abrdn

Standard Life Investments (General Partner EPGF) Limited

Annual Report and Financial Statements

for the Year Ended 31 December 2021

Registration number: SC193443

Contents

Company Information

Directors	D S Carrie N A Slater C S Murray N M Meikle
Company secretary	abrdn Corporate Secretary Limited
Registered office	1 George Street Edinburgh Scotland EH2 2LL
Auditor	KPMG LLP Chartered Accountants and Statutory Auditor Saltire Court 20 Castle Terrace Edinburgh EH1 2EG

Directors' Report for the Year Ended 31 December 2021

The Directors present their annual report together with the audited financial statements of Standard Life Investments (General Partner EPGF) Limited ("the Company") for the year ended 31 December 2021.

The Directors have taken advantage of the small companies exemption provided by Section 414B of the Companies Act 2006 and has not prepared a Strategic Report.

Business review and future developments
The Company's principal activity is to act as a General Partner of a Limited Partnership (Aberdeen Standard European Property Growth Fund LP) ("the Fund"), whose activity is to purchase and build properties for rental, primarily in Europe. The Company has entered into a management agreement with Aberdeen Standard Alternative Funds Limited, authorising it to manage the business of the Fund.

The Company is part of abrdn plc ("abrdn plc", or, together with its subsidiaries, "the abrdn Group"). There are no plans to change the principle activity of the Company.

Directors of the Company
The Directors, who held office during the year, were as follows:

S B C Barton (resigned 26 August 2022)

D S Carrie

N A Slater

A J Creighton (resigned 26 November 2021)

C S Murray (appointed 31 December 2021)

The following director was appointed after the year end:

N M Meikle (appointed 26 August 2022)

The Company's ultimate parent company, abrdn plc maintains directors' and officers' liability insurance on behalf of its directors and officers.

Company Secretary
The Company secretary during the year, was as follows:

abrdn Corporate Secretary Limited (formerly SLA Corporate Secretary Limited)

Result for the year
The result for the year ended 31 December 2021 is a profit after tax of £nil (2020: £nil).

Directors' Report for the Year Ended 31 December 2021 (continued)

Principal risks and uncertainties

The management of the business and execution of the Company's strategy are subject to a number of risks. The abrdn Group, of which the Company is a part, has an Enterprise Risk Management ("ERM") framework comprising three lines of defence; the first being day-to-day risk management, including identification and mitigation of risks and maintaining appropriate controls; the second being oversight from the abrdn Group Risk and Compliance function, which reports to the Chief Risk Officer; and the third being the Internal Audit function, reporting to the Chief Internal Auditor, which independently verifies systems of control.

The ERM framework underpins risk management throughout the abrdn Group, including the Company, which has evolved to ensure it keeps pace with industry best practice and risk profile of the abrdn Group. Improvements in 2021 include strengthening the risk appetite framework by introducing new risk tolerances to support governance and risk management, extending and refining risk taxonomy to help describe risk more accurately and reviewing the abrdn Group policy framework and policy register.

The principal risks and uncertainties facing the Company are integrated into the principal risks of the abdrn Group and are therefore not managed separately. The principal risks and uncertainties of abrdn plc, which include those of the Company, are detailed below.

The list below does however provide a summary of the key risks facing both abrdn plc and the Company:

COVID-19
COVID-19 has continued to impact the operating environment of the abrdn Group during 2021. Great resilience has been shown in dealing with the effects of the pandemic and the continued management of its market, operational and financial impacts in order to deliver the investment vector business plans, of which the Company is a part of, and enhancement of client focus.

The further lifting of restrictions in the UK has allowed the abrdn Group to take the next step towards 'blended working' as the default arrangement for employees. Offices will remain the primary place to go when physical interaction with colleagues is required to collaborate and connect.

Strategic risk

These are risks that could prevent the achievement of strategic aims and successfully delivering business plans. These could include failing to meet client expectations, poor strategic decision-making, poor implementation or failure to adapt. Geopolitical unrest and associated risks continue to be a key strategic risk and can impact the market in which we operate, impact our reputation and increase our capital exposure. Risks are mitigated by ongoing Board consideration of strategic risks.

Financial risk

This is the risk of having insufficient resources, suffering losses from adverse markets or the failure or default of counterparties. This is managed through review of abrdn plc's cost base and identifying opportunities for further cost reduction. Capital is also held against identified risks which are reviewed on an ongoing basis.

Going concern
The Board's assessment of going concern is underpinned in the Company's ability to meet ongoing operating requirements. Based on their assessment, the Board is satisfied that the Company has and will maintain sufficient resources to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements. Further information is provided in note 1.

Directors' Report for the Year Ended 31 December 2021 (continued)

Dividends
No dividend was paid during the year (2020: £nil) to the Company's immediate parent, namely abrdn Investment Management Limited (formerly Standard Life Investments Limited).

Political donations
It is the Company's policy not to make donations for political purposes.

Independent auditor
The Independent Auditor, KPMG LLP, has indicated their willingness to continue in office.

Disclosure of information to the auditors
Each director has taken steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information. The Directors confirm that there is no relevant information that they know of and of which they know the auditor is unaware.

Modern slavery act
As a global investment company, abrdn plc wants to do all it can to help tackle human trafficking, forced labour, bonded labour and child slavery by focusing on its operations, supply chain and investment process. abrdn plc has published a modern slavery statement, reinforcing its commitment to this important issue. This can be found on the abrdn plc website.

Directors' Report for the Year Ended 31 December 2021 (continued)

Statement of Directors' Responsibilities

The Directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including Financial Reporting Standard 101 Reduced Disclosure Framework ("FRS 101").

Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that year. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

Approved by the Board on 28 September 2022 and signed on its behalf by:

....

D S Carrie

Director

Independent Auditor's Report to the Members of Standard Life Investments (General Partner EPGF) Limited

Opinion

We have audited the financial statements of Standard Life Investments (General Partner EPGF) Limited ('the Company') for the year ended 31 December 2021, which comprise the Profit and Loss Account, Balance Sheet, Statement of Changes in Equity, and Notes to the Financial Statements, including the accounting policies note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2021 and of its results for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 101 Reduced Disclosure Framework; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the Company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

The Directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the Company or to cease its operations, and as they have concluded that the Company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

In our evaluation of the directors' conclusions, we considered the inherent risks to the company's business model and analysed how those risks might affect the company's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:
- we consider that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the Directors' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for the going concern period.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the company will continue in operation.

Independent Auditor's Report to the Members of Standard Life Investments (General Partner EPGF) Limited (continued)

Fraud and breaches of laws and regulations - ability to detect

Identifying and responding to risks of material misstatement due to fraud
To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring of Directors and management as to the Company's high-level policies and procedures to prevent and detect fraud, as well as whether they have knowledge of any actual, suspected or alleged fraud; and
- Reading Board minutes to assess for any discussion of fraud.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

As required by auditing standards, and taking into account our overall knowledge of the control environment, we perform procedures to address the risk of management override of controls, in particular the risk that management may be in a position to make inappropriate accounting entries. We substantively tested any material post-closing entries and, based on the results of our risk assessment procedures and understanding of the process, no further high-risk journal entries or other adjustments were identified.

On this audit, we have rebutted the fraud risk related to revenue recognition as the calculation of revenue is non-judgemental and straightforward, with limited opportunity for manipulation. We did not identify any additional fraud risks.

Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations
We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience, through discussion with the Directors and other management (as required by auditing standards), and from inspection of the Company's regulatory and legal correspondence, and discussed with the Directors and other management the policies and procedures regarding compliance with laws and regulations.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the Company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation), distributable profits legislation, and taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Whilst the Company is subject to many other laws and regulations, we did not identify any others where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements.
Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Directors and inspection of regulatory and legal correspondence, if any. Therefore if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

Independent Auditor's Report to the Members of Standard Life Investments (General Partner EPGF) Limited (continued)

Context of the ability of the audit to detect fraud or breaches of law or regulation
Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions,misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

Directors' Report
The Directors are responsible for the Directors' Report. Our opinion on the financial statements does not cover that report and we do not express an audit opinion thereon.

Our responsibility is to read the Directors' Report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the Directors' Report;
- in our opinion the information given in that report for the financial year is consistent with the financial statements; and
- in our opinion that report has been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception
Under the Companies Act 2006 we are required to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Directors were not entitled to take advantage of the small companies exemption from the requirement to prepare a strategic report.

We have nothing to report in these respects.

Independent Auditor's Report to the Members of Standard Life Investments (General Partner EPGF) Limited (continued)

Directors responsibilities
As explained more fully in their statement set out on page 5, the Directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Company'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 they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities
This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

....
Scott Flavin (Senior Statutory Auditor)
For and on behalf of KPMG LLP, Statutory Auditor

Saltire Court
20 Castle Terrace
Edinburgh
EH1 2EG

28 September 2022

Profit and Loss Account for the Year Ended 31 December 2021

	Note	2021 £	2020 £
Revenue	3	6,034,517	6,631,174
Administrative expenses		(6,034,517)	(6,631,174)
Result for the year		-	-

The Company has not recorded any other comprehensive income during the years to 31 December 2021 or 31 December 2020. A separate statement of comprehensive income is therefore not disclosed.

The statutory audit fee of £6,544 (2020: £6,479) has been paid by a fellow abrdn Group undertaking.

The notes on pages 13 to 19 form an integral part of these financial statements.

Balance Sheet as at 31 December 2021

	Note	2021 £	2020 £
Assets			
Non-current assets			
Investment securities	4	100	100
Total non-current assets		**100**	**100**
Current assets			
Trade and other receivables	5	2,745,121	1,629,601
Total current assets		**2,745,121**	**1,629,601**
Total assets		**2,745,221**	**1,629,701**
Equity and liabilities			
Equity			
Share capital	6	100	100
Equity attributable to equity holders of the parent		**100**	**100**
Current liabilities			
Trade and other payables	7	2,745,121	1,629,601
Total current liabilities		**2,745,121**	**1,629,601**
Total equity and liabilities		**2,745,221**	**1,629,701**

Approved by the Board on 28 September 2022 and signed on its behalf by:

....
D S Carrie
Director

Registration number: SC193443

The notes on pages 13 to 19 form an integral part of these financial statements.

Statement of Changes in Equity for the Year Ended 31 December 2021

	Share capital £	Total £
At 1 January 2020	100	100
At 31 December 2020	**100**	**100**

	Share capital £	Total £
At 1 January 2021	100	100
At 31 December 2021	**100**	**100**

The notes on pages 13 to 19 form an integral part of these financial statements.

Notes to the Financial Statements for the Year Ended 31 December 2021

1 Accounting policies

Summary of significant accounting policies and key accounting estimates
The following accounting policies have been applied consistently to all years presented when dealing with items which are considered material in relation to the Company's financial statements.

Basis of preparation
The Company meets the definition of a qualifying entity under Application of Financial Reporting Requirements 100 as issued by the Financial Reporting Council. Accordingly, the financial statements for year ended 31 December 2021 have been prepared in accordance with FRS 101 as issued by the Financial Reporting Council.

Summary of disclosure exemptions
In these financial statements, the Company has applied the exemptions available under FRS 101 in respect of the following disclosures:

- International Accounting Standard ("IAS") 1 Presentation of Financial Statements requirement for comparative year reconciliations for share capital and investments;
- IAS 1 Presentation of Financial Statements disclosures in respect of capital management;
- IAS 7 Statement of Cash Flows and related notes;
- IAS 8 Accounting Polices requirement to disclose the effects of new but not yet effective International Financial Reporting Standards ("IFRSs");
- IAS 24 Related Party disclosures in respect of transactions with wholly owned subsidiaries; and
- IFRS 15 Revenue from contracts with customers.

As the consolidated financial statements of abrdn plc include the equivalent disclosures, the Company has also taken the exemption under FRS 101 available in respect of the following disclosure:

- Certain disclosures required by IFRS 7 Financial Instrument Disclosures.

The Company is a wholly owned subsidiary of abrdn plc which prepares consolidated financial statements and is therefore exempt from the requirement to prepare consolidated accounts by virtue of section 400 of the Companies Act 2006.

Notes to the Financial Statements for the Year Ended 31 December 2021 (continued)

1 Accounting policies (continued)

Going concern
The Company's business activities, together with the factors likely to affect its future development and financial position, are set out in the Directors' Report.

The Company traded during the period but exists to make no profit or loss. This is because all regulated investment management activity pertaining to the vehicle is delegated to another abrdn Group undertaking. Consequently any profits or losses in the Company are absorbed by the delegated investment management undertaking. Amounts payable to the delegated investment management undertaking are net of operating costs, so these would be reduced should the Company incur additional operating costs. Consideration has also been given to the going concern assessment of the abrdn plc group.

Changes in accounting policy
No new standards, interpretations and amendments effective for the first time from 1 January 2021 have had an impact on the Company.

Revenue recognition
The Company's primary source of revenue is profit sharing from the underlying Limited Partnership. Profit share is generated through the management profit share that is paid by the Fund. Revenue is recognised as the service is provided and when it is probable that the profit share will be received.

Administrative expenses
Administrative expenses are recognised on an accruals basis.

Foreign currency transactions and balances
(i) Functional currency
Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The financial statements are presented in thousands of GBP, which is the Company's presentational and functional currency.

(ii) Transactions and balances
Transactions in foreign currencies are translated to the functional currency at the exchange rate ruling at the date of the transaction. At each balance sheet date, monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate ruling at the balance sheet date and any exchange differences arising are taken to the profit and loss account.

Financial assets

(i) Amortised cost
These instruments are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. These instruments are included in current assets and consist of amounts owed by abrdn Group undertakings and amounts owed by the Fund. These instruments are initially recognised at fair value, net of any transaction costs, and subsequently at amortised cost using the effective interest rate method.

The Company has adopted trade date accounting. Accordingly, a financial asset is recognised on the date the Company commits to its purchase and derecognised on the date on which the Company commits to its sale.

Notes to the Financial Statements for the Year Ended 31 December 2021 (continued)

1 Accounting policies (continued)

Financial liabilities

(i) Amortised cost

These instruments include the amounts owed to abrdn Group undertakings and other payables. These instruments are initially recognised at fair value and subsequently at amortised cost using the effective interest rate method.

2 Critical accounting judgements and key sources of estimation uncertainty

The preparation of the financial statements can necessitate the use of key estimates and judgements. These estimates and judgements can affect the reported amounts of assets and liabilities, contingent or otherwise, at the balance sheet date as well as affecting the reported profit or loss for the year. There are not considered to be any critical estimates.

3 Revenue

The analysis of the Company's revenue for the year from continuing operations is as follows:

	2021 £	2020 £
Management profit share	6,034,517	6,631,174
Total revenue	**6,034,517**	**6,631,174**

Notes to the Financial Statements for the Year Ended 31 December 2021 (continued)

4 Investments in securities

The following are the particulars of the Company's investment securities as at the balance sheet date:

	2021 £	2020 £
Castlepoint LP	100	100
	100	100

This investment security, the carrying amount of which is noted above, is held at fair value.

Name of associate: Castlepoint LP

Principal activity: Investment management

Registered office: Wragge and Co LLP, 55 Colmore Row, Birmingham, B3 2AS, England

Ownership: 2020 (0.0003%), 2019 (0.0003%)

5 Trade and other receivables

Current trade and other receivables:	2021 £	2020 £
Amounts owed by abrdn Group undertakings	100	100
Amounts owed by the Fund	2,745,021	1,629,501
Total current trade and other receivables	**2,745,121**	**1,629,601**

Amounts owed by abrdn Group undertakings and the Fund are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

Notes to the Financial Statements for the Year Ended 31 December 2021 (continued)

6 Share capital

Allotted, called up and fully paid shares

	2021		2020	
	No.	**£**	**No.**	**£**
Ordinary Shares of £1 each	100	100	100	100

7 Trade and other payables

	2021	2020
Current trade and other payables:	**£**	**£**
Amounts owed to abrdn Group undertakings	2,745,021	`1,629,501
Other payables	100	100
Total current trade and other payables	**2,745,121**	**1,629,601**

Amounts owed to abrdn Group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

8 Unconsolidated structured entities

A structured entity is an entity that has been designed so that voting or similar rights are not the dominant factor in deciding who controls the entity, such as when any voting rights relate to administrative tasks only, or when the relevant activities are directed by means of contractual arrangements.

The Company has assessed whether the entities it serves directly or indirectly as General Partner to are structured entities, through review of the above factors. The Company considers the Fund as a structured entity.

The structured entities are generally financed by the purchase of units or shares by investors, although some funds are able to obtain external debt financing, and allow clients to invest in a portfolio of assets in order to provide a return through capital appreciation and/or investment income. Accordingly, they are susceptible to market price risk arising from uncertainties about future values of the assets they hold.

Notes to the Financial Statements for the Year Ended 31 December 2021 (continued)

8 Unconsolidated structured entities (continued)

AUM within unconsolidated structured entities is shown below:

	2021	2020
	£	£
Unconsolidated structured entities	552,766,583	597,538,000

The table below summarises the revenue and carrying values in the balance sheet:

	2021	2020
	£	£
Revenue	6,034,517	6,631,174
Receivables	2,745,021	1,629,501

Maximum exposure to loss

The Company does not have a direct exposure to the AUM of the fund, with the associated risks and rewards residing with external investors. The Company's maximum exposure to loss is therefore limited to future fee income, where investors decide to withdraw funds, reducing the net asset value of the entities and the fair value of any investments in structured entities held by the Company at each reporting date.

Financial support

The Company has not provided financial support to any unconsolidated structured entity through guarantees over the repayment of borrowings, or otherwise, and has no contractual obligations or current intention of providing financial support in the future.

9 Related party transactions

In the normal course of business, the Company enters into transactions with related parties in respect of investment management business.

The Company has taken advantage of the exemption under paragraph 8(k) of FRS 101 not to disclose transactions with fellow wholly owned subsidiaries.

The following are details of significant transactions with related parties (excluding fellow wholly owned subsidiaries and key management personnel) during the year and the year end balances arising from such transactions.

	2021	
	Revenue	Receivables
	£	£
Fund	6,034,517	2,745,021
	6,034,517	**2,745,021**

Notes to the Financial Statements for the Year Ended 31 December 2021 (continued)

9 Related party transactions (continued)

	2020 Revenue £	2020 Receivables £
Fund	6,631,174	1,629,501
	6,631,174	**1,629,501**

10 Parent and ultimate parent undertaking

The Company's immediate parent is abrdn Investment Management Limited (formerly Standard Life Investment Limited) and its ultimate parent is abrdn plc, both of which are incorporated in the United Kingdom and registered in Scotland.

The most senior parent entity producing publicly available financial statements is abrdn plc. Copies of the consolidated Annual Report and Accounts are available to the public from 1 George Street, Edinburgh, EH2 2LL, or to download on the website www.abrdn.com.

11 Events after the balance sheet date

To the knowledge of the Directors, there have been no material events after the reporting period.

12 Investment holdings

In line with Companies Act requirements, the Company considers the below Funds to be a subsidiary entity.

Name: Standard Life Investments European Property Growth Fund LP

Country of registration: United Kingdom

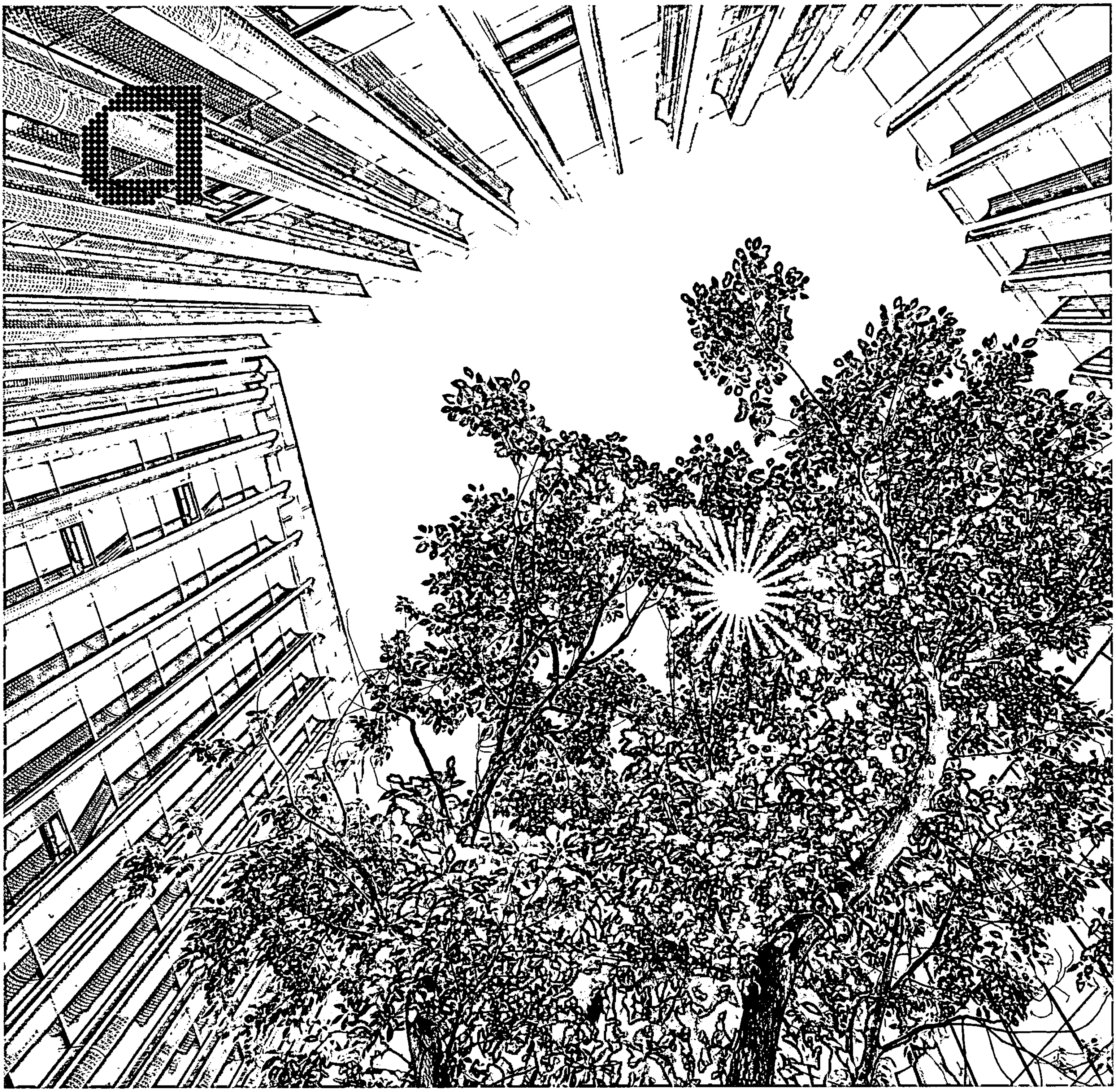
Registered office: Bow Bells House, 1 Bread Street, London EC4M 9HH, United Kingdom

The Company holds the following nominee shares whilst acting in its capacity as the General Partner of Standard Life Investments European Property Growth Fund LP:

Name: EPGF (Luxembourg) SARL and Pemberton SARL

Country of registration: Luxembourg

Registered office: 35a avenue John F. Kennedy, L-1855, Luxembourg



For professional investors only –
Not for use by retail investors or advisers.

Annual Report

Aberdeen Standard European Property Growth Fund LP
Annual Report and Audited Financial Statements for the year ended
31 December 2021

abrdn.com

Contents

Objective and Financial Highlights

Fund Objective

To create capital growth and realise capital gain through investment in the Eurozone, and to a limited degree, other European countries, with a target total return (net of fund-level tax and fees) of approximately 8-10% per annum, over a rolling five-year period.

Fund Highlights

- Partners' net return on equity for the year is 9.05%
- Direct property return for the year is 11.40%
- Partner's annualised net return on equity for the five years to 31 December 2021 is 6.63%
- Fund gearing as at December 2021 is 20.01%[1]
- Portfolio vacancy rate as at 31 December 2021 is 1.05%[2]

[1] Gearing is calculated as bank loans as a percentage of market value of properties plus cash balances.
[2] Calculated as vacant estimated rental value ("ERV") as a percentage of total ERV, excluding development properties.

Objective and Financial Highlights

Continued

Financial Summary

	31 December 2021	31 December 2020
Units in issue	4,893.6	5,314.4
Net asset value (€m)[1]	683.4	687.7
Net asset value per unit (€)[1]	139,645.93	129,406.01
Distributions paid during year (€)	10,940,446	10,748,689
Distribution yield based on accrued distributions and year end NAV[2]	1.6%	1.0%
Partners' commitments (€m)	611.8	668.9
Partners' undrawn commitments (€m)	0.0	0.0

Property Performance

	31 December 2021	31 December 2020
Direct property return - 1 year[2]	11.4%	6.8%
Direct property return - 3 years (annualised)[2]	8.9%	7.7%
Direct property return - 5 years (annualised)[2]	8.8%	9.0%

Fund Performance

	31 December 2021	31 December 2020
Fund net geared return - 1 year	9.0%	3.5%
Fund net geared return - 3 years (annualised)	6.8%	5.6%
Fund net geared return - 5 years (annualised)	6.6%	6.8%

[1] Based on Manager's adjusted INREV net asset value issued to partners. Please se e page 65 for a reconciliation between IFRS net asset value and the Manager's adjusted INREV net asset value issued to investors. INREV is th e European Association for Investors in Non-Listed Real Estate Vehicles, it issues guidance, best practice standards and benchmarks to help improve transparency in the real estate sector.
[2] Calculated in accordance with Investment Property Databank methodology.

European Market Commentary

January 2022

The below Market Commentary was written in January 2022. A brief update written in March 2022 can be found on page 8.

Economic outlook

- The Eurozone economy is expected to grow by 5.1% in 2021, representing a strong rebound from the weakness of 2020. However, growth is set to decelerate modestly to 4.3% in 2022 as the ongoing energy crisis and supply-side disruptions stretch into the first half of the year. This should counterbalance the recovery in services consumption and global trade. In the long term, we still envisage lasting damage and below-target inflation in Europe, so the monetary policy outlook remains dovish.
- The 2.2% quarter-on-quarter (q/q) increase in Eurozone gross domestic product (GDP) in the third quarter of 2021 left the economy only 0.5% below its pre-pandemic level. The economic recovery has been led by the Nordics, France and Germany, which have recouped nearly all the pandemic-related decline. Tourist-dependent southern economies are still catching up. The labour market is recovering, with employment returning to its pre-pandemic level across different countries. But this, in turn, is also creating shortages of workers in some areas of the economy. While the Eurozone economy had a relatively strong summer, growth is likely to have slowed in the fourth quarter of 2021. Strains in global supply chains, with record-high shipping costs and a shortage of semiconductor chips, are showing up in elevated input prices. Delivery times are at record highs. In 2022, pent-up demand is set to fuel a recovery in consumption, as expenditure is likely to rotate from durable goods into reopened services. Indeed, services consumption remains about 11% below pre-pandemic levels.
- Risks from new waves of Covid-19 remain. While the overall trend in the easing of health-related restrictions is set to continue, it's likely to slow over the winter with temporary reversions. However, governments will generally continue to adopt more regionally targeted measures. The high vaccine rollout across Eurozone countries should mitigate widespread contagions, severity of cases, and the emergence of new variants.
- The Eurozone inflation rate jumped to 5.0% year-on-year (y/y) in December, as surging energy costs and supply shortages persist. Inflation is expected to decline towards the end of 2022 due to lower wholesale energy prices, supply catching up to meet recovering demand, and the end of various base effects. Nevertheless, the risks are tilted towards prices climbing further throughout the winter months.
- The ECB is set to remain dovish amid moves elsewhere towards tighter monetary policy. Indeed, the Bank kept its favourable financing conditions framework unchanged in November. We believe the ECB is likely to enhance flexibility for the standard asset purchase facility (APP) when the pandemic support programme (PEPP) expires on schedule in March 2022, given the flexibility and the market footprint of the latter. Our base case is that we do not anticipate any rate rises before 2025. Should the ECB turn to a less dovish approach, it's likely to opt for limited flexibility in its quantitative easing (QE) programmes.

Investment market trends

- It's been clear for some time that the pandemic has done little to dent investment capabilities or demand for real estate assets among investors. €275 billion of deals were closed in 2020 when the European economy was at its most disrupted since the Second World War. As we learned to manage living with the virus and through the roll-out of vaccines, 2021 gathered momentum, bringing total investment up 20% to €330 billion, the second highest total on record. Over €125 billion of deals were closed in the fourth quarter of 2021 alone, a 35% increase on 2020's fourth-quarter volume.
- The entity deals skewed the transaction data slightly, helping Germany to maintain its top position in Europe with over €100 billion closed through the year, up from €69 billion from the year before. The UK remained in second place with €80 billon closed. This represents a significant rebound of 54% on 2020 as confidence returned to the market and the most downtrodden sectors returned to favour - particularly retail warehouses. France slipped below Sweden into fourth place with just €30 billion invested during the year. This was driven by continued caution in the Paris office market and a sharp dive in high-street retail investments as tourism and business travel hit the luxury retail market. Paris high-street retail investment fell to just €447 million in 2021, down by 77% from 2019's pre-pandemic level.
- By sector, the polarisation depicted in our Houseview continues to be reflected in capital flows. Rented residential and senior living account for the lion's share of investment at €106 billion in 2021. Offices remained in second place at €101 billion, while logistics is closing the gap rapidly with a remarkable €65 billion closed. Investment into offices has clearly increased as the previously feared 'death of the office' is now firmly rejected as a plausible long-term outcome. However, investment volumes still remain 30% below pre-pandemic levels. Industrial and logistics investment increased by 58% in 2021, reflecting incredibly strong interest from investors. This sector accounted for 18% of total investment in Europe, the highest share on record.

European Market Commentary

Continued

- Yield movements clearly reflect the polarised nature of the market too. According to CBRE, prime and secondary shopping centres and secondary shops all experienced outward yield shift in 2021, as investors remained cautious of these formats. By contrast, supermarket and retail park yields fell 40 basis points during the year, suggesting a 9% increase in capital values from yield impact. The star performer was of course logistics, which had 80 basis points of yield compression, implying a 18% increase in capital values from yield impact alone. This has been more extreme in the tightest markets and, in particular, where Amazon is a tenant or the lease is particularly strong. It's not uncommon now to see logistics yields at 3% or below in some extreme cases.

Market outlook

- ESG will really make its mark on real estate performance in 2022. New legislation across European markets is in various stages of development, but it will ultimately make it difficult, uneconomical or unlawful to occupy buildings that do not meet very good energy efficiency standards. In the UK, a government consultation run by the Department for Business, Energy and Industrial Strategy (DBEIS) is looking at how to enforce a rule that all private rented commercial property will need to have an energy performance certificate (EPC) above 'B' by 2030. Savills estimates that this would place over 80% of total UK stock in obsolescence if no improvements were to be made to energy ratings from today. In the Netherlands, the restrictions focus on A-grade buildings only.
- In addition to tightening regulations and as we move towards the key Paris Agreement and COP26 target dates of 2030 and 2050, valuers are set to take a more punitive approach to 'brown discounts'. In early 2022, RICS released formal guidance to valuers in the UK and Europe on how to value 'green capex'. Buildings that do not conform to stringent efficiency requirements will

Chart: European real estate performance signals, first quarter of 2022

	Performance Signals	Current Signal	Outlook	Comment
Macro	Economic fundamentals	●	→	Continuing rebound in European economies, most above 2019 level. Savings run-down and tight labour markets are key drivers. New variants pose a risk, given the uncertainty around vaccine effectiveness against new strains. Macroeconomic forecasts dependent on vaccine take-up if new variants do not escape vaccine efficacy.
	Monetary policy	●	→	Tapering of some stimulus measures to continue (slowing PEPP purchases), but ECB interest rates to remain at current levels beyond 2023. Pressure from Bundesbank on ECB to act as German inflation passes 5%, but ECB retains view that inflation is transitory.
	Margin over bonds	●	→	German 10-year bunds were at -0.2% in January 2022, despite inflation exceeding 5% in November. Eurozone inflation still assumed transitory by the ECB and by abrdn Research Institute. All-property spread remains close to 400 basis points, but tightening below 300 for best-in-class logistics, residential, prime offices and alternatives.
Real Estate	Supply*	○	→	Short-term bottleneck in materials is pushing completions back and costs up. Completions not expected to return to trend until 2023; less appetite for speculative schemes. Total office vacancy rates are rising, but prime remains constrained; residential, alternatives and logistics still undersupplied. Retail restructuring.
	Flows of capital	●	→	2021 exceeded 2020 by third quarter, potentially closing the year at a new record. Cross-border flows back over 50% of total investment. Considerable competition for assets in the preferred sectors (residential, logistics, alternatives). Secondary offices/shopping centres less liquid. Some capital looking at retail parks.
	Lending**	●	→	All-in cost of debt still 80-150 basis points across most European markets for good assets. Lending still selective, with larger spreads on riskier assets and development; quality, sector and location decisive factors. Increasing prevalence of 'green lending' but the additional upside is hard to price.
	Fund flows	○	→	Increasing interest in inflation-indexed real estate, given the spike in consumer price indices (CPI) across global markets. Bond maturities in 2022 are substantial and will boost dry powder; sector preference is still key. Tactical, value-add and balanced funds remain appealing.
	360° view	●	→	Listed market dominated by merger & acquisition (M&A) activity, particularly in the office sector, and this is distorting pricing. Non-listed secondaries pricing around net asset value (NAV) for balanced funds and steep discounts for retail; new launches continue to focus on recovery plays. Financing still cheap for good assets. Environmental, social and governance (ESG) focus rapidly rising in importance across spectrum.

Source: abrdn, January 2022.
Views reflect our view on Europe excluding the UK. MSCI/IPD; Thomson Reuters Eikon; PMA; RCA; CBRE, Investment Association; 360° view encompasses direct, indirect, lending and multi-manager views and market signals.
Key: Supportive / [illegible] / Unsupportive. → Stable / ↗ Upward trend / ↘ Downward trend.

European Market Commentary

Continued

be increasingly penalised by valuers, considering how much it would cost to bring them into line with efficiency standards. The combination of tighter regulation and better-informed valuation practices is set to drive a wedge between assets that are what we call 'future fit' and those that are not. Indeed, we believe that energy efficiency and the wider ESG drive will be one of the largest differentiators in asset performance over the next decade.

- Good-quality and well-located offices have held up remarkably well through the pandemic across most European markets. Take-up was subdued through rolling lockdowns but has started to see green shoots emerge. Take-up in Paris during 2021 gradually gained momentum, with the annual total reaching 1.8 million square metres - just 10% below the long-term average. A surge in the fourth quarter, contributing 631,000 square metres to the total, reflected pent-up demand more than a fresh boom in leasing demand. Other markets across Europe experienced similar uplifts as delayed requirements began to be satisfied. However, it's clear that pre-pandemic levels of leasing are unlikely to return for some time. Research from Green Street corroborates our view that office leasing volumes are likely to stabilise at roughly 15% below the long-term average once flexible working and de-densification are netted off against each other. Vacancy rates are already up by 220 basis points on average since 2019. This expected level of oversupply has been seen before, in the likes of Amsterdam and Dublin through various crises. It typically takes eight-to-nine years to re-establish an equilibrium through lower development, demolitions and change of use.
- Headline office rents increased by 3% on average in 2021, although net-effective rents have fallen with incentives rising. We expect a two-speed office market to emerge where high-quality, ESG-compliant offices fall into short supply for both tenants and investors. Secondary stock will increasingly be shunned by tenants and therefore investors too. As a result, we prefer good-quality stock in strong locations or value-add repositioning strategies where the spread in pricing is wide enough to accommodate the capital expenditure required. Overall, we recommend an extremely selective approach to offices for existing holdings and future acquisitions.
- The European logistics market continues to move from strength to strength. The strong demand drivers established prior to the pandemic have been accelerated through enforced changes to the way we shop. Evidence from the states suggests that e-commerce activity has dropped back since peak levels, but nevertheless remains ahead of where it would have been without the disruption from the pandemic. Logistics take-up hit a new record during the first half of 2021, reaching 18 million square metres. It's likely that 2021 will have set another full-year record for leasing. This trend was reflected across the region, with almost all markets reporting record levels. Office rental levels are beginning to respond to the market conditions, with growth rates topping 5% per annum across many major city logistics markets. We anticipate a continued rise in logistics rents, with vacancy rates now below 4%, on average, according to Savills.
- Polarisation is increasingly evident within the retail sector itself. Necessity-based retail is clearly outperforming discretionary retail and those items easily sourced online are being erased from in-store sales ledgers. Even through times when restrictions have been at their lightest, retail footfall was down by roughly 20% against pre-pandemic levels. High-street vacancy rates in Europe's major cities are rising and have hit as high as 20% in some submarkets. Those areas of the market that have shown resilience due to their retail offer have seen this reflected in their performance.
- In the UK, retail warehouses outperformed all-property on an annual return basis for the first time in several years. Values increased by 10.1% over the year to October 2021 according to IPD MSCI. Rents and values have corrected since 2017, allowing for the current rebound to take place. In Europe, a similar polarisation in sentiment is evident. But without a correction, the performance magnitude is more muted. On average, supermarket values increased by over 9% in Europe in 2021, while standalone retail warehouse and retail park values increased by 6% and 5% respectively. Shopping-centre values continued to trend lower, although performance data also points towards a slowdown in falling values. With online retail sales penetration set to continue absorbing market share on the continent, we expect tenant risk (particularly in discretionary retail) to continue rising. Retail yields should move to reflect higher income risk and this process remains in its infancy in many segments of the market.
- Indeed, alternative and operational real estate sectors continue to attract a lot of attention from investors due to the strong thematic tailwinds they can capture. The ability to positively influence the ESG agenda through living- and care-related real estate, in particular, means investors are also increasingly interested in non-traditional areas of real estate. Tight labour-market conditions and rising input costs are creating strains on profitability for some operators, but the long-term drivers remain in place. Our increasing demand for data and cloud services has pushed data-centre demand and output to new highs. However, a renewed focus on how much energy they consume means certain ESG criteria are often compromised in this segment. Prior to the

European Market Commentary

Continued

emergence of Omicron, hotel occupancy had begun to recover, particularly where guests were typically travelling domestically. Before more recent restrictions were deployed in the likes of Netherlands and Germany, mobility indicators had returned to 70% to 80% of pre-pandemic levels. Clearer signs we are entering an endemic phase would lead to a return to these levels.

Performance outlook and risk tolerance

- Our current base case suggests all-property returns of 5.6% per annum over the first three years and 5% per annum over five years. We have revised our numbers slightly higher as the resilience of the office markets, some retail formats and hotels has surprised us, given the extent of the impact of the crisis on demand drivers and rental cash flows.
- Total return forecast spreads between sectors have therefore come down, but they do remain large. Residential, alternatives and logistics assets are expected to demonstrate far stronger returns under the current base case, with values continuing to rise steadily over the next 12 months. Offices have shown resilience so far, but there is increasing disparity regarding quality within the sector. High-quality and sustainable buildings, with solid tenants on long contracts in strong locations, are clearly offering better prospects than secondary offices where the brunt of the flexible working impact and 'brown discounts' will be felt.
- Risks continue to be elevated because of the pandemic, higher inflation and other economic and policy distortions, so overall investor risk budgets should be modest. Where conviction is strongest, bidding is fierce and we encourage funds to be even more forensic in their underwriting, especially if taking leasing risk, development exposure or financial risk. The polarisation of the real estate market does mean that there are pockets where we have conviction that value-add strategies will pay off. These are mainly in logistics and residential assets. It is also possible to reposition obsolete or inefficient office properties into alternative uses or into fit-for-the-future offices, where polarisation is beginning to widen further.

Economic Outlook

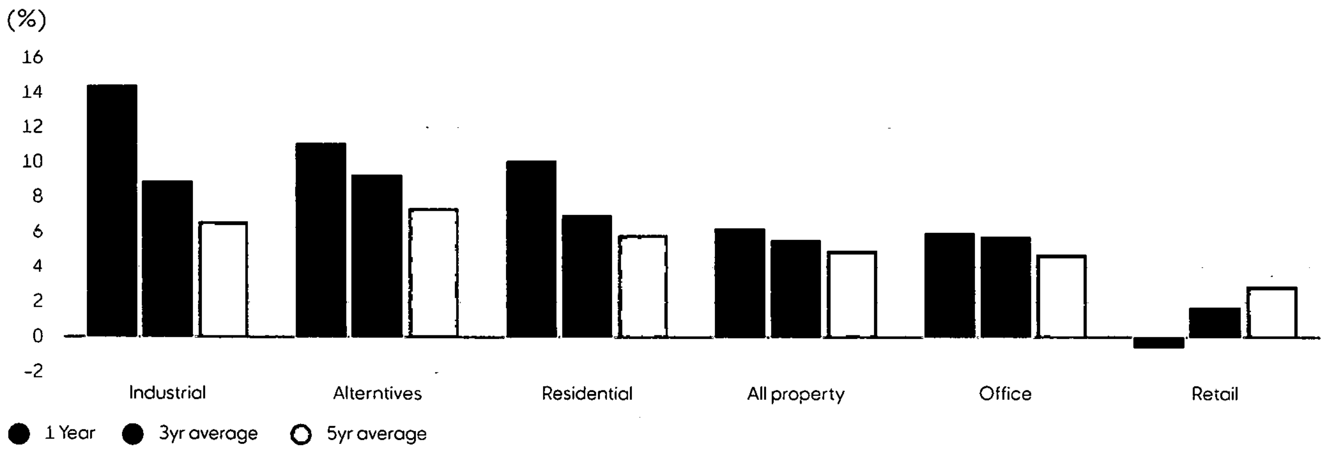
March 2022 Update

Eurozone - Shadows on the outlook: inflation and geopolitics

The Eurozone economy rebounded strongly from the Covid-19 crisis, growing by 5.2% in 2021 and with the unemployment rate falling to an historic low of 7%. However, growth is set to decelerate to 3.2% in 2022, as the economic fallout from the war in Ukraine will exacerbate already high inflation, limiting consumption and growth. While the ECB has shifted towards a normalisation of its policies, it will adopt a cautious approach to balance the risks from rising inflation and the negative economic implications from the Ukraine crisis.

Euro Area GDP grew by 5.2% in 2021, returning to its pre-pandemic size, despite economic growth decelerating to 0.3% q/q in the fourth quarter due to the impact of the latest Covid-19 wave, ongoing supply disruptions and labour shortages. Among the main economies, over the past year the recovery has been led by France (+7% GDP), whereas it was more modest in Germany (2.9%), reflecting its large manufacturing sector being impacted by the supply disruptions. Italy (6.5%) and Spain (5%) also rebounded, after their more tourist-dependent economies were hit the hardest in 2020.

European total return forecasts by sector, January 2022



Source: abrdn ungeared, non risk-adjusted, local currency, January 2022.

European Market Commentary

Continued

The breaking of the Omicron wave and phasing out of pandemic restrictions before Q2 set the scene for stronger growth from economic reopening. Consumption should benefit from high household savings and a strong labour market, and should shift more from goods to reopened services. Over the medium to long-term investment should also be supported by the Next Generation EU funds, which favours in particular countries with high sovereign debt, notably Italy.

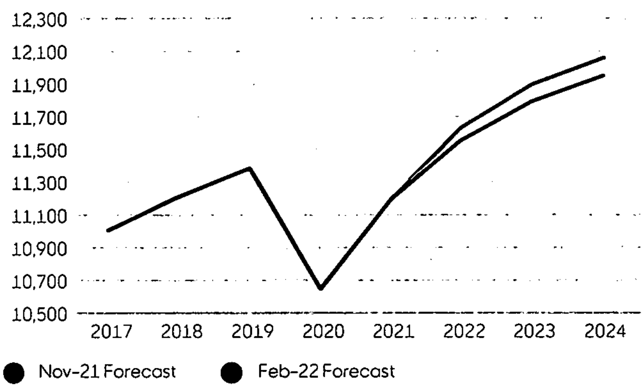
However, relative to our previous forecasts the growth outlook has moderated due to the Ukraine crisis which creates a larger hit to real incomes via higher prices, particularly via energy, trade disruptions, uncertainty effects and tighter financial conditions.

The labour market remains a bright spot in the Euro Area, giving us confidence that consumption has a firm base. Unemployment fell to an historical low of 7% in December, below pre-crisis levels, although it remains relatively high in Spain (13%), Italy (9%), and France (7.4%). While wages have so far not showed much upward pressure thus far, they are likely to materialise from tight labour markets during the year. This will likely add to inflationary pressure, which is already high due to energy, and the upward pressure on goods, which have been impacted by global supply chain disruptions.

Indeed, inflation is set to rise further up to 5.8% in February, with energy accounting for half of the rise. Inflation looks set to rise further in coming months, only decreasing in the second half of the year, but without reaching the ECB target of 2% before 2023. Sanctions on Russia and trade disruptions with Ukraine will add pressure on inflation, especially in gas, oil, metals, food and agricultural prices. In the long-run big questions remain about Europe's energy supply and the potential for energy inflation to be more persistent as supplies are re-directed away from Russia, as underscored by Germany's backtrack on Nord Stream 2.

Higher inflation in January increased expectations that the ECB was shifting to a more hawkish stance. However, the unfolding Ukraine crisis and sanctions on Russia will likely reinforce ECB's cautious approach in the very near term. But given rising prices, we still expect the normalization of monetary policy. The policy sequencing indicates that net QE purchases should end before rates increase; we expect the end of net purchases around September this year, with a first hike of the deposit rate by 25bps around December, followed by another 25bps hike of all three rates (deposit, MRO, refinancing) in Q1 2023. Given high uncertainty, the ECB is likely to avoid pre-committing on future policy steps to retain flexibility.

Euro Area GDP. Outlook revised down by cumulative 1%



Source: abrdn, Feb 2022

Eurozone forecasts

	2020	2021	2022	2023	2024
GDP (%)	-6.5	5.2	3.2	2.1	1.3
CPI (%)	0.3	2.6	5.5	2.1	1.9
Depo rate (%)	-0.50	-0.50	-0.25	0.25	0.5

Russia/Ukraine: impact on UK and European real estate

The conflict has not led to significant changes in our real estate view, although new considerations have emerged across the different market sectors.

The initial impact of the conflict in Ukraine is expected to be negligible for commercial real estate. The freezing of capital flows in and out of Russia and the collapse of the rouble should not impact the European real estate capital markets to a large degree. According to market provider RCA, Russia's outbound flows into the sector are relatively small and Ukraine's real estate market is modest.

Eastern European markets that are closer to the conflict are less liquid, represent a small portion of the wider European investible universe and typically have a higher risk premium.

A reduction in the high levels of economic growth and lower inflation expectations would lead us to trim the reasonable returns that we are expecting from real estate. While this is true at the headline level, the sector impact will be asymmetric.

Weaker economic growth would impact the office sector, which is already under pressure. A question mark remains over offices, given the hybrid working model that has emerged during the pandemic. Weaker growth would dampen occupier demand, which would be a further headwind for poorer-quality assets in the sector.

European Market Commentary

Continued

Retail would also face pressure, particularly for those areas that cater to discretionary spending. Inflation and weaker economic growth could put pressure on retailers as non-essential spending is curbed. However, grocery-anchored retail or those areas that are tilted toward the budget end of retail are likely to remain resilient. The crisis could drive a further wedge between the various retail formats.

Residential assets would likely prove resilient, given they are an essential purchase. They also have a link to inflation through rental contracts. Undersupply in this market remains an issue for many European cities. This could be exacerbated by rising construction and build costs, which would likely dampen the supply pipeline.

Industrial and logistics assets remain favourable, even with the potential problems this conflict could create. Supply for these assets is constrained in many markets and build-cost inflation would limit further development. However, this sector is also most exposed to supply chain disruptions and we will monitor this closely.

Despite the conflict, real estate may be seen as a safe haven in the short term. Occupier markets remain relatively robust and there is an absence of oversupply in the market. We continue to seek out sectors that benefit from thematic structural drivers. These include rising online spending, which favours the logistics sector; and the greater propensity to rent, which favours the residential sector. We also want assets that will be resilient as environmental, social and governance requirements become more onerous.

Strategic Report

Market Review

Almost two years after the outburst of COVID-19 and after the advanced vaccination roll-out across all of Continental Europe, and despite new restrictions, real estate markets returned to normality and even to pre-COVID-19 levels, as is the case for the overall investment market.

The polarisation we witnessed in 2020 continued to be reflected in capital flows. Rented residential and senior living account for the lion's share of investment, offices remained in second place, while logistics is closing the gap rapidly. Investment into offices has clearly increased as the previously feared 'death of the office' is now firmly rejected as a plausible long-term outcome. Industrial and logistics investment increased by 58% in 2021, reflecting incredibly strong interest from investors.

Yield movements clearly reflect the polarised nature of the market too. Shopping centres and secondary shops all experienced outward yield shifts in 2021, as investors remained cautious of these formats. The best performer was logistics, which had a significant yield compression in 2021.

Good-quality and well-located offices have held up remarkably well through the pandemic across most European markets. Take-up was subdued through rolling lockdowns but has started to rebound quite strongly. Headline office rents increased in 2021, although net-effective rents have fallen with incentives rising. We expect a two-speed office market to emerge where high-quality, ESG-compliant offices fall into short supply for both tenants and investors. The European logistics market continues to move from strength to strength. The strong demand drivers established prior to the pandemic have been accelerated through enforced changes to the way we shop. While polarisation is increasingly evident within the retail sector itself. Necessity-based retail is clearly outperforming discretionary retail and those items easily sourced online.

Fund Performance

In 2021, the Fund returned 9.05%, while the total return for the property portfolio was 11.4%. The income return was 3.6%, while capital growth returned 7.8% over the year to December 2021. Fund return was positive and evenly split over the four quarters. The main drivers of performance were the following:

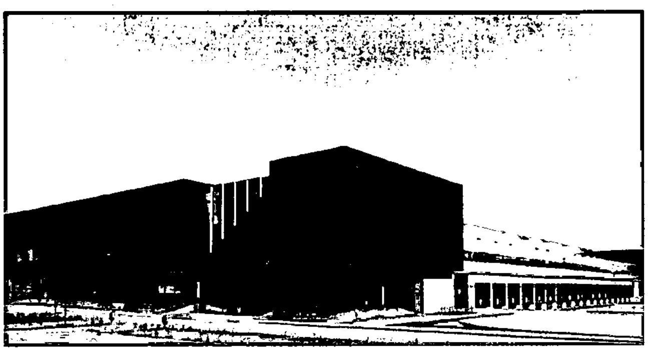
1. Market yield compression of logistics assets across Continental Europe fuelled by investors' appetite as a result of the increase in e-commerce activity. This trend, already present since 2019, has accelerated during 2020 due to the pandemic and kept the same trend in 2021;
2. Capital growth associated with the completion of asset management initiative in Eylau (Paris) in France;
3. Turawa Retail Park in Opole, Poland, continued delivering negative capital growth as the market continued to penalise long-term vacancies and secondary retail, trends accelerated in 2021 again due to the pandemic; and
4. Decreased negative cash drag as the Fund reduced its cash position by purchasing an asset and clearing part of the redemption queue during Q4 2021.

The Fund proved resilient despite the COVID-19 challenges thanks to portfolio restructuring, quality, completion of a number of asset management initiatives and the low cost of debt. Despite the portfolio's low leverage, debt was accretive to performance as the fund saw positive capital growth.

Two (including one sold asset) out of the eighteen assets, accounting for 8% of the portfolio value (excluding the sold asset), saw negative performance, while nine outperformed the portfolio contributing 10.0% to the overall portfolio total return.

Yield compression across logistics drove capital growth, particularly, in France, Germany and the Netherlands. Logistics assets contributed 6.5% to overall portfolio return. Yield compression across these sectors is driven by strong investors' appetite and the lack of good quality stock. In addition, the Paris CBD office portfolio held up well with a weighted total return of 4.7%. The market heavily penalised retail and hospitality assets, those most impacted by the COVID-19 pandemic.

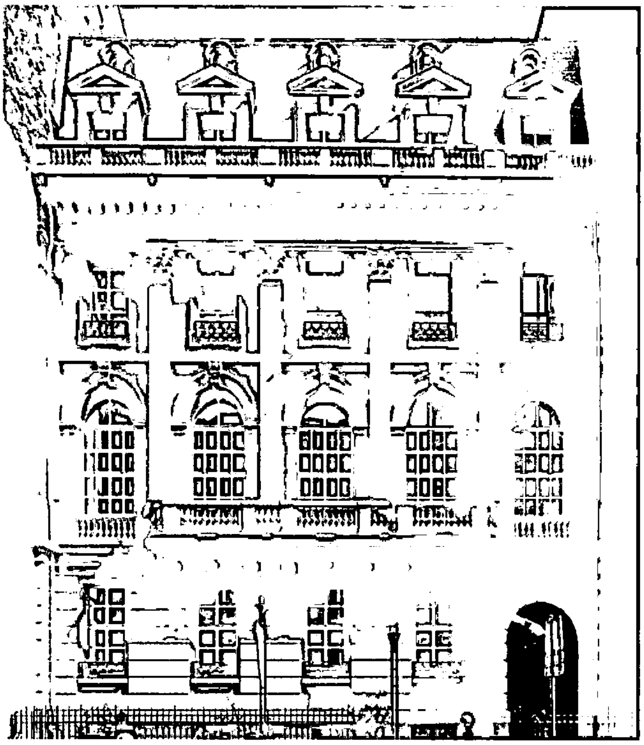
At an asset level, the largest (weighted) contributor to performance was Eylau in Paris, France, which produced an annual total return of 37.1% in 2021. The return was driven by asset management - undertaking a comprehensive renovation of the property as well as pre-letting the property ahead of completion of the works. Eylau is currently held for sale. Eylau was followed by Lambres in France, with an annual total return of 24.5%; Travellers XIV, in Venlo, the Netherlands, with an annual total return of 22.2% and DC Waalwijk, in Waalwijk, the Netherlands with an annual total return of 18.2% showing the strength of the logistics sectors in the current investment environment.



Strategic Report

Continued

Excellence Logistics, Tilburg, the Netherlands



Eylau, Paris, France.

The lowest contributions towards performance came from properties in the retail and hospitality sectors. This was the case for Metropool, in Amsterdam, the Netherlands, which delivered an annual total return of -3.7%. Turawa Retail Park in Opole, Poland, returned -4.7%, this asset was sold during Q4 2021.

Fund Strategy

Our medium- to long-term strategy remains focused on ensuring that the portfolio is well-balanced between core markets, with a tactical exposure to recovery markets. Core markets are those that provide long-term returns with low volatility. These currently include France, Germany, Belgium, the Nordics and the Netherlands. Recovery markets are those that we believe can capture cyclical capital growth, though in the short-term will be more impacted by the COVID-19 crisis. These include peripheral markets, such as Spain, Ireland and Poland. Our long-term goal is to actively manage the portfolio to capture growth during upturns and to provide resilience during downturns.

During Q3 2021 the Fund committed to purchase a logistics asset in Madrid (Spain) and to sell the Eylau office asset in Paris (France). During Q4 2021, the Fund completed the sale of Turawa Retail Park (Poland) and the purchase of an office building in Frankfurt (Germany)

The Fund also reimbursed part of its redemption requests. As a result, the cash position decreased to 7.5% of Gross Asset Value (GAV) as of 31 December 2021. The manager's short- to medium-term strategy aims at increasing leverage to the long-term target of 40% of property portfolio value. We remain selective with leverage, using higher levels of debt in core and stable markets, with lower all-in costs and lower leverage in markets and properties that may be more volatile.

The portfolio structure with 87.5% of the portfolio value invested in low-volatile markets as well as the low exposure to retail (4.6%) and high exposure to office (52.0%) and logistics (39.0%) have driven the fund resilience over the period together with the low leverage.

The Fund managed to focus all efforts on holding or increasing the income duration (8 years), managing arrears and maintaining low void levels (1% vacancy on ERV on standing investments) through active asset management.

The Fund has historically been managed with an active style, allowing to flex our risk budget in accordance with the investment environment and market conditions. We will continue informing our investors of the fund strategy in the short and medium-term on a regular basis.

Debt Strategy

The Fund leverage was 21.4% (excluding cash assets) and 20.0% (including cash assets) at the end of 2021.

During 2021, EPGF explored the opportunity to finance existing and newly acquired assets, but no debt was drawn down.

At the year-end, total third-party debt amounted to €187.0 million in five credit facilities, with a blended effective interest rate of 1.19% and weighted average debt duration of 3.36 years.

Purchases

In 2021, EPGF entered into commitment to purchase two assets for a total of €60m. The Fund signed a forward purchase contract to acquire a logistic last mile asset in Madrid (Spain) for a maximum of €27.9m, yielding 4.90%. The transaction is a speculative development with a 12-month rental guarantee. Practical completion is planned in Q3 2023.

In December, the Fund purchased an office asset located in Frankfurt (Germany) for €32.1m with an IY of 3.3%. The property is currently 29% under rented, while 40% of current income is to expire end 2022, allowing the Fund to capture reversion and increase significantly the value through a targeted asset management plan.

Strategic Report

Continued

Developments

As at 31 December 2021, the Fund has 9.3% of speculative development exposure in regard to the Eylau renovation in Paris, France.

Sales

During Q4 2021, EPGF completed the sale of the shares of Turawa Retail Park Sp z.o.o., holding the freehold of Turawa Retail Park (Poland), for €14.79m. The transaction allowed the Fund to disinvest from one of the historical underperforming and non-core assets.

Asset Management

During 2021, we focused on maintaining income security by maintaining income length, low void rates and securing rent collection through asset management. The void rate on estimated rental value (ERV) on standing investments decreased from 6.2% in 31 December 2020 to 1.0% in December 2021.

The weighted average unexpired lease term (WAULT) remains stable at 8.0 years in December 2021.

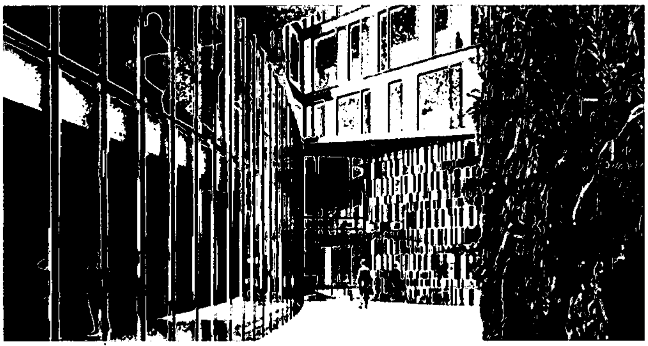
Active asset management and close communication with our tenant base continued to be a priority during 2021. Our asset management teams completed all negotiations relating to tenants' requests for rent reliefs as a result of Covid-19 lockdowns and restrictions across continental Europe.

In Eylau, a comprehensive refurbishment (capex budget of €16.0 million) started in July 2020 as previously reported and is expected to be completed in Q2 2022. We are currently under negotiations with the existing tenant to amend the lease to accommodate tenant's fit-out requests as well as the new practical completion date. Initial hand over to the tenant is planned for the end of March 2022. The refurbishment works have suffered delays as a result of the challenges of the project, the additional works completed on behalf of the tenant and a shortage of supplies and labour.

In Erfurt, as we previously reported, a 12-year lease was signed with Contemporary Amperex Technology Thuringia (who produce batteries for the e-transport industry) starting from January 2021. The tenant must apply for a business permit with the municipality in order to take occupation of the premises. This permit also will indicate if specific upgrades need to be made to the property to comply with the tenant's activity. Under the lease agreement, the landlord will contribute up to €500,000 for any upgrades requested by the municipality. At the time of writing, the tenant has not yet obtained the final business permit, but a provisional permit allowing it to partially operate in the premises has been granted.

In Pliening, the manager is currently in negotiations with one of the tenants to sign a 10-ear lease at a rental level 5% above passing rent, in exchange of 12-month rent free. The current lease accounts for 34% of total rent for the property and expires on 1st December 2022.

In Matignon, all leases but one were regeared during the year. The asset is currently fully let with a WAULT of 5.75 years.



Eylau, Paris, France.

In Frederiksberggade 16, the lease with the retail tenant (representing 75% of the rent) was regeared at the passing rent on 1st November 2021 for seven additional years until end of 2028, in exchange of €2.62 million in tenant improvements, of which a minimum of €1 million can be used for fitting out the retail unit.

In Tamansweg in Venlo, the lease with DSV is due to expire at the end of 2023. Given the age and quality of the property, the building's ERV has decreased by 11.1%, which has had a significant impact on the asset valuation. We have therefore decided to undertake a redevelopment of the site, by either building a mixed crossdocking and warehouse property or a traditional warehouse box, with high technical specifications. A logistics operator is considering to agree a built-to suit unit. We are currently in discussions to agree on the specifications of the building. We are aiming at designing an asset that meets the market demand, should the potential tenant withdraw.

In Metropool, we reached an agreement with the hotel tenant Zoku to settle approximately 80% of its rent arrears. We are closely monitoring the payments of Zoku as the new lockdown in the Netherlands had a negative impact on occupancy. We also signed a new lease with an architect firm for 359 square metres for a rent of €96,750, above ERV, with three months rent-free. The five-year lease started on the 1st January 2022. The asset is currently fully let except for some storage space.

In Zaltbommel, the lease with PostNL expires in June-22. The team is currently negotiating a 10-year lease extension with total of 9-months rent free period.

Strategic Report

Continued

In Hansa Carree, the manager signed four new lease or lease regears totalling 8,145 sqm accounting for 37% of total ERV. In particular, we signed a new five-year lease with Deutsche Bahn, who are currently occupying 5,428 sqm in the property. The tenant is currently paying an annual rent of €717,800, which will increase to €830,150, which is the current ERV of the property (€12.50 psqm for the office space). The new lease will start on 1st January 2022 expiring on 31st December 2027. In exchange of a five-year lease and increased rent, the landlord is granting a five-month rent free period and a fit-out contribution of €543,000.

Travelodge, Barcelona, Spain.

In East 6, the asset is currently 28% under rented, with 60% of the income expiring in December 2022. The Fund is looking at capturing the reversion by letting the future vacancy at ERV and modernising the building by improving the property's ESG credentials. A letting agent was appointed to start the marketing of the units.

Outlook

Despite a challenging 2021, the Fund outperformed the MSCI Pan European Property Fund Index on a one, three- and five-year basis on the most recent MSCI PEPFI figures to September 2021. The Fund delivered strong performance driven by market yield compression of the logistics portfolio and active asset management, despite the drag of cash on performance.

In 2021, investment markets have been very active during the year, with investors still focusing on core offices across European capitals as well as residential and logistics. These trends have driven a strong yield compression across these sectors. However, we have also seen a negative sentiment in logistics due to pricing.

We believe that the pandemic has accelerated many pre-existing trends and introducing new ones, with ESG becoming a key factor in future investments. This has further polarised what constitutes good and/ or bad opportunities in the market. Hence, it is now critical for investors to apply a granular approach to assessing sectors and segments, geographies and locations, tenants and covenant strength and building quality to meet the new requirements from occupiers. Predominantly, investors will focus their attention on all aspects of environmental and social sustainability to meet the requirements of tenants and regulators.

The Fund remains well balanced in line with the abrdn House View, with a higher exposure to core offices such as Paris CBD offices, historically resilient, a strong exposure to logistics, underweighting to retail, a low void rate and a relative long average income. The Fund also remains underweighted to more vulnerable markets that experienced more pain during the global financial crisis and Eurozone crisis as a result of stress in the debt market and fall of liquidity, which could be a reason for concern in the short-term.

We believe that the Fund is well positioned to support the current market uncertainties given the low relative leverage, the high cash position, the low exposure to retail, the exposure to historically less volatile markets and the high-quality portfolio and tenants. We also believe that the Fund is well positioned to capture coming growth in the medium-term by utilising the risk budget available to the Fund.

Frederiksberggade 16, Copenhagen, Denmark

Strategic Report

Continued

Direct property performance

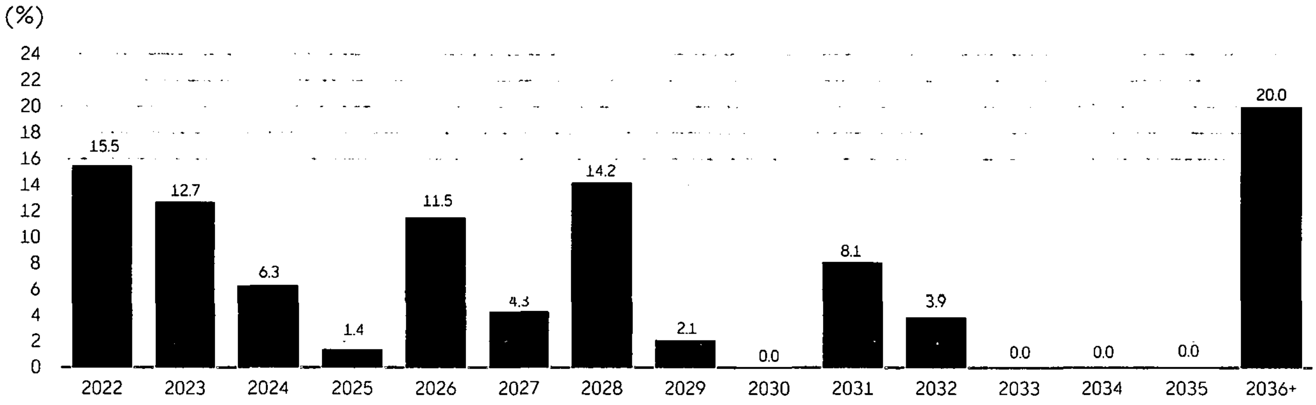
Sub-sector	Valuation 31 December 2021 €m	Valuation 31 December 2020 €m	Gross 12 month return Dec 20 to Dec 21 %	Initial Yield %	Equivalent Yield %
10 avenue Hoche, Paris, France	118.8	116.2	4.9	3.1	2.8
14 Avenue d'Eylau, Paris, France	88.5	58.8	37.1	0.0	2.7
Hanse Carree, Hamburg, Germany	75.3	71.7	8.0	3.2	3.7
Metropool Building, Amsterdam, Netherlands	67.9	73.0	-3.7	3.6	3.9
Pliening Logistics Park, Munich, Germany	58.3	52.5	15.1	3.4	3.6
Exellence Logistics, Tilburg, Netherlands	53.3	47.3	16.4	3.3	3.3
Travellers XIV, Venlo, Netherlands	49.3	41.9	22.2	3.3	3.9
Frederiksbergadde 16, Copenhagen, Denmark*	40.5	38.3	9.8	3.6	3.3
Travelodge, Barcelona, Spain	38.8	38.0	8.2	5.5	5.3
Logistic ZAC Lambres-Cuincy, Lambres lez Douai, France	38.3	32.1	24.5	4.0	3.9
Mont des Arts, Brussels, Belgium	37.6	37.0	5.8	3.8	3.7
East 6, Frankfurt, Germany	32.5	-	-	2.9	3.8
Im Mittelfeld, Erfurt, Germany3	29.3	26.1	10.1	3.7	3.7
34 Avenue Matignon, Paris, France	30.7	29.4	7.5	3.1	3.1
Warsaw Airport III, Warsaw, Poland	29.7	26.8	17.7	6.0	5.5
DC Miles Waalwjik, Waalwjik	29.1	25.7	18.2	4.1	4.0
DC Zaltbommel, Netherlands	26.6	25.0	11.8	5.0	4.5
Tasmanweg 2, Venlo, Netherlands	26.1	25.9	6.7	5.5	4.3
Turawa Retail Park, Opole, Poland	-	14.3	-	-	-
	870.6	**780.0**	**11.4**	**3.4**	**3.6**

* Valuation is in local currency (DKK) at the 31 December 2021 exchange rate.

Strategic Report

Continued

Weighted average lease length to expiry



Weighted average lease length to expiry is 8.1 years.
Source: abrdn, 31 December 2021.

Assets by sector

By Market Value by sector	Fund %
Offices	52.0%
Distribution	39.0%
Retail	4.6%
Miscellaneous	4.4%
	100%

By Gross Partnership Size by sector	Fund %
Offices	47.6%
Distribution	35.7%
Retail	4.2%
Miscellaneous	4.1%
Other partnerships assets	8.4%
	100%

Assets by country

By MV by country	Fund %
France	31.7%
Netherlands	28.9%
Germany	22.4%
Belgium	4.6%
Denmark	4.6%
Spain	4.4%
Poland	3.4%
	100%

By GPS by country	Fund %
France	29.0%
Netherlands	26.5%
Germany	20.5%
Belgium	4.2%
Spain	4.1%
Non Eurozone	7.3%
Other partnerships assets	8.4%
	100%

Source: abrdn, 31 December 2021.

Strategic Report

Continued

Ten largest tenants

Tenant	Building	Rent	% of Rent
Mayer Brown	10 avenue Hoche, Paris, France	3,716,844	11.2
DSV	Tasmanweg 2, Venlo, Netherlands and Warsaw Airport III, Warsaw, Poland	2,892,282	8.7
Travelodge Hoteles España SL	Travelodge, Barcelona, Spain	2,281,338	6.9
US Multinational	Exellence Logistics, Tilburg, Netherlands	2,024,400	6.1
Wetron Logistics B.V.	Travellers XIV, Venlo, Netherlands	1,995,963	6.0
Region Bruxelles Capitale	Mont des Arts, Brussels, Belgium	1,636,188	4.9
Simastock	Logistic ZAC Lambres-Cuincy, Lambres lez Douai, France	1,562,977	4.7
PostNL	DC Zaltbommel, Netherlands	1,542,992	4.7
New Yorker	Frederiksbergadde 16, Copenhagen, Denmark	1,467,791	4.4
Zoku	Metropool Building, Amsterdam, Netherlands	1,436,206	4.3

Source: abrdn, 31 December 2021.

Ten largest properties

Name	Location	Value	Segment
10 avenue Hoche	Paris, France	€118.8m	Office
14 avenue d'Eylau	Paris, France	€88.5m	Office
Hansa Carrée	Hamburg, Germany	€75.3m	Office
Metropool	Amsterdam, the Netherlands	€67.9m	Office
Pliening Logistics Park	Munich, Germany	€58.3m	Distribution
Exellence Logistics	Tilburg, the Netherlands	€53.3m	Distribution
Travellers XIV	Venlo, the Netherlands	€49.3m	Distribution
Frederiksberggade 16	Copenhagen, Denmark	€40.5m	Retail
Travelodge	Barcelona, Spain	€38.8m	Other
Lambres	Lambres lez Douai, France	€38.3m	Distribution

Source: abrdn, 31 December 2021.

Report of the General Partner

The General Partner presents its report and audited consolidated financial statements for the Aberdeen Standard European Property Growth Fund LP and its subsidiaries ("the Partnership") for the year ended 31 December 2021.

Principal activities

The Partnership is a qualifying limited partnership domiciled in the United Kingdom. The Partnership's principal activity during the year was investing in direct or indirect property assets in Europe.

Total partner capital commitments are €612 million (2020: €669 million). At 31 December 2021, €612 million of these commitments had been drawn down (2020: €669 million).

Structure of the fund

The Partnership was established as an English Limited Partnership under the Limited Partnership Act, 1907 on 19 October 2001, with a first closing on 26 October 2001. The Partnership was originally established for a period of seven years; however a revised Limited Partnership Deed was signed on 29 July 2005 which extended the life of the Partnership for an indefinite period.

The Partnership was formed to offer investors an exposure to continental European property via a mixture of income producing and development properties.

As at 31 December 2021 the Partnership had 32 Limited Partners (2020: 36 Limited Partners).

Results, activities and future developments

The results for the year are set out in the Consolidated Statement of Comprehensive Income on page 29. The change in net assets attributable to partners for the year was a decrease of €7.3m.

In November 2021, the Partnership purchased a property ,East 6, in Frankfurt for a gross value of €34.1m

In December 2021, the Partnership sold the entity, Turawa Park for a gross value of €14.8m.

During 2021 the Partnership paid distributions of €10.9 million (2020: €10.7 million) to the Limited Partners.

During the financial year the Partnership drew down nil from investors (2020: nil). One investor was redeemed during the year (2020: nil).

Post balance sheet events

Full details of events after the post balance sheet date are set out in note 22 to the financial statements.

Risk management policies

The following risk management policies were produced before the brand update to abrdn. As such they refer to Aberdeen Standard Investments (ASI). The policies will be updated for the name change in due course.

Generic risks that the Aberdeen Standard Investments (ASI) range are exposed to and the risk management techniques employed are disclosed below. Numerical disclosures and specific risks, where relevant, are disclosed within the financial statements.

The Financial Conduct Authority (FCA) Collective Investment Schemes Sourcebook (COLL) and FCA Funds Sourcebook (FUND) rules require the Management Company to establish, implement and maintain an adequate and documented Risk Management Process (RMP) for identifying the risks they manage, or might be, exposed to. The RMP must comprise of such procedures as are necessary to enable ASI to assess the exposure of each fund it manages to market risk, liquidity risk, counterparty risk, operational risk and all other risks that might be material.

Risk Management Function

The Company functionally and hierarchically separates the functions of risk management from the operating units and portfolio management functions, to ensure independence and avoid any potential or actual conflicts of interest.

The Risk Management Function for ASI comprises both first line areas such as Investment Governance (including Investment Control) and second line areas such as Investment Risk and other risk functions.

The Risk Management Function has responsibility for:

- Implementation of the risk management process and the development and maintenance of the Company's RMP;
- Understanding the business and strategy from the product development phase and provide advice to the Board of Directors as regards the identification of the risk profiles of the funds.
- The identification, measurement, management and monitoring of the risks of the Funds in order to ensure that the level of risk is aligned with the Fund's risk profile; and
- Provision of regular updates to the board of directors/ senior management on the adequacy and effectiveness of the risk management process indicating, where applicable, actual or anticipated deficiencies and their remedial measures.

Report of the General Partner

Continued

Risk Management Framework - Three Lines of Defence

The management of investment risk within ASI is organised across distinct functions within SLA, aligned to the well-established 'three lines of defence' (LoD) model:

1st line	2nd line	3rd line
Risk ownership, management and control	Establishment and oversight of risk, compliance and conduct frameworks	Independent assurance, challenge and advice
· Most risks arise in the business and this is where they should be owned and managed. · Ownership and management means taking responsibility for identifying and controlling risk.	· Establish and oversee the Enterprise Risk Management Framework and supporting methodologies. · Provide independent advice and challenge of business operations in relation to (i) regulatory and (ii) design of operational controls. · Support executives and boards in their oversight risks.	· Internal Audit provides independent assurance, challenge and advice across all business functions and risk domains including the adequacy and effectiveness of the internal risk and control management framework.

Increased first line ownership of risk and control assessment is a key evolution in first and second line interaction.

Second and third line interactions are more defined (e.g. monitor, review, assure) with each function supporting various boards and committees.

- 1LoD - Functions that own and manage risks, reporting to the Chief Investment Officer, in particular the Investment Governance & Oversight (IG&O) function.
  - Continuously improving the management of investments through the generation of value-added insight and the implementation of a robust control environment.
  - Protecting the CIO's fiduciary responsibilities to ASI's clients.
- 2LoD - Functions that oversee risk, reporting to the Group Chief Risk Officer, in particular the Investment Risk function
  - Providing assurance, advice and challenge to drive risk awareness and accountability in the business which is where most risks arise should be managed and owned.
  - Managing the risks to the firm, and potential conflicts of interest in 1LoD.
- 3LoD - Functions that provide independent assurance, reporting to the Chief Internal Auditor.

Investment risk management activity is owned and managed within the functionally and hierarchically independent 2LoD Risk & Compliance function.
This mitigates potential conflicts of interest by preventing functions that own the risks from unilaterally establishing their own assessment and control frameworks.

Breach and Escalation procedures

The Risk Management Function provides regular reporting to the Board/senior management, which demonstrates the adequacy and effectiveness of the RMP. This indicates, where applicable, actual or anticipated deficiencies and the remedial measures. In addition, issues and events impacting the Company or the funds managed by the Company are logged in Shield, Aberdeen Standard Investments' operational risk system, by the relevant area within the prescribed time limits. The system allows for management information and reporting, and thematic issues and trends are highlighted for the attention of Senior Management. Significant events are also reported to the Board and other events may be reported depending on the potential impacts. The Management Company Board receives monthly event reports from the operational risk function that details all the events which have impacted the Funds, directly or indirectly.

Mandate Governance & Controls

Tripartite Process –The 'Tripartite process', which embodies our culture and values, is the cornerstone of mandate governance and is a key control against the risk of mandate failure thereby protecting the company from client complaints, regulatory censure and reputational damage. Equally, it conveys a strong and clear message to external stakeholders about how we strive to meet client expectations. It is a principle based set of processes and protocols that define how mandates are agreed, understood, documented and delivered. Its overarching aim is to develop and document a common understanding of all investment mandates between the following areas;

- Investment Governors - Responsible for the oversight of investment risk and ensuring that the management of investment mandates can be adequately controlled and governed within the overall risk and control framework overseen by the Risk and Exposures Committee.
- Investment Management - Responsible for the day to day management of the mandate and understanding the mandates objectives and constraints.
- Appropriate Client representatives - Responsible for representing the clients' interests and developing and articulating the client or fund objectives).

Report of the General Partner

Continued

Fund specific risk limits and monitoring

The RMP involves monitoring on a regular and systemic basis all funds under its purview, to allow both 1st and 2nd line risk teams to identify, measure and monitor risk and where necessary escalate appropriately, including to the Board any concerns and proposed mitigating actions.

As advised above, in developing the risk profiles for the funds ASI will determine and set specific risk limits appropriate for each Fund. In addition, there will be an early warnings system of potential changes in the portfolio risk monitoring triggers.

Regulatory limits as well as those set out in the Fund's prospectus (or equivalent documentation), are strictly enforced to ensure that ASI does not inadvertently (or deliberately) breach them and add additional risk exposure to the Fund. Where possible, these are coded into the front office dealing system, Charles River (used for equities, fixed income, multi-asset and the fund of long-only funds businesses) in a pre-trade capacity, preventing the fund manager adding to these exposures and breaching the set limits before the trade is actually executed. These limits are also monitored on a post-trade basis by the Investment Control department, who escalate any breaches immediately. The majority of hard limits set will aim to help prevent the occurrence of concentration risk.

Internal limits or guidelines are also in place to highlight any potential fund or strategy specific issues. These are captured as part of the Tripartite process. These provide an early warning system of potential changes in the portfolio and risks of the fund. They operate as triggers for further investigation every time they are exceeded. Any exceptions would be discussed by Tripartite and, where appropriate, the relevant portfolio manager will rectify within a reasonable timeframe.

Investment risk limits are generally metrics that are either derived from a risk model with modelling assumptions, regulatory defined market risk measures and/or liquidity risk measures.

Risk monitoring triggers are generally risk levels or limits determined by 1st and 2nd line risk teams, which operate as triggers for further investigation to prevent hard limit breaches. Every time they are exceeded the teams will as part of their periodic review cycle, where the data suggests a potential for a fund to be an outlier, review all positions on Funds to ensure that the Fund is not overly concentrated in any one specific area or issuer. Where the mandate is expressly focused in one particular country, region or asset class, the risk teams will take this into account. Any issues or concerns arising from risk parameters (controls, concentrations etc.) shall be promptly reviewed and discussed.

Market Risk Management Processes

Investment Risk is responsible for identification, monitoring and measurement of risks for real estate funds.

Real Estate - Quantitative risk systems are not typically deployed in the production of risk analytics for this asset class largely due to the lack of data and / or appropriate systems, within the industry, to produce meaningful output. The Investment Risk team utilise other metrics specific to the asset class. Such metrics may include, but are not limited to:

Real Estate

- **Tenant and Rent Roll Risk -** This measure attempts to capture and consider property vacancy, lease rolls, tenant quality and tenant concentration at an asset level (Direct Real Estate funds at a property level, Real Estate Multi-Manager at a target fund level) to provide an indication of the stability of income.
- **Debt risk -** After a certain level, debt can significantly increase the volatility of return and limit the capacity of managing the asset appropriately. This measure captures and weights the loan to gross asset value, debt expiry, current and potential covenant breach and cost of debt at asset level to provide an indication of whether debt is **endangering the stability of income and the capacity of the fund management team to follow the fund's strategy**.
- **Loan-To-Value (LTV) -** The use of gearing on an asset-by-asset basis can provide increased returns, but will also increase the risks a Fund is exposed to. As risk is a non-linear function of gearing, the unequal application of LTV can lead to outsized and / or disproportionate exposures to investment risk when compared to equally leveraged portfolios.
- **Refinancing Risk -** This measure captures and considers the risks inherent in refinancing any debt held within a portfolio. The indicator considers the loan to gross asset value, interest coverage, covenants and maturity of the debt facility, in order to determine whether the fund is at risk of failing to achieve a refinancing of the debt, or whether the fund is at risk of failing to achieve adequate terms commensurate with the expected return of the properties backing the facility.
- **Country and Sector Exposures -** Measures concentration of the fund's investments by country and sector.
- **Top holdings -** Measures exposure to top individual holdings.
- **Tenant Concentration and Tenant Industry Exposures -** Measures the % exposure to individual tenants and to the tenant industry.
- **Returns Risk -** Measures the risk of returns being impacted by specific exposures; this could be capital or income driven.

These metrics are generated from a combination of sources, including MSCI, internal systems and tenant data. Once this data has been processed the Investment Risk team analyses reports, assessing absolute and relative exposures and trends across valuation points. Any issues/ concerns identified prompt further investigation and escalation as appropriate. Breaches of hard risk limits will be escalated immediately via Tripartite. Funds are generally reviewed quarterly in line with typical valuation cycle, or more frequently as appropriate.

Liquidity Risk

Liquidity risk is defined as the risk that a portfolio may need to raise cash or reduce derivative positions on a timely basis either in reaction to market events or to meet client redemption requests and may be obliged to sell long term assets at a price lower than their market value. Liquidity is also an important consideration in the management of portfolios: Portfolio Managers need to pay attention to market liquidity when sizing, entering and exiting trading positions.

Measuring liquidity risk is subject to three main dimensions:

- Asset Liquidity Risk – how quickly can assets be sold.
- Liability Risk - managing redemptions as well as all other obligations arising from the liabilities side of the balance sheet.
- Contingency Arrangements or Liquidity Buffers – utilising credit facilities etc.

Liquidity Risk Management Framework

ASI's liquidity risk management framework incorporates the ESMA guidelines on liquidity stress testing. Our liquidity risk management framework is broadly split in the following sections:

i) Liquidity risk management framework inputs and models

   For real estate assets, the key liquidity risk methodology and approach are as follows:

   - The methods for liquidation take into account the fund's investment objectives through methodology for time to liquidate and cost to liquidate. For Real Estate, this is taken into account using the front office identifier of asset categorization, which indicates the intention of the portfolio manager to liquidate a property per the funds strategic plan.
   - Liquidity calculations to be performed at least annually. In the majority of cases this is quarterly. The factors determining the frequency applied to these are detailed in the ESMA LST policy.
   - Asset side stressed scenarios are considered based on the nature of different asset classes and their liquidity risks and the availability of data. The strategies of funds are also considered in the design of stress tests.
   - Liability side analysis includes stress scenarios on the investor profile as well as liabilities on the balance sheet.

ii) Circumstances requiring escalation, including when liquidity limits/thresholds are breached

   The Investment Risk team follows a methodology that includes a Red-Amber-Green (RAG) status in the output of the stress tests based on trigger limits for identifying circumstances requiring escalation. More bespoke trigger limits can be set through the Tripartite process as required. In the event of a material concern, the investment governor provides LST outcomes to the portfolio manager in the first instance, including the result of a breach of a limit or threshold. The methodology includes a RAG status based on trigger limits set for the liquidity mismatch for each stress test (see the ESMA LST policy for details). This allows the investment governor to include qualitative input before escalating to the IPC (for open ended funds) or IEC and the REC as appropriate.

iii) Counterparty credit risk is the risk of loss resulting from the fact that the counterparty to a transaction may default on its obligations prior to the final settlement of the transaction's cash flow. Credit risk falls into both market risk and specific risk categories.

iv) Operational risk can be defined as the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events. Operational risk also includes the breakdown of processes to comply with laws, regulations or directives.

Operational Risk Management

An Operational Risk Management Framework is in place to identify, manage and monitor appropriate operational risks, including professional liability risks, to which the Management Company and the Funds are or could be reasonably exposed. The operational risk management activities are performed independently as part of one of the functions of the Risk Division.

The Group's Risk Management Framework is based upon the Basel II definition of operational risk which is "the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events".

Report of the General Partner

Continued

The Group's management of operational risk is therefore aimed at identifying risks in existing processes and improving existing controls to reduce their likelihood of failure and the impact of losses. The Group has developed a framework that embodies continuous improvement to internal controls and ensures that the management of risk is embedded in the culture of the Group.

The identification, management, monitoring and resolution of events, risks and controls are facilitated via the Group's risk management system, Shield. The system is designed to facilitate the convergence of governance, risk and compliance programmes and automate a comprehensive review and assessment of operational risks.

Alternative Investment Fund Managers Directive

The Alternative Investment Fund Managers Directive (AIFMD) is a European Union directive the scope of which is broad and, with a few exceptions, covers the management, administration and marketing of Alternative Investment Funds (AIFs). Its focus is on regulating the Alternative Investment Fund Manager (AIFM) rather than the AIF.

The Partnership is an AIF and Aberdeen Standard Alternative Funds Limited is the Fund's AIFM, both with effect from 7 July 2014. On 7 July 2014 the Partnership also appointed Citibank UK Limited (formerly Citibank Europe plc) as its Depository. The Depository's responsibilities include cash monitoring, safe keeping of the Partnership's financial instruments and monitoring the Partnership's compliance with investment limits and leverage requirements.

In accordance with the AIFM Directive, information in relation to the Partnership's leverage and the remuneration of the Partnership's AIFM, Aberdeen Standard Alternative Funds Limited is required to be made available to investors.

Leverage of the AIF

There have been no changes to the maximum leverage allowed in the period. The Partnership's maximum and actual leverage levels for the year to 31 December 2021 are shown below:

Leverage exposure	Gross Method	Commitment Method
Maximum limit	300%	200%
Actual	136%	131%

For the purposes of the AIFM Directive, leverage is any method which increases the Partnership's exposure, including the borrowing of cash and the use of derivatives. It is expressed as a percentage of the Partnership's exposure to its net asset value and is calculated using the both gross and commitment method. Under the gross method, exposure represents the sum of the Partnership's positions after deduction of cash balances, without taking account of any hedging or netting arrangements. Under the commitment method, exposure is calculated without the deduction of cash balances and after certain hedging and netting positions are offset against each other.

Remuneration Policy

The abrdn plc Remuneration Policy applies with effect from 1 January 2021. The purpose of the abrdn plc Remuneration Policy (the "Policy") is to document clearly the remuneration policies, practices and procedures of abrdn. It has been approved by the abrdn plc Remuneration Committee and is subject to the Remuneration Committee's annual review. The Policy applies to employees of the abrdn group of companies ("abrdn").

The Remuneration Committee of abrdn plc adopted an AIFM Remuneration Policy to ensure that the requirements of the Alternative Investment Fund Managers Directive (AIFMD) are fully adhered to by the group. This policy is available on request.

Remuneration Principles

abrdn applies Group wide principles for remuneration policies, procedures and practices ensuring that remuneration design and the basis for awards will be clear, transparent and fair, in line with business strategy, objectives, culture, values and long term interests of abrdn. Remuneration policies, procedures and practices should be consistent with and promote good conduct which includes sound and effective risk management and not encourage risk taking that exceeds the level of tolerated risk of abrdn. Total variable remuneration will be funded through pre-agreed distribution metrics. Where abrdn's financial performance is subdued or negative, total variable remuneration should generally be contracted, taking into account both current remuneration and reductions in pay-outs of amounts previously granted and having regard for abrdn's long term economic viability.

In addition to applying the abrdn wide principles above, the following principles are also applied when determining remuneration for employees:

Report of the General Partner

Continued

a. Remuneration should be competitive and reflect both financial, non-financial and personal performance;

b. Our remuneration design will align the interests of employees, shareholders and importantly our clients/customers;

c. Our remuneration structure will reward delivery of results over appropriate time horizons and will include deferred variable compensation at an appropriate level for the employee's role;

d. We will provide an appropriate level of fixed remuneration to balance risk and reward.

Governance and Regulatory Compliance

The Remuneration Committee is made up of independent non-executive directors and makes recommendations to the Board of abrdn plc (the "Board") to assist it with its remuneration related duties. The Chief People Officer of abrdn is responsible for ensuring the implementation of the Policy in consultation with the Remuneration Committee as well as other members of the Executive Team ("Executive Body") (as defined by the Board), if appropriate.

Financial and non-financial criteria

Variable remuneration is based on a rounded assessment of Group, Divisional and individual performance. When assessing individual performance, financial as well as non-financial criteria are taken into account. Individual performance is based on the individual's appraisal, which includes an employee's compliance with controls and applicable company standards including the Group's Code of Ethics, including Treating Customers Fairly and Conduct Risk.

Conflicts of interest

The Conflicts of Interest Policy is designed to avoid conflicts of interest between abrdn and its clients. This Policy prohibits any employee from being involved in decisions on their own remuneration. Furthermore, all employees are required to adhere to abrdn's Global Code of Conduct, which encompasses conflicts of interest.

The Policy should, at all times, adhere to local legislation, regulations or other provisions. In circumstances or in jurisdictions where there is any conflict between the Policy and local legislation, regulations or other provisions, then the latter will prevail.

Remuneration Framework

Employee remuneration is composed principally of fixed and variable elements of reward as follows:

a. Fixed reward (fixed remuneration: salary (and cash allowances, if appropriate); and Benefits (including pension).

b. Variable reward (bonus, a proportion of which may be subject to retention or deferral depending on role and regulatory requirements) and senior employees may also be awarded a long-term incentive award).

Appropriate ratios of fixed: variable remuneration will be set to as to ensure that:

a. Fixed and variable components of total remuneration are appropriately balanced and

b. The fixed component is a sufficiently high proportion of total remuneration to allow abrdn to operate a fully flexible policy on variable remuneration components, including paying no variable remuneration component.

Fixed Remuneration	Base salary provides a core reward for undertaking the role, where appropriate, and depending on the role, geographical or business market variances or other indicators, additional fixed cash allowances may make up a portion of fixed remuneration.
Benefits	Benefits are made up of: core benefits, which are provided to all employees; and extra voluntary benefits that may be chosen by certain employees and which may require contribution through salary sacrifice or other arrangements. Extra voluntary benefits are designed to support the health and wellbeing of employees through enabling individual selection based on lifestyle choices. abrdn will ensure that the core and voluntary employee benefits policies are in line with relevant market practice, its views on managing its business risk objectives, culture and values and long-term interests and local requirements.
Pension	abrdn's pension policies (which consist of defined contribution plans and legacy defined benefit plans) are in line with legislative requirements, governance structures and market practice, and reflect abrdn's long-term views on risk and financial volatility, its business objectives, culture and values and long-term interests and local requirements. In certain circumstances, abrdn may offer a cash allowance in lieu of any pension arrangement.
Annual Performance Bonus Awards	Employees who have been employed during a performance year (1 January to 31 December) may be eligible to be considered for an annual bonus in respect of that year. Eligibility criteria for an annual bonus are set out in the rules of the relevant bonus plan and/or contract of employment, as appropriate. The bonus plan in place is designed to reward performance in line with the business strategy, objectives, culture and values, long term interests and risk appetite of abrdn. All Executive Directors are awarded bonuses under a abrdn bonus plan as detailed in the Directors' Remuneration Report.
Other variable Pay Plans	Selected employees may participate in other variable pay plans, for example, performance fee share arrangements, where it is appropriate for their role or business unit. These plans operate under the overarching remuneration principles that apply across the group and, where appropriate, are also subject to specific principles governing incentives and are compliant with the requirements of any applicable regulatory standards.

Report of the General Partner

Continued

Clawback/Malus

A clawback/malus principle applies to the variable pay plan. This enables the Remuneration Committee to seek to recoup the deferred amount of any unvested variable pay, in the exceptional event of misstatement or misleading representation of performance; a significant failure of risk management and control; or serious misconduct by an individual.

Guaranteed Variable Remuneration

Guaranteed variable remuneration is exceptional, occurs only in the context of hiring new staff and is limited to the first year of service.

AIFMD Identified Staff

Staff considered AIFMD Identified Staff are those categories of staff whose professional activities have a material impact on the risk profiles of the AIFM or the AIFs that the AIFM manages.

AIFMD identified staff will include; Senior Management; Risk takers, Staff engaged in control functions; and any employees receiving total remuneration that takes them into the same remuneration bracket as senior management and risk takers, and whose professional activities have a material impact on the risk profiles of the Company or the Funds that the Company manages.

Control Functions

abrdn adheres to the principles and guidelines of regulations that apply to SLA in defining control functions. Control functions include, but are not necessarily limited to, Risk, Compliance, Internal Audit and Actuarial functions or roles.

abrdn will ensure that, as appropriate, senior employees engaged in a control function:

a. Are independent from the Business Units they oversee;

b. Have appropriate authority, and

c. Their remuneration is directly overseen by the Remuneration Committee.

This is achieved by the main control functions being outside the business, and a material proportion of their annual incentives being subject to a scorecard based on the performance of the control function. Performance against the scorecard is reviewed by the relevant independent governing committee (either Risk & Capital Committee, or Audit Committee). abrdn's People Function reviews the remuneration of employees in control functions and benchmarks with the external market to ensure that it is market competitive and adequately reflects employees' skills and experience.

Personal Hedging

AIFMD Identified Staff are not permitted to undermine the risk alignment effects of the AIFMD Remuneration Code. Personal hedging strategies; or remuneration-related insurance; or liability-related insurance is not permissible on remuneration.

Employee Remuneration Disclosure

The table below provides an overview of the following:

- Aggregate total remuneration paid by Aberdeen Standard Alternative Funds Limited to its entire staff; and
- Aggregate total remuneration paid by Aberdeen Standard Alternative Funds Limited to its 'Identified Staff'.

The 'Identified Staff' of Aberdeen Standard Alternative Funds Limited are those employees who could have a material impact on the risk profile of Aberdeen Standard Alternative Funds Limited or the AIFs it manages, including Aberdeen Standard European Property Growth Fund LP.

This broadly includes senior management, risk takers and control functions. For the purposes of this disclosure, 'Identified Staff' includes employees of entities to which activities have been delegated.

Amounts shown reflect payments made during the financial reporting period in question. The reporting period runs from **1 January 20220 to 31 December 2020** inclusive.

Aberdeen Standard European Property Growth Fund LP	Headcount	Total Remuneration €'000
Aberdeen Standard Alternative Funds Limited[1]	162	40,609
of which		
Fixed remuneration		27,768
Variable remuneration		12,841
Aberdeen Standard Alternative Funds Limited 'Identified Staff'[2]	92	32,456
of which		
Senior Management[3]	61	25,011
Other 'Identified Staff'	31	7,445

[1] As there are a number of individuals indirectly and directly employed by Aberdeen Standard Alternative Funds Limited this figure represents an apportioned amount of abrdn's total remuneration fixed and variable pay, apportioned to the Management Company on an AUM basis, plus any carried interest paid. The Headcount figure provided reflects the number of beneficiaries calculated on a Full Time Equivalent basis.
[2] The Identified Staff disclosure relates to AIFM MRTs and represents total compensation of those staff of the Management Company who are fully or partly involved in the activities of the Management Company.
[3] Senior management are defined in this table as Management Company Directors and members of the abrdn plc Board, together with its Executive Committee, Investment Management Committee and Group Product Committee.

Report of the General Partner

Continued

Employees

During the period the Partnership employed one person part time to manage the Luxembourg subsidiaries. This increased to two persons part time with effect from 1 February 2021.

Going concern

The Manager has been monitoring, and continues to actively monitor, the Partnership's liquid assets relative to contracted commitments and possible stress on the Partnership's debt facilities caused by the economic climate.

Considering the current cash position and the Partnership's future commitments, the General Partner has a reasonable expectation that the Partnership has adequate liquid resources to continue in operational existence for the forseeable future. For this reason, the Partnership continues to adopt the going concern basis in preparing the financial statements.

COVID-19

The outbreak of the Novel Coronavirus (COVID-19), declared by the World Health Organisation as a "Global Pandemic" on the 11th March 2020, continues to impact many aspects of daily life and the global economy. On 11th November 2021, a new variant (Omicron), was detected in and led to a tightening of restrictions globally in an effort to manage the impact of this highly transmissible variant. The full impact and severity of disease caused by Omicron has yet to be fully determined and understood.

Many sectors of the real estate market saw positive capital growth during 2021 as global economies came out of lockdown and rebounded strongly. Travel, movement and operational restrictions were implemented, loosened and reimplemented to a lesser extent by many countries throughout 2021 and this pattern has continued into 2022. In some cases, "lockdowns" have been applied - in varying degrees - to reflect further 'waves' of COVID-19. While these may imply a new stage of the crisis, they are not unprecedented in the same way as the initial impact.

The pandemic and the measures taken to tackle COVID-19, including the development and roll out of vaccines and booster doses, continues to affect economies and real estate markets globally. Certain real estate sectors have been impacted harder than others with retail shopping centres and hospitality the hardest hit and logistics and distribution, residential and retail warehouses largely a beneficiary. The success of vaccine programmes continue to have a major impact on the speed and nature of economic recovery but the timing and form of the recovery remains uncertain, particularly with the emergence of new strains of COVID-19.

As at the reporting and valuation date, property markets are mostly functioning again, with transaction volumes and other relevant evidence at levels where enough market evidence exists upon which to base opinions of value. Thus, property valuations, as at the valuation date, were not subject to material valuation uncertainty. The General Partner is continuing to utilise business continuity and resilience processes with the objective of mitigating the impact of COVID-19. Please refer to note 2.1 for the General Partner's assessment of the Partnership's ability to continue as a going concern.

Statement of disclosure of information to auditors

The General Partner confirms that:

- so far as the General Partner is aware, there is no relevant audit information of which the Partnership's auditors are unaware; and
- the General Partner has taken all the steps that they ought to have taken as General Partner in order to make themselves aware of any relevant audit information and to establish that the Partnership's auditors are aware of that information.

Independent auditors

KPMG LLP were first appointed as auditor for the year ended 31 December 2017 and are willing to continue in office.

Signed on behalf of;
Standard Life Investments (General Partner EPGF) Limited
1 George Street,
Edinburgh, EH2 2LL
United Kingdom

Douglas Carrie
Director
6th April 2022

Statement of the General Partner's responsibilities in respect of the Strategic Report, the General Partner's Report and the financial statements

Type text he

The General Partner is responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

The Partnerships (Accounts) Regulations 2008 require the General Partner to prepare group and qualifying partnership financial statements for each financial year in accordance with Part 15 and Chapter 1 of Part 16 of the Companies Act 2006. Under that law the General Partner has elected to prepare both the group and the qualifying partnership financial statements in accordance with UK-adopted international accounting standards and applicable law.

Under company law the General Partner must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and the qualifying partnership and of the profit or loss of the group for that period. In preparing each of the group and qualifying partnership financial statements, the General Partner is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether they have been prepared in accordance with UK-adopted international accounting standards;
- assess the qualifying partnership's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the qualifying partnership or to cease operations, or have no realistic alternative but to do so.

The General Partner is responsible for keeping adequate accounting records that are sufficient to show and explain the qualifying partnership's transactions and disclose with reasonable accuracy at any time the financial position of the qualifying partnership and enable them to ensure that its financial statements comply with the Companies Act 2006 as applied to qualifying partnerships by The Partnerships (Accounts) Regulations 2008.

They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the group and to prevent and detect fraud and other irregularities.

Under the Limited Partnership Deed, the General Partner delegated its responsibilities above to the Manager.

The General Partner is required to act in the best interests of the partnership and perform its obligations under the Limited Partnership Deed. Other duties of the General Partner are detailed in clause 5 of the Limited Partnership Deed.

Independent auditor's report to the members of Aberdeen Standard European Property Growth Fund Limited Partnership

Opinion

We have audited the financial statements of Aberdeen Standard European Property Growth Fund Limited Partnership ("the qualifying partnership") for the year ended 31 December 2021 which comprise the Consolidated and Partnership Statement of Financial Position, Consolidated Statement of Comprehensive Income, Consolidated and Partnership Statement of Cash Flows, Consolidated and Partnership Statement of Changes in Net Assets attributable to the Partners, and related notes, including the accounting policies in note 2.

In our opinion:

- the financial statements give a true and fair view of the state of the group's and of the qualifying partnership's affairs as at 31 December 2021 and of the group's profit for the year then ended;
- the group financial statements have been properly prepared in accordance with UK-adopted international accounting standards;
- the qualifying partnership financial statements have been properly prepared in accordance with UK-adopted international accounting standards and as applied in accordance with the provisions of the Companies Act 2006 and;
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006 as applied to qualifying partnerships by The Partnerships (Accounts) Regulations 2008.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the group in accordance with, UK ethical requirements including the FRC Ethical Standard.
We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

The general partner has prepared the financial statements on the going concern basis as they do not intend to liquidate the group or the qualifying partnership or to cease its operations, and as they have concluded that the group and the qualifying partnership's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

In our evaluation of the general partner's conclusions, we considered the inherent risks to the group and the qualifying partnership's business model and analysed how those risks might affect the group and the qualifying partnership's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

- we consider that the general partner's use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the general partner's assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the group or the qualifying partnership's ability to continue as a going concern for the going concern period.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the group or the qualifying partnership will continue in operation.

Fraud and breaches of laws and regulations - ability to detect

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring of the general partner as to the group's and the qualifying partnership's high-level policies and procedures to prevent and detect fraud, as well as whether they have knowledge of any actual, suspected or alleged fraud;
- Reading of minutes of meetings held with those charged with governance; and
- Using analytical procedures to identify any unusual or unexpected relationships.

Independent auditor's report to the members of Aberdeen Standard European Property Growth Fund Limited Partnership Continued

As required by auditing standards, we perform procedures to address the risk of management override of controls, in particular the risk that management may be in a position to make inappropriate accounting entries. On this audit we do not believe there is a fraud risk related to revenue recognition because the revenue is principally non-judgmental and based on signed lease agreements with limited opportunity for manipulation. We did not identify any additional fraud risks.

We performed procedures including assessing significant accounting estimates for bias. We substantively tested all the material post-closing journals and based on the results of our risk assessment procedures and understanding of the process no further high-risk journal entries or other adjustments were identified.

Identifying and responding to risks of material misstatement related to compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience and through discussion with the general partner (as required by auditing standards) and discussed with the general partner the policies and procedures regarding compliance with laws and regulations.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the qualifying partnership is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related partnership legislation and companies legislation) and taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the qualifying partnership is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect: landlord and tenant legislation, property laws and building legislation, recognising the nature of the qualifying partnership activities. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the general partner and inspection of regulatory and legal correspondence, if any. Therefore, if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect noncompliance with all laws and regulations.

Other Information

The general partner is responsible for the other information presented in the Annual Report together with the financial statements. Our opinion on the financial statements does not cover the other information and we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in other information;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

Independent auditor's report to the members of Aberdeen Standard European Property Growth Fund Limited Partnership Continued

Matters on which we are required to report by exception

Under the Companies Act 2006 as applied to qualifying partnerships we are required to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of members' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in these respects.

General partner's responsibilities

As explained more fully in the their statement set out on page 26 the general partner is responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the group and the qualifying partnership'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 they either intend to liquidate the group or the qualifying partnership or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

This report is made solely to the qualifying partnership's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, as required by regulation 4 of the Partnerships (Accounts) Regulations 2008. Our audit work has been undertaken so that we might state to the qualifying partnership's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the qualifying partnership and its members, as a body, for our audit work, for this report, or for the opinions we have formed.

Matthew Williams (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
15 Canada Square
Canary Wharf
London
E14 5GL
6 April 2022

Consolidated Statement of Financial Position as at 31 December 2021

	Note	2021 €'000	Restated 2020 (Note 2.15) €'000
Assets			
Non-current assets			
Investment property	5	763,395	761,012
Deferred tax assets	7	5,081	4,753
Trade and other receivables	9	17,873	17,333
Derivative financial instruments	10	31	1
		786,380	**783,099**
Current assets			
Trade and other receivables	9	10,391	11,496
Deferred tax assets	7	-	16
Cash and cash equivalents	8	67,390	142,024
		77,781	**153,536**
Non-current assets classified as held for sale	6	88,460	-
Total assets		**952,621**	**936,635**
Liabilities			
Non-current liabilities			
Borrowings	11	106,535	186,219
Deferred tax liabilities	7	80,829	39,610
Derivative financial instruments	10	380	736
		187,744	**226,565**
Current liabilities			
Trade and other payables	12	20,601	41,812
Borrowings	11	79,991	-
Tenant deposits		5,557	2,242
		106,149	**44,054**
Total liabilities		**293,893**	**270,619**
Non-controlling interest		**383**	**341**
Net assets attributable to the partners		**658,345**	**665,675**
Represented by:			
Capital Commitment		5	5
Partners Advances		369,939	417,442
Reserves		288,401	248,228
Net assets attributable to the partners		**658,345**	**665,675**

The notes on pages 37 to 64 form an integral part of these consolidated financial statements.
Approved for issue and signed on behalf of Standard Life Investments (General Partner EPGF) Limited.

Douglas Carrie
Director
6th April 2022

Consolidated Statement of Comprehensive Income for the year ended 31 December 2021

	Note	2021 €'000	Restated 2020 (Note 2.15) €'000
Revenue	13	35,678	33,575
Rental expenses	14	(7,723)	(9,421)
		27,955	**24,154**
Net gain from fair value adjustment on investment property	5	62,840	18,308
Net (loss) from disposal of subsidiaries	19	(1,296)	-
Net gain from disposal of joint ventures		-	10,402
Selling and marketing costs		(439)	(429)
Administrative expenses	15	(3,558)	(3,045)
Priority profit share to General Partner		(7,160)	(7,506)
Employee benefits expense	16	(39)	(82)
Net change in fair value of financial instruments at fair value through profit or loss		387	(154)
Other income		-	50
Operating profit		**78,690**	**41,698**
Finance income	17	-	113
Finance costs	17	(3,249)	(3,530)
Finance costs - net		(3,249)	(3,417)
Profit before income tax		**75,441**	**38,281**
Income tax expense	7	(16,121)	(9,563)
Profit after income tax		**59,320**	**28,718**
Other comprehensive income:			
Currency translation differences		(68)	(254)
Total comprehensive income for the year		**59,252**	**28,464**
Profit after tax attributable to:			
Limited Partners		59,278	28,641
Non-controlling interests		42	77
Total comprehensive income for the year attributable to:			
Limited Partners		59,210	28,387
Non-controlling interests		42	77

The notes on pages 37 to 64 form an integral part of these consolidated financial statements.

Consolidated Statement of Cash Flows for the year ended 31 December 2021

	2021 €'000	Restated 2020 (Note 2.15) €'000
Cash flows from operating activities		
Profit before income tax	75,441	38,281
Adjustments for:		
- Net unrealised gain from fair value adjustment on investment properties	(62,840)	(18,308)
- Net loss from disposal of subsidiary	(1,296)	-
- Net change in fair value of financial instruments at fair value through profit or loss	232	209
- Finance costs - net	2,600	2,704
- Realised gain on disposal of the joint venture	-	(10,402)
- Unrealised loss on foreign exchange transactions	(26)	(63)
- Decrease in trade and other receivables	178	24,921
- Increase/(Decrease) in trade and other payables	4,927	(2,588)
Tenant deposits (paid)/repaid	3,315	(42)
Cash (used in)/generated from operations	**22,531**	**34,712**
Interest paid	(3,218)	(2,873)
Income tax paid	(989)	(720)
Disposal cost paid	-	(3,830)
Net cash (used in)/generated from operating activities	**18,324**	**27,289**
Cash flows from investing activities		
Purchase of investment property	(34,117)	-
Subsequent expenditure on investment property	(6,899)	(7,953)
Disposal of subsidiaries, net of cash disposed	14,333	-
Cash received from disposal of joint ventures	-	45,531
Net cash generated from/(used in) investing activities	**(26,683)**	**37,578**
Cash flows from financing activities		
Redemptions	(55,336)	-
Proceeds from borrowings	-	18,234
Repayment of borrowings	-	(41,169)
Advances repaid to Limited Partners (distribution)	(10,939)	(10,749)
Net cash (used in)/generated from financing activities	**(66,275)**	**(33,684)**
Net (decrease)/increase in cash and cash equivalents	(74,634)	31,183
Cash and cash equivalents at the beginning of the year	142,024	110,841
Cash and cash equivalents at the end of the year	**67,390**	**142,024**

The notes on pages 37 to 64 form an integral part of these consolidated financial statements.

Consolidated Statement of Changes in Net Assets Attributable to the Partners for the year ended 31 December 2021

	2021 Capital Commitment €'000	2021 Partners Advances €'000	2021 Reserves €'000	2021 Total €'000
Net assets attributable to the partners at beginning of year	5	417,442	248,228	665,675
Advances repaid to Limited Partners (distribution)	-	(10,939)	-	(10,939)
Redemptions	-	(36,299)	(19,037)	(55,336)
Priority profit share paid to Limited Partners	-	(265)	-	(265)
Total comprehensive income for the year	-	-	59,210	59,210
Increase/(Decrease) in net assets attributable to partners	-	(265)	59,210	58,945
Net assets attributable to the partners at end of year	**5**	**369,939**	**288,401**	**658,345**

	2020 Capital Commitment €'000	2020 Partners Advances €'000	2020 Reserves Restated (Note 2.15) €'000	2020 Total Restated (Note 2.15) €'000
Balance at 1 January 2020 as previously reported	5	428,191	221,702	649,898
Restatement	-	-	(1,861)	(1,861)
Net assets attributable to the partners at beginning of year (as restated)	5	428,191	219,841	648,037
Advances repaid to Limited Partners (distribution)	-	(10,749)	-	(10,749)
Total comprehensive income for the year (restated)	-	-	28,387	28,387
Increase/(Decrease) in net assets attributable to partners (restated)	**-**	**(10,749)**	**28,387**	**17,638**
Net assets attributable to the partners at end of year	**5**	**417,442**	**248,228**	**665,675**

The notes on pages 37 to 64 form an integral part of these consolidated financial statements.

Partnership Statement of Financial Position – Limited Partnership Only as at 31 December 2021

	Note	2021 €'000	Restated 2020 (Note 2.15) €'000
Assets			
Non-current assets			
Investments in subsidiary undertakings	18	91,969	91,969
Loans to group undertakings	18	380,798	369,088
		472,767	**461,057**
Current assets			
Receivables - interest on loans to group undertakings	18	14,877	18,197
Other receivables		37	4
Cash and cash equivalents	8	35,997	110,159
		50,911	128,360
Total assets		**523,678**	**589,417**
Current liabilities			
Trade and other payables		4,001	2,555
		4,001	2,555
Net assets attributable to partners		**519,677**	**586,862**
Represented by:			
Capital Commitment		5	5
Partners Advances		369,939	417,442
Reserves		149,733	169,415
Net assets attributable to the partners		**519,677**	**586,862**

The notes on pages 37 to 64 form an integral part of these consolidated financial statements.

Approved for issue and signed on behalf of Standard Life Investments (General Partner EPGF) Limited.

Douglas Carrie
Director
6th April 2022

Limited Partnership registration number LP007862

Partnership Statement of Cash Flows - Limited Partnership Only for the year ended 31 December 2021

	2021 €'000	Restated 2020 (Note 2.15) €'000
Cash flows from operating activities		
Profit before income tax	(84)	(15,429)
Adjustments for:		
- (Increase) in trade and other receivables	(45)	(4)
- (Decrease)/Increase in trade and other payables	(7,107)	7,218
Cash (used in) operations	**(7,236)**	**(8,215)**
Net cash (used in) operating activities	**(7,236)**	**(8,215)**
Cash flows from investing activities		
Loans granted	(36,018)	(56,866)
Repayment of loans granted	24,308	82,891
Repayment of interests on loans granted	11,059	20,241
Net cash (used in)/generated from investing activities	**(651)**	**46,266**
Cash flows from financing activities		
Redemptions	(55,336)	-
Advances repaid to Limited Partners (distribution)	(10,939)	(10,749)
Net cash (used in)/generated from financing activities	**(66,275)**	**(10,749)**
Net (decrease)/increase in cash and cash equivalents	(74,162)	27,302
Cash and cash equivalents at the beginning of the year	110,159	82,857
Cash and cash equivalents at the end of the year	**35,997**	**110,159**

The notes on pages 37 to 64 form an integral part of these consolidated financial statements.

Partnership Statement of Changes in Net Assets Attributable to Partners - Limited Partnership Only for the year ended 31 December 2021

	2021 Capital Commitment €'000	2021 Partners Advances €'000	2021 Reserves €'000	2021 Total €'000
Net assets attributable to partners at beginning of year	5	417,442	169,415	586,862
Advances repaid to Limited Partners (distribution)	-	(10,939)	-	(10,939)
Redemptions	-	(36,299)	(19,037)	(55,336)
Priority profit share paid to Limited Partners	-	(265)	-	(265)
Total comprehensive income for the year	-	-	(645)	(645)
(Decrease) in net assets attributable to partners	-	(265)	(645)	(910)
Net Assets attributable to partners at end of year	**5**	**369,939**	**149,733**	**519,677**

	2020 Capital Commitment €'000	2020 Partners Advances €'000	2020 Reserves Restated (Note 2.15) €'000	2020 Total Restated (Note 2.15) €'000
Balance at 1 January 2020 as previously reported	5	428,191	171,596	599,792
Restatement	-	-	(1,861)	(1,861)
Net assets attributable to the partners at beginning of year (as restated)	5	428,191	169,735	597,931
Advances repaid to Limited Partners (distribution)	-	(10,749)	-	(10,749)
Total comprehensive income for the year (restated)	-	-	(320)	(320)
(Decrease) in net assets attributable to partners (restated)	-	**(10,749)**	**(320)**	**(11,069)**
Net Assets attributable to partners at end of year	**5**	**417,442**	**169,415**	**586,862**

The notes on pages 37 to 64 form an integral part of these consolidated financial statements.

Notes to the Consolidated and Partnership Financial Statements

1. Corporate Information

Aberdeen Standard European Property Growth Fund LP (the "LP" or "Partnership", formerly Standard Life Investments European Property Growth Fund LP) is a limited partnership established and registered with the Companies House for England and Wales in accordance with the Limited Partnerships Act 1907 with registration number LP007862. The Partnership's office address is at Bow Bells House, 1 Bread Street, London, EC4M 9HH, United Kingdom.

The purpose of EPGF and its subsidiaries (collectively the "Group" or the "Fund") is to carry on a business of investing either directly or indirectly in real estate and/or real estate related investments, to manage these investments and to do all other matters determined by the General Partner to be ancillary to those purposes in order to achieve the target return.

The Partnership shall continue indefinitely unless terminated in accordance with the provisions of the Limited Partnership Deed.

The Partnership is a collective investment scheme for the purposes of Section 235 of FSMA and is an alternative investment fund for the purposes of the European Alternative Investment Fund Manager's Directive (AIFMD).

The consolidated financial statements of Aberdeen Standard European Property Growth Fund LP (formerly Standard Life Investments European Property Growth Fund LP) as of 31 December 2021 were approved and authorised for issue by the General Partner on 6th April 2022.

2. Summary of significant accounting policies

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

2.1 Basis of preparation

Under the Partnerships (Accounts) Regulations 2008, the Partnership, as a qualifying partnership, is required to prepare and have audited an annual report and financial statements under Part 15 and Chapter 1 of Part 16 of the Companies Act 2006 as if the partnership was a company formed and registered under the Companies Act.

Under the Companies Act, the General Partner has the choice whether the financial statements are prepared under that applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice) or under UK-adopted international accounting standards. The partners have decided to apply UK-adopted international accounting standards.

The partners have decided to apply UK-adopted international accounting standards.

Going Concern

The consolidated financial statements have been prepared on a going concern basis and under the historical cost convention, except for the measurement of investment property and derivative financial instruments at fair value through profit or loss.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires the General Partner to exercise its judgement in the process of applying the Partnership's accounting policies. Changes in assumptions may have a significant impact on the financial statements in the period the assumptions changed. Management believes that the underlying assumptions are appropriate and that the Partnership's financial statements therefore present the financial position and results fairly. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements, are disclosed in note 4.

The General Partner has prepared cash flow forecasts for a period of at least 12 months from the date of approval of these consolidated financial statements which indicate that, taking account of reasonably possible downsides and the anticipated impact of COVID-19 on the operations, covenant compliance and its financial resources, the Group and Partnership will have sufficient funds to meet their liabilities as they fall due for that period.

These forecasts consider the performance of the Fund and include a severe but plausible downside scenario that assumes reduced rent collection rates to 70% for the forecast period. Changes in the market for investment property and repayment of certain bank facilities to reduce the Group's loan to value ratio. At the end of February 2022 the Group had cash resources of approximately €67.1m and meets its working capital requirements through its bank facilities.

It has been considered in the above mentioned going concern analysis, that the Fund has a facility with a principal amount of €80m drawn, which expires in July 2022. The Fund will seek to refinance this facility in the year ahead or in a case this is not feasible, the Fund will be able to settle this facility by utilising its cash reserves and proceeds expected from the proposed sale of investment property (Eylau) (see note 6).

Consequently, the General Partner is confident that the Group and Partnership will have sufficient funds to continue to meet their liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

Notes to the Consolidated and Partnership Financial Statements

Continued

New and revised standards and interpretations issued in the current period

The accounting policies adopted have been consistently applied to all years presented, unless otherwise stated.

Adoption of Revised and New Standards and Interpretations

Standards and interpretations effective in the current period:

- Amendments to IFRS 16 - COVID-19-Related Rent Concessions;
- Amendments to IFRS 9, IAS 39 and IFRS 7 Interest Rate Benchmark Reform.

The Managers have assessed that the adoption of these Standards, Interpretations and Amendments will have no material impact on the financial statements of the Fund in the period of initial application.

Standards and Interpretations issued by IASB but not adopted by the EU and not yet effective:

- IFRS 17 Insurance Contracts (effective 1 January 2023);
- Amendments to IAS 1 - Classification of liabilities as current or non-current (effective 1 January 2023);
- Amendments to IFRS 10, IAS 28 - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (effective date deferred indefinitely)

The Managers believe that the application of these Standards and Interpretations will not have a material effect on the consolidated financial statements.

2.2 Consolidation

Subsidiaries

Subsidiaries are all entities over which the Partnership has control. The Partnership controls an entity when the Partnership is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Partnership. They are deconsolidated from the date that control ceases.

The Partnership applies the acquisition method to account for business combinations. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The Partnership recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets.

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

Partnership subsidiaries which do not have a 31 December as their year-end adjust their reporting for consolidation purposes. Consolidated financial statements are prepared using uniform accounting policies for like transactions. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Partnership.

2.3 Geographical reporting

Geographical regions are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the geographical regions, has been identified as the Manager, Standard Life Investments, that makes strategic decisions.

2.4 Foreign currency translation

a. *Functional and presentation currency*

Items included in the financial statements of each of the Partnership's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements are presented in euros, which is the Partnership's functional currency.

b. *Transactions and balances*

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign currency assets and liabilities are translated into the functional currency using the exchange rate prevailing at the balance sheet date.

Foreign exchange gains and losses arising from translation are included in the consolidated statement of comprehensive income.

c. *Partnership Entities*

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

i. assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that financial position;

Notes to the Consolidated and Partnership Financial Statements

Continued

ii. income and expenses for each statement of comprehensive income are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions); and

iii. all resulting exchange differences are recognised in the statement of comprehensive income.

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

2.5 Investment property

Property that is held for long-term rental yields or for capital appreciation or both is classified as investment property. Investment property also includes property that is being constructed or developed for future use as investment property.

Investment property is measured initially at its cost, including related transaction costs and where applicable borrowing costs.

After initial recognition, investment property is carried at fair value. Valuations are performed as of the financial position date by professional valuers who hold recognised and relevant professional qualifications and have recent experience in the location and category of the investment property being valued. For the purposes of these financial statements, in order to avoid 'double counting', the assessed fair value is reduced by the carrying amount of any accrued income resulting from the spreading of lease incentives.

The fair value of investment property reflects, among other things, rental income from current leases and other assumptions market participants would make when pricing the property under current market conditions.

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

Investment property is derecognised when it has been disposed of or permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains or losses on the retirement or disposal of investment property are recognised in the income statement in the year of disposal. Gains or losses on the disposal of investment property are determined as the difference between net disposal proceeds and the carrying value of the asset in the previous full period financial statements.

Where an investment property undergoes a change in use, evidenced by commencement of development with a view to sale, the property is transferred to inventories. A property's deemed cost for subsequent accounting as inventories is its fair value at the date of change in use.

2.6 Leases

The Partnership makes payments to agents for services in connection with negotiating lease contracts with the Partnership's lessees. The letting fees are capitalised within the carrying amount of the related investment property and amortised over the lease term. Lease incentives are recognised as a reduction of rental income on a straight-line basis over the lease term.

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

Non-current assets (or disposal groups) are classified as held for sale when their carrying amount is to be recovered principally through a sale transaction and the sale is considered highly probable. They are stated at the lower of carrying amount and fair value less cost to sell unless the assets are investment properties measured at fair value in accordance with IAS 40 or financial assets in the scope of IFRS 9 in which case they are measured in accordance with those standards.

2.8 Financial instruments

Financial assets

Financial assets are classified into the following specified categories: financial assets measured at amortised cost, financial assets 'at fair value through profit or loss' (FVTPL), or financial assets 'at fair value through other comprehensive income' (FVOCI). The classification is based on the business model in which the financial asset is managed and its contractual cash flow characteristics. Regular way purchases and sales of financial assets are recognised on the trade date basis.

Financial assets at amortised cost

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.

Loans and receivables (including trade and other receivables, bank balances and cash, and others) are measured at amortised cost using the effective interest method, less any impairment.

Notes to the Consolidated and Partnership Financial Statements

Continued

Interest income is recognised by applying the effective interest rate, except for short-term receivables when the effect of discounting is immaterial.

Impairment

The Fund assesses on a forward-looking basis the expected credit losses associated with its debt instruments carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

The Fund's financial assets are subject to the expected credit loss model.

For trade receivables, the Fund applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

The expected loss rates are based on the payment profiles of sales over a period of 12 months before 31 December 2021 or 1 January 2021, respectively, and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the liability of the tenants to settle the receivable. Such forward-looking information would include:

- changes in economic, regulatory, technological and environmental factors, (such as industry outlook, GDP, employment and politics);
- external market indicators; and
- tenant base.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss.

Financial liabilities and equity instruments classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a group entity are recognised at the proceeds received, net of direct issue costs.

2.9 Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts.

2.10 Trade and other payables

Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

2.11 Borrowings

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

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

2.12 Borrowing costs

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

2.13 Current and deferred income tax

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

No provision is made in the financial statements for the taxation of the General Partner and the Limited Partners. All partners are individually responsible for reporting their share of the Fund's income and gains/losses, for taxation purposes. However, where corporation tax arises in subsidiaries, these amounts are charged to the Consolidated Statement of Comprehensive Income.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the date of the statement of financial position in the

Notes to the Consolidated and Partnership Financial Statements

Continued

countries where the Partnership operates. The Manager periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation, and establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the date of the statement of financial position and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

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

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

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

2.14 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Revenue includes rental income, service charges and management charges from properties. Service charge income represents the charge to tenants for services the Fund is obliged to provide under lease agreements. This income is recorded gross within Rental Income (see note 13) on the basis the Fund is acting as principal, with any corresponding cost shown within Rental expenses (see note 14).

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

Service and management charges are recognised in the accounting period in which the services are rendered.

Some property management contracts may include multiple elements of service, which are provided to tenants. The Group assesses whether individual elements of service in contract are separate performance obligations. Where the contracts include multiple performance obligations, and/or lease and non-lease components, the transaction price will be allocated to each performance obligation (lease and non-lease component) based on the stand-alone selling prices. Where these selling prices are not directly observable, they are estimated based on an expected cost plus margin.

2.15 Priority Profit Share

Under section 7 of the Limited Partnership Deed originally dated 19 October 2001 and as amended and restated on 13 September 2021, there is a quarterly allocation to the General Partner out of the income and capital gains of the Partnership. This is made in priority to any allocation to the Limited Partners.

Prior year adjustment

In the preparation of these financial statements the General Partner reconsidered the treatment of the Priority Profit Share ('PPS') due to the General Partner that had previously been recognised only when paid and within the Statement of Changes in Net Assets Attributable to Partners.

However, the General Partner has noted that the PPS is a contractual amount that the Partnership has to pay and therefore it should be recognised as an expense in the Statement of Comprehensive Income and any unpaid amounts relating to the financial period as a liability.

Notes to the Consolidated and Partnership Financial Statements

Continued

As a consequence, this treatment has been adopted for these financial statements and the comparative amounts adjusted accordingly. The following tables summarise the impacts on the Consolidated and Partnership financial statements:

Consolidated Statement of Financial Position

As at 31 December 2020	As previously reported €'000	Adjustments €'000	As restated €'000
Liabilities			
Current Liabilities			
Trade and other payables	39,917	1,896	41,812
Current Liabilities	42,159	1,896	44,054
Total liabilities excluding net assets attributable to the partners	268,724	1,896	270,619
Net assets attributable to the partners	667,570	(1,896)	665,675

Partnership Statement of Financial Position - Limited Partnership Only

as at 31 December 2020	As previously reported €'000	Adjustments €'000	As restated €'000
Liabilities			
Current Liabilities			
Trade and other payables	659	1,896	2,555
Total Liabilities	659	1,896	2,555
Net assets attributable to the partners	588,758	(1,896)	586,862

Consolidated Statement of Comprehensive Income

For the year ended 31 December 2020	As previously reported €'000	Adjustments €'000	As restated €'000
Priority profit share to General Partner	-	(7,506)	(7,506)
Operating profit	49,204	(7,506)	41,698
Profit before income tax	45,787	(7,506)	38,281
Profit after income tax	36,224	(7,506)	28,718
Total comprehensive income for the year	35,970	(7,506)	28,464

The impact of the restatement as at 1 January 2020 was to reduce net assets attributable to the partners in both the consolidated and partnership only financial statements by €1,861,000. A third statement of financial position was not presented as this adjustment was not material to the opening statement of financial position.

Priority profit share paid in the previous year was presented as a financing cash flow in the consolidated cash flow statement. However, this represents a payment for investment management services and thus should have been presented as an operating cash flow. As a result, the comparatives have been restated, the impact being a decrease in financing cash out flows of €7,471,000 and a decrease in cash operating inflows of €7,471,000. In the previous year a cash flow statement was not presented in the partnership only financial statements. A partnership only cash flow statement should have been presented for the prior year. A partnership only cash flow statement with prior year comparatives has now been included.

There is no impact on the Net Assets due to the Limited Partners previously reported.

In addition, the statement of changes in net assets attributable to the partners for both the consolidated and partnership only financial statements were re-presented to show the movements in net assets per component of equity. In the previous year the movements were only shown in total.

Notes to the Consolidated and Partnership Financial Statements

Continued

2.16 Other expenses

Expenses include legal, accounting, auditing and other fees. They are recognised in profit or loss in the period in which they are incurred (on an accruals basis).

2.17 Partners' equity and distributions

Limited Partners are required to contribute 0.001 per cent of their Initial Commitment to the Partnership by way of Capital Commitment. The remainder of the Limited Partners Commitment is contributed to the Partnership by way of Advances. The General Partner has made a Capital Commitment to the Partnership of one hundred euros, but does not contribute any Advances. Neither the Capital Commitments or Advances attract interest. Advances are repaid upon liquidation of the Partnership or from distributions of income or capital made by the Partnership to the Limited Partners. The payment of distributions is at the discretion of the Manager. The Capital Commitment and Advances contributed by partners is accounted for as equity in these financial statements. The repayment of Advances is recognised when paid and is shown in the Consolidated Statement of Changes in Net Assets Attributable to Partners.

i. **Redeemable Units**

The Fund classifies financial instruments issued as financial liabilities or equity instruments in accordance with the substance of the contractual terms of the instruments.

The Fund has one class of redeemable units in issue. The units are the most subordinate class of financial instrument issued by the Fund and, on liquidation of the Fund, they entitle the holders to the residual net assets, after repayment of the nominal amount of capital commitments. They rank pari passu in all respects and have identical terms and conditions. The redeemable units provide investors with the right to require redemption for cash at a value proportionate to the investor's share in the Fund's net assets at each quarterly redemption date and also in the event of the Fund's liquidation.

A puttable financial instrument that includes a contractual obligation for the Fund to repurchase or redeem that instrument for cash or another financial asset is classified as equity if it meets all of the following conditions:

- it entitles the holder to a pro rata share of the Fund's net assets in the event of the Fund's liquidation;
- it is in the class of instruments that is subordinate to all other classes of instruments;
- all financial instruments in the class of instruments that is subordinate to all other classes of instruments have identical features;
- apart from the contractual obligation for the Fund to repurchase or redeem the instrument for cash or another financial asset, the instrument does not include any other features that would require classification as a liability; and
- the total expected cash flows attributable to the instrument over its life are based substantially on the profit or loss, the change in the recognised net assets or the change in the fair value of the recognised and unrecognised net assets of the Fund over the life of the instrument.

The Fund's redeemable units meet these conditions and are classified as equity.

Incremental costs directly attributable to the issue or redemption of redeemable units are recognised directly in equity as a deduction from the proceeds or part of the acquisition cost.

ii. **Redemptions**

When redeemable units recognised as equity are redeemed, the value of the units is presented as a deduction from capital commitment and Partners advances up to the amount contributed. Any premium on this is recognised as an adjustment to reserves.

Notes to the Consolidated and Partnership Financial Statements

Continued

3. Financial risk management

3.1 Financial risk factors

Financial risks are risks arising from financial instruments to which the Partnership is exposed during or at the end of the reporting period. Financial risk comprises market risk (including foreign exchange risk, interest rate risk and other price risk), credit risk and liquidity risk. The Manager reviews and agrees policies for managing each of these risks which are summarised below.

a. *Market risk*

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The Partnership's market risks arise from open positions in (a) foreign currencies and (b) interest-bearing assets and liabilities, to the extent that these are exposed to general and specific market movements.

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

i. **Foreign exchange risk**

The Partnership operates internationally and is exposed to foreign exchange risk, with respect to the Danish Krone. Foreign exchange risk arises in respect of those recognised monetary financial assets and liabilities that are not in the functional currency of the respective group entity.

The Partnership's policy is to enter into currency hedging transactions with forward foreign exchange contracts; however, it does not opt to use hedge accounting in accordance with the requirements of IFRS 9.

The Partnership has various financial assets such as derivative financial assets and liabilities, trade and other receivables and cash and short-term deposits that arise directly from its operations. The Partnership's principal financial liabilities, besides derivative financial liabilities, comprise bank loans and trade and other payables. The main purpose of these financial liabilities is to finance the Partnership's operations.

The derivative transactions the Partnership enters into are primarily interest rate swaps and forward foreign exchange contracts. The purpose is to manage the interest rate risks and currency risks arising from the Partnership's operations and its sources of finance (economy hedges). The Partnership manages foreign currency risk on a fund basis.

The functional currency of the Partnership is the euro; the functional currencies of the Partnership's principal subsidiaries are the euro and the Danish Krone.

The Partnership normally manages foreign currency risk by matching its principal cash outflows to the currency in which the principal cash inflows (such as rental revenue) are denominated. This is generally achieved by obtaining loan finance in the relevant currency and by entering into forward foreign exchange contracts.

The Partnership does not hedge its exposure to the Danish Krone because the Danish Krone is pegged to the euro via the European Union's Exchange Rate Mechanism. The DKK currency observes a central rate of DKK 7.4604 to EUR 1 with a narrow fluctuation of +/-2.25%. The risk that the currency decouples from the euro is seen as very low.

Notes to the Consolidated and Partnership Financial Statements

Continued

The Partnership's foreign exchange risk is shown in the following tables:

Foreign Exchange Risk

2021	DKK '000	EUR €'000
Financial Assets		
Cash and cash equivalents	45,769	6,155
Trade and other receivables	9,188	1,236
	54,957	7,391
Financial Liabilities		
Bank borrowings	109,378	14,708
Trade and other payables	8,641	1,162
Tenant deposits	-	-
	118,019	15,870
Net foreign currency denominated financial liabilities	(63,062)	(8,479)

2020	DKK '000	EUR €'000
Financial Assets		
Cash and cash equivalents	40,118	5,392
Trade and other receivables	181	24
	40,299	5,416
Financial Liabilities		
Bank borrowings	109,493	14,715
Trade and other payables	2,339	314
Tenant deposits	792	106
	112,624	15,135
Net foreign currency denominated financial liabilities	(72,325)	(9,719)

In translating the foreign currency denominated financial assets and financial liabilities to Euro amounts, the exchange rates used were €1 = DKK 7.4364, the closing rates at 31 December 2021; and €1 = DKK 7.4409 at 31 December 2020.

No sensitivity analysis for the DKK-denominated net financial liabilities is presented due to insignificant actual movement of the DKK currency.

ii. Price risk

The Partnership's exposure to price risk relates mostly to its investment properties. The analysis below demonstrates the sensitivity to a reasonably possible change in the market value of the investment properties owned by the Group, with all other variables held constant.

2021	Market value €'000	Effect on income Increase/(decrease) €'000
Market value	851,855	
10% increase	937,041	85,186
10% decrease	766,670	(85,186)
2020		
Market value	761,012	
10% increase	837,113	76,101
10% decrease	684,911	(76,101)

iii. Cash flow and fair value interest rate risk

As the Partnership's interest-bearing assets do not generate significant amounts of interest, changes in market interest rates do not have any significant direct effect on the Partnership's income.

The Partnership's interest rate risk principally arises from long-term borrowings (note 11). Borrowings issued at variable rates expose the Partnership to cash flow interest rate risk. The Partnership has borrowings at fixed and variable rates, and so is exposed to interest rate risk.

The Partnership's policy is to fix or limit the interest rate on its variable interest borrowings. To manage this, the Partnership enters into interest rate swaps in which the Partnership agrees to exchange, at specified intervals, the difference between fixed and variable rate interest amounts calculated by reference to an agreed upon notional principal. At 31 December 2021, after taking into account the effect of interest rate swaps, 93% (2020 : 93%) of the Partnership's borrowings are at a fixed rate of interest.

Trade and other receivables and trade and other payables are interest free and with a term of less than one year, so it is assumed that there is no interest rate risk associated with these financial assets and liabilities. Trade receivables and payables (other than tenant deposits) are interest-free and have settlement dates within one year.

As of 31 December 2021, if interest rates had been 200 basis points higher (2020: 200 basis points higher) with all other variables held constant, post-tax profit for the year would have been €2.38m (2020: €0.88m) lower. If interest rates had been 200 basis points lower (2020: 200 basis points lower) with all other variables held constant, post-tax profit for the year would have been €2.38m (2020: €0.88m) higher.

The average effective interest rate on the Partnership's borrowings at the date of the statement of financial position was 1.19% (2020: 1.19%).

b. Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Partnership has no significant concentrations of credit risk. Credit risk arises from cash and cash equivalents held at banks, trade receivables, including rental receivables from lessees, rental guarantees and derivatives. Credit risk is managed on a group basis. The Partnership structures the levels of credit risk it accepts by placing limits on its exposure to a single counterparty, or groups of counterparties, and to geographical and industry segments. Such risks are subject to a quarterly or more frequent review. The Partnership has policies in place to ensure that rental contracts are entered into only with lessees with an appropriate credit history, but the Partnership does not monitor the credit quality of receivables on an ongoing basis.

Notes to the Consolidated and Partnership Financial Statements

Continued

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

	2021 €'000	2020 €'000
Financial trade receivables:		
- Rent receivables from lessees	4,391	8,161
- Impairment in respect of rent receivable from lessees	(273)	(1,597)
Cash and cash equivalents	67,390	142,024

Deposits refundable to tenants may be withheld by the Partnership in part or in whole if receivables due from the tenant are not settled or in case of other breaches of contract.

The fair value of cash and cash equivalents at 31 December 2021 and 31 December 2020 approximates the carrying value.

Cash as at 31 December 2021 was €33.7m (2020: €32.6m) and cash equivalents was €33.7m (2020:€109.4m).

c. **Liquidity risk**

Liquidity risk is the risk that the Partnership will encounter difficulties in realising assets or otherwise raising funds to meet financial commitments. The investment property in which the Partnership invests is illiquid. As a result, the Partnership may not be able to liquidate its investments in these properties quickly at an amount close to their fair value in order to meet its liquidity requirements.

The Group's liquidity position is monitored regularly by the Manager. The amounts disclosed in the tables below are the contractual undiscounted cash flows.

The maturity analysis of financial instruments at 31 December 2021 is as follows:

2021	On Demand €'000	From on demand to 12 months €'000	From 1 to 5 years €'000	Later than 5 years €'000	Total €'000
Assets					
Cash and cash equivalents	67,390	-	-	-	**67,390**
Derivative financial instruments	-	31	-	-	**31**
Trade and other receivables	8,053	-	-	-	**8,053**
Total Assets	75,443	31	-	-	**75,474**
Liabilities					
Bank borrowings	-	81,465	92,943	14,792	**189,200**
Derivative financial instruments	-	380	-	-	**380**
Trade and other payables	48,973	-	-	-	**48,973**
Rental deposits due to tenants	5,557	-	-	-	**5,557**
Total Liabilities	54,530	81,845	92,943	14,792	**244,110**

The maturity analysis of financial instruments at 31 December 2020 is as follows:

Notes to the Consolidated and Partnership Financial Statements

Continued

2020 Restated (Note 2.15)	On Demand €'000	From on demand to 12 months €'000	From 1 to 5 years €'000	Later than 5 years €'000	Total €'000
Assets					
Cash and cash equivalents	142,024	-	-	-	**142,024**
Derivative financial instruments	-	1	-	-	**1**
Trade and other receivables	8,438	-	-	-	**8,438**
Total Assets	150,462	1	-	-	**150,463**
Liabilities					
Bank borrowings	-	-	171,436	14,783	**186,219**
Derivative financial instruments	-	254	482	-	**736**
Trade and other payables	37,606	-	-	-	**37,606**
Rental deposits due to tenants	2,242	-	-	-	**2,242**
Total Liabilities	39,848	254	171,918	14,783	**226,803**

3.2 Capital risk management

The Partnership's objectives when managing capital are to safeguard the Partnership's ability to continue as a going concern in order to provide returns for the partners; and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Partnership may adjust the amount of distributions paid to partners, raise new funding from new or existing partners or sell assets to reduce debt.

The Partnership monitors capital on the basis of the loan to value ratio. This ratio is calculated as total borrowings divided by the Partnership Assets. Partnership Assets is calculated as the fair value of the investment properties (considering the best route of disposal either through the sale of the SPV structure or of the property at market value), cash and cash equivalents, other investments and any undrawn commitments from partners.

From 1 April 2015, the Partnership's strategy was to maintain a loan to value ratio of lower that 40%. The Partnership calculated the loan to value ratios at 31 December 2021 and at 31 December 2020 as follows:

	2021 €'000	2020 €'000
Total borrowings (excl deferred finance fees)	187,036	187,045
Fair value of property assets (unadjusted for incentives)	851,887	782,799
Cash and cash equivalents (excl tenant deposits)	61,833	139,782
Undrawn commitments	-	-
Partnership assets	913,720	922,581
Loan to value ratio	20%	20%

Notes to the Consolidated and Partnership Financial Statements

Continued

3.3 Fair value estimation

The table below analyses financial instruments carried at fair value, by valuation method. The different levels are defined as follows:

Level 1 - quoted prices (unadjusted) in active markets for identical assets or total liabilities.

Level 2 - Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).

Level 3 - Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

There were no transfers between levels 1 and 2 during the year. The Group's policy is to recognise transfers into and out of fair value hierarchy levels as of the date of the event or change in circumstances that caused the transfer.

	Level 1 €'000	Level 2 €'000	Level 3 €'000
Cash and cash equivalents	67,390	-	-
Derivative financial assets	-	31	-
Derivative financial liabilities	-	380	-

The Partnership's financial assets and liabilities as of 31 December 2020 were classified as follows:

	Level 1 €'000	Level 2 €'000	Level 3 €'000
Cash and cash equivalents	142,024	-	-
Derivative financial assets	-	1	-
Derivative financial liabilities	-	736	-

Financial instruments in level 2

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2. If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

Specific valuation techniques used to value financial instruments include:

- Quoted market prices or dealer quotes for similar instruments;
- The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows based on observable yield curves;
- The fair value of forward foreign exchange contracts is determined using forward exchange rates at the balance sheet date, with the resulting value discounted back to present value;

Notes to the Consolidated and Partnership Financial Statements

Continued

4. Critical accounting estimates and judgements

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

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

a. *Fair value of derivative and other financial instruments*

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

b. *Investment property*

The fair value of investment properties is determined by using valuation techniques. For further details of the judgements and assumptions made, see note 5.

c. *Taxation*

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

The deferred tax assets recognised at 31 December 2021 have been based on future profitability assumptions over a five-year horizon. In the event of changes to these profitability assumptions the tax assets recognised may be adjusted.

d. *Classification of a property*

The Partnership determines whether a property is classified as investment property or inventory property as follows:

- Investment property comprises land and buildings (principally offices, commercial and retail property) which are not occupied substantially for use by, or in the operations of, the Partnership, nor for sale in the ordinary course of business, but are held primarily to earn rental income and capital appreciation.
- Inventory comprises property that is held for sale in the ordinary course of business. Principally, this is a residential or industrial property that the Partnership develops and intends to sell before or on completion of construction.

e. *Property acquisitions and business combinations*

The Partnership acquires subsidiaries that own real estate properties. At the time of acquisition, the Partnership considers whether the acquisition represents the acquisition of a business. The Partnership accounts for an acquisition as a business combination where an integrated set of activities is acquired in addition to the property. More specifically, consideration is made with regard to the extent to which significant processes are acquired and, in particular, the extent of ancillary services provided by the Partnership (e.g. maintenance, cleaning, security, bookkeeping, hotel services, and the like).The significance of any process is judged with reference to the guidance in IAS 40 on ancillary services.

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

Notes to the Consolidated and Partnership Financial Statements

Continued

f. *Operating lease commitments - Partnership as lessor*

The Partnership has entered into commercial property leases on its investment property portfolio. The Partnership has determined that it retains all significant risks and rewards of ownership of the properties as the Partnership considered, among others, the length of the lease term as compared with the estimated life of the assets.

5. Investment Property

The movements in investment property fair values can be analysed as follows:

	2021 €'000	2020 €'000
Fair value as at 1 January	761,012	734,588
Acquisition of property	34,117	-
Subsequent expenditure	7,118	7,953
Disposal of property	(13,036)	-
Unrealised gain	62,840	18,308
Change in capitalised leasing costs	(219)	-
Currency translation	23	163
Assets held for sale at 31 December (excluding Assets held for sale)	(88,460)	-
Fair value as at 31 December	763,395	761,012

The following table reconciles the market value of the investment properties per the CBRE valuation report to the fair value:

	2021 €'000	2020 €'000
CBRE Market Value	872,067	781,404
Rent incentives receivable	(20,212)	(20,390)
Assets held for sale	(88,460)	-
Investment property per Consolidated Statement of Financial Position	**763,395**	**761,012**

Bank borrowings are secured on investment property with a market value of €588.8 million (2020: €534.6 million) (note 11).

Revenues are derived from a large number of tenants.

Notes to the Consolidated and Partnership Financial Statements

Continued

Valuation processes

The valuations were performed by CBRE Limited, an accredited independent valuer with a recognised and relevant professional qualification and recent experience of the location and sectors of the investment property being valued. For all investment properties, their current use equates to the highest and best use.

The Partnership appoints a suitable valuer (such appointment is reviewed on a periodic basis) to undertake a valuation of all the direct real estate investments on a quarterly basis. The valuation is undertaken in accordance with the then current RICS guidelines and requirements.

The Manager meets with the valuer on a quarterly basis to ensure the valuer is aware of all relevant information for the valuation and any change in the investment over the quarter. The Manager then reviews and discusses draft valuations with the valuer to ensure correct factual assumptions are made prior to the valuer issuing a final valuation report.

The fair value of completed investment property is determined using the income capitalisation method. The income capitalisation method is based on capitalising the net income stream at an appropriate yield. In establishing the net income stream the valuer has reflected the current rent payable to lease expiry, at which point the valuer has assumed that each unit will be re-let at their opinion of ERV. The valuer has made allowances for vacancies and rent free periods where appropriate, as well as deducting non recoverable costs where applicable. The appropriate yield is selected on the basis of the location of the building, its quality, tenant credit quality and lease terms amongst other factors.

The table below outlines the valuation inputs used to derive fair values for each location and class of investment property:

Country and sector	Fair Value 2021	Fair Value 2020	Key unobservable input	Range 2021 (Weighted average)	Range 2020 (Weighted average)
France - Office	233,435	199,031	Initial yield	0.00% to 3.10% (1.91%)	0.00% to 3.24% (2.14%)
			Reversionary yield	2.79% to 3.13% (2.88%)	2.91% to 3.56% (3.14%)
			Equivalent yield	2.65% to 3.06% (2.78%)	2.90% to 3.25% (3.04%)
			ERV per Sq.m	€645 to €794 (€751)	€615 to €785 (€744)
France - Distribution	38,300	32,100	Initial yield	3.97%	4.75%
			Reversionary yield	3.92%	4.67%
			Equivalent yield	3.90%	4.70%
			ERV per Sq.m	€ 42	€ 42
Belgium - Offices	29,240	28,076	Initial yield	3.81%	3.76%
			Reversionary yield	3.62%	3.67%
			Equivalent yield	3.65%	3.65%
			ERV per Sq.m	€ 179	€ 179
Germany - Distribution	86,921	79,971	Initial yield	3.41% to 3.70% (3.51%)	0.00% to 3.79% (2.42%)
			Reversionary yield	3.64% to 3.70% (3.66%)	3.89% to 3.90% (3.89%)
			Equivalent yield	3.60% to 3.70% (3.63%)	3.85% to 3.90% (3.87%)
			ERV per Sq.m	€43 to €76 (€65)	€43 to €73 (€63)
Germany - Office*	106,979	71,277	Initial yield	3.22%	3.46%
			Reversionary yield	3.80%	3.93%
			Equivalent yield	3.70%	3.85%
			ERV per Sq.m	€ 164	€ 158

Notes to the Consolidated and Partnership Financial Statements

Continued

Country and sector	Fair Value 2021	Fair Value 2020	Key unobservable input	Range 2021 (Weighted average)	Range 2020 (Weighted average)
Poland - Retail	-	13,301	Initial yield	0.00%	8.75%
			Reversionary yield	0.00%	15.54%
			Equivalent yield	0.00%	13.77%
			ERV per Sq.m	€ 0	€ 73
Poland - Distribution	29,694	26,607	Initial yield	6.02%	6.66%
			Reversionary yield	5.63%	6.29%
			Equivalent yield	5.50%	6.15%
			ERV per Sq.m	€ 44	€ 44
Spain - Hotel	38,476	37,174	Initial yield	5.55%	7.48%
			Reversionary yield	5.29%	5.40%
			Equivalent yield	5.30%	5.50%
			ERV per Sq.m	€ 289	€ 289
Netherlands - Office	66,394	70,919	Initial yield	3.62%	3.53%
			Reversionary yield	5.23%	4.93%
			Equivalent yield	3.94%	4.27%
			ERV per Sq.m	€ 291	287
Netherlands - Distribution	183,098	164,253	Initial yield	3.26% to 5.50% (3.98%)	3.68% to 5.56% (4.45%)
			Reversionary yield	3.31% to 4.59% (3.94%)	3.64% to 5.01% (4.40%)
			Equivalent yield	3.30% to 4.50% (3.87%)	3.65% to 5.04% (4.40%)
			ERV per Sq.m	€51 to €58 (€55)	€50 to €56 (€54)
Denmark - Retail	38,325	38,302	Initial yield	3.59%	4.00%
			Reversionary yield	3.25%	3.66%
			Equivalent yield	3.33%	3.47%
			ERV per Sq.m	€ 376	€ 377
Total fair value (including Assets held for sale)				818,361	761,012

* The yields are not available for East 6 as at 31 December 2021. The rates presented in the table refer only to Hanse Carre.

Sensitivity Analysis

The table below presents the sensitivity of the valuations to changes in the most significant assumption underlying the valuation of investment property. As the Investment Properties are valued using the Income Capitalisation method, we have performed sensitivity on the equivalent yield as this is the most significant assumption analysed.

Assumption	Movement	Effect on Valuation €'000
Equivalent Yield	+ 50 basis points	(98,037)
	- 50 basis points	131,102

Notes to the Consolidated and Partnership Financial Statements

Continued

6. Non-current assets classified as held for sale

As at 31 December 2021, the Partnership committed to sell investment property Eylau, 14 Avenue d'Eylau, Paris. Following management's assessment, the investment property in the entity EPGF France Real Estate has been considered to meet the criteria of non-current asset held for sale in accordance with IFRS 5 "Non-current assets held for sale and discontinued operations" and has been classified accordingly in the consolidated financial statements.

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. They are stated at the lower of the carrying amount and fair value less costs to sell unless the assets are investment properties measured at fair value or financial assets in the scope of IFRS 9 in which case they are measured in accordance with those standards.

The carrying amount of assets held for sale, as at 31 December 2021 approximate their fair value less costs to sell. As at 31 December 2021, non-current assets classified as held for sale amounted to €88.5m (2020: € nil).

7. Income Tax

	2021 €'000	2020 €'000
Current tax	1,320	1,004
Deferred tax	7,983	5,812
Witholding tax	6,818	2,747
Tax expense	**16,121**	**9,563**

As described in accounting policy 2.14, the tax charged to the Consolidated Statement of Comprehensive Income reflects tax rates applicable in the Partnership's consolidated subsidiaries.

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

	2021 €'000	2020 €'000
Profit before income tax	75,441	38,281
Tax at the domestic rates applicable to profits in the country concerned	9,478	6,473
Witholding tax	6,818	2,747
Tax effect of expenses that are not deductible / income that is not taxable	(175)	343
Tax expense	**16,121**	**9,563**

The weighted average applicable tax rate was 22% (2020: 21%).

Notes to the Consolidated and Partnership Financial Statements

Continued

The gross movement on the deferred tax account is as follows:

	2021 €'000	2020 €'000
Beginning of the year	34,841	29,018
Reclassification from current liabilities in prior year	26,105	-
Income statement charge	14,802	4,923
Effect of acquisitions and disposals	-	900
End of year	**75,748**	**34,841**

The movement in deferred tax assets and liabilities during the year is as follows:

Deferred tax assets

	Brought forward tax losses €'000	Other €'000	Total €'000
At 1 January 2020	4,699	168	4,867
Credited to the statement of other comprehensive income	(117)	19	(98)
At 31 December 2020	**4,582**	**187**	**4,769**
Credited to the statement of other comprehensive income	406	(94)	312
At 31 December 2021	**4,988**	**93**	**5,081**

Deferred tax liabilities

	Unrealised gain on investment property €'000	Other €'000	Total €'000
At 1 January 2020	33,833	52	33,885
Charged to the statement of other comprehensive income	4,825	-	4,825
Effect of acquisitions and disposals	900	-	900
At 31 December 2020	**39,558**	**52**	**39,610**
Reclassification from current liabilities in prior year	26,105	-	26,105
Charged to the statement of other comprehensive income	15,160	(46)	15,114
Effect of acquisitions and disposals	-	-	-
At 31 December 2021	**80,823**	**6**	**80,829**

Deferred tax asset and deferred tax liabilities are not off set in the statement of financial positions. There are no other significant unrecognised deferred tax assets or liabilities.

An amount of £32.9m for irrecoverable withholding tax that would be paid upon realisation of the investment property at its carrying amount and remittance of the proceeds to the Partnership is included in deferred taxation liabilities. In the prior year the corresponding amount of £26.1m was classified as a current taxation liability. The comparative has not been represented as it is not considered material.

Notes to the Consolidated and Partnership Financial Statements

Continued

8. Cash and cash equivalents

Consolidated	2021 €'000	2020 €'000
Cash	33,731	32,577
Cash equivalents - Invested in the Standard Life Investments Liquidity Fund Plc EURO CNAV Sub Fund	33,659	109,447
Cash and cash equivalents	**67,390**	**142,024**

Partnership - LP Only	2021 €'000	2020 €'000
Cash	2,338	712
Cash equivalents - Invested in the Standard Life Investments Liquidity Fund Plc EURO CNAV Sub Fund	33,659	109,447
Cash and cash equivalents	**35,997**	**110,159**

9. Trade and other receivables

Non-current assets	2021 €'000	2020 €'000
Trade receivables:		
- Lease incentive receivables	17,841	17,333
Other receivables due over one year:		
- Rental guarantees and others	32	-
Non-current trade and other receivables	**17,873**	**17,333**

Current assets	2021 €'000	2020 €'000
Trade receivables:		
- Rent and service charge receivables from tenants	4,391	8,161
- Lease incentive receivables	2,371	3,057
Less: Provision for impairment of trade receivables	(273)	(1,597)
Trade receivables, net of provision for impairment	6,489	9,621
Other receivables due within one year:		
- VAT recoverable	804	290
- Other taxes receivable	361	408
- Other	2,737	1,177
Current trade and other receivables	**10,391**	**11,496**

Notes to the Consolidated and Partnership Financial Statements

Continued

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

There is no significant concentration of credit risk with respect to trade receivables, as the Partnership has a large number of tenants, internationally dispersed.

The Partnership has recognised a loss relating to the impairment of its trade receivables of €0.37m (2020: €1.5m).

The individually impaired receivables are over three months past due and mainly relate to rental income at the Netherlands offices and Hamburg offices. A provision is recognised for amounts not expected to be recovered. Movements in the accumulated impairment losses on trade receivables were as follows:

	2021 €'000	2020 €'000
Accumulated impairment losses at 1 January	1,597	622
Additional impairment losses during the year, net	96	1,416
Amounts written off during the year as uncollectible	275	87
Amounts paid during the year	(1,190)	(528)
Turawa disposal	(506)	-
Effect of translation to presentation currency	1	0
Accumulated impairment losses at 31 December	**273**	**1,597**

10. Derivative financial instruments

		2021		2020
	Assets €'000	Liabilities €'000	Assets €'000	Liabilities €'000
Interest rate swap	31	361	1	719
Floor	-	19	-	17
Total	**31**	**380**	**1**	**736**

The Partnership does not apply hedge accounting in accordance to IFRS 9. Nevertheless, interest rate swaps and forward exchange contracts are part of economic hedge relationships. Interest rate swaps are used to fix the interest payments of variable debt instruments. Forward exchange contracts are used to hedge forecast transactions and foreign currency borrowings against foreign currency risks.

The notional principal amounts of the outstanding interest rate swap and floor contracts at 31 December 2021 were €39.6m (2020: €39.6m) and €39.6m (2020: €39.6m) respectively. The fair value gain on derivative financial instruments amounts to €0.39m (2020: loss €0.15m).

Notes to the Consolidated and Partnership Financial Statements

Continued

11. Borrowings

Non-current	2021 €'000	2020 €'000
Bank borrowings with Aareal (a)	-	79,838
Bank borrowings with ING (b)	52,008	51,912
Bank borrowings with Berlin Hyp AG (c)	29,957	29,942
Bank borrowings with BRFkredit (d)	14,708	14,715
Bank borrowings with Postbank (e)	9,862	9,812
Total non-current borrowings	**106,535**	**186,219**

Current	2021 €'000	2020 €'000
Bank borrowings with Aareal (a)	79,991	-
Total current borrowings	**79,991**	-

The fair value of bank borrowings as at 31 December 2021 was €184,188,000 (2020: €182,871,000). Calculated using the discounted cash flow method.

a. The balance relates to a bank loan facility with Aareal Bank with an agreed limit of €80.1 million. As at 31 December 2021 all of the facility had been drawn down. The repayment date of the facility is 8 July 2022. The fixed rate is 0% and the margin 1.40%.

b. The balance relates to amounts drawn under a bank loan facility with ING bank with an agreed limit of € 52.2m. As at 31 December 2021 all of the facility had been drawn down. The loan matures in November 2023 and has an effective interest rate of 1.20%. The loan is secured by means of mortgages over the properties, pledges over the shares of EPGF (NL) Logistics BV,EPGF Neuss Logistics Sarl and EPGF Zaltbommel Sarl as well as pledges over (1) bank accounts, (2) insurance receivables and (3) intercompany loan receivables.

c. The balance relates to amounts drawn down under a bank loan facility with Berlin Hyp with an agreed limit of €30.0m. The loan is secured by means of a fixed legal charge over shares in EPGF (NL) Amsterdam Cooperative U.A, its bank accounts and its investment property. Amounts drawn down bear an effective interest rate of 0.95%. The expiry date of the loan is 5 December 2024.

d. The balance relates to amounts drawn down under a bank loan facility with BRFkredit with an agreed limit of 110,000,000 DKK. The loan is secured by means of a fixed legal charge over shares in EPGF F16 ApS, its bank accounts and the investment property it owns. Current effective interest rate of the loan is 0.44% which is fixed until 1 October 2022. There are no loan capital repayments. The full balance of the loan is due to be repaid in October 2046.

e. The balance relates to amounts drawn down under a bank loan facility with Postbank with an agreed limit of €10.0m. The loan was secured by means of a fixed legal charge over shares in EPGF Lambres Logistics SCI, its bank accounts and investment property it owns. Amounts drawn down bear an effective interest rate of 1.27% inclusive of a margin of 1.10%. The facility maturity date is 30 September 2024.

Notes to the Consolidated and Partnership Financial Statements

Continued

12. Trade and other payables

	2021 €'000	Restated 2020 (Note 2.15) €'000
Financial liabilities:		
- Trade payables	3,334	3,799
- Accruals	7,036	3,673
- Priority profit share payable	3,401	1,895
- Taxation payable	1,159	27,025
- Other financial liabilities	1,120	1,214
Non-financial liabilities		
- Prepaid rental income	4,536	4,190
- Salary, social security and related taxes	15	16
Trade and other payables	**20,601**	**41,812**

The estimated fair values of the above financial liabilities are the discounted amounts of the estimated future cash flows expected to be received and approximate their carrying amounts.

The provision for WHT has been reclassified from current liabilities to non-current liabilities in the year.

13. Rental income

	2021 €'000	2020 €'000
Rental income	31,181	29,311
Service charge income	4,497	4,264
Total	**35,678**	**33,575**

The future aggregate minimum rentals receivable under non-cancellable operating leases are as follows:

	2021 €'000	2020 €'000
Less than one year	31,170	31,933
One to two years	26,026	26,525
Two to three years	23,402	22,057
Three to four years	21,627	19,859
Four to five years	19,293	18,109
More than five years	151,340	153,992
Total	**272,858**	**272,475**

Notes to the Consolidated and Partnership Financial Statements

Continued

14. Rental expenses

	2021 €'000	2020 €'000
Expenses recoverable from tenants	4,497	4,264
Vacancy costs	867	1,191
Repairs and maintenance	510	762
Real estate taxes	580	612
Non recoverable service charges	590	544
Property management fees	440	374
Insurance costs	211	239
Utilities	46	52
Legal fees	40	46
Others	(58)	1,337
Total	**7,723**	**9,421**

15. Administrative expenses

	2021 €'000	2020 €'000
Accounting fees	695	757
Administration fees	667	656
Legal fees	309	572
Bank charges	134	270
Tax Advisory fees	145	261
Audit fees	244	162
Consultancy fees	278	120
Directors fees	37	83
Office and Communication expenses	10	11
Other expenses	1,039	153
Administrative expenses	**3,558**	**3,045**

Of the audit fees in the above table, €0.20m are related to the financal year 2021 (2020: €0.16m).

16. Employee benefits expense

	2021 €'000	2020 €'000
Wages and salaries	35	73
Social security costs	4	9
Total	**39**	**82**

Notes to the Consolidated and Partnership Financial Statements

Continued

17. Finance income and costs

	2021 €'000	2020 €'000
Interest expense on bank borrowings	2,057	2,482
Net expense on interest rate swaps	263	209
Amortisation of deferred borrowing costs	387	503
Interest expense on short term deposits	542	336
Finance costs	**3,249**	**3,530**
Interest income on loan to joint venture	-	113
Finance income	**-**	**113**
Finance costs - net	**3,249**	**3,417**

18. Subsidiaries

The Partnership invests in property using a corporate structure which includes the following direct subsidiaries and indirect subsidiaries:

	Country of Incorporation	Address of the registered office	Group % Holding	Local Currency	Number of Shares	Nominal Value	Share premium	Total
Direct subsidiaries								
EPGF (Luxembourg) Sarl	Luxembourg	35a, avenue John F. Kennedy L-1855 Luxembourg	100%	EUR	422,000	10,550,000	77,040,894	87,590,894
Pemberton Sarl	Luxembourg	35a, avenue John F. Kennedy L-1855 Luxembourg	100%	EUR	282	35,250	81,383,372	81,418,622
Indirect subsidiaries								
EPGF Pliening Property Sarl	Luxembourg	35a, avenue John F. Kennedy L-1855 Luxembourg	100%	EUR	240,500	6,012,500	-	6,012,500
EPGF Sky Logistics Sarl	Luxembourg	35a, avenue John F. Kennedy L-1855 Luxembourg	94.9%	EUR	100	12,500	-	12,500
EPGF Neuss Logistics Sarl	Luxembourg	35a, avenue John F. Kennedy L-1855 Luxembourg	100%	EUR	1,076	26,900	7,610,000	7,636,900
EPGF (Hamburg No 1) Sarl	Luxembourg	35a, avenue John F. Kennedy L-1855 Luxembourg	100%	EUR	12,501	12,501	10,280,999	10,293,500

Notes to the Consolidated and Partnership Financial Statements

Continued

	Country of Incorporation	Address of the registered office	Group % Holding	Local Currency	Number of Shares	Nominal Value	Share premium	Total
EPGF Elm Park Sarl	Luxembourg	35a, avenue John F. Kennedy L-1855 Luxembourg	100%	EUR	12,500	3,542,500	6,255,340	9,797,840
EPGF Lambres Logistics SCI	France	c/o Citco France 8 avenue Hoche 75008 Paris	100%	EUR	100	100,000	-	100,000
EPGF France Investments SPPICAV	France	La Francaise, 128 boulevard Raspail 75006 Paris	100%	EUR	928,198	92,819,800	-	92,819,800
EPGF France Real Estate Eurl[1]	France	c/o Citco France 8 avenue Hoche 75008 Paris	100%	EUR	51,354	5,135,400	-	5,135,400
Crown Building SA[1]	Belgium	c/o Citco Belgium NV Boulevard Louis Schmidt 87 1040 Bruxelles	100%	EUR	21,250	526,774	-	526,774
Ramirez (EPGF) SL	Spain	c/o Auxadi C/ Nanclares de Oca 1 B 28022 Madrid	100%	EUR	13,926,499	13,926,499	21,063,000	34,989,499
EPGF (NL) Logistics BV	Netherlands	c/o Citco Nederland B.V. Naritaweg 165 1043 BW Amsterdam The Netherlands	100%	EUR	1	1	10,606,659	10,606,660
EPGF (NL) Amsterdam Cooperatieve U.A.	Netherlands	c/o Citco Nederland B.V. Naritaweg 165 1043 BW Amsterdam The Netherlands	100%	EUR	-	7,178,000	-	7,178,000
EPGF Zaltbommel SARL	Luxembourg	35a, avenue John F. Kennedy L-1855 Luxembourg	100%	EUR	12,000	12,000	4,560,000	4,572,000
EPGF Industrial Center 54 SP z.o.o.	Poland	c/o New Business Solutions sp. z o. o. Piękna 18 00-549 Warsaw Poland	100%	PLN	50	5,000	-	5,000
EPGF F16 ApS	Denmark	c/o Citco (Denmark) ApS, Holbergsgade 14, 2. tv., 1057 København	100%	DKK	51,000	51,000	69,949,000	70,000,000
EPGF Atalayuela SL	Spain	C/ Pinar 7, 5° Izda- 28006 Madrid	100%	100%	1,303,000	1,303,000	840,493	2,143,493

In respect of Loans to group undertakings Interest receivable by the Limited Partnership is €14.9m (2020: €18.2m)

[1] Denotes companies which are party to the Aareal debt facility - see note 11.
EPGF (Nederland) 1 BV has been merged into Pemberton Sarl during the year.
EPGF (Nederland) 2 BV has been merged into Pemberton Sarl during the year.
73 Serrano (Nederland) BV has been merged into Pemberton Sarl during the year.
Turawa Park SP z.o.o. has been disposed during the year.
EPGF Atalayuela has been acquired during the year.

Notes to the Consolidated and Partnership Financial Statements

Continued

Investment in and Loans to Subsidiaries

	Shares in direct subsidiaries €'000	Loans to group undertakings €'000
Cost		
At beginning of year	91,969	369,088
Additions	-	36,018
Disposals (inc repurchases)	-	(24,308)
At end of year	**91,969**	**380,798**

In respect of Loans to group undertakings Interest receivable by the Limited Partnership is €14.9m (2020: €18.2m).

19. Disposal of subsidiary undertakings

In 2021 the Fund disposed of an investment property (Turawa) via the sale of its holding in a subsidiary undertaking for a consideration of €14.8m, recognising a loss of €1.2m.

20. Contingencies and commitments

During 2018 major renovation works occurred at Crown Building in Belgium. As at 31 December 2021 there were €160k of these works outstanding.

During 2019 the tenant at Eylau left and the Fund committed to major renovation works at the property. At 31 December 2021 there remained €4.2m of these works outstanding.

At 31 December 2021, EPGF (NL) Logistics BV was committed to a €1m tenant contribution in respect of the building at Tilburg, the Netherlands.

During 2021 EPGF Atalayuela signed a forward purchase contract to purchase (for a maximum €26.1m) a logistics last mile asset in Madrid (Spain), subject to completion of capital works.

During 2021 EPGF France Real Estate committed to sell the office asset Eylau in Paris (France), subject to practical completion of refurbishment works and the tenant taking occupation of the property.

21. Related Parties

The Limited Partnership Deed provides that Standard Life Investments (General Partner EPGF) Limited shall act as General Partner to the Fund. The General Partner is a wholly owned subsidiary of abrdn Investment Management Limited, which in turn is a wholly owned subsidiary of abrdn plc.

Amounts paid and payable to the General Partner are disclosed in the Consolidated Statement of Changes in Net Assets attributable to the partners.

The Priority Profit Share earned in respect of 2021 was €7.2m (2020: €7.5m). The amount unpaid as at 31 December 2021 was €3.4m (2020: €1.9m)

The Manager, Aberdeen Standard Alternative Funds Limited is a wholly owned subsidiary of abrdn Investment Management Limited. The Manager receives a management fee from the General Partner in relation to its activity as Manager of the Fund.

The fee earned in respect of 2021 was €7.2m (2020: €7.5m). The amount unpaid as at 31 December 2021 was €3.4m (2020: €1.9m).

At 31 December 2021, the Partnership had €33.7m invested in the Standard Life Investments Liquidity Fund Plc EURO CNAV Sub Fund (2020: €109m). This fund is an open-ended umbrella investment company with variable capital and segregated liability between sub-funds. The fund is managed by the Partnership's Asset Manager, abrdn Investment Management Limited.

Notes to the Consolidated and Partnership Financial Statements

Continued

At 31 December 2021, the Partnership had €0.03m (2020: € nil) receivable balance with Aberdeen Standard Investments Luxembourg Corporate Manager S.à r.l. which relates to refundable advances. These advances are refundable when the entities are no longer party to the ASILMC management agreement e.g. upon liquidation.

Transactions between entities within the Partnership's structure have been eliminated on consolidation and are not disclosed in this note.

22. Events after the date of the statement of financial position

Post the Balance Sheet date, on 24th February 2022, Russia launched a military offensive against Ukraine resulting in widespread sanctions on Russia and heightened security and cyber threats.

As at the date of the report the Fund did not hold any assets in Ukraine or Russia. The Fund's key suppliers do not have operations pertaining to the Fund in Ukraine or Russia.

The situation in the region is rapidly evolving and the General Partner and the Manager continue to monitor the situation carefully and will take whatever steps are necessary and in the best interests of the Fund's Investors. This includes but is not limited to ensuring that the requirements of all international sanctions are adhered to, managing the assets of the Fund proactively to best mitigate risk and ensuring that the Manager and other key suppliers continue to operate all protections, protocols and monitoring of heightened cyber threats. At the time of writing, there is not expected to be any significant long term adverse impact from the conflict in Ukraine on the assets, operational activities, processes and procedures of the Fund.

23. Profits of the Limited Partnership

Aberdeen Standard European Property Growth Fund LP ("The Limited Partnership", formerly Standard Life Investments European Property Growth Fund LP) recognised a loss of €0.6m for the year (2020: loss of €0.3m). There was no impairment of the cost of investment and loans to subsidiaries recognised in 2021(2020: impairment decrease of €13.3m).The General Partner has taken exemption under section 408 of the Companies Act 2006 and has not presented a Statement of Comprehensive Income for the Limited Partnership alone.

Unaudited Reconciliation to Manager's Adjusted INREV Net Asset Value

	2021 €'000	Restated 2020 (Note 2.15) €'000
Net assets attributable to partners per IFRS balance sheet	**658,345**	**665,675**
Revaluation to fair value of savings of purchaser's costs such as transfer taxes [1]	5,277	5,537
Revaluation to fair value of investment property held for sale [2]	(100)	-
Latent capital gains tax discounts [3]	(2,977)	(2,737)
Deferred tax liabilities on unrealised gains not likely to crystallise [3]	23,774	19,858
Deferred tax assets not likely to be utilised due to a sale of shares[3]	(1,250)	(1,209)
Revaluation to fair value of financial assets and financial liabilities (interest rate derivatives) [4]	346	731
Deferred tax on the revaluation of interest rate derivatives [4]	(49)	(142)
Manager's adjusted INREV net assets attributable to limited partners	**683,366**	**687,713**

[1] Transfer taxes and purchaser's costs which would be incurred by the purchaser when acquiring a property are generally deducted when determining the fair value of investment properties under IFRS. INREV guidelines require that the effect of an intended sale of shares of a property owning fund, rather than the property itself, should be taken into account when determining the amount of the deduction of transfer taxes and purchaser's costs, to the extent this saving is expected to accrue to the seller when the property is sold. This adjustment represents the positive impact on the NAV of the possible reduction of the transfer taxes and purchaser's costs for the benefit of the seller based on the expected sale of shares of the property owning investment fund. In calculating this adjustment, the current fund structure and prevailing market conditions are taken into account.

[2] INREV NAV requires that non-current assets classified as Held For Sale be measured at the lower of carrying amount and fair value less costs to sell. This adjustment represents the deduction of sales costs for assets Held For Sale to arrive at the INREV NAV.

[3] Under IFRS, deferred tax assets and liabilities are measured at the nominal statutory tax rate. The manner in which the fund expects to realise deferred tax (for example, for investment properties through share sales rather than direct property sales) is not taken into consideration. This adjustment represents the impact on the NAV of the difference between the amount determined in accordance with IFRS and the estimate of deferred tax which takes into account the expected manner of settlement as required under INREV (e.g. when tax structures and the intended method of disposals or settlement of assets and liabilities have been applied to reduce the actual tax liability).

[4] This relates to interest rate derivative contracts which are required to be held at fair value under IFRS. The Manager believes that by recording a fair value adjustment and marking the interest rate derivative contracts to market there is unnecessary volatility created in the NAV and in performance. EPGF intends to hold its interest rate derivative contracts to maturity (also the maturity of the associated debt), at which point any fair value adjustment will have reduced to zero.

The Limited Partnership, General Partner, Manager and Advisers

The Limited Partnership

Aberdeen Standard European Property Growth Fund LP

Bow Bells House, 1 Bread Street
London, EC4M 9HH
England

General Partner

Standard Life Investments (General Partner EPGF) Limited

1 George Street
Edinburgh
EH2 2LL

Directors:

Steven Brian Crayford Barton
Douglas Scott Carrie
Cameron Shaun Murray
Neil Andrew Slater

Company Secretary:

abrdn Corporate Secretary Limited

Manager

Aberdeen Standard Alternative Funds Limited

1 George Street
Edinburgh, EH2 2LL
Scotland

Asset Manager

abrdn Investment Management Limited

1 George Street,
Edinburgh, EH2 2LL
Scotland

Independent Auditor

KPMG LLP

15 Canada Square,
Canary Wharf,
London,
E14 5GL

Depositary

Citibank UK Limited

Citigroup Centre, Canada Square, Canary Wharf,
London, E14 5LB
England

Legal Adviser

CMS Cameron McKenna Nabarro Olswang LLP

Cannon Place,
78 Cannon Street,
London, EC4N 6AF
United Kingdom

Tax Advisers

Deloitte LLP

2 New Street Square,
London EC4A 3BZ
United Kingdom

abrdn and You

John Danes
Investment Specialist - Real Estate
john.danes@abrdn.com
+44 20 7463 6740

Andrew Gellatly
Head of Private Markets Client Service
Andrew.Gellatly@abrdn.com
+44 (0) 131 372 2257

Craig Lauder
Client Manager
Craig.Lauder@abrdn.com
+44 (0) 131 372 1939

Important Information

The value of investments and the income from them can go down as well as up and investors may get back less than the amount invested. Past performance is not a guide to future returns.

Issued by Aberdeen Standard Alternative Funds Limited. Authorised and regulated by the Financial Conduct Authority in the United Kingdom. Registered in Scotland (SC111488) 1 George Street, Edinburgh, EH2 2LL.

Any data contained herein which is attributed to a third party ("Third Party Data") is the property of (a) third party supplier(s) (the "Owner") and is licensed for use by Standard Life Aberdeen*. Third Party Data may not be copied or distributed. Third Party Data is provided "as is" and is not warranted to be accurate, complete or timely. To the extent permitted by applicable law, none of the Owner, Standard Life Aberdeen* or any other third party (including any third party involved in providing and/or compiling Third Party Data) shall have any liability for Third Party Data or for any use made of Third Party Data. Neither the Owner nor any other third party sponsors, endorses or promotes the fund or product to which Third Party Data relates.

*Standard Life Aberdeen means the relevant member of the Standard Life Aberdeen group, being Standard Life Aberdeen plc together with its subsidiaries, subsidiary undertakings and associated companies (whether direct or indirect) from time to time.

Source: MSCI. The MSCI information may only be used for your internal use, may not be reproduced or redisseminated in any form and may not be used as a basis for or a component of any financial instruments or products or indices. None of the MSCI information is intended to constitute investment advice or a recommendation to make (or refrain from making) any kind of investment decision and may not be relied on as such. Historical data and analysis, should not be taken as an indication or guarantee of any future performance analysis forecast or prediction. The MSCI information is provided on an 'as is' basis and the user of this information assumes the entire risk of any use made of this information. MSCI, each of its affiliates and each other person involved in or related to compiling, computing or creating any MSCI information (collectively, the 'MSCI' Parties) expressly disclaims all warranties (including without limitation, any warranties of originality, accuracy, completeness, timeliness, non-infringement, merchantability and fitness for a particular purpose) with respect to this information. Without limiting any of the foregoing, in no event shall any MSCI Party have any liability for any direct, indirect, special, incidental, punitive, consequential (including, without limitation, lost profits) or any other damages (www.msci.com).

Calls may be monitored and/or recorded to protect both you and us and help with our training.

www.aberdeenstandard.com

For more information visit abrdn.com