to a roundtable organise by the ULI Greenprint programme, to exchange with peers on biodiversity measurement and reporting approach for real estate. In addition, direct real estate ESG rating proprietary methodology was updated to further integrate biodiversity in the assessment. Since 2021, a biodiversity criteria inspired from certification approach was introduced as a test (not rated). Using feedback from this pilot, we intend to introduce 2 new questions (with a total weighting of 4%) in the assessment end 2023. As from 2023 assessment, all buildings should be assessed on the two following aspects: if a biodiversity assessment was conducted and which biodiversity measures have been deployed.

The detailed biodiversity strategy applied by AXA IM and, by extension, by the fund, pursuant to the implementation decree of Article 29 of the LEC is described in the AXA IM annual Climate Report (TCFD – Article 29 LEC combined report)[15]: Policies and reports | AXA IM Corporate (axa-im.com)

As such, it should be noted that AXA IM has not yet set any 2030 quantitative target for biodiversity as requested by the implementation decree of Article 29 of the LEC, as market-based guidance for setting targets aligned with the aims of the Global Biodiversity Framework remain under development, and we still lack related market-based methodological developments to measure the alignment of investment strategies with the global mid- and long-term goals.

AXA IM management of ESG-related financial risks

AXA IM uses an approach to manage ESG-related financial risks (or "sustainability risks") that is derived from the integration of ESG criteria in its research and investment processes. We have implemented a framework to integrate sustainability risks in investment decisions based on sustainability factors which relies notably on:

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[10] While these initiatives are being implemented at AXA IM level globally, it should be noted that they have inherent limitations for certain asset classes

[11] See press release: Investors with $8 trillion call for phase-out of dangerous "forever chemicals" – ChemSec

[12] See: Biodiversity Loss from Waste & Pollution - FAIRR

[13] AXA IM chairs the Finance for Biodiversity Foundation's Biodiversity Impact Metrics working group and actively participates in the Engagement working group.

[14] Finance for Biodiversity Pledge: https://www.financeforbiodiversity.org/signatories/

[15] This includes the funds where a specific biodiversity strategy is applied, and the related impact measurement: see sections 7. "Biodiversity strategy" and 7.3 "Introducing biodiversity-specific indicators" of the 2022 AXA IM Climate report.

ANNEX TO PERIODIC REPORTS FOR PRODUCTS COVERED BY ART.29 LEC (CONTINUED)

- **Sectoral and normative exclusions policies** covering E, S and G factors:
  - **Environmental – E** : climate (coal mining and coal-based energy production; oil sands production and oil sands-related pipelines; shale and tight oil & gas; arctic oil & gas), biodiversity (ecosystem protection and deforestation) and soft commodities (food commodities derivatives);
  - **Social – S** : health (tobacco producers), labor, society and human rights (violations of international norms and standards[16]; controversial weapons manufacturing; white phosphorus weapons producers; exclusion of investments in securities issued by countries where serious violations of Human rights are observed);
  - **Governance – G**: business ethics (severe controversies, violations of international norms and standards), corruption (severe controversies, violations of international norms and standards).]

Investors should note that exclusion policies have limited application for real estate assets.

- **ESG scoring methodologies**:
  - AXA IM has implemented scoring methodologies to rate issuers and real assets on ESG criteria.
  - The ESG rating for Direct Real Estate assets has been developed around 3 pillars: Environment (E), Social (S) and Governance (G), each covered by dedicated indicators. The assessment is linked to the performance of a building over a defined period and therefore takes into account criteria that can be measured at the asset level. All E, S and G pillars are linked to the building itself or to its management method and are defined to allow the evaluation of any type of physical real estate asset, regardless of its asset class (residential, office, hotel, etc.).
  - The ESG rating is a tool developed by AXA IM and has been constructed in line with regulation and industry benchmarks requirements, such as BREEAM-in-use and GRESB, in order to integrate the expectations of AXA IM’s main stakeholders and to guarantee the coherence of the actions carried out at asset level. For quantitative questions related to energy and water consumption, the rating uses actual consumption data collected by the property managers in the data management platform. AXA IM Alts does not currently use sector averages or estimates to assess the ESG performance of its assets.
  - AXA IM intends to bring minor updates to the rating methodology, to continue adapting it to leverage on ESG benchmark data improved maturity and availability, improve relevance of some answers to better adapt to market requirements evolution, better address non-EU countries specificities and optimize the process through greater automation.
  - These ESG scores provide a standardized and holistic view on the performance of Real Estate assets on ESG factors and enable to further incorporate ESG risks and opportunities in the investment decision.

This framework helps us to ensure we consider how sustainability impacts on the development, performance, or position of an asset, as well as having material effects on the financial value in a broad sense (financial materiality). It also helps us to assess the external impacts of an asset’s activities on ESG factors (ESG materiality).

This framework is complemented with:

- **ESG KPIs:** Investment teams have access to a wide range of extra-financial data and analysis on ESG factors, across asset classes.
- **Stewardship strategy[17]:** We adopt an active approach to stewardship by using our scale as a global investment manager to influence tenant and market practices. In doing so, we strive to reduce investment risk and enhance returns as well as drive positive impacts for our society and the environment. These are key to achieving sustainable long-term value creation for our clients.

If such sustainability risks materialize in respect of any investment, they may have a negative impact on the financial performance of the relevant investment. AXA IM does not guarantee that the investments are not subject to sustainability risks to any extent and there is no assurance that the sustainability risks assessment will be successful at capturing all sustainability risks at any point in time. Investors should be aware that the assessment of the impact of sustainability

[16] UN’s Global Compact Principles, International Labor Organization’s (ILO) Conventions, OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights (UNGPs).
[17] See AXA IM’s Stewardship & Engagement policies: Stewardship & Engagement | Responsible Investing | AXA IM Corporate (axa-im.com). This policy does not apply to real estate assets.

ANNEX TO PERIODIC REPORTS FOR PRODUCTS COVERED BY ART.29 LEC (CONTINUED)

risks on the performance is difficult to predict and is subject to inherent limitations such as the availability and quality of the data.

The detailed approach to take into account ESG risks into risks management processes applied by AXA IM and, by extension, by the fund, pursuant to the implementation decree of Article 29 of the LEC is described in the AXA IM annual Climate Report (TCFD – Article 29 LEC combined report)[18]: Policies and reports | AXA IM Corporate (axa-im.com)

[18] This includes AXA IM's ESG risk management framework, impact of ESG factors on returns, and climate transition and physical risks assessment (incl. value-at-risk analysis for 1.5°C, 2°C and 3°C scenarios, using MSCI's Climate VaR methodology): see sections 8. "Risk management" and 6.5 "Climate dashboard" of the 2022 AXA IM Climate report.