AIFMD ANNUAL REPORT

2021 Annual Report for the purposes of Article 22 AIFMD by the board of directors of

Blackstone European Property Income Fund SICAV

(the "Fund")

June 2022

DEFINITIONS

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

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

   (A) "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.

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

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

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

   (E) "AIFMD" means Directive 2011/61/EU of the European Parliament and of the Council of 8 June 2011 on Alternative Investment Fund Managers, 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.

   (F) "Annual Report" means this AIFMD Annual Report.

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

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

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

   (J) "Blackstone Compensation Policies" has the meaning set forth in Annex 4 hereto.

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

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

   (S) "EU" means the European Union.

   (T) "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 d'investissement à capital variable*, SICAV) with multi-compartment and organised as a public limited liability company (*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.

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

(V) "Group" has the meaning set forth in Annex 4 hereto.

(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.

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

(BB) "Prospectus" means the confidential prospectus of the Fund dated December 2021, 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 11 June 2021 through 31 December 2021.

(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 ending 31 December 2021, as appended in Appendix 2.

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

(II) "SMDs" means Senior Managing Directors.

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

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

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

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

(NN) "<u>UK AIFM Regulations</u>" 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 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 Annual Report, you expressly acknowledge that the accounting and certain other information contained in this Annual Report is as of 31 December 2021 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 Annual Report. The delivery of this 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 2021. This 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 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 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 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 Annual Report available to the Luxembourg financial services regulator, the *Commission de Surveillance du Secteur Financier* ("<u>CSSF</u>") and the UK Financial Conduct Authority.

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 Annual Report, words and expressions contained in this 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 Annual Report and the Prospectus and/or the Articles, this Annual Report shall prevail.

AIFMD ANNUAL REPORT

The following information has been included in this 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**	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**	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 for the period from 11 June 2021 through 31 December 2021.
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 listed in Article 23 during the Reporting Period..
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**	Please see Annex 5 for the Article 29 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**	Please see Annex 7 for the disclosures required by SFDR and the Taxonomy Regulation.
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 ENDING 31 DECEMBER 2021

1. Please see Appendix 1 for the Fund's audited financial statements and Independent Auditors' Report for the Reporting Period ending 31 December 2021, as appended in Appendix 1 (the "Financial Statements").

2. Please see page 27 of the Fund's Financial Statements and page 47 of the SICAV Balance Sheet for a balance sheet / statement of assets and liabilities of the Fund as at the end of the Reporting Period.

3. Please see pages 28 – 29 of the Fund's Financial Statements and page 48 of the SICAV Balance Sheet for the income and expenditure for the Reporting Period.

Realized/Unrealized Gains/Losses

4. Please see Note 4b.I on page 31 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 OF THE REPORTING PERIOD

Activities of the Reporting Period

1. This section of the 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 Section II pages 2-6 of the Management Report and page 16 of the Schedule of Investments for a list of the Fund's investments as at the end of the Reporting Period.

Portfolio

3. Please see Section II pages 2-6 of the Management Report and page 16 of the Schedule of Investments for a list of the Fund's investments as at the end of the Reporting Period.

Performance

4. Please see Section III of the Management Report for the Fund's performance as at the end of the Reporting Period.

Principal Risks and Uncertainties

5. An investment in the Fund involves a significant degree of risk. There can be no assurance that the Fund's targeted returns will be achieved or that there will not be a loss. Capital losses in the Fund will be borne solely by the investors and not by the Group. The principal risks and investment or economic uncertainties that may be faced by the Fund are as follows:
   General – No Assurance of Investment Return; Limited Operating History; Forward Looking Statements; Performance Information; Reliance on the Sponsor; Role of Real Estate Professionals;

   Market Conditions – Highly Competitive Market for Investment Opportunities; Operators and Other Investors; General Economic and Market Conditions; Financial Market Fluctuations; Availability of Financing; Inflation;

   Region Related Risks – Economic, Political and Social Risks; Regional Risk; Interdependence of Markets; Epidemics / Pandemics; Coronavirus and Public Health Emergencies; Legislative & Regulatory Enactments; Natural Disasters; Weather and Climatological Risks; Trade Policy; Terrorist Activities; Corruption Risk; Privatization; Foreign Investment Controls; Foreign Capital Controls; Asset Manager in Certain Jurisdictions; Laws Protecting Tenants; Legal Framework and Corporate Governance; Accounting Standards; Investments in Emerging Markets;

   Region Related Risks – Potential Collapse of the Euro; Risks Associated with the Euro; LIBOR and Other "IBOR" Rates; United Kingdom Exit from the European Union;

   Real Estate Investing – Real Estate Risks Generally; Real Estate Title; Impact of Market Conditions on Commercial Real Estate Generally; Local Real Estate Market Conditions; Leasing Real Estate; Concentration in a Limited Number of Industries, Geographies or Investments; Net Lease Investments; Fluctuations in Capitalization Rates; Non-Control Investments; JV Arrangements; Residential Real Estate Investments; Office Real Estate Investments; Logistics Investments; Retail Investments; Shared Workspace Investments; Hospitality Real Estate Investments; Investments in Land; Development; Ground Lease Investments; Student Housing Investments; Manufactured Housing Investments; Self-storage Investments; Gaming Facilities Investments; Investments Acquired from Financial Institutions; Bankruptcy;

Types of Investments – Investments in Open Market Purchases; Publicly Traded Securities; Investment via Master-Feeder Structure; Illiquid and Long-Term Investments; Future Investment Techniques and Instruments; Technological Innovations;

Investments in Real Estate Debt – Real Estate Debt Generally; CMBS Risks; Mortgage Loan Risk; High Yield Securities; Subordinated Debt Risk; Mezzanine Loan Risk; Real Estate Corporate Debt; Repurchase and Reverse Repurchase Agreements Risk; Spread Widening Risks; Convertible Securities; Fixed Income Securities;

Risks Related to Outside Events – Environmental Risks and Potential Liabilities; Zoning, Siting and Permitting Risks; Governmental Action Risk; Force Majeure Risk;

Insurance – Availability of Insurance Against Certain Catastrophic Losses;

Capital Requirements and Distributions – Capital Intensive; Additional Capital Requirements; Adequacy of Reserves; Deployment of Capital; Sourcing and Payment of Distributions; In-Kind Remuneration to the Investment Manager and/or Recipient;

Portfolio Entities – Risks Relating to Due Diligence of Investments; Reliance on Portfolio Entity Management and Third Parties; Outsourcing; Risks in Effecting Operating Improvements; Expedited Transactions; Portfolio Entity Liabilities; Risks from Operations of Other Portfolio Entities;

Leverage – Volatility of Credit Markets May Affect Ability to Finance and Consummate Investments; Leverage; “Bad Boy” Guarantees;

FX & Hedging – Foreign Currency and Exchange Rate Risks; Exchange Rate Risk; Hedging Risks/Derivatives;

Diversification – Risk of Limited Number of Investments; Lack of Diversification; Broad Strategy;

Legal & Regulatory—Investment – Litigation at the Property Level; Documentation and Legal Risks; Permits, Approvals and Licenses; Liabilities on Disposition of Investments;

Legal & Regulatory—General – Legal, Tax and Regulatory Risks; Compliance with the AIFM Directive; OFAC and Sanctions Considerations; Corruption; Derivatives; Registration under the U.S. Commodity Exchange Act; European Market Infrastructure Regulation; MiFID II Obligations; Access to Research; Equities—Mandatory On-Exchange Trading; OTC Derivatives; Commodity Position Limits and Reporting; Securities Financing Transactions and TRS; Sustainability Risks; European Commission Action Plan on Financing Sustainable Growth; EU Risk Retention Requirements and Securitization Regulation; Political Activities; Financial Industry Regulation; Change of Law Risk;

Legal & Regulatory—Tax – Tax Liability; Base Erosion, Profit Shifting and Related Measures; Anti-Tax Avoidance Directives; DAC6; FATCA; Possible Legislative or Other Developments; Legislation Adversely Affecting Blackstone Employees and Other Service Providers; Taxation in Certain Jurisdictions; Changes in Tax Law; French 3% Tax; French Real Estate Wealth Tax;

Legal & Regulatory—ERISA – Risk Arising from Potential Control Group Liability;

Cyber Security & Operational Risk – Cyber Security Breaches; Operational Risk;

Transfers & Liquidity – No Market for Shares; Restrictions on Transfers; Lack of Liquidity; Effect of Redemption Requests; Mandatory Withdrawal;

Investments in BPPE – General Risks; Risks Related to Borrowings by BPPE; Subscription Line of Credit; Bond Financings; Risks Related to Subscriptions to BPPE; Risks Related to Redemptions from BPPE;

Valuations & Returns – Valuations; Changes in Appraised Values; Limitations of NAV;

Potential Conflicts of Interest – Performance-Based Compensation; Allocation of Personnel; Outside Activities of Principals and Other Personnel and their Related Parties; Secondments and Internships; Other Benefits; Advisors, Consultants and Partners; Multiple Blackstone Business Lines; Other Blackstone Business Activities; Minority Investments in Asset Management Firms; Blackstone Policies and Procedures; Information Walls; Data; Buying and Selling Assets from Certain Related Parties; Selling Assets to Other Blackstone Accounts; Other Blackstone Accounts; Allocation of Investment Opportunities; Allocation of Portfolios; Investments in Which Other Blackstone Accounts Have a Different Principal Investment Generally; Related Financing Counterparties; Conflicting Fiduciary Duties to Debt Funds; Related Financing of Counterparties to Acquire Assets from, or Sell Assets to, BEPIF and its Portfolio Entities; Co-Investment; Liability Arising from Transactions Entered into Alongside Other Blackstone Accounts; Syndication; Warehousing; Broken Deal Expenses; Portfolio Entity Relationships Generally; Conflicts of Interest in Service Providers, Including Portfolio Entity Service Providers and Blackstone Affiliate Service Providers; Service Providers, Vendors and Other Counterparties Generally; Global Distribution; Trademark License for Blackstone Name; Data Management Services; Transactions with Portfolio Entities; Related Party Leasing; Cross-Guarantees and Cross-Collateralization; Joint Venture Partners; Group Procurement; Discounts; Diverse Shareholder Group; Affiliated Shareholders; Shareholders' Outside Activities; Insurance; Other Conflicts; Additional Potential Conflicts of Interest, and

Other Considerations – Fees Paid by Advisory Clients; Fund Expenses; Health, Safety, the Environment, Social Responsibility and Corporate Governance; Indemnification; No Independent Advice**.**

6. Please see Section XVII of the Prospectus for further information about the Fund's Principal Risks and Uncertainties.

ANNEX 3

MATERIAL CHANGES TO ARTICLE 23 DISCLOSURES

Material Changes

Please note that no material changes have been made to the information disclosed to investors pursuant to Article 23 AIFMD in the Prospectus for the Reporting Period.

ANNEX 4

REMUNERATION DISCLOSURE

Preamble

The AIFM is an affiliate of Blackstone Inc. ("Blackstone") and is part of the Blackstone group (the "Group"). 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'.

The underlying principles of the AIFM Remuneration Policy are:

- remuneration is comprised of fixed and variable elements, with a level of total reward that is competitive;
- 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 is supportive of the AIFM's strategy and must not incentivize inappropriate risk taking.

2. The Group's remuneration decision-making process is operated through Strategic Incentives Group ("SIG"), senior management and relevant Group 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, and (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. 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.

3. 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 the Group. 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 Group policies and procedures and non-completion of mandatory AIFM and Group 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).

4. 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.

5. 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: (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 on sound remuneration policies (ESMA/2013/232) ("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.

6. AIFM staff includes all members of the Board, conducting officers and employees. AIFM staff may include staff also acting as employees of other Group entities. For the avoidance of doubt, the

remuneration mentioned herein does not include the remuneration paid to the AIFM staff by other entities of the Group for tasks not directly linked to their duties for the AIFM.

7. 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.

8. 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 the Group 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 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

9. 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.

10. 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.

11. 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.

12. The Policies reflect Blackstone's ethos of good governance and encapsulates 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.

13. 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.

14. 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.

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).

15. 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.

16. 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.

17. 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." The "360" 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.

18. 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.

19. 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 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

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 31,431
– Total fixed remuneration	EUR 18,686
– Total variable remuneration	EUR 12,745
Number of beneficiaries	30
Carried interest realized during the Reporting Period included with the total variable remuneration specified above	EUR 735
Total remuneration paid to the AIFM Senior Management	EUR 14,632
Total remuneration paid to staff whose actions have a material impact on the risk profile of the Fund	EUR 28,204

For the Investment Manager

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	EUR 2,931,116
– Total fixed remuneration	EUR 402,821
– Total variable remuneration	EUR 2,528,296
Number of beneficiaries	337
Carried interest realized during the Reporting Period included with the total variable remuneration specified above	EUR 915,192
Total remuneration paid to the Investment Manager Senior Management	EUR 1,468,901
Total remuneration paid to staff whose actions have a material impact on the risk profile of the Fund	EUR 2,965,266

ANNEX 5

Disclosure obligations under Article 29 of the AIFMD

Control of EEA non-listed companies

With respect to the disclosure obligations under Article 29 AIFMD, the Fund has not acquired control of any non-listed company established in the EEA during the Reporting Period.

Control of UK non-listed companies

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

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

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

Blackstone considers that the integration of material ESG factors into its investment decisions and ownership is an important part of fulfilling our mission to create strong returns for our 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.

APPENDIX 1

Financial Statements

APPENDIX 2

SICAV Balance Sheet

Blackstone European Property Income Fund SICAV
Registration Number B255958

Management report
for the period 11 June 2021 to 31 December 2021

Management Report

This Management Report of Blackstone European Property Income Fund SICAV ("**BEPIF Feeder SICAV**") is prepared for the period from 11 June 2021 (BEPIF Feeder SICAV's date of incorporation) to 31 December 2021.

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 and BEPIF Master FCP (as defined below).

BEPIF invests primarily in substantially stabilized, 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.

BEPIF Feeder SICAV is as an open-ended, commingled fund organized 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 Blackstone European Property Income Fund SICAV 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. BEPIF Feeder SICAV together with BEPIF Master FCP is referred to as the "**Group**".

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.

Alternative Investment Fund Manager

BEPIF Feeder SICAV and BEPIF Master FCP qualify as externally managed alternative investment funds within the meaning of Directive 2011/61/EU of 8 June 2011 on Alternative Investment Fund Managers ("**AIFMD**").

Blackstone Europe Fund Management S.à r.l. (the "**AIFM**") is the Alternative Investment Fund Manager of BEPIF Feeder SICAV and BEPIF Master FCP. The AIFM has been authorized by the Luxembourg Commission de Surveillance du Secteur Financier (the "**CSSF**") as an alternative investment fund manager pursuant to the law of 12 July 2013 ("**2013 Law**") on Alternative Investment Fund Managers, as may be amended from time to time, which has implemented the AIFMD in Luxembourg (the "**AIFM Law**").

An annual report is made available by the AIFM in order to comply with the annual requirements for periodic and regular disclosure to investors set out under (i) AIFMD and (ii) the Commission Delegated Regulation (EU) No 231/2013 of 19 December 2012 (the "**Regulation**"). These disclosures for 31 December 2021 have been produced in accordance with AIFMD and the Regulation.

The AIFM is in charge, inter alia, of the risk management and portfolio management functions of BEPIF Feeder SICAV (and also BEPIF Master FCP), but it has delegated entirely the portfolio management function of BEPIF Feeder SICAV and BEPIF Master FCP to the Investment Manager (see below). The AIFM is responsible for the proper and independent valuation of the assets of BEPIF Feeder SICAV (and also BEPIF Master FCP) and oversight of the calculation of its Net Asset Value (being the valuation, either individually or in total, of each share class).

Investment Manager

The portfolio management function of BEPIF Feeder SICAV (and also BEPIF Master FCP) is performed by Blackstone Property Advisors L.P. (the "**Investment Manager**"), which is part of Blackstone Inc. (together with its affiliates, "**Blackstone**"), a leading global investment firm investing capital on behalf of pension funds, large institutions and individuals. Blackstone invests across alternative asset classes in real estate, private equity, credit and hedge funds as well as in infrastructure, life sciences, insurance and growth equity.

The real estate group of Blackstone Inc., Blackstone Real Estate, has been investing in real estate since 1991 in a variety of market conditions, including during periods of market distress as well as during stable macroeconomic environments. The scale of Blackstone Real Estate's capital, the depth and expertise of its team, and the proprietary data from its portfolio put Blackstone Real Estate in what Blackstone believes to be an unparalleled position to identify differentiated investment opportunities for its funds and to drive value for its investors.

II. INVESTMENT ACTIVITY

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;
- Realize appreciation in 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.[1]

Investment Strategy

BEPIF's investment strategy is to acquire substantially stabilized, 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.

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 stabilized, income-generating European real estate consisting of real estate investments either through direct investments in Property or through units in BPPE. BPPE is Blackstone Property Partners Europe, Blackstone's flagship European Core+ real estate fund for institutional investors, providing BEPIF exposure to BPPE's high-quality, diversified real estate portfolio. BPPE's Alternative Investment Fund Manager is also the AIFM.

BEPIF may invest up to 10% of the gross asset value 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]

[1] There can be no assurance that BEPIF will achieve its investment objectives. See "Risk Factors, Potential Conflicts of Interest and Other Considerations" of the Prospectus.

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

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 will focus on driving income growth and maximizing 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 pan-European logistics portfolios, a prime data centre in the United Kingdom, and, subsequent to the year end, a Class-A office asset in Ireland (see below for further details on investments). As a result of BEPIF's thoughtful sector and market selection, the portfolio is well-positioned for a rising rate, inflationary environment.

BEPIF's portfolio will continue to be concentrated in markets and sectors where Blackstone Real Estate sees opportunities for outsized growth; focused on investments in sectors where rent growth is either outpacing or generally linked to inflation.

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.

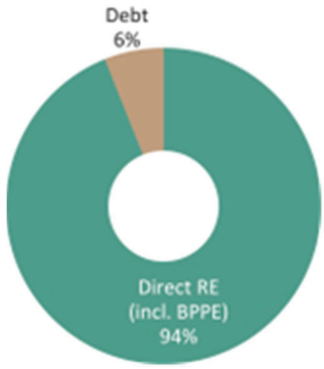
This 20% diversification requirement will not apply during a ramp-up period of up to four years after the initial subscription is accepted.

Investing activity in the period

Investments of the Group are made alongside Blackstone Bepimmo. Figures quoted below are BEPIF's share of the investment and are not prorated to the look-through ownership of BEPIF Master SICAV's shareholders. At 31 December 2021, BEPIF Feeder SICAV had a look-through ownership of c.85% of BEPIF.

At 31 December 2021, BEPIF had deployed all capital raised, and owned a portfolio of income producing properties valued at €1.3bn, €102m of BPPE Units representing €185m of Gross Asset Value[3] (or GAV) on a look-through basis, and €94m of real estate debt (details on individual investments are provided below). The investments to date are consistent with BEPIF's strategy of acquiring high-quality, diversified, income-producing, commercial real estate assets concentrated in high growth markets and sectors across Europe.

[3] 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 equity in minority investments.



BEPIF investments in direct real estate (including BPPE on a look-through basis) and real estate debt as a percentage of Gross Asset Value as at 31 December 2021

Summary of Portfolio

The following table and descriptions provide a summary of BEPIF's portfolio:

€millions	Cost Basis	Gross Asset Value as of 31 December 2021	% of Total
Logistics	1,001	1,026	66%
Alaska Logistics Portfolio			
Coldplay Logistics Portfolio			
Evergreen Logistics Portfolio			
Rose Logistics Asset			
Data Centre	235	239	16%
Harbour Exchange			
	1,236	**1,265**	
Investments through BPPE (1)	184	185	12%
Direct real estate investments (including BPPE)	**1,420**	**1,450**	**94%**
Real estate debt investments	94	94	6%
Total	**1,514**	**1,544**	

(1) 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.

Logistics

Alaska Logistics Portfolio

In October 2021, BEPIF acquired a 16% equity interest in a portfolio of 27 logistics assets totalling 810,000 square meters focused in last-mile locations and concentrated in key distribution markets in the United Kingdom.[4]

Coldplay Logistics Portfolio

In October 2021, BEPIF acquired a 90% equity interest in a portfolio of 13 high-quality cold storage logistics assets totalling 107,000 square meters in Germany. BEPIF is under contract to acquire an additional five assets for this portfolio.[5]

[4] Other Blackstone managed Core+ real estate funds own 75% of the Alaska Logistics Portfolio

[5] A Blackstone managed Core+ real estate fund owns the remaining 10% of the Coldplay and Evergreen Logistics Portfolio.

Evergreen Logistics Portfolio

In December 2021, BEPIF acquired a 90% interest in a 564,000 square meter pan-European logistics portfolio comprised of 12 high-quality well-located assets with the majority of the portfolio in the United Kingdom, Germany and Spain, and the remainder in Poland and the Czech Republic.

Rose Logistics Asset

In December 2021, BEPIF acquired a 100% interest in an 87,000 square meter prime logistics asset located in Roosendaal, Netherlands.

Data Centre

Harbour Exchange

In December 2021, BEPIF acquired 100% of a 26,000 square meter data centre in London, United Kingdom. Harbour Exchange is a network-dense data centre and the ninth most connected data centre in the world.[6]

Investments through BPPE

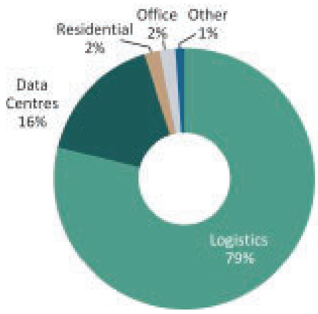
In November 2021, BEPIF made a €100m equity investment into BPPE Units, equating to €184m of GAV on a look-through basis, allowing BEPIF to further diversify its portfolio across sectors and geographies.

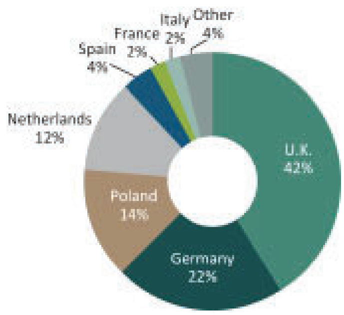
BPPE invests primarily in high-quality, substantially stabilized assets and portfolios across logistics, office, residential and retail assets in major European markets and gateway cities. BPPE is focused on maximizing value and driving income growth through active portfolio management, efficient and flexible financing, and various asset management initiatives including selective asset sales. As of 31 December 2021, BPPE's investment gross asset value was €14.4 billion, and the fund's portfolio comprised 36 investments in 22 European countries. BPPE's largest investments include a minority stake in Logicor, a pan-European logistics company comprised of 588 assets totalling 13.7 million square meters, the Vantage Portfolio, a pan-European portfolio comprised of 34 assets totalling 399,000 square meters primarily located in Paris, France and London, U.K., and the Rialto Portfolio, a mixed-use portfolio totalling 91,000 square meters located primarily in the historical city centre of Milan, Italy.

Real estate debt investments

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

The following charts further describe the diversification of BEPIF's investments in real estate as a percentage of Gross Asset Value as of 31 December 2021; including its pro rata share of real estate held by BPPE (totals may not sum due to rounding).





[6] JLL, as of September 2021.

Investments following the period end

Infinity Office Asset

In February 2022, BEPIF acquired a 100% interest in a 30,000 square meter Grade-A office building in central Dublin, Ireland.

Gurston Office Asset

In April 2022, BEPIF acquired a 100% interest in a 29,000 square meter Grade-A office in Birmingham, United Kingdom.

Mileway
In April 2022, BEPIF participated in the recapitalisation of Mileway, the largest last mile logistics company in Europe. This acquisition was financed via the issuance of €500m of preferred equity to a subsidiary of Blackstone Inc.

Luna Logistics Portfolio
In May 2022, BEPIF acquired a 100% interest in a portfolio of four logistics properties in Italy.

III. BEPIF FEEDER SICAV FINANCIAL REVIEW

Capital activity

BEPIF Feeder SICAV has received subscriptions for its shares of €434.3m. There have been no Redemption Requests in the period.

Net Asset Value

BEPIF Feeder SICAV's Net Asset Value is calculated monthly by the Central Administration under the oversight of the AIFM, and in each case with the support of the Investment Manager. The AIFM is responsible for the proper and independent valuation of the assets of BEPIF Feeder SICAV.

The valuation of BEPIF Feeder SICAV is determined in accordance with the Valuation Policy of the AIFM and the Prospectus. A summary of the valuation methodology can be found in note 4c to the financial statements. Shareholders should refer to the Prospectus for full details.

The Net Asset Value under the Valuation Policy differs to the IFRS measure of amounts attributable to shareholders in the Consolidated Statement of Financial Position. This is due to differing recognition of organisational and offering expenses. The Investment Manager has agreed to advance all such expenses for BEPIF until 30 September 2022. At which point these expenses will be reimbursed to the Investment Manager rateably over the next 60 months. These expenses are not reflected in the Net Asset Value until they are reimbursed. Whereas, under IFRS these expenses are recognised when the associated services are provided. A reconciliation is provided in note 2a to the financial statements.

Since launch the share prices of BEPIF Feeder SICAV have grown by €0.69 (6.9%) and €0.67 (6.7%) for Class I and Class A shares respectively. This growth is driven by revaluation gains on real estate investments offset by fund expenses.

No distributions were declared for the period.

	Class I_D €000	**Class I_A €000**	**Class A_D €000**	**Class A_A €000**	**Total €000**
Subscriptions	64,023	77,042	182,777	110,507	434,349
Redemptions	—	—	—	—	—
Appreciation for the period	3,127	3,624	8,710	5,069	20,530
Net Asset Value	**67,150**	**80,666**	**191,487**	**115,576**	**454,879**
Opening share price (€)	10.00	10.00	10.00	10.00	
Closing share price (€)	10.69	10.69	10.67	10.67	
Return for the period	6.9%	6.9%	6.7%	6.7%	

Expenses

The AIFM and Investment Manager are entitled to payment of a management fee (the "**Management Fee**") payable by BEPIF Feeder SICAV and BEPIF Master FCP (without duplication) equal to in aggregate 1.25% of BEPIF Feeder SICAV's Net Asset Value per annum payable monthly, before giving effect to any accruals for the Management Fee, the Servicing Fee, the Performance Participation Allocation, redemptions for that month and any distributions. The AIFM and Investment Manager have agreed to waive the Management Fee for the first six months since BEPIF accepted its first subscriptions (to 31 March 2022).

Blackstone European Property Income Fund Associates LP is allocated a performance participation (the "**Performance Participation Allocation**") equal to 12.5% of the Total Return of BEPIF subject to a 5% annual Hurdle Amount and a High Water Mark with 100% Catch-Up (each term as defined in the Prospectus), crystalizing on 30 June each year (subject to pro-rating for partial years). Based on performance to 31 December 2021 a Performance Participation Allocation of €3.0m has been included within BEPIF Feeder SICAV's share of revaluation gains on investments.

Class A Shares bear a servicing fee ("**Servicing Fee**") payable to financial intermediaries in an amount equal (on an annualized basis) to 0.75% of the Net Asset Value of such Class of Shares (before deducting the Servicing Fee for that month and before giving effect to any redemptions or distributions for that month) as of the last day of each month.

Leverage

BEPIF Feeder SICAV may utilize 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. BEPIF Feeder SICAV will not incur indebtedness, directly or indirectly, that would cause the Leverage Ratio 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 the incurrence of an increase in indebtedness (including the exercise of rights attached to an Investment). BEPIF Feeder SICAV's proportionate interest in the leverage of BPPE will be included in the calculation of the Leverage Limit. The Leverage Limit may be exceeded on a temporary basis to satisfy short-term liquidity needs, refinance existing borrowings or for other obligations.

As at 31 December 2021, BEPIF Feeder SICAV's Leverage Ratio was 54.2%.

IV. PRINCIPAL RISKS, UNCERTAINTIES AND CONFLICTS OF INTEREST

Principal risks and Uncertainties

The purchase of shares in BEPIF Feeder SICAV entails a high degree of risk and is suitable for sophisticated investors for whom an investment in BEPIF Feeder SICAV does not represent a complete investment programme, and who 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:

Russian Invasion of Ukraine

On 24 February 2022, Russian troops began a full-scale invasion of Ukraine and, as of the issuance date of this Management Report, the countries remain in active armed conflict. Around the same time, the United States, the United Kingdom, the European Union, and several other nations announced a broad array of new or expanded sanctions, export controls, and other measures against Russia, Russia-backed separatist regions in Ukraine, and certain banks, companies, government officials, and other individuals in Russia and Belarus. The ongoing conflict and the rapidly evolving measures in response could be expected to have a negative impact on the economy and business activity globally (including in the countries in which BEPIF invests), and therefore could adversely affect the performance of BEPIF's investments. The severity and duration of the conflict and its impact on global economic and market conditions are impossible to predict, and as a result, could present material uncertainty and risk with respect to BEPIF and the performance of its investments and operations, and the ability of BEPIF to achieve its investment objectives. Similar risks will exist to the extent that any portfolio entities, service providers, vendors or certain other parties have material operations or assets in Russia, Ukraine, Belarus, or the immediate surrounding areas.

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 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.

Blackstone European Property Income Fund SICAV
Registration Number B255958

Consolidated financial statements
for the period 11 June 2021 to 31 December 2021

Deloitte Audit
Société à responsabilité limitée
20 Boulevard de Kockelscheuer
L-1821 Luxembourg
B.P. 1173
L-1011 Luxembourg

Tel: +352 451 451
www.deloitte.lu

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 AGREE*

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 at 31 December 2021 and the consolidated statements of comprehensive income, changes in amounts attributable to shareholders, and cash flows for the period from 11 June 2021 to 31 December 2021, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements give a true and fair view of the financial position of the Group as at 31 December 2021, and of its financial performance and its cash flows for the period from 11 June 2021 to 31 December 2021 in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union.

Basis for Opinion

We conducted our audit in accordance with the Law of 23 July 2016 on the audit profession (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 Group in accordance with the International Code of Ethics for Professional Accountants, including International Independence Standards, issued by the International Ethics Standards Board for Accountants (IESBA Code) as adopted for Luxembourg by the CSSF together with the ethical requirements that are relevant to our audit of the consolidated financial statements, and have fulfilled our other ethical responsibilities under those ethical requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

The Board of Directors is responsible for the other information. The other information comprises the AIFMD required disclosures.

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

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

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

Responsibilities of the Board of Directors for the Consolidated Financial Statements

The Board of Directors is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRSs as adopted by the European Union, and for such internal control as the 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.

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

The objectives of our audit are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue 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 dated 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 dated 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 the 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.

Deloitte.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities and business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

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

For Deloitte Audit, *Cabinet de révision agréé*

Christian Van Dartel

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

22 June 2022

Consolidated Financial Statements

Consolidated Statement of Financial Position
As at 31 December 2021

	Notes	2021 €000
Assets		
Non-current assets		
Investments at fair value	4	457,138
Current assets		
Cash and cash equivalents	5	53,538
Total assets		**510,676**
Liabilities		
Current liabilities		
Trade and other payables	6	(941)
Subscriptions received in advance	7	(52,939)
Other liabilities	8	(9,405)
Total liabilities excluding amounts attributable to shareholders		**(63,285)**
Amounts attributable to shareholders (IFRS)		**447,391**
Adjustment to IFRS to obtain Net Asset Value	2a	7,488
Net Asset Value attributable to shareholders	10	**454,879**
Attributable to holders of:		
Class I_D shares		67,150
Class I_A shares		80,666
Class A_D shares		191,487
Class A_A shares		115,576
		454,879
Share price:		€
Class I_D		10.69
Class I_A		10.69
Class A_D		10.67
Class A_A		10.67

These financial statements were approved by the board of directors and authorised for issue on 22 June 2022.

Consolidated Statement of Comprehensive Income
For the period 11 June 2021 to 31 December 2021

	Notes	2021 €000
Revenue		
Distributions from investments		—
Expenses (excluding servicing fees)		
Management fees	9	—
Other expenses	9	(503)
		(503)
Group operating loss before change in fair value of investments		**(503)**
Gain on change in fair value of investments	4	14,108
Group profit before share class specific expenses		**13,605**
Profit attributable to minority investors in BEPIF Master FCP	8	(105)
Profit attributable to shareholders before share class specific expenses		**13,500**
Finance cost: distributions payable to shareholders		—
Servicing fee on Class A shares	9	(458)
Profit attributable to shareholders (IFRS)		**13,042**
Adjustment to IFRS to obtain appreciation of Net Asset Value	2a	7,488
Appreciation of Net Asset Value		**20,530**
Attributable to holders of:		
Class I_D shares		3,127
Class I_A shares		3,624
Class A_D shares		8,710
Class A_A shares		5,069
		20,530

There are no items of other comprehensive income for the period

Consolidated Statement of Changes in Amounts Attributable to Shareholders
For the period 11 June 2021 to 31 December 2021

	Share class				Total
	Class I_D €000	**Class I_A** €000	**Class A_D** €000	**Class A_A** €000	€000
Balance as at 11 June 2021	—	—	—	—	—
Contributions and redemptions by shareholders					
Issue of shares	64,023	77,042	182,777	110,507	434,349
Result for financial period					
Profit attributable to shareholders before share class specific expenses	2,022	2,296	5,847	3,335	13,500
Servicing fees	—	—	(289)	(169)	(458)
Distributions	—	—	—	—	—
Balance as at 31 December 2021 (IFRS)	**66,045**	**79,338**	**188,335**	**113,673**	**447,391**
Adjustment to IFRS to obtain Net Asset Value	1,105	1,328	3,152	1,903	7,488
Net Asset Value attributable to shareholders	**67,150**	**80,666**	**191,487**	**115,576**	**454,879**

A reconciliation of the number of shares and share price per share class is included in note 10.

Consolidated Statement of Cash Flows
For the period 11 June 2021 to 31 December 2021

	2021 €000
Cash flows from operating activities	
Expenses paid	(20)
Distributions paid	—
Net cash used in operating activities	**(20)**
Cash flows from investing activities	
Contributions paid to joint ventures	(443,030)
Net cash used in investing activities	**(443,030)**
Cash flows from financing activities	
Cash flows with shareholders	
Proceeds for issue of shares	487,288
Cash flows with minority investors in BEPIF Master FCP	
Proceeds for issue of units	9,300
Net cash from financing activities	**496,588**
Net increase in cash and cash equivalents	**53,538**
Cash and cash equivalents at the beginning of the period	—
Cash and cash equivalents at the end of the period	**53,538**

Schedule of Investments
As at 31 December 2021

Category / name of investment	Ownership[1]	Country	Cost basis[1] €000	Gross Asset Value[1,2] €000
Direct real estate investments				
Logistics			1,001,046	1,026,451
Alaska Logistics Portfolio	16%	UK		
Coldplay Logistics Portfolio	90%	Germany		
Evergreen Logistics Portfolio	90%	Poland, UK, Germany, Spain, Czech Republic		
Rose Logistics Asset	100%	Netherlands		
Data Centre			234,857	238,754
Harbour Exchange	100%	UK		
			1,235,903	1,265,205
Investments through BPPE[3]			183,632	184,957
Total direct real estate (including BPPE)			**1,419,535**	**1,450,162**
Real estate debt investments				
Bilateral loans			**94,288**	**94,288**
Total Investments[4]			**1,513,823**	**1,544,450**

(1) Ownership, cost basis and Gross Asset Value are totals for BEPIF as a whole. As at 31 December 2021, BEPIF Feeder SICAV had an 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 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) For a reconciliation of Gross Asset Value of Investments to the valuation of investments in the Consolidated Statement of Financial Position see note 4a.

Notes to the Consolidated Financial Statements

1. Corporate information and principal activities

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*), incorporated on 11 June 2021, and governed by Part II of the 2010 Law. The registered address of BEPIF Feeder SICAV is 11-13, Boulevard de la Foire L-1528, Luxembourg.

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. The primary vehicles for investors to subscribe to BEPIF are BEPIF Feeder SICAV and BEPIF Master FCP (as defined below).

BEPIF invests primarily in substantially stabilized, 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"), a Luxembourg mutual fund (*fonds commun de placement*) governed by Part II of the 2010 Law is the master fund for BEPIF Feeder SICAV. As at 31 December 2021 BEPIF Feeder SICAV owned 98% of the units (by value) issued by BEPIF Master FCP. BEPIF Feeder SICAV together with BEPIF Master FCP is 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"), has been appointed as alternative investment fund manager under the 2013 Law in order to perform the investment management (including both portfolio and risk management), oversight, valuation and certain other functions. The AIFM delegated its 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 investment 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 a vehicle incorporated to indirectly hold the investments of the Funds.

2. Group accounting policies

The consolidated financial statements are for the period 11 June 2021, the date of incorporation of BEPIF Feeder SICAV, until 31 December 2021. The consolidated financial statements consolidate the results of BEPIF Feeder SICAV and BEPIF Master FCP. Shareholders can obtain the annual report of BEPIF Master FCP on request to the AIFM.

BEPIF Feeder SICAV has applied the following accounting policies throughout the financial period. Consistent accounting policies have been applied to the results of BEPIF Master FCP and BEPIF Aggregator. For ease of reference, significant accounting policies that are applicable only to investments held via BEPIF Aggregator are included in note 3.

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"). The Group has not early adopted any IFRS standards and there are no new or amended standards that are expected to have a material impact on the Group.

The functional and presentational currency is the euro. The 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 Financial Position presents financial liabilities due to shareholders as *Amounts attributable to shareholders*. A Consolidated Statement of Changes in Amounts Attributable to Shareholders is presented in lieu of a statement of changes in equity.

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 12). 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.

	Notes	**2021** € 000
Amounts attributable to shareholders (IFRS)		447,391
Organisational and offering expenses adjustments:		
Group's share of liability recognised by BEPIF Aggregator	4a	7,649
Amount attributable to minority investors in BEPIF Master FCP		(161)
		7,488
Net Asset Value attributable to shareholders		**454,879**

Going concern

These 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. Payments to shareholders as distributions or redemptions of shares are made in accordance with the Articles of BEPIF Feeder SICAV and are summarised in note 10.

b) Basis of consolidation

The consolidated financial statements incorporate the financial statements of BEPIF Feeder SICAV and entities it controlled in 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 preparing separate financial statements including BEPIF Master FCP as an investment in the statement of financial position.

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. The Group's only joint venture is BEPIF Aggregator.

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.

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 appointed as general partner to BEPIF Aggregator. The renumeration 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 limited partners is required for certain reserved matters, including replacement of the General Partner. Therefore, the Directors conclude that, despite owning more than 50% of the issued partners' capital, 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.

d) Financial instruments

Financial assets

Other than the investment in joint ventures, all the Group's financial assets are measured at amortised cost. Financial assets include cash and cash equivalents and trade and other receivables.

Cash and cash equivalents includes cash in hand and cash held by the Depositary (as defined in note 11) from subscriptions received in advance (note 2e).

Financial liabilities

All financial liabilities are measured at amortised cost. Financial liabilities include amounts due to shareholders, trade and other payables, management fees and other liabilities (being amounts due to minority investors in BEPIF Master FCP).

Trade and other payables, including management fees, 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/units issued and are subsequently recognised at the value of the redemption amount as if the shares/units were redeemed at the period end.

Liabilities to settle redemptions of shares are transferred to a separate liability in the Consolidated Statement of Financial Position at the redemption date (see note 10). 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 in BEPIF Feeder SICAV. Payment of redemptions is subject to the redemption caps as described in BEPIF Feeder SICAV's Prospectus and may be deferred in certain circumstances (redemption terms are summarised in note 10). However, the contractual obligation to redeem is not extinguished and hence there is a contractual obligation to deliver cash to shareholders. Therefore, shareholders' investments in BEPIF Feeder SICAV 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.

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 due 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 due 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 two judgements above is that the Group has no equity instruments. Therefore a consolidated statement of changes in equity is replaced by the Consolidated Statement of Changes in Amounts Attributable to Shareholders.

e) Subscriptions received in advance

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

f) Revenue

The Group's revenue comprises distributions from investments. Distributions are recognised when the right to receive payment is established.

g) Fees

Management, servicing 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*. The Group is charged Luxembourg subscription tax (see note 9) which is computed based on the net assets of BEPIF Feeder SICAV and BEPIF Master FCP rather than their profit. The subscription tax charge is therefore presented as an operating expense in profit or loss.

i) Statement of Cash Flows

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

3. Accounting policies applicable to Investments

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

a) Basis of accounting

BEPIF Aggregator's financial results are for the period 28 June 2021, the date of formation, until 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, derivative financial instruments and certain debt investments are measured at fair value.

Significant accounting judgement—Consolidation

The Directors have 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 using the principles outlined below.

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% is considered 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 are acquired via the purchase of the legal entity which holds the properties, these 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 period 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.

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 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, for example, dependent 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 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.

d) Financial instruments

Classification

Financial assets in the following measurement categories:

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

Other than amounts due to partners (see note 3e), the accounting policies for material categories of financial instruments are as follows:

i) Equity investments

All equity investments, including the investment in BPPE (as 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.

ii) 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 those assets 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 separate line item in profit or loss.

iii) 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 BEPIF invests. 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.

iv) 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 ire recognised in profit or loss.

v) 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.

vi) Derivatives

Derivative financial assets/liabilities primarily comprise 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.

vii) 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).

viii) Trade and other payables

Trade and other payables 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 from tenants may be obtained 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 due to partners

As described further below, for all partners' balances BEPIF Aggregator has a contractual obligation to deliver cash, as defined in IAS 32 *Financial Instruments Presentation,* and therefore all partners' balances are classified as financial liabilities as opposed to equity instruments. The obligation arises, in accordance with the LPA, per class of partner as follows:

- Limited Partners have a right to withdraw their interests for cash.
- Special Limited Partner interest – Blackstone European Property Income Fund Associates L.P. (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.
- General Partner – earns a minimum level of profit allocation payable in cash.

Given this, BEPIF Aggregator itself has no equity. The only equity arises from non-controlling interests within subsidiaries of BEPIF Aggregator.

i) Amounts due to limited partners

Amounts due to limited partners are initially recognised at cost, being the cash received from 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 the Limited Partners withdrew their interests and settled at the residual net assets of BEPIF Aggregator (under IFRS) after deducting all other liabilities.

Repayments of Limited Partners' interests are effective at the end of each month and the limited partner ceases to benefit from the allocation of profits of BEPIF Aggregator on a pro rata basis from that date. Any liability to repay Limited Partner interests is presented separately in BEPIF Aggregator's Statement of Financial Position 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.

ii) Amounts due to Special Limited Partner

In accordance with the LPA, the Special Limited Partner is entitled to receive a Performance Participation Allocation of the Total Return of BEPIF Aggregator (see note 12 for further details). The Special Limited Partner can elect to have the performance participation allocation settled in cash, partners' capital in BEPIF Aggregator or as an investment in a Fund (as defined in note 4a).

The performance participation allocation due to the Special Limited Partner is calculated monthly against the required performance conditions explained in note 12. 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 crystalise at the measurement date.

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

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. Variable lease payments that depend on 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. The lease liability is remeasured when variable lease payments that depend on an index are updated.

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 several leases there are 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 be classified as a finance lease. The breaks are assessed as being sufficiently far in the future (at least 15 years) that it cannot be reasonably certain the break will not be exercised. The impact of this judgement is that property with a yearend value of €267.7m is 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.

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 earned. Interest is recognised on a time-proportion 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.

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.

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 in the financial statements. 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 determined using tax rates (and laws) that have been enacted or substantively enacted by the yearend 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.

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 recognised 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 entity's 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 statement of financial position.

j) Consolidated statement of cash flows of BEPIF Aggregator

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

Interest paid on loans and borrowings is presented within financing cash flows.

The 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 the Group'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.

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

4. Investments at fair value

4a Reconciliation of investments at fair value

BEPIF Aggregator is the vehicle through which the Funds makes their real estate related investments. Under IFRS, BEPIF Aggregator is classified as a joint venture.

The Group, via BEPIF Master FCP, became a limited partner of BEPIF Aggregator at its formation on 28 June 2021. The relative value of BEPIF Master FCP's and Blackstone Bepimmo's interest in BEPIF Aggregator varies dependent on the level of subscriptions and redemptions of end investors in each Fund. At 31 December 2021, BEPIF Master FCP had an effective 87% share of BEPIF Aggregator. After allocations to minority investors in BEPIF Master FCP, BEPIF Feeder SICAV has an effective interest of 85% in BEPIF Aggregator.

	BEPIF Aggregator € 000
Fair value as at 11 June 2021	—
Capital contributions	443,030
Distributions received	—
Gain on change in fair value[1]	14,108
Fair value as at 31 December 2021 (IFRS)	**457,138**
Adjustment to obtain Net Asset Value (note 2a)	7,649
Valuation in accordance with the Valuation Policy	**464,787**

(1) Comprises a gain of €21.7m under the Valuation Policy and a loss of €7.6m for accrued organisation and offering expenses under IFRS.

Reconciliation to the Schedule of Investments

	2021 € 000
Schedule of Investments: BEPIF's Gross Asset Value	1,544,450
Net leverage in Investments[1]	(900,365)
Other net working capital	(109,828)
	534,257
Less amount attributable to Blackstone Bepimmo	(69,470)
Valuation in accordance with the Valuation Policy	**464,787**

(1) Net leverage in Investments includes BEPIF's share of consolidated property-level and entity-level debt net of cash, excluding indebtedness incurred in connection with funding a deposit. It includes the look-through net leverage of BEPIF's investments in BPPE. Net leverage in Investments does not include cash held by the Group and therefore differs to Aggregate Net Leverage as defined by the Prospectus.

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 Group's accounting policies in note 3.

BEPIF Aggregator Consolidated Statement of Financial Position

	Notes	2021 € 000
Non-current assets		
Investment property		910,721
Investment in BPPE		101,684
Investment in other equity instruments		181,245
Investment in debt instruments at amortised cost		94,363
	I	**1,288,013**
Current assets		
Cash and cash equivalents		60,223
Trade and other receivables		15,007
Deposits for investments		39,200
		114,430
Assets classified as held for sale	II	207,003
Total current assets		**321,433**
Total assets		**1,609,446**
Non-current liabilities		
Loans and borrowings	III	(578,686)
Lease liabilities		(9,944)
Trade and other payables		(11,724)
Deferred tax liabilities		(6,884)
		(607,238)
Current liabilities		
Loans and borrowings	III	(281,256)
Lease liabilities		(409)
Derivative financial liabilities		(514)
Trade and other payables		(65,946)
Income tax payable		(40)
Performance participation allocation payable		(3,147)
		(351,312)
Liabilities classified as held for sale	II	(130,625)
Total current liabilities		**(481,937)**
Total liabilities excluding amounts attributable to partners		**(1,089,175)**
Net assets before amounts attributable to partners		**520,271**
Amounts attributable to partners		
General Partner		—
Special Limited Partner		440
BEPIF Master FCP	IV	430,971
Blackstone Bepimmo		64,416
		495,827
Non-controlling interest		24,444
Amounts attributable to partners plus equity		**520,271**

BEPIF Aggregator Consolidated Income Statement

	Notes	28 June to 31 December 2021 € 000
Revenue		
Rental income	V	2,477
Service charge income	V	173
Distribution income from equity investments		1,963
Interest income from debt investments		737
		5,350
Operating expenses		
Property related expenses		(272)
Organisational and offering expenses		(8,791)
Other administrative expenses		(1,684)
		(10,747)
Gains/(losses) from change in fair value of		
Investment property		(11,441)
Investment in BPPE		1,684
Other equity investments		12,404
		2,647
Operating profit/(loss)		**(2,750)**
Net finance expenses		(5,419)
Profit/(loss) before tax and amounts attributable to partners		**(8,169)**
Income tax		(6,214)
Profit/(loss) before allocations to partners		**(14,383)**
Performance participation allocation		(3,147)
General Partner's share		(9)
Profit/(loss) for the period from continuing operations		**(17,539)**
Loss from discontinued operations		
Revenue: rental income	V	313
Revaluation gain on investment property		8,952
Other net loss items		(2,008)
Deferred tax expenses		(11,213)
		(3,956)
Profit/(loss) for the period		**(21,495)**
Attributable to:		
BEPIF Master FCP		(15,879)
Blackstone Bepimmo		(5,481)
Special Limited Partner		13
Non-controlling interest		(148)
		(21,495)

BEPIF Aggregator Consolidated Statement of Other Comprehensive Income

	28 June to 31 December 2021 € 000
Profit/(loss) for the period	(21,495)
Other comprehensive income/(loss)	
Items that may be reclassified to profit or loss	
Foreign currency translation of foreign operations	6,018
Income tax relating to these items	(710)
Other comprehensive income for the period, net of tax	**5,308**
Total comprehensive income/(loss) for the period	**(16,187)**
Attributable to:	
BEPIF Master FCP	(12,059)
Blackstone Bepimmo	(4,162)
Special Limited Partner	13
Non-controlling interest	21
	(16,187)

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

	28 June to 31 December 2021 € 000
Cash flows from operating activities	
Profit/(loss) for the period from continuing operations	(17,539)
Adjustments for:	
Performance Participation Allocation payable	3,147
Amortisation of upfront loan fees	(75)
Net finance expenses	5,419
Realised foreign currency gain/(loss)	(23)
Income tax payable	6,214
(Gain)/loss from changes in fair value of investments	(2,647)
	(5,504)
(Increase)/decrease in trade and other receivables	(15,007)
Increase/(decrease) in trade and other payables	35,992
Cash flow from operations	15,481
Interest paid	(194)
Tax paid	—
Net cash from operating activities	**15,287**
Cash flows from investing activities	
Acquisition of investment properties, including deposits	(902,972)
Acquisition of disposal group – discontinued operations	(193,262)
Investment in BPPE	(100,000)
Investment in other equity instruments	(165,994)
Investment in debt instruments	(94,288)
Net cash used in investing activities	**(1,456,516)**
Cash flows from financing activities	
Contribution from Special Limited Partner	427
Issuance of partnership units	511,608
Net cash from partners' capital	512,035
Non-controlling interest contributions	24,423
Proceeds from loans from non-controlling interest	7,067
Net cash from non-controlling interests	31,490
Proceeds from loans and borrowings – continuing operations	1,092,883
Proceeds from loans and borrowings – discontinued operations	113,155
Repayments of loans and borrowings	(245,667)
Payment of loan arrangement fees	(2,444)
Net cash from loans and borrowings	957,927
Net cash from financing activities	**1,501,452**
Net increase/(decrease) in cash and cash equivalents	**60,223**
Cash and cash equivalents at the beginning of the period	—
Cash and cash equivalents at the end of the period	**60,223**

Notes to the BEPIF Aggregator consolidation

I. Investments in non-current assets

	Investment in			
	Investment property	**BPPE**	**Other equity instruments**	**Debt at amortised cost**
	€000	€000	€000	€000
Balance as at 28 June 2021	—	—	—	—
Acquisitions, including transaction costs[1]	915,803	100,000	165,994	94,288
Net change in straight-line rent receivable	134	—	—	—
Gain/(loss) on change in fair value[2]	(11,441)	1,684	12,404	—
Amortisation of fees	—	—	—	75
Foreign currency translation gain	6,225	—	2,847	—
Balance as at 31 December 2021	**910,721**	**101,684**	**181,245**	**94,363**

(1) Acquisitions includes transaction costs on investment property of €40.4m (including any real estate transfer taxes paid. There were no material transaction costs on other investments.

(2) Comprises €30.1m of unrealised gains and €27.4m of unrealised losses. Included in unrealised losses are €58.6m of losses 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 also reconciling item (1) of note 4b.IV).

During the period, investments in direct real estate have been made into the Coldplay Logistics Portfolio, Emerald Logistics Portfolio, Rose Logistics Asset and Harbour Exchange. Details on ownership and location of the properties can be found in the Schedule of Investments. Figures in the table above include the share of the investments held by non-controlling interests. All investment properties are insured to at least their market value.

In November 2021, an investment was made into Blackstone Property Partners Europe (Lux) SCSp, the Luxembourg limb of Blackstone Property Partners Europe, Blackstone's flagship European Core+ real estate fund for institutional investors ("BPPE"). The investment represents a 1.4% interest in BPPE.

The investment in other equity instruments represents a 16% investment in the Alaska Logistics Portfolio.

In November 2021, a €95m bilateral loan, with €0.7m of upfront fees, was provided to a subsidiary of a pan-European logistics company.

II. Assets and liabilities held for sale

Included in the Evergreen Logistics Portfolio were two Polish properties acquired with a view to subsequent resale. Assets classified as held for sale includes investment property valued at €198.9m (historical cost of €189.9m, including transaction costs of €3.5m). Liabilities classified as held for sale includes €113.2m of loans required to be repaid on completion of the sale.

III. Loans and borrowings

	2021 € 000
Non-current	
Acquisition Facility	581,025
Unamortised arrangement fees	(2,339)
	578,686
Current	
Line of Credit	272,800
Interest payable	1,389
Loans from non-controlling interests	7,067
	281,256
Acquisition Facility included in liabilities held for sale	113,155
Total loans and borrowings	**973,097**

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

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. All of BEPIF's investment property and debt investments at 31 December 2021 are secured under this facility. The facility includes various financial and operational covenants which have been complied with throughout the period and to the date of issuance of these consolidated financial statements.

Key terms of the Line of Credit and Acquisition Facility are as follows:

Type of loan / borrowing	Interest rate	Maturity date	Principal outstanding €000
Line of Credit		July 2022[1]	
EUR	EURIBOR + 2.50%[2]		106,000
GBP	SONIA + 2.50%		166,800
			272,800
Acquisition Facility		October 2023[3]	
EUR	EURIBOR + 1.50%[4]		469,096
GBP	SONIA + 1.50%		225,084
			694,180

(1) 12-month extension option available with consent of the lender.
(2) 3M EURIBOR is subject to a 0% floor.
(3) Subject to a 12-month extension option.
(4) 3M EURIBOR is subject to a 0% floor. The margin will increase to 1.85% and 2.00% in year 2 and 3 of the facility, respectively.

IV. Amounts attributable to BEPIF Master FCP

The fair value of the Group's interest in BEPIF Aggregator as reported in the Group's Consolidated Statement of Financial Position differs to its share of the Amounts attributable to partners in BEPIF Aggregator's own Consolidated Statement of Financial Position. 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 the Group's interest in BEPIF Aggregator. The difference is reconciled as follows:

	2021 € 000
BEPIF Aggregator: Amounts attributable to BEPIF Master FCP	430,971
Adjustments	
Exit strategy assumption[(1)]	50,951
Deferred tax in relation to investment property[(2)]	(21,338)
Fair market value of debt investments at amortised cost[(3)]	(65)
Fair market value of loans and borrowings[(4)]	(1,545)
Non-controlling interest effect[(5)]	(1,210)
Other differences	(626)
	26,167
The Group: Investments at fair value	**457,138**

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, the Group, in line with market practice, adopts a probability-weighted assessment of a sale occurring via an asset or corporate sale. BEPIF Aggregator's valuation is consequently lower due to additional transaction costs in an asset sale.

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

(4) For BEPIF Aggregator, IFRS requires loans and borrowings to be held at amortised cost compared to their fair market value adopted when valuing the debt of the Group.

(5) The extent to which reconciling items (1) to (4) relate to balances where BEPIF owns less than 100% of the investment.

V. 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.

	2021 € 000
Gross rents receivable	2,343
Impact of lease incentives	134
Rental income	2,477
Service charge income	173
Total property income – continuing operations	**2,650**
Discontinued operations: rental income	313
Total property income	**2,963**

The geographic breakdown of property income is as follows:

	2021 € 000
Germany	1,938
UK	532
Spain	77
Czech Republic	54
The Netherlands	49
Total property income – continuing operations	**2,650**
Discontinued operations: Poland	313
Total property income	**2,963**

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 minimum rental uplifts. Excluded from these figures is €19.7m of future rent from properties classified as held for sale.

	2021 € 000
Less than 1 year	40,379
1-2 years	40,648
2-3 years	38,083
3-4 years	34,355
4-5 years	34,358
Thereafter	320,731
Total	**508,554**

4c Fair value

Valuation oversight

The AIFM is responsible for the proper and independent valuation of the assets of BEPIF Feeder SICAV. The Investment Manager provides valuation advice and assists the AIFM in the valuation of the assets of BEPIF Feeder SICAV, 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 Group's interest in BEPIF Aggregator at the end of the period 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 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 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 the 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. Given the recent dates of the acquisitions, no external appraisals have been obtained for the period.

- *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 2021) in a manner otherwise consistent with the "*Property Investments*" above and "*Liabilities*" below.

  Other non-listed equity investments 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*

  At 31 December 2021 the sole debt investment was a bilateral loan. To value this debt investment 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.

- *Loans and borrowings*

  Fair value of loans and borrowings are determined by discounting the expected cash flows on the loan 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 (including the Russian invasion of Ukraine described in Section IV of the Management Report) 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 table below:

Asset class	Gross asset value €000	Valuation technique	Significant unobservable inputs	Range	Weighted average	Increase/(decrease) in value for a change in rate of +25 bps €000	-25 bps €000
Logistics	362,019[1]	DCF	Discount rate	5.6 - 6.2%	5.9%	(10,605)	10,869
			Exit cap rate	3.4 - 4.0%	3.7%	(24,241)	27,801
Logistics	664,432	Acquisition price	n/a	n/a	n/a	n/a	n/a
Data Centres	238,754	Acquisition price	n/a	n/a	n/a	n/a	n/a
BPPE	184,957	Reported value[2]	n/a	n/a	n/a	n/a	n/a
Debt investment	94,288	Acquisition price	n/a	n/a	n/a	n/a	n/a

(1) Includes the value of the investment in other equity instruments.
(2) The Group's share of the Gross Asset Value of BPPE's property investments as reported by the BPPE.

5. Cash and cash equivalents

	2021 € 000
Cash at bank	599
Restricted cash	52,939
Total cash and cash equivalents	**53,538**

Restricted cash

BEPIF Feeder SICAV and BEPIF Master FCP receive cash for subscriptions in advance of the trade date on the first of each month. Such cash is held in a separate bank account managed by the Depositary and is not available for use by the Group until the subscription date.

6. Trade and other payables

	2021 € 000
Servicing fee payable	458
Accruals	483
Total trade and other payables	**941**

7. Subscriptions received in advance

Subscriptions received in advance remain unsecured creditors of the Group until the issuance of the shares has been completed. At 31 December 2021, all of the subscriptions in advance relate to BEPIF Feeder SICAV.

	2021 € 000
As at 11 June	—
Proceeds for issue of shares	487,288
Issue of shares	(434,349)
As at 31 December	**52,939**

8. Other liabilities

Other liabilities represent amounts attributable to minority investors in BEPIF Master FCP. The units in BEPIF Master FCP issued to minority investors are subject to comparable terms described for BEPIF Feeder SICAV's own shares in note 10. There are no redemption requests in BEPIF Master FCP outstanding at 31 December 2021.

	2021 € 000
As at 11 June	—
Cash flows	
Proceeds for issue of units	9,300
Non-cash items	
Share of gains of BEPIF Master FCP(1)	105
As at 31 December	**9,405**

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

9. Expenses

	Notes	2021 € 000
Management fees	12	—
Administrator and Depositary fees		71
Directors' fee	12	26
Subscription tax		13
Other expenses		393
Expenses (excluding servicing fees)		**503**
Servicing fee for Class A shareholders		458
Total expenses		**961**

Of the expenses for the period, €0.7m was incurred by BEPIF Feeder SICAV (including €0.5m of servicing fees) and €0.3m by BEPIF Master FCP respectively.

Management fee

Details on fees payable to the Investment Manager can be found in note 12.

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 €25,000. In addition Deloitte is the auditor of BEPIF Master FCP, BEPIF Aggregator and certain of its subsidiaries for which Deloitte's fees total €144,100. No non-audit fees were paid in the period by the Group or BEPIF Aggregator.

Subscription tax

Under the current system of taxation in Luxembourg both BEPIF Feeder SICAV and BEPIF Master FCP are exempt from paying income taxes. Instead, the net assets of each entity, without duplication, is subject to Luxembourg subscription tax.

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, of such units. Class I shares do not incur a servicing fee.

10. 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 BEPIF Feeder SICAV's Prospectus for the full terms applicable to their shares.

Classes of Shares

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

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 for Distribution Sub-Class shares will receive in cash any distributions that BEPIF Feeder SICAV pays in respect of such shares. No distributions are paid on the Accumulation Sub-Class shares, the value of distributions that would have otherwise been paid are reflected in the value of those shares.

Class A_A and Class A_D shareholders are charged a Servicing Fee (see note 9) 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 by BEPIF Feeder SICAV 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

A shareholder may request to have some or all of their shares redeemed by BEPIF Feeder SICAV (a "Redemption Request") as of the closing of the last calendar day of each month (each a "Redemption Date") by submitting a notice to BEPIF Feeder SICAV 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 an early redemption deduction equal to 5% of the value of the Net Asset Value of the shares being redeemed will apply. Early redemption deductions will inure to the benefit of BEPIF Aggregator and hence indirectly to investors in all Funds.

BEPIF Feeder SICAV expects that settlements of share redemptions will generally be made within 60 calendar days of the Redemption Date. No distributions are payable on shares subject to a Redemption Request after the Redemption Date.

The aggregate Net Asset Value of total redemptions across the Funds is generally limited to 2% of aggregate Net Asset Value per month of all Funds 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 of shares would place an undue burden on liquidity, adversely affect operations, risk having an adverse impact on BEPIF Feeder SICAV that would outweigh the benefit of redemptions of shares or as a result of legal or regulatory changes.

At 31 December 2021 BEPIF Feeder SICAV had no redemption requests outstanding.

Allocation of profits

Profits are allocated to shareholders 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-Class shares. 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 not declared any distributions during the financial period. Subsequent to the period end and up to the date of issuance of these financial statements distributions have been declared totalling 15.09 cents and 11.65 cents per share on Class I_D and A_D shares respectively.

Reconciliation of amounts attributable to shareholders

Class I_D	**NAV** € 000	**Number of shares** '000	**NAV per share** €
As at 11 June 2021	—	—	10.00
Shares issued	64,023	6,284	—
Profit for the period before share class specific expenses	2,022	—	0.51
Distributions declared	—	—	—
As at 31 December 2021 (IFRS)	66,045	6,284	10.51
Share of organisational and offering expenses	1,105	—	0.18
Net Asset Value at 31 December 2021	**67,150**	**6,284**	**10.69**

Class I_A	**NAV** € 000	**Number of shares** '000	**NAV per share** €
As at 11 June 2021	—	—	10.00
Shares issued	77,042	7,548	—
Profit for the period before share class specific expenses	2,296	—	0.51
As at 31 December 2021 (IFRS)	79,338	7,548	10.51
Share of organisational and offering expenses	1,328	—	0.18
Net Asset Value at 31 December 2021	**80,666**	**7,548**	**10.69**

Class A_D	**NAV** € 000	**Number of shares** '000	**NAV per share** €
As at 11 June 2021	—	—	10.00
Shares issued	182,777	17,952	—
Profit for the period before share class specific expenses	5,847	—	0.51
Distributions declared	—	—	—
Servicing fee	(289)	—	(0.02)
As at 31 December 2021 (IFRS)	188,335	17,952	10.49
Share of organisational and offering expenses	3,152	—	0.18
Net Asset Value at 31 December 2021	**191,487**	**17,952**	**10.67**

Class A_A	NAV € 000	Number of shares '000	NAV per share €
As at 11 June 2021	—	—	10.00
Shares issued	110,507	10,835	—
Profit for the period before share class specific expenses	3,335	—	0.51
Servicing fee	(169)	—	(0.02)
As at 31 December 2021 (IFRS)	113,673	10,835	10.49
Share of organisational and offering expenses	1,903	—	0.18
Net Asset Value at 31 December 2021	**115,576**	**10,835**	**10.67**

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. BEPIF Feeder SICAV considers proceeds from issue of shares (which are classified as liabilities in the Consolidated Statement of Financial Position), external borrowings and retained profits as its 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 Feeder SICAV will not incur indebtedness, directly or indirectly, that would cause the Leverage Ratio (as defined in the Prospectus) to be in excess of 55%. This limit may be exceeded on a temporary basis to satisfy short-term liquidity needs, refinance existing borrowings or for other obligations. At 31 December 2021 the Leverage Ratio was 54.2%.

11. Financial risk management

The AIFM

The AIFM is in charge of the risk management function of BEPIF Feeder SICAV. The AIFM is authorized as 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 objective 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 authorized 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.

Financial instruments

This note presents information about the Group's exposure to risks from its financial instruments other than amounts due to its shareholders which are described in note 10.

Approximately all of the Group's directly held financial instruments are the interest 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.

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 directly held financial instruments. Such figures are reported at BEPIF's share (of which BEPIF Feeder SICAV has an 85% economic interest at 31 December 2021).

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 (a) market price for investments, (b) foreign currencies and (c) interest bearing assets and liabilities.

Market price for investments

Price risk exposure arises on investments, which comprise both financial instruments (investments in BPPE 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

At 31 December 2021, the Group has no non-euro balances.

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 as follows:

At 31 December 2021	**GBP** € 000	**Other[1]** € 000	**Total** € 000
Foreign currency items			
Investment property	365,839	10,353	376,192
Investment in other equity instruments	181,245	—	181,245
Cash and cash equivalents	4,565	32	4,597
Other net current assets/(liabilities)	(6,092)	(11)	(6,103)
Loans and borrowings (current and non-current)	(392,872)	—	(392,872)
Lease liability (current and non-current)	—	(10,353)	(10,353)
Disposal group net assets and liabilities	—	1,197	1,197
	152,685	1,218	153,903
Sensitivity analysis			
Gain/(loss) from a 5% weakening of the euro on:			
Amounts attributable to limited partners	(3,826)	61	(3,765)
Result for the period	3,167	(3)	3,164

(1) Other includes amounts in Polish Zloty (PLN) and Czech Koruna (CZK).

In addition there is indirect exposure to foreign currency arises via the investment in BPPE as BPPE holds real estate investments in multiple European countries where the euro is not the local currency.

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 currency and may use derivatives to reduce the risk accordingly but has no requirement to do so. At 31 December 2021 the following forward contract was held to reduce exposure on GBP-denominated investments.

Derivative contract type	Notional amount '000	Effective date	Maturity date	Valuation asset/(liability) €000
Forward contract	GBP 64,000	18 October 2021	20 January 2022	(514)

Subsequent to the period end, this forward contract was renewed for a further three months.

Interest rate risk

The Group has no material interest rate exposure. Fluctuations in market interest rates may impact the fair value of interest-bearing investments and financial liabilities, as well as their future cash flows. All loans and borrowings held by investments at 31 December 2021 have floating rates of interest.

At 31 December 2021	Increase € 000	Decrease € 000
Sensitivity analysis		
Gain/(loss) from a 50 bps change in interest rates:		
Amounts attributable to limited partners	(159)	159
Result for the period	(159)	159

There are no prescribed policies on hedging interest rate risk and at 31 December 2021 no derivatives to hedge interest rate risk were held. Subsequent to the period end, a GBP 266m 10-year interest rate swap commencing in February 2024 was entered into.

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 (or properties held by equity investments), amounts due from counterparties to debt investments and cash and cash equivalents.

Trade and other receivables

Exposure to credit risk is 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 from customers is subject to at least a monthly review.

At 31 December 2021	Gross receivable € 000	Loss allowance € 000	Net receivable € 000
Ageing analysis			
Not past due	13,308	—	13,308
Total	**13,308**	**—**	**13,308**

Collateral may be required from tenants in the form of a rent deposit, parent company guarantee or a bank guarantee. At 31 December 2021, €2.5m of such deposits were held which relate to €0.2m of the trade receivables at the period end. Therefore, the maximum exposure to credit risk from its trade and other receivables is €13.1m. Ongoing to 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.

Debt investments

The borrower of BEPIF's debt investment has made all scheduled interest payments. At 31 December 2021 BEPIF had recognised €0.5m of accrued interest income which has been settled post period-end.

Cash and cash equivalents

All of the Group's cash accounts are held with the Depositary which has a credit rating of AA-.

Cash held in investments is intended to be held with two primary banking providers, ING Bank Luxembourg S.A. and BGL BNP Paribas S.A.. The credit rating of each of these institutions is A+. At 31 December 2021, 91% of cash was held with these banks. The remaining cash is held across seven banks and relates to acquisitions made close to the period end. Such accounts are typically transferred to the primary banking providers in the months following acquisition.

Liquidity risk

Liquidity is monitored by the Investment Manager at least weekly and considers 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.

All of the Group's financial liabilities have maturities of three months or less.

The table below summarises the maturity profile of financial liabilities held by investments based on contractual undiscounted payments (including forecasted future interest payments).

At 31 December 2021	**Carrying value**	**Cash flows**				
		Total	**Less than 1 year**	**From 1 - 2 years**	**From 2 - 5 years**	**Later than 5 years**
	€000	€000	€000	€000	€000	€000
Loans and borrowings						
Acquisition Facility	581,918	599,287	9,984	589,303	—	—
Acquisition Facility included in liabilities held for sale	113,155	113,579	113,579	—	—	—
Line of credit	273,293	274,248	274,248	—	—	—
Loans from non-controlling interests	7,070	7,070	7,070	—	—	—
Lease liabilities	10,353	13,067	415	415	1,244	10,993
Derivatives	514	514	514	—	—	—
Trade and other payables(1),(2)	74,619	75,421	62,951	2,090	6,269	4,111
Performance participation allocation payable	3,147	3,147	3,147	—	—	—
Total	**1,064,069**	**1,086,333**	**471,908**	**591,808**	**7,513**	**15,104**

(1) Balance excludes deferred income and any taxes payable which are not financial liabilities as defined by IFRS.
(2) Includes amounts presented within disposal group liabilities held for sale.

The Acquisition Facility requires cash to be held to the value of the next interest payment in a separate debt service account before any cash can be transferred outside of the sub-group over which the lenders have security. At 31 December 2021 €2.2m of the cash held by investments was subject to this restriction. There is no other cash restriction aside from amounts relating to tenant security deposits disclosed in the *Credit risk* section above.

12. Related party transactions

Fees payable to affiliates of Blackstone Inc.

Management fee

The Investment Manager and AIFM are 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 9), 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 has been waived for first six months following the date on which the Group accepted its first subscriptions (1 October 2021).

Performance Participation Allocation

The Special Limited Partner of BEPIF Aggregator contributed $500,000 in consideration for its special limited partnership interest. This interest gives the Special Limited Partner an entitlement to a Performance Participation Allocation contingent on the financial performance of BEPIF.

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, crystallized on 30 June of each year (subject to pro-rating for partial years).

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 all expenses of the Funds 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. This is referred to as a "High Water Mark."

The Performance Participation Allocation due 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 (x) the Hurdle Amount for that period and (y) 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.

As well as becoming payable on 30 June, a Performance Participation Allocation also becomes payable on full or partial redemption of a limited partner's interest based on BEPIF's performance to the redemption date. The Special Limited Partner will not be obligated to return any portion of the Performance Participation Allocation paid due to the subsequent performance of BEPIF.

The Special Limited Partner can elect to have the Performance Participation Allocation settled in cash, partners' capital in BEPIF Aggregator or as an investment in a Fund.

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

	Attributable to		Total
	BEPIF Master FCP	Parallel vehicles	
	€ 000	€ 000	€ 000
Balance at 28 June 2021	—	—	—
Performance Participation Allocation accrued	3,036	111	3,147
Balance at 31 December 2021	**3,036**	**111**	**3,147**

The accrued Performance Participation Allocation at 31 December 2021 relates to performance for the period 1 October 2021 to 31 December 2021. Settlement of this amount on 30 June 2022 is contingent on performance of BEPIF between the year end and the settlement date.

General Partner of BEPIF Aggregator

Blackstone European Property Income Fund Associates (Lux) S.à r.l. is the general partner of BEPIF Aggregator. For its services, the General Partner is entitled to an annual amount of the higher of $10,000 or an amount equal to all out-of-pocket costs plus an arm's length net profit margin. The amount payable for the period ended 31 December 2021 was $10k all of which was outstanding at the period end.

Administration fees

The Investment Manager has charged the Group €0.2m for accounting and administrative services, of which €0.1m related to organisational and offering expenses. All fees were outstanding at the period end.

Revantage Global Services Europe S.à. r.l. ("Revantage Europe"), a portfolio company of Blackstone Inc. managed funds, provides BEPIF Aggregator and its investments with corporate support services. Fees payable for the period were €1.8m of which €0.9m related to organisational and offering expenses. Of the total fee, €1.5m was outstanding at the period end.

Organisational and offering expenses

The Investment Manager agreed to advance all of BEPIF's qualifying organisational and offering expenses, such as legal, regulatory and advisory fees, until 30 September 2022. These costs will be reimbursed to the Investment Manager rateably over 60 months from October 2022.

Total costs advanced by the Investment Manager up to 31 December 2021 are €10.4m. After discounting for the deferred repayment terms and adjusting for ownership of BEPIF, the cost attributable to BEPIF Feeder SICAV is €7.5m. The allocation between 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 at the point of reimbursement of the Investment Manager.

Transactions with 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.

Transactions with BPPE in BEPIF's capacity as a limited partner are included in note 4b.I.

BEPIF is not charged management or performance fees by Blackstone in respect of its investment in BPPE.

Other transactions with affiliates of Blackstone

Alaska Logistics Portfolio

In July 2021, in advance of BEPIF Feeder SICAV accepting its first subscriptions, Blackstone European Property Income Fund Associates (Lux) S.à. r.l., a subsidiary of Blackstone Inc. acquired a 16% investment in the Alaska Logistics Portfolio for £140.0m. BEPIF agreed an option to acquire the Alaska Logistics Portfolio at a 5% per annum premium, which amounted to £1.7m on completion of the acquisition (total consideration paid of £141.7m (€166.0m)).

BPPE is the majority owner, and ultimate controlling party, of the Alaska Logistics Portfolio. Another Blackstone managed Core+ investment fund also owns an interest in this investment. In aggregate these funds own 74.9% of the Alaska Logistics Portfolio.

Coldplay and Evergreen Logistics Portfolios

Another Blackstone managed Core+ investment fund owns the 10.1% non-controlling interest of Coldplay and Evergreen Logistics Portfolios. Neither investor has rights or obligations associated with these investments beyond their pro rata ownership.

Line of Credit

The 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.III. As at 31 December 2021 the outstanding principal was €106.0m and GBP 140.2m (€166.8m). Interest payable for the period totalled €0.4m and GBP 0.3m (€0.3m) of which €0.2m and GBP 0.3m (€0.3m) was outstanding at the period end.

Bilateral loan investment

The €95m debt investment was provided to a portfolio company of other investment funds managed by Blackstone Inc. An arrangement fee of €0.7m was received by BEPIF Aggregator at inception of the loan. Interest income of €0.7m was accrued for the period of which €0.5m was outstanding at the period end.

Key management personnel

Directors of BEPIF Feeder SICAV have been paid €26k for services rendered. None of the directors who receive remuneration are employees of the Blackstone Inc. group.

Investments in BEPIF

The Investment Manager provided the initial incorporation capital of BEPIF Feeder SICAV, subscribing for €30,000 Class I_D shares at €10.00 per unit.

At the period end, Directors of BEPIF Feeder SICAV and other key management personnel of the Investment Manager owned shares in BEPIF Feeder SICAV valued at €1.0m and units in BEPIF Master FCP valued at €9.4m. All shares/units were acquired at their then Net Asset Value.

13. Subsequent events

Subsequent to the period end BEPIF Feeder SICAV had net subscriptions for shares of €577.9m. The uses of proceeds include:

- Infinity Office Asset – in February 2022 BEPIF acquired a 100% interest in a 30,000 square meter Grade-A office building in central Dublin, Ireland for €424.1m (including the deposit paid prior to the year-end of €39.2m).

- Gurston Office Asset - In April 2022, BEPIF acquired a 100% interest in a 29,000 square meter Grade-A office in Birmingham, United Kingdom for GBP 181.6m (€214.3m).

- Mileway **-** In April 2022, BEPIF participated in the recapitalisation of Mileway, the largest last mile logistics company in Europe. This acquisition was financed via the issuance of €500m of preferred equity to a subsidiary of Blackstone Inc.

- Luna Logistics Portfolio - In May 2022, BEPIF acquired a 100% interest in a portfolio of four logistics properties in Italy for €215.1m.

Distributions paid to shareholders after the period end are disclosed in note 10.

Considerations of the conflict in Ukraine can be found in the Principal risks and Uncertainties section of the Management Report.

Blackstone European Property Income Fund SICAV
Registration Number B255958

Separate financial statements
for the period 11 June 2021 to 31 December 2021

Deloitte.

Deloitte Audit
Société à responsabilité limitée
20 Boulevard de Kockelscheuer
L-1821 Luxembourg
B.P. 1173
L-1011 Luxembourg

Tel: +352 451 451
www.deloitte.lu

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 AGREE*

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 2021 and the statements of comprehensive income, changes in amounts attributable to shareholders, and cash flows for the period from 11 June 2021 to 31 December 2021, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the Fund financial statements give a true and fair view of the financial position of the Fund as of 31 December 2021, and of its financial performance and its cash flows for the period from 11 June 2021 to 31 December 2021 in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union.

Basis for Opinion

We conducted our audit in accordance with the Law of 23 July 2016 on the audit profession (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 Standards, issued by the International Ethics Standards Board for Accountants (IESBA Code) as adopted for Luxembourg by the CSSF together with the ethical requirements that are relevant to our audit of the financial statements, and have fulfilled our other ethical responsibilities under those ethical requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

The Board of Directors is responsible for the other information. The other information comprises the AIFMD required disclosures.

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

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

Deloitte.

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 conclude that there is a material misstatement of this other information, we are required to report this fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors for the Financial Statements

The Board of Directors is responsible for the preparation and fair presentation of the 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.

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

The objectives of our audit 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 dated 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 dated 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 the 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.

Deloitte.

- 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities and business activities within the Fund to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the Fund audit. We remain solely responsible for our audit opinion.

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

For Deloitte Audit, *Cabinet de révision agréé*

Christian Van Dartel

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

22 June 2022

Separate Financial Statements

Separate Statement of Financial Position
As at 31 December 2021

	Notes	**2021** €000
Assets		
Non-current assets		
Investment in subsidiary	3	447,581
Current assets		
Cash and cash equivalents	4	53,439
Total assets		**501,020**
Liabilities		
Current liabilities		
Trade and other payables	5	(690)
Subscriptions received in advance	6	(52,939)
Total liabilities excluding amounts attributable to shareholders		**(53,629)**
Amounts attributable to shareholders (IFRS)		**447,391**
Adjustment to IFRS to obtain Net Asset Value	2a	7,488
Net Asset Value attributable to shareholders	8	**454,879**
Attributable to holders of:		
Class I_D shares		67,150
Class I_A shares		80,666
Class A_D shares		191,487
Class A_A shares		115,576
		454,879
Share price:		€
Class I_D		10.69
Class I_A		10.69
Class A_D		10.67
Class A_A		10.67

These financial statements were approved by the board of directors and authorised for issue on 22 June 2022.

Separate Statement of Comprehensive Income
For the period 11 June 2021 to 31 December 2021

	Notes	2021 €000
Revenue		
Distributions from investments		—
Expenses (excluding servicing fees)		
Management fees	7	—
Other expenses	7	(251)
		(251)
Operating loss before change in fair value of investments		**(251)**
Gain on change in fair value of investments	3	13,751
Profit attributable to shareholders before share class specific expenses		**13,500**
Finance cost: distributions payable to shareholders		—
Servicing fee on Class A shares	7	(458)
Profit attributable to shareholders (IFRS)		**13,042**
Adjustment to IFRS to obtain appreciation of Net Asset Value	2a	7,488
Appreciation of Net Asset Value		**20,530**
Attributable to holders of:		
Class I_D shares		3,127
Class I_A shares		3,624
Class A_D shares		8,710
Class A_A shares		5,069
		20,530

There are no items of other comprehensive income for the period

Separate Statement of Changes in Amounts Attributable to Shareholders
For the period 11 June 2021 to 31 December 2021

	Share class				Total
	Class I_D €000	**Class I_A** €000	**Class A_D** €000	**Class A_A** €000	€000
Balance as at 11 June 2021	—	—	—	—	—
Contributions and redemptions by shareholders					
Issue of shares	64,023	77,042	182,777	110,507	434,349
Result for financial period					
Profit attributable to shareholders before share class specific expenses	2,022	2,296	5,847	3,335	13,500
Servicing fees	—	—	(289)	(169)	(458)
Distributions	—	—	—	—	—
Balance as at 31 December 2021 (IFRS)	**66,045**	**79,338**	**188,335**	**113,673**	**447,391**
Adjustment to IFRS to obtain Net Asset Value	1,105	1,328	3,152	1,903	7,488
Net Asset Value attributable to shareholders	**67,150**	**80,666**	**191,487**	**115,576**	**454,879**

A reconciliation of the number of shares and share price per share class is included in note 10 to the consolidated financial statements.

Separate Statement of Cash Flows
For the period 11 June 2021 to 31 December 2021

	2021 €000
Cash flows from operating activities	
Expenses paid	(19)
Distributions paid	—
Net cash used in operating activities	**(19)**
Cash flows from investing activities	
Contributions paid to investments	(433,830)
Net cash used in investing activities	**(433,830)**
Cash flows from financing activities	
Cash flows with shareholders	
Proceeds for issue of shares	487,288
Net cash from financing activities	**487,288**
Net increase in cash and cash equivalents	**53,439**
Cash and cash equivalents at the beginning of the period	—
Cash and cash equivalents at the end of the period	**53,439**

Notes to the Separate Financial Statements

1. Corporate information and principal activities

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*), incorporated on 11 June 2021, and governed by Part II of the 2010 Law. The registered address of BEPIF Feeder SICAV is 11-13, Boulevard de la Foire L-1528, Luxembourg.

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. The primary vehicles for investors to subscribe to BEPIF are BEPIF Feeder SICAV and BEPIF Master FCP (as defined below).

BEPIF invests primarily in substantially stabilized, 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"), a Luxembourg mutual fund (*fonds commun de placement*) governed by Part II of the 2010 Law is the master fund for BEPIF Feeder SICAV. As at 31 December 2021 BEPIF Feeder SICAV owned 98% of the units (by value) issued by BEPIF Master FCP.

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"), has been appointed as alternative investment fund manager under the 2013 Law in order to perform the investment management (including both portfolio and risk management), oversight, valuation and certain other functions. The AIFM delegated its 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 investment 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 a vehicle incorporated to indirectly hold the investments of the Funds

2. Accounting policies

These separate financial statements are for the period 11 June 2021, the date of incorporation of BEPIF Feeder SICAV, until 31 December 2021.

BEPIF Feeder SICAV has applied the following accounting policies throughout the financial period.

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 adopted early and there are no new or amended standards that are expected to have a material impact on BEPIF Feeder SICAV.

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

As further described in note 2c, BEPIF Feeder SICAV has no financial instruments classified as equity. The Separate Statement of Financial Position presents financial liabilities due to shareholders as *Amounts attributable to shareholders*. A Separate Statement of Changes in Amounts Attributable to Shareholders is presented in lieu of a statement of changes in equity.

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 10). 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.

	2021 € 000
Amounts attributable to shareholders (IFRS)	447,391
Organisational and offering expenses adjustments:	
Group's share of liability recognised in valuation of investment in subsidiary	7,488
Net Asset Value attributable to shareholders	**454,879**

Going concern

These 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. Payments to shareholders as distributions or redemptions of shares are made in accordance with the Articles of BEPIF Feeder SICAV and are summarised in note 8.

b) Investment in subsidiary

Investment in subsidiary are 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.

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 trade and other 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 due to shareholders, trade and other payables and management fees.

Trade and other payables, including management fees, 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 and are subsequently recognised at the value of the redemption amount as if the shares were redeemed at the period end.

Liabilities to settle redemptions of shares are transferred to a separate liability in the Separate Statement of Financial Position at the redemption date (see 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 in BEPIF Feeder SICAV. Payment of redemptions is subject to the redemption caps as described in BEPIF Feeder SICAV's Prospectus and may be deferred in certain circumstances (redemption terms are summarised in note 8). However, the contractual obligation to redeem is not extinguished and hence there is a contractual obligation to deliver cash to shareholders. Therefore, shareholders' investments in BEPIF Feeder SICAV 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.

d) Subscriptions received in advance

Subscriptions received in advance represent amounts received for subscriptions prior to the trade date when shares in BEPIF Feeder SICAV 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 the investment subsidiary. Distributions are recognised when the right to receive payment is established.

f) Fees

Management, servicing 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*. BEPIF Feeder SICAV is charged Luxembourg subscription tax (see note 7) which is computed based on the net assets of BEPIF Feeder SICAV rather than its profit. The subscription tax charge is therefore presented as an operating expense in profit or loss.

h) Statement of Cash Flows

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

3. Investment in subsidiary

At 31 December 2021 BEPIF Feeder SICAV owned 98% of the units issued (by value) by BEPIF Master FCP.

	2021 € 000
Fair value as at 11 June 2021	—
Capital contributions	433,830
Distributions received	—
Gain on change in fair value[1]	13,751
Fair value as at 31 December 2021 (IFRS)	**447,581**
Adjustment to obtain Net Asset Value (note 2a)	7,488
Valuation in accordance with the Valuation Policy	**455,069**

(1) Comprises a gain of €21.2m under the Valuation Policy and a loss of €7.5m for accrued organisation and offering expenses under IFRS.

Valuation oversight

The AIFM is responsible for the proper and independent valuation of the assets of BEPIF Feeder SICAV. The Investment Manager provides valuation advice and assists the AIFM in the valuation of the assets of BEPIF Feeder SICAV, while the AIFM ensures that the valuation function is independent from the Investment Manager and performed in accordance with applicable law.

Fair value methodology

The investment in BEPIF Master FCP is valued at the net asset value of the units held as valued by the AIFM acting in its capacity as alternative investment fund manager of BEPIF Master FCP.

Estimation uncertainty

The fair value of the investment in subsidiary 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 (including the Russian invasion of Ukraine described in Section IV of the Management Report) may have a significant impact on fair value in the future.

4. Cash and cash equivalents

	2021 € 000
Cash at bank	500
Restricted cash	52,939
Total cash and cash equivalents	**53,439**

Restricted cash

BEPIF Feeder SICAV receives cash for subscriptions in advance of the trade date on the first of each month. Such cash is held in a separate bank account managed by the Depositary and is not available for use until the subscription date.

5. Trade and other payables

	2021 € 000
Servicing fee payable	458
Accruals	232
Total trade and other payables	**690**

6. Subscriptions received in advance

Subscriptions received in advance remain unsecured creditors until the issuance of the shares has been completed.

	2021 € 000
As at 11 June	—
Proceeds for issue of shares	487,288
Issue of shares	(434,349)
As at 31 December	**52,939**

7. Expenses

	2021 € 000
Management fees	—
Administrator and Depositary fees	35
Directors' fee	26
Subscription tax	-
Other expenses	190
Expenses (excluding servicing fee)	**251**
Servicing fee for Class A shareholders	458
Total expenses	**709**

Management fee

Details on fees payable to the Investment Manager can be found in 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 €25,000. In addition Deloitte is the auditor of BEPIF Master FCP, BEPIF Aggregator and certain of its subsidiaries for which Deloitte's fees total €144,100. No non-audit fees were paid to Deloitte in the period.

Subscription tax

Under the current system of taxation in Luxembourg both BEPIF Feeder SICAV is exempt from paying income taxes. Instead, the net assets is subject to Luxembourg subscription tax.

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, of such units. Class I shares do not incur a servicing fee.

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 BEPIF Feeder SICAV's Prospectus for the full terms applicable to their shares.

Classes of Shares

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

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 for Distribution Sub-Class shares will receive in cash any distributions that BEPIF Feeder SICAV pays in respect of such shares. No distributions are paid on the Accumulation Sub-Class shares, the value of distributions that would have otherwise been paid are 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 by BEPIF Feeder SICAV 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

A shareholder may request to have some or all of their shares redeemed by BEPIF Feeder SICAV (a "Redemption Request") as of the closing of the last calendar day of each month (each a "Redemption Date") by submitting a notice to BEPIF Feeder SICAV 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 an early redemption deduction equal to 5% of the value of the Net Asset Value of the shares being redeemed will apply. Early redemption deductions will inure to the benefit of BEPIF Aggregator and hence indirectly to investors in all Funds.

BEPIF Feeder SICAV expects that settlements of share redemptions will generally be made within 60 calendar days of the Redemption Date. No distributions are payable on shares subject to a Redemption Request after the Redemption Date.

The aggregate Net Asset Value of total redemptions across the Funds is generally limited to 2% of aggregate Net Asset Value per month of all Funds 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 of shares would place an undue burden on liquidity, adversely affect operations, risk having an adverse impact on BEPIF Feeder SICAV that would outweigh the benefit of redemptions of shares or as a result of legal or regulatory changes.

At 31 December 2021 BEPIF Feeder SICAV had no redemption requests outstanding.

Allocation of profits

Profits are allocated to shareholders 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-Class shares. 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 not declared any distributions during the financial period. Subsequent to the period end and up to the date of issuance of these financial statements distributions have been declared totalling 15.09 cents and 11.65 cents per share on Class I_D and A_D shares respectively.

Reconciliation of amounts attributable to shareholders

Class I_D	NAV € 000	Number of shares '000	NAV per share €
As at 11 June 2021	—	—	10.00
Shares issued	64,023	6,284	—
Profit for the period before share class specific expenses	2,022	—	0.51
Distributions declared	—	—	—
As at 31 December 2021 (IFRS)	66,045	6,284	10.51
Share of organisational and offering expenses	1,105	—	0.18
Net Asset Value at 31 December 2021	**67,150**	**6,284**	**10.69**

Class I_A	NAV € 000	Number of shares '000	NAV per share €
As at 11 June 2021	—	—	10.00
Shares issued	77,042	7,548	—
Profit for the period before share class specific expenses	2,296	—	0.51
As at 31 December 2021 (IFRS)	79,338	7,548	10.51
Share of organisational and offering expenses	1,328	—	0.18
Net Asset Value at 31 December 2021	**80,666**	**7,548**	**10.69**

Class A_D	NAV € 000	Number of shares '000	NAV per share €
As at 11 June 2021	—	—	10.00
Shares issued	182,777	17,952	—
Profit for the period before share class specific expenses	5,847	—	0.51
Distributions declared	—	—	—
Servicing fee	(289)	—	(0.02)
As at 31 December 2021 (IFRS)	188,335	17,952	10.49
Share of organisational and offering expenses	3,152	—	0.18
Net Asset Value at 31 December 2021	**191,487**	**17,952**	**10.67**

Class A_A	NAV € 000	Number of shares '000	NAV per share €
As at 11 June 2021	—	—	10.00
Shares issued	110,507	10,835	—
Profit for the period before share class specific expenses	3,335	—	0.51
Servicing fee	(169)	—	(0.02)
As at 31 December 2021 (IFRS)	113,673	10,835	10.49
Share of organisational and offering expenses	1,903	—	0.18
Net Asset Value at 31 December 2021	**115,576**	**10,835**	**10.67**

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. BEPIF Feeder SICAV considers proceeds from issue of shares (which are classified as liabilities in the Consolidated Statement of Financial Position), external borrowings and retained profits as its 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 Feeder SICAV will not incur indebtedness, directly or indirectly, that would cause the Leverage Ratio (as defined in the Prospectus) to be in excess of 55%. This limit may be exceeded on a temporary basis to satisfy short-term liquidity needs, refinance existing borrowings or for other obligations. At 31 December 2021 the Leverage Ratio was 54.2%.

9. Financial risk management

The AIFM

The AIFM is in charge of the risk management function of BEPIF Feeder SICAV. The AIFM is authorized as 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 objective 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 authorized 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.

Financial instruments

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

Approximately all of the Group'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 the Group's cash accounts are 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 net asset value due to shareholders) have contractual settlements in less than three months. At 31 December 2021, BEPIF Feeder SICAV has no non-euro balances.

10. Related party transactions

Fees payable to affiliates of Blackstone Inc.

Management fee

The Investment Manager and AIFM are 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 7), 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 has been waived for first six months following the date on which BEPIF Feeder SICAV accepted its first subscriptions (1 October 2021).

Performance Participation Allocation

The Special Limited Partner of BEPIF Aggregator contributed $500,000 in consideration for its special limited partnership interest in BEPIF Aggregator . This interest gives the Special Limited Partner an entitlement to a Performance Participation Allocation contingent on the financial performance of BEPIF.

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, crystallized on 30 June of each year (subject to pro-rating for partial years).

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 all expenses of the Funds 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. This is referred to as a "High Water Mark."

The Performance Participation Allocation due 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 (x) the Hurdle Amount for that period and (y) 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.

As well as becoming payable on 30 June, a Performance Participation Allocation also becomes payable on full or partial redemption of a limited partner's interest based on BEPIF's performance to the redemption date. The Special Limited Partner will not be obligated to return any portion of the Performance Participation Allocation paid due to the subsequent performance of BEPIF.

The Special Limited Partner can elect to have the Performance Participation Allocation settled in cash, partners' capital in BEPIF Aggregator or as an investment in a Fund.

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

	Attributable to		Total
	BEPIF Feeder SICAV	BEPIF Master FCP and Parallel vehicles	
	€ 000	€ 000	€ 000
Balance at 28 June 2021	—	—	—
Performance Participation Allocation accrued	2,975	172	3,147
Balance at 31 December 2021	**2,975**	**172**	**3,147**

The Performance Participation Allocation attributable to BEPIF Feeder SICAV is included as a reduction to the fair value of the investment in BEPIF Master FCP. The accrued Performance Participation Allocation at 31 December 2021 relates to performance for the period 1 October 2021 to 31 December 2021. Settlement of this amount on 30 June 2022 is contingent on performance of BEPIF between the year end and the settlement date.

Organisational and offering expenses

The Investment Manager agreed to advance all of BEPIF's qualifying organisational and offering expenses, such as legal, regulatory and advisory fees, until 30 September 2022. These costs will be reimbursed to the Investment Manager rateably over 60 months from October 2022.

Total costs advanced by the Investment Manager up to 31 December 2021 are €10.4m. After discounting for the deferred repayment terms and adjusting for ownership of BEPIF, the cost attributable to BEPIF Feeder SICAV is €7.5m. The allocation between 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 at the point of reimbursement of the Investment Manager.

Key management personnel

Directors of BEPIF Feeder SICAV have been paid €26k for services rendered. None of the directors who receive remuneration are employees of the Blackstone Inc. group.

Investments in BEPIF

The Investment Manager provided the initial incorporation capital of BEPIF Feeder SICAV, subscribing for €30,000 Class I_D shares at €10.00 per unit.

At the period end, Directors of BEPIF Feeder SICAV and other key management personnel of the Investment Manager owned shares in BEPIF Feeder SICAV valued at €1.0m. All shares were acquired at their then Net Asset Value.

11. Subsequent events

Subsequent to the period end BEPIF Feeder SICAV had net subscriptions for shares of €577.9m. The proceeds, via BEPIF Master FCP, were invested into BEPIF Aggregator. Uses of proceeds by BEPIF Aggregator include:

- Infinity Office Asset – in February 2022 BEPIF acquired a 100% interest in a 30,000 square meter Grade-A office building in central Dublin, Ireland for €424.1m (including the deposit paid prior to the year-end of €39.2m).
- Gurston Office Asset - In April 2022, BEPIF acquired a 100% interest in a 29,000 square meter Grade-A office in Birmingham, United Kingdom for GBP 181.6m (€214.3m).
- Mileway **-** In April 2022, BEPIF participated in the recapitalisation of Mileway, the largest last mile logistics company in Europe. This acquisition was financed via the issuance of €500m of preferred equity to a subsidiary of Blackstone Inc.
- Luna Logistics Portfolio - In May 2022, BEPIF acquired a 100% interest in a portfolio of four logistics properties in Italy for €215.1m.

Distributions paid to shareholders after the period end are disclosed in note 8.

Considerations of the conflict in Ukraine can be found in the Principal risks and Uncertainties section of the Management Report.