AIFMD ANNUAL REPORT

2022 Annual report for the purposes of Article 22 AIFMD by

Blackstone Europe Fund Management S.à r.l.

in respect of

Blackstone European Property Income Fund SICAV

June 2023

DEFINITIONS

1. This section of the AIFMD Annual Report sets out the meaning of certain defined terms used in this AIFMD Annual Report and makes provisions regarding the interpretation of certain references in the AIFMD Annual Report.

2. In this AIFMD Annual Report, the following capitalized terms shall have the following meanings, unless the context otherwise requires:

(A) "AIF" means an alternative investment fund for the purposes of and as defined in the AIFMD.

(B) "AIFM" means Blackstone Europe Fund Management S.à r.l., having its registered office at 2-4 rue Eugène Ruppert, L-2453 Luxembourg, Grand Duchy of Luxembourg.

(C) "AIFMD" means Directive 2011/61/EU of the European Parliament and of the Council of 8 June 2011 on Alternative Investment Fund Managers, as amended, as it has been implemented in the UK pursuant to the UK AIFM Regulations and in the member states of the EEA where the Fund has been registered for marketing, as applicable.

(D) "AIFMD Annual Report" means this AIFMD annual report.

(E) "AIFM Remuneration Policy" has the meaning set forth in Annex 4 hereto.

(F) "AIFM Senior Management" has the meaning set forth in Annex 4 hereto.

(G) "Articles" means the articles of incorporation of the Fund, as amended, supplemented or restated from time to time.

(H) "Blackstone" means Blackstone Inc. and, where applicable, its affiliates.

(I) "Blackstone Compensation Process" has the meaning set forth in Annex 4 hereto.

(J) "Blackstone Senior Management" has the meaning set forth in Annex 4 hereto.

(K) "Board" has the meaning set forth in Annex 4 hereto.

(L) "Control Functions" has the meaning set forth in Annex 4 hereto.

(M) "CSSF" has the meaning set forth in the "Disclosure Obligation" herein.

(N) "CSSF Circular 91/75" means Circular IML 91/75 (as amended by Circulars CSSF 05/177, CSSF 18/697 and CSSF 22/811) relating to the revision and remodeling of the rules to which Luxembourg undertakings governed by the Law of 30 March 1988 on UCI are subject.

(O) "EEA" means the European Economic Area.

(P) "ESG" means environmental, social and governance.

(Q) "ESMA" means the European Securities and Markets Authority.

(R) "ESMA Guidelines" has the meaning set forth in Annex 4 hereto.

(S) "EU" means the European Union.

(T) "EU Taxonomy" means Regulation (EU) 2020/852 on the establishment of a framework to facilitate sustainable investment.

(U) "Financial Statements" has the meaning set forth in Annex 1 hereto.

(V) "Fund" means Blackstone European Property Income Fund SICAV, a Luxembourg undertaking for collective investment subject to part II of the UCI Law, as amended, incorporated under the form of an investment company with variable capital (*société anonyme*), having its registered office at 11-13 Boulevard de la Foire, L-1528 Luxembourg, Grand Duchy of Luxembourg, and registered with the Luxembourg Trade and Companies Register (*Registre de Commerce et des Sociétés, Luxembourg*) under registration number B255958.

(W) "ICs" has the meaning set forth in Annex 4 hereto.

(X) "Investment Manager" means Blackstone Property Advisors L.P., having its principal place of business at 345 Park Avenue, New York, NY 10154, United States of America.

(Y) "Investment Manager Senior Management" has the meaning set forth in Annex 4 hereto.

(Z) "Management Report" means the report prepared by the board of directors of the Fund covering the activities of the Fund for the Reporting Period ending 31 December 2022, as appended in Appendix 2.

(AA) "Policies" has the meaning set forth in Annex 4 hereto.

(BB) "Prospectus" means the confidential prospectus of the Fund dated May 2022, as it may be amended, restated or supplemented from time to time.

(CC) "Regulation" means Commission Delegated Regulation (EU) No 231/2013 of 19 December 2012.

(DD) "Reporting Period" means from start of the reporting period 1 January 2022 through 31 December 2022.

(EE) "SFDR" means Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial services sector.

(FF) "SFT Regulation" means Regulation (EU) 2015/2365 on transparency of securities financing transactions and reuse amending Regulation (EU) No 648/2012.

(GG) "SICAV Balance Sheet" means the balance sheet of the Fund for the Reporting Period, as appended in Appendix 2.

(HH) "SIG" has the meaning set forth in Annex 4 hereto.

(II) "SMDs" means Senior Managing Directors.

(JJ) "UCI" means undertakings for collective investment.

(KK) "UCI Law" means the Luxembourg law of 17 December 2010 on undertakings for collective investment, as amended.

(LL) "UK" means the United Kingdom of Great Britain and Northern Ireland.

(MM) "UK AIFM Regulations" means the Alternative Investments Fund Managers Regulations 2013, as amended (including by The Alternative Investment Fund Managers (Amendment etc.) (EU Exit) Regulations 2019).

IMPORTANT NOTICES TO RECIPIENTS

3. This AIFMD Annual Report is being provided to investors of the Fund and regulatory bodies, as necessary, solely for the purpose of providing disclosures in connection with the requirements of the AIFMD, the UCI Law and the CSSF Circular 91/75. By accepting this AIFMD Annual Report, you expressly acknowledge that the accounting and certain other information contained in this AIFMD Annual Report is as of 31 December 2022 unless otherwise indicated and that more recent information, including performance data, is available and has been provided by the AIFM to the investors of the Fund and that other material changes with respect to the Fund and its investments may not be reflected in this AIFMD Annual Report. The delivery of this AIFMD Annual Report does not under any circumstances create an assumption that the information presented herein is correct as of any time subsequent to 31 December 2022. This AIFMD Annual Report is not, and may not be relied upon in any manner as, legal, tax, financial or investment advice or as an offer to sell or a solicitation of an offer to buy any security, product or service or to provide investment advice. This AIFMD Annual Report does not purport to contain all of the information that may be required to evaluate an investment in the Fund and each recipient is urged to consult its tax, legal, financial, accounting and other advisors about the matters discussed herein. Any investment performance information contained in this AIFMD Annual Report is presented for informational purposes only and is not indicative of future results. Due to various risks and uncertainties, actual events or results and the actual performance of the Fund may differ materially from those reflected or contemplated herein. It should not be assumed that the specific investments identified and discussed herein were or will be profitable or that any investments made in the future will equal the performance of the investments identified herein. No guarantee of investment performance is being provided and no inference to the contrary should be made. There can be no assurance that the Fund will be able to obtain comparable returns, be able to implement its investment strategy, achieve its investment objective or avoid substantial losses.

DISCLOSURE OBLIGATION

4. The AIFM is the alternative investment fund manager of the Fund for the purposes of the AIFMD. The AIFM is required to make this AIFMD Annual Report available to investors in the Fund upon request no later than six (6) months following the end of the Fund's Reporting Period. The AIFM is also required to make this AIFMD Annual Report available to the Luxembourg financial services regulator, the *Commission de Surveillance du Secteur Financier* ("CSSF") and the UK Financial Conduct Authority, as applicable.

SUBSTANCE OF DISCLOSURES REQUIREMENTS

5. In the interests of providing "materially relevant, reliable, comparable and clear information", the AIFM has in certain instances addressed the substance of the relevant disclosure requirement based on its own procedures and policies, where applicable.

INTERPRETATION

6. References to statutory provisions, regulations, notices or the AIFMD includes those provisions, regulations, notices or the AIFMD as amended, extended, consolidated, substituted, re-issued or re-enacted from time to time.

7. Unless the context otherwise requires and except as varied or otherwise specified in this AIFMD Annual Report, words and expressions contained in this AIFMD Annual Report shall bear the same meaning as in the Prospectus and/or the Articles, as the context requires; *provided that*, if there is any

conflict between words defined in this AIFMD Annual Report and the Prospectus and/or the Articles, this AIFMD Annual Report shall prevail.

AIFMD ANNUAL REPORT

The following information has been included in this AIFMD Annual Report in order to comply with the obligations set out in the AIFMD and the Regulation.

AIFMD Reference	Information Requirement	Required Disclosure
Article 22.2 (a)	**Balance sheet or statement of assets and liabilities for the Reporting Period**	Please see Annex 1 for disclosure of the balance sheet / statement of assets and liabilities of the Fund.
Article 22.2 (b)	**Income and expenditure account for the Reporting Period**	Please see Annex 1 for disclosure of the Fund's income and expenditure account.
Article 22.2 (c)	**Report on activities for the Reporting Period**	Please see Annex 2 setting out the report on the activities for the Fund.
Article 22.2(d)	**Any material changes in the information listed in Article 23 AIFMD during the Reporting Period**	Please see Annex 3 for disclosure on the material changes in the information provided to investors pursuant to Article 23 AIFMD.
Article 22.2(e)	**The total amount of remuneration for the Reporting Period split into fixed and variable remuneration, paid by the AIFM to its staff and number of beneficiaries and, where relevant, carried interest paid by the AIF**	Please see Annex 4 for the remuneration disclosures.
Article 22.2(f)	**The aggregate amount of remuneration broken down by senior management and members of staff of the AIFM and Investment Manager whose actions have a material impact on the risk profile of the AIF**	Please see Annex 4 for the remuneration disclosures.
Article 29	**Specific provisions regarding the annual report of non-listed companies established in the EEA and the UK of which the Fund has acquired control during the Reporting Period**	Please see Annex 5 for the Article 29 AIFMD disclosures.
N/A	**The involvement in and exposures related to securities lending**	Please see Annex 6 for the disclosures required by the SFT Regulation.
N/A	**Sustainable Finance Disclosures of the Fund for the Reporting Period**	Please see Annex 7 for the disclosures required by SFDR and the EU Taxonomy.
N/A	**UCI Law and CSSF Circular 91/75 requirements**	Please see the SICAV Balance Sheet appended as Appendix 2 for the disclosures required pursuant to the UCI Law and the CSSF Circular 91/75.

ANNEX 1

AIF AUDITED FINANCIAL STATEMENTS FOR THE REPORTING PERIOD

1. Please see Appendix 1 for the Fund's audited consolidated and standalone financial statements and the independent auditors' report for the Reporting Period, as appended in Appendix 1 (the "Financial Statements").

2. Please see page 20 of the Fund's Financial Statements for a consolidated balance sheet / statement of assets and liabilities of the Fund as at the end of the Reporting Period.

3. Please see page 21 of the Fund's Financial Statements for the consolidated income and expenditure for the Reporting Period.

Realized/Unrealized Gains/Losses

4. Please see page 44 of the Fund's Financial Statements for realized gains, realized losses, unrealized gains and unrealized losses for the Fund for the Reporting Period.

ANNEX 2

REPORT ON THE ACTIVITIES FOR THE REPORTING PERIOD

Activities for the Reporting Period

1. This section of the AIFMD Annual Report sets out a report on the activities of the Fund for the Reporting Period. This report is prepared as at the end of the Reporting Period.

Investment Activities

2. Please see pages 6 - 7 of the Fund's Financial Statements for a summary of the Fund's investment activities in the Reporting Period.

Portfolio

3. Please see page 24 of the Fund's Financial Statements for a list of the Fund's portfolio investments as at the end of the Reporting Period.

Performance

4. Please see page 5 of the Fund's Financial Statements for the Fund's performance as at the end of the Reporting Period.

Principal Risks and Uncertainties

5. The purchase of units in the Fund entails a high degree of risk that is suitable for sophisticated investors for whom an investment in the Fund does not represent a complete investment programme, and who also fully understand the Fund's strategy, characteristics and risks, including the use of borrowings to leverage Investments, and are capable of bearing the risk of an investment in the Fund.

6. In addition to the risks and conflicts of interest detailed in Section XVII "*Risk Factors, Potential Conflicts of Interest and Other Considerations*" of the Prospectus, please also refer to Section VIII "*Principal Risks, Uncertainties and Conflicts of Interests*" of the Management Report setting notable risks for the Fund.

ANNEX 3

MATERIAL CHANGES TO ARTICLE 23 OF THE AIFMD DISCLOSURES

Material Changes

Please note that no further material changes have been made to the information disclosed to investors in the Prospectus pursuant to Article 23 AIFMD for the Reporting Period other than those already disclosed in this AIFMD Annual Report.

ANNEX 4

REMUNERATION DISCLOSURE

Preamble

The AIFM is an affiliate of Blackstone. It has delegated the portfolio management of the Fund to the Investment Manager.

Procedures and practices

For the AIFM

1. The AIFM has established a remuneration policy and procedures (the "AIFM Remuneration Policy") in line with the AIFMD and the ESMA Guidelines on sound remuneration policies under the AIFMD (ESMA/2013/232) ("ESMA Guidelines"). The AIFM Remuneration Policy reflects the AIFM's approach to remuneration and is designed to seek to ensure that compensation arrangements:

   - retain and motivate employees;
   - align employee interests with those of investors in the funds;
   - are consistent with and promote sound and effective risk management;
   - do not encourage inappropriate risk taking or risk taking that exceeds the level of risk tolerated by the AIFM;
   - include measures to mitigate conflicts of interest through ensuring a strong information exchange during the Blackstone Compensation Process (as defined below) and among the board of managers of the AIFM (the "Board") and other key control and support functions, and safeguarding the independence of the Control Functions (as defined below), and
   - are in line with the AIFM's business strategy, objectives, values and long-term interests, as well as the funds'.

2. The underlying principles of the AIFM Remuneration Policy are:

   - all remuneration can be divided into fixed remuneration (payments or benefits without consideration of any performance criteria) specified in the employment contract and variable remuneration (additional payments or benefits depending on performance or, in certain cases, other contractual criteria);
   - the fixed and variable components of total remuneration are appropriately balanced and the fixed component represents a sufficiently high proportion of the total remuneration to allow the operation of a fully flexible policy on variable remuneration, including the possibility to pay no variable remuneration, and
   - variable performance-driven compensation must be closely aligned with the principles of the AIFM as defined below, supportive of the AIFM's strategy and must not incentivize inappropriate risk taking.

3. Blackstone's remuneration decision-making process is operated through Strategic Incentives Group ("SIG"), senior management and relevant Blackstone heads (the "Blackstone Compensation Process") and provides oversight of the design and operation of Blackstone's remuneration processes. The Blackstone Compensation Process also ensures that remuneration decisions are consistently taken across

Blackstone, with consideration of the overall risk profile and appetite of Blackstone. The Board is responsible for adopting the AIFM Remuneration Policy and providing oversight of the implementation of the AIFM Remuneration Policy with the support of the risk management, compliance, finance and internal audit functions (together the "Control Functions") and the remuneration committee of the AIFM. The Board, with input from the Control Functions and the remuneration committee, reviews the AIFM Remuneration Policy and remuneration practices at least annually in order to satisfy itself that they (i) comply with applicable EU and Luxembourg remuneration rules and guidance, (ii) are in line with the AIFM's business strategy, objectives, values and interests, (iii) are consistent with and promote sound and effective risk management, and do not encourage excessive risk taking compared to the investment policy of the funds under management, (iv) enable the AIFM to align the interests of the funds and their investors with those of the identified staff (as listed in section 7 below) that manage such funds, and to achieve and maintain a sound financial situation and (v) are consistent with the integration of sustainability risks in accordance with Article 5 of SFDR, where relevant for the particular individual. The internal audit annually reviews the implementation of the AIFM Remuneration Policy and reports its findings to the Board. The Board approves any changes to the AIFM Remuneration Policy, taking input from the Control Functions and the remuneration committee. In particular, the Board liaises with the Control Functions on the design, oversight, implementation and review of the AIFM Remuneration Policy and remuneration practices, and requests their input before making any decisions as appropriate.

4. In particular, the variable component of remuneration for the AIFM's identified staff is discretionary and dependent on the performance of the individual, the individual's business unit, the funds, the overall results of the AIFM, as well as of Blackstone. Variable remuneration is awarded based on performance against a number of financial and non-financial metrics (e.g. net profit of the AIFM, AIFM capital adequacy, significant financial loss impacting the AIFM risk profile occurred at the AIFM and/or Fund level, external and internal audit findings raised during the Reporting Period and that where not remediated within 12 months, conduct of the identified staff, significant breaches of the AIFM and Blackstone's policies and procedures and non-completion of mandatory AIFM and Blackstone trainings), in each case taking appropriate consideration of regulatory guidance bearing in mind the functions of the relevant staff member, performance in excess of that required to fulfil the staff member's job description as part of the terms of employment and the impact of the actions of that employee on the risk profile of the AIFM and relevant fund(s).

5. Performance is assessed over a full year and certain bonus schemes include the concept of deferral. Therefore, the assessment of performance is set in a multi-year framework based on a longer-term performance and the payment of performance-based components of remuneration is spread over a suitable period. Staff at higher total compensation levels are generally targeted to receive a greater percentage of their total compensation as variable compensation, payable in annual cash bonuses, participation in carried interest (if applicable) and deferred equity. The Board believes that as a staff member's level of responsibility rises, the proportion of compensation that is "at risk" should increase.

6. On the basis of the proportionality principle, the AIFM has decided:

- to disapply at individual level the following requirements on the pay-out process for identified staff whose variable remuneration attributable to such roles does not exceed EUR 100,000 (as an exemption to the aforementioned threshold, and in order to enter a level playing field with local-based asset managers, the *de minimis* threshold applicable for identified staff at the branches of the AIFM shall be EUR 200,000): (i) variable remuneration in instruments, (ii) retention, (iii) deferral and (iv) ex-post incorporation of risk for variable remuneration. Notwithstanding, the AIFM may apply any of the previous requirements on a voluntary basis regardless of the amount of variable remuneration received by any of its staff, and

- to establish, on a voluntary basis, a remuneration committee that is not required to comply with the relevant provisions of the ESMA Guidelines. The remuneration committee is composed of three Board members, out of which two are independent non-executive managers. The remuneration committee is notably responsible for reviewing annual remuneration proposals for the identified staff in accordance with the AIFM Remuneration Policy.

7. AIFM staff includes all members of the Board, conducting officers and employees. AIFM staff may include staff also acting as employees of other Blackstone entities. For the avoidance of doubt, the remuneration mentioned herein does not include the remuneration paid to the AIFM staff by other entities of Blackstone for tasks not directly linked to their duties for the AIFM.

8. The following individuals have been classified as identified staff of the AIFM for the Reporting Period (due to the nature of their functions) in accordance with the criteria set forth in the ESMA Guidelines:

   - executive and non-executive members of the Board;

   - members of the management committee (the "AIFM Senior Management"), and

   - branch managers.

9. The disclosure below reflects the proportion of the total remuneration of the staff of the AIFM attributable to the Fund only. For this purpose, the total remuneration attributable to the activities of the AIFM has been allocated in proportion to the time spent on each applicable fund, hence the figures included below are an approximation only. For the avoidance of doubt, it does not include the remuneration paid to certain identified staff of the AIFM by other entities of Blackstone for tasks not directly linked to their duties for the AIFM. While the AIFM believes that the information and the sources used are reliable for the purposes of this AIFMD Annual Report, it should be specifically noted that the remuneration information presented herein is subject to the Important Notices to Recipients set out above.

For the Investment Manager

10. The Investment Manager is not subject to the requirements in the AIFMD that would require it, among other things, to implement and apply a remuneration policy that is compliant with Article 13 of the AIFMD (including Annex II) or the ESMA Guidelines. The description below of remuneration attributable to the Fund during the Reporting Period is therefore not representative of information compiled by the Investment Manager for its own internal management purposes, has not been audited, and has not been prepared on the basis of a set of compensation policies and procedures that would be required were the Investment Manager otherwise subject to Article 13 of the AIFMD.

11. The Investment Manager is subject to the remuneration policies and practices (the "Policies") of Blackstone. The staff included in the aggregate figures disclosed below are rewarded in line with the Policies.

12. Blackstone uses financial measures as a basis for compensation decisions across its businesses. Relevant senior management of Blackstone (the "Blackstone Senior Management") make operating decisions and assess the performance of each of Blackstone's business segments based on financial and operating metrics. Such Blackstone Senior Management would include the global heads of the businesses as well as the Chief Executive Officer and the Chief Operating Officer of Blackstone. The Blackstone Senior Management ensure that compensation decisions are consistently taken across Blackstone, with consideration for the overall risk profile and appetite of Blackstone.

13. The Policies reflect Blackstone's ethos of good governance and encapsulate the following principal objectives:

    - remuneration is comprised of fixed and variable elements, as described below, with a level of total reward that is competitive within Blackstone's peers, and

- variable performance-driven compensation must be closely aligned with the principles of Blackstone, supportive of Blackstone's strategy and must not incentivize inappropriate risk taking.

14. The Policies apply to staff globally. While Blackstone Senior Management is involved in determining and implementing the Policies, no individual is involved in setting his or her own remuneration.

15. The Investment Manager classifies as the senior management of the Investment Manager (the "Investment Manager Senior Management"):

    - the Direct Owners and Executive Officers who appear on Part 1 of Schedule A of the Investment Manager's Form ADV;

    - SMDs and risk related C-suite roles (*i.e.*, Chief Investment Officer, Chief Financial Officer, General Counsel and Chief Operating Officer of business unit), and

    - the Chief Compliance Officer.

16. The Investment Manager classifies as other risk takers:

    - members of investment committees ("ICs") who are not SMDs (if any);

    - heads of Institutional Client Solutions Group at Blackstone, and

    - professionals (other than SMDs or IC members) with independent investment approval authority (*i.e.*, which is not subject to prior approval of an SMD or IC/IC member).

17. Blackstone assesses various risk factors which it is exposed to when considering and implementing remuneration for staff and considers whether any potential award would give rise to a conflict of interest.

18. Mechanisms are in place to ensure that remuneration does not reward failure, whether on the early termination of a contract or otherwise. Where awards of carried interest and incentive payments are made, these are inherently risk-adjusted given that they are directly tied to the performance of investments or portfolios. In some cases, these payments are subject to a clawback obligation in the event of subsequent underperformance by the Fund and/or the Investment Manager.

19. Blackstone operates an annual total compensation process dependent on individual and business performance, taking into account financial and non-financial criteria. This includes the performance of Blackstone as a whole, performance of each business unit within Blackstone—which would include regional businesses—as well as the individual's performance. The individual's performance is evaluated through an annual comprehensive performance management process known as "360 Evaluations." The "360 Evaluations" performance process provides an evaluation of an individual's performance based on feedback from peers, managers and subordinates and assesses individuals quantitatively and qualitatively on a wide range of criteria including skills, values, collaboration and leadership. An individual's performance is also compared to agreed objectives and contribution to business strategy. The results of the performance evaluation process are used to produce total compensation recommendations for each individual, which are subject to the review and approval by the Blackstone Senior Management. An individual's compensation is designed to align employee incentives with the interests of Blackstone's clients, shareholders and business strategy. Total compensation payable to an individual, including determination of awards, is based on an assessment of a sustainable and risk adjusted performance of the business and applicable business risks from time to time. Bonus deferral awards are a deferred component of year-end discretionary bonus awards, if awarded. These awards are intended to encourage retention, align the recipient to the performance of Blackstone globally and

incentivize long-term financial performance. Special equity awards are a retention tool/long term incentive plan for select individuals who demonstrate exceptional performance, and are subject to a vesting schedule weighted to encourage retention. Carried interest and incentive payment participation is generally reserved for investment professionals who may significantly influence the performance of investments made by the funds managed by Blackstone.

20. The Investment Manager has adopted a methodology for the purposes of determining, or allocating, the remuneration paid that can be reasonably attributed to the services provided by the Investment Manager to the AIFM in relation to the Fund.

21. The disclosure below reflects the proportion of the total remuneration of the staff of the Investment Manager attributable to the Fund only. For these purposes, the total remuneration attributable to the activities of the Investment Manager has been allocated to each fund under management in proportion to the assets under management of each applicable fund; hence, the figures included below are an approximation only. While the Investment Manager believes that the information and the sources used are reliable for the purposes of this AIFMD Annual Report, it should be specifically noted that the remuneration information presented herein is subject to the "Important Notices to Recipients" set out above.

<u>Remuneration – Amount of Remuneration Paid</u>

For the AIFM

22. The remuneration paid by the AIFM to its staff in respect of the Reporting Period (as attributable to the Fund in accordance with the methodology described above is as follows):

Total remuneration paid to AIFM staff	EUR 279,400
– Total fixed remuneration	EUR 124,407
– Total variable remuneration	EUR 154,993
Number of beneficiaries	69
Carried interest realized during the Reporting Period included with the total variable remuneration specified above	EUR 141,957
Total remuneration paid to the AIFM Senior Management	EUR 24,996
Total remuneration paid to staff whose actions have a material impact on the risk profile of the Fund	EUR 42,028

For the Investment Manager

23. The remuneration paid by the Investment Manager to its staff in respect of the Reporting Period (as attributable to the Fund in accordance with the methodology described above is as follows):

Total remuneration of Investment Manager staff	USD 9,700,793
– Total fixed remuneration	USD 756,302
– Total variable remuneration	USD 8,944,491
Number of beneficiaries	796
Carried interest realized during the Reporting Period included with the total variable remuneration specified above	USD 5,759,698
Total remuneration paid to the Investment Manager Senior Management	USD 6,522,827
Total remuneration paid to staff whose actions have a material impact on the risk profile of the Fund	USD 6,571,788

ANNEX 5

DISCLOSURE OBLIGATIONS UNDER ARTICLE 29 OF THE AIFMD

Control of EEA non-listed companies

1. With respect to the disclosure obligations under Article 29 AIFMD, the AIFM will request and use its best efforts to ensure, with respect to any non-listed company established in the EEA of which the Fund has acquired control (individually or jointly), that the annual report of such non-listed company is drawn up in accordance with Article 29(2) AIFMD and is made available by the board of directors of such non-listed company to the employees' representatives, or, where there are none, to the employees themselves within the period such annual report has to be drawn up in accordance with the national applicable law.

Control of UK non-listed companies

2. With respect to the disclosure obligations under Regulation 42 the UK AIFM Regulations, the Fund has not acquired control of any non-listed company established in the UK during the Reporting Period.

ANNEX 6

SECURITIES FINANCING TRANSACTIONS DISCLOSURES (Unaudited)

As at the end of this Reporting Period, the Fund is currently in the scope of the requirements of the SFT Regulation. Nevertheless, no corresponding transactions were carried out during the period referring to the Financial Statements.

ANNEX 7

SUSTAINABLE FINANCE DISCLOSURES

1. The investments underlying this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

2. Blackstone considers that the integration of material ESG factors into its investment decisions and ownership is an important part of fulfilling its mission to create strong returns for its investors. Based on our experience, we think that consideration of ESG factors not only enhances our assessment of risk – it helps us identify opportunities for transformation and value creation. More details on how the Fund takes into account ESG factors in the investment process are available in the relevant ESG Policy.

3. *No consideration of principal adverse sustainability impacts*. At present, the AIFM (and/or its delegate) does not, within the meaning of Article 4(1)(a) of the SFDR, consider the adverse impacts of its investment decisions on sustainability factors. The reasons why the AIFM (and/or its delegate) does not currently do so can be found at https://www.blackstone.com/european-overview/.

APPENDIX 1

FINANCIAL STATEMENTS

APPENDIX 2

SICAV BALANCE SHEET

2022 MANAGEMENT REPORT
AND FINANCIAL STATEMENTS

Blackstone European Property Income Fund SICAV

Blackstone

Management Report

Management Report

This Management Report of Blackstone European Property Income Fund SICAV ("**BEPIF Feeder SICAV**") is prepared for the period from 1 January 2022 to 31 December 2022. Any capitalised term not otherwise defined herein shall have the meaning ascribed to it in the version of the prospectus of BEPIF Feeder SICAV applicable at the date of issuance of this report (the "**Prospectus**"). The Prospectus is available on www.bepif.com.

I. Overview of Business

Corporate Structure

BEPIF is a real estate investment programme operated through several entities, and the term "**BEPIF**" is used throughout this Management Report to refer to the programme as a whole. The primary vehicles for investors to subscribe to BEPIF are BEPIF Feeder SICAV, BEPIF Master FCP and Blackstone Bepimmo (as defined below).

BEPIF Feeder SICAV is an open-ended, commingled fund organised as a multi-compartment Luxembourg investment company with variable capital (*société d'investissement à capital variable*) governed by Part II of the 2010 Law.

BEPIF Feeder SICAV is currently set up with one compartment, namely BEPIF Feeder SICAV – I (the "**Sub-Fund**"). This Management Report relates to BEPIF Feeder SICAV as a whole. For the avoidance of doubt, any reference to BEPIF Feeder SICAV in this Management Report shall be understood, as the case may be, as a reference to the Sub-Fund, BEPIF Feeder SICAV or BEPIF Feeder SICAV acting for the account of the Sub-Fund.

Blackstone European Property Income Fund (Master) FCP ("**BEPIF Master FCP**"), a Luxembourg mutual fund (*fonds commun de placement*) governed by Part II of the 2010 Law, is the master fund for BEPIF Feeder SICAV.

The investment objective and strategies, related risk factors and potential conflicts of interest, subscription and redemption terms, calculation of net asset value, fees and expenses, tax and regulatory considerations, and other aspects of the activities of BEPIF Feeder SICAV and BEPIF Master FCP are substantially identical except as specifically identified in their respective prospectuses.

In December 2021, a parallel vehicle, Blackstone European Property Income Fund S.L.P. ("**Blackstone Bepimmo**") was established to invest alongside BEPIF Master FCP.

Investment Objectives

BEPIF's investment objective is to generate attractive risk-adjusted returns on a diversified direct and indirect portfolio of real estate and real estate-related investments over the medium-to-long term. BEPIF's investment objectives are to:

- Provide attractive current income in the form of regular, stable cash distributions;
- Preserve and protect invested capital;
- Realise appreciation in net asset value ("NAV" or "Net Asset Value") from proactive investment management and asset management; and
- Provide an investment alternative for investors seeking to allocate a portion of their long-term investment portfolios to private real estate which historically has had lower pricing volatility than listed public real estate companies.

BEPIF will target substantially stabilised, income-generating assets in logistics, office, residential and net leases, among others, in European markets.

There can be no assurance that BEPIF will achieve its objectives, pursue any particular theme or avoid substantial losses. See "Risk Factors, Potential Conflicts of Interest and Other Considerations" of the Prospectus.

Investment Strategy

BEPIF applies Blackstone Real Estate's differentiated approach by focusing on thematic investing and active asset and portfolio management. BEPIF targets an allocation of approximately 90% of the Gross Asset Value of its investments primarily in substantially stabilised, income-generating European real estate consisting of real estate investments either through direct investments in Property or through Blackstone Property Partners Europe ("**BPPE**"). BPPE is Blackstone's flagship European Core+ real estate fund for institutional investors, providing BEPIF exposure to BPPE's high-quality, diversified real estate portfolio.

BEPIF may invest up to 10% of the Gross Asset Value ("**GAV**") of its investments in public and private real estate-related debt, in order to provide income, facilitate capital deployment and as a potential source of liquidity.[2]

BEPIF targets real estate opportunities where Blackstone Real Estate's ability to navigate complexity, invest in scale, and provide speed and certainty of execution to motivated sellers will allow BEPIF to make high-quality investments at attractive bases. BEPIF generally focuses on investments with the following characteristics:

- High-quality income-generating European real estate;
- Assets with capital appreciation potential;
- Assets that could benefit from Blackstone's active approach to asset management and its deep asset management expertise; and
- Large or complex investments that limit the number of competing buyers, and where BEPIF can benefit from Blackstone's strategic advantages of scale, speed and certainty of execution.

BEPIF focuses on driving income growth and maximising value through active portfolio management, efficient and flexible financing, and various asset management initiatives including selective asset sales.

To date, BEPIF has made multiple investments in Blackstone Real Estate's high conviction themes, including high-quality U.K. and pan-European logistics portfolios, a prime data center in London (U.K.), and high-quality, green-certified office assets in Dublin (Ireland) and Birmingham (U.K.). As a result of BEPIF's thoughtful sector and market selection, the portfolio is well-positioned for today's environment.

Investment Restrictions

In accordance with the diversification requirements of Circular IML 91/75, BEPIF Feeder SICAV will not directly or indirectly invest more than 20% of its Net Asset Value at the time of acquisition in any single Property; provided that such diversification will be assessed on a look-through basis and no remedial action will be required if such restriction is exceeded for any reason other than the acquisition of a new Property (including the exercise of rights attached to an investment). For purposes of this restriction, BEPIF Feeder SICAV will treat its proportionate interest in each of BPPE's property investments as a property investment for BEPIF Feeder SICAV's investment limitations.

This 20% diversification requirement will not apply during a ramp-up period of up to four years after the initial subscription is accepted.

BEPIF's portfolio composition as of 31 December 2022 is in line with the Investment Objectives and Strategy stated above. BEPIF is compliant with the Investment Restrictions stated above.

There can be no assurance that BEPIF will achieve its objectives, pursue any particular theme or avoid substantial losses.

[2] BEPIF's investments at any given time may exceed and otherwise vary materially from the allocation targets above.

II. Performance Summary

Amid a challenging investment environment and elevated interest rates, BEPIF Feeder SICAV's Class I_A shares generated a positive 1.6% Total Net Return in 2022, as well as a 6.8% annualised inception to date ("**ITD**") net return, meaningfully outperforming European public REITs, global equities and global fixed income[3]. BEPIF Feeder SICAV declared 12 monthly distributions for distributing share classes for the year ended 31 December 2022.

BEPIF Feeder SICAV Share Class	NAV per share (31 Dec 2022)	NAV per share (31 Dec 2021)	2022 Total Net Return (%)	ITD Total Net Annualised Return (%)	2022 Dividend Yield (%)[4]
Class I_A	€ 10.86	€ 10.69	1.6 %	6.8 %	NA
Class I_D	€ 10.51	€ 10.69	1.8 %	6.9 %	3.3 %
Class A_A	€ 10.76	€ 10.67	0.9 %	6.0 %	NA
Class A_D	€ 10.49	€ 10.67	1.0 %	6.1 %	2.5 %

Despite strong sector selection and prudent balance sheet management, BEPIF faced headwinds over the course of 2022: the rapidly changing interest rate environment, the European energy crisis, and the ongoing war in Ukraine all created uncertainty that weighed on investor sentiment, BEPIF was not immune to the broader macroeconomic environment. BEPIF reflected these macroeconomic shifts in its monthly valuation process and NAV.

The following were primary drivers of BEPIF's performance in 2022:

- Real estate and debt investments generated strong income during the year which was a positive contributor to investment returns. Income growth was driven by rent indexation and leasing activity. This was offset by modest declines in our real estate investment values, driven by capitalisation rate ("cap rate") widening (lower valuation multiples) to reflect the challenging European macroeconomic backdrop. Since April 2022, BEPIF has increased exit cap rates by 8% and discount rates by 4% on a like-for-like basis.[5]
- Proactive balance sheet management contributed meaningfully to 2022 performance. A large majority of BEPIF's liabilities were fixed or hedged at low interest rates (at 31 December 2022, 86% fixed or hedged liabilities[6]).
- The portfolio includes some non-Euro denominated assets, and volatility in currency markets also impacted returns.

Blackstone proprietary data. The inception date for Class I_A, Class I_D, Class A_A and Class A_D shares is 1 October 2021. Past performance is not necessarily indicative of future results.

[3] As of 31 December 2022. Represents BEPIF Feeder SICAV's Class I_A total net return. Global equities represented by the MSCI ACWI GR EUR Index, a stock index designed to provide a broad measure of global equity market performance. European public REITs represented by the FTSE EPRA Nareit Developed Europe TR EUR Index, a subset of the FTSE EPRA Nareit Developed Index and is designed to track the performance of listed real estate companies and REITs in Europe. Global fixed income represented by the Bloomberg Global Aggregate TR EUR Index, a Euro-denominated index and includes fixed-rate, investment-grade bonds. The principal sectors in the index are the Treasury, corporate, government-related and securitised. All indices refer to the Total Return, measured by the actual return on an investment over a given period, and are EUR-denominated and expressed in EUR. Total Returns indices refer to regular cash dividends reinvested at the close on the ex-dividend date.

[4] The Dividend Yield represents dividends distributed over average NAV over the last twelve months. Calculation is consistent with the "Distribution-Dividend Yield" definition from NCREIF (National Council of Real Estate Investment Fiduciaries), INREV (European Investors in Non-Listed Real Estate Vehicles) and ANREV (Asian Association for Investors in Non-Listed Real Estate Vehicles). Dividends are incorporated into the Total Net Return of the applicable share class. Accumulation Sub-Class shares will, in lieu of receiving cash distributions, have any such amounts reflected in their respective NAV per share.

[5] Weighted average by GAV at share. Like-for-like portfolio includes all assets acquired prior to May 2022 which represents ~80% GAV at share as of 31 December 2022.

[6] Fixed-rate or hedged liabilities includes debt that has been swapped from floating to fixed-rate (inclusive of forward starting swaps), interest rate caps and matched debt.

III. Investment Activity

Investing activity in the period

Figures quoted below are BEPIF's share of the investment and are not prorated to the look-through ownership of BEPIF Feeder SICAV's shareholders. At 31 December 2022, BEPIF Feeder SICAV had a look-through ownership of 88% of BEPIF.

At 31 December 2022, BEPIF had deployed all capital raised, and owned a high-quality portfolio with Gross Asset Value of €2.9bn.

BEPIF's acquisition activity during 2022 was focused on Blackstone's highest-conviction investment themes. BEPIF acquired three logistics investments representing 14.4m sqm[7] and three office investments representing 107k sqm[7] during the year ended 31 December 2022. The acquisitions were a continuation of BEPIF's strategy of acquiring high-quality, income-producing real estate assets concentrated in growth sectors and markets.

Logistics Acquisitions:

- Mileway – in April 2022, BEPIF invested €500m into Mileway alongside third party investors and other long-term perpetual capital vehicles managed by Blackstone and owns a 5% equity interest as of 31 December 2022. Mileway, managed by Blackstone, owns a portfolio of ~1,700 assets, spanning 14.2m sqm[7] across 10 countries and is the largest last mile logistics company in Europe[8], where market fundamentals continue to be robust. Blackstone supported BEPIF by providing €500m of preferred equity to BEPIF at a fixed dividend of 4.0% per annum. As of 31 December 2022, the outstanding balance of the preferred equity, including accrued dividends, was €429m. For further details please refer to page 70.

- Coldplay Logistics Portfolio Add-On – in October 2021, BEPIF acquired a 90% equity interest in a portfolio of 13 high-quality cold storage logistics assets in Germany, totalling 107k sqm[7], fully let to a leading European third party logistics company specialising in food distribution. The remainder of the investment is owned by other long-term perpetual capital vehicles managed by Blackstone. In May 2022, BEPIF acquired an additional four fully let assets in this portfolio totalling a further 37k sqm[7]. BEPIF is under contract to acquire an additional pre-leased asset under construction in this portfolio upon completion of the development.

- Luna Logistics Portfolio – in May 2022, BEPIF acquired a 100% equity interest in four high-quality logistics assets in Italy totalling 154k sqm. The assets are situated near Milan and Bologna in locations well suited for both last-mile and national distribution. The assets are fully leased to established domestic corporates and national third-party logistics companies.

Office Acquisitions:

- Infinity Office Asset – in February 2022, BEPIF acquired a 100% equity interest in a 30k sqm high-quality office building (Grade-A) in central Dublin, Ireland. The asset is fully let to Meta as their European headquarters.

- Gurston Office Asset – in April 2022, BEPIF acquired a 100% equity interest in a multi-let 29k sqm high-quality office (Grade-A) in Birmingham, the second largest city in the United Kingdom.

- Adare Office Asset – in August 2022, BEPIF acquired a 25% equity interest in a 48k sqm[7] high-quality office (Grade-A) in central Dublin, Ireland, fully let to Salesforce. The remainder of the investment is owned by another long-term perpetual capital vehicle managed by Blackstone.

Real Estate Debt Investment Acquisitions:

- In 2022, BEPIF acquired four debt investments totalling €97m of Gross Asset Value as of 31 December 2022. The underlying real estate assets are located across the U.K., Germany and Italy, covering residential, office, hospitality, logistics and life science sectors. The portfolio is diversified throughout the capital stack, including a mezzanine loan, commercial mortgage-backed securities (CMBS) and corporate debt securities.

There can be no assurance that BEPIF will achieve its objectives, pursue any particular theme or avoid substantial losses.

[7] At 100% ownership.

[8] Largest last mile logistics platform in Europe based on a competitor analysis of total gross leasable area by Morgan Stanley, as of June 2022. Last mile assets are typically below a 20-40-minute drive time of city centres and service population catchments of at least 150k-400k inhabitants. Last mile definition as per Green Street Advisors. Population data source: 2021 World Population Review.

Dispositions

While BEPIF generally intends to pursue a long-term buy and hold strategy, it may from time to time selectively dispose of assets deemed to be non-core or that we believe offer only modest growth potential over the medium to long term. In 2022, BEPIF did not dispose of any assets within its majority-owned direct real estate investments and did not dispose of any minority-owned investments.

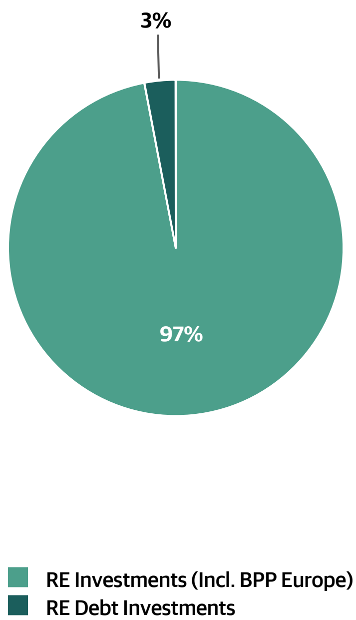
In November 2021, BEPIF provided a €95m bilateral loan to a subsidiary of a pan-European logistics company. This loan was repaid in April 2022.

IV. Portfolio update

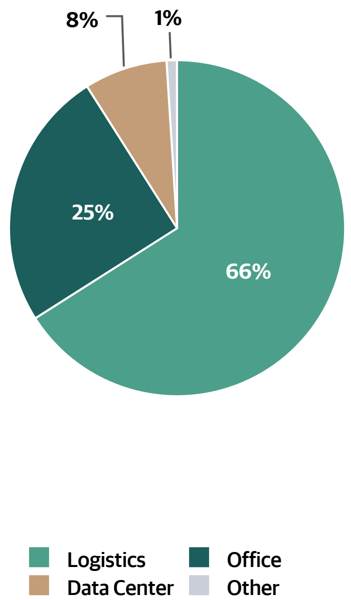
BEPIF has invested primarily in high-quality, substantially stabilised assets and portfolios across logistics, office and data center assets in major European markets. BEPIF is focused on driving income growth and maximising value through active portfolio management, efficient and flexible financing, and various asset management initiatives.

As of 31 December 2022, BEPIF's Gross Asset Value is €2.9bn, and its portfolio comprises 11 real estate investments spanning 1.9m sqm[9] across 22 European countries. Its portfolio is 97% occupied on an 8-year weighted average lease length to break ("WALB"), and the top 10 tenants account for 48% of rent at share. We believe that the portfolio is well positioned to capture embedded cash flow growth over time, driven by market rents being 14% above in-place rents[10] and more than 80% of leases linked to an inflation index (consumer price index or local market convention) or subject to regular rent reviews.[11]

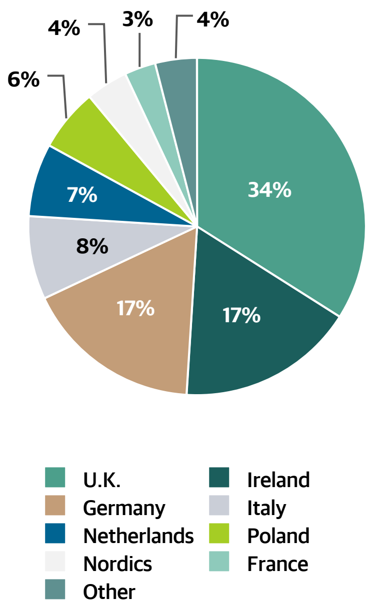
Investment Allocation[12]



Sector Allocation[13]



Geographic Allocation[13]



There can be no assurance that BEPIF will achieve its objectives, pursue any particular theme or avoid substantial losses. Diversification does not assure a profit or protect against a loss in a declining market.

[9] At BEPIF's share, including underlying investments within BPPE, excluding debt investments.

[10] Blackstone proprietary data. Any expectations that in-place rents have the potential to increase are based on certain assumptions that may change and do not constitute forecasts. Such growth potential is hypothetical, provided for informational purposes only, and does not represent the actual or estimated future performance of BEPIF.

[11] Represents direct real estate investments and underlying investments within BPPE as of 31 December 2022.

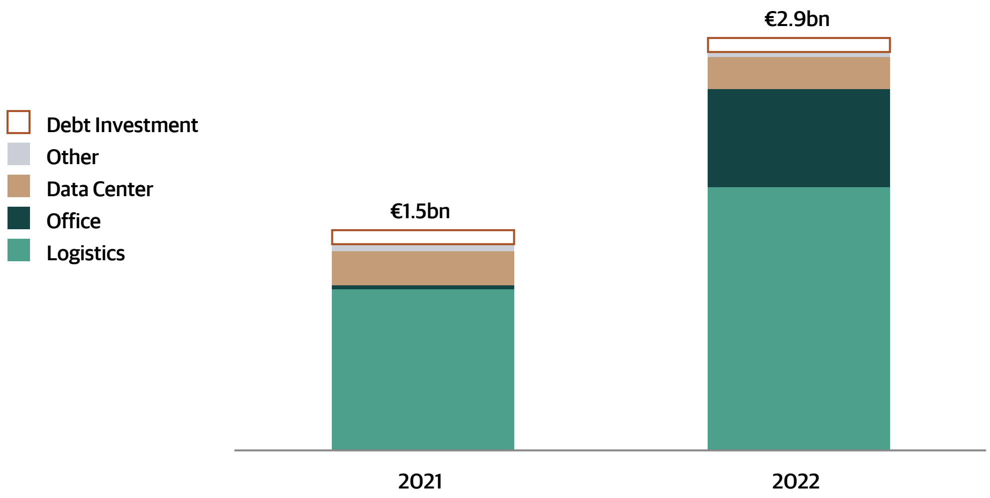
[12] 7% of Investment Allocation is through BPPE.

[13] Sector breakdown by GAV at BEPIF share including underlying investments within BPPE, excluding debt investments. "Other" in the sector allocation chart includes the Arch Company, residential, luxury retail and other assets. "Other" in the geographic allocation chart includes logistics assets in Austria, Belgium, Central and Eastern Europe, Greece, Portugal, Spain and Switzerland.

Sector Allocation

During 2022, BEPIF substantially increased its portfolio asset base, nearly doubling GAV from €1.5bn to €2.9bn. BEPIF continues to be concentrated in logistics and has selectively increased its office exposure with high-quality, well-amenitised office assets in Dublin and Birmingham. BEPIF also owns Harbour Exchange in London, the 9th most connected data center in the world.[14]

Sector Allocation by GAV[15]



Sector Allocation by % GAV excluding Debt Investment

	2021	2022
Logistics	79%	66%
Office	2%	25%
Data Center	16%	8%
Other	3%	1%
Total	100%	100%

There can be no assurance that BEPIF will achieve its objectives, pursue any particular theme or avoid substantial losses. Diversification does not assure a profit or protect against a loss in a declining market.

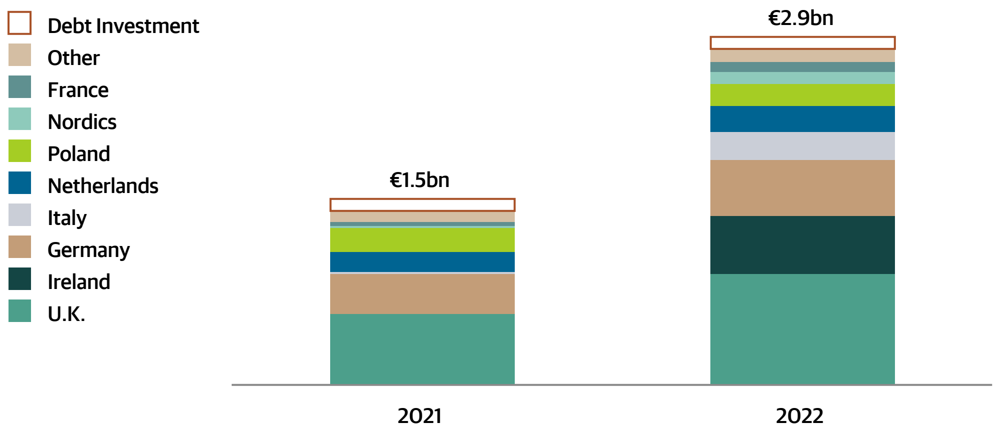
[14] PeeringDB, as of February 2023. Harbour Exchange is the 9th most connected data center in the world as measured by number of networks.

[15] "Other" includes the Arch Company, residential, luxury retail and other assets.

Geographic Allocation

As of 31 December 2022, 95% of BEPIF's portfolio by GAV was invested across Europe's largest economies.[16]

Geographic Allocation by GAV[17]

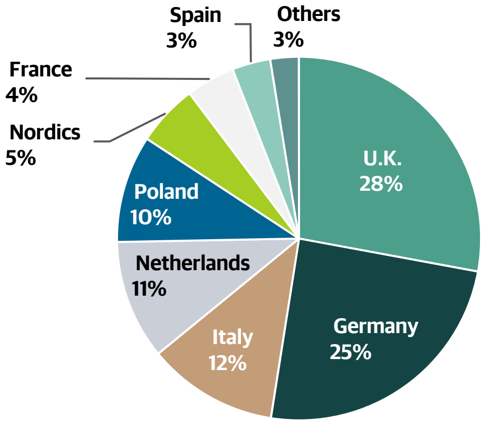


Geographic Allocation by % of GAV excluding Debt Investment

	2021	2022
U.K.	42%	34%
Ireland	–	17%
Germany	22%	17%
Italy	2%	8%
Netherlands	12%	7%
Poland	14%	6%
Nordics	1%	4%
France	2%	3%
Other	6%	4%
Total	100%	100%

[16] IHS Markit. Actual Gross Domestic Product (GDP) in USD, as of 2021. Largest European economies represent European countries with GDP greater than $500bn.
[17] "Other" includes logistics assets in Austria, Belgium, Central & Eastern Europe, Greece, Portugal, Spain and Switzerland. Totals may not sum due to rounding.

Logistics Portfolio Summary[18]



Logistics	
GAV (€ bn)	1.8
GLA (k sqm)[19]	1,832
Occupancy (%)	97%
WALB (yrs)	6.8

Logistics is Blackstone Real Estate's highest conviction investment theme globally and represents 66% of BEPIF's GAV as of 31 December 2022. BEPIF owns a high-quality pan-European logistics portfolio primarily located in key distribution corridors and last-mile locations[20], comprising 1.8 million sqm. The portfolio continued to deliver stable operating performance with 97% occupancy and 6.8 year WALB.

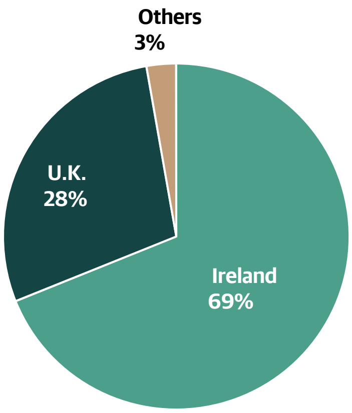
BEPIF's logistics portfolio continues to benefit from strong market fundamentals and long-term, secular growth tailwinds. In the markets where BEPIF is present, e-commerce growth and supply chain re-alignment continue to drive occupier demand. That strong demand combined with limited new supply and record low vacancy (2.6% for prime logistics assets)[21] has resulted in meaningful rent increases as and when leases mark-to-market[22]. Continental European e-commerce penetration lags the U.S. by ~40%[23], implying significant demand growth potential which continues to outpace new supply as online retailers, third-party logistics providers and distributors look for new space.

On the supply side, increased construction and financing costs have reduced the ability of developers to deliver new stock, which is supportive of existing assets over time. These dynamics have resulted in market rents across our Core+ portfolio markets growing by 17% year-over-year.[24]

Furthermore, in Continental Europe leases are generally linked to consumer price index (CPI) or a local equivalent index, and in the United Kingdom and Ireland, leases are generally subject to regular rent reviews, allowing for the potential for rents to grow over time.

There can be no assurance that BEPIF will achieve its objectives or avoid substantial losses.
[18] Metrics at BEPIF's share, including underlying investments within BPPE, excluding debt investments.
[19] Area at BEPIF's share.
[20] Last mile assets are typically below a 20-40-minute drive time of city centres and service population catchments of at least 150k-400k inhabitants. Last mile definition as per Green Street Advisors. Population data source: 2021 World Population Review.
[21] CBRE, as of 31 December 2022. Includes countries in which BEPIF and BPPE own logistics assets and where data is available (France, Germany, Italy, Netherlands, Spain, U.K.). Vacancy rate and rents weighted by logistics exposure in BEPIF and BPPE (based on sqm owned).
[22] CBRE, as of 31 December 2022. Weighted by logistics exposure in BEPIF and BPPE (based on sqm owned).
[23] As of 31 December 2022. Continental Europe: GlobalData. U.S.: U.S. Census Bureau. Continental Europe represents the weighted average of e-commerce penetration based on retail sales for France, Germany, Italy, the Netherlands and Spain. U.S. represents sales share of total retail sales excluding auto, gas and food services. E-commerce penetration reflects a trailing 12-month period.
[24] Represents the 1-year growth rate from Q4 2021 to Q4 2022. CBRE. YoY market rent growth is based on country level prime rent weighted by rentable value (as calculated by CBRE) and weighted by logistics exposure in BEPIF and BPPE (based on sqm owned).

Office Portfolio Summary[25]



Office	
GAV (€ bn)	0.7
GLA (k sqm)[26]	75
Occupancy (%)	96%
WALB (yrs)	8.2

Office assets represent 25% of BEPIF's GAV as of 31 December 2022. BEPIF owns three newly built or recently renovated high-quality office assets with strong ESG credentials located in knowledge center cities comprising 75k sqm, in the U.K. and Ireland[27]. The office portfolio is well-leased with 96% occupancy and 8.2 year WALB.

The European occupier market for prime office has demonstrated resiliency driven by an accelerated flight to quality, with certain cities and submarkets, including those in which BEPIF's office assets are located, continuing to deliver encouraging operational performance. European office prime rents increased 6% year-on-year as of Q4 2022[28], with notable growth of 13% in Dublin, Ireland[29], where BEPIF owns two high-quality office assets.

The portfolio is well positioned in an inflationary environment, as all three office assets have leases that are generally subject to regular rent reviews, allowing for rents to grow over time.

There can be no assurance that BEPIF will achieve its objectives or avoid substantial losses. Please refer to section V for more details on ESG.

[25] Metrics at BEPIF's share, including underlying investments within BPPE, excluding debt investments.

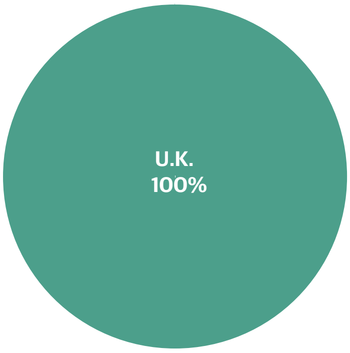
[26] Area at BEPIF's share.

[27] Includes Adare Office Asset, where BEPIF owns a 25% interest.

[28] CBRE ERIX, as of Q4 2022. Based on Amsterdam, Berlin, Dublin, Milan, Paris, London, and Stockholm. Paris data based on 1 to 20 arrondissements. London data include West End and City. Milan data includes CBD, Porta Nuova, Center, Semicenter. Stockholm data excludes "Kista" (not relevant), "Surrounding Suburbs" and "Rest of Inner City" (historical figures not available). Headline prime rents weighted by Q4 2022 total stock.

[29] CBRE ERIX, as of Q4 2022.

Data Center Portfolio Summary



Data Center

GAV (€ bn)	0.2
GLA (k sqm)	26
Occupancy (%)	100%
WALB (yrs)	18.5

The Data Center asset represents 8% of BEPIF's GAV as of 31 December 2022 and has a total area of 26k sqm with an occupancy of 100%.

Data centers are benefitting from structural tailwinds, underpinned by an unprecedented 4.5x growth in data creation, consumption and storage since 2016.[30]

BEPIF owns Harbour Exchange, a data center strategically located in the Docklands, London (#1 data center market in Europe and #3 globally), U.K.. Harbour Exchange is a network dense data center and is the 9th most connected data center in the world. It is fully occupied by Equinix, the world's largest data center REIT[31], on a triple-net lease with 18.5 years WALB.[32,33]

BPP Europe Units

In November 2021, BEPIF made a €100m equity investment into BPPE units, allowing BEPIF to further diversify its portfolio across sectors and geographies. As at 31 December 2022 the investment represented €189m at share of GAV (7% of total) on a look-through basis.

Real Estate Debt Portfolio

BEPIF holds a real estate debt portfolio consisting of four investments, totalling €97m of GAV as of 31 December 2022. The underlying real estate assets are located across the UK, Germany and Italy, covering residential, office, hospitality, logistics and life science sectors. The portfolio is diversified throughout the capital stack, including mezzanine loan, commercial mortgage-backed securities (CMBS) and corporate debt securities.

There can be no assurance that BEPIF will achieve its objectives or avoid substantial losses. Diversification does not eliminate risk or guarantee a profit.

[30] IDC, as of 31 December 2021.

[31] World's largest data center REIT by market capitalization, based on company information, CBRE and CapIQ, as of November 2021.

[32] PeeringDB as of February 2023. Harbour Exchange is the 9th most connected data center in the world as measured by number of networks.

[33] Cushman and Wakefield, as of February 2023. Total ranking by power.

V. ESG

Blackstone believes that having a comprehensive ESG programme can drive value and enhance returns[34]. Blackstone's Real Estate ESG Framework (the "Framework") outlines our ESG Pillars, as well as expectations for integration and management of ESG across our portfolio. The Framework aligns with global ESG reporting standards and guides the ESG engagement with Blackstone Real Estate portfolio companies and operating partners. We believe that Blackstone Real Estate is well positioned to leverage our scale and experience to pursue ESG initiatives that create long-term value for our stakeholders.

Blackstone – and by extension, BEPIF – remains committed to promoting the business case of sustainability across our portfolio. BEPIF seeks to incorporate the principles of Blackstone's ESG programme into the way we operate the business in order to enhance value and mitigate risk. BEPIF has progressed a number of ESG activities across the portfolio over the past year, including engaging Schneider Electric to facilitate enhanced data collection, engaging with tenants regarding commercially driven photovoltaic (PV) opportunities and achieving efficiency linked green certification across 82% of BEPIF's office assets. We look forward to advancing these and other initiatives in the year ahead.

BEPIF supports Blackstone in pursuing value enhancing Environmental, Social, and Governance initiatives:

- Expanding the use of renewable energy through on-site solar at select properties
- Launched a physical climate risk assessment to help evaluate potential climate risks to our portfolio
- Implementing green clauses in new commercial leases to facilitate sustainability initiatives[35]

- Supporting Blackstone's goal of hiring 2k refugees at portfolio companies and real estate properties[36]
- Tenant engagement surveys being administered across the portfolio
- Established a Diversity, Equity and Inclusion Community for European portfolio companies[37]

- Dedicated ESG leads being appointed at portfolio companies
- Incorporated ESG factors into Blackstone personnel performance reviews
- Regular portfolio company board reporting on ESG to track progress and highlight key initiatives

[34] While Blackstone believes ESG factors can enhance long-term value, BEPIF does not pursue an ESG-based investment strategy or limit its investments to those that meet specific ESG criteria or standards. Such ESG factors do not qualify Blackstone's objectives to seek to maximise risk adjusted returns. BEPIF does not promote environmental or social characteristics, nor does it have sustainable investments as an objective. There can be no assurance that ESG initiatives will continue or be successful.
[35] Green lease clause requirements were mandated in Q4 2020. Applicable to investments where Blackstone has majority control. Green clauses will be implemented on a rolling basis.
[36] Blackstone committed to hiring 2k refugees by year end 2025, including 1.5k refugees in the United States.
[37] As of 30 June 2020, meetings are held to share best practices.

VI. Capital Structure

BEPIF employs a prudent financial policy, including a Leverage Limit of 55%. As at 31 December 2022, BEPIF's Leverage Ratio was 39.2%. Please refer to page 59 for further details.

Debt Summary

BEPIF has €1.2bn debt outstanding as at 31 December 2022 for its share of majority owned real estate and debt investments, including €1.1bn drawn on an Acquisition Facility and €0.1bn secured financing. For further details on debt, including BEPIF's share of debt in minority investments, please see page 46.

Hedging Summary

Including BEPIF's share of minority owned investments, as at 31 December 2022, BEPIF had 63% of total debt fixed or swapped with a weighted average maturity of ~6 years. In addition, 21% of BEPIF debt is subject to interest rate caps and 2% is matched, resulting in 86% fixed rate or hedged debt in total.

VII. Capital Raising

In the year to 31 December 2022, BEPIF raised €873m in new subscriptions, bringing the total capital raised since inception to €1.4bn.

BEPIF permits shareholders to request redemptions on a monthly basis. BEPIF's redemption programme allows for redemptions up to 2% of NAV per month and 5% of NAV per calendar quarter[38]. The redemption limits are specifically designed to prevent a liquidity mismatch and protect long-term shareholder value.

In the fourth quarter of 2022, BEPIF saw elevated redemption requests, reflecting the challenging macroeconomic environment and wider market volatility. Redemption requests exceeded the 5% of NAV quarterly limit for the fourth quarter of 2022. Accordingly, these redemption requests were prorated and satisfied up to the 5% limit in accordance with the terms of the Prospectus. During 2022 a total of €88m of redemption requests were satisfied.

[38] The share redemption plan is subject to other limitations (including the caps above) and BEPIF may make exceptions to, modify, suspend or terminate the plan. Please refer to the Prospectus for the limitations of BEPIF's redemption plan.

VIII. Principal Risks, Uncertainties and Conflicts of Interests

Principal risks and Uncertainties

The purchase of shares in BEPIF Feeder SICAV entails a high degree of risk that is suitable for sophisticated investors for whom an investment in BEPIF Feeder SICAV does not represent a complete investment programme, and who also fully understand BEPIF's strategy, characteristics and risks, including the use of borrowings to leverage Investments, and are capable of bearing the risk of an investment in BEPIF Feeder SICAV.

In addition to the risks and conflicts of interest detailed in Section XVII – "Risk Factors, Potential Conflicts of Interest and Other Considerations" of the Prospectus, below please find additional notable risks for BEPIF Feeder SICAV:

Inflation

The UK, the Eurozone, other developed economies in Europe and globally have recently begun to experience higher-than-normal inflation rates. It remains uncertain whether substantial inflation in Europe, the UK and other developed economies will be sustained over an extended period of time or have a significant effect on such economies. Inflation and rapid fluctuations in inflation rates have recently, and may continue to have, negative effects on the economies and financial markets (including securities markets) of various countries, including those with emerging economies. For example, if a portfolio entity is unable to increase its revenue in times of higher inflation, its profitability may be adversely affected. Portfolio entities may have revenues linked to some extent to inflation, including, without limitation, by government regulations and contractual arrangement. As inflation rises, a portfolio entity may earn more revenue but incur higher expenses. As inflation declines, a portfolio entity may not be able to reduce expenses commensurate with any resulting reduction in revenue. Furthermore, wages and prices of inputs increase during periods of inflation, which can negatively impact returns on investments. In an attempt to stabilise inflation, countries may impose wage and price controls or otherwise intervene in the economy, and certain central banks have raised interest rates. Governmental efforts to curb inflation often have negative effects on the level of economic activity. Certain countries and regions, including Europe, have recently seen increased levels of inflation and there can be no assurance that continued and more wide-spread inflation will not become a serious problem in the future and have an adverse impact on BEPIF's returns.

Rising Interest Rates

In 2022, the European Central Bank, the U.S. Federal Reserve and other relevant central banks raised benchmark overnight interest rates on multiples occasions and may further increase interest rates in 2023. The real estate industry generally, and BEPIF's investment activities in particular, are affected amongst other things by rising interest rates. Rising interest rates could adversely impact the value of BEPIF's debt instruments and thus the NAV price per Share, including due to (a) a decline in the market price of debt instruments generally (including due to a perceived increase in counterparty default risk) and (b) default from debt instruments' issuers and counterparties in which BEPIF invested or transacted with (including due to the recoveries' expenses incurred by BEPIF where applicable). Furthermore, rising and/or interest rate fluctuations could adversely affect the ability of BEPIF and its portfolio entities to carry on normal financing activities, such as obtaining committed debt financing for acquisitions, bridge financings or permanent financings (or increase the costs of such activity) thus adversely affecting BEPIF's ability to generate attractive investments returns. Finally rising and/or interest rates' fluctuations are likely to affect the level and volatility of securities prices and the liquidity of BEPIF's Investments, which could impair BEPIF's profitability, result in losses, impact BEPIF's investment returns and limit BEPIF's ability to satisfy Redemption Requests.

General Economic and Market Conditions

The real estate industry generally, and BEPIF's investment activities in particular, are affected by general economic and market conditions, as well as a number of other economic factors that are outside of the sponsor's control, such as interest rates, availability and spreads of credit, credit defaults, inflation rates, economic uncertainty, changes in tax, currency control and other applicable laws and regulations (including laws and rates relating to the taxation of BEPIF's Investments), trade barriers, general economic and market conditions and activity (such as consumer spending patterns), technological developments and national and international political, environmental and socioeconomic circumstances (including wars, terrorist acts or security operations) and foreign ownership restrictions. Market disruptions in a single country could cause a worsening of conditions on a regional and even global level and economic problems in a single country are increasingly affecting other markets and economies. For example, the current ongoing conflict between Russia and Ukraine could have a negative impact on those countries and others in the region. General fluctuations in the market prices of securities and interest rates or worsening of general economic and market conditions would likely affect the level and volatility of securities prices and the liquidity of BEPIF's Investments, which could impair BEPIF's profitability, result in losses, impact BEPIF's investment returns and limit BEPIF's ability to satisfy Redemption Requests. The Sponsor's financial condition may be adversely affected by a significant general economic downturn, and it may be subject to legal, regulatory, reputational and other unforeseen risks that could have a material adverse effect on the Sponsor's business and operations and thereby could impact BEPIF. Recent volatility in the global financial markets and political systems of certain countries may have adverse spill-over effects into the global financial markets generally and European markets in particular. A depression, recession, slowdown and/or sustained slowdown in the European or global economy or one or more regional real estate markets (or any particular segment thereof) or a weakening of credit markets (including a perceived increase in counterparty default risk) or an adverse development in prevailing market trends would have a pronounced impact on the Sponsor, BEPIF and the portfolio entities and could adversely affect their profitability, creditworthiness and ability to execute on their business plans, satisfy existing obligations and withdrawals, make and realise investments successfully and originate or refinance credit or draw on existing financings and commitments which in turn may have an adverse impact on the business and operations of BEPIF.

Redemption Limits

At certain times during 2022, BEPIF received Redemption Requests that exceeded the 2% monthly limit and the 5% quarterly limit under its share redemption programme as such limits are further described under Section V: "Subscriptions, Redemptions and Other Transactions—Redemption of Shares" of the Prospectus. Therefore, as a result of the aforementioned monthly and quarterly limits, BEPIF Feeder SICAV has in the past redeemed, and may in the future redeem, less than the full amount of shares requested in a given month and/or quarter.

Conflicts of Interest

Blackstone has implemented several processes in order to mitigate the effects of any potential conflicts of interest and has established several committees to oversee any potential issues. In addition, BEPIF Feeder SICAV has a board of directors including some non-affiliated directors. That board, including those non-affiliated directors, oversees BEPIF Feeder SICAV's activities and any potential conflicts of interest. Information walls (administered by Blackstone's Chief Legal Officer) exist to ensure there is no inappropriate flow of information between business groups. Conflicts are considered at various committee meetings including the Blackstone Real Estate Investment Committee, Valuation Committee, as well as the Global Firmwide Risks and Conflicts Committee which includes representation from every Blackstone business group.

In the conduct of its business, the AIFM's policy is to identify, manage and where necessary prohibit any action or transaction that may pose a conflict between the interests of the AIFM and BEPIF Feeder SICAV or its shareholders, and between the interests of one or more shareholders and the interests of one or more other shareholders. The AIFM has implemented procedures designed to ensure that business activities involving a conflict, which may harm the interests of BEPIF Feeder SICAV or its shareholders are carried out with an appropriate level of independence and that conflicts are resolved fairly.

During the period, BEPIF acquired several investments alongside other Blackstone Core+ real estate investment funds (see note 13 to the consolidated financial statements for further details).

Risks and conflicts of interest are discussed in greater detail in Section XVII – "Risk Factors, Potential Conflicts of Interest and Other Considerations" of the Prospectus.

Consolidated Financial Statements

Deloitte.

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To the Board of Directors of
Blackstone European Property Income Fund SICAV
11-13, boulevard de la Foire
L-1528 Luxembourg

REPORT OF THE *REVISEUR D'ENTREPRISES AGRÉÉ*

Opinion

We have audited the consolidated financial statements of Blackstone European Property Income Fund SICAV and Blackstone European Property Income Fund (Master) FCP, together referred to as "the Group", which comprise the consolidated statement of financial position, as of 31 December 2022, and the consolidated statements of comprehensive income, changes in amounts attributable to shareholders, and cash flows for the year then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements give a true and fair view of the financial position of the Group as of 31 December 2022, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) as adopted in the European Union.

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 are also independent of the Group in accordance with the International Code of Ethics for Professional Accountants, including International Independence, issued by the International Ethics Standards Board for Accountants (IESBA Code) as adopted for Luxembourg by the CSSF together with the ethical requirements that are relevant to our audit of the consolidated financial statements, and have fulfilled our other ethical responsibilities under those ethical requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

We draw attention to Note 11 of the consolidated financial statements, which describes, among other matters, the redemptions events which occurred after the balance sheet date. Our opinion is not modified in respect of this matter.

Other Information

The Board of Directors is responsible for the other information. The other information comprises the information included in the annual report but does not include the consolidated financial statements and our report of "*réviseur d'entreprises agré"é* 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 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 concluded that there is a material misstatement of this other information, we are required to report this fact. We have nothing to report in this regard.

Responsibility of the Board of Directors and Those Charged with Governance for the Consolidated Financial Statements

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

Société à responsabilité limitée au capital de 360.000 €
RCS Luxembourg B 67.895
Autorisation d'établissement 10022179

Deloitte.

In preparing the consolidated financial statements, the Board of Directors 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 Board of Directors 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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a report of the *"réviseur d'entreprises agréé"* that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF, we exercise professional judgment and maintain professional skepticism 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 Board of Directors.
- Conclude on the appropriateness of Board of Directors 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 report of the *"réviseur d'entreprises agréé"* to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our report of the *"réviseur d'entreprises agréé"*. However, future events or conditions may cause the 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.

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.

For Deloitte Audit, *Cabinet de révision agréé*

Christian Van Dartel

Christian van Dartel, *Réviseur d'entreprises agréé*
Partner

30 June 2023

Consolidated Statement of Financial Position

€m	Notes	As at 31 December 2022	As at 31 December 2021
Assets			
Non-current assets			
Investments at fair value	4a	1,162.5	457.1
Current assets			
Cash and cash equivalents	5	12.0	53.5
Distribution receivable		4.9	–
Redemption receivable	4b	7.5	–
Other receivables due from investments		0.2	–
		24.6	53.5
Total assets		**1,187.1**	**510.6**
Liabilities			
Current liabilities			
Trade and other payables	6	(4.5)	(0.9)
Management Fee payable		(1.2)	–
Distribution payable		(1.5)	–
Unpaid redemptions	11	(7.5)	–
Subscriptions received in advance	7	(9.3)	(52.9)
Amounts due to minority investors in BEPIF Master FCP	8	(27.1)	(9.4)
Total liabilities excluding amounts attributable to shareholders		**(51.1)**	**(63.2)**
Amounts attributable to shareholders (IFRS)		**1,136.0**	**447.4**
Adjustment to IFRS to obtain Net Asset Value	2a	14.2	7.5
Net Asset Value attributable to shareholders		**1,150.2**	**454.9**
Net Asset Value attributable to holders of:			
Class I_A shares		173.2	80.6
Class I_D shares		155.9	67.1
Class A_A shares		321.2	115.6
Class A_D shares		499.9	191.6
		1,150.2	454.9

Net Asset Value per share	€	€
Class I_A	10.8626	10.6865
Class I_D	10.5123	10.6865
Class A_A	10.7614	10.6665
Class A_D	10.4926	10.6665

Consolidated Statement of Comprehensive Income

€m	Notes	Year to 31 December 2022	11 June 2021 to 31 December 2021
Revenue			
Distribution income	4a	38.0	–
Other income	9	3.9	–
Expenses (excluding servicing fees)			
Management Fees	10	(10.9)	–
Other expenses	10	(4.3)	(0.5)
		(15.2)	(0.5)
Group operating profit/(loss) before revaluation of investments		**26.7**	**(0.5)**
(Loss)/gain on change in fair value of investments	4a	(37.6)	14.1
Group (loss)/profit before share class specific expenses		**(10.9)**	**13.6**
Loss/(profit) attributable to minority investors in BEPIF Master FCP	8	1.0	(0.1)
(Loss)/profit attributable to shareholders before share class specific expenses		**(9.9)**	**13.5**
Finance cost: distributions to shareholders		(16.5)	–
Servicing fee on Class A shares	10	(5.7)	(0.5)
(Loss)/profit attributable to shareholders (IFRS)		**(32.1)**	**13.0**
Adjustment to IFRS to obtain change in Net Asset Value	2a	6.7	7.5
(Depreciation)/appreciation of Net Asset Value		**(25.4)**	**20.5**
Attributable to holders of:			
Class I_A shares		(1.8)	3.6
Class I_D shares		(5.5)	3.1
Class A_A shares		(3.2)	5.1
Class A_D shares		(14.9)	8.7
		(25.4)	20.5

There are no items of other comprehensive income for the current or prior period.

Consolidated Statement of Changes in Amounts Attributable to Shareholders

31 December 2022	Share class				Total
€m	Class I_A	Class I_D	Class A_A	Class A_D	
Net Asset Value attributable to shareholders at 31 December 2021	**80.6**	**67.1**	**115.6**	**191.6**	**454.9**
Adjustment to Net Asset Value to obtain IFRS	(1.3)	(1.1)	(1.9)	(3.2)	**(7.5)**
Amounts attributable to shareholders at 31 December 2021 (IFRS)	**79.3**	**66.0**	**113.7**	**188.4**	**447.4**
Subscriptions and redemptions by shareholders					
Issue of shares	111.6	108.6	231.1	357.4	**808.7**
Redemption of shares	(19.6)	(14.3)	(12.3)	(41.8)	**(88.0)**
Net conversions between share classes	2.4	–	(10.0)	7.6	**–**
	94.4	94.3	208.8	323.2	**720.7**
Result for financial period					
Loss attributable to shareholders before share class specific expenses	(2.6)	(1.8)	(3.1)	(2.4)	**(9.9)**
Servicing fees	–	–	(2.1)	(3.6)	**(5.7)**
Distributions	–	(4.5)	–	(12.0)	**(16.5)**
	(2.6)	(6.3)	(5.2)	(18.0)	**(32.1)**
Amounts attributable to shareholders at 31 December 2022 (IFRS)	**171.1**	**154.0**	**317.3**	**493.6**	**1,136.0**
Adjustment to IFRS to obtain Net Asset Value	2.1	1.9	3.9	6.3	**14.2**
Net Asset Value attributable to shareholders at 31 December 2022	**173.2**	**155.9**	**321.2**	**499.9**	**1,150.2**

31 December 2021	Share class				Total
€m	Class I_A	Class I_D	Class A_A	Class A_D	
Amounts attributable to shareholders at 11 June 2021 (IFRS)	**–**	**–**	**–**	**–**	**–**
Subscriptions and redemptions by shareholders					
Issue of shares	77.0	64.0	110.6	182.8	**434.4**
	77.0	64.0	110.6	182.8	**434.4**
Result for financial period					
Profit attributable to shareholders before share class specific expenses	2.3	2.0	3.3	5.9	**13.5**
Servicing fees	–	–	(0.2)	(0.3)	**(0.5)**
	2.3	2.0	3.1	5.6	**13.0**
Amounts attributable to shareholders at 31 December 2021 (IFRS)	**79.3**	**66.0**	**113.7**	**188.4**	**447.4**
Adjustment to IFRS to obtain Net Asset Value	1.3	1.1	1.9	3.2	**7.5**
Net Asset Value attributable to shareholders at 31 December 2021	**80.6**	**67.1**	**115.6**	**191.6**	**454.9**

A reconciliation of the number of shares and share price per share class is included in note 11.

Consolidated Statement of Cash Flows

€m	Year to 31 December 2022	11 June 2021 to 31 December 2021
Cash flows from operating activities		
Distributions received	23.5	–
Management Fee paid	(0.1)	–
Expenses paid	(6.7)	–
Cash flows before distributions	**16.7**	**–**
Distributions paid to shareholders	(15.0)	–
Net cash from operating activities	**1.7**	**–**
Cash flows from investing activities		
Contributions paid to investments	(787.5)	(443.1)
Proceeds from redemption of investments	59.6	–
Early Redemption Deduction paid to investments	(1.1)	–
Net cash used in investing activities	**(729.0)**	**(443.1)**
Cash flows from financing activities		
Cash flows with shareholders		
Proceeds for issue of shares	765.1	487.3
Redemptions paid	(79.3)	–
	685.8	487.3
Cash flows with minority investors in BEPIF Master FCP		
Proceeds for issue of units	–	9.3
Net cash from financing activities	**685.8**	**496.6**
Net (decrease)/increase in cash and cash equivalents	**(41.5)**	**53.5**
Cash and cash equivalents at the beginning of the period	53.5	–
Cash and cash equivalents at the end of the period	**12.0**	**53.5**

Schedule of Investments

As at 31 December 2022

€m	Country	Ownership	Fair value of investment: BEPIF's share	Group's share	Percentage of Net Assets
Interests in BEPIF Aggregator (Group ownership: 90%)			**1,292.8**	**1,162.5**	**100 %**
The net assets of BEPIF Aggregator comprise:					
Investments[1]					
Direct real estate investments					
Logistics					
Mileway	Pan-European	5.1 %			
Evergreen Logistics Portfolio	Various[2]	89.9 %			
Alaska Logistics Portfolio	UK	15.9 %			
Coldplay Logistics Portfolio	Germany	89.9 %			
Luna Logistics Portfolio	Italy	100 %			
Rose Logistics Asset	Netherlands	100 %			
Total Logistics			1,083.2	974.0	83.8%
Office					
Infinity Office Asset	Ireland	100 %			
Gurston Office Asset	UK	100 %			
Adare Office Asset	Ireland	25 %			
Total Office			304.5	273.8	23.6 %
Data Centre					
Harbour Exchange	UK	100 %			
Total Data Centre			87.2	78.4	6.7%
Investments through BPPE	Pan-European	1.3 %	112.7	101.3	8.7 %
Total direct real estate (including BPPE)			**1,587.6**	**1,427.5**	**122.8 %**
Real estate debt investments					
Bilateral loans			36.5	32.8	2.8 %
Debt securities			8.1	7.3	0.6 %
Total direct real estate debt			**44.6**	**40.1**	**3.4 %**
Total investments			**1,632.2**	**1,467.6**	**126.2 %**
Other net assets					
Preference Interests			(424.1)	(381.4)	(32.8) %
Interest rate swaps (EUR)			21.1	19.0	1.6 %
Interest rate swaps (GBP)			49.5	44.5	3.8 %
Other net working capital			14.1	12.8	1.1 %
			(339.4)	**(305.1)**	**(26.2)%**
Investments at fair value			**1,292.8**	**1,162.5**	**100 %**

1. The fair value of each investment represents the value of the equity held by the Group, determined in accordance with the Valuation Policy. Fair value comprises the value of real estate/debt investments less directly associated borrowings and other net working capital.

2. Evergreen Logistics Portfolio comprises properties in Poland, the UK, Germany, Spain and the Czech Republic.

Schedule of Investments

As at 31 December 2021

€m	Country	Ownership	Fair value of investment		
			BEPIF's share	Group's share	Percentage of Net Assets
Interests in BEPIF Aggregator (Group ownership: 87%)			**525.4**	**457.1**	**100 %**
The net assets of BEPIF Aggregator comprise:					
Investments[1]					
Direct real estate investments					
Logistics					
Evergreen Logistics Portfolio	Various[3]	89.9 %			
Alaska Logistics Portfolio	UK	15.9 %			
Coldplay Logistics Portfolio	Germany	89.9 %			
Rose Logistics Asset	Netherlands	100 %			
Total Logistics			528.7	459.9	100.6 %
Data Centre					
Harbour Exchange	UK	100 %			
Total Data Centre			99.6	86.7	19.0 %
Investments through BPPE	Pan-European	1.4 %	101.7	88.5	19.4 %
Total direct real estate (including BPPE)			**730.0**	**635.1**	**138.9 %**
Real estate debt investments					
Bilateral loans			39.8	34.6	7.6 %
Total direct real estate debt			**39.8**	**34.6**	**7.6 %**
Total investments			**769.8**	**669.7**	**146.5 %**
Other net assets					
Line of Credit			(272.8)	(237.3)	(51.9) %
FX forwards (GBP)			(0.5)	(0.4)	(0.1) %
Other net working capital			28.9	25.1	5.5 %
			(244.4)	**(212.6)**	**(46.5)%**
Investments at fair value			**525.4**	**457.1**	**100 %**

1. The fair value of each investment represents the value of the equity held by the Group, determined in accordance with the Valuation Policy. Fair value comprises the value of real estate/debt investments less directly associated borrowings and other net working capital.

2. Evergreen Logistics Portfolio comprises properties in Poland, the UK, Germany, Spain and the Czech Republic.

Notes to the Consolidated Financial Statements

1. General information

Blackstone European Property Income Fund SICAV ("BEPIF Feeder SICAV") is a multi-compartment Luxembourg investment company with variable capital (*société d'investissement à capital variable*) governed by Part II of the Luxembourg law of 17 December 2010 (the "2010 Law"). Any capitalised term not otherwise defined herein shall have the meaning ascribed to it in the version of the prospectus of BEPIF Feeder SICAV applicable at the date of issuance of these financial statements ("the Prospectus").

The registered address of BEPIF Feeder SICAV is 11-13, Boulevard de la Foire, L-1528, Luxembourg.

Principal activities

BEPIF Feeder SICAV is a vehicle for investment into BEPIF. BEPIF is a real estate investment programme operated through several entities and the term "BEPIF" is used throughout these financial statements to refer to the programme as a whole.

BEPIF invests primarily in substantially stabilised, income-generating European real estate and, to a lesser extent, in real estate related debt. BEPIF seeks to bring Blackstone's leading institutional-quality European real estate investment platform primarily to income-focused individual investors. Further details on the investment objectives and strategy can be found in the Management Report.

Corporate structure

Blackstone European Property Income Fund (Master) FCP ("BEPIF Master FCP") is a Luxembourg mutual fund (*fonds commun de placement*) governed by Part II of the 2010 Law. It is the master fund for BEPIF Feeder SICAV. At 31 December 2022, BEPIF Feeder SICAV owned 98% of the units (by value) issued by BEPIF Master FCP. BEPIF Feeder SICAV together with BEPIF Master FCP are referred to as the "Group".

BEPIF Feeder SICAV and BEPIF Master FCP are alternative investment funds under the amended law of 12 July 2013 relating to Alternative Investment Fund Managers (the "2013 Law"). Blackstone Europe Fund Management S.à r.l. (the "AIFM"), an affiliate of Blackstone Inc., has been appointed as alternative investment fund manager of both funds under the 2013 Law in order to perform the investment management (including both portfolio and risk management), oversight, valuation and certain other functions. The registered office of the AIFM is 2-4 rue Eugene Ruppert, L-2453 Luxembourg. The AIFM is also the management company of BEPIF Master FCP (in this capacity "the Management Company"). The AIFM has delegated the portfolio management function to Blackstone Property Advisors, L.P. (the "Investment Manager"). The Investment Manager has discretion to make investments on behalf of BEPIF Feeder SICAV and BEPIF Master FCP.

BEPIF Master FCP makes investments in real estate alongside a Parallel Vehicle, Blackstone European Property Income Fund S.L.P. ("Blackstone Bepimmo"), an investment vehicle also managed by the Investment Manager. Collectively BEPIF Feeder SICAV, BEPIF Master FCP and Blackstone Bepimmo are referred to as the "Funds". BEPIF (Aggregator) SCSp ("BEPIF Aggregator"), a Luxembourg special limited partnership (*société en commandite spéciale*), is the vehicle through which the Funds hold their investments.

2. Group accounting policies

These consolidated financial statements are presented for the period 1 January 2022 to 31 December 2022 and were approved for issue on 30 June 2023.

Comparative financial information is for the period 11 June 2021, the date of incorporation of BEPIF Feeder SICAV, to 31 December 2021.

The financial information presented consolidates BEPIF Feeder SICAV and BEPIF Master FCP. Separate financial results for the same period of BEPIF Feeder SICAV are included, alongside these consolidated financial results, in the 2022 Annual Report of BEPIF Feeder SICAV. Shareholders can obtain the financial results of BEPIF Master FCP for the year on request to the AIFM.

a) Basis of accounting

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union ("IFRS"). No IFRS standards have been early adopted and there are no new or amended standards that are expected to have a material impact on the Group.There have been no changes to previously applied accounting policies in the year.

The functional and presentational currency is the euro. These consolidated financial statements have been prepared on a historical cost basis, except for investments in joint ventures which are measured at fair value.

As further described in note 2d, the Group has no financial instruments classified as equity. The Consolidated Statement of Changes in Amounts Attributable to Shareholders is presented in lieu of a statement of changes in equity.

Notes to the Consolidated Financial Statements

Net Asset Value attributable to shareholders

BEPIF Feeder SICAV's Net Asset Value is determined monthly in accordance with the Valuation Policy (being the policies and procedures set by the AIFM to determine the Net Asset Value) and sets the price at which shares in BEPIF Feeder SICAV are traded. The Valuation Policy is aligned with the recognition and measurement requirements of IFRS except for the recognition of organisational and offering expenses (see note 13a). Such expenses are recognised as a deduction to Net Asset Value only when they are reimbursed to the Investment Manager whereas under IFRS such expenses are recognised when the associated services are provided. The amounts attributable to shareholders (IFRS) in the Consolidated Statement of Financial Position is therefore lower than the Net Asset Value.

€m	As at 31 December 2022	As at 31 December 2021
Amounts attributable to shareholders (IFRS)	**1,136.0**	**447.4**
Organisational and offering expenses adjustments		
Adjustment at beginning of period		
Group's share of liability recognised by investments	7.6	–
Amount attributable to minority investors in BEPIF Master FCP	(0.1)	–
	7.5	–
Change in adjustment for the period		
Increase in Group's share of liability recognised by investments	6.9	7.6
Increase in liability attributable to minority investors in BEPIF Master FCP	(0.2)	(0.1)
	6.7	7.5
	14.2	**7.5**
Net Asset Value attributable to shareholders	**1,150.2**	**454.9**

Going concern

These consolidated financial statements have been prepared on a going concern basis. In the opinion of the Directors there are no material uncertainties in reaching this conclusion. The Investment Manager has prepared liquidity forecasts which show that, for at least the next 12 months, the Group will have sufficient funds to meet its obligations to third parties as they fall due. At the date of approval of these financial statements the Group had unsatisfied redemptions as described in note 11. Redemptions are satisfied in accordance with the Prospectus, including the redemption limits also described in note 11.

b) Basis of consolidation

The consolidated financial statements incorporate the financial statements of BEPIF Feeder SICAV and entities it controlled during the reporting period. Control is achieved through exposure to, or rights to, variable returns from involvement with the investee and the ability to affect those returns through power over the investee. BEPIF Feeder SICAV's only subsidiary is BEPIF Master FCP.

Significant accounting judgement - Classification of BEPIF Master FCP as a subsidiary

BEPIF Feeder SICAV has a greater than 50% share of the units issued by BEPIF Master FCP. The AIFM has rights of control over the management of BEPIF Master FCP, including appointing the Investment Manager. However, the AIFM does not have any significant economic interest in BEPIF Master FCP and therefore the AIFM is considered the agent of BEPIF Feeder SICAV in its relationship with BEPIF Master FCP. Therefore, the Directors conclude BEPIF Feeder SICAV has 'control', as defined under IFRS 10 *Consolidated financial statements*, over BEPIF Master FCP and classifies its investment as a subsidiary. The impact of this judgement is that BEPIF Feeder SICAV prepares financial statements which consolidate the financial position and results of BEPIF Master FCP, as opposed to only preparing separate financial statements including BEPIF Master FCP as an investment in the statement of financial position. This judgement is unchanged from the prior period.

c) Investment in joint ventures

A joint venture is a separate vehicle in which an investor exercises joint control with one or more other parties. BEPIF Aggregator is the only joint venture of the Group. BEPIF Master FCP and Blackstone Bepimmo are the limited partners of BEPIF Aggregator ("the Limited Partners").

The Group has taken the election available, under IAS 28 *Investments in Associates and Joint Ventures*, for entities similar to mutual funds to hold investments in joint ventures at fair value. Gains/losses on changes in fair value are recognised in profit or loss. Determination of fair value represents an area of significant estimation uncertainty. Methods and assumptions adopted are described in note 4c. Distribution income from joint ventures is recognised as revenue.

Notes to the Consolidated Financial Statements

Significant accounting judgement - Classification of BEPIF Aggregator as a joint venture

Blackstone European Property Income Fund Associates (Lux) S.à r.l. (the "General Partner") is the general partner to BEPIF Aggregator. The remuneration of the General Partner is not linked to the profitability of BEPIF Aggregator and therefore the General Partner is considered an agent of the Limited Partners. Under the Limited Partnership Agreement ("the LPA"), the voting rights of the Limited Partners are not proportional to their interests. Unanimous consent of the Limited Partners is required for certain reserved matters, including replacement of the General Partner. Therefore, the conclusion of the Directors is that, despite owning more than 50% of the issued Limited Partners' interests, BEPIF Master FCP does not 'control' BEPIF Aggregator as defined under IFRS 10 *Consolidated Financial Statements* and that the investment in BEPIF Aggregator is a joint venture. The impact of this judgement is that the investment in BEPIF Aggregator is presented as a single line in the Consolidated Statement of Financial Position as opposed to a line-by-line consolidation of the results if BEPIF Aggregator were considered a subsidiary. This judgement is unchanged from the prior period.

d) Financial instruments

Financial assets

Other than the investment in joint ventures, all financial assets are measured at amortised cost. Financial assets include cash and cash equivalents, and receivables. Cash and cash equivalents includes cash in hand and cash held by the Depositary (as defined in note 12) from subscriptions received in advance (note 2e).

Financial liabilities

All financial liabilities are measured at amortised cost. Financial liabilities include amounts attributable to shareholders, trade and other payables, Management Fee payable and amounts due to minority investors in BEPIF Master FCP.

Trade and other payables (including for Management Fees, distributions and redemptions), are initially recognised at fair value less any transaction costs that are directly attributable to the liability and are subsequently carried at amortised cost using the effective interest rate method. Where payment terms are deferred the future cash flows are discounted at a market rate of interest.

Amounts attributable to shareholders and amounts attributable to minority investors in BEPIF Master FCP are initially recognised at fair value, which is taken to be the proceeds received for the shares issued. Subsequently the carrying amount is adjusted for the allocation of profit or loss attributable to that share class, less any distributions or redemptions.

Liabilities to settle satisfied redemptions of shares are transferred to a separate liability in the Consolidated Statement of Financial Position at the Redemption Date (see note 11). Redemption Requests which are not satisfied (referred to as 'outstanding redemptions') remain included in amounts attributable to shareholders. Outstanding redemptions are disclosed in note 11. Distributions are recognised as a separate liability when they are declared.

Significant accounting judgement - Classification of shareholders' investment into BEPIF Feeder SICAV as a financial liability

Shareholders have the right to request a redemption of their investment. Payment of redemptions is subject to the redemption limitations as described in the Prospectus (redemption terms are summarised in note 11). These redemption limitations do not extinguish the contractual obligation to satisfy the Redemption Request, and hence deliver cash, to shareholders at a future date. Therefore, shareholders' investments are classified as financial liabilities. The impact of this judgement is that distributions are presented as an expense in the Consolidated Statement of Comprehensive Income. This judgement is unchanged from the prior period.

Significant accounting judgement - Classification of unitholders' investment into BEPIF Master FCP as a financial liability

BEPIF Master FCP has analogous redemption rights and terms for its unitholders as BEPIF Feeder SICAV has for its shareholders. Therefore, amounts attributable to BEPIF Master FCP unitholders included in BEPIF Feeder SICAV's Consolidated Statement of Financial Position are also classified as financial liabilities. The impact of this judgement is that amounts attributable to minority investors in BEPIF Master FCP are presented as a liability within the Consolidated Statement of Financial Position as opposed to a non-controlling interest within equity.

The impact of the judgements above is that there are no equity instruments. Therefore a consolidated statement of changes in equity is replaced by the Consolidated Statement of Changes in Amounts Attributable to Shareholders. This judgement is unchanged from the prior period.

e) Subscriptions received in advance

Subscriptions received in advance represent amounts received for subscriptions prior to the trade date when shares are issued. The cash from subscriptions is included in cash and cash equivalents along with an offsetting liability until shares are issued.

f) Revenue

Revenue comprises distributions from investments. Distributions are recognised when the right to receive payment is established.

Notes to the Consolidated Financial Statements

g) Fees

The Management Fee, Servicing Fee and other administrative fees are recognised in profit or loss when the related services are received.

h) Tax

The Group is not subject to any income taxes as defined in IAS 12 *Income taxes*. Instead, Luxembourg subscription tax is charged which is computed on net assets rather than profit. The subscription tax charge is therefore included in expenses in profit or loss.

i) Statement of Cash Flows

The direct presentation method for the Consolidated Statement of Cash Flows has been adopted. Distributions to shareholders are presented as an operating cash flow as these are funded from operational cash flows from investments.

3. Accounting policies applied by investments

The Group has applied the following accounting policies to its investments held through BEPIF Aggregator.

a) Basis of accounting

BEPIF Aggregator's financial results are presented for the year ended 31 December 2022. Comparative financial information is for the period 28 June 2021, the date of incorporation of BEPIF Aggregator, to 31 December 2021. Consolidated financial information for the group headed by BEPIF Aggregator has been prepared on a historical cost basis, except that investment properties, equity investments (including in associates), derivatives and certain debt investments are measured at fair value.

Significant accounting judgement - Consolidation

The Directors concluded that BEPIF Aggregator does not qualify as an investment entity under IFRS 10 Consolidated Financial Statements. BEPIF's investment strategy is to acquire substantially stabilized, income-generating European real estate, and therefore investment decisions are based on a range of factors beyond fair value, including an investment's income and cash generation. BEPIF Aggregator therefore prepares consolidated financial statements. This judgement is unchanged from the prior period.

b) Asset acquisitions and business combinations

The optional concentration test in IFRS 3 *Business Combinations* is used to assess whether an acquisition is a business combination. Under the concentration test, 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. A threshold of 90% has been adopted to represent 'substantially all'. Where an acquisition does not satisfy the concentration test and the acquired set of activities meets the definition of a business, the acquisition method of accounting is applied.

Commonly, investment properties acquired via the purchase of the legal entity which holds the properties are not business combinations, as either the concentration test is met, or processes acquired (as defined in IFRS 3) are insignificant to the acquisition as a whole.

All acquisitions in the current and prior periods were considered asset acquisitions and there were no significant judgements made in reaching that conclusion.

Accounting for asset acquisitions

For asset acquisitions, the consideration is allocated: first to any assets or liabilities which IFRS requires be initially recognised at a value other than cost, allocating those assets/liabilities that value; and secondly to the remaining assets and liabilities based on their relative fair values as at the date of acquisition. Transaction costs are considered primarily to relate to the investment property acquired and are capitalised solely into the property. Asset acquisitions do not give rise to goodwill.

When a transaction that involves acquiring less than 100% of an entity is accounted for as an asset acquisition, the non-controlling interest in the acquiree is recognised at the proportionate share of the acquired assets and liabilities.

Notes to the Consolidated Financial Statements

c) Investment properties

Property that is owned, or held under a lease, to earn rental income or for capital appreciation or both, and that is not owner occupied, is classified as investment property. Investment property also includes property that is being constructed or developed for future use as investment property.

Acquisition of an investment property is recognised when the associated purchase contract is completed and legal title transferred. Investment property is measured initially at its cost, including related transaction costs and, where applicable, borrowing costs. If payment for an investment property is deferred, its cost is the cash price equivalent. The difference between this amount and the total payments is recognised as a finance expense over the deferral period. Rent guarantees and top ups paid by a vendor to compensate for vacant space or rent-free periods are treated as part of the cost of the property acquired and offset against the initial purchase consideration. Contingent consideration paid to the vendor, dependent, for example, on future occupancy or performance of the property, is recognised as part of the cost of the property when the associated liability is recognised.

After initial recognition, investment property is carried at fair value with changes recognised in profit or loss. Fair value is determined on the basis of a sale of the investment property as opposed to sale of the legal entity which owns the property. The fair value of investment property includes the future cash benefit of any lease incentives granted to tenants or fixed/minimum rental uplifts. Therefore, the corresponding entry upon recognising such rental income is made to investment property. The fair value of any leasehold properties is adjusted by the carrying amount of the separately recognised lease liability.

Subsequent expenditure is capitalised to a property's carrying amount only when it is probable there will be future economic benefits associated with the expenditure. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the cost of the replacement is included in the carrying amount of the property, and the fair value is reassessed. Fees associated with leasing investment property are included in the carrying amount of the related investment property and subsequently amortised over the lease term.

Investment properties are derecognised when the associated sale contract is completed and legal title transfers to the purchaser.

Sale and leaseback transactions

When an investment property is acquired from an entity concurrently with entering into, or acquiring, a lease of that property back to the same entity (or another entity under common control), the transaction is classified as a sale and leaseback.

To the extent that the minimum contractual rent due on the lease in a sale and leaseback transaction is not equal to the market rent at the acquisition date the net present value of this difference is included in the initial cost of the property and subsequently amortised over the lease term as a component of rental income.

d) Financial instruments

Classification

Financial assets are classified in the following measurement categories:

- fair value through profit and loss ("FVPL");
- fair value through other comprehensive income ("FVOCI"); or
- amortised cost.

i) Equity investments

All equity investments, including the investment in BPPE (defined in note 4b.I are classified as FVPL financial assets. Investments are initially recognised at fair value on the trade date. Any transaction costs are expensed in profit or loss on initial recognition.

Dividends from equity investments are recognised as revenue when the right to receive payments is established.

Significant accounting judgement - classification of investment in Mileway

BEPIF holds a 5.1% interest in Mileway. BEPIF's investment is held via a feeder vehicle in which BEPIF has a 52.2% interest alongside certain other Mileway co-investors (this feeder holding a 9.9% interest in Mileway). This vehicle, a limited partnership, is, in substance, designed as an investment vehicle into Mileway to be managed solely by its general partner. No investor, including BEPIF, has rights to decide on the distribution of returns from Mileway. Therefore, the Directors consider that BEPIF does not control the feeder vehicle (as defined in IFRS 10 *Consolidated Financial Statements*) and therefore the investment is classified as an equity investment at fair value.

Notes to the Consolidated Financial Statements

ii) Investments in associates

Associates are all entities over which an investor has significant influence but not control or joint control. This is generally the case where between 20% and 50% of the voting rights are held, unless it can be clearly demonstrated otherwise. The election available under IAS 28 *Investments in Associates and Joint Ventures* has been taken for entities similar to mutual funds to hold investments in associates at fair value. Gains/losses on changes in fair value are recognised in profit or loss.

iii) Debt investments

The classification of debt investments depends on the business model for that investment. Investments are only reclassified if the business model for managing that asset changes.

Debt held at amortised cost

Typically such investments are non-traded bilateral loans. The debt is held for collection of contractual cash flows and those cash flows represent solely payments of principal and interest. Amortised cost debt investments are initially recognised at fair value on the trade date. Any transaction costs are added to the cost of the asset.

Interest income is included in revenue using the effective interest rate method. Arrangement fees paid by the borrower are considered an integral part of the effective interest rate of the loan and recognised as a component of interest income.

Any gain or loss arising on derecognition is recognised directly in profit or loss. Impairment losses are presented as a separately in profit or loss.

Debt held at FVOCI

Typically such investments are listed debt instruments. The debt is held for both collection of contractual cash flows and potential sale. Cash flows represent solely payments of principal and interest.

FVOCI debt investments are initially recognised at fair value on the trade date. Any transaction costs are recognised immediately in profit or loss. Subsequent changes in fair value are recognised in other comprehensive income. When the financial asset is derecognised, the cumulative gain or loss previously recognised in other comprehensive income is recycled to profit or loss.

Interest income is included in revenue using the effective interest rate method. Impairment losses are presented as a separately in profit or loss.

iv) Trade receivables

Trade receivables, primarily rents due from tenants, are recognised initially at fair value and subsequently are measured at amortised cost using the effective interest method.

A provision is included for expected credit losses. The simplified approach, permitted by IFRS 9 *Financial Instruments*, is applied which requires expected lifetime losses to be recognised from initial recognition of the receivable. The expected loss is based on experience of payment profiles in the real estate sectors and jurisdictions in which investments are held. Specific adjustments are made for individual tenants where there is a known increased risk of default. Trade receivables are written off when there is no reasonable expectation of recovery.

v) Rental guarantees

A rental guarantee provided by the seller of an investment property is recognised as a financial asset when the associated investment property is recognised. Rental guarantees are classified as FVPL financial assets hence gains or losses on changes in fair value are recognised in profit or loss.

vi) Cash and cash equivalents

Cash and cash equivalents include cash on hand, short term deposits, other highly liquid investments with original maturities of less than three months that are readily convertible into known amounts of cash with insignificant risk of change in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

vii) Derivatives

Derivative financial assets/liabilities comprise primarily instruments to manage foreign currency exchange risk or interest rate risk and are classified as FVPL financial assets/liabilities.

Recognition of a derivative takes place when the legal contract is entered. Derivatives are measured initially and subsequently at fair value. Any transaction costs are recognised in net finance expenses in profit or loss. Hedge accounting is not applied, gains or losses on changes in fair value are recognised in net finance expenses in profit or loss.

Notes to the Consolidated Financial Statements

viii) Loans and borrowings
All loans and borrowings are initially recognised at fair value less directly attributable transaction costs. After initial recognition, loans and borrowings are subsequently measured at amortised cost using the effective interest method.

When calculating the effective interest rate, future cash flows are estimated over the expected life of the loan. The expected life of the loan considers all contractual terms including extension options and the ability to repay the loan in advance of contractual maturity.

When fees are paid to enter a loan facility which is not initially utilised, those fees are recognised as transaction costs to the extent that it is probable that the facility will be drawn down in the future. In this case, the fee is deferred until the draw down occurs. If it is not probable that the facility will be drawn down, the fee is recognised as a prepayment for liquidity services and amortised over the life of the facility.

Interest expense is recognised within net finance expenses in profit or loss.

Borrowings are classified as current liabilities unless there is an unconditional right to defer settlement of the liability for at least 12 months after the period end, or when the liability relates to an asset or disposal group held for sale (see note 3i).

ix) Trade and other payables
Trade and other payables, including organisational and offering costs payable, are recognised initially at fair value and subsequently are measured at amortised cost. 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.

Deposits may be obtained from tenants as a collateral for rent payments or the condition of the property on lease expiry. The liability to repay the deposit is recognised initially at fair value, taken to be the deposit received, and subsequently at amortised cost.

e) Amounts due to partners

Significant accounting judgement - Classification of amounts attributable to partners
As described further below, for all partners' interests in BEPIF Aggregator there is a contractual obligation to deliver cash, as defined in IAS 32 *Financial Instruments Presentation*, to the partners and therefore all partners' interests are classified as financial liabilities (as opposed to equity instruments). The contractual obligation arises, in accordance with the LPA, per class of partners' interest as follows:

- Limited Partners have a right to withdraw their interests for cash.
- The Special Limited Partner has the right to receive a Performance Participation Allocation which may be settled in cash at the option of the Special Limited Partner.
- The Preferred Limited Partner will receive a minimum redemption of its interests contingent on subscriptions to the Funds.
- The General Partner has a minimum level of profit allocation payable in cash.

Given this, BEPIF Aggregator has no equity (as defined by IFRS). The only equity included in its consolidated balance sheet arises from non-controlling interests within subsidiaries of BEPIF Aggregator.A Statement of Changes in Amounts Attributable to Partners is presented as a primary statement alongside, and adopting a consistent presentation with, the Statement of Changes in Equity (which solely relates to non-controlling interests).

The Special Limited Partner, Preferred Limited Partner and General Partner are defined in note 13.

i) Amounts due to Limited Partners
Amounts attributable to Limited Partners are initially recognised at cost being the cash received from subscriptions by a limited partner. Subsequently, such amounts are recognised at amortised cost and are remeasured to the expected cash that will be required to settle the liability. This is taken as the amount that would be payable if a redemption request for all limited partner balances were made and settled at the residual net assets of BEPIF Aggregator (under IFRS) after deducting all other liabilities.

Redemptions requests are effective at the end of each month and the limited partner ceases to benefit from any allocation of profits related to those units from that date. The redemption liability is presented separately from amounts attributable to Limited Partners until settlement.

Distributions are presented as an expense in profit or loss and are recognised as a separate liability to amounts attributable to Limited Partners when declared.

Notes to the Consolidated Financial Statements

Appreciation under the Valuation Policy is allocated between the Limited Partners monthly taking into account the relative holdings of those partners at each subscription date. Adjustments to obtain to Net Asset Value required under IFRS are allocated based on the relative holding of the Limited Partners at the year end. Hence, the relative share of amounts attributable to limited partners is the same under IFRS and the Valuation Policy.

ii) Amounts due to the Special Limited Partner

The Special Limited Partner Interest of USD 0.5m is the initial contribution of the Special Limited Partner to BEPIF Aggregator. In accordance with the LPA, this interest entitles the Special Limited Partner to a Performance Participation Allocation of the Total Return of BEPIF Aggregator (see note 13 for further details).

The Performance Participation Allocation attributable to the Special Limited Partner is calculated monthly, taking into account the required performance conditions and Net Asset Value of BEPIF Aggregator. Where that calculation indicates the performance conditions have been achieved (based on performance up to the measurement date only), a Performance Participation Allocation is accrued at the amount attributable to the Special Limited Partner were the Performance Participation Allocation to crystallise at the measurement date.

The change in performance allocation is included in profit or loss with an expense representing an increase in the amount attributable to the Special Limited Partner.

iii) Preference Interests

Preference Interests are initially recognised at cost, being the consideration received from the Preferred Limited Partner. Subsequently, such amounts are recognised at amortised cost.

Dividends on Preference Interests are presented as an expense in profit or loss and presented as a separate liability in BEPIF Aggregator's consolidated statement of financial position.

f) Leases

As the lessee

The only recognised lease liabilities relate to leases of investment property.

At initial recognition lease liabilities are measured at the present value of the minimum lease payments. Lease payments are discounted using the interest rate implicit in the lease if that rate can be readily determined, or, if not, the incremental borrowing rate for similar assets. Variable lease payments that depend on an index, such as an inflation index, are included in the lease liability based on the current index and remeasured each time that index is updated. Variable lease payments that depend on the rent received from the property are not included in the lease liability and are instead recognised in profit or loss on an accrual basis.

Lease payments are allocated between repayment of principal and finance expense so as to produce a constant rate of interest over the lease term.

As the lessor

All existing leases of investment property are considered operating leases as the lease terms do not substantially transfer the risks and rewards of ownership to the tenant.

Significant accounting judgement – classification of leases as operating leases

For properties acquired in the prior period, there were several leases with break clauses at the option of the tenant which if not exercised would generate additional rental income over the extended lease term such that the lease would have been classified as a finance lease. The breaks were assessed as being sufficiently far in the future (at least 15 years at acquisition) that it was not reasonably certain the break would not be exercised. The impact of this judgement is that properties with an initial purchase price of €277.3m and year-end value of €259.7m are classified as investment property and held at fair value as opposed to a finance lease receivable held at the net investment in the lease amortised using the effective interest rate method. Under IFRS 16 Leases, this judgement is not reassessed unless there is a lease modification.

Notes to the Consolidated Financial Statements

g) Revenue recognition

i) Revenue from investment properties

Revenue from investment properties includes rental income, service charge income, property management charges, and other property related income.

Rental income from operating leases is recognised on a straight-line basis over the lease term. Included in the straight-line basis are the effects of future fixed or minimum uplifts in rent and any incentives provided to tenants (such as rent-free periods or capital contributions). Any contingent rental uplifts, including rent reviews, are excluded until the amounts are known.

The lease term is the non-cancellable period of the lease. Tenant break clauses are assumed to be exercised unless it is reasonably certain at inception of the lease (or acquisition of the property) that the break will not be exercised. Considerations in making this assessment are the length of time until the break date, any difference between the contract terms and the market terms, any significant investments made by the lessee in the property, costs relating to the termination of the lease and the importance of the underlying asset to the lessee's operations. This judgement is not reassessed unless there is a change in the non-cancellable period of the lease.

Revenue from service charges is recognised in the accounting period in which the corresponding services are provided to the tenant.

ii) Revenue from equity investments

Revenue comprises distribution income from its investment in BPPE and investments in other equity instruments. Distribution income is recognised when the right to receive a payment is established.

iii) Interest income on debt instruments

Interest income on debt instruments includes interest, exit fees and arrangement fees. Interest is recognised on an accruals basis, using the effective interest method. When calculating the effective interest rate, estimated cash flows consider all contractual terms of the financial instrument (for example, pre-payment options) but do not consider future credit losses. The calculation includes all fees paid or received between parties to the contract that are an integral part of the effective interest rate and any other premiums or discounts.

iv) Revenue from investments in associates

Distributions from associates follows the same accounting policy as for distributions from equity investments. Interest on loans advanced to associates follows the same policy as for interest income on debt investments.

h) Current and deferred income taxes

Income tax is recognised in profit or loss, except when the tax 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, respectively.

Current tax

The current tax charge is calculated based on the tax laws in the countries where BEPIF operates that are enacted or substantively enacted by the period end. Uncertain tax positions are periodically evaluated and provisions established where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred tax

Deferred tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts under IFRS. Deferred tax assets are only recognised when it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred tax is not recognised for any temporary differences arising at initial recognition of an asset or liability in a transaction other than a business combination that, at the time of the transaction, has no impact on either accounting nor taxable profits. This typically arises when investment property is acquired via the purchase of shares in an entity which owns property but under IFRS the acquisition is assessed to be an asset acquisition rather than a business combination (see note 3b).

Deferred tax is calculated using tax rates (and laws) that have been enacted or substantively enacted by the year-end date and are expected to apply when the related deferred tax balance is realised.

Deferred tax assets and liabilities are only offset when there is a legally enforceable right to offset current tax assets against current tax liabilities; typically only when the asset and liability would be payable to the same tax authority and/or arise in the same taxable entity.

Notes to the Consolidated Financial Statements

Additional considerations for investment property

IFRS requires investment property to be valued assuming a sale of the property rather than a sale of the legal entity which owns the property. Deferred tax on investment property uses a consistent assumption of an asset sale. Should the legal entity owning the property be disposed then the actual current income tax payable may be significantly different.

Additional considerations for subsidiaries

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 BEPIF and it is probable that the temporary difference will not reverse in the foreseeable future.

i) Non-current assets (or disposal groups) held for sale

Non-current assets (or disposal groups) are classified as assets held for sale when their carrying amount is to be recovered principally through a sale transaction and a sale is considered highly probable. When an investment property held for sale is expected to be sold via an asset sale the property is held at fair value. When the entity which owns the property is expected to be sold, the disposal group, which includes the investment property and the entities other assets and liabilities, is held at the lower of its carrying amount (including a revaluation of the property) and fair value less costs to sell.
Liabilities, such as loans and borrowings, expected or required to be settled as part of the disposal are classified separately as current liabilities in the consolidated statement of financial position.

j) Consolidated statement of cash flows of BEPIF Aggregator

Cash flows from operating activities are determined using the indirect method.

Distributions to Limited Partners are presented as an operating cash flow as these are funded from operational cash flows from investments. Interest on loans, borrowings and derivatives is considered a reduction in funds available for distribution to limited partners and are hence presented as operating cash flows.

Payments of the Performance Participation Allocation and dividends on Preference Interests are presented as financing cash flows as they are considered capital in nature and do not determine funds available for distribution to Limited Partners.

Acquisitions of investment properties, investments in BPPE, investments in equity instruments and investments in debt instruments are disclosed as cash flows from investing activities because this most appropriately reflects BEPIF's business activities. When investment property is acquired via acquisition of the legal entity that owns the property and that acquisition is classified, under IFRS, as an asset acquisition, the investing cash flow is presented as Acquisition of investment property rather than Acquisition of subsidiary, net of cash. This is considered to better reflect the substance of the acquisition.

Transaction costs on debt investments held at fair value or on entering derivatives are presented as investing and financing cash flows respectively.

Cash and cash equivalents acquired as part of a disposal group with an intention to resell is excluded from the cash flow statement.

Notes to the Consolidated Financial Statements

4. Investments at fair value

4a. Reconciliation of investments at fair value

BEPIF Aggregator is the vehicle through which the Funds hold their real estate related investments. Under IFRS, BEPIF Aggregator is classified as a joint venture of BEPIF Master FCP and Blackstone Bepimmo. The proportionate share of BEPIF Aggregator held by BEPIF Master FCP and Blackstone Bepimmo varies dependent on the level of subscriptions and redemptions from their respective investors. At 31 December 2022, BEPIF Master FCP held a 90% share (by value) of the Limited Partners' interests in BEPIF Aggregator (2021: 87%). After allocations to minority investors in BEPIF Master FCP, BEPIF Feeder SICAV has an effective interest of 88% in BEPIF Aggregator (2021: 85%).

The following table reconciles the Group's investments for the year/period ended 31 December 2022 and 2021.

€m	Notes	Year to 31 December 2022	28 June 2021 to 31 December 2021
Opening investment (Valuation Policy)		**464.7**	**–**
Exclude adjustments to obtain Net Asset Value	2a	(7.6)	–
Opening fair value (IFRS)		**457.1**	**–**
Contributions		827.0	443.0
Contributions of other income	9	3.9	–
Redemptions		(87.9)	–
(Loss)/gain on change in fair value:			
(Loss)/gain before Performance Participation Allocation[1]		(29.5)	17.1
Share of Performance Participation Allocation		(8.1)	(3.0)
		(37.6)	14.1
Closing fair value (IFRS)		**1,162.5**	**457.1**
Adjustments to obtain Net Asset Value	2a	14.5	7.6
Closing investment (Valuation Policy)		**1,177.0**	**464.7**

1. Comprises a loss of €22.6m (2021: gain of €24.7m) under the Valuation Policy and a loss of €6.9m (2021: €7.6m) for accrued organisation and offering expenses under IFRS.

The Group has distribution income for the year of €38.0m (2021: €nil). Distributions are declared by BEPIF Aggregator to the extent the Group requires funding to pay its expenses and distributions to shareholders, otherwise cash is retained by BEPIF Aggregator for future investments.

Notes to the Consolidated Financial Statements

4b. Summary financial information of joint venture investments

The following financial information summarises the consolidated financial results of the group headed by BEPIF Aggregator prepared under IFRS and the accounting policies in note 3.

BEPIF Aggregator Consolidated Statement of Financial Position

€m	Notes	As at 31 December 2022	As at 31 December 2021
Assets			
Non-current assets			
Investment property	4b.I	1,894.3	910.7
Investment in BPPE	4b.I	112.7	101.7
Investments in other equity instruments	4b.I	676.5	181.2
Investment in associates	4b.I	60.3	–
Investments in debt instruments at FVOCI	4b.II	19.3	–
Investments in debt instruments at amortised cost	4b.II	77.7	94.4
Derivative financial assets		56.7	–
Total non-current assets		2,897.5	1,288.0
Current assets			
Cash and cash equivalents		90.4	60.2
Trade and other receivables		31.2	15.0
Derivative financial assets		13.9	–
Deposits for investments		–	39.2
Quarterly Shortfall receivable	13	2.0	–
		137.5	114.4
Disposal group assets classified as held for sale	4b.III	–	207.0
Total current assets		137.5	321.4
Total assets		**3,035.0**	**1,609.4**
Liabilities			
Non-current liabilities			
Loans and borrowings	4b.IV	(1,216.8)	(578.7)
Lease liabilities		(10.1)	(9.9)
Organisational & offering costs	13	(13.9)	(9.2)
Trade and other payables		(4.9)	(2.5)
Deferred tax liabilities		(16.1)	(6.9)
Total non-current liabilities		(1,261.8)	(607.2)

Notes to the Consolidated Financial Statements

BEPIF Aggregator Consolidated Statement of Financial Position (continued)

€m	Notes	As at 31 December 2022	As at 31 December 2021
Current liabilities			
Loans and borrowings	4b.IV	(6.5)	(281.3)
Lease liabilities		(0.3)	(0.4)
Derivative financial liabilities		–	(0.5)
Organisational & offering costs	13	(3.7)	(0.5)
Trade and other payables		(24.0)	(61.1)
Deferred income		(13.1)	(4.5)
Income tax payable		(5.2)	–
Distribution payable[1]		(5.7)	–
Redemption payable[1]		(7.5)	–
Preference Interests - dividend payable	13	(4.7)	–
Performance Participation Allocation payable	13	–	(3.1)
		(70.7)	(351.4)
Disposal group liabilities classified as held for sale		–	(130.6)
Total current liabilities		**(70.7)**	**(482.0)**
Net assets before amounts attributable to partners and equity		**1,702.5**	**520.2**
Amounts attributable to partners			
Special Limited Partner Interest		0.4	0.4
Preference Interests	13	424.1	–
BEPIF Master FCP		1,123.8	430.9
Blackstone Bepimmo		125.9	64.4
		1,674.2	**495.7**
Non-controlling interest		**28.3**	**24.5**
Amounts attributable to partners and equity		**1,702.5**	**520.2**

1. BEPIF Master FCP's share of the total distribution payable and redemption payable is €4.9m (2021: €nil) and €7.5m (2021: €nil), respectively.

Notes to the Consolidated Financial Statements

BEPIF Aggregator Consolidated Income Statement

€m	Notes	Year to 31 December 2022	28 June 2021 to 31 December 2021*
Revenue			
Rental income	4b.VI	81.9	2.8
Service charge income	4b.VI	8.4	0.2
Distribution income from investments		7.6	2.0
Interest income from investments		4.9	0.7
		102.8	5.7
Operating expenses			
Property related expenses		(13.1)	(0.3)
Administrative expenses		(9.4)	(1.8)
Organisational & offering costs	13	(9.2)	(8.7)
		(31.7)	(10.8)
Gains/(losses) on change in fair value of			
Investment property	4b.I	(107.9)	(4.5)
Investment in BPPE	4b.I	11.0	1.7
Other equity investments	4b.I	19.8	12.4
Investment in associates	4b.I	3.2	–
		(73.9)	9.6
Operating profit/(loss)		**(2.8)**	**4.5**
Net finance income/(expense)			
Bank interest and fees		(29.8)	(1.7)
Net gain/(loss) on change in fair value of derivatives		72.6	(0.5)
Net foreign exchange gains/(losses)		2.3	(3.1)
Other net finance income/(expense)		0.5	(0.1)
		45.6	(5.4)
Profit/(loss) before tax and amounts attributable to partners		**42.8**	**(0.9)**
Current tax		(8.9)	(0.1)
Deferred tax		1.1	(17.3)
Profit/(loss) before allocations to partners		**35.0**	**(18.3)**
Distributions to Limited Partners		(43.1)	–
Dividend on Preference Interests	13	(12.8)	–
Performance Participation Allocation	13	(9.0)	(3.1)
Profit/(loss)		**(29.9)**	**(21.4)**
Attributable to:			
BEPIF Master FCP		(28.5)	(15.9)
Blackstone Bepimmo		(3.2)	(5.4)
Non-controlling interest		1.8	(0.1)
		(29.9)	(21.4)

*Comparative financial information has been re-presented - refer to note 4b.III

Notes to the Consolidated Financial Statements

BEPIF Aggregator Consolidated Statement of Other Comprehensive Income

€m	Notes	Year to 31 December 2022	28 June 2021 to 31 December 2021
Profit/(loss)		**(29.9)**	**(21.4)**
Other comprehensive income/(loss)			
Items that may be reclassified to profit or loss			
Change in the fair value of debt instruments held at FVOCI	4b.II	(1.8)	–
Currency translation reserve		(23.3)	5.9
Income tax relating to these items		0.7	(0.7)
Other comprehensive income/(loss), net of tax		**(24.4)**	**5.2**
Total comprehensive income/(loss)		**(54.3)**	**(16.2)**
Attributable to:			
BEPIF Master FCP		(50.2)	(12.1)
Blackstone Bepimmo		(5.6)	(4.2)
Non-controlling interest		1.5	0.1
		(54.3)	(16.2)

Notes to the Consolidated Financial Statements

BEPIF Aggregator Consolidated Statement of Changes in Equity and Amounts Attributable to Partners

€m	Notes	Amounts Attributable to Partners					Equity
		Limited Partners		Preferred Limited Partner	Special Limited Partner	Total	Non-controlling interest
		BEPIF Master FCP	Blackstone Bepimmo				
Balance as at 28 June 2021		–	–	–	–	–	–
Transactions with partners and non-controlling interests							
Initial partnership contribution		–	–	–	0.4	**0.4**	–
Issuance of units	4a	443.0	68.6	–	–	**511.6**	–
Non-controlling interest contributions		–	–	–	–	**–**	24.4
		443.0	68.6	–	0.4	**512.0**	24.4
Result for financial period							
Allocation of profit/(loss)		(15.9)	(5.4)	–	–	**(21.3)**	(0.1)
Allocation of other comprehensive income/(loss)		3.8	1.2	–	–	**5.0**	0.2
Balance as at 31 December 2021		**430.9**	**64.4**	**–**	**0.4**	**495.7**	**24.5**
Transactions with partners and non-controlling interests							
Issuance of units	4a	827.1	66.7	–	–	**893.8**	–
Redemption of units	4a	(87.9)	–	–	–	**(87.9)**	–
Contribution without issuance of units	7	3.9	0.4	–	–	**4.3**	–
Issuance of Preference Interests	11	–	–	500.0	–	**500.0**	–
Repayment of Preference Interests	11	–	–	(75.9)	–	**(75.9)**	–
Non-controlling interest contributions		–	–	–	–	**–**	3.2
Non-controlling interest distributions		–	–	–	–	**–**	(0.9)
		743.1	67.1	424.1	–	**1,234.3**	2.3
Result for financial year							
Allocation of profit/(loss)		(28.5)	(3.2)	–	–	**(31.7)**	1.8
Allocation of other comprehensive income/(loss)		(21.7)	(2.4)	–	–	**(24.1)**	(0.3)
Balance as at 31 December 2022		**1,123.8**	**125.9**	**424.1**	**0.4**	**1,674.2**	**28.3**

Notes to the Consolidated Financial Statements

BEPIF Aggregator Consolidated Statement of Cash Flows

€m	Year to 31 December 2022	28 June 2021 to 31 December 2021
Cash flows from operating activities		
Profit/(loss)	(29.9)	(21.4)
Re-presentation of comparative discontinued operations to continuing operations	–	3.9
Adjustments for:		
Distributions to Limited Partners	43.1	–
Dividend on Preference Interests	12.8	–
Performance Participation Allocation payable	9.0	3.1
Income tax expense	7.8	6.2
Net finance (income)/expense	(45.6)	5.4
Amortisation of upfront fees	(0.6)	(0.1)
(Gains)/losses on change in fair value of investments	73.9	(2.7)
Impact of lease incentives	(3.5)	(0.1)
	67.0	(5.7)
(Increase)/decrease in trade and other receivables	(11.7)	(15.0)
Increase/(decrease) in trade and other payables	1.4	31.5
Increase/(decrease) in deferred income	8.6	4.5
Cash flows from operations	**65.3**	**15.3**
Interest paid on loans and borrowings and derivatives	(23.5)	(0.2)
Other finance costs paid	(0.6)	–
Tax paid	(3.7)	–
Operating cash flow before distributions	**37.5**	**15.1**
Distributions paid to Limited Partners	(27.8)	–
Distributions paid to non-controlling interests	(0.9)	–
Net cash from operating activities	**8.8**	**15.1**
Cash flows from investing activities		
Acquisition of investment properties, including deposits	(911.2)	(903.0)
Capital expenditure on investment properties	(2.5)	–
Investment in BPPE	–	(100.0)
Investments in other equity instruments[1]	–	(166.0)
Return of capital from investments in other equity instruments	14.8	–
Investment in associates	(57.1)	–
Acquisition of disposal group	–	(193.0)
Investments in debt instruments	(99.3)	(94.3)
Repayment of debt instruments	95.1	–
Net cash used in investing activities	**(960.2)**	**(1,456.3)**

1. Refer to note 13b for details on the cash flows associated with the acquisition of Mileway in 2022.

Notes to the Consolidated Financial Statements

BEPIF Aggregator Consolidated Statement of Cash Flows (continued)

€m	Year to 31 December 2022	28 June 2021 to 31 December 2021
Cash flows from financing activities		
Net cash from Limited and Special Limited Partners		
Contribution from Special Limited Partner	–	0.4
Issuance of units	854.3	511.6
Contribution without issuance of units	4.3	–
Redemption of units paid	(59.6)	–
Performance Participation Allocation paid	(5.0)	–
Early Redemption Deduction received	1.1	–
	795.1	512.0
Net cash from non-controlling interests		
Non-controlling interest contributions	3.2	24.4
Proceeds from non-controlling interest loans	0.3	7.1
Repayments of non-controlling interest loans	(1.1)	–
	2.4	31.5
Net cash from Preference Interests		
Dividends paid on Preference Interests	(8.1)	–
Repayment of Preference Interests	(75.9)	–
	(84.0)	–
Net cash from loans and borrowings		
Proceeds from loans and borrowings	850.1	1,092.8
Proceeds from loans and borrowings – disposal group	–	113.2
Repayments of loans and borrowings	(583.2)	(245.7)
Payment of loan arrangement fees	(4.5)	(2.4)
Payment of transaction costs for derivatives	(0.5)	–
Payment of lease liabilities	(0.4)	–
	261.5	957.9
Net cash from financing activities	**975.0**	**1,501.4**
Net increase/(decrease) in cash and cash equivalents	**23.6**	**60.2**
Cash and cash equivalents at the beginning of the period	60.2	–
Cash and cash equivalents reclassified from disposal group	3.6	–
Effect of foreign exchange rate changes	3.0	–
Cash and cash equivalents at the end of the period	**90.4**	**60.2**

Notes to the Consolidated Financial Statements

Notes to the BEPIF Aggregator consolidation

4b.I. Investments in direct real estate

€m	Investment in: Investment property	BPPE	Other equity instruments	Associates	Total
Balance at 28 June 2021	**–**	**–**	**–**	**–**	**–**
Purchases[1]	915.8	100.0	166.0	–	1,181.8
Impact of lease incentives	0.1	–	–	–	0.1
Gain/(loss) on change in fair value[2]	(11.4)	1.7	12.4	–	2.7
Foreign currency gain	6.2	–	2.8	–	9.0
Balance at 31 December 2021[3]	**910.7**	**101.7**	**181.2**	**–**	**1,193.6**
Purchases[1]	918.6	–	500.2	57.1	1,475.9
Capital expenditure	2.4	–	–	–	2.4
Transfers from held for sale	198.3	–	–	–	198.3
Impact of lease incentives	3.4	–	–	–	3.4
Disposals/return of capital	–	–	(14.8)	–	(14.8)
Gain/(loss) on change in fair value[2]	(107.9)	11.0	19.8	3.2	(73.9)
Foreign currency loss	(31.2)	–	(9.9)	–	(41.1)
Balance at 31 December 2022[3]	**1,894.3**	**112.7**	**676.5**	**60.3**	**2,743.8**

1. Purchases includes transaction costs of €45.4m (including any real estate transfer taxes paid) (2021: €40.4m) relating to investment property, €0.2m (2021: €nil) relating to other equity investments and €9.9m (2021: €nil) contributed to associates to fund transaction costs on its acquisition of investment property.

2. Comprises €88.2m of unrealised gains and €162.1m of unrealised losses (2021: €30.1m of unrealised gains; €27.4m of unrealised losses). Included in the gain or loss on change on fair value of investment property are €13.0m of losses (2021: €58.6m) related to the IFRS requirement to assume asset sales of real estate as opposed to the Investment Manager's own assessment of the likely exit strategy (see note 4b.V).

3. Closing balance of investment property includes €80.7m (2021: €54.2m) attributable to non-controlling interests.

Investment property

During 2022, investment property acquisitions have been made in the Infinity Office Asset, Gurston Office Asset and Luna Logistics Portfolio. A further investment was made into the Coldplay Logistics Portfolio. Details on ownership and location of theses investments can be found in the Schedule of Investments. All investment properties are insured to at least their market value.

Investment in BPPE

BEPIF holds an investment in Blackstone Property Partners Europe (Lux) SCSp, the Luxembourg limb of Blackstone Property Partners Europe ("BPPE"), Blackstone's flagship European Core+ real estate fund for institutional investors. BPPE invests in Core+ real estate investments in Europe. BPPE invests primarily in high-quality, substantially stabilised assets and portfolios across logistics, office, residential and retail assets in major European markets and gateway cities. BPPE is focused on maximizing value and driving income growth through active portfolio management, efficient and flexible financing, and various asset management initiatives including selective asset sales.

The general partner of BPPE seeks to satisfy any redemption requests over time and at its sole discretion, while also giving due consideration to liquidity needs, leverage management and value preservation.

BEPIF's investment represents a 1.3% (2021: 1.4%) interest in BPPE.

Other equity instruments

During the year, BEPIF, alongside other Blackstone Inc. managed funds and third party co-investors, acquired Mileway from other investment funds managed by Blackstone Inc. BEPIF's investment represents a 5.1% interest in Mileway.

Investment in associate

During the year, BEPIF, alongside another Blackstone Inc. managed fund, acquired the Adare Office Asset. BEPIF's investment represents a 25% interest.

Notes to the Consolidated Financial Statements

4b.II. Investments in real estate debt

€m	Debt at amortised cost	Debt at fair value	Total
Balance as at 28 June 2021	**–**	**–**	**–**
Acquisitions, including transaction costs	94.3	–	94.3
Amortisation of fees	0.1	–	0.1
Balance as at 31 December 2021	**94.4**	**–**	**94.4**
Acquisitions, including transaction costs	77.7	21.6	99.3
Amortisation of upfront fees	0.6	–	0.6
Repayments/disposals	(95.0)	(0.1)	(95.1)
Gain/(loss) on change in fair value (in OCI)	–	(1.8)	(1.8)
Foreign currency gain/(loss)	–	(0.4)	(0.4)
Balance as at 31 December 2022	**77.7**	**19.3**	**97.0**

Debt at amortised cost

The €95.0m bilateral loan issued to a pan-European logistics group in 2021 was repaid during the current year. In 2022, BEPIF acquired a €77.9m interest in a mezzanine loan to an investor in a prime office and retail real estate portfolio. The Group received an upfront fee of €0.2m. The loan has a weighted-average coupon of 5.0%+EURIBOR and an initial maturity in May 2024 with three one year extension options. Subsequent to the year end this loan was repaid.

Debt at fair value

The listed debt securities portfolio comprises €6.3m of fixed rate investments and €13.0m of floating rate investments with a weighted average term to maturity of 10.1 years.

4b.III. Assets and liabilities held for sale

At 31 December 2021, two Polish properties in the Evergreen Logistics Portfolio, valued at €196.9m (net of costs to sell), were part of a disposal group held for sale. Associated liabilities classified as held for sale included €113.2m of loans repayable in the event of a sale. During 2022, the expected disposal did not occur and a sale is no longer considered highly probable. As a result, at 31 December 2022, the assets and liabilities of the disposal group are no longer presented as held for sale. The 2021 Consolidated Financial Statements presented the net result from these properties as a discontinued operation. For the current year, the comparative financial information in BEPIF Aggregator's Consolidated Income Statement on page 39 has been re-presented to include the net result from the Polish properties within continuing operations.

Notes to the Consolidated Financial Statements

4b.IV. Loans and borrowings

€m	As at 31 December 2022	As at 31 December 2021
Non-current		
Acquisition Facility	1,080.9	581.0
Mortgage loans	134.1	–
Loans from non-controlling interests	6.3	–
Unamortised arrangement fees	(4.5)	(2.3)
	1,216.8	578.7
Current		
Line of Credit	–	272.8
Interest payable	6.5	1.4
Loans from non-controlling interests	–	7.1
	6.5	281.3
Acquisition Facility included in liabilities held for sale[1]	–	113.2
Total loans and borrowings	**1,223.3**	**973.2**
Comprising:		
Gross loans and borrowings		
Attributable to BEPIF	1,168.4	924.5
Attributable to NCI	46.6	42.5
	1,215.0	967.0
Unamortised arrangement fees	(4.5)	(2.3)
Interest payable	6.5	1.4
Loans from non-controlling interests	6.3	7.1
	1,223.3	973.2

1. Loans classified as held for sale represent the portion of BEPIF Aggregator's Acquisition Facility which would be required to be repaid on sale of the Polish assets in the Evergreen Logistics Portfolio, the amount has been reclassified in the current year (note 4b.III).

Acquisition Facility

A Senior Facility Agreement (the "Acquisition Facility") has been agreed with a syndicate of lenders which can be used to finance acquisitions of investments, up to a 57.5% loan-to-value, with each acquisition subject to approval by the lenders. At 31 December 2022, all of BEPIF's majority owned investments in direct real estate, except for Harbour Exchange, and real estate debt are secured under this facility.

Mortgage loans

During 2022, the portion of the Acquisition Facility related to the investment in Harbour Exchange was refinanced with a GBP 118.8m term loan.

Line of Credit

Blackstone Holdings Finance Co. L.L.C., a subsidiary of Blackstone Inc., has provided a €300m unsecured, uncommitted line of credit (the "Line of Credit"). The facility can be drawn for any purpose in either Euros, Dollars or Pound Sterling.

Covenants

The Acquisition Facility and mortgage loans include various financial and operational covenants. These have been complied with throughout the year and to the date of issuance of these financial statements.

Notes to the Consolidated Financial Statements

Key terms of these loans are summarised in the table below:

€m	Interest rate	Maturity date	Principal outstanding as at 31 December 2022	31 December 2021
Line of Credit		Jul 2023[1]		
EUR	EURIBOR[2] + 2.50%		–	106.0
GBP	SONIA + 2.50%		–	166.8
			–	**272.8**
Acquisition Facility		Nov 2023 - Aug 2024[3]		
EUR	EURIBOR(2) + 1.67%[4]		875.2	469.1
GBP	SONIA + 1.64%[4]		205.7	225.1
			1,080.9	**694.2**
Mortgage loans				
GBP	SONIA + 1.60%[5]	Nov 2025	134.1	–
Gross loans and borrowings			**1,215.0**	**967.0**

1. The Line of Credit may be utilised up to the maturity date of 21 July 2023. Repayment occurs on the earliest of i) 180 days after the maturity date, ii) 180 days after the lender demanding repayment or iii) 45 days after a change in Investment Manager. During the year a 12-month extension option was applied to extend the maturity from July 2022 to July 2023. Further 12-month extension options are available with consent of the lender. Subsequent to the year end a further 12-month extension option was applied with a revised facility limit of €200m.
2. 3M EURIBOR is subject to a 0% floor.
3. The Acquisition Facility matures on the first interest payment date following two years after each utilisation of the facility. There are two 12-month extension options (the second extension requiring consent of the lenders).
4. Interest rate on the Acquisition Facility represents the weighted average margin of each utilisation as at 31 December 2022. The initial margin of 1.5% increases to 1.85% then 2.00% in years 2 and 3, respectively, after the utilisation dates of the facility.
5. The mortgage loan has two 12-month extension options available with consent of the lender.

During 2022, BEPIF entered a number of derivatives to hedge interest rate risk, for further details see note 12.

Notes to the Consolidated Financial Statements

4b.V. Amounts attributable to BEPIF Master FCP

The fair value of BEPIF Master FCP's interest in BEPIF Aggregator as reported in the Consolidated Statement of Financial Position differs to its share of the Amounts attributable to partners in BEPIF Aggregator's Consolidated Statement of Financial Position (note 4b). This difference arises due to differences in how IFRS requires certain items to be measured in BEPIF Aggregator's own financial results as opposed to the IFRS treatment in determining the fair value of BEPIF Master FCP's interest in BEPIF Aggregator. The difference is reconciled as follows:

€m	As at 31 December 2022	As at 31 December 2021
BEPIF Aggregator: Amounts attributable to BEPIF Master FCP	**1,123.8**	**430.9**
Adjustments:		
Exit strategy assumption[1]	64.4	48.2
Deferred tax in relation to investments[2]	(23.5)	(19.9)
Fair market value of debt investments at amortised cost[3]	0.2	(0.1)
Fair market value of loans and borrowings[4]	(2.5)	(1.4)
Other differences	0.1	(0.6)
	38.7	26.2
The Group: Investments at fair value	**1,162.5**	**457.1**

Explanation of adjustments:

1. For BEPIF Aggregator, IFRS requires investment property to be valued on the basis of an asset sale. In valuing its Investments, BEPIF, in line with market practice, adopts a probability-weighted assessment of a sale occurring via an asset or corporate sale. The BEPIF Aggregator valuation is consequently lower due to additional transaction costs in an asset sale.

2. For BEPIF Aggregator, IFRS requires deferred tax to be recognised only on any post-acquisition revaluation of investments. In valuing its investments, BEPIF adopts a probability-weighted assessment of the price reduction a purchaser would require to assume the potential tax liability; including any taxes for gains within the entity owning the property which predate the Group's ownership.

3. For BEPIF Aggregator, IFRS requires certain debt investments are held at amortised cost compared to their fair market value adopted when valuing BEPIF's Investments.

4. For BEPIF Aggregator, IFRS requires loans and borrowings to be held at amortised cost compared to their fair market value adopted when valuing BEPIF's loans and borrowings.

4b.VI. Property income

Investment properties are leased to tenants mainly under non-cancellable commercial property leases. Terms vary by jurisdiction and the nature of the property but typically include clauses for periodic upward only rent reviews and recovery of service charge expenditure. On review, rents are increased by either contractual formula (for example linked to an inflation index) or to current market rent. Single let properties are typically leased on terms where the tenant is responsible for repair, insurance and running costs whilst multi-let properties are leased on terms which include an allocation of such expenditure between tenants.

€m	Year to 31 December 2022	28 June 2021 to 31 December 2021
Gross rents receivable	78.4	2.7
Impact of lease incentives	3.5	0.1
Rental income	**81.9**	**2.8**
Service charge income	8.4	0.2
Total property income	**90.3**	**3.0**

Notes to the Consolidated Financial Statements

The geographic breakdown of property income is as follows:

€m	Year to 31 December 2022	28 June 2021 to 31 December 2021
UK	26.8	0.5
Germany	16.5	1.9
Ireland	15.8	–
Poland	14.8	0.3
Netherlands	6.2	0.1
Italy	5.4	–
Spain	2.5	0.1
Czech Republic	2.3	0.1
Total property income	**90.3**	**3.0**

The future aggregate minimum rental income under non-cancellable operating leases is summarised below. These figures exclude the impact of any inflation-linked increases in rent but include any contractual minimum rental uplifts.

€m	As at 31 December 2022	As at 31 December 2021
Less than 1 year	83.6	48.0
1-2 years	78.2	46.6
2-3 years	70.6	42.3
3-4 years	69.9	35.1
4-5 years	69.0	34.6
Thereafter	370.8	321.6
Total	**742.1**	**528.2**

1. Comparative financial information has been re-presented to include lease income from the Polish properties in the Emerald Logistics Portfolio - refer to note 4b.III.

4c. Fair value of investments

Valuation oversight

The AIFM is responsible for the proper and independent valuation of investments. The Investment Manager provides valuation advice and assists the AIFM in this valuation, while the AIFM ensures that the valuation function is independent from the Investment Manager and performed in accordance with applicable law. The AIFM has engaged Altus Group to serve as independent valuation advisor with respect to properties and certain real estate debt and other securities. Altus Group will review the quarterly internal valuations prepared by the AIFM.

Fair value methodology

The fair value of the interest in BEPIF Aggregator is based on the share of the aggregate fair value of BEPIF's investments less the fair value of loans and borrowings and other net assets. Methodologies used to determine fair value on material components of the valuation that are subject to significant estimation uncertainty are described below. For other material components (for example cash and other working capital) the fair value approximates the IFRS carrying value on a historical cost basis.

Investment property

The discounted cash flow methodology (income approach) is the primary methodology, whereby a property's value is calculated by discounting the estimated cash flows and the anticipated terminal value of the subject property by the assumed new buyer's normalized weighted average cost of capital for the subject property. Consistent with industry practices, the income approach also incorporates subjective judgments regarding comparable rental and operating expense data, capitalisation or discount rate, and projections of future rent and expenses based on appropriate evidence as well as the residual value of the asset as components in determining value. Other methodologies that may also be used to value properties include sales comparisons and replacement cost approaches. Under the sales comparison approach, an opinion of value is developed by comparing the subject property to similar, recently sold properties in the surrounding or competing area. The replacement cost approach relies on the principle of substitution, which holds that when a property is replaceable in the market, its value tends to be set at the cost of acquiring an equally desirable substitute property, assuming that no costly delay is encountered in making the substitution. Investments may also be valued at their acquisition price for a period of time after an acquisition as the best measure of fair value in the absence of any conditions or circumstances that would indicate

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otherwise. A portfolio of properties may be valued as a single investment and the AIFM may determine what properties should be grouped in a portfolio. The AIFM assesses whether a disposal of the property would most likely occur via a sale of the property asset or a sale of the legal entity which owns the property. Adjustments a market participant would make for consequential transaction costs, transfer taxes or unrealised capital gains taxes are deducted from the gross value of the property.

Each property will be appraised by an independent third-party appraiser at least annually. Annual appraisals may be delayed for a short period in exceptional circumstances. Such valuations can take place at any month end during the year and hence may not coincide with the year-end valuation. In the month in which annual appraisal is received the AIFM's end-of-month valuation will fall within the range of the third-party appraisal; however, valuations thereafter may be outside of the range of values provided in the most recent third-party appraisal.

Equity investments

The investment in BPPE at the year-end is valued at the net asset value of the units held as valued by BPPE's alternative investment fund manager (which is also the AIFM). BPPE generally values its investments and liabilities quarterly (including at 31 December 2022 and 31 December 2021) in a manner otherwise consistent with the valuation of "investment property" above and "loans and borrowings" below.

Other non-listed equity investments and investments in associates are valued by the AIFM at BEPIF's share of the assets and liabilities of the investee using methods consistent with those described in this note.

Debt investments

Readily available market quotations - Market quotations may be obtained from third-party pricing service providers or, if not available from third-party pricing service providers, broker-dealers. When reliable market quotations for real estate debt and other securities are available from multiple sources, the AIFM will use commercially reasonable efforts to use two or more quotations and will value such investments based on the average of the quotations obtained. However, to the extent that one or more of the quotations received is determined in good faith by the AIFM to not be reliable, the AIFM may disregard such quotation if the average of the remaining quotations is determined in good faith to be reliable by the AIFM. Securities that are traded publicly on an exchange or other public market will be valued at the closing price of such securities in the principal market in which the security trades.

No readily available market quotations - The AIFM will initially determine if there is adequate collateral real estate value supporting the investment and whether the investment's yield approximates market yield. If the market yield is estimated to approximate the investment's yield, then the investment is valued at its par value. If the market yield is not estimated to approximate the investment's yield, the AIFM will project the expected cash flows of the investment based on its contractual terms and discount such cash flows back to the valuation date based on an estimated market yield. Market yield is estimated based on a variety of inputs regarding the collateral asset(s) performance, local/macro real estate performance and capital market conditions.

Loans and borrowings

The fair value of loans and borrowings is determined by discounting the expected future cash flows on the loan at a market rate of interest.

Derivatives

The fair value of derivatives is determined by discounting the expected future cash flows on the derivative at a market rate of interest.

Estimation uncertainty

The fair value of the Group's investment in joint ventures falls within Level 3 of the fair value hierarchy as defined by IFRS 13 Fair Value Measurement. A significant proportion of the underlying assumptions are unobservable and hence there is significant estimation uncertainty associated with the valuation. Because of the inherent uncertainties associated with the valuation, the carrying amount of investments at the year end may differ significantly from the value that could be realised in an arm's length transaction. Fair value is based on events and conditions that existed at the year end. No adjustment is made for subsequent events unless they provide more information about circumstances that existed at the year end. Subsequent investment specific events or general economic, political and geographic conditions may have a significant impact on fair value in the future.

A summary of significant valuation methods, assumptions, and sensitivity to changes in assumptions for BEPIF's investments is presented in the tables below. To provide an indication of the uncertainty and significance of the inputs used in determining fair value, individual components of the valuation have been separated into the three levels of the fair value hierarchy prescribed by IFRS, defined as:

- Level 1: Derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: Determined using valuation techniques where all significant inputs use market observable data and therefore rely as little as possible on BEPIF-specific estimation.
- Level 3: One or more significant input used in the valuation is not based on observable market data.

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Components of the valuation of the Group's Investments at 31 December 2022:

€m Category / name of investment	Gross assets[1,2] at 31 December 2022		Fair value hierarchy	Valuation technique	Unobservable inputs for Level 3 valuations				
	Cost	Valuation			Input	Range	Weighted average	Sensitivity[4] +25bps	Sensitivity[4] -25bps
Direct real estate investments									
Logistics	1,772.2	1,723.7	Level 3	DCF	Discount rate	5.7% - 6.7%	6.3 %	(48.2)	49.3
					Exit cap rate	4.0% - 4.8%	4.5 %	(92.1)	103.3
Offices and Data Centre	930.5	885.6	Level 3	DCF	Discount rate	5.8% - 7.0%	6.2 %	(18.5)	18.9
					Exit cap rate	4.1% - 5.8%	4.7 %	(34.3)	38.3
Investments through BPPE[3]	183.6	189.5	Level 3	Reported value	Net asset value	n/a	n/a	n/a	n/a
Total direct real estate investments	**2,886.3**	**2,798.8**							
Real estate debt investments									
Bilateral loans	77.9	77.9	Level 2	Par value					
Transferable securities									
Admitted to an official stock exchange									
Denominated in EUR	13.7	12.4	Level 2	Quotation					
Denominated in GBP	7.9	6.9	Level 2	Quotation					
Total real estate debt investments	**99.5**	**97.2**							
Total Gross Asset Value	**2,985.8**	**2,896.0**							
Net loans and borrowings and derivatives		(1,247.0)	Level 2	DCF					
Other net working capital		(16.8)	Cost						
Total Investments in real estate per Schedule of Investments		**1,632.2**							
Preference Interests		(424.1)	Cost						
Interest rate swaps		70.6	Level 2	DCF					
Other net working capital		14.1	Cost						
Valuation of BEPIF's Investments		**1,292.8**							
Less value attributable to Blackstone Bepimmo		(130.3)							
Valuation of Group's Investments		**1,162.5**							

1. Gross asset cost basis and valuation figures for investments are for BEPIF. As at 31 December 2022 BEPIF Feeder SICAV had a 88% look-through interest in these investments.

2. Gross Asset Value is measured as the fair value of (i) real estate investments at BEPIF's share, plus (ii) real estate debt investments. "Real estate investments" is comprised of BEPIF's majority-controlled property investments, BEPIF's look-through share of property investments held by BPPE and BEPIF's equity in minority investments.

3. Investments through BPPE represent BEPIF's pro rata share of the Gross Asset Value of real estate investments of BPPE. The cost of the units acquired in BPPE is €100.0m with a fair value of € 112.7m.

4. Sensitivity figures are the change in value of investment property caused by each input in isolation. They do not consider: (i) the effect a change in one input may have on other inputs; or (ii),secondary impacts on other components of Net Asset Value (such as the fair value of borrowings or tax).

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Components of the valuation of the Group's Investments at 31 December 2021:

€m Category / name of investment	Gross assets at 31 December 2021 Cost	Valuation	Fair value hierarchy	Valuation technique	Unobservable inputs for Level 3 valuations Input	Range	Weighted average	Sensitivity[4] +25bps	-25bps
Direct real estate investments									
Logistics	339.0	362.0	Level 3	DCF	Discount rate	5.6% - 6.2%	5.9 %	(10.6)	10.9
					Exit cap rate	3.4% - 4.0%	3.7 %	(24.2)	27.8
Data Centre	234.9	238.8	Level 3	Acquisition Price	n/a	n/a	n/a	n/a	n/a
Investments through BPPE(3)	183.6	185.0	Level 3	Reported value	Net asset value	n/a	n/a	n/a	n/a
Total direct real estate investments	**1,419.8**	**1,450.2**							
Real estate debt investments									
Bilateral loans	94.3	94.3	Level 2	DCF					
Total real estate debt investments	**94.3**	**94.3**							
Total Gross Asset Value	**1,514.1**	**1,544.5**							
Net loans and borrowings and derivatives		(735.7)	Level 2	DCF					
Other net working capital		(39.0)	Cost						
Total Investments in real estate per Schedule of Investments		**769.8**							
Line of Credit		(272.8)	Cost						
Other net working capital		28.9	Cost						
Valuation of BEPIF's Investments		**525.9**							
Less value attributable to Blackstone Bepimmo		(68.3)							
Valuation of Group's Investments		**457.6**							

1. Gross asset cost basis and valuation figures for investments are for BEPIF. As at 31 December 2021 BEPIF Feeder SICAV had a 85% look-through interest in these investments.

2. Gross Asset Value is measured as the fair value of (i) real estate investments at BEPIF's share, plus (ii) real estate debt investments. "Real estate investments" is comprised of BEPIF's majority-controlled property investments, BEPIF's look-through share of property investments held by BPPE and BEPIF's equity in minority investments.

3. Investments through BPPE represent BEPIF's pro rata share of the Gross Asset Value of real estate investments of BPPE. The cost of the units acquired in BPPE is €100.0m with a fair value of € 101.7m.

4. Sensitivity figures are the change in value of investment property caused by each input in isolation. They do not consider: (i) the effect a change in one input may have on other inputs; or (ii),secondary impacts on other components of Net Asset Value (such as the fair value of borrowings or tax).

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5. Cash and cash equivalents

€m	As at 31 December 2022	As at 31 December 2021
BEPIF Feeder SICAV		
Cash at bank	2.1	0.5
Restricted cash	9.3	52.9
	11.4	53.4
BEPIF Master FCP		
Cash at bank	0.6	0.1
	0.6	0.1
Total cash and cash equivalents	**12.0**	**53.5**

Restricted cash

Cash for subscriptions is received in advance of the subscription date on the first of each month. Such cash is held in a separate bank account managed by the Depositary (as defined in note 12) and is not available for use until the subscription date.

6. Trade and other payables

€m	As at 31 December 2022	As at 31 December 2021
BEPIF Feeder SICAV		
Servicing fee payable	1.6	0.5
Accruals	1.0	0.2
	2.6	0.7
BEPIF Master FCP		
AIFM Fee payable	0.2	–
Accruals	1.7	0.2
	1.9	0.2
Total trade and other payables	**4.5**	**0.9**

7. Subscriptions received in advance

€m	As at 31 December 2022	As at 31 December 2021
Balance at the start of the period	**52.9**	**–**
Proceeds for issue of shares	765.1	487.3
Issue of shares	(808.7)	(434.4)
Balance at the end of the period	**9.3**	**52.9**

Subscriptions received in advance remain as unsecured creditors, in respect of amounts paid, until the issuance of the shares has been completed. At 31 December 2022 and 2021, all of the subscriptions received in advance related to BEPIF Feeder SICAV.

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8. Amounts attributable to minority investors in BEPIF Master FCP

Amounts attributable to minority investors in BEPIF Master FCP represent the share of the Group's assets and liabilities (under IFRS) due to holders of Class I_A and Class I_D units in BEPIF Master FCP. Such units are subject to analogous terms as the shares in BEPIF Feeder SICAV (described in note 11).

The following table reconciles the amounts attributable to minority investors in BEPIF Master FCP for the years ended 31 December 2022 and 2021.

€m	Notes	As at 31 December 2022	As at 31 December 2021
Balance at the start of the period		**9.4**	**–**
Cash flows			
Proceeds for issue of units		–	9.3
Non-cash items			
Settlement of Management Fee in units	13a	9.6	–
Settlement of Performance Participation Allocation in units	13a	9.1	–
Share of (loss)/profit of BEPIF Master FCP[1]		(1.0)	0.1
Balance at the end of the period		**27.1**	**9.4**

1. Comprises a loss of €0.8m (2021: gain of €0.3m) under the Valuation Policy and a loss of €0.2m (2021: €0.2m) for accrued organisation and offering expenses under IFRS (see note 2a).

9. Other income

Following exchange of contracts in relation to the acquisition of the Adare Office Asset by BEPIF and another Blackstone Inc. managed investment fund (the "Adare Co-investor"), the Adare Co-investor entered an interest rate swap to hedge interest rate risk ahead of completion of the acquisition and associated financing. In connection thereof, BEPIF agreed with the Adare Co-investor to guarantee a portion of the potential losses under this interest rate swap pro rata to its shareholding in the Adare Office Asset; in exchange for such guarantee, the Adare Co-investor agreed to share any potential gains with BEPIF, in proportion to BEPIF's shareholding into the Adare Office Asset. Following completion of the investment, the Adare Co-investor crystallised a portion of the swap corresponding to BEPIF's shareholding into the Adare Office Asset, with the Group's share of the resultant gain of €3.9m recognised in other income in the Consolidated Statement of Comprehensive Income. The Group contributed the gain to BEPIF Aggregator without issuance of units (see note 4a).

10. Expenses

€m	Notes	Year to 31 December 2022	11 June 2021 to 31 December 2021
Management Fee	13a	10.9	–
Administration fees	13a	1.3	0.1
Aborted transaction costs	13a	0.7	–
Valuation fees		0.5	–
Depositary fees		0.4	–
AIFM Fee	13a	0.3	–
Other expenses		1.1	0.4
Expenses (excluding servicing fees)		**15.2**	**0.5**
Servicing fee for Class A shareholders		5.7	0.5
Total expenses		**20.9**	**1.0**

Fees payable to the auditor

BEPIF Feeder SICAV's auditor is Deloitte Audit S.à. r.l ("Deloitte"). Deloitte's fee for the audit of these financial statements (including the separate financial statements which form part of the 2022 Annual Report) is €31.5k. In addition, Deloitte is the auditor of BEPIF Master FCP, BEPIF Aggregator and certain of its subsidiaries for which Deloitte's fees (including fees for other Deloitte member firms) totals €572.6k. Deloitte provides tax compliance services to the Group . Fees for the year were €16.5k (2021: €nil).

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Servicing fee

Holders of Class A shares in BEPIF Feeder SICAV are subject to a servicing fee of 0.75% per annum (calculated monthly) on the Net Asset Value, prior to accrual of the servicing fee, distributions and redemptions, of such shares. Class I shares do not incur a servicing fee.

11. Amounts due to Shareholders

Terms of the share classes set out below are intended to be an aide-mémoire and for compliance with the requirements of IFRS. Shareholders should refer to the Prospectus for the full terms applicable to their shares.

Classes of Shares

BEPIF Feeder SICAV has issued shares in four classes: Class I_A, I_D, A_A and A_D. Except as otherwise described below, the terms are identical for each class of shares.

Class A_A and Class I_A shares are "Accumulation Sub-Class" shares and Class A_D and Class I_D shares are "Distribution Sub-Class" shares. Shareholders that subscribe into Distribution Sub-Classes will receive, in cash, any distributions that BEPIF Feeder SICAV pays in respect of such classes. No distributions are paid on the Accumulation Sub-Classes and the value of distributions that would have otherwise been paid is reflected in the value of those shares.

Class A_A and Class A_D shareholders are charged a servicing fee (see note 10) of 0.75% per annum payable to their financial intermediary. No servicing fee is payable on Class I_A or Class I_D shares.

Subscriptions

Subscriptions to purchase shares may be made on an ongoing basis and are effective as of the first calendar day of each month (a "Subscription Date"). The full purchase price of the shares being subscribed for must be received at least four business days prior to the Subscription Date. The offering price will equal the Net Asset Value per share of the applicable share class determined as of the last calendar day of the previous month. The Investment Manager may accept, delay acceptance, or reject subscriptions in its sole discretion, including choosing to reject or delay acceptance of all subscriptions for a given month.

Redemptions

Shareholders may request to have some or all of their shares redeemed (a "Redemption Request") as of the closing of the last calendar day of each month (each a "Redemption Date") by submitting a notice on or before the first business day of such month. Amounts distributed in connection with a redemption will be based upon the Net Asset Value per share of the applicable share class as of the last calendar day of the applicable month, except for shares that have been held for a period of less than 12 months in which case a deduction equal to 5% of the value of the Net Asset Value of the shares being redeemed will apply (the "Early Redemption Deduction"). Any Early Redemption Deduction will inure to the benefit of BEPIF Aggregator and hence indirectly to investors in all Funds. During 2022, shareholders of BEPIF Feeder SICAV incurred Early Redemption Deductions totalling €1.1m (2021: €nil).

The aggregate Net Asset Value of total redemptions across the Funds is generally limited to 2% of aggregate Net Asset Value per month of BEPIF and 5% of such aggregate Net Asset Value per calendar quarter. In exceptional circumstances and not on a systematic basis, BEPIF Feeder SICAV may make exceptions to, modify or suspend, in whole or in part, the redemption programme if, in the Investment Manager's reasonable judgment, it deems such action to be in the Funds' best interest and the best interest of the Funds' investors, such as when redemptions would place an undue burden on liquidity, adversely affect operations, risk having an adverse impact on BEPIF that would outweigh the benefit of redemptions of shares or as a result of legal or regulatory changes.

A Redemption Request that has been agreed to be paid, and hence excluded from Net Asset Value, is referred to as a satisfied redemption. Redemptions Requests which are not satisfied are described as outstanding redemptions.

In the event that Redemption Requests for a given month exceed the limitations above, the Redemptions Requests will be satisfied on a pro rata basis (measured on an aggregate basis (without duplication) across BEPIF if applicable). All outstanding redemptions will be automatically resubmitted for the next available Redemption Date, unless such a Redemption Request is withdrawn or revoked by a shareholder before such Redemption Date.

The redemption limitations described above applied to Redemption Requests for November and December 2022. At 31 December 2022, there were satisfied redemptions which remain to be paid of €7.5m (subsequently paid on 17 January 2023) (2021: €nil), and outstanding Redemption Requests of €80.1m (2021: €nil). From 1 January 2023 to 30 June 2023, BEPIF Feeder SICAV will have satisfied Redemption Requests of €127.0m. Adjusting for Redemption Requests expected to be satisfied in June, there will be approximately €304.3m of cumulative unsatisfied Redemption Requests (based on the 31 May 2023 Net Asset Value).

It is expected that settlement of satisfied redemptions will generally be made within 60 calendar days of the Redemption Date. No distributions are payable on shares once a Redemption Request has been satisfied.

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Allocation of profits

Shareholders are allocated profits each month based on the relative Net Asset Value of each share class on the first of the month (after subscriptions for that month). Servicing Fees are allocated solely to the share class to which the fee relates.

Distributions

BEPIF Feeder SICAV intends to declare and pay monthly distributions to holders of Distribution Sub-Classes. Any distributions made are at the discretion of the Investment Manager, considering factors such as earnings, cash flow, capital needs, taxes, general financial condition and the requirements of applicable law. The per share amount of distributions on Class A and Class I shares will generally differ because of servicing fees.

BEPIF Feeder SICAV has declared and/or paid the following distributions per share in 2022 (no distributions were paid or declared in 2021):

€ per share	Class I_D	Class A_D
Declared and paid in the year		
January 2022	0.0300	0.0233
February 2022	0.0301	0.0233
March 2022	0.0302	0.0233
April 2022	0.0303	0.0233
May 2022	0.0303	0.0233
June 2022	0.0303	0.0233
July 2022	0.0304	0.0233
August 2022	0.0304	0.0233
September 2022	0.0304	0.0233
October 2022	0.0304	0.0233
November 2022	0.0304	0.0233
Total distributions paid in the year	**0.3332**	**0.2563**
Declared in the year but not paid		
December 2022	0.0300	0.0233
Total distributions declared for the year	**0.3632**	**0.2796**

Distributions declared post year end and prior to issuance of these financial statements totalled €0.1790 per share and €0.1398 per share for Class I_D and A_D, respectively. This related to distributions for January to June 2023.

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Reconciliation of amounts attributable to shareholders

Class I_A	NAV €m	Number of shares thousands	NAV per share €
Net Asset Value at 11 June 2021	**–**	**–**	**10.0000**
Issue of shares	77.0	7,548	–
Result attributable to shareholders before share class specific expenses	2.3	–	0.5107
Impact of share of organisational and offering expenses	1.3	–	0.1758
Net Asset Value at 31 December 2021	**80.6**	**7,548**	**10.6865**
Issue of shares	111.6	9,916	–
Redemption of shares	(19.6)	(1,730)	–
Net conversions between share classes	2.4	215	–
Result attributable to shareholders before share class specific expenses	(2.6)	–	0.2172
Impact of share of organisational and offering expenses	0.8	–	(0.0411)
Net Asset Value at 31 December 2022	**173.2**	**15,949**	**10.8626**

Class I_D	NAV €m	Number of shares thousands	NAV per share €
Net Asset Value at 11 June 2021	**–**	**–**	**10.0000**
Issue of shares	64.0	6,284	–
Result attributable to shareholders before share class specific expenses	2.0	–	0.5107
Distributions	–	–	–
Impact of share of organisational and offering expenses	1.1	–	0.1758
Net Asset Value at 31 December 2021	**67.1**	**6,284**	**10.6865**
Issue of shares	108.6	9,820	–
Redemption of shares	(14.3)	(1,276)	–
Net conversions between share classes	–	(3)	–
Result attributable to shareholders before share class specific expenses	(1.8)	–	0.2404
Distributions	(4.5)	–	(0.3632)
Impact of share of organisational and offering expenses	0.8	–	(0.0514)
Net Asset Value at 31 December 2022	**155.9**	**14,825**	**10.5123**

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Class A_A	NAV €m	Number of shares thousands	NAV per share €
Net Asset Value at 11 June 2021	**–**	**–**	**10.0000**
Issue of shares	110.6	10,835	–
Result attributable to shareholders before share class specific expenses	3.3	–	0.5107
Servicing fees	(0.2)	–	(0.0198)
Impact of share of organisational and offering expenses	1.9	–	0.1756
Net Asset Value at 31 December 2021	**115.6**	**10,835**	**10.6665**
Issue of shares	231.1	20,984	–
Redemption of shares	(12.3)	(1,074)	–
Net conversions between share classes	(10.0)	(903)	–
Result attributable to shareholders before share class specific expenses	(3.1)	–	0.2249
Servicing fees	(2.1)	–	(0.0831)
Impact of share of organisational and offering expenses	2.0	–	(0.0469)
Net Asset Value at 31 December 2022	**321.2**	**29,842**	**10.7614**

Class A_D	NAV €m	Number of shares thousands	NAV per share €
Net Asset Value at 11 June 2021	**–**	**–**	**10.0000**
Issue of shares	182.8	17,952	–
Result attributable to shareholders before share class specific expenses	5.9	–	0.5107
Servicing fees	(0.3)	–	(0.0198)
Distributions	–	–	–
Impact of share of organisational and offering expenses	3.2	–	0.1756
Net Asset Value at 31 December 2021	**191.6**	**17,952**	**10.6665**
Issue of shares	357.4	32,708	–
Redemption of shares	(41.8)	(3,719)	–
Net conversions between share classes	7.6	705	–
Result attributable to shareholders before share class specific expenses	(2.4)	–	0.2324
Servicing fees	(3.6)	–	(0.0840)
Distributions	(12.0)	–	(0.2796)
Impact of share of organisational and offering expenses	3.1	–	(0.0427)
Net Asset Value at 31 December 2022	**499.9**	**47,646**	**10.4926**

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Capital Management

BEPIF Feeder SICAV's investment objective is to generate attractive risk-adjusted returns on a diversified direct and indirect portfolio of real estate and real estate-related investments over the medium to long-term. The Board, with the assistance of the Investment Manager, monitors BEPIF Feeder SICAV's capital so as to promote the long-term success of the business and achievement of its investment objectives. Proceeds from the issue of shares (which are classified as liabilities in the Consolidated Statement of Financial Position), external borrowings and retained profits are considered as capital. Under Luxembourg law BEPIF Feeder SICAV is required to maintain a minimum capital balance of €1.25m. There are no other externally imposed capital requirements.

Leverage

BEPIF may utilise leverage, incur indebtedness and provide other credit support for any purpose, including to fund all or a portion of the capital necessary for an Investment. Indebtedness will not be incurred, directly or indirectly, that would cause the Leverage Ratio (as defined in the Prospectus) to be in excess of 55% (the "Leverage Limit"); provided that no remedial action will be required if the Leverage Limit is exceeded for any reason other than an incurrence of an increase in indebtedness (including the exercise of rights attached to an Investment). BEPIF's proportionate interest in the leverage of BPPE will be included in the calculation of the Leverage Ratio. The Leverage Limit may be exceeded on a temporary basis to satisfy short-term liquidity needs, refinance existing borrowings or for other obligations. At 31 December 2022 the Leverage Ratio was 39.2% (2021: 54.2%).

12. Financial risk management

a) Risk management oversight

The AIFM

The AIFM is responsible for the risk management function of BEPIF Feeder SICAV. The AIFM is authorised as an alternative investment fund manager and supervised by the Luxembourg supervisory authority, the Commission de Surveillance du Secteur Financier (the "CSSF").

The AIFM has established and maintains a dedicated risk management function that implements effective risk management policies and procedures in order to identify, measure, manage and monitor on an ongoing basis all risks relevant to BEPIF Feeder SICAV's investment objectives including in particular market, credit, liquidity, counterparty, operational and all other relevant risks.

The risk management staff within the AIFM supervise the compliance of these policies and procedures in accordance with the requirements of applicable circulars or regulation issued by the CSSF or any European authority authorised to issue related regulation or technical standards which are applicable to BEPIF Feeder SICAV.

The AIFM is also the alternative investment fund manager of BEPIF Master FCP and undertakes analogous responsibilities and procedures to those described for BEPIF Feeder SICAV.

The Depositary

BEPIF Feeder SICAV and BEPIF Master FCP have appointed RBC Investor Services Bank S.A. ("the Depositary") as depositary bank and paying agent.

The duties of the Depositary include: the safekeeping of financial instruments that can be held in custody and record keeping and verification of ownership of the other assets; oversight duties, and cash flow monitoring in accordance with applicable Luxembourg law.

b) Financial instruments

This note presents information about the Group's exposure to risks from its financial instruments other than amounts attributable to its shareholders or amounts attributable to minority investors in BEPIF Master FCP, which are described in note 11 and 8, respectively.

Approximately all of the Group's directly held financial instruments are the interests in BEPIF Aggregator. The rights attaching to this investment are governed by the LPA. The LPA's terms are aligned with the investment objectives and liquidity requirements of the Group. In particular, any redemption satisfied by the Group is automatically considered satisfied by BEPIF Aggregator.

The Directors consider that the objectives of IFRS 7 *Financial Instruments: Disclosures* are met by providing disclosures looking-through to the investments held via BEPIF Aggregator as well as for the Group's own financial instruments. Look-through figures are reported based on the IFRS consolidated results of BEPIF Aggregator (of which BEPIF Feeder SICAV has an 88% economic interest at 31 December 2022 (2021: 85%)).

i) Market risk

Market risk is the risk the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risks arise from: market price for investments; foreign currencies; and interest bearing assets and liabilities.

Notes to the Consolidated Financial Statements

Market price for investments

Price risk exposure arises on investments, which comprise both financial instruments (investments in BPPE, other equity investments, associates and debt investments) and non-financial instruments in the case of investment property. The methods used to determine fair value are described in note 4c.

Foreign exchange risk

Foreign exchange risk arises on non-euro denominated financial instruments. At 31 December 2022, the Group had no non-euro assets or liabilities (2021: none). BEPIF's investments are held in several jurisdictions where the euro is not the local currency. Exposure to foreign currency risk at the end of the reporting period, expressed in euro, is shown in the table below. Included in this analysis is the indirect exposure to foreign exchange risk which arises from the non-euro investments held by BPPE and Mileway (the direct investment into BPPE and Mileway being in euro).

At 31 December 2022	GBP €m	Other[1] €m	Total €m
Foreign currency items			
Investment property	519.8	10.4	530.2
Investment in other equity instruments	360.8	64.1	424.9
Investments through BPPE	40.9	10.2	51.1
Investments in debt instruments at FVOCI	7.2	–	7.2
Derivative financial assets/(liabilities)	49.5	–	49.5
Cash and cash equivalents	9.4	4.7	14.1
Other net current assets/(liabilities)	(4.9)	(15.9)	(20.8)
Loans and borrowings (current and non current)	(340.8)	–	(340.8)
Lease liability	–	(10.4)	(10.4)
Attributable to NCI	(4.0)	(0.3)	(4.3)
Attributable to BEPIF	**637.9**	**62.8**	**700.7**
Attributable to BEPIF Feeder SICAV	**560.2**	**55.1**	**615.3**

1. Other includes amounts denominated in United States Dollars (USD), Polish Zloty (PLN), Czech Koruna (CZK), Swedish Krona (SEK), Danish Krone (DKK), Norwegian Krone (NOK) and Swiss Franc (CHF). The net contribution of each of these currencies to amounts attributable to BEPIF of €62.8m is: USD: €(14.4)m, PLN: €3.1m, CZK: €nil, SEK: €52.5m, DKK: €21.3m, NOK: €0.3m and CHF: €0.2m.

At 31 December 2021	GBP €m	Other[1] €m	Total €m
Foreign currency items			
Investment property	365.8	10.4	376.2
Investment in other equity instruments	181.2	–	181.2
Investments through BPPE	27.6	7.9	35.5
Cash and cash equivalents	4.6	–	4.6
Other net current assets/(liabilities)	(6.1)	(9.7)	(15.8)
Loans and borrowings (current and non current)	(392.9)	–	(392.9)
Lease liability	–	(10.4)	(10.4)
Disposal group net assets and liabilities	–	1.2	1.2
Attributable to NCI	(5.5)	(0.1)	(5.6)
Attributable to BEPIF	**174.7**	**(0.7)**	**174.0**
Attributable to BEPIF Feeder SICAV	**148.9**	**(0.6)**	**148.3**

1. Other includes amounts denominated in United States Dollars (USD), Polish Zloty (PLN) Czech Koruna (CZK), Swedish Krona (SEK), Danish Krone (DKK), Norwegian Krone (NOK) and Swiss Franc (CHF). The net contribution of each of these currencies to amounts attributable to BEPIF of €(0.7)m is: USD €(9.7)m, PLN: €1.2m, CZK: €nil, SEK: €4.9m, DKK: €2.5m, NOK: €0.3m, and CHF: €0.1m.

Notes to the Consolidated Financial Statements

Assuming all other variables are held constant, a 5% strengthening/weakening of the euro against other currencies would decrease/increase the result for the year and amounts attributable to shareholders by €30.8m (2021: €4.1m). The sensitivity is higher in 2022 than in 2021 because of the increased number of non-euro denominated investments.

Foreign currency risk is managed by aligning the currency of loans and borrowings to the currency of non-euro investments. The Investment Manager frequently monitors its remaining exposure to foreign currencies and may use derivatives to reduce this exposure accordingly but has no requirement to do so. At 31 December 2021, a 3-month rolling forward contract for GBP 64m was held to reduce foreign currency exposure on GBP-denominated investments. This was renewed until October 2022. At 31 December 2022 no foreign currency derivatives were held.

Interest rate risk

The Group has no material interest rate exposure. However, BEPIF has interest rate risk exposure through its investments which are primarily funded with floating-rate borrowings. Fluctuations in market interest rates will impact the cash flows on such borrowings (and any floating-rate debt investments). To the extent BEPIF has fixed-rate borrowings, or has fixed rates using derivatives, then changes in interest rates will then impact the fair value of such instruments.

BEPIF has no prescribed policies on hedging interest rate risk. At 31 December 2021 no derivatives to hedge interest rate risk were held. Commencing in February 2022, BEPIF began a hedging programme and entered into a number of euro and GBP interest rate derivatives. The following table shows the interest rate derivatives held directly by BEPIF at 31 December 2022:

Currency	Notional amount LCY in millions	Interest rate	Maturity date	Valuation €m
Interest rate swaps				
GBP	118.8	0.98 %	Nov 2027	18.4
GBP	187.2	0.98 %	May 2028	31.1
EUR	200.0	2.56 %	Nov 2029	6.1
EUR	100.0	1.36 %	May 2027	7.2
EUR	100.0	2.07 %	Jun 2027	4.3
EUR	125.0	2.60 %	Nov 2029	3.5
Total				**70.6**

Notes to the Consolidated Financial Statements

Exposure to interest rate risk at the end of the reporting period, before and after the impact of hedging activities, is shown in the table below. This analysis includes the indirect exposure to interest rate risk which arises from the floating rate borrowings and hedging in unconsolidated investments (being investments in BPPE, other equity investments and associates).

At 31 December 2022 €m	Fixed[3]	Capped[4]	Matched[5]	Floating	Total
Loans and borrowings					
Consolidated borrowings[1]					
EUR denominated	–	–	–	875.2	875.2
GBP denominated	–	–	–	339.8	339.8
Attributable to NCI	–	–	–	(46.6)	(46.6)
	–	–	–	1,168.4	1,168.4
Unconsolidated loans and borrowings[2]					
EUR denominated	127.6	–	–	316.9	444.5
GBP denominated	98.1	–	–	320.6	418.7
Other currency denominated	–	–	–	80.9	80.9
	225.7	–	–	718.4	944.1
	225.7	**–**	**–**	**1,886.8**	**2,112.5**
Impact of hedging					
EUR Swaps	696.9			(696.9)	
GBP Swaps	406.4			(406.4)	
EUR Caps		178.4		(178.4)	
GBP Caps		201.4		(201.4)	
Other currency caps		64.0		(64.0)	
EUR Matched			49.2	(49.2)	
GBP Matched			2.6	(2.6)	
	1,103.3	443.8	51.8	(1,598.9)	
BEPIF's net exposure to interest rates	**1,329.0**	**443.8**	**51.8**	**287.9**	**2,112.5**
BEPIF Feeder SICAV's net exposure to interest rates	**1,167.3**	**389.8**	**45.5**	**252.8**	**1,855.4**
Proportion of debt per interest rate category (%)	*63 %*	*21 %*	*2 %*	*14 %*	

1. Consolidated loans and borrowings refers to borrowings held by entities which BEPIF Aggregator controls. Where borrowings are held by entities which are not wholly owned by BEPIF Aggregator, the figures are adjusted to remove amounts attributable to non-controlling interests ("NCI").

2. Unconsolidated loans and borrowings is BEPIF's share of borrowings held by investments which the Group does not control. This includes investments in associates, other equity investments, and investments held through BPPE.

3. Fixed borrowings refers to the par value of borrowings with a fixed rate of interest and, after hedging, the notional amount on swaps held by BEPIF. The weighted average term to maturity for swaps is 5.6 years (2021: zero years).

4. Capped borrowings corresponds to the notional amount of interest rate caps. The weighted average cap rate is 2.0% (2021: 1.5%) and the weighted average term to expiry is 0.6 years (2021: 1.9 years).

5. Matched borrowings refers to floating rate borrowings that are used to finance floating rate debt investments linked to the same interest-rate benchmark.

Notes to the Consolidated Financial Statements

At 31 December 2021 €m	Fixed[3]	Capped[4]	Matched[5]	Floating	Total
Loans and borrowings					
Consolidated borrowings[1]					
EUR denominated	–	–	–	575.1	575.1
GBP denominated	–	–	–	391.9	391.9
Attributable to NCI	–	–	–	(42.5)	(42.5)
	–	–	–	924.5	924.5
Unconsolidated loans and borrowings[2]					
EUR denominated	75.5	–	–	3.4	78.9
GBP denominated	95.2	–	–	94.3	189.5
Other currency denominated	–	–	–	–	–
	170.7	–	–	97.7	268.4
	170.7	**–**	**–**	**1,022.2**	**1,192.9**
Impact of hedging:					
EUR Caps		0.9		(0.9)	
GBP Caps		78.2		(78.2)	
EUR Matched			54.6	(54.6)	
	–	79.1	54.6	(133.7)	
BEPIF's net exposure to interest rates	**170.7**	**79.1**	**54.6**	**888.5**	**1,192.9**
BEPIF Feeder SICAV's net exposure to interest rates	**145.5**	**67.4**	**46.5**	**757.0**	**1,016.4**
Proportion of debt per interest rate category (%)	*14 %*	*7 %*	*5 %*	*74 %*	

Assuming all other variables are held constant, a 50 basis points increase in interest rates (in all jurisdictions) would increase the valuation of investments at 31 December 2022 by €31.7m (2021: €4.5m). This sensitivity figure is BEPIF's share, including the look-through share of borrowings in unconsolidated investments (the share of this figure attributable to BEPIF Feeder SICAV's shareholders is 88% (2021: 85%)). An analogous 50 basis points reduction in interest rates would reduce the value of investments €25.9m (2021: €3.7m) The sensitivity is higher in 2022 than in 2021 because of the increased number of investments and associated borrowings.

Notes to the Consolidated Financial Statements

ii) Credit risk

Credit risk is the risk that a counterparty will fail to meet its contractual obligations. The Group has no material exposure to credit risk. Credit risk in investments principally arises from rents due from tenants of investment properties (held directly or via equity investments or associates), amounts due from counterparties to debt investments, cash and cash equivalents, and derivatives.

Trade and other receivables

Exposure to credit risk is a key factor assessed before making any property or debt investment. The credit worthiness of tenants and borrowers is also assessed prior to any new or amended contract being entered into. This process includes seeking external ratings and reviewing financial information where these are available. Collection of amounts due is subject to at least a monthly review.

The following table presents the ageing of trade and other receivables in majority-owned investments at 31 December 2022 and 2021:

At 31 December 2022 €m	Gross receivable	Loss allowance	Net receivable
Ageing analysis			
Not past due	11.8	–	11.8
1 - 30 days overdue	5.5	–	5.5
31 – 90 days overdue	0.3	–	0.3
Over 90 days overdue	0.1	–	0.1
Total1	**17.7**	**–**	17.7

At 31 December 2021 €m	Gross receivable	Loss allowance	Net receivable
Ageing analysis			
Not past due	13.3	–	13.3
Total[1]	**13.3**	**–**	**13.3**

1. Excluded from this analysis are prepayments of €1.3m (2021: €1.7m) and cash held by service providers of €7.8m (2021: €nil).

Collateral may be required from tenants in the form of a rent deposit, parent company guarantee or a bank guarantee. At 31 December 2022 €4.9m of such deposits were held (2021: €2.5m) which relate to €2.7m of trade receivables at the year end (2021: €0.2m). Therefore, the maximum exposure to credit risk from its trade and other receivables is €15.0m (2021: €13.1m). Ongoing exposure to credit risk on trade and other receivables is considered low. Based on analysis of the composition of the trade and other receivables, there is no provision for expected credit losses as at period end and no loss for irrecoverable debt during the period.

Debt investments

The bilateral loan does not have a credit rating. The borrower has made all scheduled interest payments during 2022. At 31 December 2022 interest of €0.7m had accrued on the bilateral loan and was settled post period-end.

The credit rating of listed debt investments ranges from BBB to B.

Cash and cash equivalents

All of the Group's cash accounts are held with the Depositary which has a credit rating of AA- (2021: AA-). BEPIF's majority-owned investments use BNP Paribas as their primary banking counterparty (credit rating of AAA (2021: AAA)). At 31 December 2022, 80% of cash was held with BNP Paribas (2021: 91% split between BNP Paribas and ING). The remaining cash is held across ten banks.

Derivative instruments

BEPIF's directly held derivatives are with one banking counterpart, Merrill Lynch International. At 31 December 2022, the credit rating of this institution is AA (2021: AA).

Notes to the Consolidated Financial Statements

iii) Liquidity risk

Monitoring activities

Liquidity is monitored by the Investment Manager at least weekly considering committed and forecast investments, contractual cash payments and receipts, available cash and cash equivalents, and access to undrawn debt facilities. Sources of funding and the impact on future liquidity are assessed as part of the decision to proceed with any new investment. At the date of issuing these financial statements, there are no material uncertainties regarding the ability of any investment to meet its liabilities as they fall due for the foreseeable future.

Maturity analysis

All of the Group's financial liabilities have maturities of three months or less. The tables below summarise the maturity profile of financial liabilities held by majority-owned investments based on contractual undiscounted payments (including forecasted future interest payments). BEPIF has no obligation to provide additional funding to its minority-owned investments.

At 31 December 2022		Cash flows					
€m	Carrying value	Total	Less than 3 months	From 3 - 12 months	From 1 - 2 years	From 2 - 5 years	Later than 5 years
Loans and borrowings							
Acquisition Facility[1]	1,083.8	1,183.0	15.0	30.5	154.3	983.2	–
Mortgage loans	133.2	161.8	3.1	5.1	6.8	146.8	–
Loans from non-controlling interests	6.3	10.6	0.1	0.2	0.3	0.9	9.1
Lease liabilities	10.4	12.7	0.1	0.3	0.4	1.3	10.6
Organisational & offering costs payable	17.6	18.6	1.0	2.9	3.9	10.8	–
Trade and other payables[2]	27.6	27.6	22.7	–	–	–	4.9
Distribution payable	5.7	5.7	5.7	–	–	–	–
Redemption payable	7.5	7.5	7.5	–	–	–	–
Total	**1,292.1**	**1,427.5**	**55.2**	**39.0**	**165.7**	**1,143.0**	**24.6**

At 31 December 2021		Cash flows					
€m	Carrying value	Total	Less than 3 months	From 3- 12 months	From 1 - 2 years	From 2 - 5 years	Later than 5 years
Loans and borrowings							
Acquisition Facility[1]	581.9	599.3	2.2	7.8	589.3	–	–
Acquisition Facility included in disposal group liabilities held for sale	113.2	113.6	0.4	113.2	–	–	–
Line of Credit	273.3	274.2	274.2	–	–	–	–
Loans from non-controlling interests	7.1	7.1	7.1	–	–	–	–
Lease liabilities	10.3	13.0	0.1	0.3	0.4	1.2	11.0
Derivatives	0.5	0.5	0.5	–	–	–	–
Organisational & offering costs payable	9.6	10.5	–	0.5	2.1	6.3	1.6
Trade and other payables[2,3]	65.1	65.0	62.4	–	–	–	2.6
Performance participation allocation payable	3.1	3.1	–	3.1	–	–	–
Total	**1,064.1**	**1,086.3**	**346.9**	**124.9**	**591.8**	**7.5**	**15.2**

1. Cash flows for the Acquisition Facility at 31 December 2022 assume the first 12-month extension options on all utilisations are exercised (2021: no extensions).
2. Balance excludes deferred income and any taxes payable which are not financial liabilities as defined by IFRS.
3. Includes amounts presented within disposal group liabilities held for sale.

Preference Interests are excluded from the tables above as repayment is contingent on subscriptions received by the Funds. As at 31 December 2022 the minimum obligation for repayment of Preference Interests (including accrued dividends) is €12.7m due in April 2023. The repayment terms are described further in note 13c.

Capital commitments

As part of the acquisition of the Coldplay Logistics Portfolio, BEPIF is under contract to acquire an additional asset upon the completion of the development, which is expected to be in 2023, for a maximum of €78.8m.

Notes to the Consolidated Financial Statements

13. Related party transactions

Transactions with related parties in 2022 are described below. Comparative figures are given for recurring related party transactions only. One-off transactions with related parties in the comparative period can be found in the 2021 Annual Report of BEPIF Feeder SICAV.

a) Fees payable to affiliates of Blackstone Inc.

Management Fee

The Investment Manager, and to 31 May 2022 the AIFM, is entitled to a Management Fee of 1.25% per annum of BEPIF Feeder SICAV's and BEPIF Master FCP's (without duplication) net asset value computed, and paid, monthly. The applicable net asset value is prior to deducting accruals for the Management Fee, the servicing fee (note 10), the share of the Performance Participation Allocation in BEPIF Aggregator, any redemptions for the month, and any distributions declared in the month. The Investment Manager may elect to receive the Management Fee in cash, shares of BEPIF Feeder SICAV, units of BEPIF Master FCP or units in BEPIF Aggregator. The Management Fee was waived for first six months following the date on which the Group accepted its first subscriptions (being 1 October 2021 to 31 March 2022).

€m	Notes	Year to 31 December 2022	11 June 2021 to 31 December 2021
Management Fee payable at the start of the period		–	–
Management Fee for the period		10.9	–
Settled in cash		(0.1)	–
Settled in units of BEPIF Master FCP	8	(9.6)	–
Management Fee payable at the end of the period		**1.2**	**–**

AIFM Fee

From 1 June 2022, the AIFM is entitled to payment of a fee (the "AIFM Fee") up to a maximum of 0.10% per annum of the Net Asset Value of BEPIF Feeder SICAV and BEPIF Master FCP (without duplication). The AIFM Fee for the year was €0.3m. Of the total fee, €0.2m was outstanding at the year end.

Performance Participation Allocation

Blackstone European Property Income Fund Associates LP, the "Special Limited Partner" of BEPIF Aggregator, is entitled to a Performance Participation Allocation of BEPIF's performance for each Reference Period. The Performance Participation Allocation charged is equal to 12.5% of Total Return subject to a 5% annual Hurdle Amount and a High Water Mark with 100% Catch-Up.

For the first time, the Performance Participation Allocation was measured for the Initial Reference Period (being the period from the date BEPIF took its first subscriptions on 1 October 2021 to 30 June 2022), was payable on 30 June 2022 and accrued monthly. Since then, it is being measured on a calendar year basis (ending on 31 December), is payable quarterly and accrues monthly (subject to pro-rating for partial periods including the period from 1 July 2022 to 31 December 2022).

The Total Return for any period since the end of the prior Reference Period equals the sum of all distributions accrued or paid on units outstanding at the end of such period over the course of the Reference Period; plus the change in aggregate Net Asset Value of such units since the beginning of the Reference Period; minus applicable expenses of Limited Partners and of their feeders but excluding applicable expenses for Servicing Fees or similar fees.

The Hurdle Amount for any period during a Reference Period means that amount that results in a 5% annualized internal rate of return on the Net Asset Value of units outstanding at the beginning of the then-current Reference Period and all units issued since the beginning of the then-current Reference Period.

The Loss Carryforward Amount shall initially equal zero and shall cumulatively increase by the absolute value of any negative Total Return and decrease by any positive annual Total Return; provided, that the Loss Carryforward Amount shall at no time be less than zero. The effect of the Loss Carryforward Amount is that the recoupment of past annual Total Return losses will offset the positive annual Total Return for purposes of the calculation of the Performance Participation Allocation.

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The Performance Participation Allocation attributable to the Special Limited Partner is an amount equal to:

(i) First, if the Total Return for the applicable period exceeds the sum of (i) the Hurdle Amount for that period and (ii) the Loss Carryforward Amount (any such excess, "Excess Profits"), 100% of such annual Excess Profits until the total amount allocated equals 12.5% of the sum of (a) the Hurdle Amount for that period and (b) any amount allocated pursuant to this clause (this is commonly referred to as a "Catch Up"); and

(ii) Second, to the extent there are remaining Excess Profits, 12.5% of such remaining Excess Profits

In addition to its entitlement to the Performance Participation Allocation for each Reference Period, the Special Limited Partner is also entitled to a Performance Participation Allocation with respect to all redemptions of a Limited Partner's interests. The relevant period of performance is the portion of the Reference Period up to the Redemption Date.

For each Reference Period after the Initial Reference Period, promptly following the end of each calendar quarter that is not also the end of a calendar year, the Special Limited Partner will be entitled to a Performance Participation Allocation as described above calculated in respect of the portion of the year to date, less any Performance Participation Allocation received with respect to prior quarters in that year (the "Quarterly Allocation"). After the Initial Reference Period, the Performance Participation Allocation that the Recipient is entitled to receive at the end of each calendar year will be reduced by the cumulative amount of Quarterly Allocations that year. If a Quarterly Allocation is made and at the end of a subsequent calendar quarter in the same calendar year the Recipient is entitled to a lesser amount than the previously received Quarterly Allocation(s) (a "Quarterly Shortfall"), then subsequent distributions of any Quarterly Allocations or year-end Performance Participation Allocations in that calendar year will be reduced by an amount equal to such Quarterly Shortfall, until such time as no Quarterly Shortfall remains. If all or any portion of a Quarterly Shortfall remains the end of a calendar year following the application described in the previous sentence, distributions of any Quarterly Allocations and year-end Performance Participation Allocations in the subsequent four calendar years will be reduced by (i) the remaining Quarterly Shortfall plus (ii) an annual rate of 5% on the remaining Quarterly Shortfall measured from the first day of the calendar year following the year in which the Quarterly Shortfall arose and compounded quarterly (collectively, the "Quarterly Shortfall Obligation") until such time as no Quarterly Shortfall Obligation remains; provided, that the Recipient (or any of its affiliates) may make a full or partial cash payment to reduce the Quarterly Shortfall Obligation at any time; provided, further, that if any Quarterly Shortfall Obligation remains following such subsequent four calendar years, then the Recipient (or any of its affiliates) will promptly pay BEPIF Aggregator the remaining Quarterly Shortfall Obligation in cash. For the period from 1 July 2022 to 31 December 2022, all the references to "year" in this paragraph shall be construed as references to the prorated period.

Except as described above with respect to a Quarterly Shortfall, the Special Limited Partner will not be obligated to return any portion of the Performance Participation Allocation previously paid due to the subsequent performance of BEPIF.

The Special Limited Partner can elect to have the Performance Participation Allocation settled in cash, units in BEPIF Aggregator or shares/units (as applicable) in the Funds.

A reconciliation of the Performance Participation Allocation for the year/period is shown below:

€m	Notes	Year to 31 December 2022	28 June 2021 to 31 December 2021
Performance Participation Allocation/(Quarterly Shortfall Obligation)			
Amounts payable at start of the year/period		**3.1**	**–**
Allocation of Total Return			
Reference Period to 30 June 2022		9.0	3.1
Quarterly Allocation to 30 September		2.0	–
Quarterly Allocation to 31 December		(2.0)	–
Recognised in profit or loss		9.0	3.1
Total payable for the year/period[1]		**12.1**	**3.1**
Settlement in cash		(5.0)	–
Settlement in units of BEPIF Master FCP	8	(9.1)	–
Amounts (receivable)/payable at end of the year/period		**(2.0)**	**3.1**

1. Of the amount recognised in profit or loss for the year, €8.1m was attributable to the Group (2021: €3.0m).

At 31 December 2022 the Loss Carryforward Amount was €69.1m (2021: €nil).

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Administration fees

The Investment Manager charged fees for accounting and administrative services totalling €1.0m (2021: €0.2m (of which €0.1m was organisational and offering costs)). Of the total fee, €0.1m (2021: €0.1m) was outstanding at the year end.

Revantage Corporate Services, a portfolio company of a Blackstone Inc. managed fund, provides BEPIF Aggregator and its investments with corporate support services. Fees payable for the period were €5.7m (2021: €1.8m) of which €nil (2021: €0.9m) related to organisational and offering expenses. Of the total fee, €2.6m (2021: €1.5m) was outstanding at the year end.

Aborted transaction costs

The Investment Manager recharged BEPIF Master FCP for costs related to aborted transactions for investments of €0.7m (2021: €nil).

Organisational and Offering Expenses

The Investment Manager agreed to advance all of BEPIF's Organizational and Offering Expenses (as defined in the Prospectus), such as legal, regulatory and advisory fees, until 30 September 2022. These costs will be reimbursed in USD to the Investment Manager over 60 months from October 2022. The following table reconciles the change in the liability, after the effects of discounting for the deferred payment terms and foreign exchange, for the year/period ended 31 December 2022 and 2021:

€m	As at 31 December 2022	As at 31 December 2021
Opening balance	9.7	–
Amounts funded	10.2	10.4
Amounts repaid	(0.3)	–
Net impact of discounting and foreign exchange	(2.0)	(0.7)
Closing balance	**17.6**	**9.7**

The liability in the table above is the total amount due to the Investment Manager, the allocation of this liability between the Funds depends on their relative ownership of BEPIF. Therefore the actual impact on BEPIF Feeder SICAV's Net Asset Value will vary based on the relative holding of BEPIF over the repayment period.

Asset Management Fees

Portfolio companies of Blackstone Inc. managed funds provide asset management services to BEPIF's investments. Fees payable for the year were €2.4m (2021: €0.1m). Of the total fee, €0.8m was outstanding at the year end (2021: €0.1m).

General Partner of BEPIF Aggregator

Blackstone European Property Income Fund Associates (Lux) S.à r.l. is the general partner of BEPIF Aggregator (the "General Partner"). The annual amount payable to the General Partner is equal to the higher of (i) $10,000 or (ii) an amount equal to all out-of-pocket costs which are properly incurred by the General Partner in its capacity as managing general partner plus an arm's length margin.

b) Investments with or in other Blackstone managed funds

Investment in BPPE

The general partner of Blackstone Property Partners Europe (Lux) SCSp is member of the Blackstone Inc. group and hence under common control with the Investment Manager. BEPIF is not charged management or performance fees by BPPE. BPPE is the majority owner, and ultimate controlling party, of the Alaska Logistics Portfolio, and has a 12.7% interest in Mileway.

Investment in Mileway

During the year, BEPIF, alongside other Blackstone Inc. managed funds and third party co-investors, acquired Mileway from other investment funds managed by Blackstone Inc. BEPIF's €500m investment represents a 5.1% interest in Mileway. The transaction was supported by Blackstone Inc. via the issue of €500m of Preference Interests to Blackstone Funding Limited (see below). In lieu of cash transfers for the issue of the Preference Interests and payment to the sellers of Mileway, Blackstone Inc., under the direction of BEPIF, paid the sellers directly. Hence no cash flows are included in BEPIF Aggregator's Consolidated Statement of Cash Flows for these transactions.

Investment in Adare Office Asset

As more fully described in note 9, BEPIF entered an agreement with another Blackstone Inc. managed fund (the Adare Co-investor in the Adare Office Asset), to hedge the interest rate risk associated with this investment. This resulted in the recognition of €3.9m of other income for the Group and a contribution to BEPIF Aggregator from the Group for the same amount.

Notes to the Consolidated Financial Statements

Investments alongside other Blackstone managed funds

The following table shows the percentage holding of other Blackstone managed funds in the direct real estate investments of BEPIF (excluding investments held via BPPE).

Investment	Held by other Blackstone managed funds
Adare Office Asset	75.0 %
Alaska Logistics Portfolio	74.9 %
Coldplay Logistics Portfolio	10.1 %
Evergreen Logistics Portfolio	10.1 %
Mileway[1]	94.2 %

1. Excludes Blackstone Inc.'s GP interest.

Bilateral loan investments

The €95m debt investment held at 31 December 2021, which was provided to a portfolio company of other investment funds managed by Blackstone Inc., was repaid in the year. Interest income for the year was €1.4m (2021: €0.7m).

In the current year, a €77.9m debt investment was acquired from a third party with the borrower being a portfolio company of other investment funds managed by Blackstone Inc. An arrangement fee of €0.2m was received at inception of the loan. Interest income of €1.7m was accrued during the year, of which €0.7m was outstanding at year end.

c) Other transactions with affiliates of Blackstone

Line of Credit

The €300m Line of Credit is provided by Blackstone Holdings Finance Co. L.L.C., a subsidiary of Blackstone Inc., to BEPIF Aggregator. Terms of the facility can be found in note 4b.IV.

The following table reconciles transactions on the Line of Credit for the year ended 31 December 2022 and period ended 31 December 2021:

	GBP Loan €m	EUR Loan €m	Total €m
Balance at 28 June 2021	**–**	**–**	**–**
Proceeds from borrowings	164.7	351.7	516.4
Repayments of borrowings	–	(245.7)	(245.7)
Interest accrued	0.3	0.4	0.7
Interest paid	–	(0.2)	(0.2)
Foreign exchange loss	2.1	–	2.1
Balance at 31 December 2021	**167.1**	**106.2**	**273.3**
Proceeds from borrowings	36.8	88.5	125.3
Repayments of borrowings	(202.6)	(194.5)	(397.1)
Interest accrued	0.8	0.2	1.0
Interest paid	(1.1)	(0.4)	(1.5)
Foreign exchange gain	(1.0)	–	(1.0)
Balance at 31 December 2022	**–**	**–**	**–**

Notes to the Consolidated Financial Statements

Preference Interests

In 2022, Blackstone Funding Limited (the "Preferred Limited Partner"), a member of the Blackstone Inc. group, made a capital contribution of €500m to BEPIF Aggregator in exchange for Preference Interests. The Preference Interests pay a fixed dividend of 4% per annum and can be redeemed at the option of BEPIF, other than a minimum redemption of 20% of the amounts raised by the Funds calculated every six months from issuance.

€m	As at 31 December 2022	As at 31 December 2021
Opening balance	**–**	**–**
Issuance of Preference Interests	500.0	–
Dividend accrued	12.8	–
Preference Interests repayment	(75.9)	–
Dividend paid	(8.1)	–
Closing balance	**428.8**	**–**
Comprising:		
Preference Interests	424.1	–
Dividend payable	4.7	–
	428.8	–

d) Directors' fees

Non-affiliated directors of BEPIF Feeder SICAV have been paid €75,000 (2021: €26,000) for services rendered. Directors who are employees of the Blackstone Inc. group did not receive any directorship remuneration.

Non-affiliated directors of the board of the Management Company (as defined in note 1) have been paid €20,000 (2021: €nil) for services rendered to BEPIF Master FCP.

e) Investments in BEPIF held by related parties

The table below shows the Net Asset Value of shares/units in BEPIF held by related parties. All shares/units were acquired at the Net Asset Value on the subscription date.

Net Asset Value of shares/units held	As at 31 December 2022		As at 31 December 2021	
€m	BEPIF Feeder SICAV	BEPIF Master FCP	BEPIF Feeder SICAV	BEPIF Master FCP
Subsidiaries of Blackstone Inc.[1]	–	17.6	–	–
Other key management personnel[2]	1.2	9.7	1.0	9.5

1. Includes the Investment Manager and Special Limited Partner.

2. Includes directors of BEPIF Feeder SICAV and other key management personnel of BEPIF or Blackstone, Inc.

During the year: the Investment Manager subscribed for €9.6m of Class I_A units in BEPIF Master FCP in settlement of Management Fees; and the Special Limited Partner subscribed for €9.1m of Class I_A units in BEPIF Master FCP in settlement of the Performance Participation Allocation.

14. Subsequent events

At the date of approval of these financial statements BEPIF Feeder SICAV had unsatisfied redemptions as described in note 11.

Details of material changes in investments and loans can be found in notes 4b.II and 4b.IV, respectively.

There were no other material events between the year end and the date of approval of these financial statements.

Separate Financial Statements

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To the Board of Directors of
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11-13, boulevard de la Foire
L-1528 Luxembourg

REPORT OF THE *REVISEUR D'ENTREPRISES AGRÉÉ*

Opinion

We have audited the financial statements of Blackstone European Property Income Fund SICAV (the "Fund"), which comprise the statement of financial position, as of 31 December 2022, and the statements of comprehensive income, changes in amounts attributable to shareholders, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as of 31 December 2022, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) as adopted in the European Union.

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 Financial Statements" section of our report. We are also independent of the Fund in accordance with the International Code of Ethics for Professional Accountants, including International Independence, 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 financial statements, and have fulfilled our other ethical responsibilities under those ethical requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

We draw attention to Note 8 of the financial statements, which describes, among other matters, the redemptions events which occurred after the balance sheet date. Our opinion is not modified in respect of this matter.

Other Information

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

Our opinion on the 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 financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the 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 concluded that there is a material misstatement of this other information, we are required to report this fact. We have nothing to report in this regard.

Responsibility of the Board of Directors and Those Charged with Governance for the Financial Statements

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

Société à responsabilité limitée au capital de 360.000 €
RCS Luxembourg B 67.895
Autorisation d'établissement 10022179

Deloitte.

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

Responsibilities of the "*réviseur d'entreprises agréé*" for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a report of the *"réviseur d'entreprises agréé"* that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these 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 skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of Board of Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report of the *"réviseur d'entreprises agréé"* to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our report of the *"réviseur d'entreprises agréé"*. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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.

For Deloitte Audit, *Cabinet de révision agréé*

Christian Van Dartel

Christian van Dartel, *Réviseur d'entreprises agréé*
Partner

30 June 2023

Separate Statement of Financial Position

€m	Notes	As at 31 December 2022	As at 31 December 2021
Assets			
Non-current assets			
Investments at fair value	3	1,135.8	447.6
Current assets			
Cash and cash equivalents	4	11.4	53.4
Distribution receivable		2.2	–
Redemption receivable	3	7.5	–
		21.1	53.4
Total assets		**1,156.9**	**501.0**
Liabilities			
Current liabilities			
Trade and other payables	5	(2.6)	(0.7)
Distribution payable		(1.5)	–
Unpaid redemptions	8	(7.5)	–
Subscriptions received in advance	6	(9.3)	(52.9)
Total liabilities excluding amounts attributable to shareholders		**(20.9)**	**(53.6)**
Amounts attributable to shareholders (IFRS)		**1,136.0**	**447.4**
Adjustment to IFRS to obtain Net Asset Value	2a	14.2	7.5
Net Asset Value attributable to shareholders		**1,150.2**	**454.9**
Net Asset Value attributable to holders of:			
Class I_A shares		173.2	80.6
Class I_D shares		155.9	67.1
Class A_A shares		321.2	115.6
Class A_D shares		499.9	191.6
		1,150.2	454.9

Net Asset Value per share	€	€
Class I_A	10.8626	10.6865
Class I_D	10.5123	10.6865
Class A_A	10.7614	10.6665
Class A_D	10.4926	10.6665

Separate Statement of Comprehensive Income

€m	Notes	Year to 31 December 2022	11 June 2021 to 31 December 2021
Revenue			
Distribution income	3	23.3	–
Expenses (excluding servicing fees)			
Other expenses	8	(0.8)	(0.3)
		(0.8)	**(0.3)**
Operating profit/(loss) before revaluation of investments		**22.5**	**(0.3)**
(Loss)/gain on change in fair value of investments	3	(32.4)	13.8
(Loss)/profit attributable to shareholders before share class specific expenses		**(9.9)**	**13.5**
Finance cost: distributions to shareholders		(16.5)	–
Servicing fee on Class A shares	8	(5.7)	(0.5)
(Loss)/profit attributable to shareholders (IFRS)		**(32.1)**	**13.0**
Adjustment to IFRS to obtain change in Net Asset Value	2a	6.7	7.5
(Depreciation)/appreciation of Net Asset Value		**(25.4)**	**20.5**

Attributable to holders of:		
Class I_A shares	(1.8)	3.6
Class I_D shares	(5.5)	3.1
Class A_A shares	(3.2)	5.1
Class A_D shares	(14.9)	8.7
	(25.4)	20.5

There are no items of other comprehensive income for the current or prior period.

Separate Statement of Changes in Amounts Attributable to Shareholders

31 December 2022	Share class				Total
€m	Class I_A	Class I_D	Class A_A	Class A_D	
Net Asset Value attributable to shareholders at 31 December 2021	**80.6**	**67.1**	**115.6**	**191.6**	**454.9**
Adjustment to Net Asset Value to obtain IFRS	(1.3)	(1.1)	(1.9)	(3.2)	**(7.5)**
Amounts attributable to shareholders at 31 December 2021 (IFRS)	**79.3**	**66.0**	**113.7**	**188.4**	**447.4**
Subscriptions and redemptions by shareholders					
Issue of shares	111.6	108.6	231.1	357.4	**808.7**
Redemption of shares	(19.6)	(14.3)	(12.3)	(41.8)	**(88.0)**
Net conversions between share classes	2.4	–	(10.0)	7.6	**–**
	94.4	94.3	208.8	323.2	**720.7**
Result for financial period					
Loss attributable to shareholders before share class specific expenses	(2.6)	(1.8)	(3.1)	(2.4)	**(9.9)**
Servicing fees	–	–	(2.1)	(3.6)	**(5.7)**
Distributions	–	(4.5)	–	(12.0)	**(16.5)**
	(2.6)	(6.3)	(5.2)	(18.0)	**(32.1)**
Amounts attributable to shareholders at 31 December 2022 (IFRS)	**171.1**	**154.0**	**317.3**	**493.6**	**1,136.0**
Adjustment to IFRS to obtain Net Asset Value	2.1	1.9	3.9	6.3	**14.2**
Net Asset Value attributable to shareholders at 31 December 2022	**173.2**	**155.9**	**321.2**	**499.9**	**1,150.2**

31 December 2021	Share class				Total
€m	Class I_A	Class I_D	Class A_A	Class A_D	
Amounts attributable to shareholders at 11 June 2021 (IFRS)	**–**	**–**	**–**	**–**	**–**
Subscriptions and redemptions by shareholders					
Issue of shares	77.0	64.0	110.6	182.8	**434.4**
	77.0	64.0	110.6	182.8	**434.4**
Result for financial period					
Profit attributable to shareholders before share class specific expenses	2.3	2.0	3.3	5.9	**13.5**
Servicing fees	–	–	(0.2)	(0.3)	**(0.5)**
	2.3	2.0	3.1	5.6	**13.0**
Amounts attributable to shareholders at 31 December 2021 (IFRS)	**79.3**	**66.0**	**113.7**	**188.4**	**447.4**
Adjustment to IFRS to obtain Net Asset Value	1.3	1.1	1.9	3.2	**7.5**
Net Asset Value attributable to shareholders at 31 December 2021	**80.6**	**67.1**	**115.6**	**191.6**	**454.9**

A reconciliation of the number of shares and share price per share class is included in note 8.

Separate Statement of Cash Flows

€m	Year to 31 December 2022	11 June 2021 to 31 December 2021
Cash flows from operating activities		
Distributions received	21.2	–
Expenses paid	(4.8)	–
Cash flows before distributions	**16.4**	**–**
Distributions paid to shareholders	(15.0)	–
Net cash from operating activities	**1.4**	**–**
Cash flows from investing activities		
Contributions paid to investments	(808.5)	(433.9)
Proceeds from redemption of investments	80.4	–
Early Redemption Deduction paid to investments	(1.1)	–
Net cash used in investing activities	**(729.2)**	**(433.9)**
Cash flows from financing activities		
Cash flows with shareholders		
Proceeds for issue of shares	765.1	487.3
Redemptions paid	(79.3)	–
Net cash from financing activities	**685.8**	**487.3**
Net (decrease)/increase in cash and cash equivalents	**(42.0)**	**53.4**
Cash and cash equivalents at the beginning of the period	53.4	–
Cash and cash equivalents at the end of the period	**11.4**	**53.4**

Notes to the Separate Financial Statements

1. General information

Blackstone European Property Income Fund SICAV ("BEPIF Feeder SICAV") is a multi-compartment Luxembourg investment company with variable capital (*société d'investissement à capital variable*) governed by Part II of the Luxembourg law of 17 December 2010 (the "2010 Law"). Any capitalised term not otherwise defined herein shall have the meaning ascribed to it in the version of the prospectus of BEPIF Feeder SICAV applicable at the date of issuance of these financial statements ("the Prospectus").

The registered address of BEPIF Feeder SICAV is 11-13, Boulevard de la Foire, L-1528, Luxembourg.

Principal activities

BEPIF Feeder SICAV is a vehicle for investment into BEPIF. BEPIF is a real estate investment programme operated through several entities and the term "BEPIF" is used throughout these financial statements to refer to the programme as a whole.

BEPIF invests primarily in substantially stabilised, income-generating European real estate and, to a lesser extent, in real estate related debt. BEPIF seeks to bring Blackstone's leading institutional-quality European real estate investment platform primarily to income-focused individual investors. Further details on the investment objectives and strategy can be found in the Management Report.

Corporate structure

Blackstone European Property Income Fund (Master) FCP ("BEPIF Master FCP") is a Luxembourg mutual fund (*fonds commun de placement*) governed by Part II of the 2010 Law. It is the master fund for BEPIF Feeder SICAV. At 31 December 2022, BEPIF Feeder SICAV owned 98% of the units (by value) issued by BEPIF Master FCP. BEPIF Feeder SICAV together with BEPIF Master FCP are referred to as the "Group".

BEPIF Feeder SICAV and BEPIF Master FCP are alternative investment funds under the amended law of 12 July 2013 relating to Alternative Investment Fund Managers (the "2013 Law"). Blackstone Europe Fund Management S.à r.l. (the "AIFM"), an affiliate of Blackstone Inc., has been appointed as alternative investment fund manager of both funds under the 2013 Law in order to perform the investment management (including both portfolio and risk management), oversight, valuation and certain other functions. The registered office of the AIFM is 2-4 rue Eugene Ruppert, L-2453 Luxembourg. The AIFM is also the management company of BEPIF Master FCP (in this capacity "the Management Company"). The AIFM has delegated the portfolio management function to Blackstone Property Advisors, L.P. (the "Investment Manager"). The Investment Manager has discretion to make investments on behalf of BEPIF Feeder SICAV and BEPIF Master FCP.

BEPIF Master FCP makes investments in real estate alongside a Parallel Vehicle, Blackstone European Property Income Fund S.L.P. ("Blackstone Bepimmo"), an investment vehicle also managed by the Investment Manager. Collectively BEPIF Feeder SICAV, BEPIF Master FCP and Blackstone Bepimmo are referred to as the "Funds". BEPIF (Aggregator) SCSp ("BEPIF Aggregator"), a Luxembourg special limited partnership (*société en commandite spéciale*), is the vehicle through which the Funds hold their investments.

2. Accounting policies

These separate financial statements are presented for the period 1 January 2022 to 31 December 2022 and were approved for issue on 30 June 2023.

Comparative financial information is for the period 11 June 2021, the date of incorporation of BEPIF Feeder SICAV, to 31 December 2021.

Shareholders can obtain the financial results of BEPIF Master FCP for the year on request to the AIFM.

a) Basis of accounting

These separate financial statements have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union ("IFRS"). No IFRS standards have been early adopted and there are no new or amended standards that are expected to have a material impact on BEPIF Feeder SICAV.There have been no changes to previously applied accounting policies in the year.

The functional and presentational currency is the euro. These separate financial statements have been prepared on a historical cost basis, except for investments in joint ventures which are measured at fair value.

As further described in note 2c, BEPIF Feeder SICAV has no financial instruments classified as equity. The Separate Statement of Changes in Amounts Attributable to Shareholders is presented in lieu of a statement of changes in equity.

Notes to the Separate Financial Statements

Net Asset Value attributable to shareholders

BEPIF Feeder SICAV's Net Asset Value is determined monthly in accordance with the Valuation Policy (being the policies and procedures set by the AIFM to determine the Net Asset Value) and sets the price at which shares in BEPIF Feeder SICAV are traded. The Valuation Policy is aligned with the recognition and measurement requirements of IFRS except for the recognition of organisational and offering expenses (see note 10a). Such expenses are recognised as a deduction to Net Asset Value only when they are reimbursed to the Investment Manager whereas under IFRS such expenses are recognised when the associated services are provided. The amounts attributable to shareholders (IFRS) in the Separate Statement of Financial Position is therefore lower than the Net Asset Value.

€m	As at 31 December 2022	As at 31 December 2021
Amounts attributable to shareholders (IFRS)	**1,136.0**	**447.4**
Organisational and offering expenses adjustments		
Adjustment at beginning of period		
Share of liability recognised by investments	7.5	–
Change in adjustment for the period		
Increase in share of liability recognised by investments	6.7	7.5
	14.2	7.5
Net Asset Value attributable to shareholders	**1,150.2**	**454.9**

Going concern

These separate financial statements have been prepared on a going concern basis. In the opinion of the Directors there are no material uncertainties in reaching this conclusion. The Investment Manager has prepared liquidity forecasts which show that, for at least the next 12 months, BEPIF Feeder SICAV will have sufficient funds to meet its obligations to third parties as they fall due. At the date of approval of these financial statements BEPIF Feeder SICAV had unsatisfied redemptions as described in note 8. Redemptions are satisfied in accordance with the Prospectus, including the redemption limits also described in note 8.

b) Investment in subsidiary

BEPIF Feeder SICAV's investment in subsidiary is held at fair value through profit and loss in accordance with IFRS 9 *Financial instruments*.

Significant accounting judgement - Classification of BEPIF Master FCP as a subsidiary

BEPIF Feeder SICAV has a greater than 50% share of the units issued by BEPIF Master FCP. The AIFM has rights of control over the management of BEPIF Master FCP, including appointing the Investment Manager. However, the AIFM does not have any significant economic interest in BEPIF Master FCP and therefore the AIFM is considered the agent of BEPIF Feeder SICAV in its relationship with BEPIF Master FCP. Therefore, the Directors conclude BEPIF Feeder SICAV has 'control', as defined under IFRS 10 *Consolidated financial statements*, over BEPIF Master FCP and classifies its investment as a subsidiary. This judgement is unchanged from the prior period.

c) Financial instruments

Financial assets

Other than the investment in subsidiary, all financial assets are measured at amortised cost. Financial assets include cash and cash equivalents, and receivables. Cash and cash equivalents includes cash in hand and cash held by the Depositary (as defined in note 9) from subscriptions received in advance (note 2d).

Financial liabilities

All financial liabilities are measured at amortised cost. Financial liabilities include amounts attributable to shareholders, trade and other payables, and Management Fee payable.

Trade and other payables (including for Management Fees, distributions and redemptions), are initially recognised at fair value less any transaction costs that are directly attributable to the liability and are subsequently carried at amortised cost using the effective interest rate method. Where payment terms are deferred the future cash flows are discounted at a market rate of interest.

Amounts attributable to shareholders are initially recognised at fair value, which is taken to be the proceeds received for the shares issued. Subsequently the carrying amount is adjusted for the allocation of profit or loss attributable to that share class, less any distributions or redemptions.

Notes to the Separate Financial Statements

Liabilities to settle satisfied redemptions of shares are transferred to a separate liability in the Separate Statement of Financial Position at the Redemption Date (see note 8). Redemption Requests which are not satisfied (referred to as 'outstanding redemptions') remain included in amounts attributable to shareholders. Outstanding redemptions are disclosed in note 8. Distributions are recognised as a separate liability when they are declared.

Significant accounting judgement - Classification of shareholders' investment into BEPIF Feeder SICAV as a financial liability

Shareholders have the right to request a redemption of their investment. Payment of redemptions is subject to the redemption limitations as described in the Prospectus (redemption terms are summarised in note 8). These redemption limitations do not extinguish the contractual obligation to satisfy the Redemption Request, and hence deliver cash, to shareholders at a future date. Therefore, shareholders' investments are classified as financial liabilities. The impact of this judgement is that distributions are presented as an expense in the Separate Statement of Comprehensive Income. This judgement is unchanged from the prior period.

d) Subscriptions received in advance

Subscriptions received in advance represent amounts received for subscriptions prior to the trade date when shares are issued. The cash from subscriptions is included in cash and cash equivalents along with an offsetting liability until shares are issued.

e) Revenue

Revenue comprises distributions from investments. Distributions are recognised when the right to receive payment is established.

f) Fees

The Management Fee, Servicing Fee and other administrative fees are recognised in profit or loss when the related services are received.

g) Tax

BEPIF Feeder SICAV is not subject to any income taxes as defined in IAS 12 *Income taxes*. Instead, Luxembourg subscription tax is charged which is computed on net assets rather than profit. The subscription tax charge is therefore included in expenses in profit or loss.

h) Statement of Cash Flows

The direct presentation method for the Separate Statement of Cash Flows has been adopted. Distributions to shareholders are presented as an operating cash flow as these are funded from operational cash flows from investments.

3. Investments at fair value

Investments at fair value represent BEPIF Feeder SICAV's investment in BEPIF Master FCP. At 31 December 2022 BEPIF Feeder SICAV owned 100% of the Class F units issued by BEPIF Master FCP (2021: 100%), representing 98% (2021: 98%) of all units issued (by value).

€m	Year to 31 December 2022	11 June 2021 to 31 December 2021
Opening investment (Valuation Policy)	**455.1**	**–**
Exclude adjustments to obtain Net Asset Value	(7.5)	–
Opening fair value (IFRS)	**447.6**	**–**
Subscriptions	808.5	433.8
Redemptions	(87.9)	–
(Loss)/gain before revaluation of investments	(32.4)	13.8
Closing fair value (IFRS)	**1,135.8**	**447.6**
Adjustment to obtain Net Asset Value	14.2	7.5
Closing investment (Valuation Policy)	**1,150.0**	**455.1**

BEPIF Feeder SICAV has distribution income for the year of €23.3m (2021: €nil). Distributions are declared by BEPIF Master FCP to the extent BEPIF Feeder SICAV requires funding to pay its expenses and distributions to shareholders.

Of the €87.9m redemptions satisfied in the year, €7.5m was outstanding at the year end.

Notes to the Separate Financial Statements

4. Cash and cash equivalents

€m	As at 31 December 2022	As at 31 December 2021
Cash at bank	2.1	0.5
Restricted cash	9.3	52.9
Total cash and cash equivalents	**11.4**	**53.4**

Restricted cash

Cash for subscriptions is received in advance of the subscription date on the first of each month. Such cash is held in a separate bank account managed by the Depositary (as defined in note 9) and is not available for use until the subscription date.

5. Trade and other payables

€m	As at 31 December 2022	As at 31 December 2021
Servicing fee payable	1.6	0.5
Accruals	1.0	0.2
Total trade and other payables	**2.6**	**0.7**

6. Subscriptions received in advance

€m	As at 31 December 2022	As at 31 December 2021
Balance at the start of the period	**52.9**	**–**
Proceeds for issue of shares	765.1	487.3
Issue of shares	(808.7)	(434.4)
Balance at the end of the period	**9.3**	**52.9**

Subscriptions received in advance remain as unsecured creditors, in respect of amounts paid, until the issuance of the shares has been completed.

7. Expenses

€m	Year to 31 December 2022	11 June 2021 to 31 December 2021
Depositary fees	0.1	–
Other expenses	0.7	0.3
Expenses (excluding servicing fees)	**0.8**	**0.3**
Servicing fee for Class A shareholders	5.7	0.5
Total expenses	**6.5**	**0.8**

Management Fee and AIFM Fee

Fees payable to the Investment Manager and the AIFM are charged to BEPIF Master FCP. For details on fees in the period see note 10.

Fees payable to the auditor

BEPIF Feeder SICAV's auditor is Deloitte Audit S.à. r.l ("Deloitte"). Deloitte's fee for the audit of these financial statements is €31.5k (including the consolidated financial statements which form part of the 2022 Annual Report) . In addition, Deloitte is the auditor of BEPIF Master FCP, BEPIF Aggregator and certain of its subsidiaries for which Deloitte's fees (including fees for other Deloitte member firms) totals €572.6k. Deloitte provides tax compliance services to BEPIF Feeder SICAV. Fees for the year were €6.1k (2021: €nil).

Servicing fee

Holders of Class A shares in BEPIF Feeder SICAV are subject to a servicing fee of 0.75% per annum (calculated monthly) on the Net Asset Value, prior to accrual of the servicing fee, distributions and redemptions, of such shares. Class I shares do not incur a servicing fee.

Notes to the Separate Financial Statements

8. Amounts due to Shareholders

Terms of the share classes set out below are intended to be an aide-mémoire and for compliance with the requirements of IFRS. Shareholders should refer to the Prospectus for the full terms applicable to their shares.

Classes of Shares

BEPIF Feeder SICAV has issued shares in four classes: Class I_A, I_D, A_A and A_D. Except as otherwise described below, the terms are identical for each class of shares.

Class I_A and Class A_A shares are "Accumulation Sub-Class" shares and Class I_D and Class A_D shares are "Distribution Sub-Class" shares. Shareholders that subscribe into Distribution Sub-Classes will receive, in cash, any distributions that BEPIF Feeder SICAV pays in respect of such classes. No distributions are paid on the Accumulation Sub-Classes and the value of distributions that would have otherwise been paid is reflected in the value of those shares.

Class A_A and Class A_D shareholders are charged a servicing fee (see note 7) of 0.75% per annum payable to their financial intermediary. No servicing fee is payable on Class I_A or Class I_D shares.

Subscriptions

Subscriptions to purchase shares may be made on an ongoing basis and are effective as of the first calendar day of each month (a "Subscription Date"). The full purchase price of the shares being subscribed for must be received at least four business days prior to the Subscription Date. The offering price will equal the Net Asset Value per share of the applicable share class determined as of the last calendar day of the previous month. The Investment Manager may accept, delay acceptance, or reject subscriptions in its sole discretion, including choosing to reject or delay acceptance of all subscriptions for a given month.

Redemptions

Shareholders may request to have some or all of their shares redeemed (a "Redemption Request") as of the closing of the last calendar day of each month (each a "Redemption Date") by submitting a notice on or before the first business day of such month. Amounts distributed in connection with a redemption will be based upon the Net Asset Value per share of the applicable share class as of the last calendar day of the applicable month, except for shares that have been held for a period of less than 12 months in which case a deduction equal to 5% of the value of the Net Asset Value of the shares being redeemed will apply (the "Early Redemption Deduction"). Any Early Redemption Deduction will inure to the benefit of BEPIF Aggregator and hence indirectly to investors in all Funds. During 2022, shareholders of BEPIF Feeder SICAV incurred Early Redemption Deductions totalling €1.1m (2021: €nil).

The aggregate Net Asset Value of total redemptions across the Funds is generally limited to 2% of aggregate Net Asset Value per month of BEPIF and 5% of such aggregate Net Asset Value per calendar quarter. In exceptional circumstances and not on a systematic basis, BEPIF Feeder SICAV may make exceptions to, modify or suspend, in whole or in part, the redemption programme if, in the Investment Manager's reasonable judgment, it deems such action to be in the Funds' best interest and the best interest of the Funds' investors, such as when redemptions would place an undue burden on liquidity, adversely affect operations, risk having an adverse impact on BEPIF that would outweigh the benefit of redemptions of shares or as a result of legal or regulatory changes.

In the event that Redemption Requests for a given month exceed the limitations above, the Redemptions Requests will be satisfied on a pro rata basis (measured on an aggregate basis (without duplication) across BEPIF if applicable). All outstanding redemptions will be automatically resubmitted for the next available Redemption Date, unless such a Redemption Request is withdrawn or revoked by a shareholder before such Redemption Date.

The redemption limitations described above applied to Redemption Requests for November and December 2022. At 31 December 2022, there were satisfied redemptions which remain to be paid of €7.5m (subsequently paid on 17 January 2023) (2021: €nil), and outstanding Redemption Requests of €80.1m (2021: €nil). From 1 January 2023 to 30 June 2023, BEPIF Feeder SICAV will have satisfied Redemption Requests of €127.0m. Adjusting for Redemption Requests expected to be satisfied in June, there will be approximately €304.3m of cumulative unsatisfied Redemption Requests (based on the 31 May 2023 Net Asset Value).

It is expected that settlement of satisfied redemptions will generally be made within 60 calendar days of the Redemption Date. No distributions are payable on shares once a Redemption Request has been satisfied.

Allocation of profits

Shareholders are allocated profits each month based on the relative Net Asset Value of each share class on the first of the month (after subscriptions for that month). Servicing Fees are allocated solely to the share class to which the fee relates.

Notes to the Separate Financial Statements

Distributions

BEPIF Feeder SICAV intends to declare and pay monthly distributions to holders of Distribution Sub-Classes. Any distributions made are at the discretion of the Investment Manager, considering factors such as earnings, cash flow, capital needs, taxes, general financial condition and the requirements of applicable law. The per share amount of distributions on Class A and Class I shares will generally differ because of servicing fees.

BEPIF Feeder SICAV has declared and/or paid the following distributions per share in 2022 (no distributions were paid or declared in 2021):

€ per share	Class I_D	Class A_D
Paid in relation to prior period declarations		
January 2022	0.0300	0.0233
February 2022	0.0301	0.0233
March 2022	0.0302	0.0233
April 2022	0.0303	0.0233
May 2022	0.0303	0.0233
June 2022	0.0303	0.0233
July 2022	0.0304	0.0233
August 2022	0.0304	0.0233
September 2022	0.0304	0.0233
October 2022	0.0304	0.0233
November 2022	0.0304	0.0233
Total distributions paid in the year	**0.3332**	**0.2563**
Declared in the year but not paid		
December 2022	0.0300	0.0233
Total distributions declared for the year	**0.3632**	**0.2796**

Distributions declared post year end and prior to issuance of these financial statements totalled €0.1790 per share and €0.1398 per share for classes I_D and A_D respectively. This related to performance for January to June 2023.

Notes to the Separate Financial Statements

Reconciliation of amounts attributable to shareholders

Class I_A	NAV €m	Number of shares thousands	NAV per share €
Net Asset Value at 11 June 2021	**–**	**–**	**10.0000**
Issue of shares	77.0	7,548	–
Result attributable to shareholders before share class specific expenses	2.3	–	0.5107
Impact of share of organisational and offering expenses	1.3	–	0.1758
Net Asset Value at 31 December 2021	**80.6**	**7,548**	**10.6865**
Issue of shares	111.6	9,916	–
Redemption of shares	(19.6)	(1,730)	–
Net conversions between share classes	2.4	215	–
Result attributable to shareholders before share class specific expenses	(2.6)	–	0.2172
Impact of share of organisational and offering expenses	0.8	–	(0.0411)
Net Asset Value at 31 December 2022	**173.2**	**15,949**	**10.8626**

Class I_D	NAV €m	Number of shares thousands	NAV per share €
Net Asset Value at 11 June 2021	**–**	**–**	**10.0000**
Issue of shares	64.0	6,284	–
Result attributable to shareholders before share class specific expenses	2.0	–	0.5107
Distributions	–	–	–
Impact of share of organisational and offering expenses	1.1	–	0.1758
Net Asset Value at 31 December 2021	**67.1**	**6,284**	**10.6865**
Issue of shares	108.6	9,820	–
Redemption of shares	(14.3)	(1,276)	–
Net conversions between share classes	–	(3)	–
Result attributable to shareholders before share class specific expenses	(1.8)	–	0.2404
Distributions	(4.5)	–	(0.3632)
Impact of share of organisational and offering expenses	0.8	–	(0.0514)
Net Asset Value at 31 December 2022	**155.9**	**14,825**	**10.5123**

Notes to the Separate Financial Statements

Class A_A	NAV €m	Number of shares thousands	NAV per share €
Net Asset Value at 11 June 2021	**–**	**–**	**10.0000**
Issue of shares	110.6	10,835	–
Result attributable to shareholders before share class specific expenses	3.3	–	0.5107
Servicing fees	(0.2)	–	(0.0198)
Impact of share of organisational and offering expenses	1.9	–	0.1756
Net Asset Value at 31 December 2021	**115.6**	**10,835**	**10.6665**
Issue of shares	231.1	20,984	–
Redemption of shares	(12.3)	(1,074)	–
Net conversions between share classes	(10.0)	(903)	–
Result attributable to shareholders before share class specific expenses	(3.1)	–	0.2249
Servicing fees	(2.1)	–	(0.0831)
Impact of share of organisational and offering expenses	2.0	–	(0.0469)
Net Asset Value at 31 December 2022	**321.2**	**29,842**	**10.7614**

Class A_D	NAV €m	Number of shares thousands	NAV per share €
Net Asset Value at 11 June 2021	**–**	**–**	**10.0000**
Issue of shares	182.8	17,952	–
Result attributable to shareholders before share class specific expenses	5.9	–	0.5107
Servicing fees	(0.3)	–	(0.0198)
Distributions	–	–	–
Impact of share of organisational and offering expenses	3.2	–	0.1756
Net Asset Value at 31 December 2021	**191.6**	**17,952**	**10.6665**
Issue of shares	357.4	32,708	–
Redemption of shares	(41.8)	(3,719)	–
Net conversions between share classes	7.6	705	–
Result attributable to shareholders before share class specific expenses	(2.4)	–	0.2324
Servicing fees	(3.6)	–	(0.0840)
Distributions	(12.0)	–	(0.2796)
Impact of share of organisational and offering expenses	3.1	–	(0.0427)
Net Asset Value at 31 December 2022	**499.9**	**47,646**	**10.4926**

Notes to the Separate Financial Statements

Capital Management

BEPIF Feeder SICAV's investment objective is to generate attractive risk-adjusted returns on a diversified direct and indirect portfolio of real estate and real estate-related investments over the medium to long-term. The Board, with the assistance of the Investment Manager, monitors BEPIF Feeder SICAV's capital so as to promote the long-term success of the business and achievement of its investment objectives. Proceeds from the issue of shares (which are classified as liabilities in the Separate Statement of Financial Position), external borrowings and retained profits are considered as capital. Under Luxembourg law BEPIF Feeder SICAV is required to maintain a minimum capital balance of €1.25m. There are no other externally imposed capital requirements.

Leverage

BEPIF may utilise leverage, incur indebtedness and provide other credit support for any purpose, including to fund all or a portion of the capital necessary for an Investment. Indebtedness will not be incurred, directly or indirectly, that would cause the Leverage Ratio (as defined in the Prospectus) to be in excess of 55% (the "Leverage Limit"); provided that no remedial action will be required if the Leverage Limit is exceeded for any reason other than an incurrence of an increase in indebtedness (including the exercise of rights attached to an Investment). BEPIF's proportionate interest in the leverage of BPPE will be included in the calculation of the Leverage Ratio. The Leverage Limit may be exceeded on a temporary basis to satisfy short-term liquidity needs, refinance existing borrowings or for other obligations. At 31 December 2022 the Leverage Ratio was 39.2% (2021: 54.2%).

9. Financial risk management

a) Risk management oversight

The AIFM

The AIFM is responsible for the risk management function of BEPIF Feeder SICAV. The AIFM is authorised as an alternative investment fund manager and supervised by the Luxembourg supervisory authority, the Commission de Surveillance du Secteur Financier (the "CSSF").

The AIFM has established and maintains a dedicated risk management function that implements effective risk management policies and procedures in order to identify, measure, manage and monitor on an ongoing basis all risks relevant to BEPIF Feeder SICAV's investment objectives including in particular market, credit, liquidity, counterparty, operational and all other relevant risks.

The risk management staff within the AIFM supervise the compliance of these policies and procedures in accordance with the requirements of applicable circulars or regulation issued by the CSSF or any European authority authorised to issue related regulation or technical standards which are applicable to BEPIF Feeder SICAV.

The Depositary

BEPIF Feeder SICAV has appointed RBC Investor Services Bank S.A. ("the Depositary") as depositary bank and paying agent.

The duties of the Depositary include: the safekeeping of financial instruments that can be held in custody and record keeping and verification of ownership of the other assets; oversight duties, and cash flow monitoring in accordance with applicable Luxembourg law.

b) Financial instruments

This note presents information about BEPIF Feeder SICAV's exposure to risks from its financial instruments other than amounts attributable to its shareholders, which are described in note 8.

Approximately all of BEPIF Feeder SICAV's directly held financial instruments are the investment in BEPIF Master FCP. The rights attaching to this investment are governed by the prospectus of BEPIF Master FCP. BEPIF Feeder SICAV invests in Class F units of the FCP; a class of units reserved solely for BEPIF Feeder SICAV. The terms of Class F units are aligned with the investment objectives and liquidity requirements of BEPIF Feeder SICAV.

All of BEPIF Feeder SICAV's cash is held with the Depositary which has a credit rating of AA-. None of the remaining financial instruments have material credit risk. All financial liabilities (excluding amounts attributable to shareholders) have contractual settlements in less than three months. BEPIF Feeder SICAV has no non-euro balances.

Notes to the Separate Financial Statements

10. Related party transactions

Transactions with related parties in 2022 are described below. Comparative figures are given for recurring related party transactions only. One-off transactions with related parties in the comparative period can be found in the 2021 Annual Report of BEPIF Feeder SICAV.

a) Fees payable to affiliates of Blackstone Inc.

Management Fee

The Investment Manager, and to 31 May 2022 the AIFM, is entitled to a Management Fee of 1.25% per annum of BEPIF Feeder SICAV's and BEPIF Master FCP's (without duplication) net asset value computed, and paid, monthly. The applicable net asset value is prior to deducting accruals for the Management Fee, the servicing fee (note 10), the share of the Performance Participation Allocation in BEPIF Aggregator, any redemptions for the month, and any distributions declared in the month. The Investment Manager may elect to receive the Management Fee in cash, shares of BEPIF Feeder SICAV, units of BEPIF Master FCP or units in BEPIF Aggregator. The Management Fee was waived for first six months following the date on which the Group accepted its first subscriptions (being 1 October 2021 to 31 March 2022).

From 1 April 2022, the Management Fee attributable to BEPIF Feeder SICAV is charged to BEPIF Master FCP and allocated against its Class F units. Therefore the fee is included as a component of the change in fair value of the investment in BEPIF Master FCP. The Management Fee attributable to BEPIF Feeder SICAV for the year ended 31 December 2022 is €10.7m.

AIFM Fee

From 1 June 2022, the AIFM is entitled to payment of a fee (the "AIFM Fee") up to a maximum of 0.10% per annum of the Net Asset Value of BEPIF Feeder SICAV and BEPIF Master FCP (without duplication). The AIFM Fee for the year was charged to BEPIF Master FCP. The amount attributable to BEPIF Feeder SICAV is €0.3m, of which €0.2m was outstanding at the year end.

Performance Participation Allocation

Blackstone European Property Income Fund Associates LP, the "Special Limited Partner" of BEPIF Aggregator, is entitled to a Performance Participation Allocation of BEPIF's performance for each Reference Period. The Performance Participation Allocation charged is equal to 12.5% of Total Return subject to a 5% annual Hurdle Amount and a High Water Mark with 100% Catch-Up.

For the first time, the Performance Participation Allocation was measured for the Initial Reference Period (being the period from the date BEPIF took its first subscriptions on 1 October 2021 to 30 June 2022), was payable on 30 June 2022 and accrued monthly. Since then, it is being measured on a calendar year basis (ending on 31 December), is payable quarterly and accrues monthly (subject to pro-rating for partial periods including the period from 1 July 2022 to 31 December 2022).

The Total Return for any period since the end of the prior Reference Period equals the sum of all distributions accrued or paid on units outstanding at the end of such period over the course of the Reference Period; plus the change in aggregate Net Asset Value of such units since the beginning of the Reference Period; minus applicable expenses of Limited Partners and of their feeders but excluding applicable expenses for Servicing Fees or similar fees.

The Hurdle Amount for any period during a Reference Period means that amount that results in a 5% annualized internal rate of return on the Net Asset Value of units outstanding at the beginning of the then-current Reference Period and all units issued since the beginning of the then-current Reference Period.

The Loss Carryforward Amount shall initially equal zero and shall cumulatively increase by the absolute value of any negative Total Return and decrease by any positive annual Total Return; provided, that the Loss Carryforward Amount shall at no time be less than zero. The effect of the Loss Carryforward Amount is that the recoupment of past annual Total Return losses will offset the positive annual Total Return for purposes of the calculation of the Performance Participation Allocation.

The Performance Participation Allocation attributable to the Special Limited Partner is an amount equal to:

(i) First, if the Total Return for the applicable period exceeds the sum of (i) the Hurdle Amount for that period and (ii) the Loss Carryforward Amount (any such excess, "Excess Profits"), 100% of such annual Excess Profits until the total amount allocated equals 12.5% of the sum of (a) the Hurdle Amount for that period and (b) any amount allocated pursuant to this clause (this is commonly referred to as a "Catch Up"); and

(ii) Second, to the extent there are remaining Excess Profits, 12.5% of such remaining Excess Profits

In addition to its entitlement to the Performance Participation Allocation for each Reference Period, the Special Limited Partner is also entitled to a Performance Participation Allocation with respect to all redemptions of a Limited Partner's interests. The relevant period of performance is the portion of the Reference Period up to the Redemption Date.

Notes to the Separate Financial Statements

For each Reference Period after the Initial Reference Period, promptly following the end of each calendar quarter that is not also the end of a calendar year, the Special Limited Partner will be entitled to a Performance Participation Allocation as described above calculated in respect of the portion of the year to date, less any Performance Participation Allocation received with respect to prior quarters in that year (the "Quarterly Allocation"). After the Initial Reference Period, the Performance Participation Allocation that the Recipient is entitled to receive at the end of each calendar year will be reduced by the cumulative amount of Quarterly Allocations that year. If a Quarterly Allocation is made and at the end of a subsequent calendar quarter in the same calendar year the Recipient is entitled to a lesser amount than the previously received Quarterly Allocation(s) (a "Quarterly Shortfall"), then subsequent distributions of any Quarterly Allocations or year-end Performance Participation Allocations in that calendar year will be reduced by an amount equal to such Quarterly Shortfall, until such time as no Quarterly Shortfall remains. If all or any portion of a Quarterly Shortfall remains the end of a calendar year following the application described in the previous sentence, distributions of any Quarterly Allocations and year-end Performance Participation Allocations in the subsequent four calendar years will be reduced by (i) the remaining Quarterly Shortfall plus (ii) an annual rate of 5% on the remaining Quarterly Shortfall measured from the first day of the calendar year following the year in which the Quarterly Shortfall arose and compounded quarterly (collectively, the "Quarterly Shortfall Obligation") until such time as no Quarterly Shortfall Obligation remains; provided, that the Recipient (or any of its affiliates) may make a full or partial cash payment to reduce the Quarterly Shortfall Obligation at any time; provided, further, that if any Quarterly Shortfall Obligation remains following such subsequent four calendar years, then the Recipient (or any of its affiliates) will promptly pay BEPIF Aggregator the remaining Quarterly Shortfall Obligation in cash. For the period from 1 July 2022 to 31 December 2022, all the references to "year" in this paragraph shall be construed as references to the prorated period.

Except as described above with respect to a Quarterly Shortfall, the Special Limited Partner will not be obligated to return any portion of the Performance Participation Allocation previously paid due to the subsequent performance of BEPIF.

The Special Limited Partner can elect to have the Performance Participation Allocation settled in cash, units in BEPIF Aggregator or shares/units (as applicable) in the Funds.

A reconciliation of the Performance Participation Allocation for the year/period is shown below:

€m	31 December 2022	31 December 2021
Performance Participation Allocation/(Quarterly Shortfall Obligation)		
Amounts payable/(receivable) at start of the year/period	**3.1**	**–**
Allocation of Total Return		
Reference Period to 30 June 2022	9.0	3.1
Quarterly Allocation to 30 September	2.0	–
Quarterly Allocation to 31 December	(2.0)	–
Recognised in profit or loss[1]	9.0	3.1
Total payable for the year/period	**12.1**	**3.1**
Settlement in cash	(5.0)	–
Settlement in units of BEPIF Master FCP	(9.1)	–
Amounts payable/(receivable) at end of the year/period	**(2.0)**	**3.1**

1. Of the amount recognised in profit or loss for the year, €8.0m was attributable to BEPIF Feeder SICAV (2021: €3.0m).

At 31 December 2022 the Loss Carryforward Amount was €69.1m (2021: €nil).

Administration fees

The Investment Manager charged fees for accounting and administrative services totalling €1.0m (2021: €0.2m (of which €0.1m was organisational and offering costs)). Of the total fee, €0.1m (2021: €0.1m) was outstanding at the year end. These fees were charged to BEPIF Master FCP and include services provided to BEPIF Feeder SICAV.

Aborted transaction costs

The Investment Manager recharged BEPIF Master FCP for costs related to aborted transactions for investments of €0.7m (2021: €nil).

Notes to the Separate Financial Statements

Organisational and Offering Expenses

The Investment Manager agreed to advance all of BEPIF's Organizational and Offering Expenses (as defined in the Prospectus), such as legal, regulatory and advisory fees, until 30 September 2022. These costs will be reimbursed in USD to the Investment Manager over 60 months from October 2022.The following table reconciles the change in the liability, after the effects of discounting for the deferred payment terms and foreign exchange, for the year/period ended 31 December 2022 and 2021:

€m	As at 31 December 2022	As at 31 December 2021
Opening balance	9.7	–
Amounts funded	10.2	10.4
Amounts repaid	(0.3)	–
Net impact of discounting and foreign exchange	(2.0)	(0.7)
Closing balance	**17.6**	**9.7**

The liability in the table above is the total amount due to the Investment Manager, the allocation of this liability between the Funds depends on their relative ownership of BEPIF. Therefore the actual impact on BEPIF Feeder SICAV's Net Asset Value will vary based on the relative holding of BEPIF over the repayment period.

b) Directors' fees

Non-affiliated directors of BEPIF Feeder SICAV have been paid €75,000 (2021: €26,000) for services rendered. Directors who are employees of the Blackstone Inc. group did not receive any directorship remuneration.

c) Investments in BEPIF held by related parties

The table below shows the Net Asset Value of shares/units in BEPIF held by related parties. All shares/units were acquired at the Net Asset Value on the subscription date.

Net Asset Value of shares/units held	As at 31 December 2022		As at 31 December 2021	
€m	BEPIF Feeder SICAV	BEPIF Master FCP	BEPIF Feeder SICAV	BEPIF Master FCP
Subsidiaries of Blackstone Inc.[1]	–	17.6	–	–
Other key management personnel[2]	1.2	9.7	1.0	9.5

1. Includes the Investment Manager and Special Limited Partner.

2. Includes directors of BEPIF Feeder SICAV and other key management personnel of BEPIF or Blackstone, Inc.

During the year: the Investment Manager subscribed for €9.6m of Class I_A units in BEPIF Master FCP in settlement of Management Fees; and the Special Limited Partner subscribed for €9.1m of Class I_A units in BEPIF Master FCP in settlement of the Performance Participation Allocation.

11. Subsequent events

At the date of approval of these financial statements BEPIF Feeder SICAV had unsatisfied redemptions as described in note 8. There were no other material events between the year end and the date of approval of these financial statements.

Glossary

The following are explanations of terms you may come across in this report. These definitions are not exhaustive and are intended as a guide only. Please refer to the Prospectus and Key Information Document (KID) for further details.

Acquisition Facility	a senior facility agreement with a syndicate of lenders which can be used to finance acquisitions of investments. For further detail see note 4b.IV
Alternative asset class	category of assets comprising alternative investments such as real estate and private equity
Alternative Investment Fund Manager (AIFM)	Blackstone Europe Fund Management S.à r.l. in its capacity as alternative investment fund manager of BEPIF Feeder SICAV and BEPIF Master FCP
BEPIF	the real estate investment program operated through the Funds, BEPIF Aggregator and any parallel vehicles
BEPIF Aggregator	BEPIF (Aggregator) SCSp
BEPIF Feeder SICAV	Blackstone European Property Income Fund SICAV
BEPIF Master FCP	Blackstone European Property Income Fund (Master) FCP
Blackstone Bepimmo	Blackstone European Property Income Fund S.L.P.
BPPE / BPP Europe	Blackstone Property Partners Europe, Blackstone's flagship European Core+ real estate fund for institutional investors
Core+	a real estate investment strategy characterised by substantially stabilised real estate with a long investment horizon, moderate leverage and potential capital appreciation through focused asset management
Discount rate	the rate of return used to discount future cash flows to their present value. Discount rates are generally calculated as the weighted average cost of capital, with required returns assessed relative to prevailing market benchmarks
Diversified / diversification	the practice of investing in a variety of investments. A Diversified portfolio can be a risk management technique and contains a mix of distinct assets and investments to offset losses from any single asset class, thereby lessening the impact on the overall portfolio
Dividend Yield	represents dividends distributed over average NAV over the last twelve months. Calculation is consistent with NCREIF/INREV/ANREV's "Distribution-Dividend Yield" definition
Early Redemption Deduction	a redemption within one year of the date immediately preceding the subscription date will be subject a deduction equal to 5% of the value of the redemption
ESG	the consideration of the Environmental, Social and Governance characteristics of an investment
Exit cap rate	yield used to estimate the value of a property or portfolio at the end of the expected holding period. The projected 1-year forward net operating income (NOI) at the end of the holding period is divided by the exit cap rate to get the terminal value, before deducting transaction costs. Exit cap rates are estimated based on a variety of factors, including a particular property's attributes and market supply and demand fundamentals
Fixed income	a type of investment security that pays out a set level of cash flows to investors, typically in the form of fixed interest or dividends until its maturity date. At maturity, investors are typically repaid the principal amount they had invested
Fixed-rate or hedged liabilities	a liability, such as a loan or a mortgage, which has a fixed or hedged interest rate for the entire term or a specified part of its term. Fixed-rate liabilities are commonly used to provide greater certainty of interest payments over the term of the borrowing. In addition, interest rates can be "hedged" (i.e. by using derivative instruments such as interest rate swaps with the intention of reducing the risk of adverse interest rate movements) or "matched" (i.e. by matching floating-rate loans to floating-rate assets) as a risk management tool
Floating-rate liabilities	a liability, such as a loan or a mortgage, which has variable interest rate for the entire term or a specified part of its term
Forward-starting swap	agreement whereby two parties exchange cash flows over a specified period of time starting from a specified date in the future
Funds	collectively BEPIF Feeder SICAV, BEPIF Master FCP and Blackstone Bepimmo
Embedded upside potential / embedded rent growth potential	represents the estimated embedded rent growth potential between BEPIF's in-place portfolio rents and achievable market rents for direct real estate investments. Direct real estate investments are subject to periodic rent reviews over time. Calculated by dividing the prevailing portfolio market rents by the existing in-place rents
Geographic allocation	reflects the geographic breakdown by percentage of Gross Asset Value including underlying investments within BPPE, excluding debt investments. Totals may not sum due to rounding
Gross Asset Value (GAV)	measured as the fair value of (i) real estate investments at BEPIF share, plus (ii) real estate debt investments. "Real estate investments" is comprised of BEPIF's majority-controlled property investments, BEPIF's look-through share of property investments held by BPPE and equity in minority investments
Gross Domestic Product (GDP)	measures the final market value of all goods and services produced within a country. GDP is the most frequently used indicator of economic activity
the Group	collectively BEPIF Feeder SICAV and BEPIF Master FCP
Headline prime rents	rent payable excluding any rent-free period, concessionary rent period or other inducement
IFRS	International Financial Reporting Standards as adopted by the European Union
Inception to Date (ITD) Total Net Annualised Return	the annualised Total Net Return since the date on which subscriptions were first accepted
Inflation hedge	investment or financial instrument used to mitigate a decrease in the purchasing power of money (inflation)

Glossary (continued)

Inflation-linked leases	a lease agreement linked to an inflation index, commonly used as an alternative to open market rent reviews. Rents from these contracts increase/decrease in line with increases/decreases in the contractual inflation index, sometimes as a percentage of inflation or with a contractual maximum and minimum increase for each indexation event. Typically, leases are indexed annually or once the inflation index has reached a certain threshold
Interest rate cap	financial instrument which fixes the upper limit of the interest rate on floating-rate debt. Can offer protection against significant rate increases by providing a ceiling for maximum interest rate costs over a specified period of time
Interest Rate Hedge	commonly used to mitigate interest rate risk in a rising rate environment. Interest rates can be hedged by using derivative instruments such as interest rate swaps with the intention of reducing the risk of adverse interest rate movements
Investment Manager	Blackstone Property Advisors, L.P. in its capacity as the investment manager of the Funds
Leverage	leverage is the use of borrowed capital in an effort to increase the potential return of an investment. The use of borrowed capital is likely to increase any losses. Furthermore, fees associated with borrowing may impact fund performance
Leverage Ratio / Loan to Value	the amount of borrowed capital net of cash, divided by the Gross Asset Value. It would be higher if the pro rata share of debt for minority investments were included. See the Prospectus for further information
Line of Credit	an unsecured, uncommitted line of credit issued to BEPIF Aggregator by a subsidiary of Blackstone Inc. For further detail see note 4b.IV
Management Company	Blackstone Europe Fund Management S.à r.l. in its capacity as the management company of BEPIF Master FCP
Management Fee	a fee payable to the Investment Manager equal to 1.25% per annum of the applicable net asset value
Mark-to-market	the fair value of securities, hedges or swaps based on current market pricing. Mark-to-market aims to provide a realistic appraisal of securities', hedges' or swaps' current market value, which can fluctuate over time
Net Asset Value (NAV)	represents the value of an entity's assets, minus its liabilities as well as expenses attributable to certain share classes, such as servicing fees, in all cases as described in the Prospectus and determined in accordance with the Valuation Policy
Net operating income (NOI)	operating revenues less operating expenses
Occupancy	represents the amount of leasable space that is occupied divided by the total leasable space, includes rental guarantees unless otherwise noted, as well as properties owned through BPPE
Performance Participation Allocation	the Recipient's entitlement to an allocation of BEPIF's performance for each Reference Period. The Performance Participation Allocation charged is equal to 12.5% of Total Return subject to a 5% annual Hurdle Amount and a High Water Mark with 100% Catch-Up (each of these terms is defined in note 13a of the Consolidated Financial Statements)
Preference Interests	interests in BEPIF Aggregator issued to the Preferred Limited Partner which accrue/pay a fixed dividend
Preferred Limited Partner	Blackstone Funding Limited, the Preferred Limited Partner of BEPIF Aggregator
Private real estate	subset of the real estate Alternative Asset Class that involves the acquisition, financing, asset management and holding of the title of an individual property or properties or similar investment means. Private Real Estate involves the direct ownership of real estate in contrast to indirect ownership of real estate through publicly traded equity securities, such as real estate investment trusts (REITs)
Real estate debt	fixed income investment securities or loans that are generally secured by or otherwise related to real estate
Recipient	the Special Limited Partner or any other entity so designated by the general partner of BEPIF Aggregator
Redemption Requests	takes place when an investor submits a repurchase request
Sector Allocation	reflects the sector breakdown by percentage of Gross Asset Value including underlying investments within BPPE, excluding debt investments. "Other" includes the Arch Company, residential, luxury retail and other assets which are owned by BPPE. Totals may not sum due to rounding
Special Limited Partner	Blackstone European Property Income Fund Associates LP, the Special Limited Partner of BEPIF Aggregator
Total Net Return	the aggregated distributions plus change in NAV over a year (prorated for partial periods), net of all applicable fees and expenses
Triple-net lease	a lease agreement on a property whereby the tenant or lessee is responsible for all the expenses of the property, including but not limited to utilities, property taxes, insurance premiums, and maintenance, including of roof, floor and walls. Caps on some expenses may apply within individual lease agreements
Valuation Policy	the policies and procedures set by the AIFM to determine the Net Asset Value
Year-over-year (YoY)	year-over-year growth compares recent metric with metric for the same period one year earlier

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